

**TECO ELECTRIC & MACHINERY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 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 September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the statements of changes in equity and of cash flows for the nine-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 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\$23,338,518 thousand and NT\$23,256,309 thousand, both constituting 18% of consolidated total assets as of September 30, 2024 and 2023, total liabilities (including credit balance of investments accounted for under the equity method) of NT\$4,718,281 thousand and NT\$5,044,378 thousand, constituting 11% and 12% of consolidated total liabilities as of September 30, 2024 and 2023, respectively, and total comprehensive income(loss) (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\$273,398 thousand, NT\$117,553 thousand, NT\$683,698 thousand and NT\$519,297 thousand, constituting 13%, (4%), 17%, and 20% of the consolidated total comprehensive income (loss) for the three-month and nine-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, as described in the *Basis for qualified conclusion* section 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 September 30, 2024 and 2023, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with Regulations Governing the Preparation of Financial Reports by

Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Hsu, Sheng-Chung

Tu, Chan-Yuan

For and on behalf of PricewaterhouseCoopers, Taiwan

November 12, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ review 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
SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan dollars)

| | Assets | Notes | September 30, 2024 | | December 31, 2023 | | September 30, 2023 | |
|---------------------------|---|------------|-----------------------|------------|-----------------------|------------|-----------------------|------------|
| | | | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| Current assets | | | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) and 8 | \$ 24,589,363 | 20 | \$ 23,640,536 | 19 | \$ 22,931,495 | 18 |
| 1110 | Current financial assets at fair value through profit or loss | 6(2) | 23,371 | - | 27,314 | - | 29,817 | - |
| 1120 | Current financial assets at fair value through other comprehensive income | 6(3) | 302,042 | - | 333,178 | - | 324,953 | - |
| 1140 | Current contract assets | | 4,673,635 | 4 | 3,858,752 | 3 | 4,654,083 | 4 |
| 1150 | Notes receivable, net | 6(5) and 8 | 732,569 | 1 | 868,642 | 1 | 871,356 | 1 |
| 1160 | Notes receivable - related parties | 7 | 88 | - | 99 | - | 75 | - |
| 1170 | Accounts receivable, net | 6(5) | 9,300,400 | 7 | 10,488,483 | 8 | 10,220,311 | 8 |
| 1180 | Accounts receivable - related parties | 7 | 174,087 | - | 194,077 | - | 364,520 | - |
| 1200 | Other receivables | | 421,290 | - | 351,635 | - | 337,666 | - |
| 1210 | Other receivables - related parties | 7 | 21,508 | - | 73,276 | - | 90,802 | - |
| 130X | Inventories, net | 6(6) | 12,275,817 | 10 | 11,631,793 | 9 | 12,443,736 | 10 |
| 1410 | Prepayments | | 960,722 | 1 | 575,230 | 1 | 661,379 | 1 |
| 1470 | Other current assets | 6(1) and 8 | 448,559 | - | 437,596 | - | 631,662 | - |
| 11XX | Total current assets | | <u>53,923,451</u> | <u>43</u> | <u>52,480,611</u> | <u>41</u> | <u>53,561,855</u> | <u>42</u> |
| Non-current assets | | | | | | | | |
| 1510 | Non-current financial assets at fair value through profit or loss | 6(2) | 3,239,681 | 2 | 3,541,679 | 3 | 3,515,828 | 3 |
| 1517 | Non-current financial assets at fair value through other comprehensive income | 6(3) and 8 | 28,551,172 | 22 | 30,577,940 | 24 | 29,724,104 | 24 |
| 1535 | Non-current financial assets at amortised cost, net | 6(4) and 8 | 105,981 | - | 15,557 | - | 69,919 | - |
| 1550 | Investments accounted for under the equity method | 6(7) and 7 | 3,539,070 | 3 | 3,468,923 | 3 | 3,949,950 | 3 |
| 1600 | Property, plant and equipment, net | 6(8) and 8 | 20,024,741 | 16 | 20,290,504 | 16 | 20,068,128 | 16 |
| 1755 | Right-of-use assets | 6(9) and 8 | 7,507,745 | 6 | 7,473,207 | 6 | 6,464,615 | 5 |
| 1760 | Investment property, net | 6(10) | 3,266,436 | 3 | 2,785,187 | 2 | 2,925,236 | 2 |
| 1780 | Intangible assets | 6(11) | 5,029,317 | 4 | 4,832,979 | 4 | 4,819,120 | 4 |
| 1840 | Deferred income tax assets | 6(30) | 1,162,728 | 1 | 1,346,615 | 1 | 1,064,225 | 1 |
| 1900 | Other non-current assets | 6(12) | 506,995 | - | 500,588 | - | 540,527 | - |
| 15XX | Total non-current assets | | <u>72,933,866</u> | <u>57</u> | <u>74,833,179</u> | <u>59</u> | <u>73,141,652</u> | <u>58</u> |
| 1XXX | Total assets | | <u>\$ 126,857,317</u> | <u>100</u> | <u>\$ 127,313,790</u> | <u>100</u> | <u>\$ 126,703,507</u> | <u>100</u> |

(Continued)

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | Notes | September 30, 2024 | | December 31, 2023 | | September 30, 2023 | | |
|--|--|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | |
| Current liabilities | | | | | | | | |
| 2100 | Short-term borrowings | 6(13) and 8 | \$ 2,268,583 | 2 | \$ 1,357,111 | 1 | \$ 1,594,834 | 1 |
| 2120 | Current financial liabilities at fair value through profit or loss | 6(14) | 4,694 | - | 5,850 | - | 95 | - |
| 2126 | Current financial liabilities for hedging | 6(15) | 4,523 | - | 5,025 | - | - | - |
| 2130 | Current contract liabilities | 6(24) | 1,884,715 | 2 | 2,305,861 | 2 | 1,812,624 | 2 |
| 2150 | Notes payable | | 575,489 | - | 547,144 | 1 | 545,904 | - |
| 2160 | Notes payable - related parties | 7 | 644 | - | 1,088 | - | 1,132 | - |
| 2170 | Accounts payable | | 8,747,046 | 7 | 8,663,722 | 7 | 8,794,723 | 7 |
| 2180 | Accounts payable - related parties | 7 | 41,247 | - | 38,189 | - | 35,842 | - |
| 2200 | Other payables | 6(16) | 6,031,397 | 5 | 6,399,778 | 5 | 6,367,368 | 5 |
| 2230 | Current income tax liabilities | 6(30) | 504,962 | - | 936,600 | 1 | 684,508 | 1 |
| 2250 | Provisions for liabilities - current | | 415,407 | - | 435,516 | - | 442,390 | - |
| 2280 | Current lease liabilities | | 541,007 | - | 531,002 | - | 413,798 | - |
| 2320 | Long-term liabilities, current portion | 6(17)(18) and 8 | 6,216,947 | 5 | 484,224 | - | 288,913 | - |
| 2399 | Other current liabilities, others | | 911,761 | 1 | 829,103 | 1 | 864,743 | 1 |
| 21XX | Total current liabilities | | <u>28,148,422</u> | <u>22</u> | <u>22,540,213</u> | <u>18</u> | <u>21,846,874</u> | <u>17</u> |
| Non-current liabilities | | | | | | | | |
| 2530 | Corporate bonds payable | 6(17) | - | - | 5,000,000 | 4 | 5,000,000 | 4 |
| 2540 | Long-term borrowings | 6(18) and 8 | 4,024,874 | 3 | 3,065,622 | 2 | 5,631,306 | 4 |
| 2550 | Provisions for liabilities - non-current | | 148,210 | - | 310,263 | - | 180,678 | - |
| 2570 | Deferred income tax liabilities | 6(30) | 2,493,715 | 2 | 2,632,812 | 2 | 2,470,486 | 2 |
| 2580 | Non-current lease liabilities | | 5,393,496 | 5 | 5,346,519 | 4 | 4,387,329 | 4 |
| 2600 | Other non-current liabilities | 6(7)(19) | 1,552,929 | 1 | 1,975,581 | 2 | 1,965,487 | 2 |
| 25XX | Total non-current liabilities | | <u>13,613,224</u> | <u>11</u> | <u>18,330,797</u> | <u>14</u> | <u>19,635,286</u> | <u>16</u> |
| 2XXX | Total liabilities | | <u>41,761,646</u> | <u>33</u> | <u>40,871,010</u> | <u>32</u> | <u>41,482,160</u> | <u>33</u> |
| Equity attributable to owners of parent | | | | | | | | |
| Share capital | | | | | | | | |
| 3110 | Common stock | 6(20) | 21,387,966 | 17 | 21,387,966 | 17 | 21,387,966 | 17 |
| Capital surplus | | | | | | | | |
| 3200 | Capital surplus | 6(21) | 9,609,734 | 7 | 9,629,730 | 7 | 9,629,348 | 7 |
| Retained earnings | | | | | | | | |
| 3310 | Legal reserve | 6(22) | 8,863,669 | 7 | 8,237,099 | 6 | 8,237,099 | 6 |
| 3320 | Special reserve | | 3,640,779 | 3 | 3,640,779 | 3 | 3,640,779 | 3 |
| 3350 | Unappropriated retained earnings | | 21,492,748 | 17 | 22,400,066 | 18 | 21,340,484 | 17 |
| Other equity interest | | | | | | | | |
| 3400 | Other equity interest | 6(23) | 14,490,599 | 11 | 15,364,660 | 12 | 15,227,602 | 12 |
| 3500 | Treasury stocks | 6(20) | (511,710) | - | (511,710) | - | (511,710) | - |
| 31XX | Equity attributable to owners of the parent | | <u>78,973,785</u> | <u>62</u> | <u>80,148,590</u> | <u>63</u> | <u>78,951,568</u> | <u>62</u> |
| 36XX | Non-controlling interest | 6(34) | 6,121,886 | 5 | 6,294,190 | 5 | 6,269,779 | 5 |
| 3XXX | Total equity | | <u>85,095,671</u> | <u>67</u> | <u>86,442,780</u> | <u>68</u> | <u>85,221,347</u> | <u>67</u> |
| Significant contingent liabilities and unrecognized contract commitments | | | | | | | | |
| Significant events after the balance sheet date | | | | | | | | |
| 3X2X | Total liabilities and equity | | <u>\$ 126,857,317</u> | <u>100</u> | <u>\$ 127,313,790</u> | <u>100</u> | <u>\$ 126,703,507</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 AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share)

| Items | Notes | Three-month periods ended September 30 | | | | Nine-month periods ended September 30 | | | |
|---|--------------------------|--|-------|---------------|-------|---------------------------------------|-------|---------------|-------|
| | | 2024 | | 2023 | | 2024 | | 2023 | |
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| 4000 Sales revenue | 6(9)(10)(24) and 7 | \$ 13,457,344 | 100 | \$ 15,065,102 | 100 | \$ 41,712,869 | 100 | \$ 45,029,347 | 100 |
| 5000 Operating costs | 6(6)(8)(9)(19)(29) and 7 | (9,964,470) | (74) | (11,357,039) | (75) | (30,995,550) | (74) | (33,810,575) | (75) |
| 5900 Net operating margin | | 3,492,874 | 26 | 3,708,063 | 25 | 10,717,319 | 26 | 11,218,772 | 25 |
| 5910 Unrealized (profit) loss from sales | | 1,236 | - | 2,692 | - | (10,206) | - | (6,968) | - |
| 5920 Realized profit from sales | | - | - | - | - | 10,419 | - | 9,351 | - |
| 5950 Net operating margin | | 3,494,110 | 26 | 3,710,755 | 25 | 10,717,532 | 26 | 11,221,155 | 25 |
| Operating expenses | 6(8)(9)(19)(29) | | | | | | | | |
| 6100 Selling expenses | | (985,211) | (7) | (1,086,272) | (7) | (3,141,326) | (7) | (3,304,898) | (7) |
| 6200 General and administrative expenses | | (654,474) | (5) | (674,700) | (5) | (1,942,957) | (5) | (1,937,970) | (4) |
| 6300 Research and development expenses | | (244,179) | (2) | (269,902) | (2) | (752,541) | (2) | (817,843) | (2) |
| 6450 Expected credit impairment gains (losses) | 12(2) | 22,474 | - | (2,710) | - | (1,564) | - | (5,533) | - |
| 6000 Total operating expenses | | (1,861,390) | (14) | (2,033,584) | (14) | (5,838,388) | (14) | (6,066,244) | (13) |
| 6900 Operating profit | | 1,632,720 | 12 | 1,677,171 | 11 | 4,879,144 | 12 | 5,154,911 | 12 |
| Non-operating income and expenses | | | | | | | | | |
| 7100 Interest income | 6(4)(25) and 7 | 194,702 | 2 | 149,454 | 1 | 580,975 | 2 | 418,762 | 1 |
| 7010 Other income | 6(3)(10)(26) and 7 | 886,714 | 7 | 309,230 | 2 | 1,482,600 | 4 | 1,502,106 | 3 |
| 7020 Other gains and losses | 6(2)(14)(27) | (256,523) | (2) | (452,919) | (3) | (287,927) | (1) | (288,058) | (1) |
| 7050 Finance costs | 6(9)(28) | (110,430) | (1) | (80,824) | (1) | (285,402) | (1) | (218,884) | - |
| 7060 Share of profit of associates and joint ventures accounted for under the equity method | 6(7) | 33,799 | - | 6,838 | - | 81,619 | - | 5,485 | - |
| 7000 Total non-operating income and expenses | | 748,262 | 6 | (68,221) | (1) | 1,571,865 | 4 | 1,419,411 | 3 |
| 7900 Profit before income tax | | 2,380,982 | 18 | 1,608,950 | 10 | 6,451,009 | 16 | 6,574,322 | 15 |
| 7950 Income tax expense | 6(30) | (477,654) | (4) | (499,530) | (3) | (1,499,313) | (4) | (1,467,520) | (3) |
| 8200 Profit for the period | | \$ 1,903,328 | 14 | \$ 1,109,420 | 7 | \$ 4,951,696 | 12 | \$ 5,106,802 | 12 |

(Continued)

~7~

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share)

| Items | Notes | Three-month periods ended September 30 | | | | Nine-month periods ended September 30 | | | | |
|---|--|--|---------------------|-----------|------------------------|---------------------------------------|------------------------|-------------|------------------------|-------------|
| | | 2024 | | 2023 | | 2024 | | 2023 | | |
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % | |
| Other comprehensive income | | | | | | | | | | |
| Other comprehensive income that will not be reclassified to profit or loss | | | | | | | | | | |
| 8311 | Other comprehensive income(loss), before tax, actuarial losses on defined benefit plans | 6(19) | | | | | | | | |
| | | | \$ - | - | \$ 413 | - | \$ 191 | - | \$ 12,199 | - |
| 8316 | Unrealized losses and gains on valuation of investments measured at fair value through other comprehensive income | 6(3) | 81,524 | 1 | (4,602,876) | (30) | (2,073,020) | (5) | (3,458,688) | (8) |
| 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 | | 18,616 | - | (1,795) | - | 18,594 | - | 2,032 | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | | - | - | - | - | - | - | (19,424) | - |
| 8310 | Components of other comprehensive income that will not be reclassified to profit or loss | | <u>100,140</u> | <u>1</u> | <u>(4,604,258)</u> | <u>(30)</u> | <u>(2,054,235)</u> | <u>(5)</u> | <u>(3,463,881)</u> | <u>(8)</u> |
| Other comprehensive income that will be reclassified to profit or loss | | | | | | | | | | |
| 8361 | Currency translation differences of foreign operations | 6(23) | 97,433 | - | 627,097 | 4 | 1,185,517 | 3 | 1,058,805 | 2 |
| 8368 | Gains on hedging instrument | 6(23) | (3,862) | - | - | - | 14,326 | - | - | - |
| 8399 | Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss | 6(30) | (13,907) | - | (109,887) | (1) | (189,493) | (1) | (151,004) | - |
| 8360 | Components of other comprehensive income that will be reclassified to profit or loss | | <u>79,664</u> | <u>-</u> | <u>517,210</u> | <u>3</u> | <u>1,010,350</u> | <u>2</u> | <u>907,801</u> | <u>2</u> |
| 8300 | Other comprehensive income (loss) for the period | | <u>\$ 179,804</u> | <u>1</u> | <u>(\$ 4,087,048)</u> | <u>(27)</u> | <u>(\$ 1,043,885)</u> | <u>(3)</u> | <u>(\$ 2,556,080)</u> | <u>(6)</u> |
| 8500 | Total comprehensive income (loss) for the period | | <u>\$ 2,083,132</u> | <u>15</u> | <u>(\$ 2,977,628)</u> | <u>(20)</u> | <u>\$ 3,907,811</u> | <u>9</u> | <u>\$ 2,550,722</u> | <u>6</u> |
| Profit attributable to: | | | | | | | | | | |
| 8610 | Owners of the parent | | \$ 1,770,005 | 13 | \$ 981,154 | 6 | \$ 4,576,095 | 11 | \$ 4,737,947 | 11 |
| 8620 | Non-controlling interest | | 133,323 | 1 | 128,266 | 1 | 375,601 | 1 | 368,855 | 1 |
| | | | <u>\$ 1,903,328</u> | <u>14</u> | <u>\$ 1,109,420</u> | <u>7</u> | <u>\$ 4,951,696</u> | <u>12</u> | <u>\$ 5,106,802</u> | <u>12</u> |
| Comprehensive income (loss) attributable to: | | | | | | | | | | |
| 8710 | Owners of the parent | | \$ 1,986,296 | 14 | (\$ 3,042,662) | (20) | \$ 3,550,544 | 8 | \$ 2,081,303 | 5 |
| 8720 | Non-controlling interest | | 96,836 | 1 | 65,034 | - | 357,267 | 1 | 469,419 | 1 |
| | | | <u>\$ 2,083,132</u> | <u>15</u> | <u>(\$ 2,977,628)</u> | <u>(20)</u> | <u>\$ 3,907,811</u> | <u>9</u> | <u>\$ 2,550,722</u> | <u>6</u> |
| Earnings per share (in dollars) | | | | | | | | | | |
| 9750 | Basic earnings per share | 6(31) | <u>\$ 0.84</u> | | <u>\$ 0.47</u> | | <u>\$ 2.17</u> | | <u>\$ 2.25</u> | |
| 9850 | Diluted earnings per share | | <u>\$ 0.84</u> | | <u>\$ 0.47</u> | | <u>\$ 2.17</u> | | <u>\$ 2.25</u> | |

