

**TECO ELECTRIC & MACHINERY CO., LTD.  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
MARCH 31, 2024 AND 2023**

## 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, 2024 and 2023, 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\$23,723,242 thousand and NT\$24,454,204 thousand, constituting 19% and 18% of consolidated total assets as of March 31, 2024 and 2023, respectively, total liabilities (including credit balance of investments accounted for under the equity method) of NT\$4,789,774 thousand and NT\$4,606,282 thousand, both constituting 10% of consolidated total liabilities as of March 31, 2024 and 2023, 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\$125,571 thousand and NT\$177,174 thousand, constituting (12%) and 2% of the consolidated total comprehensive (loss) income 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, 2024 and 2023, 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.

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Hsu, Sheng-Chung

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Tu, Chan-Yuan

For and on behalf of PricewaterhouseCoopers, Taiwan

May 14, 2024

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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, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023**  
(Expressed in thousands of New Taiwan dollars)

			March 31, 2024		December 31, 2023		March 31, 2023	
Assets		Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1) and 8	\$ 25,132,695	20	\$ 23,640,536	19	\$ 22,410,932	17
1110	Current financial assets at fair value through profit or loss	6(2)	27,298	-	27,314	-	38,003	-
1120	Current financial assets at fair value through other comprehensive income	6(3)	344,570	-	333,178	-	438,349	-
1139	Current financial assets for hedging	6(15)	3,992	-	-	-	-	-
1140	Current contract assets		3,724,859	3	3,858,752	3	2,609,776	2
1150	Notes receivable, net	6(5) and 8	781,031	1	868,642	1	814,536	1
1160	Notes receivable - related parties	7	174	-	99	-	169	-
1170	Accounts receivable, net	6(5)	10,970,744	9	10,488,483	8	10,471,243	8
1180	Accounts receivable - related parties	7	193,545	-	194,077	-	275,522	-
1200	Other receivables		363,782	-	351,635	-	372,515	-
1210	Other receivables - related parties	7	29,700	-	73,276	-	68,333	-
130X	Inventories, net	6(6)	11,671,382	9	11,631,793	9	12,815,232	9
1410	Prepayments		806,387	1	575,230	1	814,714	1
1470	Other current assets	6(1) and 8	451,544	-	437,596	-	514,085	-
11XX	Total current assets		54,501,703	43	52,480,611	41	51,643,409	38
Non-current assets								
1510	Non-current financial assets at fair value through profit or loss	6(2)	3,478,650	3	3,541,679	3	3,827,166	3
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 8	27,566,379	22	30,577,940	24	40,408,821	30
1535	Non-current financial assets at amortised cost, net	6(4) and 8	95,917	-	15,557	-	72,118	-
1550	Investments accounted for under the equity method	6(7) and 7	3,546,992	3	3,468,923	3	3,950,693	3
1600	Property, plant and equipment, net	6(8) and 8	19,881,619	16	20,290,504	16	19,992,448	15
1755	Right-of-use assets	6(9) and 8	7,519,656	6	7,473,207	6	6,641,494	5
1760	Investment property, net	6(10)	3,295,404	2	2,785,187	2	2,946,988	2
1780	Intangible assets	6(11)	4,891,453	4	4,832,979	4	4,716,809	3
1840	Deferred income tax assets	6(30)	1,242,741	1	1,346,615	1	1,235,009	1
1900	Other non-current assets	6(12)	446,892	-	500,588	-	549,755	-
15XX	Total non-current assets		71,965,703	57	74,833,179	59	84,341,301	62
1XXX	Total assets		\$ 126,467,406	100	\$ 127,313,790	100	\$ 135,984,710	100

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**TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023**  
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2024		December 31, 2023		March 31, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>							
2100	Short-term borrowings	6(13) and 8	\$ 1,202,704	1	\$ 1,357,111	1	\$ 1,721,422	1
2120	Current financial liabilities at fair value through profit or loss	6(14)	310	-	5,850	-	3,544	-
2126	Current financial liabilities for hedging	6(15)	-	-	5,025	-	-	-
2130	Current contract liabilities	6(24)	2,205,554	2	2,305,861	2	2,449,973	2
2150	Notes payable		543,582	-	547,144	1	689,168	1
2160	Notes payable - related parties	7	335	-	1,088	-	342	-
2170	Accounts payable		8,389,736	7	8,663,722	7	8,322,358	6
2180	Accounts payable - related parties	7	29,680	-	38,189	-	50,565	-
2200	Other payables	6(16)	10,757,014	9	6,399,778	5	9,294,889	7
2230	Current income tax liabilities	6(30)	1,181,121	1	936,600	1	1,112,137	1
2250	Provisions for liabilities - current		429,111	-	435,516	-	394,120	-
2280	Current lease liabilities		531,468	-	531,002	-	497,322	-
2320	Long-term liabilities, current portion	6(18) and 8	1,227,303	1	484,224	-	352,634	-
2399	Other current liabilities, others		834,638	1	829,103	1	792,160	1
21XX	<b>Total current liabilities</b>		<u>27,332,556</u>	<u>22</u>	<u>22,540,213</u>	<u>18</u>	<u>25,680,634</u>	<u>19</u>
	<b>Non-current liabilities</b>							
2530	Corporate bonds payable	6(17)	5,000,000	4	5,000,000	4	5,000,000	4
2540	Long-term borrowings	6(18) and 8	3,014,114	2	3,065,622	2	4,262,690	3
2550	Provisions for liabilities - non-current		242,135	-	310,263	-	284,635	-
2570	Deferred income tax liabilities	6(30)	2,767,688	2	2,632,812	2	2,578,909	2
2580	Non-current lease liabilities		5,357,570	4	5,346,519	4	4,458,482	3
2600	Other non-current liabilities	6(7)(19)	1,958,621	2	1,975,581	2	1,947,947	2
25XX	<b>Total non-current liabilities</b>		<u>18,340,128</u>	<u>14</u>	<u>18,330,797</u>	<u>14</u>	<u>18,532,663</u>	<u>14</u>
2XXX	<b>Total liabilities</b>		<u>45,672,684</u>	<u>36</u>	<u>40,871,010</u>	<u>32</u>	<u>44,213,297</u>	<u>33</u>
	<b>Equity attributable to owners of parent</b>							
	Share capital	6(20)						
3110	Common stock		21,387,966	17	21,387,966	17	21,387,966	16
	Capital surplus	6(21)						
3200	Capital surplus		9,682,864	7	9,629,730	7	9,611,908	6
	Retained earnings	6(22)						
3310	Legal reserve		8,237,099	6	8,237,099	6	7,899,057	6
3320	Special reserve		3,640,779	3	3,640,779	3	3,640,779	3
3350	Unappropriated retained earnings		18,850,332	15	22,400,066	18	18,293,698	13
	Other equity interest	6(23)						
3400	Other equity interest		13,067,011	11	15,364,660	12	24,819,795	18
3500	Treasury stocks	6(20)	( 511,710)	-	( 511,710)	-	( 511,710)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>74,354,341</u>	<u>59</u>	<u>80,148,590</u>	<u>63</u>	<u>85,141,493</u>	<u>62</u>
36XX	Non-controlling interest	6(34)	6,440,381	5	6,294,190	5	6,629,920	5
3XXX	<b>Total equity</b>		<u>80,794,722</u>	<u>64</u>	<u>86,442,780</u>	<u>68</u>	<u>91,771,413</u>	<u>67</u>
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 126,467,406</u>	<u>100</u>	<u>\$ 127,313,790</u>	<u>100</u>	<u>\$ 135,984,710</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, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Three-month periods ended March 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(9)(10)(24) and 7	\$	13,729,598	100	\$ 14,900,181	100
5000 Operating costs	6(6)(8)(9)(19)(29)					
	and 7	(	10,172,677)	( 74)	( 11,271,380)	( 76)
5900 Net operating margin			3,556,921	26	3,628,801	24
5910 Unrealized profit from sales		(	11,193)	-	( 9,095)	-
5920 Realized profit from sales			10,419	-	9,350	-
5950 Net operating margin			3,556,147	26	3,629,056	24
Operating expenses	6(8)(9)(19)(29)					
6100 Selling expenses		(	1,055,892)	( 8)	( 1,056,641)	( 7)
6200 General and administrative expenses		(	625,726)	( 4)	( 609,749)	( 4)
6300 Research and development expenses		(	244,145)	( 2)	( 265,758)	( 2)
6450 Expected credit impairment gains	12(2)		3,661	-	492	-
6000 Total operating expenses		(	1,922,102)	( 14)	( 1,931,656)	( 13)
6900 Operating profit			1,634,045	12	1,697,400	11
Non-operating income and expenses						
7100 Interest income	6(4)(25) and 7		175,870	1	124,127	1
7010 Other income	6(3)(10)(26) and 7		107,612	1	156,288	1
7020 Other gains and losses	6(2)(14)(27)	(	76,844)	-	( 289,372)	2
7050 Finance costs	6(9)(28)	(	90,022)	( 1)	( 60,591)	( 1)
7060 Share of profit of associates and joint ventures accounted for under the equity method	6(7)		19,220	-	( 19,602)	-
7000 Total non-operating income and expenses			135,836	1	489,594	3
7900 Profit before income tax			1,769,881	13	2,186,994	14
7950 Income tax expense	6(30)	(	482,924)	( 3)	( 443,987)	( 3)
8200 Profit for the period		\$	1,286,957	10	\$ 1,743,007	11

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TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Three-month periods ended March 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
<b>Other comprehensive income</b>					
<b>Other comprehensive (loss) income that will not be reclassified to profit or loss</b>					
8311 Other comprehensive (loss) income, before tax, actuarial losses on defined benefit plans	6(19)	(\$ 3,524)	-	\$ 11,786	-
8316 Unrealized losses and gains on valuation of investments measured at fair value through other comprehensive income	6(3)	( 3,031,891)	( 22)	6,866,705	46
8320 Share of other comprehensive income(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		( 177)	-	1,587	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		( 3,035,592)	( 22)	6,880,078	46
<b>Other comprehensive (loss) income that will be reclassified to profit or loss</b>					
8361 Currency translation differences of foreign operations	6(23)	875,698	6	( 45,336)	-
8368 Gains on hedging instrument	6(23)	12,448	-	-	-
8399 Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(30)	( 147,751)	( 1)	21,268	-
8360 Components of other comprehensive (loss) income that will be reclassified to profit or loss		740,395	5	( 24,068)	-
8300 <b>Other comprehensive (loss) income for the period</b>		(\$ 2,295,197)	( 17)	\$ 6,856,010	46
8500 <b>Total comprehensive (loss) income for the period</b>		(\$ 1,008,240)	( 7)	\$ 8,599,017	57
Profit attributable to:					
8610 Owners of the parent		\$ 1,159,139	9	\$ 1,634,863	10
8620 Non-controlling interest		127,818	1	108,144	1
		<u>\$ 1,286,957</u>	<u>10</u>	<u>\$ 1,743,007</u>	<u>11</u>
Comprehensive (loss) income attributable to:					
8710 Owners of the parent		(\$ 1,142,030)	( 8)	\$ 8,288,668	55
8720 Non-controlling interest		133,790	1	310,349	2
		<u>(\$ 1,008,240)</u>	<u>( 7)</u>	<u>\$ 8,599,017</u>	<u>57</u>
Earnings per share (in dollars)	6(31)				
9750 Basic earnings per share		\$	0.55	\$	0.78
9850 Diluted earnings per share		\$	0.55	\$	0.78

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, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent											Non-controlling interest	Total equity
		Retained earnings					Other equity interest							
		Share capital - common stock	Capital surplus	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	Treasury stocks	Total			
Notes														
For the three-month period ended March 31, 2023														
		\$ 21,387,966	\$ 9,575,822	\$ 7,899,057	\$ 3,640,779	\$ 19,680,601	(\$ 2,453,451 )	\$ 20,805,870	\$ -	(\$ 511,710 )	\$ 80,024,934	\$ 6,293,565	\$ 86,318,499	
		-	-	-	-	1,634,863	-	-	-	-	1,634,863	108,144	1,743,007	
	6(23)	-	-	-	-	11,786	( 22,534 )	6,664,553	-	-	6,653,805	202,205	6,856,010	
		-	-	-	-	1,646,649	( 22,534 )	6,664,553	-	-	8,288,668	310,349	8,599,017	
	6(22)	-	-	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	( 3,208,195 )	-	-	-	-	( 3,208,195 )	-	( 3,208,195 )	
		-	36,086	-	-	-	-	-	-	-	36,086	-	36,086	
		-	-	-	-	-	-	-	-	-	-	26,006	26,006	
	6(3)(23)	-	-	-	-	174,643	-	( 174,643 )	-	-	-	-	-	
		\$ 21,387,966	\$ 9,611,908	\$ 7,899,057	\$ 3,640,779	\$ 18,293,698	(\$ 2,475,985 )	\$ 27,295,780	\$ -	(\$ 511,710 )	\$ 85,141,493	\$ 6,629,920	\$ 91,771,413	
For the three-month period ended March 31, 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	
		-	-	-	-	1,159,139	-	-	-	-	1,159,139	127,818	1,286,957	
	6(23)	-	-	-	-	( 3,534 )	709,147	( 3,019,230 )	12,448	-	( 2,301,169 )	5,972	( 2,295,197 )	
		-	-	-	-	1,155,605	709,147	( 3,019,230 )	12,448	-	( 1,142,030 )	133,790	( 1,008,240 )	
	6(22)	-	-	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	( 4,705,353 )	-	-	-	-	( 4,705,353 )	-	( 4,705,353 )	
		-	53,134	-	-	-	-	-	-	-	53,134	-	53,134	
		-	-	-	-	-	-	-	-	-	-	12,401	12,401	
	6(3)(23)	-	-	-	-	14	-	( 14 )	-	-	-	-	-	
		\$ 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	

