

**TECO ELECTRIC & MACHINERY CO., LTD.  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
MARCH 31, 2023 AND 2022**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To TECO Electric & Machinery Co., Ltd.

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Teco Electric & Machinery Co., Ltd. and subsidiaries (the “Group”) as at March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of significant 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\$24,454,204 thousand and NT\$23,856,171 thousand, constituting 18% and 19% of consolidated total assets as of March 31, 2023 and 2022, respectively, total liabilities (including credit balance of investments accounted for under the equity method) of NT\$4,606,282 thousand and NT\$5,239,161 thousand, constituting 10% and 12% of consolidated total liabilities as of March 31, 2023 and 2022, respectively, and total comprehensive income (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for under the equity method) of NT\$177,174 thousand and NT\$187,358 thousand, both constituting 2% of the consolidated total comprehensive income for the three-month periods ended March 31, 2023 and 2022. These amounts and the related information disclosed in Note 13 were based on the unreviewed financial statements of such consolidated subsidiaries and investee companies.

### ***Qualified Conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investees accounted for under the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three-month periods ended March 31, 2023 and 2022 in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

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Wu, Yu-Lung

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Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

May 12, 2023

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' 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**  
**MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2022**  
(Expressed in thousands of New Taiwan dollars)  
(The balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

Assets			March 31, 2023		December 31, 2022		March 31, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1) and 8	\$ 22,243,350	16	\$ 21,156,796	17	\$ 19,298,415	16
1110	Current financial assets at fair value through profit or loss	6(2)	38,003	-	31,790	-	1,250,496	1
1120	Current financial assets at fair value through other comprehensive income	6(3)	438,349	-	761,573	1	1,005,039	1
1140	Current contract assets		2,609,776	2	2,316,064	2	1,777,153	1
1150	Notes receivable, net	6(5) and 8	814,536	1	1,039,556	1	784,817	1
1160	Notes receivable - related parties	7	169	-	101	-	8,145	-
1170	Accounts receivable, net	6(5)	10,471,243	8	10,049,783	8	10,040,866	8
1180	Accounts receivable - related parties	7	275,522	-	301,997	-	235,363	-
1200	Other receivables		372,515	-	326,141	-	339,838	-
1210	Other receivables - related parties	7	68,333	-	86,927	-	113,383	-
130X	Inventories, net	6(6)	12,815,232	9	12,895,287	10	13,053,986	11
1410	Prepayments		814,714	1	496,418	-	509,581	-
1470	Other current assets	6(1) and 8	681,667	1	854,988	1	1,605,064	1
11XX	Total current assets		51,643,409	38	50,317,421	40	50,022,146	40
Non-current assets								
1510	Non-current financial assets at fair value through profit or loss	6(2)	3,827,166	3	3,271,436	3	3,882,944	3
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 8	40,408,821	30	33,765,890	27	32,985,146	26
1535	Non-current financial assets at amortised cost, net	6(4) and 8	72,118	-	115,909	-	313,159	-
1550	Investments accounted for under the equity method	6(7) and 7	3,950,693	3	3,911,876	3	3,625,951	3
1600	Property, plant and equipment, net	6(8) and 8	19,992,448	15	19,131,777	15	17,945,840	14
1755	Right-of-use assets	6(9) and 8	6,641,494	5	6,735,166	5	6,904,735	6
1760	Investment property, net	6(10)	2,946,988	2	2,966,896	2	2,827,316	2
1780	Intangible assets	6(11)	4,716,809	3	4,668,399	4	4,538,944	4
1840	Deferred income tax assets	6(29)	1,235,009	1	1,198,512	1	1,263,827	1
1900	Other non-current assets	6(1)(12) and 8	549,755	-	519,828	-	832,025	1
15XX	Total non-current assets		84,341,301	62	76,285,689	60	75,119,887	60
1XXX	Total assets		\$ 135,984,710	100	\$ 126,603,110	100	\$ 125,142,033	100

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**TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2022**  
(Expressed in thousands of New Taiwan dollars)  
(The balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

	Liabilities and Equity	Notes	March 31, 2023		December 31, 2022		March 31, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>							
2100	Short-term borrowings	6(13) and 8	\$ 1,721,422	1	\$ 1,751,344	1	\$ 1,672,201	1
2120	Current financial liabilities at fair value through profit or loss	6(14)	3,544	-	4,144	-	694	-
2130	Current contract liabilities	6(23) and 7	2,449,973	2	2,199,362	2	1,888,235	2
2150	Notes payable		689,168	1	784,357	1	904,871	1
2160	Notes payable - related parties	7	342	-	434	-	34,860	-
2170	Accounts payable		8,322,358	6	9,077,048	7	8,815,455	7
2180	Accounts payable - related parties	7	50,565	-	48,756	-	65,393	-
2200	Other payables	6(15)	9,294,889	7	5,994,197	5	7,934,862	6
2230	Current income tax liabilities	6(29)	1,112,137	1	852,683	1	892,358	1
2250	Provisions for liabilities - current		394,120	-	340,961	-	336,110	-
2280	Current lease liabilities		497,322	-	531,318	-	512,367	-
2320	Long-term liabilities, current portion	6(16)(17) and 8	352,634	-	228,159	-	1,488,070	1
2399	Other current liabilities, others		792,160	1	841,157	1	687,548	1
21XX	<b>Total current liabilities</b>		<u>25,680,634</u>	<u>19</u>	<u>22,653,920</u>	<u>18</u>	<u>25,233,024</u>	<u>20</u>
	<b>Non-current liabilities</b>							
2530	Corporate bonds payable	6(16)	5,000,000	4	5,000,000	4	5,000,000	4
2540	Long-term borrowings	6(17) and 8	4,262,690	3	3,427,355	3	3,677,673	3
2550	Provisions for liabilities - non-current		284,635	-	237,477	-	105,565	-
2570	Deferred income tax liabilities	6(29)	2,578,909	2	2,432,283	2	2,315,116	2
2580	Non-current lease liabilities		4,458,482	3	4,541,089	4	4,640,686	3
2600	Other non-current liabilities	6(7)	1,947,947	2	1,992,487	1	2,190,476	2
25XX	<b>Total non-current liabilities</b>		<u>18,532,663</u>	<u>14</u>	<u>17,630,691</u>	<u>14</u>	<u>17,929,516</u>	<u>14</u>
2XXX	<b>Total liabilities</b>		<u>44,213,297</u>	<u>33</u>	<u>40,284,611</u>	<u>32</u>	<u>43,162,540</u>	<u>34</u>
	<b>Equity attributable to owners of parent</b>							
	Share capital	6(19)						
3110	Common stock		21,387,966	16	21,387,966	17	21,387,966	17
	Capital surplus	6(20)						
3200	Capital surplus		9,611,908	6	9,575,822	7	9,574,797	7
	Retained earnings	6(21)						
3310	Legal reserve		7,899,057	6	7,899,057	6	7,374,048	6
3320	Special reserve		3,640,779	3	3,640,779	3	3,640,779	3
3350	Unappropriated retained earnings		18,293,698	13	19,680,601	16	17,173,409	14
	Other equity interest	6(22)						
3400	Other equity interest		24,819,795	18	18,352,419	14	17,099,175	14
3500	Treasury stocks	6(19)	( 511,710)	-	( 511,710)	-	( 511,710)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>85,141,493</u>	<u>62</u>	<u>80,024,934</u>	<u>63</u>	<u>75,738,464</u>	<u>61</u>
36XX	Non-controlling interest	6(33)	6,629,920	5	6,293,565	5	6,241,029	5
3XXX	<b>Total equity</b>		<u>91,771,413</u>	<u>67</u>	<u>86,318,499</u>	<u>68</u>	<u>81,979,493</u>	<u>66</u>
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 135,984,710</u>	<u>100</u>	<u>\$ 126,603,110</u>	<u>100</u>	<u>\$ 125,142,033</u>	<u>100</u>

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except earnings per share)  
(REVIEWED, NOT AUDITED)

Items		Notes	Three-month periods ended March 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(9)(10)(23) and 7	\$ 14,900,181	100	\$ 13,897,288	100
5000	Operating costs	6(6)(8)(9)(18)(28) and 7	( 11,271,380)	( 76)	( 10,853,308)	( 78)
5900	Net operating margin		3,628,801	24	3,043,980	22
5910	Unrealized profit from sales		( 9,095)	-	( 8,354)	-
5920	Realized profit from sales		9,350	-	8,354	-
5950	Net operating margin		3,629,056	24	3,043,980	22
	Operating expenses	6(8)(9)(18)(28)				
6100	Selling expenses		( 1,056,641)	( 7)	( 1,036,464)	( 8)
6200	General and administrative expenses		( 609,749)	( 4)	( 581,866)	( 4)
6300	Research and development expenses		( 265,758)	( 2)	( 266,548)	( 2)
6450	Expected credit impairment gains (losses)	12(2)	492	-	( 8,456)	-
6000	Total operating expenses		( 1,931,656)	( 13)	( 1,893,334)	( 14)
6900	Operating profit		1,697,400	11	1,150,646	8
	Non-operating income and expenses					
7100	Interest income	6(4)(24)	124,127	1	31,836	-
7010	Other income	6(3)(10)(25) and 7	156,288	1	81,856	1
7020	Other gains and losses	6(2)(9)(14)(26)	289,372	2	( 509,954)	( 4)
7050	Finance costs	6(9)(27)	( 60,591)	( 1)	( 52,206)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6(7)	( 19,602)	-	97,614	1
7000	Total non-operating income and expenses		489,594	3	( 350,854)	( 2)
7900	<b>Profit before income tax</b>		2,186,994	14	799,792	6
7950	Income tax expense	6(29)	( 443,987)	( 3)	( 345,733)	( 3)
8200	<b>Profit for the period</b>		\$ 1,743,007	11	\$ 454,059	3

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TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except earnings per share)  
(REVIEWED, NOT AUDITED)