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
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | | Equity attributable to owners of the parent | | | | | | | | | | | | |
|---|--|---|---------------|-----------------|----------------------------------|--|---|---------------------------------------|-----------------|--------------|--------------------------|--------------|---------------|--|
| | | Retained earnings | | | | | Other equity interest | | | | | | | |
| Notes | 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 | Non-controlling interest | Total equity | | |
| For the nine-month period ended September 30, 2023 | | | | | | | | | | | | | | |
| | Balance at January 1, 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 | |
| | Profit for the period | - | - | - | - | 4,737,947 | - | - | - | - | 4,737,947 | 368,855 | 5,106,802 | |
| 6(23) | Other comprehensive income (loss) for the period | - | - | - | - | 12,199 | 887,312 | (3,556,155) | - | - | (2,656,644) | 100,564 | (2,556,080) | |
| | Total comprehensive income (loss) | - | - | - | - | 4,750,146 | 887,312 | (3,556,155) | - | - | 2,081,303 | 469,419 | 2,550,722 | |
| 6(22) | Appropriations of 2022 earnings | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Legal reserve | - | - | 338,042 | - | (338,042) | - | - | - | - | - | - | - | |
| | Cash dividends | - | - | - | - | (3,208,195) | - | - | - | - | (3,208,195) | - | (3,208,195) | |
| | Effect of changes in net equity of associates and joint ventures accounted for under the equity method | - | 53,526 | - | - | - | - | - | - | - | 53,526 | - | 53,526 | |
| | Changes in other non-controlling equity | - | - | - | - | - | - | - | - | - | - | (493,205) | (493,205) | |
| 6(3)(23) | Disposal of investments in equity instrument at fair value through other comprehensive income | - | - | - | - | 455,974 | (455,974) | - | - | - | - | - | - | |
| | Balance at September 30, 2023 | \$ 21,387,966 | \$ 9,629,348 | \$ 8,237,099 | \$ 3,640,779 | \$ 21,340,484 | (\$ 1,566,139) | \$ 16,793,741 | \$ - | (\$ 511,710) | \$ 78,951,568 | \$ 6,269,779 | \$ 85,221,347 | |
| For the nine-month period ended September 30, 2024 | | | | | | | | | | | | | | |
| | Balance at January 1, 2024 | \$ 21,387,966 | \$ 9,629,730 | \$ 8,237,099 | \$ 3,640,779 | \$ 22,400,066 | (\$ 2,280,016) | \$ 17,649,701 | (\$ 5,025) | (\$ 511,710) | \$ 80,148,590 | \$ 6,294,190 | \$ 86,442,780 | |
| | Profit for the period | - | - | - | - | 4,576,095 | - | - | - | - | 4,576,095 | 375,601 | 4,951,696 | |
| 6(23) | Other comprehensive income (loss) for the period | - | - | - | - | 189 | 980,876 | (2,020,942) | 14,326 | - | (1,025,551) | (18,334) | (1,043,885) | |
| | Total comprehensive income (loss) | - | - | - | - | 4,576,284 | 980,876 | (2,020,942) | 14,326 | - | 3,550,544 | 357,267 | 3,907,811 | |
| 6(22) | Appropriations of 2023 earnings | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Legal reserve | - | - | 626,570 | - | (626,570) | - | - | - | - | - | - | - | |
| | Cash dividends | - | - | - | - | (4,705,353) | - | - | - | - | (4,705,353) | - | (4,705,353) | |
| | Effect of changes in net equity of associates and joint ventures accounted for under the equity method | - | 67,538 | - | - | - | - | - | - | - | 67,538 | - | 67,538 | |
| 6(35) | Transaction with non-controlling interest | - | (87,534) | - | - | - | - | - | - | - | (87,534) | (169,966) | (257,500) | |
| | Changes in other non-controlling equity | - | - | - | - | - | - | - | - | - | - | (359,605) | (359,605) | |
| 6(3)(23) | Disposal of investments in equity instrument at fair value through other comprehensive income | - | - | - | - | (151,679) | - | 151,679 | - | - | - | - | - | |
| | Balance at September 30, 2024 | \$ 21,387,966 | \$ 9,609,734 | \$ 8,863,669 | \$ 3,640,779 | \$ 21,492,748 | (\$ 1,299,140) | \$ 15,780,438 | \$ 9,301 | (\$ 511,710) | \$ 78,973,785 | \$ 6,121,886 | \$ 85,095,671 | |

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | Notes | Nine-month periods ended September 30 | |
|--|-----------------|---------------------------------------|------------------|
| | | 2024 | 2023 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Profit before tax | | \$ 6,451,009 | \$ 6,574,322 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Net gain on financial assets at fair value through profit or loss | 6(2)(27) | (70,675) | (260,843) |
| Net gain on financial liabilities at fair value through profit or loss | 6(14)(27) | (1,156) | (3,473) |
| Provision for decline in value of inventories | 6(6) | 192,019 | 159,996 |
| Expected credit impairment gains | 12(2) | 1,564 | 5,533 |
| Interest income | 6(25) | (580,975) | (418,762) |
| Dividend income | 6(26) | (1,106,602) | (1,181,120) |
| Interest expense | 6(28) | 285,402 | 218,884 |
| Depreciation and amortization | 6(8)(9)(10)(29) | 1,497,467 | 1,457,510 |
| (Gain) loss on disposal of property, plant and equipment | 6(27) | (117,654) | 566 |
| Share of profit of associates and joint ventures accounted for under the equity method | 6(7) | (81,619) | (5,485) |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Current contract assets | | (814,883) | (2,338,019) |
| Notes receivable | | 136,379 | 168,417 |
| Notes receivable - related parties | | 12 | 26 |
| Accounts receivable | | 1,199,719 | (147,762) |
| Accounts receivable - related parties | | 38,819 | (61,244) |
| Other receivables | | (69,655) | (11,525) |
| Other receivables - related parties | | 51,768 | (3,875) |
| Inventories | | (836,043) | 291,555 |
| Prepayments | | (385,492) | (164,961) |
| Other current assets | | (63,974) | (292,802) |
| Non-current financial assets at fair value through profit or loss | | 22,893 | 14,832 |
| Changes in operating liabilities | | | |
| Current contract liabilities | | (421,146) | (506,565) |
| Notes payable | | 28,345 | (238,453) |
| Notes payable - related parties | | (444) | 698 |
| Accounts payable | | 83,324 | (282,325) |
| Accounts payable - related parties | | 3,058 | (12,914) |
| Other payables | | (368,381) | 206,801 |
| Provisions for liabilities | | (182,162) | 164,457 |
| Other current liabilities | | 82,658 | 23,537 |
| Other non-current liabilities | | (431,012) | (39,932) |
| Cash inflow generated from operations | | 4,542,563 | 3,317,074 |
| Interest received | 6(25) | 580,975 | 418,762 |
| Dividend received | | 41,791 | 106,079 |
| Interest paid | | (187,239) | (170,978) |
| Income tax paid | | (1,930,951) | (1,614,209) |
| Net cash flows from operating activities | | <u>3,047,139</u> | <u>2,056,728</u> |

(Continued)

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | Notes | Nine-month periods ended September 30 | |
|--|------------|---------------------------------------|----------------------|
| | | 2024 | 2023 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Acquisition of non-current financial assets at fair value through other comprehensive income | | (\$ 145,607) | (\$ 51,727) |
| Proceeds from disposal of non-current financial assets at fair value through other comprehensive income | 6(3) | 143,367 | 1,050,760 |
| (Acquisition) proceeds from disposal of non-current financial assets at amortized cost | 6(4) | (90,424) | 45,990 |
| Decrease in current financial assets at fair value through profit or loss | | 4,287 | 2,297 |
| Proceeds from disposal of current financial assets at fair value through profit or loss | 6(2) | - | 1,295 |
| Proceeds from disposal of non-current financial assets at fair value through profit or loss | | 349,436 | - |
| Decrease in pledged and restricted bank and time deposits | 6(1) and 8 | 53,011 | 297,524 |
| Acquisition of property, plant and equipment | 6(8)(32) | (1,106,578) | (1,524,624) |
| Proceeds from disposal of property, plant and equipment | | 239,386 | 18,883 |
| Increase in other non-current assets | | (6,407) | (8,728) |
| Net cash outflow on acquisitions of subsidiaries | 6(32) | - | (29,425) |
| Dividends received from investments of financial instruments | | 1,064,870 | 1,150,814 |
| Increase in investments accounted for under the equity method and capital reduction to recover investment cost | | - | (2,516) |
| Net cash flows from investing activities | | <u>505,341</u> | <u>950,543</u> |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Increase (decrease) in short-term loans | 6(33) | 911,472 | (156,510) |
| Proceeds from long-term debts | 6(33) | 1,691,975 | 2,264,705 |
| Lease liabilities paid | 6(9)(33) | (534,093) | (460,124) |
| Cash dividends paid to non-controlling interests | | (279,855) | (410,948) |
| Consideration paid to non-controlling interests | 6(35) | (257,500) | - |
| Cash dividends paid | 6(22) | (4,705,353) | (3,208,195) |
| Net cash flows used in financing activities | | <u>(3,173,354)</u> | <u>(1,971,072)</u> |
| Exchange rate effect | | 569,701 | 519,896 |
| Net increase in cash and cash equivalents | | 948,827 | 1,556,095 |
| Cash and cash equivalents at beginning of period | | 23,640,536 | 21,375,400 |
| Cash and cash equivalents at end of period | | <u>\$ 24,589,363</u> | <u>\$ 22,931,495</u> |

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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 November 12, 2024.

3. Application of New Standards, Amendments and Interpretations

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

New standards, interpretations and amendments endorsed by the FSC and became effective from 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

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

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

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

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

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

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

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

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

The IASB issued the amendments to:

- (a) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met. The conditions for the exception are that the entity making the payment does not have:
 - i. the practical ability to withdraw, stop or cancel the payment instruction;
 - ii. the practical ability to access the cash used for settlement; and
 - iii. significant settlement risk.
- (b) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.
- (c) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.
- (d) Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In

addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

C. IFRS 19, 'Subsidiaries without public accountability: Disclosures'

The standard permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures.

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 |
|-------------------------------------|--|--|--------------------|-------------------|--------------------|------------------|
| | | | September 30, 2024 | December 31, 2023 | September 30, 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, 6 and 8 |
| 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 |
|-------------------------------------|---|---|--------------------|-------------------|--------------------|---------------|
| | | | September 30, 2024 | December 31, 2023 | September 30, 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. | 0 | 61.07 | 61.07 | Note 7 |
| Teco Electric & Machinery Co., Ltd. | Yatec Engineering Corporation and subsidiaries | Development and maintenance of various electric appliances | 64.95 | 64.95 | 64.95 | Note 1 |
| Teco Electric & Machinery Co., Ltd. | Taian (Subic) Electric Co., Inc. | Manufacturing and sales of switches | 76.7 | 76.7 | 76.7 | Note 1 |
| Teco Electric & Machinery Co., Ltd. | Taian-Etacom Technology Co., Ltd. | Manufacturing of busway and related components | 94.73 | 84.73 | 84.73 | Notes 1 and 9 |
| 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 |
|-------------------------------------|--|--|--------------------|-------------------|--------------------|-------------|
| | | | September 30, 2024 | December 31, 2023 | September 30, 2023 | |
| Teco Electric & Machinery Co., Ltd. | E-Joy International Co., Ltd. | Wholesale and retail of electric appliances | 98.07 | 98.07 | 98.07 | Note 1 |
| Teco Electric & Machinery Co., Ltd. | A-Ok Technical Co., Ltd. | Repair of electric appliances | 86.67 | 86.67 | 86.67 | Note 1 |
| Teco Electric & Machinery Co., Ltd. | Tecom Co., Ltd. and subsidiaries | Manufacturing and sales of touch-tone phone system and billing box. Its investees are primarily engaged in the various investments, research and development of software and hardware products related to fiber optic communications products in domestic area and Mainland China and technology development, manufacturing, sales and technology services of products related to communication network information. | 63.52 | 63.52 | 63.52 | |
| Teco Electric & Machinery Co., Ltd. | Information Technology Total Services Co., Ltd. and subsidiaries | Import sales, leases of franking machines and mail processing and delivery. Its investees are primarily engaged in the services related to information software, data processing and electronic information supply in domestic area and Mainland China. | 49.01 | 49.01 | 49.01 | Note 3 |

| Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-------------------------------------|--|---|--------------------|-------------------|--------------------|-------------|
| | | | September 30, 2024 | December 31, 2023 | September 30, 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 |
|-------------------------------------|--|---|--------------------|-------------------|--------------------|---------------|
| | | | September 30, 2024 | December 31, 2023 | September 30, 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 | Note 1 |
| Teco Electric & Machinery Co., Ltd. | Teco Electro Devices Co., Ltd. (B.V.I.) and subsidiaries | Trading, investment holdings and manufacturing and sales of motors in Mainland China. | 100 | 0 | 0 | Notes 1 and 7 |

Note 1: The financial statements of the entity as of and for the nine-month periods ended September 30, 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: Tong Dai Co., Ltd. has control over the Board of Directors of Top-Tower Enterprises Co., Ltd. and has absolute control over the subsidiary. Thus, the subsidiary was included in the consolidated financial statements.

Note 5: 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 (TWMI), jointly invested and established Teco Electric Machinery S.A. de C.V. on March 3, 2023.

Note 7: On April 10, 2024, the Board of Directors of the Company and the Company's subsidiary, Teco Electro Devices Co., Ltd., both resolved to conduct a merger with the Company as the surviving company. The effective date of the merger was August 31, 2024.

Note 8: Teco Holding USA Inc. established Safe & Green Energy Company through its wholly-owned subsidiary in September 2024.

Note 9: The company obtained 10% equity of Taian-Etacom Technology Co., Ltd. from ETA Beheer B.V. on September, 2024. Please refer to Note 6(35).

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 \$23,338,518 and \$23,256,309 as of September 30, 2024 and 2023, respectively, total liabilities (including credit balance of investments accounted for under equity method) of \$4,718,281 and \$5,044,378 as of September 30, 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 \$683,698 and \$519,297 for the nine-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 |
|-------------------------------------|-------------------------------|-------------------------------------|--------------------|-------------------|--------------------|---------------|
| | | | September 30, 2024 | December 31, 2023 | September 30, 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 |

| Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|---|---|---|--------------------|-------------------|--------------------|-------------|
| | | | September 30, 2024 | December 31, 2023 | September 30, 2023 | |
| Teco Electric & Machinery Co., Ltd. | Taian-Jaya Electric Sdn. Bhd. | Manufacturing and sales of air-conditioning equipment | 100 | 100 | 100 | Note 1 |
| Teco Electric & Machinery Co., Ltd. | Teco (Philippines) 3C & Appliances, Inc. | Sales of air conditioning and electrical appliances | 60 | 60 | 60 | Note 1 |
| Great Teco Motor (Pte) Ltd. | Teco Group Science-Technology (Hang Zhou) Co., Ltd. | Electrical machinery electric and automatic control technology development and consultation service | 100 | 100 | 100 | Note 1 |
| Tong-An Assets Management & Development Co., Ltd. | Grey Back International Property Inc. | Real estate management and development | 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 September 30, 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

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|---|---------------------------|--------------------------|---------------------------|
| Cash on hand and revolving funds | \$ 7,044 | \$ 7,954 | \$ 8,424 |
| Checking accounts and demand deposits | 11,424,431 | 7,520,061 | 5,722,332 |
| Time deposits and notes issued under repurchase agreement | 13,157,888 | 16,112,521 | 17,200,739 |
| | <u>\$ 24,589,363</u> | <u>\$ 23,640,536</u> | <u>\$ 22,931,495</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 September 30, 2024, December 31, 2023 and September 30, 2023, certain bank deposits amounting to \$115,186, \$168,197 and \$277,768, 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 September 30, 2023. As of September 30, 2023, cash and cash equivalents was increased and other current assets was decreased by \$506, respectively.

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

| <u>Items</u> | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|--|---------------------------|--------------------------|---------------------------|
| Current items: | | | |
| Financial assets mandatorily measured at fair value through profit or loss | | | |
| Money market fund | \$ 26,240 | \$ 29,740 | \$ 26,731 |
| Derivative instruments | <u>-</u> | <u>787</u> | <u>5,513</u> |
| | 26,240 | 30,527 | 32,244 |
| Valuation adjustments | (2,869) | (3,213) | (2,427) |
| | <u>\$ 23,371</u> | <u>\$ 27,314</u> | <u>\$ 29,817</u> |
| Non-current items: | | | |
| Financial assets mandatorily measured at fair value through profit or loss | | | |
| Listed and OTC stocks | \$ 595,514 | \$ 884,399 | \$ 884,399 |
| Non-listed and OTC stocks | 810,394 | 810,394 | 810,394 |
| Fund beneficiary certificate | <u>638,875</u> | <u>675,826</u> | <u>708,875</u> |
| | 2,044,783 | 2,370,619 | 2,403,668 |
| Valuation adjustments | <u>1,194,898</u> | <u>1,171,060</u> | <u>1,112,160</u> |
| | <u>\$ 3,239,681</u> | <u>\$ 3,541,679</u> | <u>\$ 3,515,828</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 September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|--|--|--|
| Financial assets mandatorily measured at fair value through profit or loss | | |
| Equity instruments | <u>(\$ 81,032)</u> | <u>(\$ 274,975)</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Financial assets mandatorily measured at fair value through profit or loss | | |
| Equity instruments | <u>\$ 70,675</u> | <u>\$ 260,843</u> |

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

| 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 | \$ 787 |
| September 30, 2023 | | | | |
| Derivative instrument | Contract period | Contract amount (Notional principal) | | Fair value |
| Forward exchange contracts | | | | |
| BUY JPY/SELL USD | August 29, 2023 ~ November 29, 2023 | JPY | 78,000,000 | \$ 363 |
| BUY USD/SELL AUD | August 29, 2023 ~ November 29, 2023 | AUD | 1,900,000 | 503 |
| BUY USD/SELL EUR | August 28, 2023 ~ November 29, 2023 | EUR | 550,000 | 470 |
| BUY RMB/SELL USD | August 17, 2023 ~ December 29, 2023 | USD | 13,300,000 | 4,177 |
| | | | | <u>\$ 5,513</u> |

Not applicable until September 30, 2024.

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 | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---------------------------|----------------------|----------------------|----------------------|
| Current items: | | | |
| Listed and OTC stocks | \$ 153,754 | \$ 169,355 | \$ 177,980 |
| Valuation adjustments | <u>148,288</u> | <u>163,823</u> | <u>146,973</u> |
| | <u>\$ 302,042</u> | <u>\$ 333,178</u> | <u>\$ 324,953</u> |
| Non-current items: | | | |
| Listed and OTC stocks | \$ 12,256,342 | \$ 12,495,913 | \$ 12,491,191 |
| Emerging stocks | 142,211 | 119,475 | 119,475 |
| Non-listed and OTC stocks | <u>452,414</u> | <u>306,948</u> | <u>313,521</u> |
| | 12,850,967 | 12,922,336 | 12,924,187 |
| Valuation adjustments | <u>15,700,205</u> | <u>17,655,604</u> | <u>16,799,917</u> |
| | <u>\$ 28,551,172</u> | <u>\$ 30,577,940</u> | <u>\$ 29,724,104</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 \$28,853,214, \$30,911,118 and \$30,049,057 as at September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

B. For the three-month and nine-month periods ended September 30, 2024 and 2023, the Group sold stocks with fair values of \$71,438, \$6,930, \$143,367 and \$1,050,760, respectively, to raise the capital for operations; the cumulative gains (losses) on disposal are \$19,721, \$987, (\$151,679) and \$475,398, 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:

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|---|--|--|
| <u>Equity instruments at fair value through other comprehensive income</u> | | |
| Fair value change recognised in other comprehensive income | \$ <u>81,524</u> | (\$ <u>4,602,876</u>) |
| Cumulative gains reclassified to retained earnings due to derecognition | \$ <u>19,721</u> | \$ <u>987</u> |
| Dividend income recognised in profit or loss | | |
| Held at end of period | \$ <u>701,138</u> | \$ <u>211,849</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| <u>Equity instruments at fair value through other comprehensive income</u> | | |
| Fair value change recognised in other comprehensive income | (\$ <u>2,073,020</u>) | (\$ <u>3,458,688</u>) |
| Cumulative (losses) gains reclassified to retained earnings due to derecognition | (\$ <u>151,679</u>) | \$ <u>475,398</u> |
| Dividend income recognised in profit or loss | | |
| Held at end of period | \$ <u>992,095</u> | \$ <u>1,056,871</u> |

D. Details of the Group's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

E. Information relating to the price risk and fair value information of financial assets at fair value through other comprehensive income is provided in Note 12(2)(3).

(4) Financial assets at amortised cost

| <u>Items</u> | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|--------------------|---------------------------|--------------------------|---------------------------|
| Non-current items: | | | |
| Government bond | \$ 89,805 | \$ - | \$ - |
| Time deposits | <u>16,176</u> | <u>15,557</u> | <u>69,919</u> |
| | <u>\$ 105,981</u> | <u>\$ 15,557</u> | <u>\$ 69,919</u> |

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

| | | |
|-----------------|--|--|
| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
| Interest income | <u>\$ 1,235</u> | <u>\$ 825</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Interest income | <u>\$ 2,616</u> | <u>\$ 1,786</u> |

B. As at September 30, 2024, December 31, 2023 and September 30, 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 \$105,981, \$15,557 and \$69,919, 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>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|-------------------------------|---------------------------|--------------------------|---------------------------|
| Notes receivable | \$ 734,207 | \$ 870,587 | \$ 873,335 |
| Less: Allowance for bad debts | (1,638) | (1,945) | (1,979) |
| | <u>\$ 732,569</u> | <u>\$ 868,642</u> | <u>\$ 871,356</u> |
| Accounts receivable | \$ 9,489,092 | 10,688,811 | \$ 10,412,575 |
| Less: Allowance for bad debts | (188,692) | (200,328) | (192,264) |
| | <u>\$ 9,300,400</u> | <u>\$ 10,488,483</u> | <u>\$ 10,220,311</u> |

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

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|----------------|---------------------------|--------------------------|---------------------------|
| Not past due | \$ 7,975,981 | \$ 8,798,254 | \$ 8,670,423 |
| Up to 30 days | 872,274 | 1,211,495 | 940,006 |
| 31 to 90 days | 713,669 | 811,799 | 954,003 |
| 91 to 180 days | 278,101 | 311,073 | 275,911 |
| Over 180 days | 383,274 | 426,777 | 445,567 |
| | <u>\$ 10,223,299</u> | <u>\$ 11,559,398</u> | <u>\$ 11,285,910</u> |

The above ageing analysis was based on past due date.