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, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month periods ended March 31	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,769,881	\$ 2,186,994
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(27)	( 5,011 )	( 555,750 )
Expected credit impairment gains		( 3,661 )	( 492 )
Net gain on financial liabilities at fair value through profit or loss	6(14)(27)	( 5,540 )	( 600 )
Provision for decline in value of inventories	6(6)	82,275	45,126
Interest income	6(25)	( 175,870 )	( 124,127 )
Dividend income	6(26)	( 6,641 )	( 23,690 )
Interest expense	6(28)	90,022	60,591
Depreciation and amortization	6(8)(9)(10)(29)	489,952	472,257
(Gain) loss on disposal of property, plant and equipment	6(27)	( 52,840 )	6,607
Share of profit of associates and joint ventures accounted for under the equity method	6(7)	( 19,220 )	19,602
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		133,893	( 293,712 )
Notes receivable		87,464	225,239
Notes receivable - related parties		( 75 )	( 67,987 )
Accounts receivable		( 481,865 )	( 416,577 )
Accounts receivable - related parties		16,066	26,558
Other receivables		( 12,147 )	( 46,374 )
Other receivables - related parties		43,576	18,594
Inventories		( 121,864 )	34,929
Prepayments		( 231,157 )	( 318,296 )
Other current assets		( 52,248 )	( 14,050 )
Changes in operating liabilities			
Current contract liabilities		( 100,307 )	130,784
Notes payable		( 3,562 )	( 95,189 )
Notes payable - related parties		( 753 )	( 92 )
Accounts payable		( 273,986 )	( 754,690 )
Accounts payable - related parties		( 8,509 )	1,809
Other payables		( 343,259 )	( 40,745 )
Provisions for liabilities		( 74,533 )	220,144
Other current liabilities		5,535	( 49,045 )
Other non-current liabilities		( 16,705 )	( 51,447 )
Cash inflow generated from operations		728,911	596,371
Interest received	6(25)	175,870	124,127
Interest paid		( 62,375 )	( 43,647 )
Income tax paid		( 147,404 )	( 53,136 )
Net cash flows from operating activities		<u>695,002</u>	<u>623,715</u>

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**TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month periods ended March 31	
		2024	2023
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease (increase) in current financial assets at fair value through profit or loss		\$ 3,500	( \$ 6,106 )
Decrease (increase) in non-current financial assets at fair value through profit or loss		64,556	( 87 )
Increase in non-current financial assets at fair value through other comprehensive income		( 29,988 )	-
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income	6(3)	9,798	648,966
(Increase) decrease in non-current financial assets at amortized cost	6(4)	( 80,360 )	43,791
Decrease in pledged and restricted bank and time deposits	6(1) and 8	38,300	143,104
Acquisition of property, plant and equipment	6(8)(32)	( 259,804 )	( 852,601 )
Increase in investment property		( 178 )	-
Decrease (increase) in other non-current assets		53,696	( 17,956 )
Net cash outflow on acquisitions of subsidiaries	6(32)	-	( 29,425 )
Dividends received from investments of financial instruments		6,641	23,690
Net cash flows used in investing activities		( 193,839 )	( 46,624 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Decrease in short-term loans	6(33)	( 154,407 )	( 29,922 )
Increase in long-term loans	6(33)	691,571	806,037
Lease liabilities paid	6(9)(33)	( 176,797 )	( 169,525 )
Net cash flows from financing activities		360,367	606,590
Exchange rate effect		630,629	( 148,149 )
Net increase in cash and cash equivalents		1,492,159	1,035,532
Cash and cash equivalents at beginning of period		23,640,536	21,375,400
Cash and cash equivalents at end of period		\$ 25,132,695	\$ 22,410,932

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, 2024 AND 2023**  
(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, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) 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 2024 are as follows:

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

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

None.

(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 IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025
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.	
<u>IFRS 18, 'Presentation and disclosure in financial statements'</u>	
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, 2023, 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, 2023.

(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, 2023.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
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	Notes 5 and 6
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	
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

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
Teco Electric & Machinery Co., Ltd.	Tong-An Assets Management & Development Co., Ltd.	Real estate business	100	100	100	Note 1
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.	61.07	61.07	61.07	Notes 1
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	84.73	84.73	84.73	Note 1
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, 2024	December 31, 2023	March 31, 2023	
Teco Electric & Machinery Co., Ltd.	E-Joy International Co., Ltd.	Wholesale and retail of electric appliances	98.07	98.07	98.07	Notes 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, 2024	December 31, 2023	March 31, 2023	
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, 2024	December 31, 2023	March 31, 2023	
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	Notes 1

Note 1: The financial statements of the entity as of and for the three-month periods ended March 31, 2024 and 2023 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: The Company 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: Teco Holding USA Inc. acquired 100% of the shares in Tai-Peng Energy Co., Ltd. through its wholly-owned subsidiary in January 2023, and the entity has been included in the Group's consolidated financial statements since the acquisition date.

Note 6: Teco Holding USA Inc. and its wholly-owned subsidiary, Teco Westinghouse Canada (TWMC), jointly invested and established Teco Electric Machinery S.A. de C.V. on March 3, 2023.

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 \$23,723,242 and \$24,454,204 as of March 31, 2024 and 2023, respectively, total liabilities (including credit balance of investments accounted for under equity method) of \$4,789,774 and \$4,606,282 as of March 31, 2024 and 2023, 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 \$125,571 and \$177,174 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, 2024	December 31, 2023	March 31, 2023	
Teco Electric & Machinery Co., Ltd.	Teco Appliance (HK) Co., Ltd.	Sales of home appliances	-	-	100	Notes 1 and 2
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	89.59	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

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
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	100	100	100	Note 1
Tong-An Investment Co., Ltd.	Eurasia Food Service Co., Ltd. and its affiliates	Restaurant chain	100	100	100	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: Teco Appliance (HK) Co., Ltd was dissolved and liquidated on August 18, 2023.

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(34).

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

There have been no significant changes as of March 31, 2024. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

##### 6. Details of Significant Accounts

###### (1) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand and revolving funds	\$ 7,385	\$ 7,954	\$ 7,912
Checking accounts and demand deposits	8,952,431	7,520,061	11,564,009
Time deposits and notes issued under repurchase agreement	16,172,879	16,112,521	10,839,011
	<u>\$ 25,132,695</u>	<u>\$ 23,640,536</u>	<u>\$ 22,410,932</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, 2024, December 31, 2023 and March 31, 2023, certain bank deposits amounting to \$129,897, \$168,197 and \$380,691, 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.
- C. According to IFRS Q&A amended by the competent authority on January 5, 2024, the Group reclassified the undrawn balance of deposits account for offshore funds which applies "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" from other current assets to cash and cash equivalents, which was retrospectively reclassified to March 31, 2023. As of March 31, 2024, December 31, 2023, and March 31, 2023, cash and cash equivalents was increased and other current assets was decreased by \$508, \$485 and \$481, respectively.

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

<u>Items</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Money market fund	\$ 26,240	\$ 29,740	\$ 34,240
Derivative instruments	4,161	787	6,407
	<u>30,401</u>	<u>30,527</u>	<u>40,647</u>
Valuation adjustments	( 3,103)	( 3,213)	( 2,644)
	<u>\$ 27,298</u>	<u>\$ 27,314</u>	<u>\$ 38,003</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed and OTC stocks	\$ 884,399	\$ 884,399	\$ 884,399
Non-listed and OTC stocks	810,394	810,394	810,394
Fund beneficiary certificate	638,875	675,826	712,261
	<u>2,333,668</u>	<u>2,370,619</u>	<u>2,407,054</u>
Valuation adjustments	<u>1,144,982</u>	<u>1,171,060</u>	<u>1,420,112</u>
	<u>\$ 3,478,650</u>	<u>\$ 3,541,679</u>	<u>\$ 3,827,166</u>

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

	<u>For the three-month period ended March 31, 2024</u>	<u>For the three-month period ended March 31, 2023</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments/ equity securities	\$ 5,011	\$ 555,750

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

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>
December 31, 2023				
Derivative instrument	Contract period	Contract amount (Notional principal)		Fair value
Forward exchange contracts				
BUY RMB/SELL USD	December 5, 2023~February 27, 2024	USD	8,000,000	<u>\$ 787</u>
March 31, 2023				
Derivative instrument	Contract period	Contract amount (Notional principal)		Fair value
Forward exchange contracts				
BUY EUR/SELL AUD	February 24, 2023~May 10, 2023	EUR	5,915,000	\$ 5,501
SELL AUD/BUY USD	March 6, 2023~April 27, 2023	USD	1,750,000	254
SELL USD/BUY JPY	March 28, 2023~April 27, 2023	JPY	60,000,000	302
BUY EUR/SELL AUD	January 18, 2023~May 4, 2023	EUR	290,818	350
				<u>\$ 6,407</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, 2024	December 31, 2023	March 31, 2023
Current items:			
Listed and OTC stocks	\$ 167,670	\$ 169,355	\$ 200,015
Valuation adjustments	176,900	163,823	238,334
	<u>\$ 344,570</u>	<u>\$ 333,178</u>	<u>\$ 438,349</u>
Non-current items:			
Listed and OTC stocks	\$ 12,491,593	\$ 12,495,913	\$ 12,534,694
Emerging stocks	119,475	119,475	115,200
Non-listed and OTC stocks	326,616	306,948	289,477
	12,937,684	12,922,336	12,939,371
Valuation adjustments	14,628,695	17,655,604	27,469,450
	<u>\$ 27,566,379</u>	<u>\$ 30,577,940</u>	<u>\$ 40,408,821</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 \$27,910,949, \$30,911,118 and \$40,847,170 as at March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

- B. For the three-month periods ended March 31, 2024 and 2023, the Group sold stocks with fair values of \$9,798 and \$648,966, respectively, to raise the capital for operations; the cumulative gains on disposal are \$14 and \$174,643, respectively, and the realized 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:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 3,031,891)	\$ 6,866,705
Cumulative gains reclassified to retained earnings due to derecognition	\$ 14	\$ 174,643
<u>Dividend income recognised in profit or loss</u>		
Held at end of period	\$ -	\$ 18,659
Derecognised during the period	-	-
	\$ -	\$ 18,659

- 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

Items	March 31, 2024	December 31, 2023	March 31, 2023
Non-current items:			
Government bond	\$ 77,147	\$ -	\$ -
Time deposits	18,770	15,557	72,118
	\$ 95,917	\$ 15,557	\$ 72,118

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

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Interest income	\$ 680	\$ 590

- B. As at March 31, 2024, December 31, 2023 and March 31, 2023, 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 \$95,917, \$15,557 and \$72,118, 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, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	\$ 783,122	\$ 870,587	\$ 816,512
Less: Allowance for bad debts	( 2,091)	( 1,945)	( 1,976)
	<u>\$ 781,031</u>	<u>\$ 868,642</u>	<u>\$ 814,536</u>
Accounts receivable	\$ 11,170,675	10,688,811	\$ 10,684,504
Less: Allowance for bad debts	( 199,931)	( 200,328)	( 213,261)
	<u>\$ 10,970,744</u>	<u>\$ 10,488,483</u>	<u>\$ 10,471,243</u>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Not past due	\$ 9,317,782	\$ 8,798,254	\$ 8,892,219
Up to 30 days	1,069,532	1,211,495	1,264,363
31 to 90 days	875,587	811,799	601,800
91 to 180 days	250,416	311,073	237,830
Over 180 days	<u>440,480</u>	<u>426,777</u>	<u>504,804</u>
	<u>\$ 11,953,797</u>	<u>\$ 11,559,398</u>	<u>\$ 11,501,016</u>

The above ageing analysis was based on past due date.

- B. As of March 31, 2024, December 31, 2023 and March 31, 2023, the balances of receivables (including notes receivable) from contracts with customers amounted to \$11,727,561, \$11,327,753 and \$11,249,653, respectively.
- C. As at March 31, 2024, December 31, 2023 and March 31, 2023, 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 \$781,031, \$868,642 and \$814,536 and accounts receivable were \$10,970,744, \$10,488,483 and \$10,471,243, 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, 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>
December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,182,271	(\$ 192,287)	\$ 2,989,984
Work in progress	1,212,304	( 35,694)	1,176,610
Finished goods	6,870,363	( 446,128)	6,424,235
Inventory in transit	545,269	-	545,269
Merchandise inventories	500,026	( 4,331)	495,695
	<u>\$ 12,310,233</u>	<u>(\$ 678,440)</u>	<u>\$ 11,631,793</u>
March 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,704,422	(\$ 206,479)	\$ 3,497,943
Work in progress	1,514,782	( 45,210)	1,469,572
Finished goods	7,286,329	( 416,511)	6,869,818
Inventory in transit	661,218	-	661,218
Merchandise inventories	322,213	( 5,532)	316,681
	<u>\$ 13,488,964</u>	<u>(\$ 673,732)</u>	<u>\$ 12,815,232</u>

- A. The cost of inventories recognized as expense for the three-month periods ended March 31, 2024 and 2023 were \$6,544,664 and \$7,089,922, respectively, including \$82,275 and \$45,126 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, 2024 and 2023, respectively.
- B. The Group has no inventory pledged to others.