		Three-month periods ended March 31			
		2023		2022	
Items	Notes	AMOUNT	%	AMOUNT	%
<b>Other comprehensive income</b>					
<b>Other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Other comprehensive income(loss), before tax, actuarial losses on defined benefit plans	\$ 11,786	-	(\$ 325)	-
8316	Unrealized losses and gains on valuation of investments measured at fair value through other comprehensive income	6,866,705	46	(12,137,762)	(87)
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	1,587	-	(1,967)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss	6,880,078	46	(12,140,054)	(87)
<b>Other comprehensive income that will be reclassified to profit or loss</b>					
8361	Currency translation differences of foreign operations	(45,336)	-	1,035,413	7
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	21,268	-	(174,889)	(1)
8360	Components of other comprehensive income that will be reclassified to profit or loss	(24,068)	-	860,524	6
8300	<b>Other comprehensive income (loss) for the period</b>	<u>\$ 6,856,010</u>	<u>46</u>	<u>(\$ 11,279,530)</u>	<u>(81)</u>
8500	<b>Total comprehensive income (loss) for the period</b>	<u>\$ 8,599,017</u>	<u>57</u>	<u>(\$ 10,825,471)</u>	<u>(78)</u>
Profit attributable to:					
8610	Owners of the parent	\$ 1,634,863	10	\$ 348,439	2
8620	Non-controlling interest	108,144	1	105,620	1
		<u>\$ 1,743,007</u>	<u>11</u>	<u>\$ 454,059</u>	<u>3</u>
Comprehensive income (loss) attributable to:					
8710	Owners of the parent	\$ 8,288,668	55	(\$ 10,633,201)	(77)
8720	Non-controlling interest	310,349	2	(192,270)	(1)
		<u>\$ 8,599,017</u>	<u>57</u>	<u>(\$ 10,825,471)</u>	<u>(78)</u>
Earnings per share (in dollars)					
9750	Basic earnings per share	\$ 0.78		\$ 0.17	
9850	Diluted earnings per share	\$ 0.78		\$ 0.17	

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



TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)  
(REVIEWED, NOT AUDITED)

Equity attributable to owners of the parent												
		Retained Earnings					Other equity interest					
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling interest	Total equity
<u>For the three-month period ended March 31, 2022</u>												
Balance at January 1, 2022		\$ 21,387,966	\$ 9,529,520	\$ 7,374,048	\$ 3,640,779	\$ 19,712,565	( \$ 4,033,116 )	\$ 32,113,711	( \$ 511,710 )	\$ 89,213,763	\$ 6,448,168	\$ 95,661,931
Profit for the period		-	-	-	-	348,439	-	-	-	348,439	105,620	454,059
Other comprehensive (loss) income for the period	6(22)	-	-	-	-	( 220 )	846,886	( 11,828,306 )	-	( 10,981,640 )	( 297,890 )	( 11,279,530 )
Total comprehensive income (loss)		-	-	-	-	348,219	846,886	( 11,828,306 )	-	( 10,633,201 )	( 192,270 )	( 10,825,471 )
Appropriations of 2021 earnings	6(21)											
Cash dividends declared		-	-	-	-	( 2,887,375 )	-	-	-	( 2,887,375 )	-	( 2,887,375 )
Effect of changes in net equity of associates and joint ventures accounted for under the equity method		-	49,165	-	-	-	-	-	-	49,165	-	49,165
Transactions with non-controlling interest		-	( 3,888 )	-	-	-	-	-	-	( 3,888 )	3,888	-
Changes in other non-controlling equity		-	-	-	-	-	-	-	-	-	( 18,757 )	( 18,757 )
Balance at March 31, 2022		\$ 21,387,966	\$ 9,574,797	\$ 7,374,048	\$ 3,640,779	\$ 17,173,409	( \$ 3,186,230 )	\$ 20,285,405	( \$ 511,710 )	\$ 75,738,464	\$ 6,241,029	\$ 81,979,493
<u>For the three-month period ended March 31, 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		-	-	-	-	1,634,863	-	-	-	1,634,863	108,144	1,743,007
Other comprehensive (loss) income for the period	6(22)	-	-	-	-	11,786	( 22,534 )	6,664,553	-	6,653,805	202,205	6,856,010
Total comprehensive income (loss)		-	-	-	-	1,646,649	( 22,534 )	6,664,553	-	8,288,668	310,349	8,599,017
Appropriations of 2022 earnings	6(21)											
Cash dividends declared		-	-	-	-	( 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		-	36,086	-	-	-	-	-	-	36,086	-	36,086
Changes in other non-controlling equity		-	-	-	-	-	-	-	-	-	26,006	26,006
Disposal of investments in equity instrument at fair value through other comprehensive income	6(3)(22)	-	-	-	-	174,643	-	( 174,643 )	-	-	-	-
Balance at March 31, 2023		\$ 21,387,966	\$ 9,611,908	\$ 7,899,057	\$ 3,640,779	\$ 18,293,698	( \$ 2,475,985 )	\$ 27,295,780	( \$ 511,710 )	\$ 85,141,493	\$ 6,629,920	\$ 91,771,413

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

**TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)  
(REVIEWED, NOT AUDITED)

		Three-month periods ended March 31	
	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 2,186,994	\$ 799,792
Adjustments			
Adjustments to reconcile profit (loss)			
Net (gain) loss on financial assets at fair value through profit or loss	6(2)(26)	( 555,750 )	546,451
Expected credit impairment (gains) losses	12(2)	( 492 )	8,456
Net loss on financial liabilities at fair value through profit or loss	6(14)(26)	( 600 )	660
Provision for decline in value of inventories	6(6)	45,126	37,226
Interest income	6(24)	( 124,127 )	( 31,836 )
Dividend income	6(25)	( 23,690 )	( 11,428 )
Interest expense	6(27)	60,591	52,206
Depreciation and amortization	6(8)(9)(10)(28)	472,257	451,104
Loss on disposal of property, plant and equipment	6(26)	6,607	163
Share of profit of associates and joint ventures accounted for under the equity method	6(7)	19,602	( 97,614 )
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets	(	293,712 )	541,939
Notes receivable		225,239	212,224
Notes receivable - related parties	(	67,987 )	( 3,944 )
Accounts receivable	(	416,577 )	( 127,317 )
Accounts receivable - related parties		26,558	50,128
Other receivables	(	46,374 )	80,275
Other receivables - related parties		18,594	5,178
Inventories		34,929	( 839,114 )
Prepayments	(	318,296 )	6,230
Other current assets	(	14,050 )	( 30,787 )
Changes in operating liabilities			
Current contract liabilities		250,611	397,414
Notes payable	(	95,189 )	( 116,168 )
Notes payable - related parties	(	92 )	28,706
Accounts payable	(	754,690 )	( 452,773 )
Accounts payable - related parties		1,809	( 13,606 )
Other payables	(	40,745 )	( 455,300 )
Provisions for liabilities		100,317	6,077
Other current liabilities	(	49,045 )	28,801
Other non-current liabilities	(	51,447 )	( 46,974 )
Cash inflow generated from operations		596,371	1,026,169
Interest received	6(24)	124,127	31,836
Interest paid	(	43,647 )	( 34,694 )
Income tax paid	(	53,136 )	14,289
Net cash flows from operating activities		623,715	1,037,600

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**TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)  
(REVIEWED, NOT AUDITED)

	Notes	Three-month periods ended March 31	
		2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in current financial assets at fair value through profit or loss		( \$ 6,106 )	( \$ 7,537 )
(Increase) decrease in non-current financial assets at fair value through profit or loss		( 87 )	107,698
Proceeds from disposal of current financial assets at fair value through profit or loss	6(2)	-	1,070,555
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income	6(3)	648,966	-
Decrease in non-current financial assets at amortized cost	6(4)	43,791	79,073
Decrease in pledged and restricted bank and time deposits	6(1) and 8	194,126	311,816
Acquisition of property, plant and equipment	6(8)(31)	( 852,601 )	( 728,658 )
Proceeds from disposal of property, plant and equipment		-	1,053
(Increase) decrease in other non-current assets		( 17,956 )	12,845
Net cash outflow on acquisitions of subsidiaries	6(31)	( 29,425 )	-
Dividends received from investments of financial instruments		23,690	11,428
Increase in investments accounted for under the equity method and capital reduction to recover investment cost		-	( 2,582 )
Net cash flows from investing activities		4,398	855,691
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in short-term loans	6(32)	( 29,922 )	( 370,496 )
Increase in long-term loans	6(32)	806,037	70,487
Lease liabilities paid	6(9)(32)	( 169,525 )	( 152,967 )
Net cash flows from (used in) financing activities		606,590	( 452,976 )
Exchange rate effect		( 148,149 )	583,957
Net increase in cash and cash equivalents		1,086,554	2,024,272
Cash and cash equivalents at beginning of period		21,156,796	17,274,143
Cash and cash equivalents at end of period		\$ 22,243,350	\$ 19,298,415

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

**TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022**  
**(REVIEWED, NOT AUDITED)**

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

**1. History and Organization**

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

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

These consolidated financial statements were reported to the Board of Directors on May 12, 2023.

**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”) 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 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising	January 1, 2023

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 as endorsed by the FSC but not yet adopted by the Group**

None.

(3) IFRSs 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 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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to 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
The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.	

4. Summary of Significant 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, 2022, 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, 2022.

