

**TECO ELECTRIC & MACHINERY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2025 AND 2024**

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To TECO Electric & Machinery Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Teco Electric & Machinery Co., Ltd. and subsidiaries (the “Group”) as at March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As described in Notes 4(3) and 6(7) to the consolidated financial statements, the financial statements of certain consolidated subsidiaries and investees accounted for under the equity method were not reviewed by independent auditors. Those statements reflect total assets (including investments accounted for under the equity method) of NT\$26,466,209 thousand and NT\$23,723,242 thousand, constituting 21% and 19% of consolidated total assets as of March 31, 2025 and 2024, respectively, total liabilities (including credit balance of investments accounted for under the equity method) of NT\$5,968,434 thousand and NT\$4,789,774 thousand, constituting 12% and 10% of consolidated total liabilities as of March 31, 2025 and 2024, respectively, and total comprehensive income (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for under the equity method) of NT\$290,224 thousand and NT\$125,571 thousand, constituting 17% and (12%) of the consolidated total comprehensive income (loss) for the three-month periods then ended, respectively. These amounts and the related information disclosed in Note 13 were based on the unreviewed financial statements of such consolidated subsidiaries and investee companies.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investees accounted for under the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash

flows for the three-month periods then ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Hsu, Sheng-Chung

Tu, Chan-Yuan

For and on behalf of PricewaterhouseCoopers, Taiwan

May 14, 2025

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

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1) and 8	\$ 27,267,580	21	\$ 26,055,287	21	\$ 25,132,695	20
1110	Current financial assets at fair value through profit or loss	6(2)	25,001	-	24,058	-	27,298	-
1120	Current financial assets at fair value through other comprehensive income	6(3)	282,267	-	302,648	-	344,570	-
1139	Current financial assets for hedging	6(16)	-	-	5,887	-	3,992	-
1140	Current contract assets		5,206,218	4	5,010,143	4	3,724,859	3
1150	Notes receivable, net	6(5) and 8	706,649	1	715,559	1	781,031	1
1160	Notes receivable - related parties	7	229	-	21	-	174	-
1170	Accounts receivable, net	6(5)	9,454,041	7	9,343,241	8	10,970,744	9
1180	Accounts receivable - related parties	7	215,929	-	203,543	-	193,545	-
1200	Other receivables		385,443	-	370,450	-	363,782	-
1210	Other receivables - related parties	7	68,671	-	76,774	-	29,700	-
130X	Inventories, net	6(6)	14,747,603	12	13,482,866	11	11,671,382	9
1410	Prepayments		1,009,019	1	890,288	1	806,387	1
1460	Non-current assets or disposal groups classified as held for sale, net	6(12)	-	-	292,198	-	-	-
1470	Other current assets	6(1) and 8	553,697	1	493,129	-	451,544	-
11XX	Total current assets		<u>59,922,347</u>	<u>47</u>	<u>57,266,092</u>	<u>46</u>	<u>54,501,703</u>	<u>43</u>
Non-current assets								
1510	Non-current financial assets at fair value through profit or loss	6(2)	2,945,231	2	2,998,980	2	3,478,650	3
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 8	22,624,212	18	22,721,250	18	27,566,379	22
1535	Non-current financial assets at amortised cost, net	6(4) and 8	167,932	-	109,788	-	95,917	-
1550	Investments accounted for under the equity method	6(7) and 7	3,601,919	3	3,560,452	3	3,546,992	3
1600	Property, plant and equipment, net	6(8) and 8	20,678,507	16	20,312,637	16	19,881,619	16
1755	Right-of-use assets	6(9) and 8	7,438,431	6	7,498,397	6	7,519,656	6
1760	Investment property, net	6(10)	3,188,468	2	3,186,269	3	3,295,404	2
1780	Intangible assets	6(11)	5,873,232	5	4,874,016	4	4,891,453	4
1840	Deferred income tax assets	6(31)	1,277,487	1	1,228,081	1	1,242,741	1
1900	Other non-current assets	6(13)	367,346	-	554,155	1	446,892	-
15XX	Total non-current assets		<u>68,162,765</u>	<u>53</u>	<u>67,044,025</u>	<u>54</u>	<u>71,965,703</u>	<u>57</u>
1XXX	Total assets		<u>\$ 128,085,112</u>	<u>100</u>	<u>\$ 124,310,117</u>	<u>100</u>	<u>\$ 126,467,406</u>	<u>100</u>

(Continued)

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	March 31, 2025		December 31, 2024		March 31, 2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities							
2100 Short-term borrowings	6(14) and 8	\$ 1,237,636	1	\$ 1,137,121	1	\$ 1,202,704	1
2120 Current financial liabilities at fair value through profit or loss	6(15)	1,410	-	1,305	-	310	-
2130 Current contract liabilities	6(25)	2,140,496	2	2,075,068	2	2,205,554	2
2150 Notes payable		671,350	-	648,309	-	543,582	-
2160 Notes payable - related parties	7	123	-	466	-	335	-
2170 Accounts payable		9,664,409	8	9,479,935	8	8,389,736	7
2180 Accounts payable - related parties	7	56,166	-	56,107	-	29,680	-
2200 Other payables	6(17)	11,078,630	9	6,148,768	5	10,757,014	9
2230 Current income tax liabilities	6(31)	847,730	1	679,980	1	1,181,121	1
2250 Provisions for liabilities - current		407,027	-	410,738	-	429,111	-
2260 Liabilities related to non-current assets or disposal groups classified as held for sale	6(12)	-	-	27,770	-	-	-
2280 Current lease liabilities		638,134	-	608,975	-	531,468	-
2320 Long-term liabilities, current portion	6(18)(19) and 8	5,314,199	4	6,260,101	5	1,227,303	1
2399 Other current liabilities, others		963,170	1	961,762	1	834,638	1
21XX Total current liabilities		<u>33,020,480</u>	<u>26</u>	<u>28,496,405</u>	<u>23</u>	<u>27,332,556</u>	<u>22</u>
Non-current liabilities							
2530 Corporate bonds payable	6(18)	-	-	-	-	5,000,000	4
2540 Long-term borrowings	6(19) and 8	6,528,770	5	4,534,475	4	3,014,114	2
2550 Provisions for liabilities - non-current		90,761	-	88,413	-	242,135	-
2570 Deferred income tax liabilities	6(31)	2,837,887	3	2,557,785	2	2,767,688	2
2580 Non-current lease liabilities		5,316,150	4	5,411,415	4	5,357,570	4
2600 Other non-current liabilities	6(7)(20)	1,546,131	1	1,548,571	1	1,958,621	2
25XX Total non-current liabilities		<u>16,319,699</u>	<u>13</u>	<u>14,140,659</u>	<u>11</u>	<u>18,340,128</u>	<u>14</u>
2XXX Total liabilities		<u>49,340,179</u>	<u>39</u>	<u>42,637,064</u>	<u>34</u>	<u>45,672,684</u>	<u>36</u>
Equity attributable to owners of parent							
3110 Share capital	6(21)						
Common stock		21,387,966	17	21,387,966	17	21,387,966	17
Capital surplus	6(22)						
3200 Capital surplus		9,673,749	7	9,616,391	7	9,682,864	7
Retained earnings	6(23)						
3310 Legal reserve		8,863,669	7	8,863,669	7	8,237,099	6
3320 Special reserve		3,640,779	3	3,640,779	3	3,640,779	3
3350 Unappropriated retained earnings		19,381,933	15	23,089,108	19	18,850,332	15
Other equity interest	6(24)						
3400 Other equity interest		10,075,062	8	9,396,006	8	13,067,011	11
3500 Treasury stocks	6(21)	(620,067)	(1)	(511,710)	-	(511,710)	-
31XX Equity attributable to owners of the parent		<u>72,403,091</u>	<u>56</u>	<u>75,482,209</u>	<u>61</u>	<u>74,354,341</u>	<u>59</u>
36XX Non-controlling interest	6(35)	6,341,842	5	6,190,844	5	6,440,381	5
3XXX Total equity		<u>78,744,933</u>	<u>61</u>	<u>81,673,053</u>	<u>66</u>	<u>80,794,722</u>	<u>64</u>
Significant contingent liabilities and unrecognized contract commitments	9						
Significant events after the balance sheet date	11						
3X2X Total liabilities and equity		<u>\$ 128,085,112</u>	<u>100</u>	<u>\$ 124,310,117</u>	<u>100</u>	<u>\$ 126,467,406</u>	<u>100</u>

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Three-month periods ended March 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(9)(10)(25) and 7	\$ 13,617,166	100	\$ 13,729,598	100
5000	Operating costs	6(6)(8)(9)(20)(30)				
		and 7	(10,326,432)	(76)	(10,172,677)	(74)
5900	Net operating margin		3,290,734	24	3,556,921	26
5910	Unrealized profit from sales		(8,965)	-	(11,193)	-
5920	Realized profit from sales		10,953	-	10,419	-
5950	Net operating margin		3,292,722	24	3,556,147	26
	Operating expenses	6(8)(9)(20)(30)				
6100	Selling expenses		(1,174,826)	(8)	(1,055,892)	(8)
6200	General and administrative expenses		(658,718)	(5)	(625,726)	(4)
6300	Research and development expenses		(278,525)	(2)	(244,145)	(2)
6450	Expected credit impairment profits	12(2)	3,187	-	3,661	-
6000	Total operating expenses		(2,108,882)	(15)	(1,922,102)	(14)
6900	Operating profit		1,183,840	9	1,634,045	12
	Non-operating income and expenses					
7100	Interest income	6(4)(26) and 7	163,945	1	175,870	1
7010	Other income	6(3)(10)(27) and 7	86,403	1	107,612	1
7020	Other gains and losses	6(2)(15)(28)	271,728	2	(76,844)	-
7050	Finance costs	6(9)(29)	(95,183)	(1)	(90,022)	(1)
7060	Share of profit of associates and joint ventures accounted for under the equity method	6(7)	32,183	-	19,220	-
7000	Total non-operating income and expenses		459,076	3	135,836	1
7900	Profit before income tax		1,642,916	12	1,769,881	13
7950	Income tax expense	6(31)	(439,829)	(3)	(482,924)	(3)
8200	Profit for the period		\$ 1,203,087	9	\$ 1,286,957	10

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TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Three-month periods ended March 31			
		2025		2024	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive loss, before tax, actuarial losses on defined benefit plans	6(20)			
			(\$ 7,251)	-	(\$ 3,524)
8316	Unrealized losses on valuation of investments measured at fair value through other comprehensive income	6(3)	(189,041)	(2)	(3,031,891)
8320	Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(10,731)	-	(177)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(207,023)	(2)	(3,035,592)
Other comprehensive income that will be reclassified to profit or loss					
8361	Currency translation differences of foreign operations	6(24)	865,894	7	875,698
8368	Gains on hedging instrument	6(24)	2,715	-	12,448
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(31)	(115,089)	(1)	(147,751)
8360	Components of other comprehensive income that will be reclassified to profit or loss		753,520	6	740,395
8300	Other comprehensive income (loss) for the period		\$ 546,497	4	(\$ 2,295,197)
8500	Total comprehensive income (loss) for the period		\$ 1,749,584	13	(\$ 1,008,240)
Profit attributable to:					
8610	Owners of the parent		\$ 1,147,310	9	\$ 1,159,139
8620	Non-controlling interest		55,777	-	127,818
			\$ 1,203,087	9	\$ 1,286,957
Comprehensive income (loss) attributable to:					
8710	Owners of the parent		\$ 1,700,019	13	(\$ 1,142,030)
8720	Non-controlling interest		49,565	-	133,790
			\$ 1,749,584	13	(\$ 1,008,240)
Earnings per share (in dollars)					
9750	Basic earnings per share	6(32)	\$ 0.54		\$ 0.55
9850	Diluted earnings per share		\$ 0.54		\$ 0.55

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity	
	Share capital - common stock	Capital surplus	Retained earnings				Other equity interest			Treasury stocks	Total			
			Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments						
For the three-month period ended March 31, 2024														
Balance at January 1, 2024	\$ 21,387,966	\$ 9,629,730	\$ 8,237,099	\$ 3,640,779	\$ 22,400,066	(\$ 2,280,016)	\$ 17,649,701	(\$ 5,025)	(\$ 511,710)	\$ 80,148,590	\$ 6,294,190	\$ 86,442,780		
Profit for the period	-	-	-	-	1,159,139	-	-	-	-	1,159,139	127,818	1,286,957		
Other comprehensive income (loss) for the period 6(24)	-	-	-	-	(3,534)	709,147	(3,019,230)	12,448	-	(2,301,169)	5,972	(2,295,197)		
Total comprehensive income (loss)	-	-	-	-	1,155,605	709,147	(3,019,230)	12,448	-	(1,142,030)	133,790	(1,008,240)		
Appropriations of 2023 earnings 6(23)	-	-	-	-	-	-	-	-	-	-	-	-		
Cash dividends declared	-	-	-	-	(4,705,353)	-	-	-	-	(4,705,353)	-	(4,705,353)		
Effect of changes in net equity of associates and joint ventures accounted for under the equity method	-	53,134	-	-	-	-	-	-	-	53,134	-	53,134		
Changes in other non-controlling equity	-	-	-	-	-	-	-	-	-	-	12,401	12,401		
Disposal of investments in equity instrument at fair value through other comprehensive income 6(3)(24)	-	-	-	-	14	-	(14)	-	-	-	-	-		
Balance at March 31, 2024	\$ 21,387,966	\$ 9,682,864	\$ 8,237,099	\$ 3,640,779	\$ 18,850,332	(\$ 1,570,869)	\$ 14,630,457	\$ 7,423	(\$ 511,710)	\$ 74,354,341	\$ 6,440,381	\$ 80,794,722		
For the three-month period ended March 31, 2025														
Balance at January 1, 2025	\$ 21,387,966	\$ 9,616,391	\$ 8,863,669	\$ 3,640,779	\$ 23,089,108	(\$ 1,301,814)	\$ 10,677,750	\$ 20,070	(\$ 511,710)	\$ 75,482,209	\$ 6,190,844	\$ 81,673,053		
Profit for the period	-	-	-	-	1,147,310	-	-	-	-	1,147,310	55,777	1,203,087		
Other comprehensive income (loss) for the period 6(24)	-	-	-	-	(6,933)	745,382	(188,455)	2,715	-	552,709	(6,212)	546,497		
Total comprehensive income (loss)	-	-	-	-	1,140,377	745,382	(188,455)	2,715	-	1,700,019	49,565	1,749,584		
Appropriations of 2024 earnings 6(23)	-	-	-	-	-	-	-	-	-	-	-	-		
Cash dividends	-	-	-	-	(4,705,353)	-	-	-	-	(4,705,353)	-	(4,705,353)		
Effect of changes in net equity of associates and joint ventures accounted for under the equity method	-	57,358	-	-	-	-	-	-	-	57,358	-	57,358		
Repurchase of treasury shares 6(21)	-	-	-	-	-	-	-	-	(108,357)	(108,357)	-	(108,357)		
Changes in other non-controlling equity	-	-	-	-	-	-	-	-	-	-	101,433	101,433		
Disposal of investments in equity instrument at fair value through other comprehensive income 6(3)(24)	-	-	-	-	(142,199)	-	142,199	-	-	-	-	-		
Losses on hedging instrument that will be reclassified to profit or loss 6(16)	-	-	-	-	-	-	-	(22,785)	-	(22,785)	-	(22,785)		
Balance at March 31, 2025	\$ 21,387,966	\$ 9,673,749	\$ 8,863,669	\$ 3,640,779	\$ 19,381,933	(\$ 556,432)	\$ 10,631,494	\$ -	(\$ 620,067)	\$ 72,403,091	\$ 6,341,842	\$ 78,744,933		

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month periods ended March 31	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,642,916	\$ 1,769,881
Adjustments			
Adjustments to reconcile profit (loss)			
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(28)	15,372	(5,011)
Net loss (gain) on financial liabilities at fair value through profit or loss	6(15)(28)	105	(5,540)
Provision for decline in value of inventories	6(6)	81,005	82,275
Expected credit impairment gains	12(2)	(3,187)	(3,661)
Interest income	6(26)	(163,945)	(175,870)
Dividend income	6(27)	(6,018)	(6,641)
Interest expense	6(29)	95,183	90,022
Depreciation and amortization	6(8)(9)(10)(30)	546,228	489,952
Lease modification loss	6(28)	1,234	-
Gain on disposal of non-current assets held for sale	6(12)(28)	(335,476)	-
Gain on disposal of property, plant and equipment	6(28)	(25,174)	(52,840)
Share of profit of associates and joint ventures accounted for under the equity method	6(7)	(32,183)	(19,220)
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		(196,075)	133,893
Notes receivable		8,887	87,464
Notes receivable - related parties		(207)	(75)
Accounts receivable		120,366	(481,865)
Accounts receivable - related parties		(12,582)	16,066
Other receivables		(14,993)	(12,147)
Other receivables - related parties		8,103	43,576
Inventories		(1,241,231)	(121,864)
Prepayments		(118,731)	(231,157)
Other current assets		41,903	(52,248)
Changes in operating liabilities			
Current contract liabilities		65,428	(100,307)
Notes payable		23,041	(3,562)
Notes payable - related parties		(343)	(753)
Accounts payable		(280,427)	(273,986)
Accounts payable - related parties		59	(8,509)
Other payables		21,431	(343,259)
Provisions for liabilities		(1,363)	(74,533)
Other current liabilities		1,408	5,535
Other non-current liabilities		(91,763)	(16,705)
Cash inflow generated from operations		148,971	728,911
Interest received	6(26)	163,945	175,870
Interest paid		(56,720)	(62,375)
Income tax paid		(156,472)	(147,404)
Net cash flows from operating activities		<u>99,724</u>	<u>695,002</u>

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TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month periods ended March 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of non-current financial assets at fair value through other comprehensive income	12(3)	(\$ 33,155)	(\$ 29,988)
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income		55,625	9,798
Acquisition of non-current financial assets at amortized cost	6(4)	(58,144)	(80,360)
Decrease in current financial assets at fair value through profit or loss		-	3,500
Decrease in non-current financial assets at fair value through profit or loss		37,434	64,556
(Increase) decrease in pledged and restricted bank and time deposits	6(1) and 8	(54,298)	38,300
Acquisition of property, plant and equipment	6(8)(33)	(171,083)	(259,804)
Acquisition of investment properties		-	(178)
Decrease in other non-current assets		198,784	53,696
Net cash outflow on acquisitions of subsidiaries	6(33)	(616,565)	-
Proceeds from disposal of investments	6(12)	599,904	-
Dividends received from investments of financial instruments		6,018	6,641
Net cash flows used in investing activities		(35,480)	(193,839)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term loans	6(34)	100,515	(154,407)
Proceeds from long-term debts	6(34)	1,048,393	691,571
Lease liabilities paid	6(9)(34)	(198,765)	(176,797)
Net cash flows from financing activities		950,143	360,367
Exchange rate effect		197,906	630,629
Net increase in cash and cash equivalents		1,212,293	1,492,159
Cash and cash equivalents at beginning of period		26,055,287	23,640,536
Cash and cash equivalents at end of period		\$ 27,267,580	\$ 25,132,695

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Teco Electric & Machinery Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacture, installation, wholesale, retail of various types of electronic equipment, telecommunication equipment, office equipment, and home appliances.

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

These consolidated financial statements were reported to the Board of Directors on May 14, 2025.

