

**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)

			September 30, 2024		December 31, 2023		September 30, 2023	
Assets		Notes	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		53,923,451	43	52,480,611	41	53,561,855	42
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		72,933,866	57	74,833,179	59	73,141,652	58
1XXX	Total assets		\$ 126,857,317	100	\$ 127,313,790	100	\$ 126,703,507	100

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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	6(20)						
3110	Common stock		21,387,966	17	21,387,966	17	21,387,966	17
	Capital surplus	6(21)						
3200	Capital surplus		9,609,734	7	9,629,730	7	9,629,348	7
	Retained earnings	6(22)						
3310	Legal reserve		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	6(23)						
3400	Other equity interest		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	9						
	Significant events after the balance sheet date	6(36) and 11						
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			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

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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)

		Three-month periods ended September 30				Nine-month periods ended September 30				
		2024		2023		2024		2023		
Items	Notes	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	
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)
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	-
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									
		100,140	1	(	4,604,258)	(	30)	(	2,054,235)
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)
8360	Components of other comprehensive income that will be reclassified to profit or loss									
		79,664	-	517,210	3	1,010,350	2	907,801	2	
8300	Other comprehensive income (loss) for the period									
		\$	179,804	1	(	\$	4,087,048)	(	27)
8500	Total comprehensive income (loss) for the period									
		\$	2,083,132	15	(	\$	2,977,628)	(	20)
Profit attributable to:										
8610	Owners of the parent									
		\$	1,770,005	13	\$	981,154	6	\$	4,576,095	
8620	Non-controlling interest									
		133,323	1	128,266	1	375,601	1	368,855	1	
		\$	1,903,328	14	\$	1,109,420	7	\$	4,951,696	
Comprehensive income (loss) attributable to:										
8710	Owners of the parent									
		\$	1,986,296	14	(	\$	3,042,662)	(	20)
8720	Non-controlling interest									
		96,836	1	65,034	-	357,267	1	469,419	1	
		\$	2,083,132	15	(	\$	2,977,628)	(	20)
Earnings per share (in dollars)										
9750	Basic earnings per share	6(31)								
		\$	0.84	\$	0.47	\$	2.17	\$	2.25	
9850	Diluted earnings per share									
		\$	0.84	\$	0.47	\$	2.17	\$	2.25	

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						
		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
Notes													
<u>For the nine-month period ended September 30, 2023</u>													
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
Other comprehensive income (loss) for the period	6(23)	-	-	-	-	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
Appropriations of 2022 earnings	6(22)												
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)
Disposal of investments in equity instrument at fair value through other comprehensive income	6(3)(23)	-	-	-	-	455,974	-	(455,974)	-	-	-	-	-
Balance at September 30, 2023		<u>\$ 21,387,966</u>	<u>\$ 9,629,348</u>	<u>\$ 8,237,099</u>	<u>\$ 3,640,779</u>	<u>\$ 21,340,484</u>	<u>(\$ 1,566,139)</u>	<u>\$ 16,793,741</u>	<u>\$ -</u>	<u>(\$ 511,710)</u>	<u>\$ 78,951,568</u>	<u>\$ 6,269,779</u>	<u>\$ 85,221,347</u>
<u>For the nine-month period ended September 30, 2024</u>													
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
Other comprehensive income (loss) for the period	6(23)	-	-	-	-	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
Appropriations of 2023 earnings	6(22)												
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
Transaction with non-controlling interest	6(35)	-	(87,534)	-	-	-	-	-	-	-	(87,534)	(169,966)	(257,500)
Changes in other non-controlling equity		-	-	-	-	-	-	-	-	-	-	(359,605)	(359,605)
Disposal of investments in equity instrument at fair value through other comprehensive income	6(3)(23)	-	-	-	-	(151,679)	-	151,679	-	-	-	-	-
Balance at September 30, 2024		<u>\$ 21,387,966</u>	<u>\$ 9,609,734</u>	<u>\$ 8,863,669</u>	<u>\$ 3,640,779</u>	<u>\$ 21,492,748</u>	<u>(\$ 1,299,140)</u>	<u>\$ 15,780,438</u>	<u>\$ 9,301</u>	<u>(\$ 511,710)</u>	<u>\$ 78,973,785</u>	<u>\$ 6,121,886</u>	<u>\$ 85,095,671</u>