(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, 2022.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2023	December 31, 2022	March 31, 2022	
Teco Electric & Machinery Co., Ltd.	Teco Holding USA Inc. and subsidiaries	Holding company investing in companies in North America and Taiwan. Its investees are primarily engaged in the manufacturing and sales of motors, generators, winding and related parts.	100	100	100	Note 5
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
Teco Electric & Machinery Co., Ltd.	Tong-An Assets Management & Development Co., Ltd.	Real estate business	100	100	100	Note 1

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2023	December 31, 2022	March 31, 2022	
Teco Electric & Machinery Co., Ltd.	Teco Electric & Machinery (Pte) Ltd. and subsidiaries	Distribution of mechatronic products. Its investees are primarily engaged in the sales of mechatronic products in Singapore, India and neighbouring countries.	100	100	100	Note 1
Teco Electric & Machinery Co., Ltd.	Tong Dai Co., Ltd. and subsidiaries	Distribution of mechatronic products	83.53	83.53	83.53	Notes 1 and 4
Teco Electric & Machinery Co., Ltd.	Teco Electro Devices Co., Ltd. and subsidiaries	Manufacturing and sales of step-servo motors. Its investees are primarily engaged in the trading, various investments and manufacturing and sales of motors in Mainland China.	61.07	61.07	61.07	Notes 1 and 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	84.73	84.73	84.73	Note 1
Teco Electric & Machinery Co., Ltd.	Micropac Worldwide (BVI) and subsidiaries	International trading. Its investees are primarily engaged in the investment holdings and manufacturing, sales and technical services of fiber electric equipment and aerogenerator components in Mainland China.	100	100	100	Note 1
Teco Electric & Machinery Co., Ltd.	E-Joy International Co., Ltd.	Wholesale and retail of electric appliances	98.07	98.07	98.3	Notes 1 and 8

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2023	December 31, 2022	March 31, 2022	
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
Teco Electric & Machinery Co., Ltd.	Teco Smart Technologies Co., Ltd.	Commissioned sales of phone cards and IC cards, and production of data storage and processing equipment	-	-	100	Notes 1 and 9



Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2023	December 31, 2022	March 31, 2022	
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
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	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2023	December 31, 2022	March 31, 2022	
Teco Electric & Machinery Co., Ltd.	Century Development Corporation and subsidiaries	Real estate and industrial park management and development. Its investees are primarily engaged in the construction industry, trades and related operation and investment of materials and sandstone used in construction and machinery, and investment consultancy service for domestic and foreign industrial parks and land.	52.75	52.75	52.75	
Teco Electric & Machinery Co., Ltd.	Teco.Sun Energy Co., Ltd.	Energy technical services	60	60	60	Note 1
Teco Electric & Machinery Co., Ltd.	Tong An Energy Co., Ltd.	Energy technical services	100	100	100	Notes 1 and 6

Note 1: The financial statements of the entity as of and for the three-month periods ended March 31, 2023 and 2022 were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 2: The Company sold part of its ownership in Taiwan Pelican Express Co., Ltd. in August, 2012, and accordingly, its ownership fell below 50% of the voting shares of Taiwan Pelican Express Co., Ltd.. However, the Company still has control over the finance, operations and personnel affairs of Taiwan Pelican Express Co., Ltd., thus Taiwan Pelican Express Co., Ltd. continues to be included in the consolidated financial statements.

Note 3: The Company has control over the Board of Directors of Information Technology Total Services Co., Ltd., and has absolute control over the subsidiary. Thus, the subsidiary was included in the consolidated financial statements.

Note 4: The Company has control over the Board of Directors of Top-Tower Enterprises Co., Ltd. and has absolute control over the subsidiary. Thus, the subsidiary was included in the consolidated financial statements.

Note 5: Teco Holding USA Inc. acquired 100% of the shares in Tai-Peng Energy Co., Ltd. through its wholly-owned subsidiary in January 2023, and the entity has been included in the Group's consolidated financial statements since the acquisition date.

Note 6: Tong An Energy Co., Ltd. was a newly established subsidiary in 2022.

Note 7: The Company sold 517,000 of shares in Teco Electro Devices Co., Ltd. in January 2022. Therefore, the Group's shareholding ratio in the subsidiary decreased to 61.07% and the Group recognized a decrease in equity from transactions with non-controlling interest by (\$3,888).

Note 8: In 2022, E-Joy International Co., Ltd. distributed employees' compensation for the

year 2021 in the form of shares, and the Group's shareholding ratio to the company was decreased to 98.07%. Additionally, Group recognized a change of equity from transactions with non-controlling interest amounting to (\$57).

Note 9: Teco Smart Technologies Co., Ltd was merged with Teco Electric & Machinery Co., Ltd on October 1, 2022.

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 \$24,454,204 and \$23,856,171 as of March 31, 2023 and 2022, respectively, total liabilities (including credit balance of investments accounted for under equity method) of \$4,606,282 and \$5,239,161 as of March 31, 2023 and 2022, 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 \$177,174 and \$187,358 for the three-month periods then ended, respectively, were based on the unreviewed financial statements of such consolidated subsidiaries and investee companies.

C. Subsidiaries not included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2023	December 31, 2022	March 31, 2022	
Teco Electric & Machinery Co., Ltd.	Teco Appliance (HK) Co., Ltd.	Sales of home appliances	100	100	100	Note 1
Teco Electric & Machinery Co., Ltd.	Taian Electric Co., Ltd.	Manufacturing and sales of switches	100	100	100	Note 1
Teco Electric & Machinery Co., Ltd.	An-Sheng Travel Co., Ltd.	Travel agency services	89.58	89.58	89.58	Note 1
Teco Electric & Machinery Co., Ltd.	Taian-Jaya Electric Sdn. Bhd.	Manufacturing and sales of air-conditioning equipment	100	100	100	Note 1
Teco Electric & Machinery Co., Ltd.	Teco (Philippines) 3C & Appliances, Inc.	Sales of air conditioning and electrical appliances	60	60	60	Note 1
Teco Electric & Machinery Co., Ltd.	Teco EV Philippines Corporation	Sales of vehicles	-	-	100	Notes 1 and 4
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
An-Tai International Investment Co., Ltd.	Hubbell-Taian Co., Ltd. and its subsidiaries	Import, export and sales of electric wiring devices, lighting, explosion proofing and other accessory products	-	-	49.99	Notes 1, 2 and 3

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2023	December 31, 2022	March 31, 2022	
Tong-An Assets Management & Development Co., Ltd.	Grey Back International Property Inc.	Real estate management and development	100	100	100	Note 1
Tasia (Pte) Ltd.	TECO Technology & Marketing Center Co., Ltd.	Engaged in a variety of investment businesses	-	-	100	Notes 1 and 5
Jie Zheng Property Service & Management Company	Qingdao Jie Zheng Property Service & Management Company	Property management and related services	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 : The Company has control over the personnel affairs, finance and business of the subsidiary. Thus, the Company has absolute control over the subsidiary.

Note 3: Hubbell-Taian Co., Ltd. was dissolved during the year ended December 31, 2019 as resolved by the Board of Directors, in the process of liquidation after the approval of the competent authority on April 14, 2020 and liquidated on May 16, 2022.

Note 4: Teco EV Philipines Corporation was resolved to proceed liquidation procedure in 2022.

Note 5: TECO Technology & Marketing Center Co., Ltd was merged with Sankyo Co., Ltd in 2022.

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(33).

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

There have been no significant changes as of March 31, 2023. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2022.

## 6. Details of Significant Accounts

### (1) Cash and cash equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand and revolving funds	\$ 7,431	\$ 6,978	\$ 1,722
Checking accounts and demand deposits	11,396,908	7,270,042	9,198,873
Time deposits and notes issued under repurchase agreement	10,839,011	13,879,776	10,097,820
	<u>\$ 22,243,350</u>	<u>\$ 21,156,796</u>	<u>\$ 19,298,415</u>

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

B. As of March 31, 2023, December 31, 2022 and March 31, 2022, certain bank deposits amounting to \$381,166, \$575,293 and \$1,460,561, respectively, were restricted due to earmarked construction projects, loans for purchasing materials and the regulation governing the management, utilization, and taxation of repatriated offshore funds reserved in special account (listed as '1470 Other current assets' and '1900 Other non-current assets'). Please refer to Note 8 for details.

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

Items	March 31, 2023	December 31, 2022	March 31, 2022
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Money market fund	\$ 34,240	\$ 34,240	\$ 1,240,397
Derivative instruments	6,407	301	5,535
	<u>40,647</u>	<u>34,541</u>	<u>1,245,932</u>
Valuation adjustments	( 2,644)	( 2,751)	4,564
	<u>\$ 38,003</u>	<u>\$ 31,790</u>	<u>\$ 1,250,496</u>

#### Non-current items:

Financial assets mandatorily measured at fair value through profit or loss			
Listed and OTC stocks	\$ 884,399	\$ 884,399	\$ 889,145
Non-listed and OTC stocks	810,394	810,394	810,394
Fund beneficiary certificate	712,261	713,556	737,049
	<u>2,407,054</u>	<u>2,408,349</u>	<u>2,436,588</u>
Valuation adjustments	1,420,112	863,087	1,446,356
	<u>\$ 3,827,166</u>	<u>\$ 3,271,436</u>	<u>\$ 3,882,944</u>

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

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ <u>555,750</u>	(\$ <u>546,451</u> )

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

		March 31, 2023		
Derivative instrument	Contract period	Contract amount		Fair value
Forward foreign exchange contracts				
BUY EUR/SELL TWD	February 24, 2023 ~ May 10, 2023	EUR	5,915,000	\$ 5,501
SELL AUD/BUY USD	March 6, 2023 ~ April 27, 2023	AUD	1,750,000	254
SELL USD/BUY JPY	March 28, 2023 ~ April 27, 2023	JPY	60,000,000	302
BUY EUR/SELL AUD	January 18, 2023 ~ May 4, 2023	EUR	290,818	350
				<u>\$ 6,407</u>
December 31, 2022				
		Contract amount		
Derivative instrument	Contract period	(Notional principal)		Fair value
Forward foreign exchange contracts				
BUY EUR/SELL AUD	December 1, 2022 ~ February 9, 2023	EUR	100,000	\$ 53
BUY USD/SELL AUD	December 14, 2022 ~ January 20, 2023	USD	1,000,000	248
				<u>\$ 301</u>
March 31, 2022				
		Contract amount		
Derivative instrument	Contract period	(Notional principal)		Fair value
Forward foreign exchange contracts				
SELL USD/BUY RMB	November 29, 2021 ~ August 31, 2022	USD	20,520,000	<u>\$ 5,535</u>

- C. The Group entered into forward foreign exchange contracts to sell to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.
- D. Information relating to the price risk and fair value information of financial assets at fair value through profit or loss is provided in Note 12(2)(3).