(7) Investments accounted for under the equity method

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Associates:			
1. Tung Pei Industrial Co., Ltd.	\$ 2,367,657	\$ 2,339,997	\$ 2,444,341
2. Lien Chang Electronic Enterprise Co., Ltd.	454,326	452,479	485,892
3. Others	<u>725,009</u>	<u>676,447</u>	<u>1,020,460</u>
	<u>3,546,992</u>	<u>3,468,923</u>	<u>3,950,693</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)	( <u>84,098</u> )	( <u>83,843</u> )	( <u>187,904</u> )
	<u>\$ 3,462,894</u>	<u>\$ 3,385,080</u>	<u>\$ 3,762,789</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, 2024 and 2023 are as follows:

	<u>For the three-month period ended March 31, 2024</u>	<u>For the three-month period ended March 31, 2023</u>
Associates:		
1. Tung Pei Industrial Co., Ltd.	\$ 27,834	(\$ 15,581)
2. Lien Chang Electronic Enterprise Co., Ltd.	( 7,049)	( 4,468)
3. Others	( <u>1,565</u> )	<u>447</u>
	<u>\$ 19,220</u>	<u>(\$ 19,602)</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	<u>Shareholding ratio</u>			Nature of relationship	Method of measurement
		<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>		
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

Tung Pei Industrial Co., Ltd.			
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 3,621,691	\$ 4,984,212	\$ 4,190,100
Non-current assets	7,239,501	7,431,032	7,431,808
Current liabilities	( 1,840,358)	( 3,110,385)	( 2,217,609)
Non-current liabilities	( 1,416,437)	( 1,091,475)	( 1,553,502)
Total assets	<u>\$ 7,604,397</u>	<u>\$ 8,213,384</u>	<u>\$ 7,850,797</u>
Share in associate's net assets	\$ 2,367,657	\$ 2,339,997	\$ 2,444,341
Goodwill	-	-	-
Carrying amount of the associate	<u>\$ 2,367,657</u>	<u>\$ 2,339,997</u>	<u>\$ 2,444,341</u>
Lien Chang Electronic Enterprise Co., Ltd.			
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 1,146,836	\$ 1,148,508	\$ 1,382,715
Non-current assets	381,900	400,790	407,627
Current liabilities	( 149,794)	( 162,327)	( 287,558)
Non-current liabilities	( 36,530)	( 50,016)	( 67,103)
Total net assets	<u>\$ 1,342,412</u>	<u>\$ 1,336,955</u>	<u>\$ 1,435,681</u>
Share in associate's net assets	\$ 454,326	\$ 452,479	\$ 485,892
Goodwill	-	-	-
Carrying amount of the associate	<u>\$ 454,326</u>	<u>\$ 452,479</u>	<u>\$ 485,892</u>

Statement of comprehensive income

Tung Pei Industrial Co., Ltd.		
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Revenue	\$ 968,404	\$ 1,057,565
Profit (loss) for the period from continuing operations	88,518	( 10,990)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss)	<u>\$ 88,518</u>	<u>(\$ 10,990)</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

Lien Chang Electronic Enterprise Co., Ltd.		
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Revenue	\$ 100,596	\$ 157,364
Loss for the period from continuing operations	( 20,828)	( 19,105)
Other comprehensive income, net of tax	26,285	8,228
Total comprehensive income (loss)	\$ 5,457	(\$ 10,877)
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, 2024, December 31, 2023 and March 31, 2023, the carrying amount of the Group's individually immaterial associates amounted to \$725,009, \$676,447 and \$1,020,460, respectively.

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
(Loss) profit for the period period from continuing operations	(\$ 1,565)	\$ 447
Total comprehensive (loss) income	(\$ 1,565)	\$ 447

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

	March 31, 2024	December 31, 2023	March 31, 2023
Lien Chang Electronic Enterprise Co., Ltd.	\$ 497,434	\$ 433,612	\$ 403,578

- (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, 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	3,712	37,643	-	31,838	-	425	1,938	10,292	-	85,848
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>

	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, 2023</u>										
Cost	\$ 5,284,263	\$ 8,612,162	\$ 5,285,088	\$ 12,396,063	\$ 614,741	\$ 1,346,062	\$ 643,184	\$ 7,659,717	\$ 4,242,942	\$ 46,084,222
Accumulated depreciation and impairment	( 34,697)	( 4,854,239)	( 2,554,401)	( 10,908,814)	( 587,634)	( 796,858)	( 510,530)	( 6,705,272)	-	( 26,952,445)
	<u>\$ 5,249,566</u>	<u>\$ 3,757,923</u>	<u>\$ 2,730,687</u>	<u>\$ 1,487,249</u>	<u>\$ 27,107</u>	<u>\$ 549,204</u>	<u>\$ 132,654</u>	<u>\$ 954,445</u>	<u>\$ 4,242,942</u>	<u>\$ 19,131,777</u>
<u>2023</u>										
Opening net book amount	\$ 5,249,566	\$ 3,757,923	\$ 2,730,687	\$ 1,487,249	\$ 27,107	\$ 549,204	\$ 132,654	\$ 954,445	\$ 4,242,942	\$ 19,131,777
Additions	-	22,197	-	204,109	-	18,865	1,043	40,420	541,599	828,233
Acquired from business combinations	-	-	-	328,945	-	-	-	-	-	328,945
Disposals	- ( 55)	-	- ( 5,185)	-	- ( 569)	-	- ( 798)	-	-	( 6,607)
Reclassifications	- ( 7,590)	4,420,382	( 625)	658	-	-	7,557	( 4,420,382)	-	-
Depreciation charge	- ( 55,977)	( 43,686)	( 91,859)	( 1,074)	( 22,940)	( 9,069)	( 72,625)	-	( 297,230)	-
Net exchange differences	( 1,492)	3,159	-	2,600	- ( 176)	117	3,122	-	7,330	-
Closing net book amount	<u>\$ 5,248,074</u>	<u>\$ 3,719,657</u>	<u>\$ 7,107,383</u>	<u>\$ 1,925,234</u>	<u>\$ 26,691</u>	<u>\$ 544,384</u>	<u>\$ 124,745</u>	<u>\$ 932,121</u>	<u>\$ 364,159</u>	<u>\$ 19,992,448</u>
<u>At March 31, 2023</u>										
Cost	\$ 5,282,771	\$ 8,632,151	\$ 9,705,470	\$ 12,887,065	\$ 615,397	\$ 1,359,673	\$ 639,400	\$ 7,710,651	\$ 364,159	\$ 47,196,737
Accumulated depreciation and impairment	( 34,697)	( 4,912,494)	( 2,598,087)	( 10,961,831)	( 588,706)	( 815,289)	( 514,655)	( 6,778,530)	-	( 27,204,289)
	<u>\$ 5,248,074</u>	<u>\$ 3,719,657</u>	<u>\$ 7,107,383</u>	<u>\$ 1,925,234</u>	<u>\$ 26,691</u>	<u>\$ 544,384</u>	<u>\$ 124,745</u>	<u>\$ 932,121</u>	<u>\$ 364,159</u>	<u>\$ 19,992,448</u>

- A. For the three-month periods ended March 31, 2024 and 2023, no borrowing cost 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, 2024, as the competent authority of the area where the land is 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. to return the development guarantee and input development cost in the amount of \$350,000 and \$188,544, respectively. The Group had accrued and recorded \$94,272. Currently, the Group negotiated with Kindom Development Co., Ltd. for attributing input development cost.
- 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 an 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.



(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, 2024 and 2023, the additions to right-of-use assets were \$154,896 and \$40,284 and the sublease income were \$332,751 and \$230,012, respectively.
- F. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Land (including royalties)	\$ 4,652,954	\$ 4,517,224	\$ 4,626,713
Buildings	2,811,863	2,909,214	1,969,182
Machinery and equipment	22,319	19,137	20,928
Transportation equipment (Business vehicles)	<u>32,520</u>	<u>27,632</u>	<u>24,671</u>
	<u>\$ 7,519,656</u>	<u>\$ 7,473,207</u>	<u>\$ 6,641,494</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, 2024</u>	<u>ended March 31, 2023</u>	
Land (including royalties)	\$ 28,732	\$ 23,197	
Buildings	120,222	105,607	
Machinery and equipment	2,679	2,496	
Transportation equipment (Business vehicles)	<u>3,346</u>	<u>2,940</u>	
	<u>\$ 154,979</u>	<u>\$ 134,240</u>	

- G. Interest expenses on lease liabilities for the three-month periods ended March 31, 2024 and

2023 were \$27,647 and \$17,182 and the cash outflows were \$176,797 and \$169,525, respectively.

H. Expenses on short-term leases were \$71,854 and \$87,448 and leases of low-value assets were \$6,824 and \$1,779 which are not subject to IFRS 16 for the three-month periods ended March 31, 2024 and 2023, respectively.

(10) Investment property

	Land	Buildings and structures	Right-of-use assets	Total
<u>At January 1, 2024</u>				
Cost	\$ 1,436,681	\$ 3,280,847	\$ 59,941	\$ 4,777,469
Accumulated depreciation and impairment	-	( 1,955,900)	( 36,382)	( 1,992,282)
	<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	7,925	7,101	204	15,230
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	( 34,697)	( 2,119,254)	( 38,723)	( 2,192,674)
	<u>\$ 1,794,460</u>	<u>\$ 1,479,296</u>	<u>\$ 21,648</u>	<u>\$ 3,295,404</u>

	Land	Buildings and structures	Right-of-use assets	Total
<u>At January 1, 2023</u>				
Cost	\$ 1,688,929	\$ 2,976,827	\$ 51,216	\$ 4,716,972
Accumulated depreciation and impairment	-	( 1,726,689)	( 23,387)	( 1,750,076)
	<u>\$ 1,688,929</u>	<u>\$ 1,250,138</u>	<u>\$ 27,829</u>	<u>\$ 2,966,896</u>
<u>2023</u>				
Opening net book amount	\$ 1,688,929	\$ 1,250,138	\$ 27,829	\$ 2,966,896
Depreciation charge	-	( 16,995)	( 2,111)	( 19,106)
Net exchange differences	( 1,591)	898	( 109)	( 802)
Closing net book amount	<u>\$ 1,687,338</u>	<u>\$ 1,234,041</u>	<u>\$ 25,609</u>	<u>\$ 2,946,988</u>

<u>At March 31, 2023</u>				
Cost	\$ 1,687,338	\$ 2,976,602	\$ 50,860	\$ 4,714,800
Accumulated depreciation and impairment	-	( 1,742,561)	( 25,251)	( 1,767,812)
	<u>\$ 1,687,338</u>	<u>\$ 1,234,041</u>	<u>\$ 25,609</u>	<u>\$ 2,946,988</u>

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

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Rental income from investment property	<u>\$ 42,067</u>	<u>\$ 30,937</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 17,221</u>	<u>\$ 12,967</u>
Direct operating expenses arising from the investment property that did not generate rental income during the period	<u>\$ 2,779</u>	<u>\$ 2,695</u>

B. The fair value of the investment property held by the Group as at March 31, 2024, December 31, 2023 and March 31, 2023 were \$8,176,807, \$6,276,183 and \$6,825,046, respectively, which is categorized within Level 3 in the fair value hierarchy.

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

	2024	2023
<u>At January 1</u>		
Cost	\$ 5,045,600	\$ 4,871,157
Accumulated amortization and impairment	( 315,284)	( 315,284)
	<u>\$ 4,730,316</u>	<u>\$ 4,555,873</u>
Opening net book amount	\$ 4,730,316	\$ 4,555,873
Net exchange differences	66,590	59,506
Closing net book amount	<u>\$ 4,796,906</u>	<u>\$ 4,615,379</u>
<u>At March 31</u>		
Cost	\$ 5,112,190	\$ 4,930,663
Accumulated amortization and impairment	( 315,284)	( 315,284)
	<u>\$ 4,796,906</u>	<u>\$ 4,615,379</u>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Green mechatronic solution business group	<u>\$ 4,796,907</u>	<u>\$ 4,730,316</u>	<u>\$ 4,615,379</u>

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, 2024, the goodwill arising from the merger amounted to \$4,770,901.

(12) Other non-current assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Refundable deposits	\$ 315,153	\$ 311,718	\$ 327,926
Long-term notes and accounts receivable	68,831	98,100	96,837
Deferred expenses	23,102	26,371	32,047
Other assets	39,806	64,399	92,945
	<u>\$ 446,892</u>	<u>\$ 500,588</u>	<u>\$ 549,755</u>

(13) Short-term borrowings

<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
<u>Type of borrowings</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings	<u>\$ 1,357,111</u>	0.50%~7.50%	Notes receivable, land, buildings and structures, demand deposits and time deposits
<u>Type of borrowings</u>	<u>March 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings	<u>\$ 1,721,422</u>	1.25%~7.00%	Notes receivable, land, buildings and structures, demand deposits and time deposits

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

<u>Items</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current items:			
Financial liabilities held for trading			
Non-hedging derivatives	<u>\$ 310</u>	<u>\$ 5,850</u>	<u>\$ 3,544</u>

- A. The Group recognized net profit of \$5,540 and \$600 on financial liabilities held for trading for the three-month periods ended March 31, 2024 and 2023, respectively.
- B. Explanations of the transactions and contract information in respect of non-hedged derivative financial liabilities are as follows:

March 31, 2024				
Derivative instrument	Contract period	Contract amount (Notional principal)		Fair value
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	305
				<u>\$ 310</u>

December 31, 2023				
Derivative instrument	Contract period	Contract amount (Notional principal)		Fair value
Forward foreign exchange contracts				
BUY AUD/SELL USD	November 15, 2023~February 22, 2024	USD	65,000	\$ 74
BUY AUD/SELL EUR	December 1, 2023~February 27, 2024	EUR	531,960	273
BUY USD/SELL AUD	November 16, 2023~February 26, 2024	AUD	2,800,000	1,580
BUY USD/SELL EUR	November 3, 2023~March 26, 2024	EUR	1,350,000	795
BUY JPY/SELL USD	November 27, 2023~February 26, 2024	JPY	58,000,000	353
Interest rate swap				
BUY TWD/SELL USD	December 8, 2023~January 25, 2024	USD	5,000,000	2,775
				<u>\$ 5,850</u>

March 31, 2023				
Derivative instrument	Contract period	Contract amount (Notional principal)		Fair value
Forward foreign exchange contracts				
BUY USD/SELL EUR	March 14, 2023~April 17, 2023	EUR	1,000,000	\$ 371
BUY RMB/SELL USD	January 13, 2023 ~May 29, 2023	USD	7,500,000	3,173
				<u>\$ 3,544</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.