3. Application of New Standards, Amendments and Interpretations

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

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

A. Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

The FSC has partially endorsed specific provisions of Amendments to IFRS 9 and IFRS 7. The amendments not yet endorsed by the FSC as listed below require an entity to:

- (a) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met. The conditions for the exception are that the entity making the payment does not have:
 - i. the practical ability to withdraw, stop or cancel the payment instruction;
 - ii. the practical ability to access the cash used for settlement; and
 - iii. significant settlement risk.
- (b) Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard

introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

These consolidated financial statements adopt a simplified disclosure in accordance with the International Accounting Standard 34, “Interim financial reporting”. The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, “Interim financial reporting” that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis for preparation of these consolidated financial statements is the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2024.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Teco Electric & Machinery Co., Ltd.	Teco Holding USA Inc. and subsidiaries	Holding company investing in companies in North America and Taiwan. Its investees are primarily engaged in the manufacturing and sales of motors, generators, winding and related parts.	100	100	100	Note 7
Teco Electric & Machinery Co., Ltd.	United View Global Investment Co., Ltd. and subsidiaries	A holding company whose investees are primarily engaged in the manufacturing, sales and agents of motors, home appliances, green power and other various electrical and electronic products in Mainland China, Southeast Asia and Australia.	100	100	100	Note 5
Teco Electric & Machinery Co., Ltd.	Temico International Pte. Ltd. and subsidiaries	Holding company investing in companies in India. Its investees are primarily engaged in the manufacturing and sales of motors.	60	60	60	Note 1
Teco Electric & Machinery Co., Ltd.	Tesen Electric & Machinery Co., Ltd.	Manufacturing and sales of home appliances	100	100	100	Note 1
Teco Electric & Machinery Co., Ltd.	Tong-An Assets Management & Development Co., Ltd.	Real estate business	100	100	100	Note 1

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Teco Electric & Machinery Co., Ltd.	Teco Electric & Machinery (Pte) Ltd. and subsidiaries	Distribution of mechatronic products. Its investees are primarily engaged in the sales of mechatronic products in Singapore, India and neighbouring countries.	100	100	100	Note 1
Teco Electric & Machinery Co., Ltd.	Tong Dai Co., Ltd. and subsidiaries	Distribution of mechatronic products	83.53	83.53	83.53	Notes 1 and 4
Teco Electric & Machinery Co., Ltd.	Teco Electro Devices Co., Ltd. and subsidiaries	Manufacturing and sales of step-servo motors. Its investees are primarily engaged in the trading, various investments and manufacturing and sales of motors in Mainland China.	0	0	61.07	Note 6
Teco Electric & Machinery Co., Ltd.	Yatec Engineering Corporation and subsidiaries	Development and maintenance of various electric appliances	64.95	64.95	64.95	Note 1
Teco Electric & Machinery Co., Ltd.	Taian (Subic) Electric Co., Inc.	Manufacturing and sales of switches	76.7	76.7	76.7	Note 1
Teco Electric & Machinery Co., Ltd.	Taian-Etacom Technology Co., Ltd.	Manufacturing of busway and related components	94.73	94.73	84.73	Notes 1 and 8
Teco Electric & Machinery Co., Ltd.	Micropac Worldwide (BVI) and subsidiaries	International trading. Its investees are primarily engaged in the investment holdings and manufacturing, sales and technical services of fiber electric equipment and aerogenerator components in Mainland China.	100	100	100	Note 1

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Teco Electric & Machinery Co., Ltd.	E-Joy International Co., Ltd.	Wholesale and retail of electric appliances	98.07	98.07	98.07	Note 1
Teco Electric & Machinery Co., Ltd.	A-Ok Technical Co., Ltd.	Repair of electric appliances	86.67	86.67	86.67	Note 1
Teco Electric & Machinery Co., Ltd.	Tecom Co., Ltd. and subsidiaries	Manufacturing and sales of touch-tone phone system and billing box. Its investees are primarily engaged in the various investments, research and development of software and hardware products related to fiber optic communications products in domestic area and Mainland China and technology development, manufacturing, sales and technology services of products related to communication network information.	63.52	63.52	63.52	
Teco Electric & Machinery Co., Ltd.	Information Technology Total Services Co., Ltd. and subsidiaries	Import sales, leases of franking machines and mail processing and delivery. Its investees are primarily engaged in the services related to information software, data processing and electronic information supply in domestic area and Mainland China.	49.01	49.01	49.01	Note 3

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Teco Electric & Machinery Co., Ltd.	Teco International Investment Co., Ltd. and subsidiaries	Various productions, investments in securities and construction of commercial buildings. Its investees are primarily engaged in the various investments and sales of motors in Japan.	100	100	100	Note 1
Teco Electric & Machinery Co., Ltd.	Tong-An Investment Co., Ltd. and subsidiaries	Various investments. Its investees are primarily engaged in the building management servicing in domestic area, development and sales of software in Mainland China and Science Park development and business operations consulting services.	100	100	100	
Teco Electric & Machinery Co., Ltd.	Tecnos International Consultant Co., Ltd.	Business management consulting	73.54	73.54	73.54	Note 1
Teco Electric & Machinery Co., Ltd.	An-Tai International Investment Co., Ltd.	Various investments	100	100	100	Note 1
Teco Electric & Machinery Co., Ltd.	Taiwan Pelican Express Co., Ltd. and subsidiaries	Delivery and logistics services. Its investees are primarily engaged in the storage services in Mainland China.	33.38	33.38	33.38	Note 2
Teco Electric & Machinery Co., Ltd.	Teco Technology (Vietnam) Co., Ltd.	Manufacturing and sales of mechatronic products	100	100	100	Note 1

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Teco Electric & Machinery Co., Ltd.	Eagle Holding Co. and subsidiaries	Holding company investing in companies in Europe. Its investees are primarily engaged in the manufacturing and sales of reducers and motors.	100	100	100	
Teco Electric & Machinery Co., Ltd.	Century Development Corporation and subsidiaries	Real estate and industrial park management and development. Its investees are primarily engaged in the construction industry, trades and related operation and investment of materials and sandstone used in construction and machinery, and investment consultancy service for domestic and foreign industrial parks and land.	52.75	52.75	52.75	
Teco Electric & Machinery Co., Ltd.	Teco.Sun Energy Co., Ltd.	Energy technical services	60	60	60	Note 1
Teco Electric & Machinery Co., Ltd.	Tong An Energy Co., Ltd.	Energy technical services	100	100	100	Note 1
Teco Electric & Machinery Co., Ltd.	Teco Electro Devices Co., Ltd. (B.V.I.) and subsidiaries	Trading, investment holdings and manufacturing and sales of motors in Mainland China.	100	100	0	Notes 1 and 6
Teco Electric & Machinery Co., Ltd.	Shenchang Electric Co., Ltd.	Power generation, transmission and distribution machinery manufacturing industry.	57.21	57.21	0	Notes 1 and 9

- Note 1: The financial statements of the entity as of and for the three-month periods ended March 31, 2025 and 2024 were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.
- Note 2: The Company sold part of its ownership in Taiwan Pelican Express Co., Ltd. in August, 2012, and accordingly, its ownership fell below 50% of the voting shares of Taiwan Pelican Express Co., Ltd.. However, the Company still has control over the finance, operations and personnel affairs of Taiwan Pelican Express Co., Ltd., thus Taiwan Pelican Express Co., Ltd. continues to be included in the consolidated financial statements.
- Note 3: The Company has control over the Board of Directors of Information Technology Total Services Co., Ltd., and has absolute control over the subsidiary. Thus, the subsidiary was included in the consolidated financial statements.
- Note 4: Tong Dai Co., Ltd. has control over the Board of Directors of Top-Tower Enterprises Co., Ltd. and has absolute control over the subsidiary. Thus, the subsidiary was included in the consolidated financial statements.
- Note 5: United View Global Investment Co., Ltd. obtained 78.49% equity of EVK Company through equity purchase and cash capital increase in January 2025 through its owned subsidiaries. Please refer to Note 6(37).
- Note 6: On April 10, 2024, the Board of Directors of the Company and the Company's subsidiary, Teco Electro Devices Co., Ltd., both resolved to conduct a merger with the Company as the surviving company. The effective date of the merger was August 31, 2024.
- Note 7: Teco Holding USA Inc. established Safe & Green Energy Company through its wholly-owned subsidiary in September 2024.
- Note 8: The company obtained 10% equity of Taian-Etacom Technology Co., Ltd. from ETA Beheer B.V. on September, 2024. Please refer to Note 6(36).
- Note 9: The company obtained 57.21% equity of Shen Chang Electric Co., Ltd. through equity purchase and cash capital increase on October, 2024. Please refer to Note 6(37).

Consolidated financial statements of certain consolidated subsidiaries and investees accounted for under equity method, which statements reflect total assets (including investments accounted for under the equity method) of \$26,466,209 and \$23,723,242 as of March 31, 2025 and 2024, respectively, total liabilities (including credit balance of investments accounted for under equity method) of \$5,968,434 and \$4,789,774 as of March 31, 2025 and 2024, respectively, and comprehensive income (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for under the equity method) of \$290,224 and \$125,571 for the three-month periods then ended, respectively, were based on the unreviewed financial statements of such consolidated subsidiaries and investee companies.

C. Subsidiaries not included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Teco Electric & Machinery Co., Ltd.	Taian Electric Co., Ltd.	Manufacturing and sales of switches	100	100	100	Note 1
Teco Electric & Machinery Co., Ltd.	An-Sheng Travel Co., Ltd.	Travel agency services	89.58	89.58	89.58	Note 1
Teco Electric & Machinery Co., Ltd.	Taian-Jaya Electric Sdn. Bhd.	Manufacturing and sales of air-conditioning equipment	100	100	100	Note 1
Teco Electric & Machinery Co., Ltd.	Teco (Philippines) 3C & Appliances, Inc.	Sales of air conditioning and electrical appliances	60	60	60	Note 1
Great Teco Motor (Pte) Ltd.	Teco Group Science-Technology (Hang Zhou) Co., Ltd.	Electrical machinery electric and automatic control technology development and consultation service	100	100	100	Note 1
Tong-An Assets Management & Development Co., Ltd.	Grey Back International Property Inc.	Real estate management and development	0	0	0	Notes 1 and 2
Tong-An Investment Co., Ltd.	Eurasia Food Service Co., Ltd. and its affiliates	Restaurant chain	100	100	100	Note 1
Tong-An Investment Co., Ltd.	Jinglaoman Food&Beverage Co., Ltd.	Restaurant chain	66.79	66.79	66.79	Note 1

Note 1: The above subsidiaries were not included in the consolidated financial statements as their respective total assets and operating revenues did not exceed the materiality threshold of the Company's total assets and operating revenues.

Note 2: Grey Back International Property Inc. applied for dissolution on December 1, 2022, and the liquidation was completed on January 31, 2024.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Details of significant non-controlling interests: Please refer to Note 6(35).

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

There have been no significant changes as of March 31, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand and revolving funds	\$ 6,828	\$ 6,972	\$ 7,385
Checking accounts and demand deposits	11,727,830	11,821,210	8,952,431
Time deposits and notes issued under repurchase agreement	<u>15,532,922</u>	<u>14,227,105</u>	<u>16,172,879</u>
	<u>\$ 27,267,580</u>	<u>\$ 26,055,287</u>	<u>\$ 25,132,695</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of March 31, 2025, December 31, 2024 and March 31, 2024, certain bank deposits amounting to \$140,166, \$85,868 and \$129,897, respectively, were restricted due to earmarked construction projects and loans for purchasing materials (listed as '1470 Other current assets'). Please refer to Note 8 for details.

(2) Financial assets at fair value through profit or loss

Items	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Money market fund	\$ 27,133	\$ 27,127	\$ 26,240
Derivative instruments	<u>1,037</u>	<u>211</u>	<u>4,161</u>
	28,170	27,338	30,401
Valuation adjustments	(3,169)	(3,280)	(3,103)
	<u>\$ 25,001</u>	<u>\$ 24,058</u>	<u>\$ 27,298</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed and OTC stocks	\$ 307,553	\$ 307,553	\$ 884,399
Non-listed and OTC stocks	810,394	810,394	810,394
Fund beneficiary certificate	<u>658,875</u>	<u>658,875</u>	<u>638,875</u>
	1,776,822	1,776,822	2,333,668
Valuation adjustments	<u>1,168,409</u>	<u>1,222,158</u>	<u>1,144,982</u>
	<u>\$ 2,945,231</u>	<u>\$ 2,998,980</u>	<u>\$ 3,478,650</u>

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ <u>15,372</u>)	<u>\$ 5,011</u>

B. The non-hedging derivative instrument transactions and contract information are as follows:

March 31, 2025				
Derivative instrument	Contract period	Contract amount (Notional principal)		Fair value
Forward foreign exchange contracts				
SELL USD/BUY JPY	March 10, 2025~April 28, 2025	JPY	25,000,000	\$ 109
SELL USD/BUY RMB	March 12, 2025~April 25, 2025	USD	2,000,000	383
SELL USD/BUY RMB	March 17, 2025~April 15, 2025	USD	2,500,000	393
BUY EUR/SELL AUD	February 6, 2025~May 8, 2025	EUR	118,769	152
				<u>\$ 1,037</u>
December 31, 2024				
Derivative instrument	Contract period	Contract amount (Notional principal)		Fair value
Forward foreign exchange contracts				
SELL EUR/BUY AUD	November 20, 2024~February 11, 2025	EUR	243,878	<u>\$ 211</u>
March 31, 2024				
Derivative instrument	Contract period	Contract amount (Notional principal)		Fair value
Forward exchange contracts				
SELL EUR/BUY USD	January 31, 2024~July 30, 2024	EUR	1,250,000	\$ 600
SELL USD/BUY JPY	January 29, 2024~June 27, 2024	JPY	105,000,000	527
SELL AUD/BUY USD	February 29, 2024~May 30, 2024	AUD	2,200,000	446
SELL USD/BUY RMB	March 21, 2024~April 29, 2024	USD	2,500,000	842
BUY EUR/SELL AUD	January 30, 2024~April 19, 2024	EUR	50,000	5
Interest rate swaps				
BUY USD/SELL TWD	March 19, 2024~April 11, 2024	USD	8,000,000	1,741
				<u>\$ 4,161</u>

C. The Group entered into forward foreign exchange contracts to sell to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

D. Information relating to the price risk and fair value information of financial assets at fair value through profit or loss is provided in Note 12(2)(3).

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

Items	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Listed and OTC stocks	\$ 153,754	\$ 153,754	\$ 167,670
Valuation adjustments	128,513	148,894	176,900
	<u>\$ 282,267</u>	<u>\$ 302,648</u>	<u>\$ 344,570</u>
Non-current items:			
Listed and OTC stocks	\$ 11,042,531	\$ 11,247,336	\$ 12,491,593
Emerging stocks	141,948	142,669	119,475
Non-listed and OTC stocks	486,945	451,027	326,616
	11,671,424	11,841,032	12,937,684
Valuation adjustments	10,952,788	10,880,218	14,628,695
	<u>\$ 22,624,212</u>	<u>\$ 22,721,250</u>	<u>\$ 27,566,379</u>

A. The Group has elected to classify investments in Taiwan High Speed Rail, etc. that are

considered to be steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$22,906,479, \$23,023,898 and \$27,910,949 as at March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

- B. For the three-month periods ended March 31, 2025 and 2024, the Group sold stocks with fair values of \$55,625 and \$9,798, respectively, to raise the capital for operations; the cumulative (losses) gains on disposal are (\$142,199) and \$14, respectively, and the realized (losses) profits were carried forward from other equity to retained earnings.
- C. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
<u>Equity instruments at fair value</u>		
<u>through other comprehensive</u>		
<u>income</u>		
Fair value change recognised		
in other comprehensive		
income	(\$ <u>189,041</u>)	(\$ <u>3,031,891</u>)
Cumulative (losses) gains		
reclassified to retained		
earnings due to		
derecognition	(\$ <u>142,199</u>)	\$ <u>14</u>

- D. Details of the Group's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.
- E. Information relating to the price risk and fair value information of financial assets at fair value through other comprehensive income is provided in Note 12(2)(3).

(4) Financial assets at amortised cost

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Non-current items:			
Government bond	\$ 151,038	\$ 90,560	\$ 77,147
Time deposits	10,253	12,675	18,770
Structured bonds	<u>6,641</u>	<u>6,554</u>	<u>-</u>
	<u>\$ 167,932</u>	<u>\$ 109,789</u>	<u>\$ 95,917</u>

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

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Interest income	\$ <u>1,796</u>	\$ <u>680</u>

- B. As at March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$167,932, \$109,789 and \$95,917, respectively.

- C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable	\$ 708,293	\$ 717,180	\$ 783,122
Less: Allowance for bad debts	(1,644)	(1,621)	(2,091)
	<u>\$ 706,649</u>	<u>\$ 715,559</u>	<u>\$ 781,031</u>
Accounts receivable	9,658,074	\$ 9,545,185	11,170,675
Less: Allowance for bad debts	(204,033)	(201,944)	(199,931)
	<u>\$ 9,454,041</u>	<u>\$ 9,343,241</u>	<u>\$ 10,970,744</u>

- A. The ageing analysis of notes and accounts receivable is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Not past due	\$ 8,109,742	\$ 8,105,233	\$ 9,317,782
Up to 30 days	976,346	903,784	1,069,532
31 to 90 days	520,553	544,966	875,587
91 to 180 days	266,242	231,168	250,416
Over 180 days	<u>493,484</u>	<u>477,214</u>	<u>440,480</u>
	<u>\$ 10,366,367</u>	<u>\$ 10,262,365</u>	<u>\$ 11,953,797</u>

The above ageing analysis was based on past due date.

- B. As of March 31, 2025, December 31, 2024 and March 31, 2024, the balances of receivables (including notes receivable) from contracts with customers amounted to \$9,983,529, \$9,878,645 and \$11,727,561, respectively.
- C. As of March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$706,649, \$715,559 and \$781,031 and accounts receivable were \$9,454,041, \$9,343,241 and \$10,970,744, respectively.
- D. Details of the Group's notes receivable pledged to others are provided in Note 8.
- E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 4,060,906	(\$ 162,260)	\$ 3,898,646
Work in progress	1,663,981	(46,194)	1,617,787
Finished goods	8,020,767	(640,400)	7,380,367
Inventory in transit	1,207,871	-	1,207,871
Merchandise inventories	646,148	(3,216)	642,932
	<u>\$ 15,599,673</u>	<u>(\$ 852,070)</u>	<u>\$ 14,747,603</u>
	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,278,348	(\$ 220,834)	\$ 3,057,514
Work in progress	1,923,753	(44,097)	1,879,656
Finished goods	7,656,581	(549,360)	7,107,221
Inventory in transit	923,348	-	923,348
Merchandise inventories	546,235	(31,108)	515,127
	<u>\$ 14,328,265</u>	<u>(\$ 845,399)</u>	<u>\$ 13,482,866</u>
	March 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,444,894	(\$ 201,768)	\$ 3,243,126
Work in progress	1,341,323	(39,336)	1,301,987
Finished goods	6,731,469	(509,928)	6,221,541
Inventory in transit	573,940	-	573,940
Merchandise inventories	334,221	(3,433)	330,788
	<u>\$ 12,425,847</u>	<u>(\$ 754,465)</u>	<u>\$ 11,671,382</u>

- A. The cost of inventories recognized as expense for the three-month periods ended March 31, 2025 and 2024 were \$6,968,687 and \$6,544,664, respectively, including \$81,005 and \$82,275 that the Group wrote down from cost to the net realizable value accounted for as cost of goods sold for the three-month periods ended March 31, 2025 and 2024, respectively.
- B. The Group has no inventory pledged to others.