B. As of September 30, 2024, December 31, 2023 and September 30, 2023, the balances of receivables (including notes receivable) from contracts with customers amounted to \$9,860,074, \$11,327,753 and \$11,059,288, respectively.

C. As at September 30, 2024, December 31, 2023 and September 30, 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

\$732,569, \$868,642 and \$871,356 and accounts receivable were \$9,300,400, \$10,488,483 and \$10,220,311, 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

| | September 30, 2024 | | |
|-------------------------|----------------------|---------------------------------|----------------------|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 3,405,715 | (\$ 217,237) | \$ 3,188,478 |
| Work in progress | 1,494,039 | (46,094) | 1,447,945 |
| Finished goods | 6,846,322 | (533,014) | 6,313,308 |
| Inventory in transit | 792,731 | - | 792,731 |
| Merchandise inventories | 537,110 | (3,755) | 533,355 |
| | <u>\$ 13,075,917</u> | <u>(\$ 800,100)</u> | <u>\$ 12,275,817</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> |
| | September 30, 2023 | | |
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 3,540,485 | (\$ 212,476) | \$ 3,328,009 |
| Work in progress | 1,594,543 | (48,604) | 1,545,939 |
| Finished goods | 7,085,493 | (489,118) | 6,596,375 |
| Inventory in transit | 635,668 | - | 635,668 |
| Merchandise inventories | 341,753 | (4,008) | 337,745 |
| | <u>\$ 13,197,942</u> | <u>(\$ 754,206)</u> | <u>\$ 12,443,736</u> |

A. The cost of inventories recognized as expense for the three-month and nine-month periods ended September 30, 2024 and 2023 were \$6,632,835, \$6,982,221, \$20,241,236 and \$21,342,299, respectively, including \$39,798, \$27,990, \$191,921 and \$159,996 that the Group wrote down from cost to the net realizable value accounted for as cost of goods sold for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively.

B. The Group has no inventory pledged to others.

(7) Investments accounted for under the equity method

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|--|---------------------------|--------------------------|---------------------------|
| Associates: | | | |
| 1. Tung Pei Industrial Co., Ltd | \$ 2,389,621 | \$ 2,339,997 | \$ 2,366,252 |
| 2. Lien Chang Electronic Enterprise Co., Ltd. | 464,445 | 452,479 | 475,016 |
| 3. Others | <u>685,004</u> | <u>676,447</u> | <u>1,108,682</u> |
| | <u>3,539,070</u> | <u>3,468,923</u> | <u>3,949,950</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>92,203</u>) | (<u>83,843</u>) | (<u>207,743</u>) |
| | <u>\$ 3,446,867</u> | <u>\$ 3,385,080</u> | <u>\$ 3,742,207</u> |

The share of profit/loss of associates and joint ventures accounted for under the equity method for the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

| Associates: | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|---|--|--|
| 1. Tung Pei Industrial Co., Ltd. | \$ 33,805 | \$ 11,275 |
| 2. Lien Chang Electronic Enterprise Co., Ltd. | (5,678) | (5,433) |
| 3. Others | <u>5,672</u> | <u>996</u> |
| | <u>\$ 33,799</u> | <u>\$ 6,838</u> |
| Associates: | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| 1. Tung Pei Industrial Co., Ltd. | \$ 88,942 | \$ 4,192 |
| 2. Lien Chang Electronic Enterprise Co., Ltd. | (18,038) | (15,471) |
| 3. Others | <u>10,715</u> | <u>16,764</u> |
| | <u>\$ 81,619</u> | <u>\$ 5,485</u> |

A. Associates

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

| Company name | Principal place of business | Shareholding ratio | | | Nature of relationship | Method of measurement |
|--|-----------------------------|--------------------|-------------------|--------------------|------------------------|-----------------------|
| | | September 30, 2024 | December 31, 2023 | September 30, 2023 | | |
| 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. | | |
|----------------------------------|--|---------------------|---------------------|
| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
| Current assets | \$ 3,722,333 | \$ 4,984,212 | \$ 3,767,127 |
| Non-current assets | 7,237,258 | 7,431,032 | 7,356,469 |
| Current liabilities | (1,968,860) | (3,110,385) | (2,062,538) |
| Non-current liabilities | (1,315,749) | (1,091,475) | (1,461,149) |
| Total assets | <u>\$ 7,674,982</u> | <u>\$ 8,213,384</u> | <u>\$ 7,599,909</u> |
| Share in associate's net assets | \$ 2,389,621 | \$ 2,339,997 | \$ 2,366,252 |
| Goodwill | - | - | - |
| Carrying amount of the associate | <u>\$ 2,389,621</u> | <u>\$ 2,339,997</u> | <u>\$ 2,366,252</u> |
| | Lien Chang Electronic Enterprise Co., Ltd. | | |
| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
| Current assets | \$ 1,137,876 | \$ 1,148,508 | \$ 1,238,947 |
| Non-current assets | 435,051 | 400,790 | 384,214 |
| Current liabilities | (164,790) | (162,327) | (191,213) |
| Non-current liabilities | (35,825) | (50,016) | (28,403) |
| Total net assets | <u>\$ 1,372,312</u> | <u>\$ 1,336,955</u> | <u>\$ 1,403,545</u> |
| Share in associate's net assets | \$ 464,445 | \$ 452,479 | \$ 475,016 |
| Goodwill | - | - | - |
| Carrying amount of the associate | <u>\$ 464,445</u> | <u>\$ 452,479</u> | <u>\$ 475,016</u> |

Statement of comprehensive income

| | <u>Tung Pei Industrial Co., Ltd.</u> | |
|--|--|--|
| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
| Revenue | \$ 1,035,459 | \$ 1,015,426 |
| Profit for the period from continuing operations | 108,601 | 35,990 |
| Other comprehensive income, net of tax | - | - |
| Total comprehensive income | <u>\$ 108,601</u> | <u>\$ 35,990</u> |
| Dividends received from associates | <u>\$ -</u> | <u>\$ -</u> |

| | <u>Tung Pei Industrial Co., Ltd.</u> | |
|--|---|---|
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Revenue | \$ 3,064,120 | \$ 3,098,381 |
| Profit for the period from continuing operations | 284,827 | 52,230 |
| Other comprehensive income, net of tax | - | - |
| Total comprehensive income | <u>\$ 284,827</u> | <u>\$ 52,230</u> |
| Dividends received from associates | <u>\$ 39,145</u> | <u>\$ 97,863</u> |

| | <u>Lien Chang Electronic Enterprise Co., Ltd.</u> | |
|---|--|--|
| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
| Revenue | \$ 112,196 | \$ 167,647 |
| Loss for the period from continuing operations | (16,777) | (16,054) |
| Other comprehensive income, net of tax | 55,509 | 24,332 |
| Total comprehensive income | <u>\$ 38,732</u> | <u>\$ 8,278</u> |
| Dividends received from associates | <u>\$ -</u> | <u>\$ -</u> |

| Lien Chang Electronic Enterprise Co., Ltd. | | |
|---|---|---|
| | For the nine-month period ended September 30, 2024 | For the nine-month period ended September 30, 2023 |
| Revenue | \$ 299,420 | \$ 460,461 |
| Loss for the period from continuing operations | (53,297) | (51,616) |
| Other comprehensive income, net of tax | 88,654 | 19,696 |
| Total comprehensive income (loss) | \$ 35,357 | (\$ 31,920) |
| Dividends received from associates | \$ - | \$ 3,754 |

(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 September 30, 2024, December 31, 2023 and September 30, 2023, the carrying amount of the Group's individually immaterial associates amounted to \$685,004, \$676,447 and \$1,108,682, respectively.

| | For the three-month period ended September 30, 2024 | For the three-month period ended September 30, 2023 |
|---|--|--|
| Profit for the period from continuing operations | \$ 5,672 | \$ 996 |
| Total comprehensive income | \$ 5,672 | \$ 996 |
| | For the nine-month period ended September 30, 2024 | For the nine-month period ended September 30, 2023 |
| Profit for the period from continuing operations | \$ 10,715 | \$ 16,764 |
| Total comprehensive income | \$ 10,715 | \$ 16,764 |

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

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---|--------------------|-------------------|--------------------|
| Lien Chang Electronic Enterprise Co., Ltd. | \$ 499,311 | \$ 433,612 | \$ 420,472 |

(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 | - | 11,882 | 25,165 | 161,310 | - | 25,267 | 10,514 | 247,630 | 610,887 | 1,092,655 |
| Disposals | - | (94,646) | - | (14,957) | - | (769) | (74) | (11,286) | - | (121,732) |
| Reclassifications | (349,854) | (14,100) | 3,106 | 132,609 | 1,866 | - | 5,025 | (3,019) | (307,420) | (531,787) |
| Depreciation charge | - | (138,041) | (182,664) | (244,529) | (3,212) | (68,081) | (25,975) | (212,728) | - | (875,230) |
| Net exchange differences | <u>5,746</u> | <u>89,103</u> | <u>-</u> | <u>48,416</u> | <u>-</u> | <u>1,466</u> | <u>2,032</u> | <u>23,568</u> | <u>-</u> | <u>170,331</u> |
| Closing net book amount | <u>\$ 5,158,926</u> | <u>\$ 3,297,658</u> | <u>\$ 6,770,068</u> | <u>\$ 2,398,407</u> | <u>\$ 16,131</u> | <u>\$ 452,823</u> | <u>\$ 139,896</u> | <u>\$ 983,589</u> | <u>\$ 807,243</u> | <u>\$ 20,024,741</u> |
| <u>At September 30, 2024</u> | | | | | | | | | | |
| Cost | \$ 5,158,926 | \$ 8,186,271 | \$ 9,755,023 | \$ 13,106,010 | \$ 524,037 | \$ 1,318,936 | \$ 709,030 | \$ 7,959,983 | \$ 807,243 | \$ 47,525,459 |
| Accumulated depreciation and impairment | - | (4,888,613) | (2,984,955) | (10,707,603) | (507,906) | (866,113) | (569,134) | (6,976,394) | - | (27,500,718) |
| | <u>\$ 5,158,926</u> | <u>\$ 3,297,658</u> | <u>\$ 6,770,068</u> | <u>\$ 2,398,407</u> | <u>\$ 16,131</u> | <u>\$ 452,823</u> | <u>\$ 139,896</u> | <u>\$ 983,589</u> | <u>\$ 807,243</u> | <u>\$ 20,024,741</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 | - | 39,824 | 2,792 | 546,108 | - | 30,205 | 13,197 | 143,940 | 704,801 | 1,480,867 |
| Acquired from business combinations | - | - | - | 121,396 | - | - | - | - | 207,549 | 328,945 |
| Disposals | - | (653) | - | (7,662) | - | (1,466) | - | (9,668) | - | (19,449) |
| Reclassifications | - | 16,957 | 4,420,382 | 129,997 | 1,358 | 740 | 27,860 | 7,281 | (4,580,217) | 24,358 |
| Depreciation charge | - | (168,444) | (189,623) | (257,431) | (3,217) | (65,691) | (26,442) | (216,073) | - | (926,921) |
| Net exchange differences | 4,703 | 23,809 | - | 13,922 | - | 186 | 678 | 5,253 | - | 48,551 |
| Closing net book amount | <u>\$ 5,254,269</u> | <u>\$ 3,669,416</u> | <u>\$ 6,964,238</u> | <u>\$ 2,033,579</u> | <u>\$ 25,248</u> | <u>\$ 513,178</u> | <u>\$ 147,947</u> | <u>\$ 885,178</u> | <u>\$ 575,075</u> | <u>\$ 20,068,128</u> |
| <u>At September 30, 2023</u> | | | | | | | | | | |
| Cost | \$ 5,288,966 | \$ 8,691,378 | \$ 9,708,262 | \$ 12,570,791 | \$ 616,099 | \$ 1,337,626 | \$ 684,697 | \$ 7,638,598 | \$ 575,075 | \$ 47,111,492 |
| Accumulated depreciation and impairment | (34,697) | (5,021,962) | (2,744,024) | (10,537,212) | (590,851) | (824,448) | (536,750) | (6,753,420) | - | (27,043,364) |
| | <u>\$ 5,254,269</u> | <u>\$ 3,669,416</u> | <u>\$ 6,964,238</u> | <u>\$ 2,033,579</u> | <u>\$ 25,248</u> | <u>\$ 513,178</u> | <u>\$ 147,947</u> | <u>\$ 885,178</u> | <u>\$ 575,075</u> | <u>\$ 20,068,128</u> |

- A. For the nine-month periods ended September 30, 2024 and 2023, borrowing cost capitalized as part of property, plant and equipment amounted to \$0 and \$3,973, respectively.
- 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 September 30, 2024, as the competent authority of the area where the land located, New Taipei City government, denied the Company's application for the development, resulting in a default of the joint construction contract. On October 23, 2023, Kindom Development Co., Ltd. sent a letter to Tong-An Investment Co., Ltd. to ask Tong-An Investment Co., Ltd. to return the development guarantee and input development cost in the amount of \$350,000 and \$188,544, respectively. On September 24, 2024, both parties had entered into an agreement for the termination of the contract. In addition to returning the development guarantee in the amount of \$350,000, Tong-An Investment Co., Ltd. also needed to pay the termination fee in the amount of \$68,000. The Group had fully accrued and recorded the amount.
- C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.
- D. The Group was unable to transfer the title of certain farmland to the Group's name due to legal restrictions. The land title was registered under an individual's name. Accordingly, the Group entered into an agreement with the said individual to secure the title and the first mortgage right.
- E. The Board of Directors of the Group's subsidiary, Tong-An Assets Management & Development Co., Ltd., approved the investment proposal for the construction of the Taipei City Songjiang building on July 1, 2020, which was in line with the government's promotion to expedite the reconstruction of unsafe and old buildings. Additionally, on February 10, 2023, the company entered into the agreement of land joint construction with MSIG Mingtai Insurance Company, Limited. The agreement stipulates that the construction will be carried out and invested jointly by TECO and Tong-An Assets. Subsequently, TECO and Tong-An Assets entered into an agreement with Fuchu General Contractor Co, Ltd. on June 17, 2023 and commissioned Fuchu General Contractor Co, Ltd. to perform the construction. In accordance with the agreement, the Group was required to pay \$1,430,000 for the construction.

(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 and nine-month periods ended September 30, 2024 and 2023, the additions to right-of-use assets were \$126,125, \$28,951, \$380,018 and \$130,059 and the sublease income were \$261,433, \$227,236, \$931,305 and \$724,982, respectively.
- F. The carrying amount of right-of-use assets and the depreciation charge are as follows:

| | <u>Carrying amount</u> <u>September 30, 2024</u> | <u>Carrying amount</u> <u>December 31, 2023</u> | <u>Carrying amount</u> <u>September 30, 2023</u> |
|---|---|--|---|
| Land (including royalties) | \$ 4,581,462 | \$ 4,517,224 | \$ 4,590,573 |
| Buildings | 2,858,887 | 2,909,214 | 1,823,716 |
| Machinery and equipment | 29,211 | 19,137 | 22,553 |
| Transportation equipment (Business vehicles) | 38,185 | 27,632 | 27,773 |
| | <u>\$ 7,507,745</u> | <u>\$ 7,473,207</u> | <u>\$ 6,464,615</u> |

| | <u>Depreciation charge</u> | <u>Depreciation charge</u> |
|---|--|--|
| | For the three-month period ended September 30, 2024 | For the three-month period ended September 30, 2023 |
| Land (including royalties) | \$ 28,403 | \$ 16,212 |
| Buildings | 126,012 | 109,247 |
| Machinery and equipment | 2,847 | 2,628 |
| Transportation equipment (Business vehicles) | 3,987 | 3,357 |
| | <u>\$ 161,249</u> | <u>\$ 131,444</u> |
| | <u>Depreciation charge</u> | <u>Depreciation charge</u> |
| | For the nine-month period ended September 30, 2024 | For the nine-month period ended September 30, 2023 |
| Land (including royalties) | \$ 87,200 | \$ 66,929 |
| Buildings | 377,498 | 322,660 |
| Machinery and equipment | 8,428 | 7,659 |
| Transportation equipment (Business vehicles) | 11,191 | 9,506 |
| | <u>\$ 484,317</u> | <u>\$ 406,754</u> |

- G. Interest expenses on lease liabilities for the three-month and nine-month periods ended September 30, 2024 and 2023 were \$35,584, \$11,138, \$104,567 and \$47,906 and the cash outflows were \$166,981, \$149,233, \$543,765 and \$460,124, respectively.
- H. Expenses on short-term leases were \$66,036, \$56,493, \$210,338 and \$210,891 and leases of low-value assets were \$7,287, \$2,144, \$21,632 and \$6,023 which are not subject to IFRS 16 for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively.

(10) Investment property

| | <u>Land</u> | <u>Buildings and structures</u> | <u>Right-of-use assets</u> | <u>Total</u> |
|--|---------------------|-------------------------------------|--------------------------------|---------------------|
| <u>At January 1, 2024</u> | | | | |
| Cost | \$ 1,436,681 | \$ 3,280,847 | \$ 59,941 | \$ 4,777,469 |
| Accumulated depreciation and impairment | <u>-</u> | <u>(1,955,900)</u> | <u>(36,382)</u> | <u>(1,992,282)</u> |
| | <u>\$ 1,436,681</u> | <u>\$ 1,324,947</u> | <u>\$ 23,559</u> | <u>\$ 2,785,187</u> |
| <u>2024</u> | | | | |
| Opening net book amount | \$ 1,436,681 | \$ 1,324,947 | \$ 23,559 | \$ 2,785,187 |
| Additions | - | 427 | - | 427 |
| Reclassification | 349,854 | 178,135 | - | 527,989 |
| Depreciation charge | - | (65,701) | (6,365) | (72,066) |
| Net exchange differences | <u>5,783</u> | <u>16,937</u> | <u>2,179</u> | <u>24,899</u> |
| Closing net book amount | <u>\$ 1,792,318</u> | <u>\$ 1,454,745</u> | <u>\$ 19,373</u> | <u>\$ 3,266,436</u> |
| <u>At September 30, 2024</u> | | | | |
| Cost | \$ 1,827,015 | \$ 3,643,581 | \$ 64,871 | \$ 5,535,467 |
| Accumulated depreciation and impairment | <u>(34,697)</u> | <u>(2,188,836)</u> | <u>(45,498)</u> | <u>(2,269,031)</u> |
| | <u>\$ 1,792,318</u> | <u>\$ 1,454,745</u> | <u>\$ 19,373</u> | <u>\$ 3,266,436</u> |
| | <u>Land</u> | <u>Buildings and structures</u> | <u>Right-of-use assets</u> | <u>Total</u> |
| <u>At January 1, 2023</u> | | | | |
| Cost | \$ 1,688,929 | \$ 2,976,827 | \$ 51,216 | \$ 4,716,972 |
| Accumulated depreciation and impairment | <u>-</u> | <u>(1,726,689)</u> | <u>(23,387)</u> | <u>(1,750,076)</u> |
| | <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 |
| Reclassification | - | 468 | 4,652 | 5,120 |
| Depreciation charge | - | (50,946) | (6,183) | (57,129) |
| Net exchange differences | <u>9,547</u> | <u>1,016</u> | <u>(214)</u> | <u>10,349</u> |
| Closing net book amount | <u>\$ 1,698,476</u> | <u>\$ 1,200,676</u> | <u>\$ 26,084</u> | <u>\$ 2,925,236</u> |
| <u>At September 30, 2023</u> | | | | |
| Cost | \$ 1,698,476 | \$ 3,036,656 | \$ 60,817 | \$ 4,795,949 |
| Accumulated depreciation and impairment | <u>-</u> | <u>(1,835,980)</u> | <u>(34,733)</u> | <u>(1,870,713)</u> |
| | <u>\$ 1,698,476</u> | <u>\$ 1,200,676</u> | <u>\$ 26,084</u> | <u>\$ 2,925,236</u> |

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

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|---|--|--|
| Rental income from investment property | \$ <u>49,103</u> | \$ <u>38,482</u> |
| Direct operating expenses arising from the investment property that generated | \$ <u>19,571</u> | \$ <u>18,486</u> |
| Direct operating expenses arising from the investment property that did not | \$ <u>2,779</u> | \$ <u>2,695</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Rental income from investment property | \$ <u>131,952</u> | \$ <u>98,290</u> |
| Direct operating expenses arising from the investment property that generated | \$ <u>55,574</u> | \$ <u>43,418</u> |
| Direct operating expenses arising from the investment property that did not | \$ <u>8,337</u> | \$ <u>8,086</u> |

B. The fair value of the investment property held by the Group as at September 30, 2024, December 31, 2023 and September 30, 2023 were \$7,701,501, \$6,276,183 and \$6,872,079, respectively, which is categorized within Level 3 in the fair value hierarchy.