(15) Hedging financial assets and liabilities

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	\$ -	\$ -	\$ -
December 31, 2023				
	Assets		Liabilities	
	Current	Non-current	Current	Non-current
Cash flow hedges:				
<u>Exchange rate risk</u>				
Forward foreign exchange contracts	\$ -	\$ -	\$ 5,025	\$ -

A. As of March 31, 2023, the Group had no hedging financial assets or 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:

March 31, 2024						For the three-month period ended March 31, 2024	
Hedging instruments	Notional amount	Contract period	Assets carrying amount	Liabilities carrying amount	Changes in fair value in relation to recognising hedge ineffectiveness basis	Average price or fee (in dollars)	Gains (losses) on valuation of ineffective hedge that will be recognised in financial assets/liabilities at fair value through profit or loss
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	\$ -
December 31, 2023						2023	
Hedging instruments	Notional amount	Contract period	Assets carrying amount	Liabilities carrying amount	Changes in fair value in relation to recognising hedge ineffectiveness basis	Average price or fee (in dollars)	Gains (losses) on valuation of ineffective hedge that will be recognised in financial assets/liabilities at fair value through profit or loss
Cash flow hedges							
<u>Exchange rate risk</u>							
Forward foreign exchange transactions	USD 8,328	November 28, 2023 ~ February 26, 2024	\$ -	(\$ 5,025)	\$ -	30.54	\$ -

D. Cash flow hedge:

	2024
<u>Other equity - cash flow hedge reserve</u>	
At January 1	(\$ 5,025)
Add: Gains on hedge effectiveness-amount recognised in other comprehensive income	12,448
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.

(16) Other payables

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Salary and wages payable	\$ 2,171,087	\$ 2,545,264	\$ 1,890,089
Employees' compensation payable	916,733	843,910	788,363
Dealers' bonus commission payable	204,309	127,145	209,878
Directors' and supervisors' remuneration payable	208,128	142,032	194,250
Equipment payable	122,019	130,788	80,798
Dividends payable	4,709,264	62,359	3,199,435
Others	2,425,474	2,548,280	2,932,076
	<u>\$ 10,757,014</u>	<u>\$ 6,399,778</u>	<u>\$ 9,294,889</u>

(17) Bonds payable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Issuance of bonds payable	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</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.



(18) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2024
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>
Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
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	\$ 3,549,846
Less: Current portion (listed as '2320 Long-term liabilities, current portion')				( 484,224)
				<u>\$ 3,065,622</u>
Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2023
Long-term bank borrowings and commercial papers payable	Both borrowing periods are from October 1, 2019 to May 2, 2025; payable based on the agreed terms.	1.35%~8.79%	Note	\$ 4,615,324
Less: Current portion (listed as '2320 Long-term liabilities, current portion')				( 352,634)
				<u>\$ 4,262,690</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.

(19) 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, 2024 and 2023 were \$5,802 and \$6,156, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to \$150,734.

- 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, 2024 and 2023 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, 2024 and 2023 were \$97,844 and \$106,127, respectively.

(20) Share capital

- A. As of March 31, 2024, 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.

	2024	2023
At January 1 (At March 31)	2,138,797	2,138,797

Note: Shares in thousands.

- B. 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, 2024, December 31, 2023 and March 31, 2023, 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, 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>		
	December 31, 2023		
	Shares (in thousands)	Cost (in dollars)	Market value (in dollars)
Tong-An Investment Co., Ltd.	19,540	\$ 14.92	\$ 46.80
An-Tai International Investment Co., Ltd.	2,826	10.37	46.80
Top-Tower Enterprises Co., Ltd.	77	9.37	46.80
Taiwan Pelican Express Co., Ltd.	7,070	26.89	46.80
	<u>29,513</u>		
	March 31, 2023		
	Shares (in thousands)	Cost (in dollars)	Market value (in dollars)
Tong-An Investment Co., Ltd.	19,540	\$ 14.92	\$ 42.50
An-Tai International Investment Co., Ltd.	2,826	10.37	42.50
Top-Tower Enterprises Co., Ltd.	77	9.37	42.50
Taiwan Pelican Express Co., Ltd.	7,070	26.89	42.50
	<u>29,513</u>		

(21) 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.

(22) 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, 2024, 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 2023 net income was proposed by the Board of Directors on March 15, 2024 while the appropriations of the 2022 net income was resolved by the stockholders on May 24, 2023 as follows:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
	Dividend per share		Dividend per share	
	Amount	(in dollars)	Amount	(in dollars)
Legal reserve	\$ 626,570		\$ 338,042	
Cash dividends	4,705,353	\$ 2.20	3,208,195	\$ 1.50
(23) <u>Other equity items</u>				
	Unrealized gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2024	\$ 17,649,701	(\$ 5,025)	(\$ 2,280,016)	\$ 15,364,660
Unrealized gains and losses on financial assets:				
Revaluation - group	( 3,019,053)	-	-	( 3,019,053)
Revaluation - associates	( 177)	-	-	( 177)
Revaluation - tax	( 14)	-	-	( 14)
Cash flow hedge:				
Fair value gain	-	12,448	-	12,448
Currency translation differences:				
-Group	-	-	709,147	709,147
At March 31, 2024	\$ 14,630,457	\$ 7,423	(\$ 1,570,869)	\$ 13,067,011

	Unrealized gains (losses) on valuation	Currency translation	Total
At January 1, 2023	\$ 20,805,870	(\$ 2,453,451)	\$ 18,352,419
Unrealized gains and losses on financial assets:			
Revaluation – group	6,662,966	-	6,662,966
Revaluation – associates	1,587	-	1,587
Revaluation transferred to retained earnings	( 174,643)	- (	174,643)
Currency translation differences:			
–Group	- (	22,534)	( 22,534)
At March 31, 2023	\$ 27,295,780	(\$ 2,475,985)	\$ 24,819,795

(24) Operating revenue

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Revenue from customers	\$ 13,425,971	\$ 14,690,316
Others - rental revenue	303,627	209,865
	<u>\$ 13,729,598</u>	<u>\$ 14,900,181</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:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
	Revenue from external customer contracts	Revenue from external customer contracts
Sales of green mechatronic solution business group products	\$ 7,965,253	\$ 8,620,146
Sales of air and intelligent life business group product	1,279,828	1,318,718
Others	206,587	259,414
Service revenue	2,027,734	2,064,690
Construction contract	1,946,569	2,427,348
	<u>\$ 13,425,971</u>	<u>\$ 14,690,316</u>

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

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Advance sales receipts	<u>\$ 397,299</u>	<u>\$ 407,114</u>

(25) Interest income

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Interest income from bank deposits	\$ 175,190	\$ 123,537
Interest income from financial assets measured at amortised cost	680	590
	<u>\$ 175,870</u>	<u>\$ 124,127</u>

(26) Other income

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Rental revenue	\$ 43,631	\$ 36,581
Dividend income	6,641	23,690
Other non-operating income	57,340	96,017
	<u>\$ 107,612</u>	<u>\$ 156,288</u>

(27) Other gains and losses

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Gain (loss) on disposal of property, plant and equipment	\$ 52,840	(\$ 6,607)
Loss arising from lease modifications	-	( 186)
Net currency exchange gain (loss)	19,624	( 23,239)
Gain on financial assets at fair value through profit or loss	5,011	555,750
Gain on financial liabilities at fair value through profit or loss	5,540	600
Miscellaneous disbursements	( 159,859)	( 236,946)
	<u>(\$ 76,844)</u>	<u>\$ 289,372</u>

(28) Finance costs

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Interest expense	\$ 89,153	\$ 59,596
Other finance expenses	869	995
	<u>\$ 90,022</u>	<u>\$ 60,591</u>

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

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Wages and salaries	\$ 2,114,745	\$ 2,156,428
Employees' compensation and directors' remuneration	185,564	261,461
Labor and health insurance fees	276,764	300,283
Pension costs	103,646	112,283
Other personnel expenses	95,378	102,746
Depreciation charges on property, plant and equipment as well as investment property	313,930	316,336
Depreciation charges on right-of -use assets and amortization charges on intangible assets	176,022	155,921

- 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, 2024 and 2023, employees' compensation was accrued at \$94,711 and \$125,990, respectively; while directors' remuneration was accrued at \$26,893 and \$55,995, respectively. The aforementioned amounts were recognized in salary expenses.
- C. For the year ended December 31, 2023, 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 \$409,494 and \$102,374, and the employees' compensation will be distributed in the form of cash.

The difference of \$102,373 between employees' compensation of \$511,867 and the difference of \$0 between directors' remuneration of \$102,374 as resolved by the Board of Directors which is mainly arising from changes in estimate of directors' remuneration and the amount recognised in the 2023 financial statements had been adjusted in the profit or loss of 2024.

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.

(30) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Current tax:		
Current tax on profits for the period	\$ 391,925	\$ 312,590
Total current tax	391,925	312,590
Deferred tax:		
Origination and reversal of temporary differences	90,999	131,397
Total deferred tax	90,999	131,397
Income tax expense	\$ 482,924	\$ 443,987

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

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Deferred tax:		
Currency translation differences	\$ 147,751	(\$ 21,268)
Income tax charge relating to components of other comprehennsive income	\$ 147,751	(\$ 21,268)

B. As of March 31, 2024, the Company and its subsidiaries' income tax returns through various years between 2019 and 2022, 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. There was no current tax expense related to Pillar Two income taxes that the Group recognised for the three-month periods ended March 31, 2024 and 2023.

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 European Union, Japan and Vietnam, the jurisdiction in which subsidiaries of the Group is incorporated, and will come into effect from January 1, 2024, the Group has no related current tax exposure as of March 31, 2024.

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.



(31) Earnings per share

	For the three-month period ended March 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
<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.

	For the three-month period ended March 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
<u>Basic (Diluted) earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,634,863	2,109,284	\$ 0.78

Note: The earnings per share of \$0.76 (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.

(32) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Acquisition of property, plant and equipment	\$ 251,035	\$ 828,233
Add:		
Payables at beginning of the period	130,788	105,166
Less:		
Payables at end of the period	( 122,019)	( 80,798)
Cash paid	\$ 259,804	\$ 852,601

B. Financing activities with no cash flow effects

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Cash dividends declared	\$ 4,705,353	\$ 3,208,195

C. On January 18, 2023, the Group acquired 100% of the share capital of Tai-Peng Energy Co., Ltd.. The following table summarises the carrying amount of assets and liabilities of Tai-Peng Energy Co., Ltd.:

	January 18, 2023
Cash	\$ 529
Accounts receivable	3,113
Other current assets	6,755
Property, plant and equipment	328,945
Other non-current assets	11,971
Bank borrowings	( 153,772)
Other payables	( 166,370)
Other current liabilities	( 49)
	<u>\$ 31,122</u>
Consideration for the acquisition of the subsidiary	<u>\$ 29,954</u>
Balance of cash in the subsidiary	( 529)
Effect on net cash from the consolidated subsidiary	<u>\$ 29,425</u>

(33) Changes in liabilities from financing activities

	Short-term borrowings	Dividends payable (Note 1)	Bonds payable (Note 2)	Long-term borrowings (Note 2)	Lease liabilities	Liabilities from financing activities - gross
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>

	Short-term borrowings	Dividends payable (Note 1)	Bonds payable (Note 2)	Long-term borrowings (Note 2)	Lease liabilities	Liabilities from financing activities - gross
January 1, 2023	\$ 1,751,344	\$ 27,860	\$ 5,000,000	\$ 3,655,514	\$ 5,072,407	\$ 15,507,125
Interest expenses on lease liabilities	-	-	-	-	17,182	17,182
Recognised in right-of-use assets	-	-	-	-	40,284	40,284
Remeasurement	-	-	-	-	( 4,304)	( 4,304)
Changes in cash flow from financing activities ( 29,922)	-	-	-	959,810	( 169,525)	760,363
Cash dividends declared	-	3,208,195	-	-	-	3,208,195
Other	-	( 36,620)	-	-	-	( 36,620)
Effect of foreign exchange	-	-	-	-	( 240)	( 240)
March 31, 2023	<u>\$ 1,721,422</u>	<u>\$ 3,199,435</u>	<u>\$ 5,000,000</u>	<u>\$ 4,615,324</u>	<u>\$ 4,955,804</u>	<u>\$ 19,491,985</u>

Note 1: Shown as 'other payables'.

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

(34) Details of significant non-controlling interests

A. As of March 31, 2024, December 31, 2023 and March 31, 2023, the non-controlling interest amounted to \$6,440,381, \$6,294,190 and \$6,629,920, 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, 2024		December 31, 2023	
		Amount	Ownership	Amount	Ownership
Tecom Co., Ltd. and subsidiaries	R.O.C	\$ 292,565	36.48%	\$ 296,949	36.48%
Taiwan Pelican Express Co., Ltd. and subsidiaries	R.O.C	1,481,928	66.62%	1,482,354	66.62%
Century Development Corporation and subsidiaries	R.O.C	2,996,558	47.25%	2,898,448	47.25%
Information Technology Total Services Co., Ltd. and subsidiaries	R.O.C	276,554	50.99%	297,289	50.99%
		Non-controlling interest			
		March 31, 2023			
Name of subsidiary	Principal place of business	Amount	Ownership		
Tecom Co., Ltd. And subsidiaries	R.O.C	\$ 311,843	36.48%		
Taiwan Pelican Express Co., Ltd. and subsidiaries	R.O.C	1,729,418	66.62%		
Century Development Corporation and subsidiaries	R.O.C	2,934,536	47.25%		
Information Technology Total Services Co.,Ltd. and subsidiaries	R.O.C	270,373	50.99%		

B. Summarized financial information of the subsidiaries:

Balance sheets

Tecom Co., Ltd. and subsidiaries			
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 682,632	\$ 728,603	\$ 979,195
Non-current assets	664,955	671,631	743,140
Current liabilities	( 672,396)	( 707,924)	( 797,637)
Non-current liabilities	( 223,542)	( 227,642)	( 439,876)
Total net assets	<u>\$ 451,649</u>	<u>\$ 464,668</u>	<u>\$ 484,822</u>

Taiwan Pelican Express Co., Ltd. and subsidiaries			
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 1,655,014	\$ 1,685,499	\$ 1,645,601
Non-current assets	2,597,291	2,662,036	2,980,061
Current liabilities	( 933,801)	( 996,973)	( 955,332)
Non-current liabilities	( 1,094,055)	( 1,125,474)	( 1,177,929)
Total net assets	<u>\$ 2,224,449</u>	<u>\$ 2,225,088</u>	<u>\$ 2,492,401</u>