(7) Investments accounted for under the equity method

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Associates:			
1. Tung Pei Industrial Co., Ltd.	\$ 2,449,337	\$ 2,401,899	\$ 2,367,657
2. Lien Chang Electronic Enterprise Co., Ltd.	449,444	461,299	454,326
3. Others	703,138	697,254	725,009
	<u>3,601,919</u>	<u>3,560,452</u>	<u>3,546,992</u>
Less: Credit balance of investments accounted for under the equity method such as Royal Host Taiwan Co., Ltd. (shown as deductions on accounts receivable - related parties as well as other receivables - related parties, and other non-current liabilities)	(87,345)	(87,108)	(84,098)
	<u>\$ 3,514,574</u>	<u>\$ 3,473,344</u>	<u>\$ 3,462,894</u>

The share of profit/loss of associates and joint ventures accounted for under the equity method for the three-month periods ended March 31, 2025 and 2024, are as follows:

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Associates:		
1. Tung Pei Industrial Co., Ltd.	\$ 31,579	\$ 27,834
2. Lien Chang Electronic Enterprise Co., Ltd.	(4,076)	(7,049)
3. Others	4,680	(1,565)
	<u>\$ 32,183</u>	<u>\$ 19,220</u>

A. Associates

(a) The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Method of measurement
		March 31, 2025	December 31, 2024	March 31, 2024		
Tung Pei Industrial Co., Ltd.	R.O.C.	31.14%	31.14%	31.14%	Financial investment	Equity method
Lien Chang Electronic Enterprise Co., Ltd.	R.O.C.	33.84%	33.84%	33.84%	"	"

(b) The summarized financial information of the associates that are material to the Group is shown below:

Balance sheet

	<u>Tung Pei Industrial Co., Ltd.</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current assets	\$ 5,377,980	\$ 5,386,630	\$ 4,971,441
Non-current assets	6,976,069	7,115,339	7,386,377
Current liabilities	(2,967,908)	(3,066,786)	(2,944,012)
Non-current liabilities	(774,244)	(912,011)	(1,091,821)
Total assets	<u>\$ 8,611,897</u>	<u>\$ 8,523,172</u>	<u>\$ 8,321,985</u>
Share in associate's net assets	\$ 2,449,337	\$ 2,401,899	\$ 2,367,657
Goodwill	-	-	-
Carrying amount of the associate	<u>\$ 2,449,337</u>	<u>\$ 2,401,899</u>	<u>\$ 2,367,657</u>
	<u>Lien Chang Electronic Enterprise Co., Ltd.</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current assets	\$ 1,133,961	\$ 1,155,305	\$ 1,146,836
Non-current assets	389,827	431,052	381,900
Current liabilities	(160,261)	(188,869)	(149,794)
Non-current liabilities	(35,542)	(34,473)	(36,530)
Total net assets	<u>\$ 1,327,985</u>	<u>\$ 1,363,015</u>	<u>\$ 1,342,412</u>
Share in associate's net assets	\$ 449,444	\$ 461,299	\$ 454,326
Goodwill	-	-	-
Carrying amount of the associate	<u>\$ 449,444</u>	<u>\$ 461,299</u>	<u>\$ 454,326</u>

Statement of comprehensive income

	<u>Tung Pei Industrial Co., Ltd.</u>	
	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Revenue	\$ 1,671,419	\$ 1,567,867
Profit for the period from continuing operations	74,731	83,147
Other comprehensive income, net of tax	-	-
Total comprehensive income	<u>\$ 74,731</u>	<u>\$ 83,147</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

Lien Chang Electronic Enterprise Co., Ltd.		
	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Revenue	\$ 115,888	\$ 100,596
Loss for the period from continuing operations	(12,047)	(20,828)
Other comprehensive (loss) income, net of tax	(22,983)	26,285
Total comprehensive (loss) income	(\$ 35,030)	\$ 5,457
Dividends received from associates	\$ -	\$ -

(c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of March 31, 2025, December 31, 2024 and March 31, 2024, the carrying amount of the Group's individually immaterial associates amounted to \$703,138, \$697,254 and \$725,009, respectively.

	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Profit (loss) for the period from continuing operations	\$ 4,680	(\$ 1,565)
Total comprehensive income (loss)	\$ 4,680	(\$ 1,565)

(d) The fair values of the Group's material associates with quoted market prices are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Lien Chang Electronic Enterprise Co., Ltd.	\$ 546,238	\$ 521,836	\$ 497,434

(e) The Group is the single largest shareholder of Lien Chang Electronic Enterprise Co., Ltd. with a 33.84% equity interest. The company is a listed company and its ownership is dispersed. Also, since the Group's shareholding ratio in the company is lower than 50%, which indicates that the Group has no current ability to direct the relevant activities of Lien Chang Electronic Enterprise Co., Ltd., the Group has no control, but only has significant influence, over the investee.

B. The Group has no investments accounted for using equity method pledged to others as collateral.

(8) Property, plant and equipment

	Land	Buildings and structures	Leased assets - buildings and structures	Machinery and equipment	Leased assets - machinery and equipment	Transportation equipment	Leasehold improvements	Miscellaneous equipment	Unfinished construction	Total
<u>At January 1, 2025</u>										
Cost	\$ 5,314,002	\$ 8,070,986	\$ 9,840,359	\$ 13,069,728	\$ 556,263	\$ 1,328,581	\$ 728,250	\$ 8,039,168	\$ 612,898	\$ 47,560,235
Accumulated depreciation and impairment	-	(4,659,213)	(3,047,909)	(10,638,629)	(512,678)	(853,208)	(581,492)	(6,954,469)	-	(27,247,598)
	<u>\$ 5,314,002</u>	<u>\$ 3,411,773</u>	<u>\$ 6,792,450</u>	<u>\$ 2,431,099</u>	<u>\$ 43,585</u>	<u>\$ 475,373</u>	<u>\$ 146,758</u>	<u>\$ 1,084,699</u>	<u>\$ 612,898</u>	<u>\$ 20,312,637</u>
<u>2025</u>										
Opening net book amount	\$ 5,314,002	\$ 3,411,773	\$ 6,792,450	\$ 2,431,099	\$ 43,585	\$ 475,373	\$ 146,758	\$ 1,084,699	\$ 612,898	\$ 20,312,637
Additions	-	25,191	8,806	84,638	-	17,142	9,454	43,067	154,053	342,351
Acquired from business combinations	-	-	-	320,980	-	1,621	-	4,202	-	326,803
Disposals	(5,166)	(51,254)	-	(8,794)	-	(377)	(40)	(397)	-	(66,028)
Reclassifications	-	98,016	-	27,487	356	2,910	-	(27,543)	(101,226)	-
Depreciation charge	-	(46,331)	(63,163)	(100,890)	(999)	(24,775)	(8,076)	(76,249)	-	(320,483)
Net exchange differences	3,416	27,823	-	44,292	-	739	222	6,735	-	83,227
Closing net book amount	<u>\$ 5,312,252</u>	<u>\$ 3,465,218</u>	<u>\$ 6,738,093</u>	<u>\$ 2,798,812</u>	<u>\$ 42,942</u>	<u>\$ 472,633</u>	<u>\$ 148,318</u>	<u>\$ 1,034,514</u>	<u>\$ 665,725</u>	<u>\$ 20,678,507</u>
<u>At March 31, 2025</u>										
Cost	\$ 5,312,252	\$ 8,183,578	\$ 9,849,165	\$ 13,608,813	\$ 556,619	\$ 1,332,614	\$ 740,869	\$ 8,173,221	\$ 665,725	\$ 48,422,856
Accumulated depreciation and impairment	-	(4,718,360)	(3,111,072)	(10,810,001)	(513,677)	(859,981)	(592,551)	(7,138,707)	-	(27,744,349)
	<u>\$ 5,312,252</u>	<u>\$ 3,465,218</u>	<u>\$ 6,738,093</u>	<u>\$ 2,798,812</u>	<u>\$ 42,942</u>	<u>\$ 472,633</u>	<u>\$ 148,318</u>	<u>\$ 1,034,514</u>	<u>\$ 665,725</u>	<u>\$ 20,678,507</u>

	Land	Buildings and structures	Leased assets - buildings and structures	Machinery and equipment	Leased assets - machinery and equipment	Transportation equipment	Leasehold improvements	Miscellaneous equipment	Unfinished construction	Total
<u>At January 1, 2024</u>										
Cost	\$ 5,537,731	\$ 8,271,906	\$ 9,726,751	\$ 12,684,730	\$ 522,171	\$ 1,312,043	\$ 688,387	\$ 7,650,845	\$ 503,776	\$ 46,898,340
Accumulated depreciation and impairment	(34,697)	(4,828,446)	(2,802,290)	(10,369,172)	(504,694)	(817,103)	(540,013)	(6,711,421)	-	(26,607,836)
	<u>\$ 5,503,034</u>	<u>\$ 3,443,460</u>	<u>\$ 6,924,461</u>	<u>\$ 2,315,558</u>	<u>\$ 17,477</u>	<u>\$ 494,940</u>	<u>\$ 148,374</u>	<u>\$ 939,424</u>	<u>\$ 503,776</u>	<u>\$ 20,290,504</u>
<u>2024</u>										
Opening net book amount	\$ 5,503,034	\$ 3,443,460	\$ 6,924,461	\$ 2,315,558	\$ 17,477	\$ 494,940	\$ 148,374	\$ 939,424	\$ 503,776	\$ 20,290,504
Additions	-	431	11,701	61,715	-	2,232	2,725	77,139	95,092	251,035
Disposals	-	(6,767)	-	(11,500)	-	(601)	-	(8,204)	-	(27,072)
Reclassifications	(349,854)	(75,698)	-	96,528	762	-	3,711	(2,944)	(101,028)	(428,523)
Depreciation charge	-	(44,945)	(60,350)	(83,022)	(1,071)	(21,822)	(9,259)	(69,704)	-	(290,173)
Net exchange differences	<u>3,712</u>	<u>37,643</u>	<u>-</u>	<u>31,838</u>	<u>-</u>	<u>425</u>	<u>1,938</u>	<u>10,292</u>	<u>-</u>	<u>85,848</u>
Closing net book amount	<u>\$ 5,156,892</u>	<u>\$ 3,354,124</u>	<u>\$ 6,875,812</u>	<u>\$ 2,411,117</u>	<u>\$ 17,168</u>	<u>\$ 475,174</u>	<u>\$ 147,489</u>	<u>\$ 946,003</u>	<u>\$ 497,840</u>	<u>\$ 19,881,619</u>
<u>At March 31, 2024</u>										
Cost	\$ 5,156,892	\$ 8,172,727	\$ 9,738,452	\$ 12,945,711	\$ 522,933	\$ 1,312,518	\$ 701,626	\$ 7,788,256	\$ 497,840	\$ 46,836,955
Accumulated depreciation and impairment	-	(4,818,603)	(2,862,640)	(10,534,594)	(505,765)	(837,344)	(554,137)	(6,842,253)	-	(26,955,336)
	<u>\$ 5,156,892</u>	<u>\$ 3,354,124</u>	<u>\$ 6,875,812</u>	<u>\$ 2,411,117</u>	<u>\$ 17,168</u>	<u>\$ 475,174</u>	<u>\$ 147,489</u>	<u>\$ 946,003</u>	<u>\$ 497,840</u>	<u>\$ 19,881,619</u>

- A. For the three-month periods ended March 31, 2025 and 2024, no borrowing cost was capitalized as part of property, plant and equipment.
- B. The Group entered into a development contract for the joint construction and allocation of housing units with Kindom Development Co., Ltd. Using the 16 lots located in No. 148, Hong Fu Section, Xin Zhuang District, New Taipei City which were provided by the subsidiary, Tong-An Investment Co., Ltd., as resolved by the Board of Directors on March 23, 2021. Kindom Development Co., Ltd. is responsible for planning and designing, dismantling the existing buildings, constructing and assuming all other expenses. The expected equity ratio is 52%~55% by reference to the appraisal report issued by real estate appraiser firm. As of March 31, 2025, as the competent authority of the area where the land located, New Taipei City government, denied the Company's application for the development, resulting in a default of the joint construction contract. On October 23, 2023, Kindom Development Co., Ltd. sent a letter to Tong-An Investment Co., Ltd. to ask Tong-An Investment Co., Ltd. returning the development guarantee and input development cost in the amount of \$350,000 and \$188,544, respectively. On September 24, 2024, both parties had entered into an agreement for the termination of the contract. In addition to returning the development guarantee in the amount of \$350,000, Tong-An Investment Co., Ltd. also needed to pay the termination fee in the amount of \$68,000. The Group had fully accrued and recorded the amount.
- C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.
- D. The Group was unable to transfer the title of certain farmland to the Group's name due to legal restrictions. The land title was registered under an individual's name. Accordingly, the Group entered into an agreement with the said individual to secure the title and the first mortgage right.
- E. The Board of Directors of the Group's subsidiary, Tong-An Assets Management & Development Co., Ltd., approved the investment proposal for the construction of the Taipei City Songjiang building on July 1, 2020, which was in line with the government's promotion to expedite the reconstruction of unsafe and old buildings. Additionally, on February 10, 2023, the company entered into the agreement of land joint construction with MSIG Mingtai Insurance Company, Limited. The agreement stipulates that the construction will be carried out and invested jointly by TECO and Tong-An Assets. Subsequently, TECO and Tong-An Assets entered into an agreement with Fuchu General Contractor Co, Ltd. on June 17, 2023 and commissioned Fuchu General Contractor Co, Ltd. to perform the construction. In accordance with the agreement, the Group was required to pay \$1,430,000 for the construction. As of March 31, 2025, the Group has paid \$162,230.

(9) Leasing arrangements - lessee

- A. The Group leases various assets including land, buildings, machinery and equipment as well as business vehicles. Rental contracts are typically made for periods of 2 to 99 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but certain leased assets may not be used as security for borrowing purposes.
- B. On January 14, 2005, the Group's subsidiary, Century Development Corporation, completed the registration of right of superficies and paid royalties to Taipei City Government for acquiring land used for construction of the Nankang Software Park. The right of superficies is available for 50 years from the registration date. Land and building shall be returned to Taipei City Government unconditionally upon expiry of the right of superficies. Century Development Corporation's right-of-use assets are amortized over the useful life of right of superficies of 50 years.
- C. On July 4, 2018, the Group's subsidiary, Century Biotech Development Corp., completed the registration of right of superficies and paid royalties to the Taipei City Government for acquiring land used for the construction of the Taipei City Nangang Biotechnology Industry Cluster Development BOT Project. The right of superficies is available for 50 years from the registration date. Land and building shall be returned to the Taipei City Government unconditionally upon expiry of the right of superficies. Century Biotech Development Corp.'s prepaid rents are amortized over the useful life of right of superficies of 50 years.
- D. The Group's subsidiary, CDC Development India Private Limited, acquired the land use right from the local government agency, KIADB, for India industrial park development. The total amount remitted for the land use right was INR 1,752,409 thousand and acquired land ownership of certificate for 99 years. On July 16, 2021, an agreement was signed with KIADB with a transfer of ownership term, agreeing to transfer the ownership to the lessee at the end of the 10-year lease term for the amount of royalties paid by the lessee and recognized by the landlord, if the lessee completes the development conditions specified in the terms.
- E. For the three-month periods ended March 31, 2025 and 2024, the additions to right-of-use assets were \$72,522 and \$154,896 and the sublease income were \$346,051 and \$332,751, respectively.
- F. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>Carrying amount</u> <u>March 31, 2025</u>	<u>Carrying amount</u> <u>December 31, 2024</u>	<u>Carrying amount</u> <u>March 31, 2024</u>	
Land (including royalties)	\$ 4,518,575	\$ 4,541,823	\$ 4,652,954	
Buildings	2,858,973	2,892,761	2,811,863	
Machinery and equipment	26,964	26,986	22,319	
Transportation equipment (Business vehicles)	<u>33,919</u>	<u>36,827</u>	<u>32,520</u>	
	<u>\$ 7,438,431</u>	<u>\$ 7,498,397</u>	<u>\$ 7,519,656</u>	
	<u>Depreciation charge</u>		<u>Depreciation charge</u>	
	<u>For the three-month period</u>		<u>For the three-month period</u>	
	<u>ended March 31, 2025</u>		<u>ended March 31, 2024</u>	
Land (including royalties)	\$ 29,046	\$ 28,732		
Buildings	141,046	120,222		
Machinery and equipment	2,756	2,679		
Transportation equipment (Business vehicles)	<u>4,349</u>	<u>3,346</u>		
	<u>\$ 177,197</u>	<u>\$ 154,979</u>		

G. Interest expenses on lease liabilities for the three-month periods ended March 31, 2025 and 2024, were \$38,463 and \$27,647 and the cash outflows were \$198,765 and \$176,797, respectively.

H. Expenses on short-term leases were \$81,627 and \$71,854 and leases of low-value assets were \$9,136 and \$6,824 which are not subject to IFRS 16 for the three-month periods ended March 31, 2025 and 2024, respectively.

(10) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>At January 1, 2025</u>				
Cost	\$ 1,776,359	\$ 3,617,779	\$ 63,113	\$ 5,457,251
Accumulated depreciation and impairment	(34,697)	(2,190,081)	(46,204)	(2,270,982)
	<u>\$ 1,741,662</u>	<u>\$ 1,427,698</u>	<u>\$ 16,909</u>	<u>\$ 3,186,269</u>
<u>2025</u>				
Opening net book amount	\$ 1,741,662	\$ 1,427,698	\$ 16,909	\$ 3,186,269
Depreciation charge	-	(21,470)	(2,936)	(24,406)
Net exchange differences	<u>2,571</u>	<u>31,739</u>	<u>(7,705)</u>	<u>26,605</u>
Closing net book amount	<u>\$ 1,744,233</u>	<u>\$ 1,437,967</u>	<u>\$ 6,268</u>	<u>\$ 3,188,468</u>
 <u>At March 31, 2025</u>				
Cost	\$ 1,778,930	\$ 3,661,941	\$ 83,410	\$ 5,524,281
Accumulated depreciation and impairment	(34,697)	(2,223,974)	(77,142)	(2,335,813)
	<u>\$ 1,744,233</u>	<u>\$ 1,437,967</u>	<u>\$ 6,268</u>	<u>\$ 3,188,468</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>At January 1, 2024</u>				
Cost	\$ 1,436,681	\$ 3,280,847	\$ 59,941	\$ 4,777,469
Accumulated depreciation and impairment	<u>-</u>	<u>(1,955,900)</u>	<u>(36,382)</u>	<u>(1,992,282)</u>
	<u>\$ 1,436,681</u>	<u>\$ 1,324,947</u>	<u>\$ 23,559</u>	<u>\$ 2,785,187</u>
<u>2024</u>				
Opening net book amount	\$ 1,436,681	\$ 1,324,947	\$ 23,559	\$ 2,785,187
Additions	-	178	-	178
Reclassification	349,854	168,712	-	518,566
Depreciation charge	-	(21,642)	(2,115)	(23,757)
Net exchange differences	<u>7,925</u>	<u>7,101</u>	<u>204</u>	<u>15,230</u>
Closing net book amount	<u>\$ 1,794,460</u>	<u>\$ 1,479,296</u>	<u>\$ 21,648</u>	<u>\$ 3,295,404</u>
<u>At March 31, 2024</u>				
Cost	\$ 1,829,157	\$ 3,598,550	\$ 60,371	\$ 5,488,078
Accumulated depreciation and impairment	<u>(34,697)</u>	<u>(2,119,254)</u>	<u>(38,723)</u>	<u>(2,192,674)</u>
	<u>\$ 1,794,460</u>	<u>\$ 1,479,296</u>	<u>\$ 21,648</u>	<u>\$ 3,295,404</u>

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Rental income from investment property	<u>\$ 37,969</u>	<u>\$ 42,067</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 15,286</u>	<u>\$ 17,221</u>
Direct operating expenses arising from the investment property that did not generate rental income during the period	<u>\$ 2,101</u>	<u>\$ 2,779</u>

B. The fair value of the investment property held by the Group as at March 31, 2025, December 31, 2024 and March 31, 2024, were \$7,347,931, \$7,317,924 and \$7,893,541, respectively, which is categorised within Level 3 in the fair value hierarchy.

(11) Goodwill (listed as '1780 Intangible assets')

	<u>2025</u>	<u>2024</u>
<u>At January 1</u>		
Cost	\$ 5,187,844	\$ 5,045,600
Accumulated amortization and impairment	(419,442)	(315,284)
	<u>\$ 4,768,402</u>	<u>\$ 4,730,316</u>
Opening net book amount	\$ 4,768,402	\$ 4,730,316
Additions	752,067	-
Net exchange differences	255,370	66,590
Closing net book amount	<u>\$ 5,775,839</u>	<u>\$ 4,796,906</u>
<u>At March 31</u>		
Cost	\$ 6,195,281	\$ 5,112,190
Accumulated amortization and impairment	(419,442)	(315,284)
	<u>\$ 5,775,839</u>	<u>\$ 4,796,906</u>

Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segment:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Green mechatronic solution business group	<u>\$ 5,775,839</u>	<u>\$ 4,768,402</u>	<u>\$ 4,796,906</u>

- A. On October 15, 2015, the Group acquired 100% equity and obtained control over Motovario S.p.A., which is headquartered in Italy and is primarily engaged in manufacturing and sales of power transmission equipment such as motors and gear reducers, and its subsidiaries for a cash consideration of \$3,989,850 (EUR 108,214 thousand). As of March 31, 2025, the goodwill arising from the merger amounted to \$4,872,047.
- B. On September 24, 2024, the Group acquired 57.21% equity and obtained control over Shen Chang Electric Co., Ltd., which is primarily engaged in design and manufacturing of transformers, for a cash consideration of \$548,330. As of March 31, 2025, the goodwill arising from the merger amounted to \$118,137.
- C. On January 3, 2025, the Group acquired 78.49% equity and obtained control over EVK Company, which is primarily engaged in development, manufacture and sales of high-performance hair-pin machines, for a cash consideration of \$1,119,500 (RMB\$250,000 thousand). As of March 31, 2025, the goodwill arising from the merger amounted to \$752,067.