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		3,047,139	2,056,728

(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
CASH FLOWS FROM INVESTING ACTIVITIES			
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>
CASH FLOWS FROM FINANCING ACTIVITIES			
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		<u>569,701</u>	<u>519,896</u>
Net increase in cash and cash equivalents		948,827	1,556,095
Cash and cash equivalents at beginning of period		<u>23,640,536</u>	<u>21,375,400</u>
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	-	787	5,513
	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	638,875	675,826	708,875
	2,044,783	2,370,619	2,403,668
Valuation adjustments	1,194,898	1,171,060	1,112,160
	<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	(\$ 81,032)	(\$ 274,975)
	<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	\$ 70,675	\$ 260,843

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
				\$ 5,513

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	148,288	163,823	146,973
	<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	452,414	306,948	313,521
	12,850,967	12,922,336	12,924,187
Valuation adjustments	15,700,205	17,655,604	16,799,917
	<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:

	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
<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>
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
<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

Items	September 30, 2024	December 31, 2023	September 30, 2023
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:

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

- 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

	September 30, 2024	December 31, 2023	September 30, 2023
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:

	September 30, 2024	December 31, 2023	September 30, 2023
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:

	<u>For the three-month period ended September 30, 2024</u>	<u>For the three-month period ended September 30, 2023</u>
Associates:		
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>
	<u>For the nine-month period ended September 30, 2024</u>	<u>For the nine-month period ended September 30, 2023</u>
Associates:		
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

Tung Pei Industrial Co., Ltd.		
	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
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	\$ 108,601	\$ 35,990
Dividends received from associates	\$ -	\$ -
Tung Pei Industrial Co., Ltd.		
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
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	\$ 284,827	\$ 52,230
Dividends received from associates	\$ 39,145	\$ 97,863
Lien Chang Electronic Enterprise Co., Ltd.		
	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
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	\$ 38,732	\$ 8,278
Dividends received from associates	\$ -	\$ -

	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)	- (94,646)	- (94,646)	- (14,957)	- (769)	- (769)	- (74)	- (11,286)	- (307,420)	- (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)	- (138,041)	- (182,664)	- (244,529)	- (3,212)	- (68,081)	- (25,975)	- (212,728)	- (307,420)	- (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)	- (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>

			Leased assets -		Leased assets -					
	Land	Buildings and structures	buildings and structures	Machinery and equipment	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	<u>4,703</u>	<u>23,809</u>	<u>-</u>	<u>13,922</u>	<u>-</u>	<u>186</u>	<u>678</u>	<u>5,253</u>	<u>-</u>	<u>48,551</u>
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>Carrying amount</u>	<u>Carrying amount</u>
	<u>September 30, 2024</u>	<u>December 31, 2023</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>
	<u>For the three-month period</u>	<u>For the three-month period</u>
	<u>ended September 30, 2024</u>	<u>ended September 30, 2023</u>
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>
	<u>For the nine-month period</u>	<u>For the nine-month period</u>
	<u>ended September 30, 2024</u>	<u>ended September 30, 2023</u>
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