Century Development Corporation and subsidiaries			
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 1,186,294	\$ 992,807	\$ 777,201
Non-current assets	11,155,150	11,033,580	11,210,156
Current liabilities	( 1,028,610)	( 992,674)	( 1,267,539)
Non-current liabilities	( 4,469,472)	( 4,363,002)	( 3,976,430)
Total net assets	<u>\$ 6,843,362</u>	<u>\$ 6,670,711</u>	<u>\$ 6,743,388</u>

Information Technology Total Services Co., Ltd. and subsidiaries			
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 887,567	\$ 774,813	\$ 719,996
Non-current assets	208,487	236,732	238,032
Current liabilities	( 540,724)	( 415,954)	( 412,268)
Non-current liabilities	( 11,848)	( 12,158)	( 15,600)
Total net assets	<u>\$ 543,482</u>	<u>\$ 583,433</u>	<u>\$ 530,160</u>

Statements of comprehensive income

Tecom Co., Ltd. and subsidiaries		
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Revenue	\$ 163,715	\$ 181,254
Loss before income tax	( 7,234)	( 12,761)
Income tax expense	( 260)	( 1,671)
Loss for the period	( 7,494)	( 14,432)
Other comprehensive (loss) income (net of tax)	( 5,525)	24,274
Total comprehensive (loss) income for the period	(\$ 13,019)	\$ 9,842
Comprehensive loss attributable to non-controlling interest	(\$ 4,243)	(\$ 2,722)
Dividends paid to non-controlling interest	\$ -	\$ -
Taiwan Pelican Express Co., Ltd. and subsidiaries		
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Revenue	\$ 1,021,467	\$ 1,007,852
Profit before income tax	18,834	2,229
Income tax expense	( 3,360)	( 680)
Profit for the period	15,474	1,549
Other comprehensive (loss) income (net of tax)	( 16,113)	294,093
Total comprehensive (loss) income for the period	(\$ 639)	\$ 295,642
Comprehensive (loss) income attributable to non-controlling interest	(\$ 426)	\$ 196,957
Dividends paid to non-controlling interest	\$ -	\$ -

Century Development Corporation and subsidiaries		
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Revenue	\$ 328,314	\$ 232,002
Profit before income tax	158,850	105,878
Income tax expense	( 25,337)	( 20,982)
Profit for the period	133,513	84,896
Other comprehensive income (loss) (net of tax)	39,139	( 1,550)
Total comprehensive income for the period	<u>\$ 172,652</u>	<u>\$ 53,346</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 43,307</u>	<u>\$ 42,897</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>
Information Technology Total Services Co., Ltd. and subsidiaries		
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Revenue	\$ 364,329	\$ 400,665
Profit before income tax	22,390	24,787
Income tax expense	( 4,349)	( 4,351)
Profit for the period	18,041	20,436
Other comprehensive income (loss) (net of tax)	2,119	( 137)
Total comprehensive income for the period	<u>\$ 20,160</u>	<u>\$ 20,299</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 8,812</u>	<u>\$ 10,468</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

## Statements of cash flows

	Tecom Co., Ltd. and subsidiaries	
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Net cash provided (used in) by operating activities	\$ 15,631	(\$ 5,704)
Net cash provided by investing activities	28,840	153,230
Net cash used in financing activities	( 32,824)	( 164,750)
Increase (decrease) in cash and cash equivalents	11,647	( 17,224)
Cash and cash equivalents, beginning of period	143,638	265,304
Cash and cash equivalents, end of period	\$ 155,285	\$ 248,080
	Taiwan Pelican Express Co., Ltd. and subsidiaries	
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Net cash provided by operating activities	\$ 96,120	\$ 35,513
Net cash used in financing activities	( 24,599)	( 20,342)
Net cash used in financing activities	( 53,133)	( 50,862)
Effect of exchange rates on cash and cash equivalents	111	( 49)
Increase (decrease) in cash and cash equivalents	18,499	( 35,740)
Cash and cash equivalents, beginning of period	927,500	832,405
Cash and cash equivalents, end of period	\$ 945,999	\$ 796,665

Century Development Corporation and subsidiaries		
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Net cash provided by operating activities	\$ 261,111	\$ 286,639
Net cash provided (used in) investing activities	8,782 (	660,607)
Net cash (used in) provided by financing activities	( 40,618)	492,482
Effect of exchange rates on cash and cash equivalents	736 (	123)
Increase in cash and cash equivalents	230,011	118,391
Cash and cash equivalents, beginning of period	189,579	254,140
Cash and cash equivalents, end of period	\$ 419,590	\$ 372,531
Information Technology Total Services Co., Ltd. and subsidiaries		
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Net cash provided by operating activities	\$ 64,311	\$ 79,941
Net cash provided by investing activities	23,256	31,795
Net cash used in financing activities	( 1,147) (	1,361)
Effect of exchange rates on cash and cash equivalents	1,267	91
Increase in cash and cash equivalents	87,687	110,466
Cash and cash equivalents, beginning of period	306,754	171,492
Cash and cash equivalents, end of period	\$ 394,441	\$ 281,958



(35) Business combinations

- A. On January 18, 2023, the Group acquired 100% of the share capital of Tai-Peng Energy Co., Ltd. for \$29,954 and obtained the control over Tai-Peng Energy Co., Ltd. As a result of the acquisition, the Group is expected to gradually complete and expand the Group's plan in the green energy industry.
- B. The following table summarises the consideration paid for Tai-Peng Energy Co., Ltd. and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>January 18, 2023</u>
Purchase consideration	
Cash	\$ <u>29,954</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	529
Accounts receivable	3,115
Other current assets	4,133
Property, plant and equipment	300,485
Other non-current assets	11,971
Bank borrowings	( 153,772)
Other payables	( 135,951)
Other current liabilities	( 49)
Other non-current liabilities	( <u>102</u> )
Total identifiable net assets	<u>30,359</u>
	(\$ <u>405</u> )

- C. The acquisition price allocation for acquiring 100% equity of Tai-Peng Energy Co., Ltd. has been completed as of March 31, 2024.
- D. Had Tai-Peng Energy Co., Ltd. been consolidated from January 1, 2023, the consolidated statement of comprehensive income would show operating revenue of \$59,394,630 and profit before income tax of \$8,274,283 in 2023.

## 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 Middle East Electrical & Machinery Co., Ltd. (TME)	Note 1	Greyback International Property, Inc. (Greyback)	Associates
Teco (PHILIPPINES) 3C & Appliances, Inc. (Teco 3C)	Associates	ABC Cooking Studio Taiwan Co., Ltd. (ABC Cooking)	"
Taian-Jaya Electric Sdn. Bhd. (Taian-Jaya)	"	Qingdao Teco Century Advanced HighTech Mechatronics Co., Ltd. (Teco Century)	"
An-Sheng Travel Co., Ltd. (An-Sheng)	"	Teco EV Philippines Corporation (Teco EV)	"
Le-Li Co., Ltd. (Le-Li)	"	Fujio Food System Taiwan Co., Ltd. (Fujio Food)	"
Lien Chang Electronic Enterprise Co., Ltd. (Lien Chang)	"	Teco Group Science Technology (Han Zou) Co., Ltd. (Teco Group)	"
Tung Pei Industrial Co., Ltd. (Tung Pei)	"	An-shin Food Service Co., Ltd. (An-shin)	Other related parties
Taian Electric Co., Ltd. (Taian Electric)	"	Xia Men An-Shin Food Management Co., Ltd.	"
Royal Host Taiwan Co., Ltd. (Royal Host)	"	MOS BURGER AUSTRALIA PTY. LTD.	"
Taisan Electric Co., Ltd. (Taisan Electric)	"	Teco Image System Co., Ltd. (Teco Image)	"
Tension Envelope Taiwan Co., Ltd. (Tension)	"	Taiwan Art & Business Interdisciplinary Foundation (Taiwan Art)	"
Teco-Motech Co., Ltd. (Teco-Motech)	"	Teco Technology Foundation (Teco Found)	"
ZEPT Inc. (ZEPT)	"	YUBAN & COMPANY (YUBAN)	"
Jinglaoman Food & Beverage Co., Ltd. (Jinglaoman)	"	An-Hui Information Technology., Ltd. (An-Hui Technology)	"
Shanghai Tungpei Enterprise Co., Ltd. (Shanghai Tungpei)	"	Shanghai Xiangseng Mechanical and Electrical Trading Co., Ltd. (Shanghai Xiangseng)	Note 2

Note 1: The company is no longer a related party of the Company since the Company sold its owned shares of TME to Ali Zaid Al Quraishi & Brothers Co. in the fourth quarter of 2023.

Note 2: The relationship between the company and the Group has been changed from an associate to other related party, since the Group sold its equity in Shanghai Xiangsheng to YUBAN GLOBAL LIMITED in the fourth quarter of 2023.

### (2) Significant related party transactions

#### A. Operating revenue:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Sales of goods and services:		
Associates	\$ 70,582	\$ 96,238
Other related parties	77,976	85,959
	<u>\$ 148,558</u>	<u>\$ 182,197</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:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Purchases of goods:		
Associates	\$ 22,113	\$ 31,849
Other related parties	3,560	6,284
	<u>\$ 25,673</u>	<u>\$ 38,133</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:

	March 31, 2024	December 31, 2023	March 31, 2023
Receivables from related parties:			
Associates	\$ 109,755	\$ 107,447	\$ 210,414
Other related parties	83,964	86,729	65,277
	<u>193,719</u>	<u>194,176</u>	<u>275,691</u>
Other receivables - others			
Associates	8,393	41,328	62,619
Other related parties	21,307	31,948	5,714
	<u>29,700</u>	<u>73,276</u>	<u>68,333</u>
	<u>\$ 223,419</u>	<u>\$ 267,452</u>	<u>\$ 344,024</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:

	March 31, 2024	December 31, 2023	March 31, 2023
Payables to related parties:			
Associates	\$ 27,134	\$ 35,534	\$ 44,300
Other related parties	2,881	3,743	6,607
	<u>\$ 30,015</u>	<u>\$ 39,277</u>	<u>\$ 50,907</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. Rent income

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Associates	\$ 8,115	\$ 5,863
Other related parties	1,145	5,102
	<u>\$ 9,260</u>	<u>\$ 10,965</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.

F. Loans to related parties:

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

(a) The Group did not make any loans to related parties from January 1 to March 31, 2023. In addition, the balance of loans to other related parties on December 31, 2023 was \$18,707.

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

G. Others

On June 29, 2022, the Board of Directors of the Group's subsidiary, Teco Australia, resolved to acquire 40% of the equity interest of Ejoy Australia Pty. Ltd. from the other related party, YUBAN, through the wholly-owned subsidiary, Ejoy Australia Holdings Pty. Ltd. The consideration was AUD 411 thousand. The Group will hold 100% of the equity interest of Ejoy Australia Pty. Ltd. after the transaction was completed.

(3) Key management compensation

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Salaries and other short-term employee benefits	\$ 47,801	\$ 78,374
Long-term employee benefits	8,507	6,966
Post-employment benefits	1,908	2,868
	<u>\$ 58,216</u>	<u>\$ 88,208</u>

## 8. Pledged Assets

Pledged asset	March 31, 2024	December 31, 2023	Purpose
Notes receivable	\$ 16,598	\$ 22,014	Short-term borrowings and deposits for acceptance bill
Other current assets			
Demand deposits	55,993	94,318	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	73,879	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	242,530	Long-term borrowings
Non-current financial assets at amortised cost	10,000	10,000	Performance guarantee
Property, plant, and equipment			
Land	90,776	91,581	Long-term borrowings, short-term borrowings
Buildings and structures	9,707	9,806	"
Leased asset-buildings and structures	4,310,630	4,332,843	"
Machinery and equipment	537,156	631,687	"
Right-of-use assets	808,188	771,910	"
Other non-current assets			
Refundable deposits	47,508	71,772	Exercise guarantee or warranty for construction and exercise guarantee for tender
	<u>\$ 6,198,250</u>	<u>\$ 6,352,340</u>	

Pledged asset	March 31, 2023	Purpose
Other current assets		
Demand deposits	\$ 141,219	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	239,472	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	287,375	Long-term borrowings
Non-current financial assets at amortised cost	10,000	Performance guarantee
Property, plant, and equipment		
Land	76,587	Long-term borrowings, short-term borrowings
Machinery and equipment	260,673	"
Right-of-use assets	784,968	"
Other non-current assets		
Refundable deposits	89,958	Exercise guarantee or warranty for construction and exercise guarantee for tender
	<u>\$ 1,890,252</u>	

## 9. Significant Contingent Liabilities and Unrecognized Contract Commitments

### (1) Contingencies

- A. On October 23, 2023, Kindom Development Co., Ltd. filed a lawsuit to the Taiwan Taipei District Court against the Company's subsidiary, Tong-An Investment Co., Ltd., alleging that Tong-An Investment Co., Ltd. shall perform the obligation of the Xinzhuang Industrial Park joint construction contract and claiming that the Group shall return \$538,544 to the company, including performance bond of \$350,000 which was paid by Kindom Development Co., Ltd. for implementing urban renewal program and urban renewal fee of \$188,544. The Group had recognised an accrual based on the possible payment amounting to \$94,272. As of May 14, 2024, the case is still under the assessment of the court.
- B. On January 10, 2023, Teco Electric & Machinery Pte Ltd., a subsidiary of the Group, received a notice from a customer, claiming that the subsidiary of the Group shall pay SGD\$1,282 and related interest because the product did not meet their needs. The Group has estimated and accounted for the possible payment amount in 2023. The relevant mediation procedures are still ongoing.

### (2) Commitments

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

	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment	\$ 1,606,807	\$ 1,541,787	\$ 277,382
Intangible assets	2	2	4,027
	<u>\$ 1,606,809</u>	<u>\$ 1,541,789</u>	<u>\$ 281,409</u>

- B. As of March 31, 2024, the outstanding usance L/C used for acquiring raw materials and equipment was \$119,131.