(12) Non-current assets held for sale and discontinued operations

- A. On November 12, 2024, the Group passed the resolution of the Board of Directors and approved the sale of the entire equity in AnTai Innovative Technology (Xiamen) Co., Ltd. to a non-affiliated party. The assets and liabilities related to this company have been reclassified as a disposal group held for sale. The transaction had been completed in February 2025. As of December 31, 2024, the assets and liabilities of the disposal group held for sale are \$292,198 and \$27,770, respectively.

B. Assets of disposal group classified as held for sale:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash and cash equivalents	\$ -	\$ 119,150	\$ 89,602
Current financial assets at amortised cost	-	-	-
Accounts receivable	-	1,965	4,685
Other receivables	-	398	193
Inventories	-	-	1,346
Prepayments	-	1,162	818
Property, plant and equipment	-	169,417	213,645
Other non-current assets	-	106	94
	<u>\$ -</u>	<u>\$ 292,198</u>	<u>\$ 310,383</u>

C. Liabilities directly relating to non-current assets held for sale:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts payable and other payables	\$ -	\$ 11,936	\$ 4,466
Other current liabilities	-	15,834	17,316
	<u>\$ -</u>	<u>\$ 27,770</u>	<u>\$ 21,782</u>

D. As at March 31, 2025, the assets and liabilities have not yet met the requirements of the disposal group and are therefore still classified under various items in the Group's consolidated balance sheet.

E. The disposal group was remeasured to the lower of its carrying amount and fair value less costs to sell and no impairment loss was incurred.

F. The consideration received by the Group due to the transaction amounted to \$599,904 in cash. In addition, the Group disposed the disposal group held for sale and recognised gains on disposal of \$335,476 in February 2025.

(13) Other non-current assets

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Refundable deposits	\$ 237,784	\$ 336,621	\$ 315,153
Prepayment of investment	-	72,963	-
Long-term notes and accounts receivable	31,585	59,788	68,831
Deferred expenses	35,510	28,893	23,102
Other assets	62,467	55,890	39,806
	<u>\$ 367,346</u>	<u>\$ 554,155</u>	<u>\$ 446,892</u>

(14) Short-term borrowings

<u>Type of borrowings</u>	<u>March 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings	<u>\$ 1,237,636</u>	1.91%~7.50%	Notes receivable, land, buildings and structures, demand deposits and time deposits

<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings	<u>\$ 1,137,121</u>	1.26%~7.50%	Notes receivable, land, buildings and structures, demand deposits and time deposits

<u>Type of borrowings</u>	<u>March 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings	<u>\$ 1,202,704</u>	0.50%~7.50%	Notes receivable, land, buildings and structures, demand deposits and time deposits

(15) Financial liabilities at fair value through profit or loss

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
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Current items:

Financial liabilities held for trading

Non-hedging derivatives	<u>\$ 1,410</u>	<u>\$ 1,305</u>	<u>\$ 310</u>
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A. The Group recognised net (loss) profit of (\$105) and \$5,540 on financial liabilities held for trading for the three-month periods ended March 31, 2025 and 2024, respectively.

B. Explanations of the transactions and contract information in respect of non-hedged derivative financial liabilities are as follows:

				<u>March 31, 2025</u>	
<u>Derivative instrument</u>	<u>Contract period</u>	<u>Contract amount (Notional principal)</u>		<u>Fair value</u>	
Interest rate swap					
SELL EUR/BUY USD	February 17, 2025~June 27, 2025	EUR 1,500,000		<u>\$ 1,410</u>	
				<u>December 31, 2024</u>	
<u>Derivative instrument</u>	<u>Contract period</u>	<u>Contract amount (Notional principal)</u>		<u>Fair value</u>	
Interest rate swap					
SELL TWD/BUY USD	November 22, 2024~January 27, 2025	USD 3,000,000		<u>\$ 1,305</u>	
				<u>March 31, 2024</u>	
<u>Derivative instrument</u>	<u>Contract period</u>	<u>Contract amount (Notional principal)</u>		<u>Fair value</u>	
Forward foreign exchange contracts					
BUY EUR/SELL AUD	February 21, 2024~May 16, 2024	EUR 50,000		\$ 5	
Interest rate swap					
BUY EUR/SELL TWD	March 21, 2024~April 25, 2024	EUR 1,600,000		<u>305</u>	
				<u>\$ 310</u>	

C. The Group entered into forward foreign exchange contracts to sell to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

(16) Hedging financial assets and liabilities

	December 31, 2024			
	Assets		Liabilities	
	Current	Non-current	Current	Non-current
Cash flow hedges:				
<u>Exchange rate risk</u>				
Forward foreign exchange contracts	\$ 5,887	\$ -	\$ -	\$ -
	March 31, 2024			
	Assets		Liabilities	
	Current	Non-current	Current	Non-current
Cash flow hedges:				
<u>Exchange rate risk</u>				
Forward foreign exchange contracts	\$ 3,992	\$ -	\$ -	\$ -

A. As of March 31, 2025, the Group has no hedging financial assets and liabilities.

B. Hedge accounting is applied to remove the accounting inconsistency between the hedging instrument and the hedged item. To hedge the risk arising from foreign currency denominated future commercial transactions, the Group uses forward foreign exchange transactions to control the exchange rate risk under their acceptable range as the exchange rate fluctuations will change future cash flows.

C. Transaction information associated with the Group adopting hedge accounting is as follows:

		December 31, 2024				For the year ended December 31, 2024	
<u>Hedging instruments</u>	<u>Notional amount</u>	<u>Contract period</u>	<u>Assets carrying amount</u>	<u>Liabilities carrying amount</u>	<u>Changes in fair value in relation to recognising hedge ineffectiveness basis</u>	<u>Average price or fee (in dollars)</u>	<u>Gains (losses) on valuation of ineffective hedge that will be recognised in financial assets/liabilities at fair value through profit or loss</u>
Cash flow hedges							
<u>Exchange rate risk</u>							
Forward foreign exchange transactions							
	USD 8,328	October 24, 2024 ~ January 24, 2025	\$ 5,887	\$ -	\$ -	32.15	\$ -
						For the three-month period ended March 31, 2024	
		March 31, 2024					
<u>Hedging instruments</u>	<u>Notional amount</u>	<u>Contract period</u>	<u>Assets carrying amount</u>	<u>Liabilities carrying amount</u>	<u>Changes in fair value in relation to recognising hedge ineffectiveness basis</u>	<u>Average price or fee (in dollars)</u>	<u>Gains (losses) on valuation of ineffective hedge that will be recognised in financial assets/liabilities at fair value through profit or loss</u>
Cash flow hedges							
<u>Exchange rate risk</u>							
Forward foreign exchange transactions							
	USD 8,328	February 26, 2024 ~ June 26, 2024	\$ 3,992	\$ -	\$ -	31.68	\$ -

D. Cash flow hedge:

	2025		2024	
<u>Other equity - cash flow hedge reserve</u>				
At January 1	\$	20,070	(\$	5,025)
Add: Gains on hedge effectiveness-amount recognised in other comprehensive income		2,715		12,448
Less: Reclassified to profit or loss as the hedged item has affected profit or loss	(	15,353)		-
Less: Reclassified to profit or loss – forecast transaction is no longer expected to occur	(	7,432)		-
At March 31	\$	-	\$	7,423

Exchange rate risk

To hedge exposed exchange rate risk arising from forecast input cost of construction in progress, the Group entered into a forward forecast purchase agreement of US dollar, and the hedge ratio is 1:1. The effective portion with respect to the changes in the fair value of the hedging instruments is deferred to recognise in the cash flow hedge reserve, which is under other comprehensive income, and will be directly included in the cost of construction in progress when the hedged items are subsequently recognised in construction in progress.

(17) Other payables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Salary and wages payable	\$ 1,747,669	\$ 2,109,453	\$ 2,171,087
Employees' compensation payable	873,260	788,153	916,733
Dealers' bonus commission payable	277,257	166,317	204,309
Directors' and supervisors' remuneration payable	176,437	148,059	208,128
Equipment payable	346,866	175,598	122,019
Dividends payable	4,760,975	55,896	4,709,264
Others	2,896,166	2,705,292	2,425,474
	<u>\$ 11,078,630</u>	<u>\$ 6,148,768</u>	<u>\$ 10,757,014</u>

(18) Bonds payable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Issuance of bonds payable	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Less: Current portion of bonds payable (listed as '2320 Long-term liabilities, current portion')	(5,000,000)	(5,000,000)	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000,000</u>

A. The terms of the first domestic unsecured ordinary corporate bonds issued by the Company in 2020 are as follows:

The Company issued \$3,000,000, 0.70% first domestic unsecured ordinary corporation bonds, as approved by the regulatory authority on June 9, 2020. The bonds mature 5 years from the issue date (June 12, 2020 ~ June 12, 2025) and will be redeemed at face value at the maturity date.

B. The terms of the second domestic unsecured ordinary corporate bonds issued by the Company in 2020 are as follows:

The Company issued \$2,000,000, 0.60% first domestic unsecured ordinary corporation bonds, as approved by the regulatory authority on September 4, 2020. The bonds mature 5 years from the issue date (September 15, 2020 ~ September 15, 2025) and will be redeemed at face value at the maturity date.

(19) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>March 31, 2025</u>
Long-term bank borrowings and commercial papers payable	Both borrowing periods are from March 12, 2020 to June 27, 2038; payable based on the agreed terms.	1.83%~9.35%	Note	\$ 6,842,969
Less: Current portion (listed as '2320 Long-term liabilities, current portion')				(314,199)
				<u>\$ 6,528,770</u>
<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Long-term bank borrowings and commercial papers payable	Both borrowing periods are from March 12, 2020 to June 27, 2038; payable based on the agreed terms.	1.90%~9.35%	Note	\$ 5,794,576
Less: Current portion (listed as '2320 Long-term liabilities, current portion')				(1,260,101)
				<u>\$ 4,534,475</u>
<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>March 31, 2024</u>
Long-term bank borrowings and commercial papers payable	Both borrowing periods are from October 1, 2019 to June 27, 2038; payable based on the agreed terms.	1.35%~9.31%	Note	\$ 4,241,417
Less: Current portion (listed as '2320 Long-term liabilities, current portion')				(1,227,303)
				<u>\$ 3,014,114</u>

Note: Details of the Group's assets pledged to others as collateral for borrowings are provided in Note 8.

Under the long-term contracts with certain financial institutions, the Group is required to maintain certain financial ratios and capital requirements as well as meet certain restrictions relative to significant asset acquisitions or disposals.

(20) Pensions

A.(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not sufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution to cover the deficit by next March.

- (b) The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2025 and 2024 were \$5,140 and \$5,802, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$220,158.
- B.(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Group’s mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage for the three-month periods ended March 31, 2025 and 2024 ranged from 14%~20%. Other than the monthly contributions, the Group has no further obligations.
- (c) Monthly contributions to an independent fund administered by the local pension managing agency are based on a certain percentage of monthly salaries and wages of the Group’s other overseas subsidiaries’ employees.
- (d) The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2025 and 2024 were \$102,297 and \$97,844, respectively.

(21) Share capital

- A. As of March 31, 2025, the Company’s authorized capital was \$30,305,500, consisting of 3,030,550 thousand shares of ordinary stock, including 100 million shares reserved for employee stock options, and the paid-in capital was \$21,387,966 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

	2025	2024
At January 1 (At March 31)	2,138,797	2,138,797

Note: Shares in thousands.

B. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company’s treasury shares are as follows:

Name of company holding the shares	Reason for reacquisition	March 31, 2025	
		Number of shares (thousand shares)	Carrying amount
The Company	To be reissued to employees	2,150	\$ 108,357

Not applicable until December 31 and March 31, 2024.

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company’s issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to

the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

C. All of the shares of the Company held by the Company's subsidiaries-Tong-An Investment Co., Ltd. and An-Tai International Investment Co., Ltd. were acquired in or before 2000 for the purpose of general investment. In addition, Top-Tower Enterprises Co., Ltd. also held the Company's shares before the Company obtained control of Top-Tower Enterprises Co., Ltd. In August 2013, and Top-Tower Enterprises Co., Ltd. acquired the Company's shares. Furthermore, the subsidiary - Taiwan Pelican Express Co., Ltd. is a subsidiary over which the Company has substantial control, and such investment on the Company's shares is a general investment. As of March 31, 2025, December 31, 2024 and March 31, 2024, book value of the shares of the Company held by the subsidiaries and second-tier subsidiaries were all \$511,710.

Details are as follows:

	March 31, 2025		
	Shares (in thousands)	Cost (in dollars)	Market value (in dollars)
Tong-An Investment Co., Ltd.	19,540	\$ 14.92	\$ 49.00
An-Tai International Investment Co., Ltd.	2,826	10.37	49.00
Top-Tower Enterprises Co., Ltd.	77	9.37	49.00
Taiwan Pelican Express Co., Ltd.	7,070	26.89	49.00
	<u>29,513</u>		
	December 31, 2024		
	Shares (in thousands)	Cost (in dollars)	Market value (in dollars)
Tong-An Investment Co., Ltd.	19,540	\$ 14.92	\$ 52.20
An-Tai International Investment Co., Ltd.	2,826	10.37	52.20
Top-Tower Enterprises Co., Ltd.	77	9.37	52.20
Taiwan Pelican Express Co., Ltd.	7,070	26.89	52.20
	<u>29,513</u>		
	March 31, 2024		
	Shares (in thousands)	Cost (in dollars)	Market value (in dollars)
Tong-An Investment Co., Ltd.	19,540	\$ 14.92	\$ 58.10
An-Tai International Investment Co., Ltd.	2,826	10.37	58.10
Top-Tower Enterprises Co., Ltd.	77	9.37	58.10
Taiwan Pelican Express Co., Ltd.	7,070	26.89	58.10
	<u>29,513</u>		

(22) Capital surplus

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

(23) Retained earnings

- A. As stipulated in the Company's Articles of Incorporation, the current earnings, if any, shall be distributed in the following order:
- (a) Payment of taxes and duties.
 - (b) Covering prior years' accumulated deficit, if any.
 - (c) After deducting items (a) and (b), set aside 10% of the remaining amount as legal reserve.
 - (d) Set aside a certain amount as special reserve, if any.
 - (e) Distributing the remaining amount plus prior years' retained earnings to shareholders according to their shareholding percentage. The distribution rate is principally 80%, of which cash dividends shall account for 5% ~ 50% of the distributed amount. Stock dividends shall be approved by the shareholders at the shareholders' meeting while cash dividends shall be approved by the Board of Directors under a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and reported to the shareholders at the shareholders' meeting.
- B. The Company's dividend policy is summarized below:
The Company's operating environment is in the stable growth stage. However, investee companies are still in the growth stage. In view of the future plant expansion and investment plans, the appropriations of earnings are based on the distributable earnings and appropriate principally 80% to shareholders as dividends. Cash dividends shall account for at least 5% up to maximum of 50% of total dividends distributed.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2011, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use periods if the assets are investment property other than land. As of March 31, 2025, the amount previously set aside as special reserve on initial application of IFRSs and yet to be reversed amounted to \$3,640,779.
- E. The appropriations of the 2024 net income was proposed by the Board of Directors on March 14, 2025 while the appropriations of the 2023 net income was resolved by the stockholders on May 27, 2024 as follows:

	For the year ended December 31, 2024		For the year ended December 31, 2023	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	\$ 602,097		\$ 626,570	
Cash dividends	4,705,353	\$ 2.2	4,705,353	\$ 2.2

(24) Other equity items

	<u>Unrealised gains (losses) on valuation</u>	<u>Hedging reserve</u>	<u>Currency translation</u>	<u>Total</u>
At January 1, 2025	\$ 10,677,750	\$ 20,070	(\$ 1,301,814)	\$ 9,396,006
Unrealised gains and losses on financial assets:				
Revaluation - group	(177,724)	-	-	(177,724)
Revaluation - associates	(10,731)	-	-	(10,731)
Revaluation transferred to retained earnings	142,199	-	-	142,199
Cash flow hedge:				
Fair value gain	-	2,715	-	2,715
Transfer to profit or loss	-	(22,785)	-	(22,785)
Currency translation differences:				
-Group	-	-	745,382	745,382
At March 31, 2025	<u>\$ 10,631,494</u>	<u>\$ -</u>	<u>(\$ 556,432)</u>	<u>\$ 10,075,062</u>
	<u>Unrealised gains (losses) on valuation</u>	<u>Hedging reserve</u>	<u>Currency translation</u>	<u>Total</u>
At January 1, 2024	\$ 17,649,701	(\$ 5,025)	(\$ 2,280,016)	\$ 15,364,660
Unrealised gains and losses on financial assets:				
Revaluation - group	(3,019,053)	-	-	(3,019,053)
Revaluation - associates	(177)	-	-	(177)
Revaluation transferred to retained earnings	(14)	-	-	(14)
Cash flow hedge:				
Fair value loss	-	12,448	-	12,448
Currency translation differences:				
-Group	-	-	709,147	709,147
At March 31, 2024	<u>\$ 14,630,457</u>	<u>\$ 7,423</u>	<u>(\$ 1,570,869)</u>	<u>\$ 13,067,011</u>

(25) Operating revenue

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Revenue from customers	\$ 13,266,473	\$ 13,425,971
Others - rental revenue	350,693	303,627
	<u>\$ 13,617,166</u>	<u>\$ 13,729,598</u>

A. Disaggregation of revenue from customers

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

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
	<u>Revenue from external customer contracts</u>	<u>Revenue from external customer contracts</u>
Sales of green mechatronic solution business group products	\$ 7,034,528	\$ 7,302,352
Sales of intelligence energy business group product	2,585,831	2,594,318
Sales of air and intelligent life business group product	1,679,805	1,525,621
Others	1,966,309	2,003,680
	<u>\$ 13,266,473</u>	<u>\$ 13,425,971</u>

B. Revenue recognised that was included in the contract liability balance at the beginning of the period

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Advance sales receipts	<u>\$ 561,443</u>	<u>\$ 397,299</u>

(26) Interest income

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Interest income from bank deposits	\$ 162,149	\$ 175,190
Interest income from financial assets measured at amortised cost	1,796	680
	<u>\$ 163,945</u>	<u>\$ 175,870</u>

(27) Other income

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Rental revenue	\$ 45,969	\$ 43,631
Dividend income	6,018	6,641
Other non-operating income	34,416	57,340
	<u>\$ 86,403</u>	<u>\$ 107,612</u>

(28) Other gains and losses

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Gain on disposal of property, plant and equipment	\$ 25,174	\$ 52,840
Gain on disposal of non-current assets held for sale	335,476	-
Loss arising from lease modifications	(1,234)	-
Net currency exchange gain	69,689	19,624
(Loss) gain on financial assets at fair value through profit or loss	(15,372)	5,011
(Loss) gain on financial liabilities at fair value through profit or loss	(105)	5,540
Miscellaneous disbursements	(141,900)	(159,859)
	<u>\$ 271,728</u>	<u>(\$ 76,844)</u>

(29) Finance costs

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Interest expense	\$ 94,353	\$ 89,153
Other finance expenses	830	869
	<u>\$ 95,183</u>	<u>\$ 90,022</u>

(30) Expenses by nature (including employee benefit expense)

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Wages and salaries	\$ 2,115,893	\$ 2,114,745
Employees' compensation and directors' remuneration	189,599	185,564
Labor and health insurance fees	296,523	276,764
Pension costs	107,437	103,646
Other personnel expenses	106,327	95,378
Depreciation charges on property, plant and equipment as well as investment property	344,889	313,930
Depreciation charges on right-of -use assets and amortization charges on intangible assets	201,339	176,022

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 1%~10% for employees' compensation and shall not be higher than 5% for directors' remuneration.

B. For the three-month periods ended March 31, 2025 and 2024, employees' compensation was accrued at \$77,017 and \$94,711, respectively; while directors' remuneration was accrued at \$27,336 and \$26,893, respectively. The aforementioned amounts were recognized in salary expenses.

- C. For the year ended December 31, 2024, after considering each year's earnings, the employee benefit expenses were accrued based on past experience and ratio. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were \$400,483 and \$108,327, and the employees' compensation will be distributed in the form of cash.