	Land	Buildings and structures	Right-of-use assets	Total
<u>At January 1, 2024</u>				
Cost	\$ 1,436,681	\$ 3,280,847	\$ 59,941	\$ 4,777,469
Accumulated depreciation and impairment	-	(1,955,900)	(36,382)	(1,992,282)
	<u>\$ 1,436,681</u>	<u>\$ 1,324,947</u>	<u>\$ 23,559</u>	<u>\$ 2,785,187</u>
<u>2024</u>				
Opening net book amount	\$ 1,436,681	\$ 1,324,947	\$ 23,559	\$ 2,785,187
Additions	-	427	-	427
Reclassification	349,854	178,135	-	527,989
Depreciation charge	-	(65,701)	(6,365)	(72,066)
Net exchange differences	5,783	16,937	2,179	24,899
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	(34,697)	(2,188,836)	(45,498)	(2,269,031)
	<u>\$ 1,792,318</u>	<u>\$ 1,454,745</u>	<u>\$ 19,373</u>	<u>\$ 3,266,436</u>
	Land	Buildings and structures	Right-of-use assets	Total
<u>At January 1, 2023</u>				
Cost	\$ 1,688,929	\$ 2,976,827	\$ 51,216	\$ 4,716,972
Accumulated depreciation and impairment	-	(1,726,689)	(23,387)	(1,750,076)
	<u>\$ 1,688,929</u>	<u>\$ 1,250,138</u>	<u>\$ 27,829</u>	<u>\$ 2,966,896</u>
<u>2023</u>				
Opening net book amount	\$ 1,688,929	\$ 1,250,138	\$ 27,829	\$ 2,966,896
Reclassification	-	468	4,652	5,120
Depreciation charge	-	(50,946)	(6,183)	(57,129)
Net exchange differences	9,547	1,016	(214)	10,349
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	-	(1,835,980)	(34,733)	(1,870,713)
	<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:

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

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')

	2024	2023
<u>At January 1</u>		
Cost	\$ 5,045,600	\$ 4,871,157
Accumulated amortization and impairment	(315,284)	(315,284)
	\$ 4,730,316	\$ 4,555,873
Opening net book amount	\$ 4,730,316	\$ 4,555,873
Net exchange differences	194,266	164,915
Closing net book amount	\$ 4,924,582	\$ 4,720,788
<u>At September 30</u>		
Cost	\$ 5,239,866	\$ 5,036,072
Accumulated amortization and impairment	(315,284)	(315,284)
	\$ 4,924,582	\$ 4,720,788

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

	September 30, 2024	December 31, 2023	September 30, 2023
Green mechatronic solution business group	\$ 4,924,582	\$ 4,730,316	\$ 4,720,788

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
				\$	4,694
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
				\$	5,850
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
				\$	95

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:

September 30, 2024						For the nine-month period ended September 30, 2024	
Hedging instruments	Notional amount	Contract period	Assets carrying amount	Liabilities carrying amount	Changes in fair value in relation to recognising hedge ineffectiveness basis	Average price or fee (in dollars)	Gains (losses) on valuation of ineffective hedge that will be recognised in financial assets/liabilities at fair value through profit or loss
Cash flow hedges							
<u>Exchange rate risk</u>							
Forward foreign exchange transactions							
	USD 8,328	June 26, 2024 ~ November 26, 2024	\$ -	(\$ 4,523)	\$ -	32.08	\$ -

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

D. Cash flow hedge:

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

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

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2024
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
Less: Current portion (listed as '2320 Long-term liabilities, current portion')				(1,216,947)
				<u>\$ 4,024,874</u>
Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings and commercial papers payable	Both borrowing periods are from October 1, 2019 to June 27, 2038; payable based on the agreed terms.	1.35%~9.31%	Note	\$ 3,549,846
Less: Current portion (listed as '2320 Long-term liabilities, current portion')				(484,224)
				<u>\$ 3,065,622</u>
Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2023
Long-term bank borrowings and commercial papers payable	Both borrowing periods are from October 1, 2019 to June 27, 2038; payable based on the agreed terms.	1.35%~8.79%	Note	\$ 5,920,219
Less: Current portion (listed as '2320 Long-term liabilities, current portion')				(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:
- Payment of taxes and duties.
 - Covering prior years' accumulated deficit, if any.
 - After deducting items (a) and (b), set aside 10% of the remaining amount as legal reserve.
 - Set aside a certain amount as special reserve, if any.
 - 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 December 31, 2023		For the year ended December 31, 2022	
	Dividend per share		Dividend per share	
	Amount	(in dollars)	Amount	(in dollars)
Legal reserve	\$ 626,570		\$ 338,042	
Cash dividends	4,705,353	\$ 2.2	3,208,195	\$ 1.5