## 10. Significant Disaster Loss

None.

## 11. Significant Events after the Balance Sheet Date

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 and expected that the overall economies of scale and benefits will be expanded and the industry competitiveness will be enhanced after the merger. The effective date of the merger will be announced later according to the schedule of the merger.

## 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 for hedging, 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(14) and 6(15).

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(14) and 6(15).
- 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, 2024											
Foreign currency amount (In thousands)					Sensitivity Analysis						
					Degree of variation	Effect on profit or loss	Effect on other comprehensive income				
(Foreign currency: functional currency)											
Financial assets											
Monetary items											
USD:NTD	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		-
Non-monetary items											
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					
Financial liabilities											
Monetary items											
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		-

December 31, 2023													
		Foreign		Sensitivity Analysis									
		currency amount				Effect on profit		Effect on other					
		(In thousands)		Exchange rate		Book value (NTD)		Degree of variation		or loss		comprehensive income	
(Foreign currency: functional currency)													
<u>Financial assets</u>													
<u>Monetary items</u>													
USD:NTD	USD	\$	87,345	30.7050	\$	2,681,928	1%	\$	26,819	\$	-	-	-
EUR:NTD	EUR		10,045	33.9800		341,329	1%		3,413		-	-	-
USD:RMB	USD		43,969	7.0961		1,350,068	1%		13,501		-	-	-
RMB:NTD	RMB		26,892	4.3270		116,362	1%		1,164		-	-	-
AUD:NTD	AUD		8,140	20.9800		170,777	1%		1,708		-	-	-
USD:SGD	USD		12,405	1.3184		380,896	1%		3,809		-	-	-
USD:EUR	USD		9,265	0.9036		284,482	1%		2,845		-	-	-
CAD:USD	CAD		6,258	0.7556		145,186	1%		1,452		-	-	-
USD:MRD	USD		5,372	4.5789		164,947	1%		1,649		-	-	-
<u>Non-monetary items</u>													
USD:NTD	USD		746,071	30.7050		22,908,110							
EUR:NTD	EUR		148,532	33.9800		5,047,117							
SGD:NTD	SGD		129,463	23.2900		3,015,193							
VND:NTD	VND	226,099,231		0.0013		293,929							
MRD:NTD	MRD		8,777	6.7058		58,857							
<u>Financial liabilities</u>													
<u>Monetary items</u>													
USD:NTD	USD		57,181	30.7050		1,755,743	1%		17,557		-	-	-
USD:SGD	USD		3,316	1.3184		101,818	1%		1,018		-	-	-
USD:MRD	USD		5,373	4.5789		164,978	1%		1,650		-	-	-
USD:VND	USD		4,282	1.4635		131,479	1%		1,315		-	-	-

March 31, 2023

		Foreign				Sensitivity Analysis					
		currency amount				Effect on profit		Effect on other			
		(In thousands)		Exchange rate	Book value (NTD)	Degree of variation	or loss	comprehensive income			
(Foreign currency: functional currency)											
<u>Financial assets</u>											
<u>Monetary items</u>											
USD:NTD	USD	\$	82,790	30.4500	\$	2,520,956	1%	\$	25,210	\$	-
EUR:NTD	EUR		5,668	33.1500		187,894	1%		1,879		-
USD:RMB	USD		36,801	6.8720		252,896	1%		2,529		-
RMB:NTD	RMB		35,069	4.4310		155,391	1%		1,554		-
AUD:NTD	AUD		7,160	20.3300		145,563	1%		1,456		-
USD:SGD	USD		8,570	1.3291		11,390	1%		114		-
USD:EUR	USD		9,777	0.9186		8,981	1%		90		-
EUR:USD	EUR		7,116	1.0887		235,895	1%		2,359		-
CAD:USD	CAD		5,993	0.7379		134,663	1%		1,347		-
JPY:NTD	JPY		470,841	0.2288		107,728	1%		1,077		-
<u>Non-monetary items</u>											
USD:NTD	USD		728,765	30.4500		22,190,894					
EUR:NTD	EUR		150,646	33.1500		4,993,915					
SGD:NTD	SGD		161,735	22.9100		3,705,349					
VND:NTD	VND	259,711,538		0.0013		337,625					
MRD:NTD	MRD		8,601	6.9017		59,362					
<u>Financial liabilities</u>											
<u>Monetary items</u>											
USD:NTD	USD		51,452	30.4500		1,566,713	1%		15,667		-
USD:VND	USD		3,692	23,423.0769		112,421	1%		1,124		-
USD:SGD	USD		4,863	1.3291		148,078	1%		1,481		-

- v. Total exchange gain (loss), 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, 2024 and 2023 amounted to \$19,624 and (\$23,239), 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, 2024 and 2023 would have increased/decreased by \$121,691 and \$134,749, 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 \$1,384,955 and \$2,032,594, 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, 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in NTD, USD and RMB.
  - 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, 2024 and 2023, 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, 2024 and 2023, would have been \$2,722 and \$3,168 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 forecastability 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, 2024, December 31, 2023 and March 31, 2023, the loss rate methodology is as follows:

March 31, 2024			
	Expected credit loss rate	Total book value	Loss allowance
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>
December 31, 2023			
	Expected credit loss rate	Total book value	Loss allowance
Not past due	0%~1%	\$ 8,798,254	(\$ 11,330)
Up to 30 days	0%~2%	1,211,495	( 6,023)
31 to 90 days	1%~20%	811,799	( 34,792)
91 to 180 days	1%~100%	311,073	( 25,668)
Over 180 days	1%~100%	426,777	( 124,460)
		<u>\$ 11,559,398</u>	<u>(\$ 202,273)</u>

March 31, 2023			
	Expected credit loss rate	Total book value	Loss allowance
Not past due	0%~1%	\$ 8,892,219	(\$ 15,953)
Up to 30 days	0%~2%	1,264,363	( 3,045)
31 to 90 days	1%~20%	601,800	( 40,255)
91 to 180 days	1%~100%	237,830	( 19,542)
Over 180 days	1%~100%	504,804	( 136,442)
		<u>\$ 11,501,016</u>	<u>(\$ 215,237)</u>
March 31, 2024			
	Expected credit loss rate	Total book value	Loss allowance
Individual	100%	\$ 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>
December 31, 2023			
	Expected credit loss rate	Total book value	Loss allowance
Individual	100%	\$ 26,318	(\$ 26,318)
Group A	0%~5%	5,878,068	( 14,367)
Group B	0%~10%	1,940,214	( 3,925)
Group C	1%~20%	1,422,730	( 31,937)
Group D	1%~40%	619,505	( 17,095)
Group E	1%~100%	1,672,563	( 108,631)
		<u>\$ 11,559,398</u>	<u>(\$ 202,273)</u>
March 31, 2023			
	Expected credit loss rate	Total book value	Loss allowance
Individual	100%	\$ 25,250	(\$ 25,250)
Group A	0%~5%	6,601,470	( 13,825)
Group B	0%~10%	1,782,260	( 5,852)
Group C	1%~20%	1,140,786	( 29,286)
Group D	1%~40%	503,671	( 10,984)
Group E	1%~100%	1,447,579	( 130,040)
		<u>\$ 11,501,016</u>	<u>(\$ 215,237)</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:

	2024
	Notes receivable and accounts receivable
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	\$ 202,022
	2023
	Notes receivable and accounts receivable
At January 1	\$ 217,225
Reversal of impairment	( 1,097)
Write-offs during the period	( 1,851)
Effect of foreign exchange	960
At March 31	\$ 215,237

For the three-month periods ended March 31, 2024 and 2023, the Group (reversed) recognized impairment losses from other receivables at amortised cost amounting to (\$1,638) and \$605, 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, 2024, December 31, 2023 and March 31, 2023, the undrawn credit amounts are \$23,557,119, \$21,890,567 and \$23,255,461, 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, 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

Non-derivative financial liabilities:

<u>December 31, 2023</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	\$ 1,357,111	\$ -	\$ -	\$ -	\$ -
Notes payable	548,232	-	-	-	-
Accounts payable	8,701,911	-	-	-	-
Lease liabilities	649,694	599,999	559,142	1,070,604	4,558,181
Other payables	6,399,778	-	-	-	-
Bonds payable (including current portion)	-	5,000,000	-	-	-
Long-term borrowings (including current portion)	752,878	1,041,560	291,366	389,795	1,143,773



Non-derivative financial liabilities:

<u>March 31, 2023</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	\$ 1,721,422	\$ -	\$ -	\$ -	\$ -
Notes payable	689,510	-	-	-	-
Accounts payable	8,372,923	-	-	-	-
Lease liabilities	511,214	377,896	346,008	553,765	4,246,457
Other payables	9,294,889	-	-	-	-
Bonds payable (including current portion)	-	-	5,000,000	-	-
Long-term borrowings (including current portion)	1,999,779	972,982	359,988	333,827	1,217,880

iv. As of March 31, 2024, December 31, 2023 and March 31, 2023, 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, 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	\$ 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
Financial assets for hedging	-	3,992	-	3,992
	<u>\$ 30,132,929</u>	<u>\$ 8,153</u>	<u>\$ 1,279,807</u>	<u>\$ 31,416,897</u>
<u>Liabilities</u>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Non-hedging derivatives	<u>\$ -</u>	<u>\$ 310</u>	<u>\$ -</u>	<u>\$ 310</u>

<u>December 31, 2023</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 instrument/equity securities	\$ 2,461,875	\$ -	\$ 1,106,331	\$ 3,568,206
Non-hedging derivatives	-	787	-	787
Financial assets at fair value through other comprehensive income				
Equity securities	<u>30,719,487</u>	<u>-</u>	<u>191,631</u>	<u>30,911,118</u>
	<u>\$ 33,181,362</u>	<u>\$ 787</u>	<u>\$ 1,297,962</u>	<u>\$ 34,480,111</u>

Liabilities

Recurring fair value measurements

Financial liabilities at fair value through profit or loss				
Non-hedging derivatives	\$ -	\$ 5,850	\$ -	\$ 5,850
Financial liabilities for hedging	-	5,025	-	5,025
	<u>\$ -</u>	<u>\$ 10,875</u>	<u>\$ -</u>	<u>\$ 10,875</u>

<u>March 31, 2023</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 instrument/equity securities	\$ 2,694,978	\$ -	\$ 1,163,784	\$ 3,858,762
Non-hedging derivatives	-	6,407	-	6,407
Financial assets at fair value through other comprehensive income				
Equity securities	<u>40,651,884</u>	<u>-</u>	<u>195,286</u>	<u>40,847,170</u>
	<u>\$ 43,346,862</u>	<u>\$ 6,407</u>	<u>\$ 1,359,070</u>	<u>\$ 44,712,339</u>

Liabilities

Recurring fair value measurements

Financial liabilities at fair value through profit or loss				
Non-hedging derivatives	\$ -	\$ 3,544	\$ -	\$ 3,544

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, 2024 and 2023, 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, 2024 and 2023:

	Non-derivative equity	
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Beginning balance	\$ 1,297,962	\$ 1,362,484
Gains and losses recognized		
in profit or loss	( 273)	( 2,067)
Gain and loss recognized		
in other comprehensive		
income	( 1,635)	31
Acquired during the period	29,988	-
Sold during the period	( 46,235)	( 1,378)
Ending balance	<u>\$ 1,279,807</u>	<u>\$ 1,359,070</u>

- G. 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.

H. 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, 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
	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Unlisted shares	\$ 1,297,962	Market comparable companies	Price to earnings ratio multiple	1.46~3.04	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, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Unlisted shares	\$ 1,359,070	Market comparable companies	Price to earnings ratio multiple	1.62~2.43	The higher the multiple, the higher the fair value
Private equity fund		Net asset value methods	Not applicable	Not applicable	Not applicable

I. 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, 2024						
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change				
Equity instrument	Discount for lack of marketability	±5%	\$ 53,398	(\$ 53,398)	\$ 10,592	(\$ 10,592)
December 31, 2023						
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change				
Equity instrument	Discount for lack of marketability	±5%	\$ 55,317	(\$ 55,317)	\$ 9,582	(\$ 9,582)
March 31, 2023						
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change				
Equity instrument	Discount for lack of marketability	±5%	\$ 58,189	(\$ 58,189)	\$ 9,764	(\$ 9,764)

### 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. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative financial instruments undertaken during the reporting periods ended: Please refer to Notes 6(2)、(14) and (15).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third party, transactions with the investee companies in Mainland Area: Please refer to table 10.

(4) Major shareholders information

Names, number of shares and ownership of shareholders whose equity interest is greater than 5%: Please refer to table 11.