The difference of (\$42,530) between employees' compensation of \$443,013 and the difference of (\$1,418) between directors' remuneration of \$109,745 as resolved by the Board of Directors which is mainly arising from changes in estimate of directors' remuneration and the amount recognised in the 2024 financial statements had been adjusted in the profit or loss of 2025.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Current tax:		
Current tax on profits for the period	\$ 324,222	\$ 391,925
Total current tax	<u>324,222</u>	<u>391,925</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>115,607</u>	<u>90,999</u>
Total deferred tax	<u>115,607</u>	<u>90,999</u>
Income tax expense	<u>\$ 439,829</u>	<u>\$ 482,924</u>

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

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Deferred tax:		
Currency translation differences	\$ 115,089	\$ 147,751
Income tax charge relating to components of other comprehensive income	<u>\$ 115,089</u>	<u>\$ 147,751</u>

- B. As of March 31, 2025, the Company and its subsidiaries' income tax returns through various years between 2021 and 2023, respectively, have been assessed and approved by the Tax Authority.

- C. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

- D. The Group had no current tax expense related to Pillar Two income taxes for the three-month periods ended March 31, 2025 and 2024.

- E. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). Since Pillar Two legislation was enacted

in Singapore, Malaysia and Thailand, the jurisdiction in which subsidiaries of the Group is incorporated, and will come into effect from January 1, 2025, the Group has no related current tax exposure as of March 31, 2025.

Under the Pillar Two legislation, the Group was liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.

For 2024, the average effective tax rate calculated in accordance with IAS 12 of subsidiaries of the Group operating in jurisdiction should be higher than 15%. The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation and calculating GloBE income as well as the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The Group is currently engaged with tax specialists to assist it with applying the legislation.

(32) Earnings per share

	<u>For the three-month period ended March 31, 2025</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic (Diluted) earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,147,310	2,109,127	\$ 0.54

Note: The earnings per share of \$0.54 (in dollars) given the shares of the Company held by the subsidiary, which were deemed as treasury shares, were excluded from the weighted average number of ordinary shares outstanding.

	<u>For the three-month period ended March 31, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic (Diluted) earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,159,139	2,109,284	\$ 0.55

Note: The earnings per share of \$0.54 (in dollars) given the shares of the Company held by the subsidiary, which were deemed as treasury shares, were excluded from the weighted average number of ordinary shares outstanding.

(33) Supplemental cash flow information

A. Investing activities with partial cash payments:

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Acquisition of property, plant and equipment	\$ 342,351	\$ 251,035
Add:		
Payables at beginning of the period	175,598	130,788
Less:		
Payables at end of the period	(346,866)	(122,019)
Cash paid	<u>\$ 171,083</u>	<u>\$ 259,804</u>

B. Financing activities with no cash flow effects

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Cash dividends declared	<u>\$ 4,705,353</u>	<u>\$ 4,705,353</u>

C. October 21, 2024 is used as the base date to acquire Shen Chang Electric Co., Ltd. in the current period, and the book value of its assets and liabilities is as follows:

	<u>October 21, 2024</u>
Cash	\$ 27,520
Cash - issue of shares	400,000
Accounts receivable	116,922
Inventory	267,036
Other current assets	24,837
Property, plant and equipment	151,776
Other non-current assets	34,490
Bank borrowings	(155,000)
Accounts payable	(76,539)
Other payables	(15,154)
Other current liabilities	(18,979)
Other non-current liabilities	(4,823)
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>(321,893)</u>
	<u>\$ 430,193</u>
Consideration for the acquisition of the subsidiary	\$ 548,330
Balance of cash in the subsidiary	<u>(427,520)</u>
Effect on net cash from the consolidated subsidiary	<u>\$ 120,810</u>

D. January 3, 2025 is used as the base date to acquire EVK Company in the current period, and the book value of its assets and liabilities is as follows:

	<u>January 3, 2025</u>	
Cash	\$	16,929
Cash - issue of shares		486,006
Accounts receivable		233,256
Other receivables		4,113
Inventory		104,511
Other current assets		44,060
Property, plant and equipment		333,555
Other non-current assets		11,975
Bank borrowings	(	179,120)
Accounts payable	(	464,901)
Other payables	(	31,810)
Other current liabilities	(	887)
Other non-current liabilities	(	89,560)
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	(	<u>100,694</u>)
	\$	<u>367,433</u>
Consideration for the acquisition of the subsidiary	\$	1,119,500
Balance of cash in the subsidiary	(	<u>502,935</u>)
Effect on net cash from the consolidated subsidiary	\$	<u>616,565</u>

(34) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Dividends payable (Note 1)</u>	<u>Bonds payable (Note 2)</u>	<u>Long-term borrowings (Note 2)</u>	<u>Lease liabilities</u>	<u>Liabilities from financing activities - gross</u>
January 1, 2025	\$ 1,137,121	\$ 55,896	\$ 5,000,000	\$ 5,794,576	\$ 6,020,390	\$ 18,007,983
Interest expenses on lease liabilities	-	-	-	-	38,463	38,463
Recognised in right -of-use assets	-	-	-	-	72,522	72,522
Remeasurement	-	-	-	-	(37,220)	(37,220)
Changes in cash flow from financing activities	100,515	-	-	1,048,393	(198,765)	950,143
Cash dividends declared	-	4,705,353	-	-	-	4,705,353
Other	-	(274)	-	-	-	(274)
Effect of foreign exchange	-	-	-	-	58,894	58,894
March 31, 2025	<u>\$ 1,237,636</u>	<u>\$ 4,760,975</u>	<u>\$ 5,000,000</u>	<u>\$ 6,842,969</u>	<u>\$ 5,954,284</u>	<u>\$ 23,795,864</u>

	<u>Short-term borrowings</u>	<u>Dividends payable (Note 1)</u>	<u>Bonds payable (Note 2)</u>	<u>Long-term borrowings (Note 2)</u>	<u>Lease liabilities</u>	<u>Liabilities from financing activities - gross</u>
January 1, 2024	\$ 1,357,111	\$ 62,359	\$ 5,000,000	\$ 3,549,846	\$ 5,877,521	\$ 15,846,837
Interest expenses on lease liabilities	-	-	-	-	27,647	27,647
Recognised in right- of-use assets	-	-	-	-	154,896	154,896
Remeasurement	-	-	-	-	(2,323)	(2,323)
Changes in cash flow from financing activities	(154,407)	-	-	691,571	(176,797)	360,367
Cash dividends declared	-	4,705,353	-	-	-	4,705,353
Other	-	(58,448)	-	-	-	(58,448)
Effect of foreign exchange	-	-	-	-	8,094	8,094
March 31, 2024	<u>\$ 1,202,704</u>	<u>\$ 4,709,264</u>	<u>\$ 5,000,000</u>	<u>\$ 4,241,417</u>	<u>\$ 5,889,038</u>	<u>\$ 21,042,423</u>

Note 1: Shown as 'other payables'.

Note 2: Including the portion shown as '2320 long-term liabilities, current portion'.

(35) Details of significant non-controlling interests

A. As of March 31, 2025, December 31, 2024 and March 31, 2024, the non-controlling interest amounted to \$6,341,842, \$6,190,844 and \$6,440,381, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		March 31, 2025		December 31, 2024	
		Amount	Ownership	Amount	Ownership
Tecom Co., Ltd. and subsidiaries	R.O.C	\$ 273,692	36.48%	\$ 279,224	36.48%
Taiwan Pelican Express Co., Ltd. and subsidiaries	R.O.C	1,326,811	66.62%	1,365,681	66.62%
Century Development Corporation and subsidiaries	R.O.C	3,150,536	47.25%	3,064,227	47.25%
Information Technology Total Services Co., Ltd. and subsidiaries	R.O.C	288,073	50.99%	305,299	50.99%
				Non-controlling interest	
				March 31, 2024	
Name of subsidiary	Principal place of business	Amount	Ownership		
Tecom Co., Ltd. And subsidiaries	R.O.C	\$ 292,565	36.48%		
Taiwan Pelican Express Co., Ltd. and subsidiaries	R.O.C	1,481,928	66.62%		
Century Development Corporation and subsidiaries	R.O.C	2,996,558	47.25%		
Information Technology Total Services Co.,Ltd. and subsidiaries	R.O.C	276,554	50.99%		

B. Summarized financial information of the subsidiaries:

Balance sheets

	<u>Tecom Co., Ltd. and subsidiaries</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current assets	\$ 607,015	\$ 656,666	\$ 682,632
Non-current assets	617,401	636,170	664,955
Current liabilities	(403,548)	(646,008)	(672,396)
Non-current liabilities	(395,147)	(205,749)	(223,542)
Total net assets	<u>\$ 425,721</u>	<u>\$ 441,079</u>	<u>\$ 451,649</u>

	<u>Taiwan Pelican Express Co., Ltd. and subsidiaries</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current assets	\$ 1,426,729	\$ 1,419,974	\$ 1,655,014
Non-current assets	2,813,218	2,850,608	2,597,291
Current liabilities	(992,127)	(927,620)	(933,801)
Non-current liabilities	(1,256,209)	(1,293,006)	(1,094,055)
Total net assets	<u>\$ 1,991,611</u>	<u>\$ 2,049,956</u>	<u>\$ 2,224,449</u>

	<u>Century Development Corporation and subsidiaries</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current assets	\$ 1,513,776	\$ 1,266,894	\$ 1,186,294
Non-current assets	10,932,149	11,053,171	11,155,150
Current liabilities	(897,035)	(872,324)	(1,028,610)
Non-current liabilities	(4,445,847)	(4,502,223)	(4,469,472)
Total net assets	<u>\$ 7,103,043</u>	<u>\$ 6,945,518</u>	<u>\$ 6,843,362</u>

	<u>Information Technology Total Services Co., Ltd. and subsidiaries</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current assets	\$ 867,752	\$ 794,523	\$ 887,567
Non-current assets	184,304	211,350	208,487
Current liabilities	(472,423)	(395,774)	(540,724)
Non-current liabilities	(13,517)	(11,451)	(11,848)
Total net assets	<u>\$ 566,116</u>	<u>\$ 598,648</u>	<u>\$ 543,482</u>

Statements of comprehensive income

	<u>Tecom Co., Ltd. and subsidiaries</u>	
	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Revenue	\$ 170,131	\$ 163,715
Loss before income tax	(6,478)	(7,234)
Income tax expense	(76)	(260)
Loss for the period	(6,554)	(7,494)
Other comprehensive loss (net of tax)	(8,804)	(5,525)
Total comprehensive loss for the period	<u>(\$ 15,358)</u>	<u>(\$ 13,019)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 5,470)</u>	<u>(\$ 4,243)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>
	<u>Taiwan Pelican Express Co., Ltd. and subsidiaries</u>	
	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Revenue	\$ 975,500	\$ 1,021,467
(Loss) profit before income tax	(58,808)	18,834
Income tax benefit (expense)	11,460	(3,360)
(Loss) profit for the period	(47,348)	15,474
Other comprehensive loss (net of tax)	(10,997)	(16,113)
Total comprehensive loss for the period	<u>(\$ 58,345)</u>	<u>(\$ 639)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 38,869)</u>	<u>(\$ 426)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

<u>Century Development Corporation and subsidiaries</u>		
	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Revenue	\$ 361,693	\$ 328,314
Profit before income tax	180,102	158,850
Income tax expense	(35,105)	(25,337)
Profit for the period	144,997	133,513
Other comprehensive income (net of tax)	12,539	39,139
Total comprehensive income for the period	<u>\$ 157,536</u>	<u>\$ 172,652</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 33,029</u>	<u>\$ 43,307</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>
<u>Information Technology Total Services Co., Ltd. and subsidiaries</u>		
	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Revenue	\$ 388,808	\$ 364,329
Profit before income tax	29,719	22,390
Income tax expense	(6,151)	(4,349)
Profit for the period	23,568	18,041
Other comprehensive income (net of tax)	1,279	2,119
Total comprehensive income for the period	<u>\$ 24,847</u>	<u>\$ 20,160</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 11,609</u>	<u>\$ 8,821</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Statements of cash flows

	<u>Tecom Co., Ltd. and subsidiaries</u>	
	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Net cash (used in) provided by operating activities	(\$ 29,598)	\$ 15,631
Net cash (used in) provided by investing activities	(11,456)	28,840
Net cash used in financing activities	(38,023)	(32,824)
(Decrease) increase in cash and cash equivalents	(79,077)	11,647
Cash and cash equivalents, beginning of period	<u>225,484</u>	<u>143,638</u>
Cash and cash equivalents, end of period	<u>\$ 146,407</u>	<u>\$ 155,285</u>
	<u>Taiwan Pelican Express Co., Ltd. and subsidiaries</u>	
	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Net cash provided by operating activities	\$ 103,672	\$ 95,561
Net cash used in financing activities	(25,574)	(24,158)
Net cash used in financing activities	(67,179)	(53,126)
Effect of exchange rates on cash and cash equivalents	<u>60</u>	<u>111</u>
Increase in cash and cash equivalents	<u>10,979</u>	<u>18,388</u>
Cash and cash equivalents, beginning of period	<u>718,642</u>	<u>927,500</u>
Cash and cash equivalents, end of period	<u>\$ 729,621</u>	<u>\$ 945,888</u>

<u>Century Development Corporation and subsidiaries</u>		
	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Net cash provided by operating activities	\$ 304,791	\$ 261,111
Net cash (used in) provided by investing activities	(88,785)	8,782
Net cash used in financing activities	(47,994)	(40,618)
Effect of exchange rates on cash and cash equivalents	(686)	736
Increase in cash and cash equivalents	<u>167,326</u>	<u>230,011</u>
Cash and cash equivalents, beginning of period	<u>322,662</u>	<u>189,579</u>
Cash and cash equivalents, end of period	<u>\$ 489,988</u>	<u>\$ 419,590</u>
<u>Information Technology Total Services Co., Ltd. and subsidiaries</u>		
	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Net cash provided by operating activities	\$ 73,615	\$ 64,311
Net cash provided by investing activities	40,724	23,256
Net cash used in financing activities	(1,120)	(1,147)
Effect of exchange rates on cash and cash equivalents	<u>1,147</u>	<u>1,267</u>
Increase in cash and cash equivalents	<u>114,366</u>	<u>87,687</u>
Cash and cash equivalents, beginning of period	<u>301,109</u>	<u>306,754</u>
Cash and cash equivalents, end of period	<u>\$ 415,475</u>	<u>\$ 394,441</u>

(36) Transactions with non-controlling interest

Acquisition of additional equity interest in a subsidiary

A. On August 31, 2024, the Group acquired an additional 38.93% of shares of its subsidiary—Teco Electro Devices Co., Ltd. for a total cash consideration of \$236,671. The carrying amount of non-controlling interest in Teco Electro Devices Co., Ltd. was \$153,047 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$153,047 and a decrease in the equity attributable to owners of the parent by \$83,624.

B. On July 19, 2024, the Group acquired an additional 10% of shares of its subsidiary—Taian-Etacom Technology Co., Ltd. for a total cash consideration of \$20,829. The carrying amount of non-controlling interest in Taian-Etacom Technology Co., Ltd. was \$16,919 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$16,919 and a decrease in the equity attributable to owners of the parent by \$3,910.

The effect of changes in interests in Teco Electro Devices Co., Ltd. and Taian-Etacom Technology Co., Ltd. on the equity attributable to owners of the parent for the year 2024 is shown below:

	<u>2024</u>
Carrying amount of non-controlling interest acquired	\$ 169,966
Consideration paid to non-controlling interest	<u>(257,500)</u>
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	<u>(\$ 87,534)</u>

(37) Business combinations

A. On September 24, 2024, the Group passed a resolution of the Board of Directors and approved the acquisition of 6,449,112 shares from the original shareholders of Shen Chang Electric Co., Ltd. at \$23 (in dollars) per share, amounting to \$148,330, and obtained a cash capital increase of \$23 (in dollars) per share from Shen Chang Electric Co., Ltd. to issue 17,391,304 new shares, amounting to \$400,000, accounting for 57.21% of the total shares. The total transaction price is \$548,330, and the delivery date is October 21, 2024.

(a) The following table summarises the consideration paid for Shen Chang Electric Co., Ltd. and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>October 21, 2024</u>
Purchase consideration	
Cash paid	\$ 548,330
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>321,893</u>
	<u>870,223</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	27,520
Cash-issuance of shares	400,000
Accounts receivable	116,922
Inventories	267,036
Other current assets	24,837
Property, plant and equipment	151,776
Other non-current assets	34,490
Bank borrowings	(155,000)
Accounts payable	(76,539)
Other payables	(15,154)
Other current liabilities	(18,979)
Other non-current liabilities	(<u>4,823</u>)
Total identifiable net assets	<u>752,086</u>
	<u>\$ 118,137</u>

(b) The fair value of the identifiable net assets acquired has yet to be finalized.

(c) Had Shen Chang Electric Co., Ltd. been consolidated from January 1, 2024, the consolidated statement of comprehensive income for the year ended December 31, 2024 would show operating revenue of \$55,816,850 and profit before income tax of \$8,161,913.

B. On December 17, 2024, the Company's subsidiaries, Wuxi Teco and Jiangxi Teco, passed the resolution of the Board of Directors and approved the acquisition of 6,340,675 shares and 2,508,896 shares, respectively, from the original shareholders of EVK Company at RMB\$11.99 per share, amounting to RMB\$141,468 thousand. In addition, EVK Company was expected to increase its capital by issuing 11,999,780 new shares at RMB\$9.04 per share in February 2025. Wuxi Teco and Jiangxi Teco would acquire 7,001,872 shares and 4,997,908 shares, respectively, amounting to RMB\$108,532 thousand. The total transaction price was RMB\$250,000 thousand. The total shares acquired by Wuxi Teco and Jiangxi Teco were 13,342,547 shares and 7,506,804 shares, accounting for 50.23% and 28.26% of the total shares, respectively. The effective date for the acquisition as stipulated in the contracts was set on January 3, 2025.

(a) The following table summarises the consideration paid for EVK Company and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>January 3, 2025</u>
Purchase consideration	
Cash paid	\$ 1,119,500
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>100,694</u>
	<u>1,220,194</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	16,929
Cash-issuance of shares	486,006
Accounts receivable	233,256
Other receivables	4,113
Inventories	104,511
Other current assets	44,060
Property, plant and equipment	333,555
Other non-current assets	11,975
Bank borrowings	(179,120)
Accounts payable	(464,901)
Other payables	(31,810)
Other current liabilities	(887)
Other non-current liabilities	(89,560)
Total identifiable net assets	<u>468,127</u>
	<u>\$ 752,067</u>

(b) The fair value of the identifiable net assets acquired has yet to be finalized.

(c) Had EVK Company been consolidated from January 1, 2025, the consolidated statement of comprehensive income for the three-month period ended March 31, 2025 would show operating revenue of \$13,618,702 and profit before income tax of \$1,642,020.

C. On March 14, 2025, the Group passed a resolution of the Board of Directors and approved the acquisition of 1,500,000 shares from the original shareholders of NCL Energy Sdn. Bhd. at MRD\$46.67 per share, accounting for 80% of the total shares. The total transaction price was MRD\$70,000 thousand and the effective date for the acquisition as stipulated in the contracts was set on April 30, 2025.

7. Related Party Transactions

(1) Names of related parties and relationship with the Group

Names of related parties	Relationship with the Group	Names of related parties	Relationship with the Group
Teco (PHILIPPINES) 3C & Appliances, Inc. (Teco 3C)	Associates	Shanghai Tungpei Enterprise Co., Ltd. (Shanghai Tungpei)	Associates
Taian-Jaya Electric Sdn. Bhd. (Taian-Jaya)	"	ABC Cooking Studio Taiwan Co., Ltd. (ABC Cooking)	"
An-Sheng Travel Co., Ltd. (An-Sheng)	"	Qingdao Teco Century Advanced HighTech Mechatronics Co., Ltd. (Teco Century)	"
Le-Li Co., Ltd. (Le-Li)	"	Teco EV Philippines Corporation (Teco EV)	"
Lien Chang Electronic Enterprise Co., Ltd. (Lien Chang)	"	Fujio Food System Taiwan Co., Ltd. (Fujio Food)	"
Tung Pei Industrial Co., Ltd. (Tung Pei)	"	Teco Group Science Technology (Han Zou) Co., Ltd. (Teco Group)	"
Taian Electric Co., Ltd. (Taian Electric)	"	An-shin Food Service Co., Ltd. (An-shin)	Other related parties
Royal Host Taiwan Co., Ltd. (Royal Host)	"	Taiwan Art & Business Interdisciplinary Foundation	"
Taisan Electric Co.,Ltd. (Taisan Electric)	"	Teco Technology Foundation (Teco Found)	"
Tension Envelope Taiwan Co., Ltd. (Tension)	"	YUBAN & COMPANY (YUBAN)	"
Teco-Motech Co., Ltd. (Teco-Motech)	"	An-Hui Information Technology., Ltd. (An-Hui Technology)	"
ZEPT Inc. (ZEPT)	"	Xia Men An-Shin Food Management Co., Ltd.	Note
Jinglaoman Food & Beverage Co., Ltd. (Jinglaoman)	"	MOS BURGER AUSTRALIA PTY. LTD.	"

Note: The company has been liquidated according to the resolution of the Board of Directors in May 2024.