(23) Other equity items

	Unrealized gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2024	\$ 17,649,701	(\$ 5,025)	(\$ 2,280,016)	\$ 15,364,660
Unrealized gains and losses on financial assets:				
Revaluation - group	(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>
	Unrealized gains (losses) on valuation	Currency translation	Total	
At January 1, 2023	\$ 20,805,870	(\$ 2,453,451)	\$	18,352,419
Unrealized gains and losses on financial assets:				
Revaluation - group	(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

	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
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>
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
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:

	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
	Revenue from external customer contracts	Revenue from external customer contracts
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>
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
	Revenue from external customer contracts	Revenue from external customer contracts
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

	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
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>
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
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

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

(26) Other income

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

(27) Other gains and losses

	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
(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>
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
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

	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
Interest expense	\$ 110,040	\$ 80,433
Other finance expenses	390	391
	<u>\$ 110,430</u>	<u>\$ 80,824</u>
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
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:

	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
Current tax:		
Current tax on profits for the period	\$ 355,343	\$ 417,083
Tax on undistributed surplus earnings	-	386
Total current tax	355,343	417,469
Deferred tax:		
Origination and reversal of temporary differences	122,311	82,061
Total deferred tax	122,311	82,061
Income tax expense	<u>\$ 477,654</u>	<u>\$ 499,530</u>
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
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	77,805	(45,680)
Total current tax	1,644,016	1,446,034
Deferred tax:		
Origination and reversal of temporary differences	(144,703)	21,486
Total deferred tax	(144,703)	21,486
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	13,907	109,887
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	189,493	151,004
Income tax charge relating to components of other comprehennsive 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>			
		Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
	<u>Amount after tax</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>			
		Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
	<u>Amount after tax</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>			
		Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
	<u>Amount after tax</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>			
		Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
	<u>Amount after tax</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

	Short-term borrowings	Dividends payable (Note 1)	Bonds payable (Note 2)	Long-term borrowings (Note 2)	Lease liabilities	Liabilities from financing activities - gross
January 1, 2024	\$ 1,357,111	\$ 62,359	\$ 5,000,000	\$ 3,549,846	\$ 5,877,521	\$ 15,846,837
Interest expenses on lease liabilities	-	-	-	-	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>
	Short-term borrowings	Dividends payable (Note 1)	Bonds payable (Note 2)	Long-term borrowings (Note 2)	Lease liabilities	Liabilities from financing activities - gross
January 1, 2023	\$ 1,751,344	\$ 27,860	\$ 5,000,000	\$ 3,655,514	\$ 5,072,407	\$ 15,507,125
Interest expenses on lease liabilities	-	-	-	-	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

	Tecom Co., Ltd. and subsidiaries		
	<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>

	Taiwan Pelican Express Co., Ltd. and subsidiaries		
	<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>

	Century Development Corporation and subsidiaries		
	<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>

	Information Technology Total Services Co., Ltd. and subsidiaries		
	<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

Tecom Co., Ltd. and subsidiaries		
	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
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	\$ 10,445	(\$ 19,387)
Comprehensive income attributable to non-controlling interest	\$ 1,659	\$ 4,034
Dividends paid to non-controlling interest	\$ -	\$ -
Tecom Co., Ltd. and subsidiaries		
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
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	\$ 7,205	\$ 3,197
Comprehensive income attributable to non-controlling interest	\$ 1,855	\$ 1,810
Dividends paid to non-controlling interest	\$ -	\$ -