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

| | <u>2024</u> | <u>2023</u> |
|---|---------------------|---------------------|
| <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 | <u>194,266</u> | <u>164,915</u> |
| Closing net book amount | <u>\$ 4,924,582</u> | <u>\$ 4,720,788</u> |
| <u>At September 30</u> | | |
| Cost | \$ 5,239,866 | \$ 5,036,072 |
| Accumulated amortization and impairment | (315,284) | (315,284) |
| | <u>\$ 4,924,582</u> | <u>\$ 4,720,788</u> |

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

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|---|---------------------------|--------------------------|---------------------------|
| Green mechatronic solution business group | \$ <u>4,924,582</u> | \$ <u>4,730,316</u> | \$ <u>4,720,788</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 September 30, 2024, the goodwill arising from the merger amounted to \$4,898,613.

(12) Other non-current assets

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|---|---------------------------|--------------------------|---------------------------|
| Refundable deposits | \$ 373,824 | \$ 311,718 | \$ 351,809 |
| Long-term notes and accounts receivable | 69,617 | 98,100 | 97,563 |
| Deferred expenses | 20,261 | 26,371 | 33,198 |
| Other assets | 43,293 | 64,399 | 57,957 |
| | <u>\$ 506,995</u> | <u>\$ 500,588</u> | <u>\$ 540,527</u> |

(13) Short-term borrowings

| <u>Type of borrowings</u> | <u>September 30, 2024</u> | <u>Interest rate range</u> | <u>Collateral</u> |
|---------------------------|---------------------------|----------------------------|---|
| Bank borrowings | <u>\$ 2,268,583</u> | 1.26%~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>September 30, 2023</u> | <u>Interest rate range</u> | <u>Collateral</u> |
| Bank borrowings | <u>\$ 1,594,834</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>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|--|---------------------------|--------------------------|---------------------------|
| Current items: | | | |
| Financial liabilities held for trading | | | |
| Non-hedging derivatives | <u>\$ 4,694</u> | <u>\$ 5,850</u> | <u>\$ 95</u> |

A. The Group recognized net (loss) profit of (\$2,454), \$4,765, \$1,156 and \$3,473 on financial liabilities held for trading for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively.

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

| September 30, 2024 | | | | |
|------------------------------------|---|---|------------|-----------------|
| Derivative instrument | Contract period | Contract amount (Notional principal) | | Fair value |
| Forward foreign exchange contracts | | | | |
| BUY USD/SELL EUR | June 25, 2024~December 30, 2024 | EUR | 2,100,000 | \$ 1,478 |
| BUY JPY/SELL USD | July 15, 2024~October 29, 2024 | JPY | 80,000,000 | 1,205 |
| BUY AUD/SELL USD | August 20, 2024~November 27, 2024 | AUD | 2,000,000 | 1,234 |
| BUY EUR/SELL AUD | June 20, 2024~December 12, 2024 | EUR | 50,000 | 227 |
| Interest rate swap | | | | |
| BUY USD/SELL TWD | September 27, 2024~October 24, 2024 | USD | 11,000,000 | 550 |
| | | | | <u>\$ 4,694</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> |
| September 30, 2023 | | | | |
| Derivative instrument | Contract period | Contract amount (Notional principal) | | Fair value |
| Forward foreign exchange contracts | | | | |
| BUY AUD/SELL USD | September 20, 2023 ~ October 19, 2023 | USD | 36,746 | \$ 4 |
| BUY AUD/SELL EUR | September 26, 2023 ~ December 13, 2023 | EUR | 164,617 | 91 |
| | | | | <u>\$ 95</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

September 30, 2024

| | Assets | | Liabilities | |
|------------------------------------|---------|-------------|-------------|-------------|
| | Current | Non-current | Current | Non-current |
| Cash flow hedges: | | | | |
| <u>Exchange rate risk</u> | | | | |
| Forward foreign exchange contracts | \$ - | \$ - | \$ 4,523 | \$ - |

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 September 30, 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:

| Hedging instruments | Notional amount | Contract period | September 30, 2024 | | Changes in fair value in relation to recognising hedge ineffectiveness basis | For the nine-month period ended September 30, 2024 | |
|---------------------------------------|-----------------|-----------------------------------|------------------------|-----------------------------|--|--|---|
| | | | Assets carrying amount | Liabilities carrying amount | | 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 | June 26, 2024 ~ November 26, 2024 | \$ - | (\$ 4,523) | \$ - | 32.08 | \$ - |

| | | | December 31, 2023 | | 2023 | | |
|----------------------------|-----------|---------------------|-------------------|-------------|-----------------|--------------|----------------|
| | | | Assets | Liabilities | Changes in | Average | Gains (losses) |
| <u>Hedging instruments</u> | Notional | Contract period | carrying | carrying | fair value in | price or fee | at fair value |
| | amount | | amount | amount | relation to | (in dollars) | through profit |
| | | | | | recognising | | or loss |
| | | | | | hedge | | |
| | | | | | ineffectiveness | | |
| | | | | | basis | | |
| Cash flow hedges | | | | | | | |
| <u>Exchange rate risk</u> | | | | | | | |
| Forward foreign | | | | | | | |
| exchange | | November 28, 2023 ~ | | | | | |
| transactions | USD 8,328 | 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 | 14,326 |
| At September 30 | <u>\$ 9,301</u> |

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

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--|---------------------|---------------------|---------------------|
| Salary and wages payable | \$ 2,107,368 | \$ 2,545,264 | \$ 2,338,092 |
| Employees' compensation payable | 876,816 | 843,910 | 835,058 |
| Dealers' bonus commission payable | 214,754 | 127,145 | 244,412 |
| Directors' and supervisors' remuneration payable | 166,233 | 142,032 | 149,681 |
| Equipment payable | 116,865 | 130,788 | 61,409 |
| Dividends payable | 58,032 | 62,359 | 62,994 |
| Others | 2,491,329 | 2,548,280 | 2,675,722 |
| | <u>\$ 6,031,397</u> | <u>\$ 6,399,778</u> | <u>\$ 6,367,368</u> |

(17) Bonds payable

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|--|---------------------------|--------------------------|---------------------------|
| Issuance of bonds payable | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,000 |
| Less: Current portion of bonds payable (listed as '2320 Long-term liabilities, current portion') | <u>(5,000,000)</u> | <u>-</u> | <u>-</u> |
| | <u>\$ -</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

| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>Interest rate range</u> | <u>Collateral</u> | <u>September 30, 2024</u> |
|---|--|----------------------------|-------------------|---------------------------|
| Long-term bank borrowings and commercial papers payable | Both borrowing periods are from March 12, 2020 to June 27, 2038; payable based on the agreed terms. | 1.35%~9.35% | Note | \$ 5,241,821 |
| | | | | (1,216,947) |
| | | | | <u>\$ 4,024,874</u> |
| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>Interest rate range</u> | <u>Collateral</u> | <u>December 31, 2023</u> |
| Long-term bank borrowings and commercial papers payable | Both borrowing periods are from October 1, 2019 to June 27, 2038; payable based on the agreed terms. | 1.35%~9.31% | Note | \$ 3,549,846 |
| | | | | (484,224) |
| | | | | <u>\$ 3,065,622</u> |
| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>Interest rate range</u> | <u>Collateral</u> | <u>September 30, 2023</u> |
| Long-term bank borrowings and commercial papers payable | Both borrowing periods are from October 1, 2019 to June 27, 2038; payable based on the agreed terms. | 1.35%~8.79% | Note | \$ 5,920,219 |
| | | | | (288,913) |
| | | | | <u>\$ 5,631,306</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 and nine-month periods ended September 30, 2024 and 2023 were \$5,138, \$6,156, \$16,525 and \$18,464, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to \$229,370.

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 and nine-month periods ended September 30, 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 and nine-month periods ended September 30, 2024 and 2023 were \$101,815, \$108,944, \$309,190 and \$315,108, respectively.

(20) Share capital

A. As of September 30, 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 September 30) | 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, 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 September 30, 2024, December 31, 2023 and September 30, 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:

| | September 30, 2024 | | |
|---|--------------------------|----------------------|------------------------------|
| | Shares (in thousands) | Cost (in dollars) | Market value (in dollars) |
| Tong-An Investment Co., Ltd. | 19,540 | \$ 14.92 | \$ 48.80 |
| An-Tai International Investment Co., Ltd. | 2,826 | 10.37 | 48.80 |
| Top-Tower Enterprises Co., Ltd. | 77 | 9.37 | 48.80 |
| Taiwan Pelican Express Co., Ltd. | 7,070 | 26.89 | 48.80 |
| | <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> | | |
| | September 30, 2023 | | |
| | Shares (in thousands) | Cost (in dollars) | Market value (in dollars) |
| Tong-An Investment Co., Ltd. | 19,540 | \$ 14.92 | \$ 52.00 |
| An-Tai International Investment Co., Ltd. | 2,826 | 10.37 | 52.00 |
| Top-Tower Enterprises Co., Ltd. | 77 | 9.37 | 52.00 |
| Taiwan Pelican Express Co., Ltd. | 7,070 | 26.89 | 52.00 |
| | <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 September 30, 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 and 2022 net income was respectively resolved by the stockholders on May 27, 2024 and May 24, 2023 as follows:

| | For the year ended | | For the year ended | |
|----------------|--------------------|--------------|--------------------|--------------|
| | December 31, 2023 | | 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 | \$ 2.2 | 3,208,195 | \$ 1.5 |

(23) Other equity items

| | <u>Unrealized gains (losses) on valuation</u> | <u>Hedging reserve</u> | <u>Currency translation</u> | <u>Total</u> |
|---|---|---------------------------------|---------------------------------|----------------------|
| At January 1, 2024 | \$ 17,649,701 | (\$ 5,025) | (\$ 2,280,016) | \$ 15,364,660 |
| Unrealized gains and losses on financial assets: | | | | |
| Revaluation - group | (2,039,528) | - | - | (2,039,528) |
| Revaluation - associates | 18,586 | - | - | 18,586 |
| Revaluation transferred to retained earnings | 151,679 | - | - | 151,679 |
| Fair value gain | - | 14,326 | - | 14,326 |
| Currency translation differences: | | | | |
| –Group | - | - | 980,876 | 980,876 |
| At September 30, 2024 | <u>\$ 15,780,438</u> | <u>\$ 9,301</u> | <u>(\$ 1,299,140)</u> | <u>\$ 14,490,599</u> |
| | <u>Unrealized gains (losses) on valuation</u> | <u>Currency translation</u> | <u>Total</u> | |
| At January 1, 2023 | \$ 20,805,870 | (\$ 2,453,451) | \$ | 18,352,419 |
| Unrealized gains and losses on financial assets: | | | | |
| Revaluation - group | (3,538,763) | - | - | (3,538,763) |
| Revaluation - associates | 2,032 | - | - | 2,032 |
| Revaluation - tax | (19,424) | - | - | (19,424) |
| Revaluation transferred to retained earnings | (475,398) | - | - | (475,398) |
| Revaluation transferred to retained earnings-tax | 19,424 | - | - | 19,424 |
| Currency translation differences: | | | | |
| –Group | - | 887,312 | - | 887,312 |
| At September 30, 2023 | <u>\$ 16,793,741</u> | <u>(\$ 1,566,139)</u> | <u>\$</u> | <u>15,227,602</u> |

(24) Operating revenue

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|-------------------------|--|--|
| Revenue from customers | \$ 13,185,622 | \$ 14,781,559 |
| Others - rental revenue | 271,722 | 283,543 |
| | <u>\$ 13,457,344</u> | <u>\$ 15,065,102</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Revenue from customers | \$ 40,912,231 | \$ 44,290,875 |
| Others - rental revenue | 800,638 | 738,472 |
| | <u>\$ 41,712,869</u> | <u>\$ 45,029,347</u> |

A. Disaggregation of revenue from customers

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

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|--|--|--|
| | <u>Revenue from external customer contracts</u> | <u>Revenue from external customer contracts</u> |
| Sales of green mechatronic solution business group products | \$ 7,780,792 | \$ 8,376,846 |
| Sales of air and intelligent life business group product | 1,490,356 | 1,320,985 |
| Others | 307,319 | 318,801 |
| Service revenue | 1,986,952 | 2,084,271 |
| Construction contract | 1,620,203 | 2,680,656 |
| | <u>\$ 13,185,622</u> | <u>\$ 14,781,559</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| | <u>Revenue from external customer contracts</u> | <u>Revenue from external customer contracts</u> |
| Sales of green mechatronic solution business group products | \$ 24,103,167 | \$ 25,604,441 |
| Sales of air and intelligent life business group product | 4,345,665 | 4,168,586 |
| Others | 857,166 | 847,234 |
| Service revenue | 5,793,276 | 6,244,327 |
| Construction contract | 5,812,957 | 7,426,287 |
| | <u>\$ 40,912,231</u> | <u>\$ 44,290,875</u> |

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

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|--|--|--|
| Revenue recognized that was included in the contract liability balance at the beginning of the period | | |
| Advance sales receipts | <u>\$ 180,011</u> | <u>\$ 112,273</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Revenue recognized that was included in the contract liability balance at the beginning of the period | | |
| Advance sales receipts | <u>\$ 748,082</u> | <u>\$ 735,450</u> |

(25) Interest income

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|---|--|--|
| Interest income from bank deposits | \$ 193,467 | \$ 148,629 |
| Interest income from financial assets measured at amortised cost | <u>1,235</u> | <u>825</u> |
| | <u>\$ 194,702</u> | <u>\$ 149,454</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Interest income from bank deposits | \$ 578,359 | \$ 416,976 |
| Interest income from financial assets measured at amortised cost | <u>2,616</u> | <u>1,786</u> |
| | <u>\$ 580,975</u> | <u>\$ 418,762</u> |

(26) Other income

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|----------------------------|--|--|
| Rental revenue | \$ 45,509 | \$ 42,513 |
| Dividend income | 742,192 | 229,342 |
| Other non-operating income | <u>99,013</u> | <u>37,375</u> |
| | <u>\$ 886,714</u> | <u>\$ 309,230</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Rental revenue | \$ 134,663 | \$ 116,519 |
| Dividend income | 1,106,602 | 1,181,120 |
| Other non-operating income | <u>241,335</u> | <u>204,467</u> |
| | <u>\$ 1,482,600</u> | <u>\$ 1,502,106</u> |

(27) Other gains and losses

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|--|--|--|
| (Loss) gain on disposal of property, plant and equipment | (\$ 154) | \$ 2,757 |
| Gain (loss) arising from lease modifications | 3 (| 2) |
| Net currency exchange (loss) gain | (31,042) | 4,879 |
| Loss on financial assets at fair value through profit or loss | (81,032) | (274,975) |
| (Loss) gain on financial liabilities at fair value through profit or loss | (2,454) | 4,765 |
| Miscellaneous disbursements | (141,844) | (190,343) |
| | <u>(\$ 256,523)</u> | <u>(\$ 452,919)</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Gain (loss) on disposal of property, plant and equipment | \$ 117,654 | (\$ 566) |
| Gain on disposal of investments | - | 82 |
| Loss arising from lease modifications | (12) | (190) |
| Net currency exchange gain | 17,488 | 64,773 |
| Gain on financial assets at fair value through profit or loss | 70,675 | 260,843 |
| Gain on financial liabilities at fair value through profit or loss | 1,156 | 3,473 |
| Miscellaneous disbursements | (494,888) | (616,473) |
| | <u>(\$ 287,927)</u> | <u>(\$ 288,058)</u> |

(28) Finance costs

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|------------------------|--|--|
| Interest expense | \$ 110,040 | \$ 80,433 |
| Other finance expenses | 390 | 391 |
| | <u>\$ 110,430</u> | <u>\$ 80,824</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Interest expense | \$ 283,709 | \$ 217,127 |
| Other finance expenses | 1,693 | 1,757 |
| | <u>\$ 285,402</u> | <u>\$ 218,884</u> |

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

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|---|--|--|
| Wages and salaries | \$ 1,849,314 | \$ 2,219,508 |
| Employees' compensation and directors' remuneration | 229,754 | 208,298 |
| Labor and health insurance fees | 288,478 | 297,017 |
| Pension costs | 106,953 | 115,100 |
| Other personnel expenses | 94,818 | 95,733 |
| Depreciation charges on property, plant and equipment as well as investment property | 313,854 | 338,548 |
| Depreciation charges on right-of-use assets and amortization charges on intangible assets | 183,357 | 155,268 |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Wages and salaries | \$ 6,100,895 | \$ 6,558,480 |
| Employees' compensation and directors' remuneration | 689,430 | 758,737 |
| Labor and health insurance fees | 851,334 | 875,557 |
| Pension costs | 325,715 | 333,572 |
| Other personnel expenses | 295,448 | 294,176 |
| Depreciation charges on property, plant and equipment as well as investment property | 947,296 | 984,050 |
| Depreciation charges on right-of-use assets and amortization charges on intangible assets | 550,171 | 473,460 |

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 and nine-month periods ended September 30, 2024 and 2023, employees' compensation was accrued at \$121,161, \$108,329, \$372,858 and \$411,950, respectively; while directors' remuneration was accrued at \$34,403, \$31,056, \$105,873 and \$105,275, 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:

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|--|--|--|
| Current tax: | | |
| Current tax on profits for the period | \$ 355,343 | \$ 417,083 |
| Tax on undistributed surplus earnings | - | 386 |
| Total current tax | <u>355,343</u> | <u>417,469</u> |
| Deferred tax: | | |
| Origination and reversal of temporary differences | <u>122,311</u> | <u>82,061</u> |
| Total deferred tax | <u>122,311</u> | <u>82,061</u> |
| Income tax expense | <u>\$ 477,654</u> | <u>\$ 499,530</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Current tax: | | |
| Current tax on profits for the period | \$ 1,523,788 | \$ 1,489,330 |
| Tax on undistributed surplus earnings | 42,423 | 2,384 |
| Prior year income tax under (over) estimation | <u>77,805</u> | <u>(45,680)</u> |
| Total current tax | <u>1,644,016</u> | <u>1,446,034</u> |
| Deferred tax: | | |
| Origination and reversal of temporary differences | <u>(144,703)</u> | <u>21,486</u> |
| Total deferred tax | <u>(144,703)</u> | <u>21,486</u> |
| Income tax expense | <u>\$ 1,499,313</u> | <u>\$ 1,467,520</u> |

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

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|---|--|--|
| Current tax: | | |
| Changes in fair value of financial assets at fair value through other comprehensive income | \$ - | \$ - |
| Deferred tax: | | |
| Currency translation differences | <u>13,907</u> | <u>109,887</u> |
| Income tax charge relating to components of other comprehensive income | <u>\$ 13,907</u> | <u>\$ 109,887</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Current tax: | | |
| Changes in fair value of financial assets at fair value through other comprehensive income | \$ - | \$ 19,424 |
| Deferred tax: | | |
| Currency translation differences | <u>189,493</u> | <u>151,004</u> |
| Income tax charge relating to components of other comprehenssive income | <u>\$ 189,493</u> | <u>\$ 170,428</u> |

B. As of September 30, 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. The Group had no current tax expense related to Pillar Two income taxes for the three-month and nine-month periods ended September 30, 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 September 30, 2023.