(2) Significant related party transactions

A. Operating revenue:

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Sales of goods and services:		
Associates	\$ 74,434	\$ 70,582
Other related parties	<u>102,105</u>	<u>77,976</u>
	<u>\$ 176,539</u>	<u>\$ 148,558</u>

The Group sells commodities and services to related parties based on mutually agreed selling price and terms as there is no similar transaction to be compared with.

B. Purchases of goods:

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Purchases of goods:		
Associates	\$ 42,895	\$ 22,113
Other related parties	<u>13,374</u>	<u>3,560</u>
	<u>\$ 56,269</u>	<u>\$ 25,673</u>

The purchase terms, including pricing and payments, were based on mutual agreement and have no similar transaction to be compared with.

C. Receivables from related parties:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Receivables from related parties:			
Associates	\$ 112,344	\$ 100,664	\$ 109,755
Other related parties	<u>103,813</u>	<u>102,900</u>	<u>83,964</u>
	<u>216,157</u>	<u>203,564</u>	<u>193,719</u>
Other receivables - others			
Associates	64,382	73,154	8,393
Other related parties	<u>4,289</u>	<u>3,620</u>	<u>21,307</u>
	<u>68,671</u>	<u>76,774</u>	<u>29,700</u>
	<u>\$ 284,828</u>	<u>\$ 280,338</u>	<u>\$ 223,419</u>

(a) The receivables from related parties arise mainly from sale transactions. The receivables are due 30 to 90 days after the date of sale, unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

(b) The other receivables arise mainly from other receivables for rental and reimbursement.

D. Payables to related parties:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Payables to related parties:			
Associates	\$ 45,576	\$ 52,002	\$ 27,134
Other related parties	<u>10,713</u>	<u>4,571</u>	<u>2,881</u>
	<u>\$ 56,289</u>	<u>\$ 56,573</u>	<u>\$ 30,015</u>

The payables to related parties arise mainly from purchase transactions and are due 180 days after the date of purchase. The payables bear no interest.

E. Property transactions:

Acquisition of property, plant and equipment:

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Other related parties	\$ 142	\$ -

F. Rent income:

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Associates	\$ 7,016	\$ 8,115
Other related parties	5,931	5,912
	<u>\$ 12,947</u>	<u>\$ 14,027</u>

The Group leases offices from the related parties. Rent was determined based on rental terms by reference to market prices and collected within the mutually agreed terms.

G. Loans to related parties:

	<u>For the three-month period ended March 31, 2024</u>		
	Maximum outstanding		
	<u>balance</u>	<u>Ending balance</u>	<u>Interest income</u>
Other related parties	\$ 18,564	\$ 18,564	\$ 250

(a) The Group did not make any loans to related parties from January to March 31, 2025.

(b) The loans to other related parties are repayable over 1 year and carry interest at 5.23% per annum for the three-month periods ended March 31, 2024.

(3) Key management compensation

	<u>For the three-month period ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Salaries and other short-term employee benefits	\$ 52,982	\$ 47,801
Long-term employee benefits	6,009	8,507
Post-employment benefits	2,007	1,908
	<u>\$ 60,998</u>	<u>\$ 58,216</u>

8. Pledged Assets

Pledged asset	March 31, 2025	December 31, 2024	Purpose
Notes receivable	\$ 36,778	\$ 17,061	Short-term borrowings and deposits for acceptance bill
Other current assets			
Demand deposits	88,737	49,676	Short-term borrowings, deposits for renting warehouses, deposits for acceptance bill, provisional seizure guarantee of compensation, exercise guarantee for construction, warranty margin, engineering bond, tariff guarantees, merchandise loans, provisional seizure guarantee, deposits for the exemption from provisional execution and guarantee
Time deposits	51,429	36,192	Engineering bond, merchandise loans, tariff guarantees, long-term and short-term borrowings, engineering guarantees, customs security deposit, warranty margin, exercise guarantee for construction and quality assurance for product sales
Financial assets at fair value through other comprehensive income - non-current			
Taiwan High Speed Rail Corporation	216,590	219,620	Long-term borrowings
Non-current financial assets at amortised cost	10,000	10,000	Performance guarantee
Property, plant, and equipment			
Land	185,734	186,539	Long-term borrowings, short-term borrowings
Buildings and structures	39,923	39,626	"
Leased asset-buildings and structures	4,265,999	4,293,483	"
Machinery and equipment	596,283	726,261	"
Right-of-use assets	789,855	794,438	"
Other non-current assets			
Refundable deposits	39,429	31,247	Exercise guarantee or warranty for construction and exercise guarantee for tender
	\$ 6,320,757	\$ 6,404,143	

Pledged asset	March 31, 2024	Purpose
Notes receivable	\$ 16,598	Short-term borrowings and deposits for acceptance bill
Other current assets		
Demand deposits	55,993	Short-term borrowings, deposits for renting warehouses, deposits for acceptance bill, provisional seizure guarantee of compensation, exercise guarantee for construction, warranty margin, engineering bond, tariff guarantees, merchandise loans, provisional seizure guarantee, deposits for the exemption from provisional execution and guarantee
Time deposits	73,904	Engineering bond, merchandise loans, tariff guarantees, long-term and short-term borrowings, engineering guarantees, customs security deposit, warranty margin, exercise guarantee for construction and quality assurance for product sales
Financial assets at fair value through other comprehensive income - non-current		
Taiwan High Speed Rail Corporation	237,790	Long-term borrowings
Non-current financial assets at amortised cost	10,000	Performance guarantee
Property, plant, and equipment		
Land	90,776	Long-term borrowings, short-term borrowings
Buildings and structures	9,707	"
Leased asset-buildings and structures	4,310,630	"
Machinery and equipment	537,156	"
Right-of-use assets	808,188	"
Other non-current assets		
Refundable deposits	47,508	Exercise guarantee or warranty for construction and exercise guarantee for tender
	<u>\$ 6,198,250</u>	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

On August 20, 2024, a workplace accident occurred at HAI LONG wind farm which was the construction site contracted by the Company. As of May 14, 2025, the related amount of the claim and the effect are under assessment.

(2) Commitments

A. Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Property, plant and equipment	\$ 1,407,168	\$ 1,411,695	\$ 1,606,807
Intangible assets	<u>571</u>	<u>750</u>	<u>2</u>
	<u>\$ 1,407,739</u>	<u>\$ 1,412,445</u>	<u>\$ 1,606,809</u>

B. As of March 31, 2025, the outstanding unsecured L/C used for acquiring raw materials and equipment was \$134,158.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are based on the industrial scale, considering industrial future growth and product development, and setting appropriate market share, as well as plan of corresponding capital expenditure, calculation of operating capital needed for financial operations, and considering operating profit and cash inflows arising from product competitiveness, to determine appropriate capital structure.

(2) Financial instruments

A. Financial instruments by category

The related information of the Company's financial assets (cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, restricted bank deposits, financial assets for hedging, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income) and financial liabilities (short-term borrowings, notes payable, accounts payable, other payables, bonds payable (including current portion), long-term borrowings (including current portion), financial liabilities at fair value through profit or loss is provided in the consolidated balance sheet and Note 6.

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Notes 6(2), 6(15) and 6(16).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Notes 6(2), 6(15) and 6(16).
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2025

	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity Analysis		
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	USD	\$ 73,141	33.2050	\$ 2,428,647	1%	24,286 \$ -
EUR:NTD	EUR	7,123	35.9700	256,214	1%	2,562 -
USD:RMB	USD	70,190	7.2611	2,330,659	1%	23,307 -
RMB:NTD	RMB	36,772	4.5730	168,158	1%	1,682 -
AUD:NTD	AUD	7,266	20.8100	151,205	1%	1,512 -
USD:SGD	USD	5,679	1.3405	188,571	1%	1,886 -
USD:EUR	USD	5,019	0.9231	166,656	1%	1,667 -
USD:MRD	USD	4,479	4.4334	148,725	1%	1,487 -
MRD:SGD	MRD	13,424	0.3024	100,542	1%	1,005 -
CAD:USD	CAD	6,619	0.6975	153,296	1%	1,533 -
<u>Non-monetary items</u>						
USD:NTD	USD	790,252	33.2050	26,240,318		
EUR:NTD	EUR	140,610	35.9700	5,057,742		
SGD:NTD	SGD	103,004	24.7700	2,551,409		
VND:NTD	VND	186,579,231	0.0013	242,553		
MRD:NTD	MRD	9,010	7.4897	67,482		
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	USD	41,126	33.2050	1,365,589	1%	13,656 -
USD:VND	USD	3,680	25,542.3077	122,194	1%	1,222 -
USD:SGD	USD	3,341	1.3405	110,938	1%	1,109 -
USD:EUR	USD	5,126	0.9231	170,209	1%	1,702 -
USD:RMB	USD	2,946	7.2611	131,027	1%	1,310 -

December 31, 2024

	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity Analysis			
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD:NTD	USD	\$ 72,508	32.7850	\$ 2,377,175	1%	\$ 23,772	\$ -
EUR:NTD	EUR	6,773	34.1400	231,230	1%	2,312	-
USD:RMB	USD	60,966	7.3213	1,998,770	1%	19,988	-
RMB:NTD	RMB	28,438	4.4780	127,345	1%	1,273	-
AUD:NTD	AUD	10,895	20.3900	222,149	1%	2,221	-
USD:SGD	USD	9,913	1.3587	324,998	1%	3,250	-
USD:EUR	USD	5,758	0.9603	188,776	1%	1,888	-
USD:MRD	USD	6,979	4.4728	228,807	1%	2,288	-
<u>Non-monetary items</u>							
USD:NTD	USD	761,249	32.7850	24,957,548			
EUR:NTD	EUR	143,247	34.1400	4,890,453			
SGD:NTD	SGD	104,671	24.1300	2,525,711			
VND:NTD	VND	191,896,923	0.0013	249,466			
MRD:NTD	MRD	8,871	7.3299	65,024			
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:NTD	USD	54,115	32.7850	1,774,160	1%	17,742	-
USD:VND	USD	3,778	25,219.2308	123,862	1%	1,239	-
USD:MRD	USD	5,495	4.4728	180,154	1%	1,802	-
USD:AUD	USD	4,621	1.6079	151,499	1%	1,515	-
USD:SGD	USD	4,249	1.3587	139,303	1%	1,393	-
USD:EUR	USD	5,987	0.9603	196,284	1%	1,963	-

March 31, 2024

	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity Analysis			
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD:NTD	USD	\$ 83,250	32.0000	\$ 2,664,000	1%	\$ 26,640	\$ -
EUR:NTD	EUR	3,961	34.4600	136,496	1%	1,365	-
USD:RMB	USD	41,374	7.2595	1,323,968	1%	13,240	-
RMB:NTD	RMB	25,830	4.4080	113,859	1%	1,139	-
AUD:NTD	AUD	5,771	20.8200	120,152	1%	1,202	-
USD:SGD	USD	14,979	1.3491	479,328	1%	4,793	-
USD:EUR	USD	8,965	0.9286	286,880	1%	2,869	-
CAD:USD	CAD	4,868	0.7381	114,982	1%	1,150	-
USD:MRD	USD	4,387	4.7206	140,384	1%	1,404	-
<u>Non-monetary items</u>							
USD:NTD	USD	759,905	32.0000	24,316,960			
EUR:NTD	EUR	148,272	34.4600	5,109,453			
SGD:NTD	SGD	129,234	23.7200	3,065,430			
VND:NTD	VND	216,291,538	0.0013	281,179			
MRD:NTD	MRD	8,648	6.7788	58,623			
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:NTD	USD	51,257	32.0000	1,640,224	1%	16,402	-
USD:VND	USD	3,158	24,615.3846	101,056	1%	1,011	-
USD:MRD	USD	3,456	4.7206	110,592	1%	1,106	-

- v. Total exchange gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2025 and 2024 amounted to \$69,689 and \$19,624, respectively.

Price risk

- i. The Group's financial instruments, which are exposed to price risk, are those characterized as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from such investments the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2025 and 2024 would have increased/decreased by \$91,880 and \$121,691, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$1,127,337 and \$1,384,955, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain at least 30% of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. For the three-month periods ended March 31, 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in NTD, USD, MRD and EUR.
 - ii. The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
 - iii. As at March 31, 2025 and 2024, if interest rates at that date had been 0.25% higher/lower with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2025 and 2024, would have been \$4,040 and \$2,722 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost.
 - ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group adopts the assumption under IFRS 9, whereby the default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customers' accounts receivable, contract assets and rents receivable in accordance with credit rating of customer and credit risk on trade. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss under the provision matrix basis.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Group uses the forecast ability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of notes and accounts receivable. As of March 31, 2025, December 31, 2024 and March 31, 2024, the loss rate methodology is as follows:

March 31, 2025			
	<u>Expected credit loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~1%	\$ 8,109,742	(\$ 24,391)
Up to 30 days	0%~2%	976,346	(2,881)
31 to 90 days	1%~20%	520,553	(23,876)
91 to 180 days	1%~100%	266,242	(24,789)
Over 180 days	1%~100%	493,484	(129,740)
		<u>\$ 10,366,367</u>	<u>(\$ 205,677)</u>
December 31, 2024			
	<u>Expected credit loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~1%	\$ 8,105,233	(\$ 18,001)
Up to 30 days	0%~2%	903,784	(7,345)
31 to 90 days	1%~20%	544,966	(25,711)
91 to 180 days	1%~100%	231,168	(31,394)
Over 180 days	1%~100%	477,214	(121,114)
		<u>\$ 10,262,365</u>	<u>(\$ 203,565)</u>

March 31, 2024

	<u>Expected credit loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~1%	\$ 9,317,782	(\$ 14,265)
Up to 30 days	0%~2%	1,069,532	(17,408)
31 to 90 days	1%~20%	875,587	(25,496)
91 to 180 days	1%~100%	250,416	(25,954)
Over 180 days	1%~100%	440,480	(118,899)
		<u>\$ 11,953,797</u>	<u>(\$ 202,022)</u>

March 31, 2025

	<u>Expected credit loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Individual	100%	\$ 25,250	(\$ 25,250)
Group A	0%~5%	5,595,618	(38,473)
Group B	0%~10%	1,822,693	(18,133)
Group C	1%~20%	1,465,120	(22,803)
Group D	1%~40%	484,319	(11,632)
Group E	1%~100%	973,367	(89,386)
		<u>\$ 10,366,367</u>	<u>(\$ 205,677)</u>

December 31, 2024

	<u>Expected credit loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Individual	100%	\$ 25,250	(\$ 25,250)
Group A	0%~5%	4,824,109	(20,905)
Group B	0%~10%	2,102,597	(26,650)
Group C	1%~20%	1,450,274	(29,357)
Group D	1%~40%	602,136	(11,888)
Group E	1%~100%	1,257,999	(89,515)
		<u>\$ 10,262,365</u>	<u>(\$ 203,565)</u>

March 31, 2024

	<u>Expected credit loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Individual	0%	\$ 25,250	(\$ 25,250)
Group A	0%~5%	6,259,374	(12,920)
Group B	0%~10%	2,028,993	(6,773)
Group C	1%~20%	1,570,232	(38,367)
Group D	1%~40%	594,827	(16,416)
Group E	1%~100%	1,475,121	(102,296)
		<u>\$ 11,953,797</u>	<u>(\$ 202,022)</u>

- viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes receivable and accounts receivable are as follows:

	<u>2025</u>
	<u>Notes receivable and accounts receivable</u>
At January 1	\$ 203,565
Reversal of impairment	(10,364)
Write-offs during the period	(1,078)
Acquired from business combinations	9,442
Effect of foreign exchange	4,112
At March 31	<u>\$ 205,677</u>
	<u>2024</u>
	<u>Notes receivable and accounts receivable</u>
At January 1	\$ 202,273
Reversal of impairment	(2,023)
Write-offs during the period	(774)
Effect of foreign exchange	2,546
At March 31	<u>\$ 202,022</u>

For the three-month periods ended March 31, 2025 and 2024, the Group recognized (reversed) impairment losses from other receivables at amortised cost amounting to \$7,177 and (\$1,638), respectively.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.
- ii. As of March 31, 2025, December 31, 2024 and March 31, 2024, the undrawn credit amounts are \$18,116,740, \$11,407,263 and \$23,557,119, respectively.
- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>March 31, 2025</u>	<u>Up to 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 1,237,636	\$ -	\$ -	\$ -	\$ -
Notes payable	671,473	-	-	-	-
Accounts payable	9,720,575	-	-	-	-
Lease liabilities	730,454	714,977	636,828	1,091,578	4,248,428
Other payables	11,078,630	-	-	-	-
Bonds payable (including current portion)	5,000,000	-	-	-	-
Long-term borrowings (including current portion)	3,200,918	426,216	596,334	1,165,053	1,481,573

Non-derivative financial liabilities:

<u>December 31, 2024</u>	<u>Up to 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 1,137,121	\$ -	\$ -	\$ -	\$ -
Notes payable	648,775	-	-	-	-
Accounts payable	9,536,042	-	-	-	-
Lease liabilities	760,318	700,825	622,941	1,092,465	4,312,471
Other payables	6,148,768	-	-	-	-
Bonds payable (including current portion)	5,000,000	-	-	-	-
Long-term borrowings (including current portion)	3,543,288	357,527	351,643	599,062	1,279,914

Non-derivative financial liabilities:

<u>March 31, 2024</u>	<u>Up to 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 1,202,704	\$ -	\$ -	\$ -	\$ -
Notes payable	543,917	-	-	-	-
Accounts payable	8,419,416	-	-	-	-
Lease liabilities	629,981	605,322	547,964	1,024,030	4,522,720
Other payables	10,757,014	-	-	-	-
Bonds payable (including current portion)	-	5,000,000	-	-	-
Long-term borrowings (including current portion)	2,089,077	244,946	236,411	465,153	1,507,161

iv. As of March 31, 2025, December 31, 2024 and March 31, 2024, the derivative financial liabilities which were executed by the Group were all due within one year.

(3) Fair value information

A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A. Details of the fair value of the Group's investment property measured at cost are provided in Note 6(10).