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

Century Development Corporation and subsidiaries		
	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
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>
Century Development Corporation and subsidiaries		
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
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	\$ 17,160	\$ 19,490
Comprehensive income attributable to non-controlling interest	\$ 9,311	\$ 12,861
Dividends paid to non-controlling interest	\$ -	\$ -
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	\$ 57,000	\$ 59,770
Comprehensive income attributable to non-controlling interest	\$ 28,121	\$ 33,677
Dividends paid to non-controlling interest	\$ 30,651	\$ 22,291

Statements of cash flows

	Tecom Co., Ltd. and subsidiaries	
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
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>
	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
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>

Century Development Corporation and subsidiaries		
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
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	15,933	55,535
Cash and cash equivalents, beginning of period	189,579	254,140
Cash and cash equivalents, end of period	<u>\$ 205,512</u>	<u>\$ 309,675</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
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	(30,935)	41,409
Cash and cash equivalents, beginning of period	306,754	171,492
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:

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

(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:

	January 18, 2023
Purchase consideration	
Cash	\$ 29,954
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	(102)
Total identifiable net assets	30,359
	(\$ 405)

- (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	(4,823)
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

Names of related parties	Relationship with the Group	Names of related parties	Relationship with the Group
Teco Middle East Electrical & Machinery Co., Ltd. (TME)	Note 1	Greyback International Property, Inc. (Greyback)	Associates
Teco (PHILIPPINES) 3C & Appliances, Inc. (Teco 3C)	Associates	ABC Cooking Studio Taiwan Co., Ltd. (ABC Cooking)	"
Taian-Jaya Electric Sdn. Bhd. (Taian-Jaya)	"	Qingdao Teco Century Advanced HighTech Mechatronics Co., Ltd. (Teco Century)	"
An-Sheng Travel Co., Ltd. (An-Sheng)	"	Teco EV Philippines Corporation (Teco EV)	"
Le-Li Co., Ltd. (Le-Li)	"	Fujio Food System Taiwan Co., Ltd. (Fujio Food)	"
Lien Chang Electronic Enterprise Co., Ltd. (Lien Chang)	"	Teco Group Science Technology (Han Zou) Co., Ltd. (Teco Group)	"
Tung Pei Industrial Co., Ltd. (Tung Pei)	"	An-shin Food Service Co., Ltd. (An-shin)	Other related parties
Taian Electric Co., Ltd. (Taian Electric)	"	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:

	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
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>

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

	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023
Purchases of goods:		
Associates	\$ 34,613	\$ 43,623
Other related parties	3,934	1,633
	<u>\$ 38,547</u>	<u>\$ 45,256</u>
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
Purchases of goods:		
Associates	\$ 92,508	\$ 103,244
Other related parties	8,482	11,378
	<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:

	September 30, 2024	December 31, 2023	September 30, 2023
Receivables from related			
Associates	\$ 88,336	\$ 107,447	\$ 273,059
Other related parties	85,839	86,729	91,536
	<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	3,749	31,948	3,438
	<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	4,500	3,743	2,620
	<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	5,419	5,631
	<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	15,619	15,583
	<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	1,577	3,967
	<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	7,989	9,729
	<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
	<u>\$ 6,425,504</u>	<u>\$ 6,352,340</u>	

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		
Refundable deposits	79,303	Exercise guarantee or warranty for construction and exercise guarantee for tender
	<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:

	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant and equipment	\$ 1,518,061	\$ 1,541,787	\$ 1,575,520
Intangible assets	2,328	2	1,346
	<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

					Sensitivity Analysis						
Foreign currency amount					Effect on profit			Effect on other			
(In thousands)					Exchange rate	Book value (NTD)	Degree of variation	or loss	comprehensive income		
(Foreign currency: functional currency)											
Financial assets											
Monetary items											
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		-
Non-monetary items											
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					
Financial liabilities											
Monetary items											
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