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 primary 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 primary engaged in manufacture and sales of various home appliances and providing data processing, electronic information and logistics services.
- D. Others: This Group is primary engaged 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, 2024 and 2023 is as follows:

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	\$ 7,256,963	\$ 2,594,318	\$ 2,907,542	\$ 970,775	\$ -	\$ 13,729,598
Operating revenues from internal segments	4,008,526	141,564	1,057,516	44,361	( 5,251,967)	-
Total operating revenues	<u>\$ 11,265,489</u>	<u>\$ 2,735,882</u>	<u>\$ 3,965,058</u>	<u>\$ 1,015,136</u>	<u>(\$ 5,251,967)</u>	<u>\$ 13,729,598</u>
Segment profits and losses	<u>\$ 1,249,848</u>	<u>\$ 135,787</u>	<u>\$ 69,254</u>	<u>\$ 179,156</u>	<u>\$ -</u>	<u>\$ 1,634,045</u>
For the three-month period ended March 31, 2023						
	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	\$ 8,024,056	\$ 3,055,095	\$ 2,958,478	\$ 862,552	\$ -	\$ 14,900,181
Operating revenues from internal segments	4,462,862	100,552	1,104,908	55,950	( 5,724,272)	-
Total operating revenues	<u>\$ 12,486,918</u>	<u>\$ 3,155,647</u>	<u>\$ 4,063,386</u>	<u>\$ 918,502</u>	<u>(\$ 5,724,272)</u>	<u>\$ 14,900,181</u>
Segment profits and losses	<u>\$ 1,384,667</u>	<u>\$ 137,264</u>	<u>\$ 56,075</u>	<u>\$ 119,394</u>	<u>\$ -</u>	<u>\$ 1,697,400</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, 2024 and 2023 is provided as follows:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Adjusted operating income of reportable segments	\$ 1,454,890	\$ 1,578,006
Adjusted operating income of other operating segments	179,155	119,394
Interest income	175,870	124,127
Dividend income	6,641	23,690
Gains on financial instruments	10,551	556,350
Financial cost	( 90,022)	( 60,591)
Associates' and joint ventures' profit and loss accounted for under the equity method	19,220	( 19,602)
Gains (losses) on disposals of property, plant and equipment	52,840	( 6,607)
Others	( 39,264)	( 127,773)
Income before income tax	<u>\$ 1,769,881</u>	<u>\$ 2,186,994</u>

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Loans to others

For the three-month period ended March 31, 2024

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, 2024	Balance at March 31, 2024	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	\$ 241,220	\$ 241,220	\$ 241,220	-	Short-term financing	\$ -	For operating capital	\$ -	-	\$ -	\$ 534,705	\$ 891,175	Note 2
2	Great Teco Motor (PTE) Ltd.	Teco Netherlands	"	"	199,868	199,868	199,868	4.55%	Short-term financing	-	For operating capital	-	-	-	308,923	514,871	Note 3
3	Motovario Corp.	Motovario S.p.A.	"	"	176,000	176,000	168,960	6.02%	Short-term financing	-	For operating capital	-	-	-	180,696	240,928	Note 4
4	TECO Holdings. USA, Inc.	Teco Electric & Machinery S.A. DE C.V.	"	"	130,016	130,016	130,016	5.26%	Short-term financing	-	For operating capital	-	-	-	1,413,877	2,827,754	Note 5
5	Teco Australia Pty. Ltd.	Mos Burger Australia Pty. Ltd.	"	"	18,564	18,564	18,564	5.23%	Short-term financing	-	For operating capital	-	-	-	165,241	660,963	Note 6

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, 2024), 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, 2024).

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, 2024), 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, 2024).

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, 2024), 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, 2024).

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, 2024), 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, 2024).

Note 6: In accordance with Teco Australia Pty. Ltd.'s policy, limit on total loans shall not exceed 40% of Teco Australia Pty. Ltd.'s net assets based on the latest audited financial statement (March 31, 2024), and limit on loans to a single party shall not exceed 10% of Teco Australia Pty. Ltd.'s net assets based on the latest audited financial statement (March 31, 2024).

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others  
For the three-month period ended March 31, 2024

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of March 31, 2024	Outstanding endorsement/ guarantee amount at March 31, 2024	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
		Company name	Relationship with the endorser/ guarantor (Note 2 )											
1	Teco Westinghouse	TWMM	(4)	\$ 636,744	\$ 64,000	\$ 64,000	\$ 28,204	-	1.01	\$ 1,273,487	Y	N	N	Note 3
2	Teco Australia Pty. Ltd.	TECO New Zealand Pty. Ltd.	(4)	165,241	14,444	14,343	14,343	-	0.87	330,481	Y	N	N	Note 4
3	Century Development	CDC DEVELOPMENT INDIA PRIVATE LIMITED	(6)	684,336	162,233	162,228	152,156	-	2.37	1,368,672	Y	N	N	Note 5
4	Tong-An Assets	CDC DEVELOPMENT INDIA PRIVATE LIMITED	(6)	531,687	121,674	121,671	114,117	-	2.29	1,063,374	N	N	N	Note 6
5	Tong-An Investment Co., Ltd.	CDC DEVELOPMENT INDIA PRIVATE LIMITED	(6)	150,934	121,674	121,671	114,117	-	0.72	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 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, 2024), and the guarantee to a single party shall no 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 4: In accordance with the TECO AUSTRALIA Pty. Ltd.' s policy, the total guarantee amount shall not exceed 20% of TECO AUSTRALIA Pty. Ltd.' s net assets based on the latest financial statements (March 31, 2024), and the guarantee to a single party shall no exceed 10% of TECO AUSTRALIA Pty. Ltd.' 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, 2024), 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, 2024), 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’s policy, the total guarantee amount shall not exceed NT\$200 million, and the guarantee to a single party shall not exceed NT\$50 million. If due to special needs, the guarantee amount exceeds the limit, stockholders’ resolution is required.

## TECO ELECTRIC &amp; MACHINERY CO., LTD. AND SUBSIDIARIES

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

March 31, 2024

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, 2024				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
TECO ELECTRIC & MACHINERY CO., LTD.	Stock 1	The Company is a director of the investee	Note 1	11,132	\$ 454,728	14.62	\$ 454,728	
	Stock 2	None	"	2,137	62,829	1.43	62,829	
	Stock 3	"	"	210,333	7,897,993	5.22	7,897,993	
	Stock 4	The Company is a director of the investee	"	190,061	5,720,823	3.38	5,720,823	
	Stock 5	None	"	8,262	124,348	0.09	124,348	
	Stock 6	The Company is a director of the investee	"	5,098	197,809	13.42	197,809	
	Stock 7, etc.	None	"	15,796	5,335	-	5,335	
	Stock 8	"	Note 4	3,200	167,057	0.03	167,057	
	Stock 9	The Company is a director of the investee	"	12,217	572,989	1.67	572,989	
	Stock 10	None	"	47,839	480,780	1.58	480,780	
	Stock 11	"	"	19	1,532	-	1,532	
	Stock 12	The Company is a director of the investee	"	32,980	343,154	10.99	343,154	
	Stock 13	None	"	7,500	477,577	5.00	477,577	
	Stock 14, etc.	"	"	22,104	249,570	-	249,570	
	Fund 1	"	"	-	15,184	-	15,184	
	Fund 2	"	"	-	86,298	-	86,298	
	Stock 2	"	Note 1	5,309	156,098	3.56	156,098	
	Stock 15	"	"	720	68,373	0.50	68,373	
	Stock 16	Related company is a director of the investee	"	290	112,232	0.12	112,232	
Teco International	Stock 17	None	"	3,177	570,339	0.63	570,339	
	Stock 9	The Company is a corporate director of the investee	"	830	38,909	0.11	38,909	
	Stock 18, etc.	The Company is a director of the investee	"	7,811	223,414	-	223,414	
	Stock 19, etc.	None	Note 3	1,678	181,672	-	181,672	
	Stock 2	"	Note 1	7,913	232,651	5.31	232,651	
Tong-An Investment	Stock 15	"	"	1,225	116,236	0.85	116,236	
	Stock 20	An investee company accounted for under the equity method by the Company	"	19,540	1,135,277	0.91	1,135,277	
	Stock 18	Related party in substance	"	8,197	149,996	7.28	149,996	
	Stock 21	None	"	8,692	708,394	0.27	708,394	
	Stock 22	"	"	1,285	132,355	0.04	132,355	
	Stock 16	The Company is a director of the investee	"	24,110	9,330,493	10.03	9,330,493	
	Stock 23	None	"	1,217	63,303	0.37	63,303	
	Stock 3	"	"	5,000	187,750	0.12	187,750	
	Stock 24, etc.	"	"	24,265	506,369	-	506,369	
	Stock 25	"	Note 3	500	18,950	0.41	18,950	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2024				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Tong-An Investment	Stock 16	The Company is a director of the investee	Note 4	1,200	\$ 464,354	0.50	\$ 464,354	
	Fund 3	None	"	50,000	598,500	-	598,500	
	Fund 4	"	"	625	21,655	-	21,655	
U.V.G	Stock 26, etc.	"	Note 1	118	8,302	-	8,302	
An-Tai International	Stock 2	"	"	653	19,198	0.44	19,198	
	Stock 20	An investee company accounted for under the equity method by the Company	"	2,826	164,176	0.13	164,176	
	Stock 18	Related party in substance	"	1,270	23,244	1.13	23,244	
	Stock 27	"	"	2,756	206,400	8.51	206,400	
	Stock 28	None	"	215	20,719	0.15	20,719	
	Stock 9	The Company is a corporate director of the investee	"	830	38,909	0.11	38,909	
	Stock 19, etc.	None	Note 3	1,079	130,153	-	130,153	
Jie-Zheng Property	Fund 5, etc.	"	Note 2	-	12,097	-	12,097	
Information Technology Total Service	Stock 29, etc.	"	Note 1	3,269	33,894	-	33,894	
Teco Singapore	Stock 16, etc.	"	"	357	138,189	-	138,189	
Taiwan Pelican Express	Stock 20	An investee company accounted for under the equity method by the Company	"	7,070	410,767	0.33	410,767	
	Stock 16	None	"	788	304,818	0.32	304,818	
Teco Australia	Stock 16	"	"	366	141,513	0.15	141,513	
Sankyo	Stock 30	"	"	68	5,580	-	5,580	
Tecom and its subsidiaries	Stock 4	The Company is a corporate director of the investee	"	8,112	244,171	0.14	244,171	
	Stock 7, etc.	None	"	1,161	1,119	-	1,119	
	Stock 31	"	Note 3	900	13,725	0.41	13,725	
	Fund 6, etc.	"	Note 2	546	11,040	-	11,040	
Tong Dai	Stock 20	An investee company accounted for under the equity method by the Company	Note 3	77	4,487	-	4,487	
	Stock 32, etc.	None	"	2	70	-	70	

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.

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more

For the three-month period ended March 31, 2024

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:													
Real estate acquired by	Marketable Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate disposal	Other commitments
Century Biotech Development Corp.	Park permanent work	In October 2019	\$1,660,955	\$1,655,537	FAR EASTERN GENERAL CONTRACTOR INC.	Non-related parties	Not applicable	Not applicable	Not applicable	Not applicable	Comparative price and bargain	Operation needs	None
	Park curtain wall work	In February 2020	410,000	348,523	CHINA WIRE & CABLE CO., LTD.	Non-related parties	Not applicable	Not applicable	Not applicable	Not applicable	Comparative price and bargain	Operation needs	None
	Park electrical and mechanical work	In September 2020	1,375,000	1,303,721	TECO ELECTRIC & MACHINERY CO., LTD.	Related parties	Not applicable	Not applicable	Not applicable	Not applicable	Comparative price and bargain	Operation needs	None
	Park renovation work	In May 2021	516,009	489,670	CHEN-JIA CONSTRUCTION AND ENGINEERING CO., LTD.	Non-related parties	Not applicable	Not applicable	Not applicable	Not applicable	Comparative price and bargain	Operation needs	None

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, 2024

Table 5

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	\$ 630,956	13%	30 days	Note	Note	(\$ 1,364)	-	
	Wuxi Teco	An indirect investee accounted for under the equity method	"	310,046	7%	"	"	"	( 719,511)	(15%)	
	TECO (VIETNAM) ELECTRIC & MACHINERY	"	"	166,570	4%	"	"	"	( 121,064)	(2%)	
	Tai-An Wuxi Tong Dai	"	"	139,719	3%	"	"	"	( 287,019)	(6%)	
		An investee accounted for under the equity method	Sales	( 272,643)	(5%)	90 days	"	"	278,409	6%	
	Teco Singapore	"	"	( 106,562)	(2%)	"	"	"	74,233	2%	
	Teco Westinghouse	An indirect investee accounted for under the equity method	"	( 888,956)	(15%)	"	"	"	352,936	8%	
	Teco Australia	"	"	( 186,156)	(3%)	"	"	"	115,737	3%	
Teco Westinghouse Canada	"	"	( 175,628)	(3%)	"	"	"	89,788	2%		

Note : 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, 2024

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2024	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	\$ 278,544	3.92	\$ -	-	\$ 217,819	
"	E-Joy International	"	123,478	3.42	-	-	17,531	
"	Teco Westinghouse	An indirect investee accounted for under the equity method	380,180	9.58	-	-	2,118	
"	Teco Australia	"	116,057	4.21	-	-	5,362	
Wuxi Teco	TECO ELECTRIC & MACHINERY CO., LTD.	"	719,511	1.60	-	-	154,003	
Tai-An Wuxi	"	"	287,019	1.89	-	-	60,655	
TECO (VIETNAM) ELECTRIC & MACHINERY U.V.G.	"	"	121,064	4.89	-	-	49,511	
	Teco Netherlands	An investee accounted for under the equity method	241,220	-	-	-	-	
Teco Holding USA Inc.	Teco Electric & Machinery S.A. DE C.V.	"	130,016	-	-	-	-	
Great Teco Motor (PTE) Ltd.	Teco Netherlands	Fellow subsidiary	199,868	-	-	-	-	
Motovario Corp.	Motovario S.p.A.	An investee accounted for under the equity method	176,000	-	-	-	-	Total amount was \$2,331



TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting period  
For the three-month period ended March 31, 2024

Table 7

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	\$ 278,544	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	380,180	"	-
0	"	E-Joy International	"	"	123,478	"	-
0	"	Teco Australia	"	"	116,057	"	-
1	Wuxi Teco	TECO ELECTRIC & MACHINERY CO., LTD.	(2)	"	719,511	"	1%
2	Tai-An Wuxi	"	"	"	287,019	"	-
3	TECO (VIETNAM) ELECTRIC & MACHINERY	"	"	"	121,064	"	-
4	U.V.G	Teco Netherlands	(3)	Other receivables	241,220	"	-
5	Great Teco Motor (PTE) Ltd.	"	"	"	199,868	"	-
6	Motovario Corp.	Motovario S.p.A.	"	"	176,000	"	-
7	Teco Holding USA Inc.	Teco Electric & Machinery S.A. DE C.V.	"	"	130,016	"	-
0	TECO ELECTRIC & MACHINERY CO., LTD.	Teco Westinghouse	(1)	Sales	888,956	"	6%
0	"	Tong Dai	"	"	272,643	"	2%
0	"	Teco Australia	"	"	186,156	"	1%
0	"	Teco Westinghouse Canada	"	"	175,628	"	1%
0	"	Teco Singapore	"	"	106,562	"	1%
8	Tesen	TECO ELECTRIC & MACHINERY CO., LTD.	(2)	"	630,956	"	5%
1	Wuxi Teco	"	"	"	310,046	"	2%
3	TECO (VIETNAM) ELECTRIC & MACHINERY	"	"	"	166,570	"	1%
2	Tai-An Wuxi	"	"	"	139,719	"	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, 2024