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

Items	March 31, 2023	December 31, 2022	March 31, 2022
Current items:			
Listed and over-the-counter(OTC) stocks	\$ 200,015	\$ 482,495	\$ 683,202
Emerging stocks	-	-	6,579
	200,015	482,495	689,781
Valuation adjustments	238,334	279,078	315,258
	<u>\$ 438,349</u>	<u>\$ 761,573</u>	<u>\$ 1,005,039</u>
Non-current items:			
Listed and over-the-counter(OTC) stocks	\$ 12,534,694	\$ 12,694,093	\$ 12,508,277
Emerging stocks	115,200	115,200	-
Non-listed and OTC stocks	289,477	333,657	336,055
	12,939,371	13,142,950	12,844,332
Valuation adjustments	27,469,450	20,622,940	20,140,814
	<u>\$ 40,408,821</u>	<u>\$ 33,765,890</u>	<u>\$ 32,985,146</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 \$40,847,170, \$34,527,463 and \$33,990,185 as at March 31, 2023, December 31, 2022 and March 31, 2022, respectively.
- B. For the three-month periods March 31, 2023 and 2022, the Group sold stocks with fair values of \$648,966 and \$0, respectively, to raise the capital for operations; the cumulative gains on disposal are \$174,643 and 0, respectively, and the realized profits were carried forward from other equity to retained earnings.
- C. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 6,866,705</u>	<u>(\$ 12,137,762)</u>
Cumulative gains reclassified to retained earnings due to derecognition	<u>\$ 174,643</u>	<u>\$ -</u>
Dividend income recognised in profit or loss		
Held at end of period	\$ 18,659	\$ 6,383
Derecognised during the period	-	-
	<u>\$ 18,659</u>	<u>\$ 6,383</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	March 31, 2023	December 31, 2022	March 31, 2022
Non-current items:			
Time deposits	\$ 72,118	\$ 115,909	\$ 313,159

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

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Interest income	\$ 590	\$ 1,865

B. As at March 31, 2023, December 31, 2022 and March 31, 2022, 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 \$72,118, \$115,909 and \$313,159, 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 deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	816,512	\$ 1,041,750	\$ 786,841
Less: Allowance for bad debts	( 1,976)	( 2,194)	( 2,024)
	<u>\$ 814,536</u>	<u>\$ 1,039,556</u>	<u>\$ 784,817</u>
Accounts receivable	10,684,504	\$ 10,264,814	\$ 10,220,161
Less: Allowance for bad debts	( 213,261)	( 215,031)	( 179,295)
	<u>\$ 10,471,243</u>	<u>\$ 10,049,783</u>	<u>\$ 10,040,866</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Not past due	\$ 8,892,219	\$ 8,970,190	\$ 9,152,323
Up to 30 days	1,264,363	1,049,553	798,987
31 to 90 days	601,800	542,913	450,117
91 to 180 days	237,830	283,479	172,266
Over 180 days	504,804	460,429	433,309
	<u>\$ 11,501,016</u>	<u>\$ 11,306,564</u>	<u>\$ 11,007,002</u>

The above ageing analysis was based on past due date.

B. As of March 31, 2023, December 31, 2022 and March 31, 2022, the balances of receivables

(including notes receivable) from contracts with customers amounted to \$11,249,653, \$11,046,707 and \$10,786,665, respectively.

- C. As at March 31, 2023, December 31, 2022 and March 31, 2022, 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 \$814,536, \$1,039,556 and \$784,817 and accounts receivable were \$10,471,243, \$10,049,783 and \$10,040,866, respectively.
- D. Details of the Group's notes receivable pledged to others are provided in Note 8.
- E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

March 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,704,422	(\$ 206,479)	\$ 3,497,943
Work in progress	1,514,782	( 45,210)	1,469,572
Finished goods	7,286,329	( 416,511)	6,869,818
Inventory in transit	661,218	-	661,218
Merchandise inventories	322,213	( 5,532)	316,681
	<u>\$ 13,488,964</u>	<u>(\$ 673,732)</u>	<u>\$ 12,815,232</u>
December 31, 2022			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,651,577	(\$ 221,898)	\$ 3,429,679
Work in progress	1,522,111	( 9,175)	1,512,936
Finished goods	7,197,857	( 441,152)	6,756,705
Inventory in transit	661,540	-	661,540
Merchandise inventories	546,287	( 11,860)	534,427
	<u>\$ 13,579,372</u>	<u>(\$ 684,085)</u>	<u>\$ 12,895,287</u>
March 31, 2022			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 4,097,407	(\$ 190,365)	\$ 3,907,042
Work in progress	1,418,753	( 22,178)	1,396,575
Finished goods	6,496,819	( 447,605)	6,049,214
Inventory in transit	942,132	-	942,132
Merchandise inventories	790,714	( 31,691)	759,023
	<u>\$ 13,745,825</u>	<u>(\$ 691,839)</u>	<u>\$ 13,053,986</u>

- A. The cost of inventories recognized as expense for the three-month periods ended March 31, 2023 and 2022 were \$7,089,922 and \$7,244,666, respectively, including \$45,126 and \$37,226 that the Group wrote down from cost to the net realizable value accounted for as cost of goods sold for the three-month periods ended March 31, 2023 and 2022, respectively.
- B. The Group has no inventory pledged to others.

(7) Investments accounted for under the equity method

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Associates:			
1. Tung Pei Industrial Co., Ltd.	\$ 2,444,341	\$ 2,440,891	\$ 2,408,331
2. Lien Chang Electronic Enterprise Co., Ltd.	485,892	487,575	501,012
3. Others	<u>1,020,460</u>	<u>983,410</u>	<u>716,608</u>
	<u>3,950,693</u>	<u>3,911,876</u>	<u>3,625,951</u>
Less: Credit balance of investments accounted for under the equity method such as Teco Middle East Electrical & Machinery Co., Ltd. and Le - Li Co., Ltd. (shown as deductions on notes receivable - related parties, accounts receivable - related parties as well as other receivables - related parties, and other non-current liabilities)	( <u>187,904</u> )	( <u>194,811</u> )	( <u>146,745</u> )
	<u>\$ 3,762,789</u>	<u>\$ 3,717,065</u>	<u>\$ 3,479,206</u>

The share of profit/loss of associates and joint ventures accounted for under the equity method for the three-month periods ended March 31, 2023 and 2022 are as follows:

	For the three-month period ended <u>March 31, 2023</u>	For the three-month period ended <u>March 31, 2022</u>
Associates:		
1. Tung Pei Industrial Co., Ltd.	(\$ 15,581)	\$ 95,019
2. Lien Chang Electronic Enterprise Co., Ltd.	( 4,468)	( 4,448)
3. Others	<u>447</u>	<u>7,043</u>
	<u>(\$ 19,602)</u>	<u>\$ 97,614</u>

# A. Associates

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

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Method of measurement
		March 31, 2023	December 31, 2022	March 31, 2022		
Tung Pei Industrial Co., Ltd.	R.O.C.	31.14%	31.14%	31.14%	Financial investment	Equity method
Lien Chang Electronic Enterprise Co., Ltd.	R.O.C.	33.84%	33.84%	33.84%	"	"

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

## Balance sheet

Tung Pei Industrial Co., Ltd.			
	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 4,190,100	\$ 4,504,756	\$ 4,708,130
Non-current assets	7,431,808	7,456,618	7,335,257
Current liabilities	( 2,217,609)	( 2,548,354)	( 2,543,881)
Non-current liabilities	( 1,553,502)	( 1,622,810)	( 1,763,774)
Total assets	<u>\$ 7,850,797</u>	<u>\$ 7,790,210</u>	<u>\$ 7,735,732</u>
Share in associate's net assets	\$ 2,444,341	\$ 2,440,891	\$ 2,408,331
Goodwill	-	-	-
Carrying amount of the associate	<u>\$ 2,444,341</u>	<u>\$ 2,440,891</u>	<u>\$ 2,408,331</u>
Lien Chang Electronic Enterprise Co., Ltd.			
	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 1,382,715	\$ 1,465,956	\$ 1,601,139
Non-current assets	407,627	409,658	454,488
Current liabilities	( 287,558)	( 368,510)	( 478,366)
Non-current liabilities	( 67,103)	( 66,450)	( 96,904)
Total net assets	<u>\$ 1,435,681</u>	<u>\$ 1,440,654</u>	<u>\$ 1,480,357</u>
Share in associate's net assets	\$ 485,892	\$ 487,575	\$ 501,012
Goodwill	-	-	-
Carrying amount of the associate	<u>\$ 485,892</u>	<u>\$ 487,575</u>	<u>\$ 501,012</u>

Statement of comprehensive income

Tung Pei Industrial Co., Ltd.		
	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Revenue	\$ 1,057,565	\$ 1,416,326
(Loss) profit for the period from continuing operations	(\$ 10,990)	\$ 305,185
Other comprehensive income, net of tax	-	-
Total comprehensive (loss) income	(\$ 10,990)	\$ 305,185
Dividends received from associates	\$ -	\$ -
Lien Chang Electronic Enterprise Co., Ltd.		
	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Revenue	\$ 157,364	\$ 249,320
Loss for the period from continuing operations	(\$ 19,105)	(\$ 12,728)
Other comprehensive income, net of tax	8,228	20,348
Total comprehensive (loss) income	(\$ 10,877)	\$ 7,620
Dividends received from associates	\$ -	\$ -

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

As of March 31, 2023, December 31, 2022 and March 31, 2022, the carrying amount of the Group's individually immaterial associates amounted to \$1,020,460, \$983,410 and \$716,608, respectively.

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Profit for the period from continuing operations	\$ 447	\$ 7,043
Total comprehensive income	\$ 447	\$ 7,043

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

	March 31, 2023	December 31, 2022	March 31, 2022
Lien Chang Electronic Enterprise Co., Ltd.	\$ 403,578	\$ 372,043	\$ 456,137

- (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. Details on unreviewed investments accounted for under equity method are provided in Note 4(3).