B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates and others is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in derivative instruments is included in Level 3.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

<u>March 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,837,601	\$ -	\$ 1,131,594	\$ 2,969,195
Non-hedging derivatives	-	1,037	-	1,037
Financial assets at fair value through other comprehensive income				
Equity securities	<u>22,546,747</u>	<u>-</u>	<u>359,732</u>	<u>22,906,479</u>
	<u>\$ 24,384,348</u>	<u>\$ 1,037</u>	<u>\$ 1,491,326</u>	<u>\$ 25,876,711</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Non-hedging derivatives	<u>\$ -</u>	<u>\$ 1,410</u>	<u>\$ -</u>	<u>\$ 1,410</u>

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,891,590	\$ -	\$ 1,131,237	\$ 3,022,827
Non-hedging derivatives	-	211	-	211
Financial assets at fair value through other comprehensive income				
Equity securities	22,695,205	-	328,693	23,023,898
Financial assets for hedging	-	5,887	-	5,887
	<u>\$ 24,586,795</u>	<u>\$ 6,098</u>	<u>1,459,930</u>	<u>\$ 26,052,823</u>

Liabilities

Recurring fair value measurements

Financial liabilities at fair value through profit or loss

Non-hedging derivatives	\$ -	\$ 1,305	\$ -	\$ 1,305
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<u>March 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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Assets

Recurring fair value measurements

Financial assets at fair value through profit or loss

Equity securities	\$ 2,433,820	\$ -	\$ 1,067,967	\$ 3,501,787
Non-hedging derivatives	-	4,161	-	4,161

Financial assets at fair value through other comprehensive income

Equity instrument/equity securities	27,699,109	-	211,840	27,910,949
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Financial assets for hedging	-	3,992	-	3,992
	<u>\$ 30,132,929</u>	<u>\$ 8,153</u>	<u>\$ 1,279,807</u>	<u>\$ 31,420,889</u>

Liabilities

Recurring fair value measurements

Financial liabilities at fair value through profit or loss

Non-hedging derivatives	\$ -	\$ 310	\$ -	\$ 310
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D. The methods and assumptions the Group used to measure fair value are as follows:

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods.
- (c) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- (d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- E. For the three-month periods ended March 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2025 and 2024:

	Non-derivative equity	
	For the three-month period ended March 31, 2025	For the three-month period ended March 31, 2024
Beginning balance	\$ 1,459,930	\$ 1,297,962
Gains and losses recognized in profit or loss	-	(273)
Gain and loss recognized in other comprehensive income	(1,759)	(1,635)
Acquired during the period	33,155	29,988
Sold during the period	-	(46,235)
Ending balance	<u>\$ 1,491,326</u>	<u>\$ 1,279,807</u>

- G. Since International Integrated Systems, Inc. began to register for emerging stock market in September 2024, sufficient observable market information was available. Therefore, the group transferred the fair value used from Level 3 to Level 1 at the end of the month when the event occurred.

H. Finance and Accounting Department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the source of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Unlisted shares	\$ 1,491,326	Market comparable companies	Price to earnings ratio multiple	1.27~1.79	The higher the multiple, the higher the fair value
Private equity fund		Net asset value methods	Not applicable	Not applicable	Not applicable
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Unlisted shares	\$ 1,459,930	Market comparable companies	Price to earnings ratio multiple	1.27~1.79	The higher the multiple, the higher the fair value
Private equity fund		Net asset value methods	Not applicable	Not applicable	Not applicable
	Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Unlisted shares	\$ 1,279,807	Market comparable companies	Price to earnings ratio multiple	1.41~3.32	The higher the multiple, the higher the fair value
Private equity fund		Net asset value methods	Not applicable	Not applicable	Not applicable

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

March 31, 2025						
Input	Change	Recognized in profit or loss		Recognized in other comprehensive income		
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
		Financial assets Equity instrument	Discount for lack of marketability	±5%	\$ 56,580	(\$ 56,580)	$ 17,987	($ 17,987)

December 31, 2024						
Input	Change	Recognized in profit or loss		Recognized in other comprehensive income		
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
		Financial assets Equity instrument	Discount for lack of marketability	±5%	\$ 56,562	(\$ 56,562)	$ 16,435	($ 16,435)

March 31, 2024						
Input	Change	Recognized in profit or loss		Recognized in other comprehensive income		
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
		Financial assets Equity instrument	Discount for lack of marketability	±5%	\$ 53,398	(\$ 53,398)	$ 10,592	($ 10,592)

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the periods (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 8.
- B. Significant transactions, either directly or indirectly through a third party, transactions with the investee companies in Mainland Area: Please refer to table 9.

14. Segment Information

(1) General information

Information provided to Chief Operating Decision-Maker for allocating resources and assessing segment's performance focus on the category of each delivery or provision of products or services. The Group's reportable operating segments are as follows:

- A. Green Mechatronic Solution Business Group (GM): This Group is primary engaged in manufacture and sales of various motors and generators.
- B. Intelligence Energy Business Group (IE): This Group is primarily engaged in research, design, manufacture and sales of electrical equipment and contracting construction of transportation and electricity.
- C. Air and Intelligent Life Business Group (AI): This Group is primarily engaged in manufacture and sales of various home appliances and providing data processing, electronic information and logistics services.
- D. Others Group: This Group is primarily engaged in investment in various businesses and leasing and development of real estate.

(2) Measurement of segment information

The Group's segment profit (loss) is measured with the operating profit (loss) before tax, which is used as a basis for the Group in assessing the performance of the operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies summarized in Note 4.

(3) Financial information by industry

The segment information of the reportable segments provided to the Chief Operating Decision-Maker for the three-month periods ended March 31, 2025 and 2024 is as follows:

	For the three-month period ended March 31, 2025					
	Green mechatronic solution business Group	Intelligence energy business Group	Air and intelligent life business Group	Others	Adjustment and elimination	Total
<u>Operating revenues</u>						
Operating revenues from external customers	\$ 7,034,528	\$ 2,585,831	\$ 1,679,805	\$ 2,317,002	\$ -	\$ 13,617,166
Operating revenues from internal segments	<u>4,399,781</u>	<u>240,529</u>	<u>1,174,081</u>	<u>207,260</u>	<u>(6,021,651)</u>	<u>-</u>
Total operating revenues	<u>\$ 11,434,309</u>	<u>\$ 2,826,360</u>	<u>\$ 2,853,886</u>	<u>\$ 2,524,262</u>	<u>(\$ 6,021,651)</u>	<u>\$ 13,617,166</u>
Segment profits and losses	<u>\$ 906,792</u>	<u>\$ 92,197</u>	<u>(\$ 23,563)</u>	<u>\$ 208,414</u>	<u>\$ -</u>	<u>\$ 1,183,840</u>
	For the three-month period ended March 31, 2024					
	Green mechatronic solution business Group	Intelligence energy business Group	Air and intelligent life business Group	Others	Adjustment and elimination	Total
<u>Operating revenues</u>						
Operating revenues from external customers	\$ 7,302,352	\$ 2,594,318	\$ 1,525,621	\$ 2,307,307	\$ -	\$ 13,729,598
Operating revenues from internal segments	<u>4,008,526</u>	<u>141,563</u>	<u>889,925</u>	<u>211,953</u>	<u>(5,251,967)</u>	<u>-</u>
Total operating revenues	<u>\$ 11,310,878</u>	<u>\$ 2,735,881</u>	<u>\$ 2,415,546</u>	<u>\$ 2,519,260</u>	<u>(\$ 5,251,967)</u>	<u>\$ 13,729,598</u>
Segment profits and losses	<u>\$ 1,269,469</u>	<u>\$ 120,101</u>	<u>\$ 27,040</u>	<u>\$ 217,435</u>	<u>\$ -</u>	<u>\$ 1,634,045</u>

(4) Reconciliation for segment profit (loss)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment profit or loss to the profit before tax and discontinued operations for the three-month periods ended March 31, 2025 and 2024 is provided as follows:

	<u>For the three-month ended March 31, 2025</u>	<u>For the three-month period ended March 31, 2024</u>
Adjusted operating income of reportable segments	\$ 975,426	\$ 1,416,610
Adjusted operating income of other operating segments	208,414	217,435
Interest income	163,945	175,870
Dividend income	6,018	6,641
(Losses) gains on financial instruments	(15,477)	10,551
Financial cost	(95,183)	(90,022)
Associates' and joint ventures' profit and loss accounted for under the equity method	32,183	19,220
Gains on disposals of property, plant and equipment	25,174	52,840
Gain or loss on disposal of non-current assets held for	335,476	-
Others	6,940	(39,264)
Income before income tax	<u>\$ 1,642,916</u>	<u>\$ 1,769,881</u>

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Loans to others

For the three-month period ended March 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance during the three- month period ended March 31, 2025	Balance at March 31, 2025	Actual amount drawn down	Interest rate (%)	Nature of loans	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	U.V.G.	Teco Netherlands	Other receivables	Yes	\$ 251,790	\$ 251,790	\$ 251,790	-	Short-term financing	\$ -	For operating capital	\$ -	-	\$ -	\$ 550,985	\$ 918,308	Note 2
2	Great Teco Motor (PTE) Ltd.	Teco Netherlands	"	"	208,626	208,626	208,626	4.55%	Short-term financing	-	For operating capital	-	-	-	315,823	526,372	Note 3
3	Motovario Corp.	Motovario S.p.A.	"	"	152,743	152,743	132,820	4.73%	Short-term financing	-	For operating capital	-	-	-	105,737	140,983	Notes 4 and 6
4	TECO Holdings. USA, Inc.	Teco Electric & Machinery S.A. DE C.V.	"	"	234,527	234,527	219,253	5.25%	Short-term financing	-	For operating capital	-	-	-	1,575,052	3,150,104	Note 5

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: In accordance with U.V.G.'s policy, limit on total loans shall not exceed 10% of U.V.G.'s net assets based on the latest financial statements (March 31, 2025), and limit on loans to a single party shall not exceed 6% of U.V.G.'s net assets based on the latest financial statements (March 31, 2025).

Note 3: Great Teco Motor (PTE) Ltd.'s limit on total loans shall not exceed 10% of Great Teco Motor (PTE) Ltd.'s net assets based on the latest financial statements (March 31, 2025), and limit on loans to a single party shall not exceed 6% of Great Teco Motor (PTE) Ltd.'s net assets based on the latest financial statements (March 31, 2025).

Note 4: In accordance with Motovario Corp.'s policy, limit on total loans shall not exceed 40% of Motovario Corp.'s net assets based on the latest audited financial statement (March 31, 2025), and limit on loans to a single party shall not exceed 30% of Motovario Corp.'s net assets based on the latest audited financial statement (March 31, 2025).

Note 5: In accordance with TECO Holdings. USA, Inc.'s policy, limit on total loans shall not exceed 20% of TECO Holdings. USA, Inc.'s net assets based on the latest audited financial statement (March 31, 2025), and limit on loans to a single party shall not exceed 10% of TECO Holdings. USA, Inc.'s net assets based on the latest audited financial statement (March 31, 2025).

Note 6: As of March 31, 2025, the amount of funds loaned to certain entities by Motovario Corp. exceeded the limit stipulated in the company's fund loan regulations. The company has formulated plans to make improvements.

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the three-month period ended March 31, 2025

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of March 31, 2025	Outstanding endorsement/ guarantee amount at March 31, 2025	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	TECO ELECTRIC & MACHINERY CO., LTD.	Motovario S.p.A	(4)	\$ 14,482,477	\$ 863,280	\$ 863,280	\$ 863,280	-	1.19	\$ 43,441,855	Y	N	N	Note 3
1	Teco Westinghouse	TWMM	(4)	581,874	66,410	66,410	38,596	-	1.14	1,163,748	Y	N	N	Note 4
2	Century Development	CDC DEVELOPMENT INDIA PRIVATE LIMITED	(6)	477,728	164,503	164,503	144,278	-	3.44	955,455	Y	N	N	Note 5
3	Tong-An Assets	CDC DEVELOPMENT INDIA PRIVATE LIMITED	(6)	527,819	123,377	123,377	108,209	-	2.34	1,055,639	N	N	N	Note 6
4	Tong-An Investment Co., Ltd.	CDC DEVELOPMENT INDIA PRIVATE LIMITED	(6)	150,934	123,377	123,377	108,209	-	0.74	200,000	N	N	N	Note 7

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: In accordance with the Company's policy, the total guarantee amount shall not exceed 60% of Company's net assets based on the latest financial statements (March 31, 2025), and the guarantee to a single party shall not exceed 20% of the Company's net assets. If the guarantee amount is denominated in foreign currency, the amount shall be translated at the exchange rate prevailing on the date of approval by the Board of Directors to assess whether the guarantee amount exceeds the limit.

Note 4: In accordance with the Teco Westinghouse's policy, the total guarantee amount shall not exceed 20% of Teco Westinghouse's net assets based on the latest financial statements (March 31, 2025), and the guarantee to a single party shall not exceed 10% of Teco Westinghouse's net assets. If the guarantee amount is denominated in foreign currency, the amount shall be translated at the exchange rate prevailing on the date of approval by the Board of Directors to assess whether the guarantee amount exceeds the limit.

Note 5: In accordance with Century Development's policy, the total guarantee amount shall not exceed 20% of Century Development's net assets based on the latest financial statements (March 31, 2025), and the guarantee to a single party shall not exceed 10% of Century Development's net assets. If the guarantee amount is denominated in foreign currency, the amount shall be translated at the exchange rate prevailing on the date of approval by the Board of Directors to assess whether the guarantee amount exceeds the limit.

Note 6: In accordance with Tong-An Asset's policy, the total guarantee amount shall not exceed 20% of Tong-An Asset's net assets based on the latest financial statements (March 31, 2025), and the guarantee to a single party shall not exceed 10% of Tong-An Asset's net assets. If the guarantee amount is denominated in foreign currency, the amount shall be translated at the exchange rate prevailing on the date of approval by the Board of Directors to assess whether the guarantee amount exceeds the limit.

Note 7: In accordance with Tong-An Investment Co., Ltd.'s policy, the total guarantee amount shall not exceed NTD\$200 million, and the guarantee to a single party shall not exceed NTD\$50 million. If due to special needs, the guarantee amount exceeds the limit, stockholders' resolution is required.

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2025				Footnote
				Number of	Book value	Ownership (%)	Fair value	
TECO ELECTRIC & MACHINERY CO., LTD.	Stock 1	The Company is a director of the investee	Note 1	10,666	\$ 515,151	14.01	\$ 515,151	
	Stock 2	None	"	210,333	4,837,652	5.22	4,837,652	
	Stock 3	The Company is a director of the investee	"	190,061	5,074,617	3.38	5,074,617	
	Stock 4	The Company is a director of the investee	"	5,647	211,759	12.92	211,759	
	Stock 5, etc.	None	"	15,796	6,993	-	6,993	
	Stock 6	"	Note 4	3,200	142,894	0.03	142,894	
	Stock 7	The Company is a director of the investee	"	12,217	502,129	1.67	502,129	
	Stock 8	None	"	17,839	175,713	0.54	175,713	
	Stock 9	The Company is a director of the investee	"	32,980	359,430	10.99	359,430	
	Stock 10	None	"	7,500	475,914	5.00	475,914	
	Stock 11, etc.	"	"	20,254	181,524	-	181,524	
Teco International	Fund 1	"	"	-	14,178	-	14,178	
	Fund 2	"	"	-	85,562	-	85,562	
	Stock 12	"	Note 1	720	53,676	0.50	53,676	
	Stock 13	Related company is a director of the investee	"	305	105,815	0.12	105,815	
	Stock 14	None	"	3,177	416,236	0.63	416,236	
	Stock 7	The Company is a corporate director of the investee	"	830	34,098	0.11	34,098	
	Stock 15, etc.	None	"	6,548	225,094	-	225,094	
Tong-An Investment	Stock 16, etc.	"	Note 3	1,678	157,779	-	157,779	
	Stock 12	"	Note 1	1,225	91,250	0.85	91,250	
	Stock 17	An investee company accounted for under the equity method by the Company	"	19,540	957,463	0.91	957,463	
	Stock 15	Related party in substance	"	6,188	133,031	5.50	133,031	
	Stock 18	None	"	8,692	799,660	0.27	799,660	
	Stock 19	"	"	1,285	149,703	0.04	149,703	
	Stock 13	The Company is a director of the investee	"	25,315	8,797,063	10.03	8,797,063	
	Stock 20	None	"	1,217	58,738	0.37	58,738	
	Stock 2	"	"	5,000	115,000	0.12	115,000	
	Stock 21	"	"	2,500	50,000	0.54	50,000	
Stock 22	"	"	-	31,945	-	31,945		
Stock 23	"	"	588	29,988	1.32	29,988		
Stock 24	"	"	3,708	31,920	0.50	31,920		

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger	As of March 31, 2025				Footnote
			account	Number of	Book value	Ownership (%)	Fair value	
Tong-An Investment	Stock 25	Related company is a director of the investee	Note 1	3,000	\$ 30,000	-	\$ 30,000	
	Stock 26	The Company is a director of the investee	"	313	-	-	-	
	Stock 27, etc.	None	"	23,454	383,535	-	383,535	
	Stock 28	"	"	1,530	33,155	1.24	33,155	
	Stock 29	"	Note 3	500	15,775	0.41	15,775	
	Stock 13	The Company is a director of the investee	Note 4	1,260	437,806	0.50	437,806	
	Fund 3	None	"	50,000	528,500	-	528,500	
	Fund 4	"	"	625	21,655	-	21,655	
U.V.G	Stock 30, etc.	"	Note 1	118	8,615	-	8,615	
An-Tai International	Stock 17	An investee company accounted for under the equity method by the Company	"	2,826	138,462	0.13	138,462	
	Stock 15	Related party in substance	"	499	10,732	0.44	10,732	
	Stock 31	"	"	2,756	165,341	8.51	165,341	
	Stock 32	None	"	226	19,832	0.14	19,832	
	Stock 7	The Company is a corporate director of the investee	"	830	34,098	0.11	34,098	
	Stock 16, etc.	None	Note 3	1,079	108,660	-	108,660	
	Fund 5	"	Note 2	-	12,455	-	12,455	
	Stock 33, etc.	"	Note 1	3,269	35,168	-	35,168	
Jie-Zheng Property Information Technology Total Service	Stock 13, etc.	"	"	375	130,288	-	130,288	
Teco Singapore	Stock 17	An investee company accounted for under the equity method by the Company	"	7,070	346,430	0.33	346,430	
Taiwan Pelican Express	Stock 13	None	"	827	287,392	0.33	287,392	
	Stock 13	"	"	384	133,422	0.15	133,422	
Teco Australia	Stock 34	"	"	68	4,816	-	4,816	
Sankyo	Stock 3	The Company is a corporate director of the investee	"	8,112	216,590	0.14	216,590	
	Stock 5, etc.	None	"	1,143	3,993	-	3,993	
	Fund 6	"	Note 2	546	11,509	-	11,509	
Tecom and its subsidiaries	Stock 17	An investee company accounted for under the equity method by the Company	Note 3	77	3,784	-	3,784	
	Stock 35, etc.	None	"	2	53	-	53	
Shen Chang	Fund 7	"	Note 4	-	19,926	-	19,926	
	Fund 8	"	Note 5	-	6,641	-	6,641	
Teco Indonesia	Bond 1	"	"	-	151,038	-	151,038	

Note 1: Financial assets at fair value through other comprehensive income-non-current.

Note 2: Financial assets at fair value through profit or loss - current.

Note 3: Financial assets at fair value through other comprehensive income-current.

Note 4: Financial assets at fair value through profit or loss - non-current.

Note 5: Financial assets at amortized cost - non-current.

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
For the three-month period ended March 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)
TECO ELECTRIC & MACHINERY CO., LTD.	Tesen	An investee accounted for under the equity method	Purchases	\$ 800,880	16%	30 days	Note 1	Note 1	\$ -	-
	Wuxi Teco	An indirect investee accounted for under the equity method	"	387,976	8%	"	"	"	(387,298)	(7%)
	TECO (VIETNAM) ELECTRIC & MACHINERY	"	"	218,710	4%	"	"	"	(139,178)	(3%)
	Tai-An Wuxi	"	"	201,342	4%	"	"	"	(157,567)	(3%)
	Tong Dai	An investee accounted for under the equity method	Sales	(268,665)	(4%)	90 days	"	"	233,399	6%
	Teco Singapore	"	"	(219,428)	(3%)	"	"	"	9,975	0%
	E-Joy International	"	"	(101,141)	(2%)	"	"	"	115,265	3%
	Teco Westinghouse	An indirect investee accounted for under the equity method	"	(958,653)	(15%)	"	"	"	297,837	7%
	Teco Westinghouse Canada	"	"	(237,586)	(4%)	"	"	"	98,079	2%
	Teco Australia	"	"	(191,194)	(3%)	"	"	"	84,070	2%

Note 1: Comparable with other types of transactions, trading conditions are handled in accordance with the agreement of the conditions.