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

| | <u>For the three-month period ended September 30, 2024</u> | | |
|--|--|--|--|
| | <u>Amount after tax</u> | <u>Weighted average number of ordinary shares outstanding (in thousands)</u> | <u>Earnings per share (in dollars)</u> |
| <u>Basic (Diluted) earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ <u>1,770,005</u> | <u>2,109,284</u> | \$ <u>0.84</u> |

Note: The earnings per share of \$0.83 (in dollars) given the shares of the Company held by the subsidiary, which were deemed as treasury shares, were excluded from the weighted average number of ordinary shares outstanding.

| | <u>For the three-month period ended September 30, 2023</u> | | |
|--|--|--|--|
| | <u>Amount after tax</u> | <u>Weighted average number of ordinary shares outstanding (in thousands)</u> | <u>Earnings per share (in dollars)</u> |
| <u>Basic (Diluted) earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ <u>981,154</u> | <u>2,109,284</u> | \$ <u>0.47</u> |

Note: The earnings per share of \$0.46 (in dollars) given the shares of the Company held by the subsidiary, which were deemed as treasury shares, were excluded from the weighted average number of ordinary shares outstanding.

| | <u>For the nine-month period ended September 30, 2024</u> | | |
|--|---|--|--|
| | <u>Amount after tax</u> | <u>Weighted average number of ordinary shares outstanding (in thousands)</u> | <u>Earnings per share (in dollars)</u> |
| <u>Basic (Diluted) earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ <u>4,576,095</u> | <u>2,109,284</u> | \$ <u>2.17</u> |

Note: The earnings per share of \$2.14 (in dollars) given the shares of the Company held by the subsidiary, which were deemed as treasury shares, were excluded from the weighted average number of ordinary shares outstanding.

| | <u>For the nine-month period ended September 30, 2023</u> | | |
|--|---|--|--|
| | <u>Amount after tax</u> | <u>Weighted average number of ordinary shares outstanding (in thousands)</u> | <u>Earnings per share (in dollars)</u> |
| <u>Basic (Diluted) earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ <u>4,737,947</u> | <u>2,109,284</u> | \$ <u>2.25</u> |

Note: The earnings per share of \$2.22 (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:

| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
|--|---|---|
| Acquisition of property, plant and equipment | \$ 1,092,655 | \$ 1,480,867 |
| Add: | | |
| Payables at beginning of the period | 130,788 | 105,166 |
| Less: | | |
| Payables at end of the period | (116,865) | (61,409) |
| Cash paid | <u>\$ 1,106,578</u> | <u>\$ 1,524,624</u> |

B. January 18, 2023 is used as the base date to acquire Tai-Peng Energy Co., Ltd. in the current period, and the book value of its assets and liabilities is as follows:

| | <u>January 18, 2023</u> |
|---|-------------------------|
| 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 | \$ 29,954 |
| 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

| | <u>Short-term borrowings</u> | <u>Dividends payable (Note 1)</u> | <u>Bonds payable (Note 2)</u> | <u>Long-term borrowings (Note 2)</u> | <u>Lease liabilities</u> | <u>Liabilities from financing activities - gross</u> |
|---|----------------------------------|---|---------------------------------------|--|------------------------------|--|
| January 1, 2024 | \$ 1,357,111 | \$ 62,359 | \$ 5,000,000 | \$ 3,549,846 | \$ 5,877,521 | \$ 15,846,837 |
| Interest expenses on lease liabilities | - | - | - | - | 104,567 | 104,567 |
| Recognised in right- of-use assets | - | - | - | - | 380,018 | 380,018 |
| Remeasurement | - | - | - | - | 113,644 | 113,644 |
| Changes in cash flow from financing activities | 911,472 | - | - | 1,691,975 | (543,765) | 2,059,682 |
| Cash dividends declared | - | 4,705,353 | - | - | - | 4,705,353 |
| Cash dividends paid | - | (4,705,353) | - | - | - | (4,705,353) |
| Other | - | (4,327) | - | - | - | (4,327) |
| Effect of foreign exchange | - | - | - | - | 2,518 | 2,518 |
| September 30, 2024 | <u>\$ 2,268,583</u> | <u>\$ 58,032</u> | <u>\$ 5,000,000</u> | <u>\$ 5,241,821</u> | <u>\$ 5,934,503</u> | <u>\$ 18,502,939</u> |
| | | | | | | <u>Liabilities from financing activities - gross</u> |
| | <u>Short-term borrowings</u> | <u>Dividends payable (Note 1)</u> | <u>Bonds payable (Note 2)</u> | <u>Long-term borrowings (Note 2)</u> | <u>Lease liabilities</u> | <u>Liabilities from financing activities - gross</u> |
| January 1, 2023 | \$ 1,751,344 | \$ 27,860 | \$ 5,000,000 | \$ 3,655,514 | \$ 5,072,407 | \$ 15,507,125 |
| Interest expenses on lease liabilities | - | - | - | - | 47,906 | 47,906 |
| Recognised in right- of-use assets | - | - | - | - | 130,059 | 130,059 |
| Remeasurement | - | - | - | - | (68) | (68) |
| Changes in cash flow from financing activities | (156,510) | - | - | 2,264,705 | (460,124) | 1,648,071 |
| Other | - | 35,134 | - | - | - | 35,134 |
| Effect of foreign exchange | - | - | - | - | 10,947 | 10,947 |
| September 30, 2023 | <u>\$ 1,594,834</u> | <u>\$ 62,994</u> | <u>\$ 5,000,000</u> | <u>\$ 5,920,219</u> | <u>\$ 4,801,127</u> | <u>\$ 17,379,174</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 September 30, 2024, December 31, 2023 and September 30, 2023, the non-controlling interest amounted to \$6,121,886, \$6,294,190 and \$6,269,779, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

| Name of subsidiary | Principal place of business | Non-controlling interest | | | |
|--|-----------------------------|--------------------------|-----------|--------------------------|-----------|
| | | September 30, 2024 | | December 31, 2023 | |
| | | Amount | Ownership | Amount | Ownership |
| Tecom Co., Ltd. and subsidiaries | R.O.C | \$ 285,409 | 36.48% | \$ 296,949 | 36.48% |
| Taiwan Pelican Express Co., Ltd. and subsidiaries | R.O.C | 1,404,164 | 66.62% | 1,482,354 | 66.62% |
| Century Development Corporation and subsidiaries | R.O.C | 2,984,843 | 47.25% | 2,898,448 | 47.25% |
| Information Technology Total Services Co., Ltd. and subsidiaries | R.O.C | 295,933 | 50.99% | 297,289 | 50.99% |
| | | | | Non-controlling interest | |
| | | | | September 30, 2023 | |
| Name of subsidiary | Principal place of business | Amount | Ownership | | |
| Tecom Co., Ltd. and subsidiaries | R.O.C | \$ 294,886 | 36.48% | | |
| Taiwan Pelican Express Co., Ltd. and subsidiaries | R.O.C | 1,492,539 | 66.62% | | |
| Century Development Corporation and subsidiaries | R.O.C | 2,858,706 | 47.25% | | |
| Information Technology Total Services Co., Ltd. and subsidiaries | R.O.C | 291,965 | 50.99% | | |

B. Summarized financial information of the subsidiaries:

Balance sheets

| | <u>Tecom Co., Ltd. and subsidiaries</u> | | |
|-------------------------|---|--------------------------|---------------------------|
| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
| Current assets | \$ 638,723 | \$ 728,603 | \$ 789,098 |
| Non-current assets | 657,440 | 671,631 | 666,394 |
| Current liabilities | (624,960) | (707,924) | (567,903) |
| Non-current liabilities | (214,442) | (227,642) | (430,192) |
| Total net assets | <u>\$ 456,761</u> | <u>\$ 464,668</u> | <u>\$ 457,397</u> |

| | <u>Taiwan Pelican Express Co., Ltd. and subsidiaries</u> | | |
|-------------------------|--|--------------------------|---------------------------|
| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
| Current assets | \$ 1,584,134 | \$ 1,685,499 | \$ 1,644,496 |
| Non-current assets | 2,704,837 | 2,662,036 | 2,726,716 |
| Current liabilities | (987,206) | (996,973) | (994,155) |
| Non-current liabilities | (1,185,564) | (1,125,474) | (1,136,680) |
| Total net assets | <u>\$ 2,116,201</u> | <u>\$ 2,225,088</u> | <u>\$ 2,240,377</u> |

| | <u>Century Development Corporation and subsidiaries</u> | | |
|-------------------------|---|--------------------------|---------------------------|
| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
| Current assets | \$ 998,318 | \$ 992,807 | \$ 809,851 |
| Non-current assets | 11,057,982 | 11,033,580 | 11,056,029 |
| Current liabilities | (722,466) | (992,674) | (1,051,048) |
| Non-current liabilities | (4,540,707) | (4,363,002) | (4,217,632) |
| Total net assets | <u>\$ 6,793,127</u> | <u>\$ 6,670,711</u> | <u>\$ 6,597,200</u> |

| | <u>Information Technology Total Services Co., Ltd. and subsidiaries</u> | | |
|-------------------------|---|--------------------------|---------------------------|
| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
| Current assets | \$ 704,687 | \$ 774,813 | \$ 736,729 |
| Non-current assets | 212,146 | 236,732 | 239,213 |
| Current liabilities | (325,072) | (415,954) | (391,980) |
| Non-current liabilities | (11,439) | (12,158) | (14,331) |
| Total net assets | <u>\$ 580,322</u> | <u>\$ 583,433</u> | <u>\$ 569,631</u> |

Statements of comprehensive income

| | <u>Tecom Co., Ltd. and subsidiaries</u> | |
|--|--|--|
| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
| Revenue | \$ 130,795 | \$ 198,171 |
| (Loss) profit before income tax | (1,094) | 3,999 |
| Income tax benefit (expense) | 875 | (2,385) |
| (Loss) profit for the period | (219) | 1,614 |
| Other comprehensive income (loss) (net of tax) | 10,664 | (21,001) |
| Total comprehensive income (loss) for the period | <u>\$ 10,445</u> | <u>(\$ 19,387)</u> |
| Comprehensive income attributable to non-controlling interest | <u>\$ 1,659</u> | <u>\$ 4,034</u> |
| Dividends paid to non-controlling interest | <u>\$ -</u> | <u>\$ -</u> |
| | <u>Tecom Co., Ltd. and subsidiaries</u> | |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Revenue | \$ 465,261 | \$ 580,693 |
| Loss before income tax | (12,408) | (13,672) |
| Income tax benefit (expense) | 115 | (4,543) |
| Loss for the period | (12,293) | (18,215) |
| Other comprehensive income (net of tax) | 19,498 | 21,412 |
| Total comprehensive income for the period | <u>\$ 7,205</u> | <u>\$ 3,197</u> |
| Comprehensive income attributable to non-controlling interest | <u>\$ 1,855</u> | <u>\$ 1,810</u> |
| Dividends paid to non-controlling interest | <u>\$ -</u> | <u>\$ -</u> |

| Taiwan Pelican Express Co., Ltd. and subsidiaries | | |
|--|--|--|
| | For the three-month period ended September 30, 2024 | For the three-month period ended September 30, 2023 |
| Revenue | \$ 1,018,223 | \$ 1,089,467 |
| (Loss) profit before income tax | (2,465) | 37,330 |
| Income tax benefit (expense) | 2,913 | (5,722) |
| Profit for the period | 448 | 31,608 |
| Other comprehensive loss (net of tax) | (45,628) | (106,435) |
| Total comprehensive loss for the period | (\$ 45,180) | (\$ 74,827) |
| Comprehensive loss attributable to non-controlling interest | (\$ 30,099) | (\$ 49,850) |
| Dividends paid to non-controlling interest | \$ - | \$ - |

| Taiwan Pelican Express Co., Ltd. and subsidiaries | | |
|--|---|---|
| | For the nine-month period ended September 30, 2024 | For the nine-month period ended September 30, 2023 |
| Revenue | \$ 3,043,099 | \$ 3,135,455 |
| Profit before income tax | 28,760 | 89,171 |
| Income tax expense | (442) | (12,429) |
| Profit for the period | 28,318 | 76,742 |
| Other comprehensive (loss) income (net of tax) | (60,831) | 108,646 |
| Total comprehensive (loss) income for the period | (\$ 32,513) | \$ 185,388 |
| Comprehensive (loss) income attributable to non-controlling interest | (\$ 21,660) | \$ 123,505 |
| Dividends paid to non-controlling interest | \$ 50,880 | \$ 95,400 |

| | <u>Century Development Corporation and subsidiaries</u> | |
|--|--|--|
| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
| Revenue | \$ 344,722 | \$ 365,495 |
| Profit before income tax | 199,397 | 112,700 |
| Income tax expense | (25,105) | (25,154) |
| Profit for the period | 174,292 | 87,546 |
| Other comprehensive (loss) income (net of tax) | (25,075) | 18,855 |
| Total comprehensive income for the period | <u>\$ 149,217</u> | <u>\$ 106,401</u> |
| Comprehensive income attributable to non-controlling interest | <u>\$ 10,717</u> | <u>\$ 75,076</u> |
| Dividends paid to non-controlling interest | <u>\$ -</u> | <u>\$ -</u> |
| | <u>Century Development Corporation and subsidiaries</u> | |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Revenue | \$ 1,000,939 | \$ 946,266 |
| Profit before income tax | 503,188 | 293,156 |
| Income tax expense | (71,254) | (67,003) |
| Profit for the period | 431,934 | 226,153 |
| Other comprehensive income (net of tax) | 26,019 | 37,348 |
| Total comprehensive income for the period | <u>\$ 457,953</u> | <u>\$ 263,501</u> |
| Comprehensive income attributable to non-controlling interest | <u>\$ 85,501</u> | <u>\$ 149,375</u> |
| Dividends paid to non-controlling interest | <u>\$ 155,855</u> | <u>\$ 154,197</u> |

Information Technology Total Services Co., Ltd.
and subsidiaries

| | For the three-month period ended September 30, 2024 | For the three-month period ended September 30, 2023 |
|--|--|--|
| Revenue | \$ 275,188 | \$ 332,006 |
| Profit before income tax | 21,332 | 21,374 |
| Income tax expense | (3,635) | (4,029) |
| Profit for the period | 17,697 | 17,345 |
| Other comprehensive (loss) income (net of tax) | (537) | 2,145 |
| Total comprehensive income for the period | <u>\$ 17,160</u> | <u>\$ 19,490</u> |
| Comprehensive income attributable to non-controlling interest | <u>\$ 9,311</u> | <u>\$ 12,861</u> |
| Dividends paid to non-controlling interest | <u>\$ -</u> | <u>\$ -</u> |

Information Technology Total Services Co., Ltd.
and subsidiaries

| | For the nine-month period ended September 30, 2024 | For the nine-month period ended September 30, 2023 |
|--|---|---|
| Revenue | \$ 890,084 | \$ 1,014,545 |
| Profit before income tax | 66,558 | 70,504 |
| Income tax expense | (11,968) | (12,679) |
| Profit for the period | 54,590 | 57,825 |
| Other comprehensive income (net of tax) | 2,410 | 1,945 |
| Total comprehensive income for the period | <u>\$ 57,000</u> | <u>\$ 59,770</u> |
| Comprehensive income attributable to non-controlling interest | <u>\$ 28,121</u> | <u>\$ 33,677</u> |
| Dividends paid to non-controlling interest | <u>\$ 30,651</u> | <u>\$ 22,291</u> |

Statements of cash flows

| | <u>Tecom Co., Ltd. and subsidiaries</u> | |
|---|---|---|
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Net cash provided by operating activities | \$ 19,784 | \$ 34,160 |
| Net cash provided by investing activities | 111,984 | 339,633 |
| Net cash used in financing activities | (93,307) | (385,602) |
| Increase (decrease) in cash and cash equivalents | 38,461 | (11,809) |
| Cash and cash equivalents, beginning of period | 143,638 | 265,304 |
| Cash and cash equivalents, end of period | <u>\$ 182,099</u> | <u>\$ 253,495</u> |
| | <u>Taiwan Pelican Express Co., Ltd. and subsidiaries</u> | |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Net cash provided by operating activities | \$ 311,152 | \$ 176,146 |
| Net cash used in financing activities | (96,318) | (55,074) |
| Net cash used in financing activities | (235,766) | (299,262) |
| Effect of exchange rates on cash and cash equivalents | 115 | 106 |
| Decrease in cash and cash equivalents | (20,817) | (178,084) |
| Cash and cash equivalents, beginning of period | 927,500 | 1,050,531 |
| Cash and cash equivalents, end of period | <u>\$ 906,683</u> | <u>\$ 872,447</u> |

| <u>Century Development Corporation and subsidiaries</u> | | |
|---|---|---|
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Net cash provided by operating activities | \$ 615,368 | \$ 670,013 |
| Net cash used in investing activities | (324,021) | (1,013,261) |
| Net cash (used in) provided by financing activities | (276,397) | 397,072 |
| Effect of exchange rates on cash and cash equivalents | 983 | 1,711 |
| Increase in cash and cash equivalents | <u>15,933</u> | <u>55,535</u> |
| Cash and cash equivalents, beginning of period | <u>189,579</u> | <u>254,140</u> |
| Cash and cash equivalents, end of period | <u>\$ 205,512</u> | <u>\$ 309,675</u> |
| <u>Information Technology Total Services Co., Ltd. and subsidiaries</u> | | |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Net cash provided by operating activities | \$ 17,232 | \$ 63,550 |
| Net cash provided by investing activities | 13,364 | 25,083 |
| Net cash used in financing activities | (63,519) | (48,159) |
| Effect of exchange rates on cash and cash equivalents | 1,988 | 935 |
| (Decrease) increase in cash and cash equivalents | <u>(30,935)</u> | <u>41,409</u> |
| Cash and cash equivalents, beginning of period | <u>306,754</u> | <u>171,492</u> |
| Cash and cash equivalents, end of period | <u>\$ 275,819</u> | <u>\$ 212,901</u> |

(35) Transactions with non-controlling interest

Acquisition of additional equity interest in a subsidiary

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

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

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

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

(36) 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.

(a) 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> |

(b) The acquisition price allocation for acquiring 100% equity of Tai-Peng Energy Co., Ltd. has been completed as of March 31, 2024.

(c) 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.

B. On September 24, 2024, the Group passed the resolution of the Board of Directors and approved the acquisition of 6,449,112 shares from the original shareholders of Shenchang Electric Co., Ltd. at \$23 (in dollars) per share, amounting to \$148,330, and obtained a cash capital increase of \$23 (in dollars) per share from Shenchang Electric Co., Ltd. to issue 17,391,304 new shares, amounting to \$400,000, accounting for 57.2% of the total shares. The total transaction price is \$548,330, and the delivery date is October 21, 2024.

(a) The following table summarises the consideration paid for Shenchang Electric Co., Ltd. and the fair values of the assets acquired and liabilities assumed at September 30, 2024:

| | <u>September 30, 2024</u> |
|--|---------------------------|
| Purchase consideration | |
| Cash paid | \$ 548,330 |
| Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets | <u>321,893</u> |
| | <u>870,223</u> |
| Fair value of the identifiable assets acquired and liabilities assumed | |
| Cash | 27,520 |
| Cash-issue of shares | 400,000 |
| Accounts receivable | 116,922 |
| Inventories | 267,036 |
| Other current assets | 24,837 |
| Property, plant and equipment | 123,629 |
| Other non-current assets | 62,637 |
| Bank borrowings | (155,000) |
| Accounts payable | (76,539) |
| Other payables | (15,154) |
| Other current liabilities | (18,979) |
| Other non-current liabilities | <u>(4,823)</u> |
| Total identifiable net assets | <u>752,086</u> |
| | <u>\$ 118,137</u> |

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

(c) Had Shenchang Electric Co., Ltd. been consolidated from January 1, 2024, the consolidated statement of comprehensive income for nine-month period ended September 30, 2024 would show operating revenue of \$42,294,973 and profit before income tax of \$6,533,093.

7. Related Party Transactions

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

| <u>Names of related parties</u> | <u>Relationship with the Group</u> | <u>Names of related parties</u> | <u>Relationship with the Group</u> |
|--|------------------------------------|---|------------------------------------|
| 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) | " | Teco Image System Co., Ltd. (Teco Image) | " |
| Royal Host Taiwan Co., Ltd. (Royal Host) | " | Taiwan Art & Business Interdisciplinary Foundation | " |
| Taisan Electric Co., Ltd. (Taisan Electric) | " | Teco Technology Foundation (Teco Found) | " |
| Tension Envelope Taiwan Co., Ltd. (Tension) | " | YUBAN & COMPANY (YUBAN) | " |
| Teco-Motech Co., Ltd. (Teco-Motech) | " | An-Hui Information Technology., Ltd. (An-Hui Technology) | " |
| ZEPT Inc. (ZEPT) | " | Shanghai Xiangseng Mechanical and Electrical Trading Co., Ltd. (Shanghai Xiangseng) | Note 2 |
| Jinglaoman Food & Beverage Co., Ltd. (Jinglaoman) | " | Xia Men An-Shin Food Management Co., Ltd. | Note 3 |
| Shanghai Tungpei Enterprise Co., Ltd. (Shanghai Tungpei) | " | MOS BURGER AUSTRALIA PTY. LTD. | " |

Note 1: The company is no longer a related party of the Group since the Group 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.