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

	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, 2022</u>										
Cost	\$ 5,433,125	\$ 8,427,400	\$ 5,281,166	\$ 12,186,896	\$ 630,894	\$ 1,269,506	\$ 617,288	\$ 7,523,329	\$ 2,205,658	\$ 43,575,262
Accumulated depreciation and impairment	( 34,697)	( 4,638,503)	( 2,380,428)	( 10,695,571)	( 596,318)	( 760,531)	( 477,721)	( 6,589,377)	-	( 26,173,146)
	<u>\$ 5,398,428</u>	<u>\$ 3,788,897</u>	<u>\$ 2,900,738</u>	<u>\$ 1,491,325</u>	<u>\$ 34,576</u>	<u>\$ 508,975</u>	<u>\$ 139,567</u>	<u>\$ 933,952</u>	<u>\$ 2,205,658</u>	<u>\$ 17,402,116</u>
<u>2022</u>										
Opening net book amount	\$ 5,398,428	\$ 3,788,897	\$ 2,900,738	\$ 1,491,325	\$ 34,576	\$ 508,975	\$ 139,567	\$ 933,952	\$ 2,205,658	\$ 17,402,116
Additions	-	183	-	58,411	806	20,588	5,866	25,176	575,639	686,669
Disposals	-	-	-	( 400)	-	( 790)	-	( 26)	-	( 1,216)
Depreciation charge	-	( 48,733)	( 43,573)	( 70,576)	( 3,567)	( 21,559)	( 9,309)	( 79,472)	-	( 276,789)
Net exchange differences	6,206	86,572	-	26,224	-	1,776	( 2,050)	16,332	-	135,060
Closing net book amount	<u>\$ 5,404,634</u>	<u>\$ 3,826,919</u>	<u>\$ 2,857,165</u>	<u>\$ 1,504,984</u>	<u>\$ 31,815</u>	<u>\$ 508,990</u>	<u>\$ 134,074</u>	<u>\$ 895,962</u>	<u>\$ 2,781,297</u>	<u>\$ 17,945,840</u>
<u>At March 31, 2022</u>										
Cost	\$ 5,439,331	\$ 8,571,852	\$ 5,280,893	\$ 12,412,180	\$ 631,700	\$ 1,276,298	\$ 624,163	\$ 7,651,705	\$ 2,781,297	\$ 44,669,419
Accumulated depreciation and impairment	( 34,697)	( 4,744,933)	( 2,423,728)	( 10,907,196)	( 599,885)	( 767,308)	( 490,089)	( 6,755,743)	-	( 26,723,579)
	<u>\$ 5,404,634</u>	<u>\$ 3,826,919</u>	<u>\$ 2,857,165</u>	<u>\$ 1,504,984</u>	<u>\$ 31,815</u>	<u>\$ 508,990</u>	<u>\$ 134,074</u>	<u>\$ 895,962</u>	<u>\$ 2,781,297</u>	<u>\$ 17,945,840</u>



- A. For the three-month periods ended March 31, 2023 and 2022, no borrowing cost was capitalized as part of property, plant and equipment.
- B. The Group entered into a development contract for the joint construction and allocation of housing units with Kindom Development Co., Ltd. using the 16 lots located in No. 148, Hong Fu Section, Xin Zhuang District, New Taipei City which were provided by the subsidiary, Tong-An Investment Co., Ltd., as resolved by the Board of Directors on March 23, 2021. Kindom Development Co., Ltd. is responsible for planning and designing, dismantling the existing buildings, constructing and assuming all other expenses. The expected equity ratio is 52%~55% by reference to the appraisal report issued by real estate appraiser firm.
- 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. In accordance with the agreement dated February 10, 2023, the Group was required to pay \$1,765,000 for the construction.

(9) Leasing arrangements - lessee

- A. The Group leases various assets including land, buildings, machinery and equipment as well as business vehicles. Rental contracts are typically made for periods of 2 to 99 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but certain leased assets may not be used as security for borrowing purposes.
- B. On January 14, 2005, the Group's subsidiary, Century Development Corporation, completed the registration of right of superficies and paid royalties to Taipei City Government for acquiring land used for construction of the Nankang Software Park. The right of superficies is available for 50 years from the registration date. Land and building shall be returned to Taipei City Government unconditionally upon expiry of the right of superficies. Century Development Corporation's right-of-use assets are amortized over the useful life of right of superficies of 50 years.
- C. On July 4, 2018, the Group's subsidiary, Century Biotech Development Corp., completed the registration of right of superficies and paid royalties to the Taipei City Government for acquiring land used for the construction of the Taipei City Nangang Biotechnology Industry Cluster Development BOT Project. The right of superficies is available for 50 years from the registration date. Land and building shall be returned to the Taipei City Government unconditionally upon expiry of the right of superficies. Century Biotech Development Corp.'s prepaid rents are amortized over the useful life of right of superficies of 50 years.
- D. The Group's subsidiary, CDC Development India Private Limited, acquired the land use right from the local government agency, KIADB, for India industrial park development. The total amount remitted for the land use right was INR 1,752,409 thousand and acquired land ownership of certificate for 99 years. On July 16, 2021, an agreement was signed with KIADB with a transfer of ownership term, agreeing to transfer the ownership to the lessee at the end of the 10-year lease term for the amount of royalties paid by the lessee and recognized by the landlord, if the lessee completes the development conditions specified in the terms.
- E. For the three-month periods ended March 31, 2023 and 2022, the additions to right-of-use assets were \$40,284 and \$90,964 and the sublease income were \$230,012 and \$226,923, respectively.
- F. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Carrying amount	Carrying amount	Carrying amount
	March 31, 2023	December 31, 2022	March 31, 2022
Land (including royalties)	\$ 4,626,713	\$ 4,654,356	\$ 4,765,992
Buildings	1,969,182	2,033,210	2,116,732
Machinery and equipment	20,928	22,547	8,521
Transportation equipment (Business vehicles)	24,671	25,053	13,490
	<u>\$ 6,641,494</u>	<u>\$ 6,735,166</u>	<u>\$ 6,904,735</u>

	<u>Depreciation charge</u> For the three-month period ended March 31, 2023	<u>Depreciation charge</u> For the three-month period ended March 31, 2022
Land (including royalties)	\$ 23,197	\$ 23,607
Buildings	105,607	104,586
Machinery and equipment	2,496	1,802
Transportation equipment (Business vehicles)	2,940	2,416
	<u>\$ 134,240</u>	<u>\$ 132,411</u>

- G. Interest expenses on lease liabilities for the three-month periods ended March 31, 2023 and 2022 were \$17,182 and \$17,512 and the cash outflows were \$169,525 and \$152,967, respectively.
- H. Expenses on short-term leases and leases of low-value assets which are not subject to IFRS 16 for the three-month periods ended March 31, 2023 and 2022 were \$87,448 and \$112,216; \$1,779 and \$2,233, respectively.
- I. The Group has applied the practical expedient to “Covid-19-related rent concessions”, and recognised the gain from changes in lease payments arising from the rent concessions amounting to \$0 and \$2,898 in profit from lease modification for the three-month periods ended March 31, 2023 and 2022, respectively.

(10) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>At January 1, 2023</u>				
Cost	\$ 1,688,929	\$ 2,976,827	\$ 51,216	\$ 4,716,972
Accumulated depreciation and impairment	<u>-</u>	<u>( 1,726,689)</u>	<u>( 23,387)</u>	<u>( 1,750,076)</u>
	<u>\$ 1,688,929</u>	<u>\$ 1,250,138</u>	<u>\$ 27,829</u>	<u>\$ 2,966,896</u>
<u>2023</u>				
Opening net book amount	\$ 1,688,929	\$ 1,250,138	\$ 27,829	\$ 2,966,896
Depreciation charge	-	( 16,995)	( 2,111)	( 19,106)
Net exchange differences	( 1,591)	898	( 109)	( 802)
Closing net book amount	<u>\$ 1,687,338</u>	<u>\$ 1,234,041</u>	<u>\$ 25,609</u>	<u>\$ 2,946,988</u>
<u>At March 31, 2023</u>				
Cost	\$ 1,687,338	\$ 2,976,602	\$ 50,860	\$ 4,714,800
Accumulated depreciation and impairment	<u>-</u>	<u>( 1,742,561)</u>	<u>( 25,251)</u>	<u>( 1,767,812)</u>
	<u>\$ 1,687,338</u>	<u>\$ 1,234,041</u>	<u>\$ 25,609</u>	<u>\$ 2,946,988</u>

	Land	Buildings and structures	Right-of-use assets	Total
<u>At January 1, 2022</u>				
Cost	\$ 1,510,318	\$ 2,815,538	\$ 49,686	\$ 4,375,542
Accumulated depreciation and impairment	-	( 1,532,321)	( 14,322)	( 1,546,643)
	<u>\$ 1,510,318</u>	<u>\$ 1,283,217</u>	<u>\$ 35,364</u>	<u>\$ 2,828,899</u>
<u>2022</u>				
Opening net book amount	\$ 1,510,318	\$ 1,283,217	\$ 35,364	\$ 2,828,899
Depreciation charge	-	( 17,017)	( 2,045)	( 19,062)
Net exchange differences	5,784	11,391	304	17,479
Closing net book amount	<u>\$ 1,516,102</u>	<u>\$ 1,277,591</u>	<u>\$ 33,623</u>	<u>\$ 2,827,316</u>

At March 31, 2022

Cost	\$ 1,516,102	\$ 2,841,304	\$ 50,405	\$ 4,407,811
Accumulated depreciation and impairment	-	( 1,563,713)	( 16,782)	( 1,580,495)
	<u>\$ 1,516,102</u>	<u>\$ 1,277,591</u>	<u>\$ 33,623</u>	<u>\$ 2,827,316</u>

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

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Rental income from investment property	<u>\$ 30,937</u>	<u>\$ 39,546</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 4,747</u>	<u>\$ 11,418</u>
Direct operating expenses arising from the investment property that did not generate rental income during the period	<u>\$ 2,695</u>	<u>\$ -</u>

C. The fair value of the investment property held by the Group as at March 31, 2023, December 31, 2022 and March 31, 2022 were \$6,825,046, \$6,150,083 and \$5,461,903, respectively, which is categorized within Level 3 in the fair value hierarchy.