			Sensitivity Analysis			
			Effect on profit or loss		Effect on other comprehensive income	
Foreign currency amount (In thousands)			Exchange rate	Book value (NTD)	Degree of variation	
(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

					Sensitivity Analysis					
Foreign currency amount					Effect on other					
(In thousands)					Degree of variation	Effect on profit or loss	comprehensive income			
(Foreign currency: functional currency)										
Financial assets										
Monetary items										
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		-
Non-monetary items										
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				
Financial liabilities										
Monetary items										
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			
	Expected credit loss rate	Total book value	Loss allowance
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			
	Expected credit loss rate	Total book value	Loss allowance
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			
	Expected credit loss rate	Total book value	Loss allowance
Individual	100%	\$ 26,318	(\$ 26,318)
Group A	0%~5%	5,878,068	(14,367)
Group B	0%~10%	1,940,214	(3,925)
Group C	1%~20%	1,422,730	(31,937)
Group D	1%~40%	619,505	(17,095)
Group E	1%~100%	1,672,563	(108,631)
		<u>\$ 11,559,398</u>	<u>(\$ 202,273)</u>
September 30, 2023			
	Expected credit loss rate	Total book value	Loss allowance
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:

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

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	28,518,777	-	334,437	28,853,214
	<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	-	4,523	-	4,523
	<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>
Assets				
<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>
Liabilities				
<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>
Assets				
<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>
Liabilities				
<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:

	Non-derivative equity	
	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
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)	\$ 16,722	(\$ 16,722)
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)	\$ 9,582	(\$ 9,582)
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)	\$ 9,911	(\$ 9,911)

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	13,243,660	564,945	3,497,636	427,118	(17,733,359)	-
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	14,225,759	556,904	3,223,118	467,570	(18,473,351)	-
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:

	For the nine-month period ended September 30, 2024	For the nine-month period ended September 30, 2023
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		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
					September 30, 2024	September 30, 2024							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	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
			Relationship with the endorser/ guarantor (Note 2)											
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 NT\$200 million, and the guarantee to a single party shall not exceed NT\$50 million. If due to special needs, the guarantee amount exceeds the limit, stockholders' resolution is required.

TECO ELECTRIC & 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	
Tong-An Investment	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	
	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	

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	
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	
U.V.G	Fund 4	"	"	625	21,655	-	21,655	
	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	
	Fund 5	"	Note 2	-	12,097	-	12,097	
	Information Technology Total Service	"	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	Transaction		Percentage of total purchases (sales)	Credit term	Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount			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	
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

Expressed in thousands of NTD (Except as otherwise indicated)													
				Investment income					Net profit (loss) of the investee for the nine-month period ended September 30, 2024		(loss) recognized by the Company for the nine-month period ended September 30, 2024		Footnote
Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2024							
				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)	Investment income	Footnote
				Balance	Balance	Number of shares	Ownership (%)	Book value	of the investee	(loss) recognized	
				as at September 30, 2024	as at December 31, 2023				for the nine- month period ended September 30, 2024	by the Company for the nine-month period ended September 30, 2024	
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. TECO MOTOR	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
	TECO MOTOR B.V.I	Netherlands	Investment holdings	3,691,723	3,691,723	1	100%	5,241,636	(5,468)	(5,468)	None
	Motovario S.p.A	Italy	Production and sale of gear reducers and motors	3,989,850	3,989,850	18,010,000	100%	5,241,636	(5,468)	(5,468)	None
	Tung Pei	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	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	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 (Singapore)	Singapore	Investment holdings	91,079	91,079	4,866,045	15.03%	115,568	(10,226)	(1,428)	None
Gen Mao International Corp.	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 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	September 30, 2024	September 30, 2024	Company (direct or indirect)(%)	September 30, 2024	September 30, 2024	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								
Information 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%