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
March 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
TECO ELECTRIC & MACHINERY CO., LTD.	Tong Dai	An investee accounted for under the equity method	\$ 233,543	4.30	\$ -	-	\$ 29,308	
"	Tesen	"	459,519	0.04	-	-	-	
"	E-Joy International	"	115,927	3.83	-	-	-	
"	Teco Westinghouse	An indirect investee accounted for under the equity method	500,651	8.11	-	-	-	
"	Motovario S.p.A.	"	153,870	1.60	-	-	9,163	
Wuxi Teco	TECO ELECTRIC & MACHINERY CO., LTD.	An indirect investee accounted for under the equity method	387,298	3.39	-	-	-	
Tai-An Wuxi	"	"	157,567	3.67	-	-	-	
TECO (VIETNAM) ELECTRIC & MACHINERY	"	"	139,178	5.12	-	-	18,870	
U.V.G.	Teco Netherlands	An investee accounted for under the equity method	251,790	-	-	-	-	
Teco Holding USA Inc.	Teco Electric & Machinery S.A. DE C.V.	"	219,255	-	-	-	-	
Great Teco Motor (PTE) Ltd.	Teco Netherlands	Fellow subsidiary	208,626	-	-	-	-	
Motovario Corp.	Motovario S.p.A.	An investee accounted for under the equity method	132,820	-	-	-	-	Total amount was \$2,973

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
For the three-month period ended March 31, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	TECO ELECTRIC & MACHINERY CO., LTD.	Tong Dai	(1)	Notes receivable, accounts receivable and other receivables	\$ 233,543	Because there is no transaction in same type which can be compared with, it is based on the condition and the period specified in the agreement	-
0	"	Teco Westinghouse	"	Accounts receivable and other receivables	500,651	"	-
0	"	Motovario S.p.A	"	"	153,870	"	-
0	"	E-Joy International	"	"	115,927	"	-
0	"	Tesen	"	Other receivables	459,519	"	-
1	Wuxi Teco	TECO ELECTRIC & MACHINERY CO., LTD.	(2)	Accounts receivable and other receivables	387,298	"	-
2	Tai-An Wuxi	"	"	"	157,567	"	-
3	TECO (VIETNAM) ELECTRIC & MACHINERY	"	"	"	139,178	"	-
4	U.V.G	Teco Netherlands	(3)	Other receivables	251,790	"	-
5	Teco Holding USA Inc.	Teco Electric & Machinery S.A. DE C.V.	"	"	219,253	"	-
6	Great Teco Motor (PTE) Ltd.	Teco Netherlands	"	"	208,626	"	-
7	Motovario Corp.	Motovario S.p.A	"	"	132,820	"	-
0	TECO ELECTRIC & MACHINERY CO., LTD.	Teco Westinghouse	(1)	Sales	958,653	"	7%
0	"	Teco Australia	"	"	191,194	"	1%
0	"	Tong Dai	"	"	268,665	"	2%
0	"	Teco Westinghouse Canada	"	"	237,586	"	2%
0	"	Teco Singapore	"	"	219,428	"	2%
0	"	E-Joy International	"	"	101,141	"	1%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
8	Tesen	TECO ELECTRIC & MACHINERY CO., LTD.	(2)	"	\$ 800,880	"	6%
1	Wuxi Teco	"	"	"	387,976	"	3%
3	TECO (VIETNAM) ELECTRIC & MACHINERY	"	"	"	218,710	"	2%
2	Tai-An Wuxi	"	"	"	201,342	"	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship with the transaction company:

- (1) The parent company to the subsidiary.
- (2) The subsidiary to the parent company.
- (3) The subsidiary to another subsidiary.

Note 3: Regarding percentage of transaction amount to total operating revenues or total assets, it is computed based on period-end balance of transaction to total assets for balance sheet accounts and based on accumulated transaction amount for the period to total operating revenues for income statement accounts.

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Information on investees
For the three-month period ended March 31, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three-month period ended March 31, 2025	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2025	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
TECO ELECTRIC & MACHINERY CO., LTD.	Tung Pei	Taiwan	Manufacturing of bearings	\$ 12,293	\$ 12,293	39,145,044	31.14%	\$ 2,449,375	\$ 75,629	\$ 31,617	None
	Tecom	Taiwan	Manufacturing of key telephone system and nonkey service unit telephone system	431,109	431,109	19,228,898	63.52%	106,011	(6,763)	(2,820)	None
	Teco International	Taiwan	Investment holdings, investments in securities and construction of commercial buildings	100,013	100,013	82,549,378	100%	1,991,143	5,036	10,456	None
	Teco Holding USA Inc. and its subsidiaries	U.S.A	Manufacturing and distribution of motors and generators, and investment and trading in USA	726,428	726,428	1,680	100%	15,750,522	297,466	300,300	None
	Teco Singapore and its subsidiaries	Singapore	Distribution of the Company's motor products in Singapore	112,985	112,985	7,200,000	90%	2,551,398	25,580	23,022	None
	Tong-An Investment	Taiwan	Investment holdings	2,490,000	2,490,000	592,881,321	100%	15,669,218	4,449	4,431	None
	UVG and its subsidiaries	Cayman Islands	Manufacturing and distribution of the Company's motor products and home appliances, and investment holdings	8,505,434	8,505,434	195,416,844	100%	9,173,783	477,536	507,920	None
	ITTS	Taiwan	E-business service, mailing and data management	111,286	111,286	11,467,248	41.97%	237,591	23,568	9,891	None
	Tesen	Taiwan	Manufacturing and sales of home appliance	200,000	200,000	20,000,000	100%	227,012	15,384	26,065	None
Lien Chang	Taiwan	Manufacturing of color flybacks transformers, mono flyback transformers and mono deflection yokes	117,744	117,744	37,542,159	33.84%	449,444	(12,047)	(4,076)	None	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three-month period ended March 31, 2025	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2025	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
TECO ELECTRIC & MACHINERY CO., LTD.	Tong Dai	Taiwan	Distribution of the Company's motor products in Taichung	\$ 22,444	\$ 22,444	6,615,234	83.53%	\$ 429,104	\$ 20,764	\$ 17,345	None
	Teco Vietnam	Vietnam	Manufacturing and sales of motors	540,453	540,453	-	100%	243,012 (	6,780) (	6,454)	None
	Yatec	Taiwan	Development and maintenance of various electric appliances	92,389	92,389	7,800,000	66.67%	142,225	1,124	749	None
	Tong-An Assets	Taiwan	Real estate business	2,111,889	2,111,889	395,415,338	100%	5,278,194	31,314	31,314	None
	Taian Subic	Philippines	Manufacturing and sales of switches	165,819	165,819	17,131,155	76.70%	286,584	7,102	6,963	None
	Micropac (BVI) and its subsidiaries	British Virgin Islands	Manufacturing and distribution of optical fiber apparatus and international trading	199,483	199,483	6,883,591	100%	905,678	15,960	36,300	None
	Century Development	Taiwan	Development and management of industrial park	951,141	951,141	100,592,884	28.67%	1,452,249	119,877	32,608	None
	An-Tai International	Taiwan	Investment holdings	150,000	150,000	43,447,554	100%	688,862	510	510	None
	Taiwan Pelican Express	Taiwan	Logistics and distribution services	255,116	255,116	24,121,700	25.27%	160,721 (	47,348) (	11,963)	None
	Taian-Ecobar	Taiwan	Bus bar and manufacturing of its components	70,330	70,330	7,863,000	94.73%	242,888	21,136	20,023	None
	Eagle Holding Co. Ltd.	Cayman Islands	Investment holdings	3,691,723	3,691,723	1	100%	5,057,742 (	77,312) (	77,312)	None
Teco Electro Devices Co., Ltd.	British Virgin Islands	Trading and investment holdings	278,784	278,784	2,510,000	100%	293,744	7,486	7,486	None	
Shen Chang	Taiwan	Manufacturing and sales of transformers, switchboards and other products	548,330	548,330	23,840,416	57.21%	575,064	29,165	16,687	None	
Eagle Holding Co.	TECO MOTOR B.V.I	Netherlands	Investment holdings	3,691,723	3,691,723	1	100%	5,057,742 (	77,312) (	77,312)	None
TECO MOTOR B.V.I	Motovario S.p.A	Italy	Production and sale of gear reducers and motors	3,989,850	3,989,850	18,010,000	100%	5,057,742 (	77,312) (	77,312)	None
Tung Pei	Tung Pei (SAMOA) Industrial Co., Ltd.	Samoa	Investment holdings and establishment of overseas distribution	646,343	646,343	23,031,065	100%	2,178,526	17,390	17,390	None
Tecom	Baycom	Taiwan	Manufacturing and sales of optical telecom products	431,258	431,258	14,700,741	43.76%	188,319	373	163	None
Tong-An Investment	Century Development	Taiwan	Development and management of industrial park	420,646	420,646	46,235,042	13.18%	717,039	119,877	10,506	None
	Taiwan Pelican Express	Taiwan	Logistics and distribution services	54,874	54,874	6,474,468	6.78%	141,082 (	47,348) (	2,020)	None

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three-month period ended March 31, 2025	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2025	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Tong-An Investment	Century Biotech Development Corp.	Taiwan	Development and construction of real estate	\$ 514,270	\$ 514,270	51,427,000	20.57%	\$ 526,871	\$ 37,385	\$ 5,179	None
	Century Real Estate (International) Pte. Ltd.	Singapore	Investing in other areas	274,856	274,856	9,120,000	30%	196,119	(3,652)	(478)	None
Lien Chang	Gen Mao International Corp.	Taiwan	Investment holdings	92,000	92,000	12,553,526	100%	131,558	(298)	(298)	None
	Gen Mao (Singapore)	Singapore	Investment holdings	582,246	582,246	27,502,355	84.97%	659,465	(401)	(1,959)	None
Gen Mao International Corp.	Gen Mao (Singapore)	Singapore	Investment holdings	91,079	91,079	4,866,045	15.03%	116,638	(401)	(348)	None
Century Development	Centurytech Construction and Management Corp.	Taiwan	Construction and sales of related raw materials	238,170	238,170	3,188,822	100%	45,141	988	1,220	None
	Jie-Zheng Property Service & Management Co., Ltd.	Taiwan	Building management servicing	13,750	13,750	1,512,500	50%	94,798	14,190	7,095	None
	United Development	Taiwan	Investment consultancy service for domestic and foreign industrial parks and land	25,536	25,536	6,102,973	51.60%	110,796	2,857	1,468	None
	Century Biotech Development Corp.	Taiwan	Development and construction of real estate	771,460	771,460	77,146,000	30.86%	794,172	37,385	11,537	None
Tong-An Assets	Century Real Estate (International) Pte. Ltd.	Singapore	Investing in other areas	365,820	365,820	12,160,000	40%	274,782	(3,652)	(1,461)	None
	Century Development	Taiwan	Leasing of real estate	455,716	455,716	38,280,585	10.91%	520,228	119,877	12,654	None
	Century Biotech Development Corp.	Taiwan	Development and construction of real estate	514,270	514,270	51,427,000	20.57%	529,460	37,385	7,768	None
	Century Real Estate (International) Pte. Ltd.	Singapore	Investing in other areas	274,856	274,856	9,120,000	30%	203,444	(3,652)	(733)	None

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

For the three-month period ended March 31, 2025

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated	Amount remitted from		Accumulated	Net income of the three-month period ended March 31, 2025	Ownership held by the Company (direct or indirect)(%)	Investment	Book value of investments in Mainland China as of March 31, 2025	Accumulated	Footnote
				amount of remittance from Taiwan to Mainland China as of January 1, 2025	Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2025	amount of remittance from Taiwan to Mainland China as of March 31, 2025	income (loss) recognized by the Company for the three- month period ended March 31, 2025			amount of investment income remitted back to Taiwan as of March 31, 2025			
Teco (Dong Guang)	Manufacturing and sales of air conditioners mechanical equipment	\$ 268,799	Note 2	\$ 188,139	\$ -	\$ -	\$ 188,139	(\$ 1,217)	100%	(\$ 1,217)	\$ 139,656	\$ -	Note 18
Wuxi Teco	Manufacturing and sales of motors	1,697,276	Note 1	768,259	-	-	768,259	66,582	84.12%	56,008	2,306,901	1,170,060	Note 13
Taian (Wuxi)	Manufacturing and sales of optical fiber	495,123	Note 8	205,551	-	-	205,551	15,959	100%	15,959	968,734	519,086	Note 18
Nanchang Teco	Manufacturing and sales of home appliances	456,293	Note 3	456,293	-	-	456,293	970	100%	970	(20,534)	-	Note 18
Jiangxi Teco	Manufacturing and sales of motors	1,481,569	Note 1	1,383,653	-	-	1,383,653	6,458	98.07%	6,333	1,690,860	324,060	Note 13
QingDao Teco	Manufacturing and sales of fine blanking dies, precision cavity modes, standard parts of molds and new electromechanical components	947,331	Note 1	1,648,510	-	-	1,648,510	93	87.60%	82	252,751	-	Note 18
Teco Han Zhou	Development and consulting of device products	9,837	Note 1	9,837	-	-	9,837	(2,905)	100%	(3,244)	16,678	11,937	Note 18
Teco Century	Manufacturing and sales of compressor	680,938	Note 3	340,469	-	-	340,469	4,729	24%	1,112	34,663	-	Note 18
Fujian Teco	Manufacturing and sales of electronic components	391,843	Note 1	391,843	-	-	391,843	(66)	100%	15,380	116,755	-	Note 18
Jiangxi TECO (AC)	Manufacturing and sales of air conditioning mechanical equipment	79,813	Note 3	79,813	-	-	79,813	119	100%	119	145,234	-	Note 18
Qingdao Teco Innovation	Science Park development and business operations and consulting services	59,444	Note 10	59,444	-	-	59,444	(1,786)	100%	(1,786)	30,695	-	Note 13
Shanghai Teco	Sales of home appliances	23,829	Note 1	23,829	-	-	23,829	10,822	100%	10,822	239,057	411,932	Note 13
Jiangxi TECO Westinghouse Motor Coil Co.,Ltd.	Manufacturing and sales of motors, winding and related elements	119,840	Note 9	-	-	-	-	865	100%	865	130,198	-	Note 18
Wuxi TECO Precision Industry Co. Ltd.	Production and sale of industrial motors and applications	656,500	Note 11	-	-	-	-	2,421	100%	2,421	932,428	-	Note 18
Beijing Pelican Express	Storage services	26,422	Note 4	26,422	-	-	26,422	-	-	-	-	-	Note 16
Fubon Gehua (Beijing) Trading Co., Ltd.	Merchandise wholesale	347,045	Note 5	24,746	-	-	24,746	-	1.63%	-	-	-	Notes 14、15、19
Wuhan Tecom	Communication network information, technology development, sales and technology services business	6,950	Note 12	6,950	-	-	6,950	354	100%	(267)	(10,160)	-	Notes 13、17

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income of investee for the three-month period ended March 31, 2025	Ownership held by the Company (direct or indirect)(%)	Investment income (loss) recognized by the Company for the three- month period ended March 31, 2025	Book value of investments in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Informantion Technology (Wuxi)	ERP building, system maintenance and purchases of information appliance	\$ 10,167	Note 6	\$ 10,167	\$ -	\$ -	\$ 10,167	\$ 2,924	100%	\$ 2,924	\$ 21,893	-	Note 13
Wuxi TECO Electro Devices Co. Ltd.	Development, manufacturing and sales of products and elements related to production capacity precision motors and provide products sales skills	115,225	Note 7	86,101	-	-	86,101	1,031	100%	1,031	293,744	43,266	Note 18
Anhui EVK	Development, manufacturing and sales of high- performance hair-pin machines	118,942	Note 1	-	-	-	-	(33,862)	78.49%	(26,578)	884,721	-	Note 18

Note 1: Through investing in an existing company in the third area, which then invested in the investee in Mainland China: Invest through United View Global Investment Co., Ltd. and Great Teco Motor (Pte) Ltd. and then invest in Mainland China.

Note 2: Through investing in an existing company in the third area, which then invested in the investee in Mainland China: Invest through United View Global Investment Co., Ltd. and Asia Air Tech Industrial (Pte) Ltd. and then invest in Mainland China.

Note 3: Through investing in an existing company in the third area, which then invested in the investee in Mainland China: Invest through United View Global Investment Co., Ltd. and Asia Electric & Machinery (Pte) Ltd. and then invest in Mainland China.

Note 4: Through investing in an existing company in the third area, which then invested in the investee in Mainland China: Invest through Pelecanus Express Pte. Ltd., and then invest in Mainland China.

Note 5: Through investing in an existing company in the third area, which then invested in the investee in Mainland China: Invest through Asian Crown International Co., Ltd. and then invest in Mainland China.

Note 6: Through investing in an existing company in the third area, which then invested in the investee in Mainland China: Invest through Information Technology Total Service (BVI) Co., Ltd. and then invest in Mainland China.

Note 7: Through investing in an existing company in the third area, which then invested in the investee in Mainland China: Invest through Teco Electro Devices Co., Ltd. and then invest in Mainland China.

Note 8: Through investing in investees in the third areas, which then invested in the investee in Mainland China: Invest through Micropac Worldwide (B.V.I) and An-Tai International Investment (Singapore) Co., Ltd. and then invest in Mainland China.

Note 9: Through investing in investees in the third areas, which then invested in the investee in Mainland China: Invest through Teco Holding USA Inc. and Teco Westinghouse Motor Company and then invest in Mainland China.

Note 10: Through investing in investees in the third areas, which then invested in the investee in Mainland China: Invested through Tecocapital Investment (Samoa) Co., Ltd. and then invest in Mainland China.

Note 11: Through investing in an existing company in the third area, which then invested in the investee in Mainland China: Invest through Great Teco Motor (Pte) Ltd., Teco Australia Pty. Ltd. and Teco Electric & Machinery (Pte) Ltd. and then invest in Mainland China.

Note 12: Direct investment in Mainland China: Tecom Co., Ltd. directly remits investment into the Mainland China.

Note 13: The amount recognized was based on the financial statements that were reviewed by R.O.C. parent company's CPA firm.

Note 14: Financial assets at fair value through other comprehensive income.

Note 15: As of March 31, 2025, accumulated impairment of \$24,746 was accrued.

Note 16: The company was dissolved and the liquidation process were yet to be completed.

Note 17: There were downstream transactions with the subsidiaries amounting to (\$269) during the period.

Note 18: The amount recognized was based on the financial statements that were not reviewed by the other CPA firm.

Note 19: Fubon Gehua (Beijing) Trading Co., Ltd. has been disbanded and liquidated according to the resolution of the board of directors in October 2023. The legal deregistration procedure was completed in April 2024. As of March 31, 2025, the proceeds from liquidation were yet to be collected.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
TECO Electric & Machinery Co., Ltd.	\$ 6,573,981	\$ 8,865,581	\$ 47,246,960
Taiwan Pelican Express Co., Ltd.	51,168	51,168	1,194,967
Tecom Co., Ltd.	6,950	681,144	255,433
Information Technology Total Services Co., Ltd.	10,167	10,167	339,669

Note 1: The accounts of the Company are expressed in New Taiwan dollars. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates prevailing at the transaction dates and balance sheet accounts at spot exchange rates prevailing at the balance sheet dates.

Note 2: The amount disclosed was based on Investment Commission, MOEA Regulation No. 09704604680 announced on August 29, 2008.

Note 3: Tecom completed the investment in Mainland China in the third quarter of 2010 and the ceiling on investments was \$1,760,251 which was calculated based on Tecom's net assets of \$2,933,752 in the third quarter of 2010.

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas
For the three-month period ended March 31, 2025

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements and guarantees			Financing			
	Amount	%	Amount	%	Balance at March 31, 2025	%	Balance at March 31, 2025	Purpose	balance during the three-month period ended March 31, 2025	Balance at March 31, 2025	Interest rate	Interest during the three-month period ended March 31, 2025	Others
Shanghai Teco	\$ 3,004	-	\$ -	-	\$ 3,055	-	\$ -	-	\$ -	\$ -	-	\$ -	-
Wuxi Teco	2,190	-	-	-	3,078	-	-	-	-	-	-	-	-
Jiangxi Teco	2,482	-	-	-	2,917	-	-	-	-	-	-	-	-
Taian (Wuxi)	2,072	-	-	-	2,937	-	-	-	-	-	-	-	-
Wuxi Teco	(387,976)	(8%)	-	-	387,298	(7%)	-	-	-	-	-	-	-
Taian (Wuxi)	(201,342)	(4%)	-	-	157,567	(3%)	-	-	-	-	-	-	-
Jiangxi Teco	(29,541)	(1%)	-	-	32,105	(1%)	-	-	-	-	-	-	-
Wuxi Teco Precision	(26,115)	(1%)	-	-	14,800	-	-	-	-	-	-	-	-
Genmao (Suzhao)	(24,418)	-	-	-	7,454	-	-	-	-	-	-	-	-
Jiangxi TECO (AC)	(15,292)	-	-	-	10,615	-	-	-	-	-	-	-	-
Wuxi TECO Electro Devices	(13,618)	-	-	-	22,015	-	-	-	-	-	-	-	-