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

	2023	2022
<u>At January 1</u>		
Cost	\$ 4,871,157	\$ 4,677,015
Accumulated amortization and impairment	( 315,284)	( 315,284)
	<u>\$ 4,555,873</u>	<u>\$ 4,361,731</u>
Opening net book amount	\$ 4,555,873	\$ 4,361,731
Net exchange differences	59,506	83,167
Closing net book amount	<u>\$ 4,615,379</u>	<u>\$ 4,444,898</u>
<u>At March 31</u>		
Cost	\$ 4,930,663	\$ 4,760,182
Accumulated amortization and impairment	( 315,284)	( 315,284)
	<u>\$ 4,615,379</u>	<u>\$ 4,444,898</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Green mechatronic solution business group	<u>\$ 4,615,379</u>	<u>\$ 4,555,873</u>	<u>\$ 4,444,898</u>

On October 15, 2015, the Group acquired 100% equity and obtained control over Motovario S.p.A., which is headquartered in Italy and is primarily engaged in manufacturing and sales of power transmission equipment such as motors and gear reducers, and its subsidiaries for a cash consideration of \$3,989,850 (EUR 108,214 thousand). As of March 31, 2023, the goodwill arising from the merger amounted to \$4,589,535.

(12) Other non-current assets

	March 31, 2023	December 31, 2022	March 31, 2022
Refundable deposits	\$ 327,926	\$ 253,971	\$ 276,370
Long-term notes and accounts receivable	96,837	131,846	129,948
Deposits account for repatriation of capital from Taiwan's offshore companies	-	-	330,437
Deferred expenses	32,047	40,199	37,886
Other assets	92,945	93,812	57,384
	<u>\$ 549,755</u>	<u>\$ 519,828</u>	<u>\$ 832,025</u>

A. The Group's repatriation of offshore reinvestment income amounting to US\$ 6,300,000 is allowed to apply a preferential tax rate of 8% and shall be reserved in foreign exchange deposit account before having substantial investments as a result of the Group meeting the requirements of the Management, Utilization, and Taxation of Repatriated Offshore Funds Act as approved by the National Taxation Bureau of Taipei, Ministry of Finance on August 27, 2020. As of March 31, 2023 the company had submitted the investment plan to the Industrial Development Bureau, Ministry of Economic Affairs, and the investment plan was approved. Also, the company withdrew funds from the specific account for reinvestment.

B. The Group's repatriation of offshore reinvestment income amounting to US 10,500,000 is allowed to apply a preferential tax rate of 10% and shall be reserved in foreign exchange deposit account before having substantial investments as a result of the Group meeting the

requirements of the Management, Utilization, and Taxation of Repatriated Offshore Funds Act as approved by the National Taxation Bureau of Taipei, Ministry of Finance on August 26, 2021. As of March 31, 2023 the company had submitted the investment plan to the Industrial Development Bureau, Ministry of Economic Affairs, and the investment plan was approved. Also, the company withdrew funds from the specific account for reinvestment.

- C. The Group's repatriation of offshore reinvestment income amounting to US 4,000,000 is allowed to apply a preferential tax rate of 10% and shall be reserved in foreign exchange deposit account before having substantial investments as a result of the Group meeting the requirements of the Management, Utilization, and Taxation of Repatriated Offshore Funds Act as approved by the National Taxation Bureau of Taipei, Ministry of Finance on August 27, 2021. As of March 31, 2023, the Company had submitted the investment plan to the Industrial Development Bureau, Ministry of Economic Affairs, and the investment plan was approved. Also, the Company withdrew funds from the specific account for reinvestment.

(13) Short-term borrowings

Type of borrowings	March 31, 2023	Interest rate range	Collateral
Bank borrowings	\$ <u>1,721,422</u>	1.25%~7.00%	Notes receivable, land, buildings and structures, demand deposits and time deposits
Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings	\$ <u>1,751,344</u>	0.70%~7.00%	Notes receivable, land, buildings and structures, demand deposits and time deposits
Type of borrowings	March 31, 2022	Interest rate range	Collateral
Bank borrowings	\$ <u>1,672,201</u>	0.60%~5.00%	Notes receivable, land, buildings and structures, demand deposits and time deposits

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

Items	March 31, 2023	December 31, 2022	March 31, 2022
Current items:			
Financial liabilities held for trading			
Non-hedging derivatives	\$ <u>3,544</u>	\$ <u>4,144</u>	\$ <u>694</u>

- A. The Group recognized net profit (loss) of \$600 and (\$660) on financial liabilities held for trading for the three-month periods ended March 31, 2023 and 2022, respectively.
- B. Explanations of the transactions and contract information in respect of non-hedged derivative financial liabilities are as follows:

March 31, 2023			
<u>Derivative instrument</u>	<u>Contract period</u>	<u>Contract amount (Notional principal)</u>	<u>Fair value</u>
Forward foreign exchange contracts			
BUY USD/SELL EUR	March 14, 2023 ~ April 17, 2023	EUR 1,000,000	\$ 371
BUY RMB/SELL USD	January 13, 2023 ~ May 29, 2023	USD 7,500,000	3,173
			<u>\$ 3,544</u>
December 31, 2022			
<u>Derivative instrument</u>	<u>Contract period</u>	<u>Contract amount (Notional principal)</u>	<u>Fair value</u>
Forward foreign exchange contracts			
BUY USD/SELL EUR	October 25, 2022 ~ February 22, 2023	EUR 2,400,000	\$ 2,790
BUY CNH/SELL USD	November 14, 2022 ~ January 17, 2023	CNH 8,000,000	136
BUY USD/SELL AUD	November 17, 2022 ~ February 22, 2023	AUD 2,000,000	404
BUY JPY/SELL USD	November 17, 2022 ~ February 22, 2023	JPY 94,000,000	515
BUY RMB/SELL USD	December 21, 2022 ~ January 31, 2023	USD 3,500,000	299
			<u>\$ 4,144</u>
March 31, 2022			
<u>Derivative instrument</u>	<u>Contract period</u>	<u>Contract amount (Notional principal)</u>	<u>Fair value</u>
Forward foreign exchange contracts			
BUY USD/SELL AUD	March 17, 2022 ~ April 21, 2022	USD 1,000,000	<u>\$ 694</u>

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

(15) Other payables

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Salary and wages payable	\$ 1,890,089	\$ 2,193,042	\$ 1,616,073
Employees' compensation payable	788,363	688,059	666,397
Dealers' bonus commission payable	209,878	189,936	257,500
Directors' and supervisors' remuneration payable	194,250	160,522	180,528
Equipment payable	80,798	105,166	89,894
Dividends payable	3,199,435	27,860	2,915,592
Others	2,932,076	2,629,612	2,208,878
	<u>\$ 9,294,889</u>	<u>\$ 5,994,197</u>	<u>\$ 7,934,862</u>

(16) Bonds payable

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Issuance of bonds payable	\$ 5,000,000	\$ 5,000,000	\$ 6,000,000
Less: Current portion of bonds payable (listed as '2320 Long-term liabilities, current portion')	-	-	( 1,000,000)
	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

- A. The terms of the first domestic unsecured ordinary corporate bonds issued by the Company in 2017 are as follows:  
The Company issued \$1,000,000, 1.02% first domestic unsecured ordinary corporation bonds, as approved by the regulatory authority on September 15, 2017. The bonds mature 5 years from the issue date (September 15, 2017 ~ September 15, 2022) and redeemed at face value at September 15, 2022.
- B. 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.
- C. 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.



(17) Long-term borrowings

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

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings and commercial papers payable	Both borrowing periods are from October 1, 2019 to May 2, 2025; payable based on the agreed terms.	0.85%~7.00%	Note	\$ 3,655,514
Less: Current portion (listed as '2320 Long-term liabilities, current portion')				( 228,159)
				<u>\$ 3,427,355</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2022
Long-term bank borrowings and commercial papers payable	Both borrowing periods are from March 15, 2019 to March 12, 2025; payable based on the agreed terms.	0.62%~5.70%	Note	\$ 4,165,743
Less: Current portion (listed as '2320 Long-term liabilities, current portion')				( 488,070)
				<u>\$ 3,677,673</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.

(18) Pensions

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

(b) The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2023 and 2022 were \$6,156 and \$3,867, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$35,059.

B.(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Group’s mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage for the three-month periods ended March 31, 2023 and 2022 ranged from 14%~20%. Other than the monthly contributions, the Group has no further obligations.

(c) Monthly contributions to an independent fund administered by the local pension managing agency are based on a certain percentage of monthly salaries and wages of the Group’s other overseas subsidiaries’ employees.

(d) The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2023 and 2022 were \$106,127 and \$103,546, respectively.

(19) Share capital

A. As of March 31, 2023, 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.

	2023	2022
At January 1 (At March 31)	\$ 2,138,797	\$ 2,138,797

Note: Shares in thousands.

B. All of the shares of the Company held by the Company’s subsidiaries-Tong-An Investment Co., Ltd. and An-Tai International Investment Co., Ltd. were acquired in or before 2000 for the purpose of general investment. In addition, Top-Tower Enterprises Co., Ltd. also held the Company’s shares before the Company obtained control of Top-Tower Enterprises Co., Ltd. In August 2013, and Top-Tower Enterprises Co., Ltd acquired the Company’s shares. Furthermore, the subsidiary - Taiwan Pelican Express Co., Ltd. is a subsidiary over which the Company has substantial control, and such investment on the Company’s shares is a general investment. As of March 31, 2023, December 31, 2022 and March 31, 2022, book value of the shares of the Company held by the subsidiaries and second-tier subsidiaries were all \$511,710.