Note 3: The company has been liquidated according to the resolution of the Board of Directors in May 2024.

(2) Significant related party transactions

A. Operating revenue:

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|------------------------------|--|--|
| Sales of goods and services: | | |
| Associates | \$ 88,159 | \$ 122,811 |
| Other related parties | 99,054 | 84,526 |
| | <u>\$ 187,213</u> | <u>\$ 207,337</u> |

| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
|------------------------------|---|---|
| Sales of goods and services: | | |
| Associates | \$ 235,638 | \$ 351,071 |
| Other related parties | <u>254,105</u> | <u>258,383</u> |
| | <u>\$ 489,743</u> | <u>\$ 609,454</u> |

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

B. Purchases of goods:

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|-----------------------|--|--|
| Purchases of goods: | | |
| Associates | \$ 34,613 | \$ 43,623 |
| Other related parties | <u>3,934</u> | <u>1,633</u> |
| | <u>\$ 38,547</u> | <u>\$ 45,256</u> |

| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
|-----------------------|---|---|
| Purchases of goods: | | |
| Associates | \$ 92,508 | \$ 103,244 |
| Other related parties | <u>8,482</u> | <u>11,378</u> |
| | <u>\$ 100,990</u> | <u>\$ 114,622</u> |

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

C. Receivables from related parties:

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|----------------------------|---------------------------|--------------------------|---------------------------|
| Receivables from related | | | |
| Associates | \$ 88,336 | \$ 107,447 | \$ 273,059 |
| Other related parties | <u>85,839</u> | <u>86,729</u> | <u>91,536</u> |
| | <u>174,175</u> | <u>194,176</u> | <u>364,595</u> |
| Other receivables - others | | | |
| Associates | 17,759 | 41,328 | 87,364 |
| Other related parties | <u>3,749</u> | <u>31,948</u> | <u>3,438</u> |
| | <u>21,508</u> | <u>73,276</u> | <u>90,802</u> |
| | <u>\$ 195,683</u> | <u>\$ 267,452</u> | <u>\$ 455,397</u> |

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

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

D. Payables to related parties:

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|------------------------------|---------------------------|--------------------------|---------------------------|
| Payables to related parties: | | | |
| Associates | \$ 37,391 | \$ 35,534 | \$ 34,354 |
| Other related parties | <u>4,500</u> | <u>3,743</u> | <u>2,620</u> |
| | <u>\$ 41,891</u> | <u>\$ 39,277</u> | <u>\$ 36,974</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

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|-----------------------|--|--|
| Associates | \$ 7,666 | \$ 6,403 |
| Other related parties | <u>5,419</u> | <u>5,631</u> |
| | <u>\$ 13,085</u> | <u>\$ 12,034</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Associates | \$ 21,970 | \$ 18,012 |
| Other related parties | <u>15,619</u> | <u>15,583</u> |
| | <u>\$ 37,589</u> | <u>\$ 33,595</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.

(3) Key management compensation

| | <u>For the three-month period ended September 30, 2024</u> | <u>For the three-month period ended September 30, 2023</u> |
|--|--|--|
| Salaries and other short-term employee benefits | \$ 59,302 | \$ 42,133 |
| Long-term employee benefits | 7,913 | 6,966 |
| Post-employment benefits | <u>1,577</u> | <u>3,967</u> |
| | <u>\$ 68,792</u> | <u>\$ 53,066</u> |
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Salaries and other short-term employee benefits | \$ 167,729 | \$ 159,605 |
| Long-term employee benefits | 21,874 | 20,899 |
| Post-employment benefits | <u>7,989</u> | <u>9,729</u> |
| | <u>\$ 197,592</u> | <u>\$ 190,233</u> |

8. Pledged Assets

| Pledged asset | September 30, 2024 | December 31, 2023 | Purpose |
|---|--------------------|-------------------|---|
| Notes receivable | \$ 18,354 | \$ 22,014 | Short-term borrowings and deposits for acceptance bill |
| Other current assets | | | |
| Demand deposits | 72,294 | 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 | 42,892 | 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 | 233,840 | 242,530 | Long-term borrowings |
| Non-current financial assets at amortised cost | 10,000 | 10,000 | Performance guarantee |
| Property, plant, and equipment | | | |
| Land | 89,164 | 91,581 | Long-term borrowings, short-term borrowings |
| Buildings and structures | 9,509 | 9,806 | " |
| Leased asset-buildings and structures | 4,254,722 | 4,332,843 | " |
| Machinery and equipment | 851,726 | 631,687 | " |
| Right-of-use assets | 799,021 | 771,910 | " |
| Other non-current assets | | | |
| Refundable deposits | 43,982 | 71,772 | Exercise guarantee or warranty for construction and exercise guarantee for tender |
| | \$ 6,425,504 | \$ 6,352,340 | |

| Pledged asset | September 30, 2023 | Purpose |
|---|---------------------|---|
| Notes receivable | \$ 31,788 | Short-term borrowings and deposits for acceptance bill |
| Other current assets | | |
| Demand deposits | 138,556 | 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 |
| Demand deposits | 499 | Earmarked construction projects, Restricted by the legislation on repatriating offshore funds |
| Time deposits | 138,713 | 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 | 236,605 | Long-term borrowings |
| Non-current financial assets at amortised cost | 10,000 | Performance guarantee |
| Property, plant, and equipment | | |
| Land | 92,387 | Long-term borrowings, short-term borrowings |
| Buildings and structures | 9,905 | " |
| Machinery and equipment | 529,536 | " |
| Right-of-use assets | 854,028 | " |
| Other non-current assets | | Exercise guarantee or warranty for construction and exercise guarantee for tender |
| Refundable deposits | 79,303 | |
| | <u>\$ 2,121,320</u> | |

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

- A. On August 20, 2024, a workplace accident occurred at the HAI LONG wind farm which was the construction site contracted by the Company. Currently, the construction has been suspended and a comprehensive safety inspection is underway. As of November 12, 2024, the related amount of the claim and the effect are under assessment. The Company has made an estimate of the possible compensation amount of \$20,000.

(2) Commitments

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

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|-------------------------------|---------------------------|--------------------------|---------------------------|
| Property, plant and equipment | \$ 1,518,061 | \$ 1,541,787 | \$ 1,575,520 |
| Intangible assets | <u>2,328</u> | <u>2</u> | <u>1,346</u> |
| | <u>\$ 1,520,389</u> | <u>\$ 1,541,789</u> | <u>\$ 1,576,866</u> |

B. As of September 30, 2024, the outstanding usance L/C used for acquiring raw materials and equipment was \$6,463.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

On November 12, 2024, the Group passed the resolution of the Board of Directors and decided to dispose of all shares in its subsidiary, Xiamen An-Tai to a non-affiliated party. The total transaction amount is estimated to be approximately RMB\$129,176, with the disposal profit estimated at around RMB\$70,884. The share transfer date will be determined after both parties sign the share purchase agreement.

12. Others

(1) Capital management

There have been no significant changes as of September 30, 2024. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2023.

(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:

September 30, 2024

| | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) | Sensitivity Analysis | | | |
|---|--|---------------|------------------|----------------------|-----------------------------|--|------|
| | | | | Degree of variation | Effect on profit or loss | Effect on other comprehensive income | |
| | | | | | | | |
| (Foreign currency: functional currency) | | | | | | | |
| <u>Financial assets</u> | | | | | | | |
| <u>Monetary items</u> | | | | | | | |
| USD:NTD | USD | \$ 67,306 | 31.6500 | \$ 2,130,235 | 1% | \$ 21,302 | \$ - |
| EUR:NTD | EUR | 6,931 | 35.3800 | 245,219 | 1% | 2,452 | - |
| USD:RMB | USD | 51,557 | 6.9976 | 1,631,779 | 1% | 16,318 | - |
| RMB:NTD | RMB | 36,152 | 4.5230 | 163,515 | 1% | 1,635 | - |
| AUD:NTD | AUD | 6,828 | 21.9300 | 149,738 | 1% | 1,497 | - |
| USD:SGD | USD | 11,415 | 1.2803 | 361,285 | 1% | 3,613 | - |
| USD:EUR | USD | 8,836 | 0.8946 | 279,659 | 1% | 2,797 | - |
| USD:MRD | USD | 6,384 | 4.1209 | 202,054 | 1% | 2,021 | - |
| USD:AUD | USD | 4,572 | 1.4432 | 100,264 | 1% | 1,003 | - |
| <u>Non-monetary items</u> | | | | | | | |
| USD:NTD | USD | 760,799 | 31.6500 | 24,079,288 | | | |
| EUR:NTD | EUR | 148,153 | 35.3800 | 5,241,653 | | | |
| SGD:NTD | SGD | 102,287 | 24.7200 | 2,528,535 | | | |
| VND:NTD | VND | 198,443,846 | 0.0013 | 257,977 | | | |
| MRD:NTD | MRD | 8,835 | 7.6804 | 67,856 | | | |
| <u>Financial liabilities</u> | | | | | | | |
| <u>Monetary items</u> | | | | | | | |
| USD:NTD | USD | 63,576 | 31.6500 | 2,012,180 | 1% | 20,122 | - |
| USD:VND | USD | 3,966 | 24,346.1538 | 125,524 | 1% | 1,255 | - |
| USD:MRD | USD | 7,434 | 4.1209 | 235,286 | 1% | 2,353 | - |
| USD:AUD | USD | 5,812 | 1.4432 | 183,950 | 1% | 1,840 | - |

December 31, 2023

| | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) | Sensitivity Analysis | | | |
|---|--|---------------|------------------|----------------------|-----------------------------|--|------|
| | | | | Degree of variation | Effect on profit or loss | Effect on other comprehensive income | |
| | | | | | | | |
| (Foreign currency: functional currency) | | | | | | | |
| <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:AUD | USD | 4,282 | 1.4635 | 131,479 | 1% | 1,315 | - |

September 30, 2023

| | Foreign currency amount (In thousands) | | Exchange rate | Book value (NTD) | Sensitivity Analysis | | |
|---|--|-------------|---------------|------------------|----------------------|-----------------------------|--|
| | | | | | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| | | | | | | | |
| (Foreign currency: functional currency) | | | | | | | |
| <u>Financial assets</u> | | | | | | | |
| <u>Monetary items</u> | | | | | | | |
| USD:NTD | USD | \$ 98,251 | 32.2700 | \$ 3,170,560 | 1% | 31,706 | \$ - |
| EUR:NTD | EUR | 9,567 | 33.9100 | 324,417 | 1% | 3,244 | - |
| USD:RMB | USD | 42,652 | 7.3092 | 1,376,380 | 1% | 13,764 | - |
| RMB:NTD | RMB | 27,534 | 4.4150 | 121,563 | 1% | 1,216 | - |
| AUD:NTD | AUD | 7,211 | 20.5500 | 148,186 | 1% | 1,482 | - |
| USD:SGD | USD | 9,570 | 1.3714 | 308,823 | 1% | 3,088 | - |
| USD:EUR | USD | 6,872 | 0.9516 | 221,759 | 1% | 2,218 | - |
| EUR:USD | EUR | 7,116 | 1.0508 | 241,304 | 1% | 2,413 | - |
| USD:MRD | USD | 6,591 | 4.7078 | 221,692 | 1% | 2,217 | - |
| <u>Non-monetary items</u> | | | | | | | |
| USD:NTD | USD | 709,941 | 32.2700 | 22,909,796 | | | |
| EUR:NTD | EUR | 151,313 | 33.9100 | 5,131,024 | | | |
| SGD:NTD | SGD | 130,853 | 23.5300 | 3,078,971 | | | |
| VND:NTD | VND | 233,516,923 | 0.0013 | 303,572 | | | |
| MRD:NTD | MRD | 8,656 | 6.8546 | 59,333 | | | |
| <u>Financial liabilities</u> | | | | | | | |
| <u>Monetary items</u> | | | | | | | |
| USD:NTD | USD | 54,303 | 32.2700 | 1,752,358 | 1% | 17,524 | - |
| USD:SGD | USD | 3,147 | 1.3714 | 101,554 | 1% | 1,016 | - |
| USD:MRD | USD | 7,291 | 4.7078 | 235,281 | 1% | 2,353 | - |
| USD:VND | USD | 3,353 | 0.0013 | 108,201 | 1% | 1,082 | - |

- v. Total exchange gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the nine-month periods ended September 30, 2024 and 2023 amounted to \$17,488 and \$64,773, 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 nine-month periods ended September 30, 2024 and 2023 would have increased/decreased by \$108,283 and \$118,586, 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 \$1,425,939 and \$1,492,542, 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 nine-month periods ended September 30, 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in NTD, USD, MRD and EUR.
 - ii. The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
 - iii. As at September 30, 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 nine-month periods ended September 30, 2024 and 2023, would have been \$11,266 and \$11,273 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost.
 - ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group adopts the assumption under IFRS 9, whereby the default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customers' accounts receivable, contract assets and rents receivable in accordance with credit rating of customer and credit risk on trade. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss under the provision matrix basis.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Group uses the forecast ability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of notes and accounts receivable. As of September 30, 2024, December 31, 2023 and September 30, 2023, the loss rate methodology is as follows:

| September 30, 2024 | | | |
|--------------------|---------------------------|----------------------|---------------------|
| | Expected credit loss rate | Total book value | Loss allowance |
| Not past due | 0%~1% | \$ 7,975,981 | (\$ 21,183) |
| Up to 30 days | 0%~2% | 872,274 | (4,433) |
| 31 to 90 days | 1%~20% | 713,669 | (19,221) |
| 91 to 180 days | 1%~100% | 278,101 | (26,838) |
| Over 180 days | 1%~100% | 383,274 | (118,655) |
| | | <u>\$ 10,223,299</u> | <u>(\$ 190,330)</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> |

September 30, 2023

| | <u>Expected credit loss rate</u> | <u>Total book value</u> | <u>Loss allowance</u> |
|----------------|----------------------------------|-------------------------|-----------------------|
| Not past due | 0%~1% | \$ 8,670,423 | (\$ 13,055) |
| Up to 30 days | 0%~2% | 940,006 | (3,985) |
| 31 to 90 days | 1%~20% | 954,003 | (37,535) |
| 91 to 180 days | 1%~100% | 275,911 | (21,010) |
| Over 180 days | 1%~100% | 445,567 | (118,658) |
| | | <u>\$ 11,285,910</u> | <u>(\$ 194,243)</u> |

September 30, 2024

| | <u>Expected credit loss rate</u> | <u>Total book value</u> | <u>Loss allowance</u> |
|------------|----------------------------------|-------------------------|-----------------------|
| Individual | 100% | \$ 25,250 | (\$ 25,250) |
| Group A | 0%~5% | 5,014,534 | (13,117) |
| Group B | 0%~10% | 2,135,878 | (15,655) |
| Group C | 1%~20% | 1,505,708 | (25,780) |
| Group D | 1%~40% | 524,496 | (16,315) |
| Group E | 1%~100% | 1,017,433 | (94,213) |
| | | <u>\$ 10,223,299</u> | <u>(\$ 190,330)</u> |

December 31, 2023

| | <u>Expected credit loss rate</u> | <u>Total book value</u> | <u>Loss allowance</u> |
|------------|----------------------------------|-------------------------|-----------------------|
| 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> |

September 30, 2023

| | <u>Expected credit loss rate</u> | <u>Total book value</u> | <u>Loss allowance</u> |
|------------|----------------------------------|-------------------------|-----------------------|
| Individual | 100% | \$ 25,250 | (\$ 25,250) |
| Group A | 0%~5% | 5,628,006 | (13,001) |
| Group B | 0%~10% | 1,999,384 | (5,348) |
| Group C | 1%~20% | 1,467,846 | (20,774) |
| Group D | 1%~40% | 567,433 | (23,444) |
| Group E | 1%~100% | 1,597,991 | (106,426) |
| | | <u>\$ 11,285,910</u> | <u>(\$ 194,243)</u> |

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

| | <u>2024</u> |
|------------------------------|---|
| | <u>Notes receivable and accounts receivable</u> |
| At January 1 | \$ 202,273 |
| Reversal of impairment | 908 |
| Write-offs during the period | (18,251) |
| Effect of foreign exchange | <u>5,400</u> |
| At September 30 | <u>\$ 190,330</u> |
| | <u>2023</u> |
| | <u>Notes receivable and accounts receivable</u> |
| At January 1 | \$ 217,225 |
| Reversal of impairment | 827 |
| Write-offs during the period | (27,494) |
| Effect of foreign exchange | <u>3,685</u> |
| At September 30 | <u>\$ 194,243</u> |

For the nine-month periods ended September 30, 2024 and 2023, the Group recognized impairment losses from other receivables at amortised cost amounting to \$656 and \$4,706, 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 September 30, 2024, December 31, 2023 and September 30, 2023, the undrawn credit amounts are \$22,757,399, \$21,890,567 and \$21,705,108, 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>September 30, 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 | \$ 2,268,583 | \$ - | \$ - | \$ - | \$ - |
| Notes payable | 576,133 | - | - | - | - |
| Accounts payable | 8,788,293 | - | - | - | - |
| Lease liabilities | 700,303 | 651,112 | 581,634 | 1,033,493 | 4,417,978 |
| Other payables | 6,031,397 | - | - | - | - |
| Bonds payable (including current portion) | 5,000,000 | - | - | - | - |
| Long-term borrowings (including current portion) | 2,981,364 | 303,509 | 287,730 | 285,186 | 1,528,677 |

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>September 30, 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 | \$ 1,594,834 | \$ - | \$ - | \$ - | \$ - |
| Notes payable | 547,036 | - | - | - | - |
| Accounts payable | 8,830,565 | - | - | - | - |
| Lease liabilities | 453,081 | 389,540 | 363,623 | 548,064 | 4,205,324 |
| Other payables | 6,367,368 | - | - | - | - |
| Bonds payable (including current portion) | - | 5,000,000 | - | - | - |
| Long-term borrowings (including current portion) | 3,059,105 | 987,675 | 470,046 | 368,831 | 1,348,408 |

iv. As of September 30, 2024, December 31, 2023 and September 30, 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>September 30, 2024</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|----------------------|-----------------|---------------------|----------------------|
| Assets | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity securities | \$ 2,165,667 | \$ - | \$ 1,097,385 | \$ 3,263,052 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | <u>28,518,777</u> | <u>-</u> | <u>334,437</u> | <u>28,853,214</u> |
| | <u>\$ 30,684,444</u> | <u>\$ -</u> | <u>\$ 1,431,822</u> | <u>\$ 32,116,266</u> |
| Liabilities | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Non-hedging derivatives | \$ - | \$ 4,694 | \$ - | \$ 4,694 |
| Financial liabilities for hedging | <u>-</u> | <u>4,523</u> | <u>-</u> | <u>4,523</u> |
| | <u>\$ -</u> | <u>\$ 9,217</u> | <u>\$ -</u> | <u>\$ 9,217</u> |

| <u>December 31, 2023</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 | \$ 2,461,875 | \$ - | \$ 1,106,331 | \$ 3,568,206 |
| Non-hedging derivatives | - | 787 | - | 787 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | 30,719,487 | - | 191,631 | 30,911,118 |
| | <u>\$ 33,181,362</u> | <u>\$ 787</u> | <u>\$ 1,297,962</u> | <u>\$ 34,480,111</u> |
| <u>Liabilities</u> | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| 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>September 30, 2023</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 | \$ 2,371,721 | \$ - | \$ 1,168,411 | \$ 3,540,132 |
| Non-hedging derivatives | - | 5,513 | - | 5,513 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | 29,850,840 | - | 198,217 | 30,049,057 |
| | <u>\$ 32,222,561</u> | <u>\$ 5,513</u> | <u>\$ 1,366,628</u> | <u>\$ 33,594,702</u> |
| <u>Liabilities</u> | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Non-hedging derivatives | \$ - | \$ 95 | \$ - | \$ 95 |

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 nine-month periods ended September 30, 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 nine-month periods ended September 30, 2024 and 2023:

| | <u>Non-derivative equity</u> | |
|--|---|---|
| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
| Beginning balance | \$ 1,297,962 | \$ 1,362,484 |
| Gains and losses recognized in profit or loss | 29,144 | 6,794 |
| Gain and loss recognized in other comprehensive income | 28,220 | 2,962 |
| Acquired during the period | 145,607 | - |
| Sold during the period | (46,235) | (5,612) |
| Transfer out of the Level 3 | (22,876) | - |
| Ending balance | <u>\$ 1,431,822</u> | <u>\$ 1,366,628</u> |

- G. Since International Integrated Systems, Inc. began to register for emerging stock market in September 2024, sufficient observable market information was available. Therefore, the Group transferred the fair value used from Level 3 to Level 1 at the end of the month when the event occurred.
- H. Finance and Accounting Department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the source of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making

any other necessary adjustments to the fair value.