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2024			Net profit (loss) of the investee for the three-month period ended March 31, 2024	Investment income	Footnote
				Balance as at March 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value		(loss) recognized by the Company for the three-month period ended March 31, 2024	
TECO ELECTRIC & MACHINERY CO., LTD.	Tung Pei	Taiwan	Manufacturing of bearings	\$ 12,293	\$ 12,293	39,145,044	31.14%	\$ 2,367,657	\$ 88,518	\$ 27,834	None
	Tecom	Taiwan	Manufacturing of key telephone system and nonkey service unit telephone system	431,109	431,109	19,228,898	63.52%	110,712	( 7,494)	( 5,159)	None
	Teco International	Taiwan	Investment holdings, investments in securities and construction of commercial buildings	100,013	100,013	77,847,395	100%	2,089,545	7,565	7,380	None
	Teco Holdings 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%	14,126,808	407,641	407,170	None
	Teco Singapore and its subsidiaries	Singapore	Distribution of the Company's motor products in Singapore	112,985	112,985	7,200,000	90%	3,065,437	32,242	29,018	None
	Tong-An Investment	Taiwan	Investment holdings	2,490,000	2,490,000	577,913,365	99.60%	15,692,275	( 62,547)	( 58,520)	None
	Teco Electro	Taiwan	Manufacturing of Stepping motors	71,460	71,460	10,253,864	59.56%	218,287	13,398	7,987	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%	8,905,525	259,511	298,069	None
	ITTS	Taiwan	E-business service, mailing and data management	111,286	111,286	11,467,248	41.97%	227,773	18,041	7,253	None
	Tesen	Taiwan	Manufacturing and sales of home appliance	200,000	200,000	20,000,000	100%	214,501	6,626	10,752	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%	454,326	( 20,828)	( 7,049)	None	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2024			Net profit (loss) of the investee for the three-month period ended March 31, 2024	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2024	Footnote
				Balance as at March 31, 2024	Balance as at December 31, 2023	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%	\$ 411,892	\$ 16,345	\$ 13,653	None
	Teco Vietnam	Vietnam	Manufacturing and sales of motors	540,453	540,453	-	100%	281,179	( 12,730)	( 12,750)	None
	Yatec	Taiwan	Development and maintenance of various electric appliances	92,389	92,389	7,800,000	66.67%	145,417	4,981	3,324	None
	Tong-An Assets	Taiwan	Real estate business	2,111,889	2,111,889	395,415,338	100%	5,222,600	29,916	29,916	None
	Taian Subic	Philippines	Manufacturing and sales of switches	165,819	165,819	17,131,155	76.70%	250,689	12,011	9,336	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%	844,198	17,756	26,931	None
	Century Development	Taiwan	Development and management of industrial park	951,141	951,141	100,592,884	28.67%	1,415,078	114,133	30,962	None
	An-Tai International	Taiwan	Investment holdings	150,000	150,000	39,641,929	100%	718,489	345	( 800)	None
	Taiwan Pelican Express	Taiwan	Logistics and distribution services	255,116	255,116	24,121,700	25.27%	155,216	15,474	3,910	None
	Taian-Ecobar	Taiwan	Bus bar and manufacturing of its components	70,330	70,330	7,033,000	84.73%	191,497	17,702	15,046	None
Eagle Holding Co. TECO MOTOR	Eagle Holding Co.	Cayman Islands	Investment holdings	3,691,723	3,691,723	1	100%	5,109,460	( 10,937)	( 10,937)	None
	TECO MOTOR B.V.I	Netherlands	Investment holdings	3,691,723	3,691,723	1	100%	5,109,460	( 10,937)	( 10,937)	None
	Motovario S.p.A	Italy	Production and sale of gear reducers and motors	3,989,850	3,989,850	18,010,000	100%	5,109,460	( 10,937)	( 10,937)	None
Tung Pei	Tung Pei (SAMOA) Industrial Co., Ltd.	Samoa	Investment holdings and establishment of overseas	646,343	646,343	23,031,065	100%	1,989,048	24,441	24,441	None
Tecom	Baycom	Taiwan	Manufacturing and sales of optical telecom products	431,258	431,258	14,700,741	43.76%	202,214	1,417	620	None
Tong-An Investment	Century Development	Taiwan	Development and management of industrial park	420,646	420,646	46,235,042	13.18%	702,402	114,133	14,746	None
	Taiwan Pelican Express	Taiwan	Logistics and distribution services	54,874	54,874	6,474,468	6.78%	149,702	15,474	1,088	None
	Century Biotech Development Corp.	Taiwan	Development and construction of real estate	514,270	514,270	51,427,000	20.57%	496,404	26,894	3,367	None
	Century Real Estate (International) Pte. Ltd.	Singapore	Investing in other areas	274,856	274,856	9,120,000	30%	203,361	( 7,167)	( 466)	None

Table 8, Page 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2024			Net profit (loss) of the investee for the three-month period ended March 31, 2024	Investment income	Footnote
				Balance as at March 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value		(loss) recognized by the Company for the three-month period ended March 31, 2024	
Lien Chang	Gen Mao International Corp.	Taiwan	Investment holdings	\$ 92,000	\$ 92,000	12,553,526	100%	\$ 130,639	(\$ 442)	(\$ 422)	None
	Gen Mao (Singapore)	Singapore	Investment holdings	582,246	582,246	27,502,355	84.97%	730,967	( 3,179)	( 2,474)	None
Gen Mao International Corp.	Gen Mao (Singapore)	Singapore	Investment holdings	91,079	91,079	4,866,045	15.03%	129,289	( 3,179)	( 426)	None
Century Development	Centurytech Construction and Management Corp.	Taiwan	Construction and sales of related raw materials	238,170	238,170	2,250,000	100%	( 4,455)	508	665	None
	Jie-Zheng Property Service & Management Co., Ltd.	Taiwan	Building management servicing	13,750	13,750	1,512,500	50%	87,606	15,238	7,634	None
	United Development	Taiwan	Investment consultancy service for domestic and foreign industrial parks and land	25,536	25,536	6,102,973	51.60%	106,412	5,128	2,646	None
	Greyback International Property	Philippines	Housing project in Subic	9,912	9,912	144,600	30.11%	10,430	-	-	None
	Century Real Estate (International) Pte. Ltd.	Singapore	Investing in other areas	365,820	365,820	12,160,000	40%	276,115	( 7,167)	( 1,231)	None
	Century Biotech Development Corp.	Taiwan	Development and construction of real estate	771,460	771,460	77,146,000	30.86%	747,946	26,894	8,299	None
	Teco Electro	Teco Electro Devices Co., Ltd.	British Virgin Islands	Trading and investment holdings	88,108	88,108	2,510,000	100%	263,416	10,733	10,756
Tong-An Assets	Century Development	Taiwan	Leasing of real estate	455,716	455,716	38,280,585	10.91%	502,064	114,133	11,836	None
	Century Biotech Development Corp.	Taiwan	Development and construction of real estate	514,270	514,270	51,427,000	20.57%	498,088	26,894	5,051	None
	Century Real Estate (International) Pte. Ltd.	Singapore	Investing in other areas	274,856	274,856	9,120,000	30%	199,169	( 7,167)	( 711)	None

Table 8, Page 3

## TECO ELECTRIC &amp; MACHINERY CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

For the three-month period ended March 31, 2024

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

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, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2024	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Amount remitted to Mainland China back to Taiwan	Net income of investee for the three-month period ended March 31, 2024	Ownership held by the Company (direct or indirect)(%)	Investment income (loss) recognized by the Company for the three- month period ended March 31, 2024	Book value of investments in Mainland China as of March 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2024	Footnote
Teco (Dong Guang)	Manufacturing and sales of air conditioners mechanical equipment	\$ 268,799	Note 2	\$ 188,139	\$ -	\$ -	\$ -	\$ 259	100%	\$ 259	\$ 136,379	\$ -	Note 18
Wuxi Teco	Manufacturing and sales of motors	1,697,276	Note 1	768,259	-	-	-	108,037	84.12%	90,881	2,261,633	716,129	Note 13
Taian (Wuxi)	Manufacturing and sales of optical fiber	495,123	Note 8	205,551	-	-	-	17,755	100%	17,755	912,455	448,243	Note 18
Nanchang Teco	Manufacturing and sales of home appliances	456,293	Note 3	456,293	-	-	-	(123)	100%	(123)	(19,265)	-	Note 18
Jiangxi Teco	Manufacturing and sales of motors	1,481,569	Note 1	1,383,653	-	-	-	41,438	98.07%	40,638	1,680,493	202,484	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	-	-	-	(997)	87.60%	(873)	246,134	-	Note 13
Xiamen An-Tai	Development, manufacturing and sales of LCD monitors.	678,681	Note 3	467,577	-	-	-	3,610	100%	3,609	257,222	-	Note 18
Teco Han Zhou	Development and consulting of device products	9,837	Note 1	9,837	-	-	-	448	100%	(330)	30,657	11,937	Note 18
Teco Century	Manufacturing and sales of compressor	680,938	Note 3	340,469	-	-	-	1,295	24%	397	30,973	-	Note 18
Fujian Teco	Manufacturing and sales of electronic components	391,843	Note 1	391,843	-	-	-	(785)	100%	(785)	44,338	-	Note 18
Jiangxi TECO (AC)	Manufacturing and sales of air conditioning mechanical equipment	79,813	Note 3	79,813	-	-	-	1,608	100%	1,608	135,922	-	Note 18
Qingdao Teco Innovation	Science Park development and business operations and consulting services	59,444	Note 10	59,444	-	-	-	(822)	100%	(822)	36,008	-	Note 18
Shanghai Teco	Sales of home appliances	23,829	Note 1	23,829	-	-	-	27,147	100%	27,147	302,924	271,028	Note 13
Jiangxi TECO Westinghouse Motor Coil Co.,Ltd.	Manufacturing and sales of motors, winding and related elements	119,840	Note 9	-	-	-	-	3,013	100%	3,013	128,559	-	Note 18
Wuxi TECO Precision Industry Co. Ltd.	Production and sale of industrial motors and applications	656,500	Note 11	-	-	-	-	3,027	100%	3,027	872,984	-	Note 18
Beijing Pelican Express	Storage services	26,422	Note 4	26,422	-	-	-	-	-	-	-	-	Note 16
Fubon Gehua (Beijing) Trading Co., Ltd.	Merchandise wholesale	341,620	Note 5	24,746	-	-	-	-	1.63%	-	-	-	Note 14、15、19
Wuhan Tecom	Communication network information, technology development, sales and technology services business	6,950	Note 12	6,950	-	-	-	652	100%	652	(462)	-	Note 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, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Net income of investee for the three-month period ended March 31, 2024	Ownership held by the Company (direct or indirect)(%)	Investment income (loss) recognized by the Company for the three- month period ended March 31, 2024	Book value of investments in Mainland China as of March 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2024	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	\$ 460	100%	\$ 460	\$ 35,132	-	Note 13
Wuxi TECO Electro Devices Co. Ltd.	R&D, manufacturing and sales of products and elements related to production capacity precision motors and provide products sales skills	115,125	Note 7	86,101	-	-	86,101	10,733	100%	10,756	157,858	43,266	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, 2024, accumulated impairment of \$24,746 was accrued.

Note 16: The company was dissolved and liquidated in 2022.

Note 17: There were upstream transactions with the subsidiaries amounting to \$413 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. As of March 31, 2024, the liquidation process is still in progress.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Investment 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.	\$ 6,487,880	\$ 8,750,356	\$ 48,476,833
Taiwan Pelican Express Co., Ltd.	51,168	51,168	1,334,669
Tecom Co., Ltd.	6,950	681,144	270,990
Information Technology Total Services Co., Ltd.	10,167	10,167	326,089
Teco Electro Devices Co., Ltd.	86,101	115,225	220,395

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, 2024

Table 10

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, 2024	%	Balance at March 31, 2024	Purpose	Maximum balance during the three-month period ended March 31, 2024	Balance at March 31, 2024	Interest rate	Interest during the three-month period ended March 31, 2024	Others
Shanghai Teco	\$ 5,599	-	\$ -	-	\$ 5,599	-	\$ -	-	\$ -	\$ -	-	\$ -	-
Jiangxi Teco	4,790	-	-	-	5,450	-	-	-	-	-	-	-	-
Wuxi Teco	4,683	-	-	-	5,258	-	-	-	-	-	-	-	-
Taian (Wuxi)	2,701	-	-	-	5,129	-	-	-	-	-	-	-	-
Wuxi Teco	( 310,046)	(7%)	-	-	( 719,511)	(15%)	-	-	-	-	-	-	-
Taian (Wuxi)	( 139,719)	(3%)	-	-	( 287,019)	(6%)	-	-	-	-	-	-	-
Jiangxi Teco	( 38,152)	(1%)	-	-	( 77,489)	(2%)	-	-	-	-	-	-	-
Jiangxi TECO (AC)	( 11,418)	-	-	-	( 10,399)	-	-	-	-	-	-	-	-
Genmao (Suzhao)	( 9,092)	-	-	-	( 5,631)	-	-	-	-	-	-	-	-
Wuxi Teco Precision	( 2,244)	-	-	-	( 1,730)	-	-	-	-	-	-	-	-
Xiamen An-Tai	( 821)	-	-	-	-	-	-	-	-	-	-	-	-

## TECO ELECTRIC &amp; MACHINERY CO., LTD. AND SUBSIDIARIES

## Major shareholders information

March 31, 2024

Table 11

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
PJ Asset Management Co., Ltd	373,237,991	17.45%
Walsin Lihwa Co., Ltd	231,104,730	10.80%
Jia-Yuan Investment Co., Ltd	113,202,000	5.29%