Details are as follows:

	March 31, 2023		
	Shares (in thousands)	Cost (in dollars)	Market value (in dollars)
Tong-An Investment Co., Ltd.	19,540	\$ 14.92	\$ 42.50
An-Tai International Investment Co., Ltd.	2,826	10.37	42.50
Top-Tower Enterprises Co., Ltd.	77	9.37	42.50
Taiwan Pelican Express Co., Ltd.	7,070	26.89	42.50
	<u>29,513</u>		
	December 31, 2022		
	Shares (in thousands)	Cost (in dollars)	Market value (in dollars)
Tong-An Investment Co., Ltd.	19,540	\$ 14.92	\$ 27.55
An-Tai International Investment Co., Ltd.	2,826	10.37	27.55
Top-Tower Enterprises Co., Ltd.	77	9.37	27.55
Taiwan Pelican Express Co., Ltd.	7,070	26.89	27.55
	<u>29,513</u>		
	March 31, 2022		
	Shares (in thousands)	Cost (in dollars)	Market value (in dollars)
Tong-An Investment Co., Ltd.	19,540	\$ 14.92	\$ 32.15
An-Tai International Investment Co., Ltd.	2,826	10.37	32.15
Top-Tower Enterprises Co., Ltd.	77	9.37	32.15
Taiwan Pelican Express Co., Ltd.	7,070	26.89	32.15
	<u>29,513</u>		

(20) 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.

(21) Retained earnings

A. As stipulated in the Company's Articles of Incorporation, the current earnings, if any, shall be distributed in the following order:

- (a) Payment of taxes and duties.
- (b) Covering prior years' accumulated deficit, if any.
- (c) After deducting items (a) and (b), set aside 10% of the remaining amount as legal reserve.
- (d) Set aside a certain amount as special reserve, if any.
- (e) Distributing the remaining amount plus prior years' retained earnings to shareholders according to their shareholding percentage. The distribution rate is principally 80%, of which cash dividends shall account for 5% ~ 50% of the distributed amount. Stock dividends shall be approved by the shareholders at the shareholders' meeting while cash dividends shall be approved by the Board of Directors under a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and reported to the shareholders at the shareholders' meeting.

B. The Company's dividend policy is summarized below:

The Company's operating environment is in the stable growth stage. However, investee companies are still in the growth stage. In view of the future plant expansion and investment plans, the appropriations of earnings are based on the distributable earnings and appropriate principally 80% to shareholders as dividends. Cash dividends shall account for at least 5% up to maximum of 50% of total dividends distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use periods if the assets are investment property other than land. As of March 31, 2023, 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 2022 net income was proposed by the Board of Directors on March 15, 2023 while the appropriations of the 2021 net income was resolved by the stockholders on May 20, 2022 as follows:

	For the year ended December 31, 2022		For the year ended December 31, 2021	
	Dividend per share		Dividend per share	
	Amount	(in dollars)	Amount	(in dollars)
Legal reserve	\$ 338,042		\$ 525,009	
Cash dividends	3,208,195	\$ 1.50	2,887,375	\$ 1.35
(22) <u>Other equity items</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	6,662,966		-	6,662,966
Revaluation - associates	1,587		-	1,587
Revaluation transferred to retained earnings	( 174,643)		-	( 174,643)
Currency translation differences:				
-Group	-		( 22,534)	( 22,534)
At March 31, 2023	\$ 27,295,780		(\$ 2,475,985)	\$ 24,819,795

	Unrealized gains (losses) on valuation	Currency translation	Total
At January 1, 2022	\$ 32,113,711	(\$ 4,033,116)	\$ 28,080,595
Unrealized gains and losses on financial assets:			
Revaluation – group	( 11,826,339)	-	( 11,826,339)
Revaluation – associates	( 1,967)	-	( 1,967)
Currency translation differences:			
–Group	-	846,886	846,886
At March 31, 2022	<u>\$ 20,285,405</u>	<u>(\$ 3,186,230)</u>	<u>\$ 17,099,175</u>

(23) Operating revenue

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Revenue from customers	\$ 14,690,316	\$ 13,667,256
Others - rental revenue	209,865	230,032
	<u>\$ 14,900,181</u>	<u>\$ 13,897,288</u>

A. Disaggregation of revenue from customers

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

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
	Revenue from external customer contracts	Revenue from external customer contracts
Sales of green mechatronic solution business group products	\$ 8,620,146	\$ 7,822,627
Sales of air and intelligent life business group product	1,318,718	1,395,101
Others	259,414	396,778
Service revenue	2,064,690	2,124,597
Construction contract	2,427,348	1,928,153
	<u>\$ 14,690,316</u>	<u>\$ 13,667,256</u>

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

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Advance sales receipts	<u>\$ 407,114</u>	<u>\$ 293,091</u>

(24) Interest income

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Interest income from bank deposits	\$ 123,537	\$ 29,971
Interest income from financial assets measured at amortised cost	590	1,865
	<u>\$ 124,127</u>	<u>\$ 31,836</u>

(25) Other income

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Rental revenue	\$ 36,581	\$ 40,180
Dividend income	23,690	11,428
Other non-operating income	96,017	30,248
	<u>\$ 156,288</u>	<u>\$ 81,856</u>

(26) Other gains and losses

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Loss on disposal of property, plant and equipment	(\$ 6,607)	(\$ 163)
Gain on disposal of investments	-	1,522
(Loss) gain arising from lease modifications (	186)	628
Gains arising from concession of lease payments	-	2,898
Net currency exchange (loss) gain (	23,239)	47,119
Gain (loss) on financial assets at fair value through profit or loss	555,750 (	546,451)
Gain (loss) on financial liabilities at fair value through profit or loss	600 (	660)
Miscellaneous disbursements	( 236,946)	( 14,847)
	<u>\$ 289,372</u>	<u>(\$ 509,954)</u>

(27) Finance costs

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Interest expense	\$ 59,596	\$ 50,939
Other finance expenses	995	1,267
	<u>\$ 60,591</u>	<u>\$ 52,206</u>

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

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Wages and salaries	\$ 2,156,428	\$ 2,182,985
Employees' compensation and directors' remuneration	261,461	70,781
Labor and health insurance fees	300,283	272,404
Pension costs	112,283	107,413
Other personnel expenses	102,746	96,954
Depreciation charges on property, plant and equipment as well as investment property	316,336	295,851
Depreciation charges on right-of -use assets and amortization charges on intangible assets	155,921	155,253

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 1%~10% for employees' compensation and shall not be higher than 5% for directors' remuneration.
- B. For the three-month periods ended March 31, 2023 and 2022, employees' compensation was accrued at \$125,990 and \$17,770, respectively; while directors' remuneration was accrued at \$55,995 and \$7,898, respectively. The aforementioned amounts were recognized in salary expenses.
- C. For the year ended December 31, 2022, 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 \$282,848 and \$79,526, and the employees' compensation will be distributed in the form of cash.

The difference of \$40 between employees' compensation of \$282,888 and the difference of \$46,184 between directors' remuneration of \$125,710 as resolved by the Board of Directors which is mainly arising from changes in estimate of directors' remuneration and the amount recognised in the 2022 financial statements had been adjusted in the profit or loss of 2023.

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.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Current tax:		
Current tax on profits for the period	\$ 312,590	\$ 316,584
Total current tax	312,590	316,584
Deferred tax:		
Origination and reversal of temporary differences	131,397	29,149
Total deferred tax	131,397	29,149
Income tax expense	\$ 443,987	\$ 345,733

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

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Current tax:		
Changes in fair value of financial assets at fair value through other comprehensive income	\$ -	\$ 85,977
Deferred tax:		
Changes in fair value of financial assets at fair value through other comprehensive income	- ( 85,977)	
Currency translation differences	( 21,268)	174,889
Total deferred tax	( 21,268)	88,912
Income tax charge relating to components of other comprehensive income	(\$ 21,268)	\$ 174,889



B. As of March 31, 2023, the Company and its subsidiaries' income tax returns through various years between 2018 and 2020, respectively, have been assessed and approved by the Tax Authority.

(30) Earnings per share

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

Note: The earnings per share of \$0.76 (in dollars) given the shares of the Company held by the subsidiary, which were deemed as treasury shares, were excluded from the weighted average number of ordinary shares outstanding.

For the three-month period ended March 31, 2022			
		Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
	Amount after tax		
<u>Basic (Diluted) earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 348,439	2,109,284	\$ 0.17

Note: The earnings per share of \$0.16 (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.

(31) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Acquisition of property, plant and equipment	\$ 828,233	\$ 686,669
Add:		
Payables at beginning of the period	105,166	131,883
Less:		
Payables at end of the period	( 80,798)	( 89,894)
Cash paid	\$ 852,601	\$ 728,658

B. Financing activities with no cash flow effects:

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Cash dividends declared	\$ 3,208,195	\$ 2,887,375

C. The following table summarises the carrying amount of assets and liabilities of the subsidiary consolidated in the current period:

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
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>	<u>\$ -</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>	<u>\$ -</u>

(32) 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, 2023	\$ 1,751,344	\$ 27,860	\$ 5,000,000	\$ 3,655,514	\$ 5,072,407	\$ 15,507,125
Interest expenses on						
lease liabilities	-	-	-	-	17,182	17,182
Recognised in right						
-of-use assets	-	-	-	-	40,284	40,284
Remeasurement	-	-	-	-	( 4,304)	( 4,304)
Changes in cash flow						
from financing activities (	29,922)	( 36,620)	-	959,810	( 169,525)	723,743
Cash dividends declared	-	3,208,195	-	-	-	3,208,195
Effect of foreign exchange	-	-	-	-	( 240)	( 240)
March 31, 2023	<u>\$ 1,721,422</u>	<u>\$ 3,199,435</u>	<u>\$ 5,000,000</u>	<u>\$ 4,615,324</u>	<u>\$ 4,955,804</u>	<u>\$ 19,491,985</u>
						Liabilities from financing activities - gross
	Short-term borrowings	Dividends payable (Note 1)	Bonds payable (Note 2)	Long-term borrowings (Note 2)	Lease liabilities	
January 1, 2022	\$ 2,042,697	\$ 28,353	\$ 6,000,000	\$ 4,095,256	\$ 5,062,094	\$ 17,228,400
Interest expenses on						
lease liabilities	-	-	-	-	17,512	17,512
Recognised in right						
-of-use assets	-	-	-	-	90,788	90,788
Remeasurement	-	-	-	-	97,622	97,622
Changes in cash flow						
from financing activities (	370,496)	( 136)	-	70,487	( 152,967)	( 453,112)
Cash dividends declared	-	2,887,375	-	-	-	2,887,375
Effect of foreign exchange	-	-	-	-	38,004	38,004
March 31, 2022	<u>\$ 1,672,201</u>	<u>\$ 2,915,592</u>	<u>\$ 6,000,000</u>	<u>\$ 4,165,743</u>	<u>\$ 5,153,053</u>	<u>\$ 19,906,589</u>

Note 1: Shown as 'other payables'.