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

| | Fair value at September 30, 2024 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|------------------------|--|-----------------------------|--------------------------------------|--------------------------------|--|
| Non-derivative equity: | | | | | |
| Unlisted shares | \$ 1,431,822 | Market comparable companies | Price to earnings ratio multiple | 1.27~1.79 | The higher the multiple, the higher the fair value |
| Private equity fund | | Net asset value methods | Not applicable | Not applicable | Not applicable |
| | Fair value at December 31, 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 September 30, 2023 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
| Non-derivative equity: | | | | | |
| Unlisted shares | \$ 1,366,628 | Market comparable companies | Price to earnings ratio multiple | 1.50~2.86 | The higher the multiple, the higher the fair value |
| Private equity fund | | Net asset value methods | Not applicable | Not applicable | Not applicable |

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

| September 30, 2024 | | | | | | |
|--------------------|--------|---------------------------------------|------------------------------------|--|---------------------|-------------|
| Input | Change | Recognized in profit or loss | | Recognized in other comprehensive income | | |
| | | Favourable change | Unfavourable change | Favourable change | Unfavourable change | |
| | | Financial assets Equity instrument | Discount for lack of marketability | ±5% | \$ 54,869 | (\$ 54,869) |

| December 31, 2023 | | | | | | |
|-------------------|--------|---------------------------------------|------------------------------------|--|---------------------|-------------|
| Input | Change | Recognized in profit or loss | | Recognized in other comprehensive income | | |
| | | Favourable change | Unfavourable change | Favourable change | Unfavourable change | |
| | | Financial assets Equity instrument | Discount for lack of marketability | ±5% | \$ 55,317 | (\$ 55,317) |

| September 30, 2023 | | | | | | |
|--------------------|--------|---------------------------------------|------------------------------------|--|---------------------|-------------|
| Input | Change | Recognized in profit or loss | | Recognized in other comprehensive income | | |
| | | Favourable change | Unfavourable change | Favourable change | Unfavourable change | |
| | | Financial assets Equity instrument | Discount for lack of marketability | ±5% | \$ 58,421 | (\$ 58,421) |

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

(2) Measurement of segment information

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

(3) Financial information by industry

The segment information of the reportable segments provided to the Chief Operating Decision-Maker for the nine-month periods ended September 30, 2024 and 2023 is as follows:

| | For the nine-month period ended September 30, 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 | \$ 21,897,990 | \$ 7,982,568 | \$ 9,073,848 | \$ 2,758,463 | \$ - | \$ 41,712,869 |
| Operating revenues from internal segments | <u>13,243,660</u> | <u>564,945</u> | <u>3,497,636</u> | <u>427,118</u> | <u>(17,733,359)</u> | <u>-</u> |
| Total operating revenues | <u>\$ 35,141,650</u> | <u>\$ 8,547,513</u> | <u>\$ 12,571,484</u> | <u>\$ 3,185,581</u> | <u>(\$ 17,733,359)</u> | <u>\$ 41,712,869</u> |
| Segment profits and losses | <u>\$ 3,720,503</u> | <u>\$ 417,243</u> | <u>\$ 309,806</u> | <u>\$ 431,592</u> | <u>\$ -</u> | <u>\$ 4,879,144</u> |
| | For the nine-month period ended September 30, 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 | \$ 23,850,789 | \$ 8,961,363 | \$ 9,319,384 | \$ 2,897,811 | \$ - | \$ 45,029,347 |
| Operating revenues from internal segments | <u>14,225,759</u> | <u>556,904</u> | <u>3,223,118</u> | <u>467,570</u> | <u>(18,473,351)</u> | <u>-</u> |
| Total operating revenues | <u>\$ 38,076,548</u> | <u>\$ 9,518,267</u> | <u>\$ 12,542,502</u> | <u>\$ 3,365,381</u> | <u>(\$ 18,473,351)</u> | <u>\$ 45,029,347</u> |
| Segment profits and losses | <u>\$ 4,270,753</u> | <u>\$ 391,980</u> | <u>\$ 207,032</u> | <u>\$ 285,146</u> | <u>\$ -</u> | <u>\$ 5,154,911</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 nine-month periods ended September 30, 2024 and 2023 is provided as follows:

| | <u>For the nine-month period ended September 30, 2024</u> | <u>For the nine-month period ended September 30, 2023</u> |
|---|---|---|
| Adjusted operating income of reportable segments | \$ 4,447,552 | \$ 4,869,765 |
| Adjusted operating income of other operating segments | 431,592 | 285,146 |
| Interest income | 580,795 | 418,762 |
| Dividend income | 1,106,602 | 1,181,120 |
| Gains on financial instruments | 71,831 | 264,316 |
| Financial cost | (285,402) | (218,884) |
| Associates' and joint ventures' profit and loss accounted for under the equity method | 81,619 | 5,485 |
| Gains (losses) on disposals of property, plant and equipment | 117,654 | (566) |
| Others | (101,234) | (230,822) |
| Income before income tax | <u>\$ 6,451,009</u> | <u>\$ 6,574,322</u> |

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Loans to others

For the nine-month period ended September 30, 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 nine- month period ended September 30, 2024 | Balance at September 30, 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 | \$ 248,640 | \$ 247,660 | \$ 247,660 | - | Short-term financing | \$ - | For operating capital | \$ - | - | \$ - | \$ 502,886 | \$ 838,143 | Note 2 |
| 2 | Great Teco Motor (PTE) Ltd. | Teco Netherlands | " | " | 206,016 | 205,204 | 205,204 | 4.55% | Short-term financing | - | For operating capital | - | - | - | 289,665 | 482,774 | Note 3 |
| 3 | Motovario Corp. | Motovario S.p.A. | " | " | 180,593 | 174,075 | 145,590 | 5.67% | Short-term financing | - | For operating capital | - | - | - | 188,560 | 251,413 | Note 4 |
| 4 | TECO Holdings. USA, Inc. | Teco Electric & Machinery S.A. DE C.V. | " | " | 161,712 | 160,244 | 160,244 | 5.25% | Short-term financing | - | For operating capital | - | - | - | 1,439,572 | 2,879,144 | Note 5 |

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

(1)The Company is '0'.

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

Note 2: In accordance with U.V.G.'s policy, limit on total loans shall not exceed 10% of U.V.G.'s net assets based on the latest financial statements (September 30, 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 (September 30, 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 (September 30, 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 (September 30, 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 (September 30, 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 (September 30, 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 (September 30, 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 (September 30, 2024).

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others
For the nine-month period ended September 30, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

| Number (Note 1) | Endorser/ guarantor | Company name | Party being endorsed/guaranteed Relationship with the endorser/ guarantor (Note 2) | Limit on endorsements/ guarantees provided for a single party | Maximum outstanding endorsement/ guarantee amount as of September 30, 2024 | Outstanding endorsement/ guarantee amount at September 30, 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 |
|--------------------|---------------------------------|--|--|---|---|---|-----------------------------|--|---|--|--|--|---|----------|
| | | | | | | | | | | | | | | |
| 1 | Teco Westinghouse | TWMM | (4) | \$ 511,334 | \$ 65,670 | \$ 63,300 | \$ 63,300 | \$ - | 1.24 | \$ 1,022,668 | Y | N | N | Note 3 |
| 2 | Century Development | CDC DEVELOPMENT INDIA PRIVATE LIMITED | (6) | 453,636 | 165,234 | 159,303 | 149,420 | - | 3.51 | 907,271 | Y | N | N | Note 4 |
| 3 | Tong-An Assets | CDC DEVELOPMENT INDIA PRIVATE LIMITED | (6) | 526,108 | 123,926 | 119,477 | 112,065 | - | 2.27 | 1,052,216 | N | N | N | Note 5 |
| 4 | Tong-An Investment Co., Ltd. | CDC DEVELOPMENT INDIA PRIVATE LIMITED | (6) | 150,934 | 123,926 | 119,477 | 112,065 | - | 0.67 | 200,000 | N | N | N | 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: 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 (September 30, 2024), and the guarantee to a single party shall not exceed 10% of Teco Westinghouse's net assets. If the guarantee amount is denominated in foreign currency, the amount shall be translated at the exchange rate prevailing on the date of approval by the Board of Directors to assess whether the guarantee amount exceeds the limit.

Note 4: 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 (September 30, 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 5: 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 (September 30, 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 6: In accordance with Tong-An Investment Co., Ltd.'s policy, the total guarantee amount shall not exceed NTD\$200 million, and the guarantee to a single party shall not exceed NTD\$50 million. If due to special needs, the guarantee amount exceeds the limit, stockholders' resolution is required.

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

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

September 30, 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 September 30, 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 | \$ 674,578 | 14.62 | \$ 674,578 | |
| | Stock 2 | None | " | 2,137 | 130,360 | 1.43 | 130,360 | |
| | Stock 3 | " | " | 210,333 | 7,361,644 | 5.22 | 7,361,644 | |
| | Stock 4 | The Company is a director of the investee | " | 190,061 | 5,625,793 | 3.38 | 5,625,793 | |
| | Stock 5 | None | " | 3,751 | 60,576 | 0.05 | 60,576 | |
| | Stock 6 | The Company is a director of the investee | " | 5,863 | 277,315 | 13.42 | 277,315 | |
| | Stock 7, etc. | None | " | 15,796 | 8,494 | - | 8,494 | |
| | Stock 8 | " | Note 4 | 3,200 | 172,177 | 0.03 | 172,177 | |
| | Stock 9 | The Company is a director of the investee | " | 12,217 | 553,441 | 1.67 | 553,441 | |
| | Stock 10 | None | " | 17,839 | 179,280 | 0.59 | 179,280 | |
| | Stock 11 | " | " | 19 | 1,705 | - | 1,705 | |
| | Stock 12 | The Company is a director of the investee | " | 32,980 | 363,618 | 10.99 | 363,618 | |
| | Stock 13 | None | " | 7,500 | 470,243 | 5.00 | 470,243 | |
| | Stock 14, etc. | " | " | 22,104 | 300,225 | - | 300,225 | |
| Teco International | Fund 1 | " | " | - | 14,909 | - | 14,909 | |
| | Fund 2 | " | " | - | 83,538 | - | 83,538 | |
| | Stock 2 | " | Note 1 | 5,309 | 323,876 | 3.56 | 323,876 | |
| | Stock 15 | " | " | 720 | 64,051 | 0.50 | 64,051 | |
| | Stock 16 | Related company is a director of the investee | " | 305 | 119,975 | 0.12 | 119,975 | |
| | Stock 17 | None | " | 3,177 | 548,097 | 0.63 | 548,097 | |
| | Stock 9 | The Company is a corporate director of the investee | " | 830 | 37,582 | 0.11 | 37,582 | |
| Stock 18, etc. | The Company is a director of the investee | " | 7,820 | 280,706 | - | 280,706 | | |
| Stock 19, etc. | None | Note 3 | 1,678 | 169,111 | - | 169,111 | | |
| Tong-An Investment | Stock 2 | " | Note 1 | 7,913 | 482,712 | 5.31 | 482,712 | |
| | Stock 15 | " | " | 1,225 | 108,887 | 0.85 | 108,887 | |
| | Stock 20 | An investee company accounted for under the equity method by the Company | " | 19,540 | 953,555 | 0.91 | 953,555 | |
| | Stock 18 | Related party in substance | " | 8,197 | 215,158 | 7.28 | 215,158 | |
| | Stock 11 | None | " | 8,692 | 788,360 | 0.24 | 788,360 | |
| | Stock 21 | " | " | 1,285 | 147,775 | 0.03 | 147,775 | |
| | Stock 16 | The Company is a director of the investee | " | 25,315 | 9,974,224 | 10.03 | 9,974,224 | |
| | Stock 22 | None | " | 1,217 | 55,025 | 0.37 | 55,025 | |
| | Stock 3 | " | " | 5,000 | 175,000 | 0.12 | 175,000 | |
| Stock 23 | " | " | 2,500 | 50,000 | 0.73 | 50,000 | | |

| | | As of September 30, 2024 | | | | | | |
|--------------------------------------|-----------------------|--|------------------------|------------------|------------|---------------|------------|----------|
| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | Number of shares | Book value | Ownership (%) | Fair value | Footnote |
| Tong-An Investment | Stock 24 | None | Note 1 | - | \$ 31,945 | - | \$ 31,945 | |
| | Stock 25 | " | " | 588 | 29,988 | 1.32 | 29,988 | |
| | Stock 26 | " | " | 3,708 | 31,920 | 0.50 | 31,920 | |
| | Stock 27 | Related company is a director of the investee | " | 3,000 | 30,000 | - | 30,000 | |
| | Stock 28 | The Company is a director of the investee | " | 313 | - | - | - | |
| | Stock 29, etc. | None | " | 23,454 | 449,134 | - | 449,134 | |
| | Stock 30 | " | Note 3 | 500 | 19,150 | 0.41 | 19,150 | |
| | Stock 16 | The Company is a director of the investee | Note 4 | 1,260 | 496,390 | 0.50 | 496,390 | |
| | Fund 3 | None | " | 50,000 | 582,500 | - | 582,500 | |
| | Fund 4 | " | " | 625 | 21,655 | - | 21,655 | |
| U.V.G | Stock 31, etc. | " | Note 1 | 118 | 8,211 | - | 8,211 | |
| An-Tai International | Stock 2 | " | " | 653 | 39,833 | 0.44 | 39,833 | |
| | Stock 20 | An investee company accounted for under the equity method by the Company | " | 2,826 | 137,897 | 0.13 | 137,897 | |
| | Stock 18 | Related party in substance | " | 1,270 | 33,341 | 1.13 | 33,341 | |
| | Stock 32 | " | " | 2,756 | 188,489 | 8.51 | 188,489 | |
| | Stock 33 | None | " | 226 | 19,855 | 0.14 | 19,855 | |
| | Stock 9 | The Company is a corporate director of the investee | " | 830 | 37,582 | 0.11 | 37,582 | |
| | Stock 19, etc. | None | Note 3 | 1,079 | 113,713 | - | 113,713 | |
| Jie-Zheng Property | Fund 5 | " | Note 2 | - | 12,097 | - | 12,097 | |
| Information Technology Total Service | Stock 34, etc. | " | Note 1 | 3,269 | 33,523 | - | 33,523 | |
| Teco Singapore | Stock 16, etc. | " | " | 375 | 147,722 | - | 147,722 | |
| Taiwan Pelican Express | Stock 20 | An investee company accounted for under the equity method by the Company | " | 7,070 | 345,016 | 0.33 | 345,016 | |
| | Stock 16 | None | " | 788 | 325,848 | 0.32 | 325,848 | |
| Teco Australia | Stock 16 | " | " | 384 | 151,276 | 0.15 | 151,276 | |
| Sankyo | Stock 35 | " | " | 68 | 4,913 | - | 4,913 | |
| Tecom and its subsidiaries | Stock 4 | The Company is a corporate director of the investee | " | 8,112 | 240,115 | 0.14 | 240,115 | |
| | Stock 7, etc. | None | " | 1,161 | 6,196 | - | 6,196 | |
| | Fund 6 | " | Note 2 | 546 | 11,274 | - | 11,274 | |
| Tong Dai | Stock 20 | An investee company accounted for under the equity method by the Company | Note 3 | 77 | 3,768 | - | 3,768 | |
| | Stock 36, etc. | None | " | 2 | 68 | - | 68 | |
| Teco Indonesia | Bond 1 | " | Note 5 | - | 89,805 | - | 89,805 | |

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

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

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

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

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the nine-month period ended September 30, 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 |
|----------------------------|---|----------------------|-----------------------|----------------------|---|--|---|--|--|----------------|---|---|----------------------|
| Tong-An Investment | Commercial building construction project | In June 2023 | \$1,266,369 | \$126,655 | FU-CHU GENERAL CONTRACTOR 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 nine-month period ended September 30, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

| Purchaser/seller | Counterparty | Relationship with the counterparty | Purchases (sales) | Transaction | | Differences in transaction terms compared to third party transactions | | | Notes/accounts receivable (payable) | | Footnote |
|-------------------------------------|-------------------------------------|--|-------------------|--------------|---------------------------------------|---|------------|-------------|-------------------------------------|---|----------|
| | | | | 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 | \$ 2,008,921 | 13% | 30 days | Note 1 | Note 1 | \$ - | - | |
| | Taian (Subic) Electric | " | " | 184,002 | 1% | " | " | " | (113,346) | (2%) | |
| | Wuxi Teco | An indirect investee accounted for under the equity method | " | 1,126,007 | 7% | " | " | " | (843,986) | (15%) | |
| | TECO (VIETNAM) ELECTRIC & MACHINERY | " | " | 671,431 | 4% | " | " | " | (197,077) | (4%) | |
| | Tai-An Wuxi | " | " | 503,082 | 3% | " | " | " | (391,778) | (7%) | |
| | Jiangxi Teco | " | " | 127,739 | 1% | " | " | " | (76,016) | (1%) | |
| | Tong Dai | An investee accounted for under the equity method | Sales | (945,057) | (5%) | 90 days | " | " | 321,739 | 8% | |
| | E-Joy International | " | " | (413,126) | (2%) | " | " | " | 146,821 | 4% | |
| | Teco Singapore | " | " | (455,361) | (2%) | " | " | " | 54,615 | 1% | |
| | Taisan Electric | " | " | (175,101) | (1%) | " | " | " | 26,250 | 1% | |
| | Taian (Subic) Electric | " | " | (102,209) | (1%) | " | " | " | 30,126 | 1% | |
| | Teco Westinghouse | An indirect investee accounted for under the equity method | " | (2,599,909) | (13%) | " | " | " | 319,818 | 8% | |
| | Teco Australia | " | " | (925,647) | (5%) | " | " | " | 246,752 | 6% | |
| | Teco Westinghouse Canada | " | " | (624,124) | (3%) | " | " | " | 68,937 | 2% | |
| | Sankyo | " | " | (253,968) | (1%) | " | " | " | 102,538 | 2% | |
| | Top-Tower | " | " | (150,245) | (1%) | " | " | " | 40,264 | 1% | |
| Teco Netherlands | " | " | (116,685) | (1%) | " | " | " | 88,903 | 2% | | |
| TWMM | " | " | (110,540) | (1%) | " | " | " | 65,262 | 2% | | |
| Motovario S.p.A. | " | " | (102,541) | (1%) | " | " | " | 66,096 | 2% | | |

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
 Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
 September 30, 2024

Table 6

Expressed in thousands of NTD
 (Except as otherwise indicated)

| Creditor | Counterparty | Relationship with the counterparty | Balance as at September 30, 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 | \$ 321,875 | 4.20 | \$ - | - | \$ 38,450 | |
| " | E-Joy International | " | 147,765 | 4.36 | - | - | 5 | |
| " | Tesen | " | 223,582 | 0.09 | - | - | - | |
| " | Teco Westinghouse | An indirect investee accounted for under the equity method | 397,714 | 9.12 | - | - | - | |
| " | Teco Australia | " | 246,752 | 5.09 | - | - | - | |
| " | Motovario S.p.A. | " | 126,374 | 1.09 | - | - | 22,017 | |
| " | Sankyo | " | 102,803 | 3.57 | - | - | 20,667 | |
| Taian (Subic) Electric | TECO ELECTRIC & MACHINERY CO., LTD. | An investee accounted for under the equity method | 113,346 | 2.53 | - | - | 53,839 | |
| Wuxi Teco | " | An indirect investee accounted for under the equity method | 843,986 | 1.78 | - | - | 17,547 | |
| Tai-An Wuxi | " | " | 391,778 | 1.91 | - | - | 31,579 | |
| TECO (VIETNAM) ELECTRIC & MACHINERY | " | " | 197,077 | 5.14 | - | - | 37,615 | |
| U.V.G. | Teco Netherlands | An investee accounted for under the equity method | 247,660 | - | - | - | - | |
| Teco Holding USA Inc. | Teco Electric & Machinery S.A. DE C.V. | " | 160,244 | - | - | - | - | |
| Great Teco Motor (PTE) Ltd. | Teco Netherlands | Fellow subsidiary | 205,204 | - | - | - | - | |
| Motovario Corp. | Motovario S.p.A. | An investee accounted for under the equity method | 145,590 | - | - | - | - | Total amount was \$2,579 |

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
For the nine-month period ended September 30, 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 | \$ 321,875 | 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 | 397,714 | " | - |
| 0 | " | Teco Australia | " | " | 246,752 | " | - |
| 0 | " | E-Joy International | " | " | 147,765 | " | - |
| 0 | " | Motovario S.p.A | " | " | 126,374 | " | - |
| 0 | " | Sankyo | " | " | 102,803 | " | - |
| 0 | " | Tesen | " | Other receivables | 223,582 | " | - |
| 1 | Wuxi Teco | TECO ELECTRIC & MACHINERY CO., LTD. | (2) | Accounts receivable and other receivables | 843,986 | " | 1% |
| 2 | Tai-An Wuxi | " | " | " | 391,778 | " | - |
| 3 | TECO (VIETNAM) ELECTRIC & MACHINERY | " | " | " | 197,077 | " | - |
| 4 | Taian (Subic) Electric | " | " | " | 113,346 | " | - |
| 5 | U.V.G | Teco Netherlands | (3) | Other receivables | 247,660 | " | - |
| 6 | Great Teco Motor (PTE) Ltd. | " | " | " | 205,204 | " | - |
| 7 | Motovario Corp. | Motovario S.p.A | " | " | 145,590 | " | - |
| 8 | Teco Holding USA Inc. | Teco Electric & Machinery S.A. DE C.V. | " | " | 160,244 | " | - |
| 0 | TECO ELECTRIC & MACHINERY CO., LTD. | Teco Westinghouse | (1) | Sales | 2,599,909 | " | 6% |
| 0 | " | Tong Dai | " | " | 945,057 | " | 2% |
| 0 | " | Teco Australia | " | " | 925,647 | " | 2% |
| 0 | " | Teco Westinghouse Canada | " | " | 624,124 | " | 1% |
| 0 | " | Teco Singapore | " | " | 455,361 | " | 1% |
| 0 | " | E-Joy International | " | " | 413,126 | " | 1% |
| 0 | " | Sankyo | " | " | 253,968 | " | 1% |
| 0 | " | Taisan Electric | " | " | 175,101 | " | - |

| 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. | Top-Tower | (1) | Sales | 150,245 | 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 Netherlands | " | " | 116,685 | " | - |
| 0 | " | TWMM | " | " | 110,540 | " | - |
| 0 | " | Motovario S.p.A. | " | " | 102,541 | " | - |
| 0 | " | Taian (Subic) Electric | " | " | 102,209 | " | - |
| 9 | Tesen | TECO ELECTRIC & MACHINERY CO., LTD. | (2) | " | 2,008,921 | " | 5% |
| 1 | Wuxi Teco | " | " | " | 1,126,007 | " | 3% |
| 3 | TECO (VIETNAM) ELECTRIC & MACHINERY | " | " | " | 671,431 | " | 2% |
| 2 | Tai-An Wuxi | " | " | " | 503,082 | " | 1% |
| 4 | Taian (Subic) Electric | " | " | " | 184,002 | " | - |
| 10 | Jiangxi Teco | " | " | " | 127,739 | " | - |

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 nine-month period ended September 30, 2024

Table 8

| Investor | Investee | Location | Main business activities | Expressed in thousands of NTD (Except as otherwise indicated) | | | | | | | |
|-------------------------------------|-------------------------------------|---|---|--|---------------------------------|--------------------------------------|---------------|--------------|--|---|----------|
| | | | | Initial investment amount | | Shares held as at September 30, 2024 | | | Net profit (loss) of the investee for the nine-month period ended September 30, 2024 | Investment income (loss) recognized by the Company for the nine-month period ended September 30, 2024 | Footnote |
| | | | | Balance as at September 30, 2024 | Balance as at December 31, 2023 | Number of shares | Ownership (%) | Book value | | | |
| | | | | | | | | | | | |
| TECO ELECTRIC & MACHINERY CO., LTD. | Tung Pei | Taiwan | Manufacturing of bearings | \$ 12,293 | \$ 12,293 | 39,145,044 | 31.14% | \$ 2,389,621 | \$ 284,827 | \$ 88,942 | None |
| | Tecom | Taiwan | Manufacturing of key telephone system and nonkey service unit telephone system | 431,109 | 431,109 | 19,228,898 | 63.52% | 125,052 | (12,293) | (6,714) | None |
| | Teco International | Taiwan | Investment holdings, investments in securities and construction of commercial buildings | 100,013 | 100,013 | 82,549,378 | 100% | 2,284,443 | 71,002 | 61,994 | 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% | 14,456,245 | 908,700 | 909,372 | None |
| | Teco Singapore and its subsidiaries | Singapore | Distribution of the Company's motor products in Singapore | 112,985 | 112,985 | 7,200,000 | 90% | 2,528,532 | 130,985 | 117,887 | None |
| | Tong-An Investment | Taiwan | Investment holdings | 2,490,000 | 2,490,000 | 592,881,321 | 99.60% | 16,939,049 | 503,556 | 462,503 | None |
| | Teco Electro | Taiwan | Manufacturing of Stepping motors | - | 71,460 | - | - | - | 30,306 | 18,028 | 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% | 8,335,864 | 777,873 | 777,089 | None |
| | ITTS | Taiwan | E-business service, mailing and data management | 111,286 | 111,286 | 11,467,248 | 41.97% | 243,553 | 54,590 | 22,911 | None |
| | Tesen | Taiwan | Manufacturing and sales of home appliance | 200,000 | 200,000 | 20,000,000 | 100% | 186,702 | (25,466) | (17,048) | 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% | 464,445 | (53,297) | (18,038) | None | |

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at September 30, 2024 | | | Net profit (loss) of the investee for the nine-month period ended September 30, 2024 | Investment income (loss) recognized by the Company for the nine-month period ended September 30, 2024 | Footnote |
|-------------------------------------|---------------------------------------|------------------------|---|----------------------------------|---------------------------------|--------------------------------------|---------------|------------|--|---|----------|
| | | | | Balance as at September 30, 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% | \$ 391,370 | \$ 71,074 | \$ 59,228 | None |
| | Teco Vietnam | Vietnam | Manufacturing and sales of motors | 540,453 | 540,453 | - | 100% | 257,977 | (35,842) | (35,952) | None |
| | Yatec | Taiwan | Development and maintenance of various electric appliances | 92,389 | 92,389 | 7,800,000 | 66.67% | 141,102 | 16,053 | 10,709 | None |
| | Tong-An Assets | Taiwan | Real estate business | 2,111,889 | 2,111,889 | 395,415,338 | 100% | 5,261,082 | 79,756 | 131,664 | None |
| | Taian Subic | Philippines | Manufacturing and sales of switches | 165,819 | 165,819 | 17,131,155 | 76.70% | 259,436 | 21,351 | 21,123 | 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% | 829,256 | 59,849 | 62,434 | None |
| | Century Development | Taiwan | Development and management of industrial park | 951,141 | 951,141 | 100,592,884 | 28.67% | 1,386,699 | 362,005 | 98,505 | None |
| | An-Tai International | Taiwan | Investment holdings | 150,000 | 150,000 | 43,447,554 | 100% | 735,745 | 27,241 | 19,879 | None |
| | Taiwan Pelican Express | Taiwan | Logistics and distribution services | 255,116 | 255,116 | 24,121,700 | 25.27% | 189,686 | 28,319 | 3,225 | None |
| | Taian-Ecobar | Taiwan | Bus bar and manufacturing of its components | 70,330 | 70,330 | 7,863,000 | 94.73% | 189,091 | 61,811 | 54,694 | None |
| | Eagle Holding Co. Ltd. | Cayman Islands | Investment holdings | 3,691,723 | 3,691,723 | 1 | 100% | 5,241,636 | (5,468) | (5,468) | None |
| | Teco Electro Devices Co., Ltd. | British Virgin Islands | Trading and investment holdings | 278,784 | - | 2,510,000 | 100% | 287,302 | 27,026 | 27,026 | None |
| Eagle Holding Co. | TECO MOTOR B.V.I | Netherlands | Investment holdings | 3,691,723 | 3,691,723 | 1 | 100% | 5,241,636 | (5,468) | (5,468) | None |
| TECO MOTOR | Motovario S.p.A | Italy | Production and sale of gear reducers and motors | 3,989,850 | 3,989,850 | 18,010,000 | 100% | 5,241,636 | (5,468) | (5,468) | None |
| Tung Pei | Tung Pei (SAMOA) Industrial Co., Ltd. | Samoa | Investment holdings and establishment of overseas distribution | 646,343 | 646,343 | 23,031,065 | 100% | 2,068,082 | 103,474 | 103,474 | None |
| Tecom | Baycom | Taiwan | Manufacturing and sales of optical telecom products | 431,258 | 431,258 | 14,700,741 | 43.76% | 188,885 | (2,166) | (947) | None |
| Tong-An Investment | Century Development | Taiwan | Development and management of industrial park | 420,646 | 420,646 | 46,235,042 | 13.18% | 694,261 | 362,005 | 49,430 | None |
| | Taiwan Pelican Express | Taiwan | Logistics and distribution services | 54,874 | 54,874 | 6,474,468 | 6.78% | 143,471 | 28,319 | 1,978 | None |
| | Century Biotech Development Corp. | Taiwan | Development and construction of real estate | 514,270 | 514,270 | 51,427,000 | 20.57% | 511,746 | 99,943 | 18,709 | None |

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at September 30, 2024 | | | Net profit (loss) of the investee for the nine-month period ended September 30, 2024 | Investment income (loss) recognized by the Company for the nine-month period ended September 30, 2024 | Footnote | |
|-----------------------------|---|-------------|---|----------------------------------|---------------------------------|--------------------------------------|---------------|------------|--|---|----------|------|
| | | | | Balance as at September 30, 2024 | Balance as at December 31, 2023 | Number of shares | Ownership (%) | Book value | | | | |
| | | | | | | | | | | | | |
| Tong-An Investment | Century Real Estate (International) Pte. Ltd. | Singapore | Investing in other areas | \$ 274,856 | \$ 274,856 | 9,120,000 | 30% | \$ 207,818 | (\$ 8,606) | (\$ 2,391) | None | |
| Lien Chang | Gen Mao International Corp. | Taiwan | Investment holdings | 92,000 | 92,000 | 12,553,526 | 100% | 130,763 | (1,360) | (1,360) | None | |
| | Gen Mao (Singapore) | Singapore | Investment holdings | 582,246 | 582,246 | 27,502,355 | 84.97% | 653,420 | (10,226) | (8,076) | None | |
| Gen Mao International Corp. | Gen Mao (Singapore) | Singapore | Investment holdings | 91,079 | 91,079 | 4,866,045 | 15.03% | 115,568 | (10,226) | (1,428) | None | |
| Century Development | Centurytech Construction and Management Corp. | Taiwan | Construction and sales of related raw materials | 238,170 | 238,170 | 3,188,822 | 100% | 42,176 | | 46,676 | 47,296 | None |
| | Jie-Zheng Property Service & Management Co., Ltd. | Taiwan | Building management servicing | 13,750 | 13,750 | 1,512,500 | 50% | 83,413 | | 43,107 | 21,553 | None |
| | United Development | Taiwan | Investment consultancy service for domestic and foreign industrial parks and land | 25,536 | 25,536 | 6,102,973 | 51.60% | 103,153 | | 11,759 | 6,068 | None |
| | Century Biotech Development Corp. | Taiwan | Development and construction of real estate | 771,460 | 771,460 | 77,146,000 | 30.86% | 770,489 | | 99,943 | 30,842 | 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% | 269,038 | (8,606) | (3,442) | None | |
| Tong-An Assets | Century Development | Taiwan | Leasing of real estate | 455,716 | 455,716 | 38,280,585 | 10.91% | 494,107 | | 362,005 | 39,863 | None |
| | Century Biotech Development Corp. | Taiwan | Development and construction of real estate | 514,270 | 514,270 | 51,427,000 | 20.57% | 514,085 | | 99,943 | 21,048 | None |
| | Century Real Estate (International) Pte. Ltd. | Singapore | Investing in other areas | 274,856 | 274,856 | 9,120,000 | 30% | 197,220 | (8,606) | (2,659) | None | |

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

For the nine-month period ended September 30, 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 remitted from | | Accumulated | Net income of investee of the nine-month period ended September 30, 2024 | Ownership held by the Company (direct or indirect)(%) | Investment | Book value of investments in Mainland China as of September 30, 2024 | Accumulated | Footnote |
|---|---|-----------------|----------------------|--|---|---|--|---|--|--|---|-------------|---------------|
| | | | | amount of remittance from Taiwan to Mainland China as of January 1, 2024 | Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine-month period ended September 30, 2024 | amount of remittance from Taiwan to Mainland China as of September 30, 2024 | income (loss) recognized by the Company for the nine- month period ended September 30, 2024 | | | amount of investment income remitted back to Taiwan as of September 30, 2024 | | | |
| Teco (Dong Guang) | Manufacturing and sales of air conditioners mechanical equipment | \$ 268,799 | Note 2 | \$ 188,139 | \$ - | \$ - | \$ 188,139 | \$ 455 | 100% | \$ 455 | \$ 140,132 | \$ - | Note 18 |
| Wuxi Teco | Manufacturing and sales of motors | 1,697,276 | Note 1 | 768,259 | - | - | 768,259 | 316,762 | 84.12% | 266,460 | 1,987,199 | 1,170,060 | Note 13 |
| Taian (Wuxi) | Manufacturing and sales of optical fiber | 495,123 | Note 8 | 205,551 | - | - | 205,551 | 59,860 | 100% | 59,860 | 906,302 | 519,086 | Note 18 |
| Nanchang Teco | Manufacturing and sales of home appliances | 456,293 | Note 3 | 456,293 | - | - | 456,293 | (362) | 100% | (362) | (20,008) | - | Note 18 |
| Jiangxi Teco | Manufacturing and sales of motors | 1,481,569 | Note 1 | 1,383,653 | - | - | 1,383,653 | 103,196 | 98.07% | 101,205 | 1,643,129 | 324,060 | Note 13 |
| Qingdao Teco | Manufacturing and sales of fine blanking dies, precision cavity modes, standard parts of molds and new electromechanical components | 947,331 | Note 1 | 1,648,510 | - | - | 1,648,510 | (2,860) | 87.60% | (2,505) | 250,914 | - | Note 13 |
| Xiamen An-Tai | Development, manufacturing and sales of LCD monitors. | 678,681 | Note 3 | 467,577 | - | - | 467,577 | 8,678 | 100% | 8,678 | 269,011 | - | Note 18 |
| Teco Han Zhou | Development and consulting of device products | 9,837 | Note 1 | 9,837 | - | - | 9,837 | 170 | 100% | (622) | 17,598 | 11,937 | Note 18 |
| Teco Century | Manufacturing and sales of compressor | 680,938 | Note 3 | 340,469 | - | - | 340,469 | 6,933 | 24% | 1,751 | 33,149 | - | Note 18 |
| Fujian Teco | Manufacturing and sales of electronic components | 391,843 | Note 1 | 391,843 | - | - | 391,843 | 53,186 | 100% | 53,186 | 100,277 | - | Note 18 |
| Jiangxi TECO (AC) | Manufacturing and sales of air conditioning mechanical equipment | 79,813 | Note 3 | 79,813 | - | - | 79,813 | 5,567 | 100% | 5,567 | 143,456 | - | Note 18 |
| Qingdao Teco Innovation | Science Park development and business operations and consulting services | 59,444 | Note 10 | 59,444 | - | - | 59,444 | (3,534) | 100% | (3,534) | 34,210 | - | Note 18 |
| Shanghai Teco | Sales of home appliances | 23,829 | Note 1 | 23,829 | - | - | 23,829 | 78,771 | 100% | 78,771 | 204,425 | 411,932 | Note 13 |
| Jiangxi TECO Westinghouse Motor Coil Co.,Ltd. | Manufacturing and sales of motors, winding and related elements | 119,840 | Note 9 | - | - | - | - | 8,745 | 100% | 8,745 | 126,368 | - | Note 18 |
| Wuxi TECO Precision Industry Co. Ltd. | Production and sale of industrial motors and applications | 656,500 | Note 11 | - | - | - | - | 15,700 | 100% | 9,012 | 886,298 | - | Note 18 |
| Beijing Pelican Express | Storage services | 26,422 | Note 4 | 26,422 | - | - | 26,422 | - | - | - | - | - | Note 16 |
| Fubon Gehua (Beijing) Trading Co., Ltd. | Merchandise wholesale | 350,533 | Note 5 | 24,746 | - | - | 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 | - | - | 6,950 | (927) | 100% | 122 | (992) | - | 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 nine-month period ended September 30, 2024 | | Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024 | Net income of investee for the nine-month period ended September 30, 2024 | Ownership held by the Company (direct or indirect)(%) | Investment income (loss) recognized by the Company for the nine- month period ended September 30, 2024 | Book value of investments in Mainland China as of September 30, 2024 | Accumulated amount of investment income remitted back to Taiwan as of September 30, 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 | \$ 3,703 | 100% | \$ 1,777 | \$ 36,746 | - | 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 | 115,225 | Note 7 | 86,101 | - | - | 86,101 | 27,025 | 100% | 19,602 | 167,851 | 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 September 30, 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 \$38 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 dissolved and liquidated according to the resolution of the Board of Directors in October 2023. The legal deregistration procedure was completed in April 2024. As of September 30, 2024, the proceeds from liquidation were yet to be collected.

| Company name | Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 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. | \$ 6,573,981 | \$ 8,865,581 | \$ 50,885,474 |
| Taiwan Pelican Express Co., Ltd. | 51,168 | 51,168 | 1,264,633 |
| Tecom Co., Ltd. | 6,950 | 681,144 | 274,056 |
| Information Technology Total Services Co., Ltd. | 10,167 | 10,167 | 348,193 |

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 nine-month period ended September 30, 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 September 30, 2024 | % | Balance at September 30, 2024 | Purpose | Maximum balance during the nine-month period ended September 30, 2024 | Balance at September 30, 2024 | Interest rate | Interest during the nine-month period ended September 30, 2024 | Others |
| Shanghai Teco | \$ 35,015 | - | \$ - | - | \$ 29,416 | - | \$ - | - | \$ - | \$ - | - | \$ - | - |
| Wuxi Teco | 14,864 | - | - | - | 4,990 | - | - | - | - | - | - | - | - |
| Taian (Wuxi) | 12,978 | - | - | - | 7,922 | - | - | - | - | - | - | - | - |
| Jiangxi Teco | 12,172 | - | - | - | 879 | - | - | - | - | - | - | - | - |
| Wuxi Teco Precision | 972 | - | - | - | 73 | - | - | - | - | - | - | - | - |
| Wuxi Teco | (1,126,007) | (7%) | - | - | (843,986) | (15%) | - | - | - | - | - | - | - |
| Taian (Wuxi) | (503,082) | (3%) | - | - | (391,778) | (7%) | - | - | - | - | - | - | - |
| Jiangxi Teco | (127,739) | (1%) | - | - | (76,016) | (1%) | - | - | - | - | - | - | - |
| Wuxi Teco Precision | (58,744) | - | - | - | (25,573) | - | - | - | - | - | - | - | - |
| Genmao (Suzhao) | (48,236) | - | - | - | (7,670) | - | - | - | - | - | - | - | - |
| Jiangxi TECO (AC) | (46,700) | - | - | - | (13,709) | - | - | - | - | - | - | - | - |
| Xiamen An-Tai | (3,288) | - | - | - | - | - | - | - | - | - | - | - | - |
| Wuxi TECO Electro Devices | (3,099) | - | - | - | (14,027) | - | - | - | - | - | - | - | - |

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Major shareholders information

September 30, 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 | 115,451,000 | 5.39% |