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

(33) Details of significant non-controlling interests

A. As of March 31, 2023, December 31, 2022 and March 31, 2022, the non-controlling interest amounted to \$6,629,920, \$6,293,565 and \$6,241,029, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		March 31, 2023		December 31, 2022	
		Amount	Ownership	Amount	Ownership
Tecom Co., Ltd. and subsidiaries	R.O.C	\$ 311,843	36.48%	\$ 306,373	36.48%
Taiwan Pelican Express Co., Ltd. and subsidiaries	R.O.C	1,729,418	66.62%	1,464,513	66.62%
Century Development Corporation and subsidiaries	R.O.C	2,934,536	47.25%	2,896,734	47.25%
Information Technology Total Services Co., Ltd. and subsidiaries	R.O.C	270,373	50.99%	282,276	50.99%
		Non-controlling interest			
		March 31, 2022			
Name of subsidiary	Principal place of business	Amount	Ownership	Amount	Ownership
Tecom Co., Ltd. and subsidiaries	R.O.C	\$ 297,502	36.48%		
Taiwan Pelican Express Co., Ltd. and subsidiaries	R.O.C	1,587,306	66.62%		
Century Development Corporation and subsidiaries	R.O.C	2,870,158	47.25%		
Information Technology Total Services Co., Ltd. and subsidiaries	R.O.C	290,530	50.99%		

B. Summarized financial information of the subsidiaries:

Balance sheets

	Tecom Co., Ltd. and subsidiaries		
	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 979,195	\$ 998,137	\$ 990,198
Non-current assets	743,140	894,809	939,258
Current liabilities	( 797,637)	( 974,105)	( 1,008,724)
Non-current liabilities	( 439,876)	( 443,822)	( 459,401)
Total net assets	<u>\$ 484,822</u>	<u>\$ 475,019</u>	<u>\$ 461,331</u>

Taiwan Pelican Express Co., Ltd. and subsidiaries			
	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 1,645,601	\$ 1,829,560	\$ 1,769,703
Non-current assets	2,980,061	2,741,422	2,759,773
Current liabilities	( 955,332)	( 1,168,495)	( 988,680)
Non-current liabilities	( 1,177,929)	( 1,204,179)	( 1,158,169)
Total net assets	<u>\$ 2,492,401</u>	<u>\$ 2,198,308</u>	<u>\$ 2,382,627</u>

Century Development Corporation and subsidiaries			
	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 777,201	\$ 605,583	\$ 1,015,695
Non-current assets	11,210,156	10,577,104	9,427,300
Current liabilities	( 1,267,539)	( 1,054,477)	( 1,000,600)
Non-current liabilities	( 3,976,430)	( 3,468,169)	( 2,814,550)
Total net assets	<u>\$ 6,743,388</u>	<u>\$ 6,660,041</u>	<u>\$ 6,627,845</u>

Information Technology Total Services Co., Ltd. and subsidiaries			
	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 719,996	\$ 613,290	\$ 760,725
Non-current assets	238,032	272,321	260,012
Current liabilities	( 412,268)	( 315,475)	( 436,004)
Non-current liabilities	( 15,600)	( 16,558)	( 15,032)
Total net assets	<u>\$ 530,160</u>	<u>\$ 553,578</u>	<u>\$ 569,701</u>

Statements of comprehensive income

Tecom Co., Ltd. and subsidiaries		
	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Revenue	\$ 181,254	\$ 273,124
(Loss) profit before income tax	( 12,761)	9,501
Income tax expense	( 1,671)	( 1,903)
(Loss) profit for the period	( 14,432)	7,598
Other comprehensive income (loss) (net of tax)	24,274	( 24,797)
Total comprehensive income (loss) for the period	<u>\$ 9,842</u>	<u>(\$ 17,199)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 2,722)</u>	<u>(\$ 13,467)</u>

Taiwan Pelican Express Co., Ltd. and subsidiaries		
	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Revenue	\$ 1,007,852	\$ 1,102,211
Profit before income tax	2,229	45,131
Income tax expense	( 680)	( 8,943)
Profit for the period	1,549	36,188
Other comprehensive income (loss) (net of tax)	294,093	( 404,388)
Total comprehensive income (loss) for the period	\$ 295,642	(\$ 368,200)
Comprehensive income (loss) attributable to non-controlling interest	\$ 196,957	(\$ 245,295)
Dividends paid to non-controlling interest	\$ -	\$ -
Century Development Corporation and subsidiaries		
	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Revenue	\$ 232,002	\$ 218,055
Profit before income tax	105,878	105,838
Income tax expense	( 20,982)	( 20,936)
Profit for the period	84,896	84,902
Other comprehensive (loss) income (net of tax)	( 1,550)	22,252
Total comprehensive income for the period	\$ 83,346	\$ 107,154
Comprehensive income attributable to non-controlling interest	\$ 42,897	\$ 46,081
Dividends paid to non-controlling interest	\$ -	\$ -

Information Technology Total Services Co., Ltd.		
	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Revenue	\$ 400,665	\$ 437,722
Profit before income tax	24,787	23,849
Income tax expense	( 4,351)	( 4,267)
Profit for the period	20,436	19,582
Other comprehensive (loss) income (net of tax)	( 137)	2,425
Total comprehensive income for the period	\$ 20,299	\$ 22,007
Comprehensive income attributable to non-controlling interest	\$ 10,468	\$ 9,860
Dividends paid to non-controlling interest	\$ -	\$ -
<u>Statements of cash flows</u>		
Tecom Co., Ltd. and subsidiaries		
	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Net cash used in operating activities	(\$ 18,844)	(\$ 14,630)
Net cash provided by investing activities	177,778	4,460
Net cash used in financing activities	( 164,750)	( 42,721)
Decrease in cash and cash equivalents	( 5,816)	( 52,891)
Cash and cash equivalents, beginning of period	265,304	183,656
Cash and cash equivalents, end of period	\$ 259,488	\$ 130,765

Taiwan Pelican Express Co., Ltd. and subsidiaries		
	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Net cash provided by operating activities	\$ 86,538	\$ 140,329
Net cash used in investing activities	( 20,342)	( 41,631)
Net cash used in financing activities	( 50,862)	( 48,782)
Effect of exchange rates on cash and cash equivalents	( 49)	276
Increase in cash and cash equivalents	15,285	50,192
Cash and cash equivalents, beginning of period	832,405	905,342
Cash and cash equivalents, end of period	<u>\$ 847,690</u>	<u>\$ 955,534</u>
Century Development Corporation and subsidiaries		
	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Net cash provided by operating activities	\$ 286,639	\$ 137,982
Net cash used in investing activities	( 660,607)	( 236,436)
Net cash provided by (used in) financing activities	492,482	( 75,608)
Effect of exchange rates on cash and cash equivalents	( 123)	2,316
Increase (decrease) in cash and cash equivalents	118,391	( 171,746)
Cash and cash equivalents, beginning of period	254,140	613,545
Cash and cash equivalents, end of period	<u>\$ 372,531</u>	<u>\$ 441,799</u>



Information Technology Total Services Co., Ltd.  
and subsidiaries

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Net cash provided by operating activities	\$ 80,071	\$ 74,555
Net cash provided by investing activities	31,795	22,229
Net cash used in financing activities	( 1,361)	( 1,434)
Effect of exchange rates on cash and cash equivalents	( 39)	1,412
Increase in cash and cash equivalents	110,466	96,762
Cash and cash equivalents, beginning of period	171,492	140,280
Cash and cash equivalents, end of period	\$ 281,958	\$ 237,042

(34) Business combinations

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

	<u>January 18, 2023</u>
Purchase consideration	
Cash	\$ 29,954
Fair value of the identifiable assets acquired and liabilities assumed	
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)
Total identifiable net assets	31,122
	(\$ 1,168)

- C. The fair value of the acquired identifiable net assets is provisional pending receipt of the final valuations for those assets.

Had Tai-Peng Energy Co., Ltd. been consolidated from January 1, 2023, the consolidated statement of comprehensive income would show operating revenue of \$14,901,150 and profit before income tax of \$2,187,133.

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

Note 1: The investee has been liquidated in 2022.

Note 2: The investee was merged with Sankyo Co., Ltd in 2022.

(2) Significant related party transactions

A. Operating revenue:

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Sales of goods and services:		
Associates	\$ 96,238	\$ 111,754
Other related parties	<u>85,959</u>	<u>92,490</u>
	<u>\$ 182,197</u>	<u>\$ 204,244</u>

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

B. Purchases of goods:

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Purchases of goods:		
Associates	\$ 31,849	\$ 39,289
Other related parties	<u>6,284</u>	<u>659</u>
	<u>\$ 38,133</u>	<u>\$ 39,948</u>

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

C. Receivables from related parties:

	March 31, 2023	December 31, 2022	March 31, 2022
Receivables from related parties:			
Associates	\$ 210,414	\$ 204,621	\$ 177,178
Other related parties	<u>65,277</u>	<u>97,477</u>	<u>66,330</u>
	<u>275,691</u>	<u>302,098</u>	<u>243,508</u>
Other receivables - others			
Associates	62,619	84,502	102,039
Other related parties	<u>5,714</u>	<u>2,425</u>	<u>11,344</u>
	<u>68,333</u>	<u>86,927</u>	<u>113,383</u>
	<u>\$ 344,024</u>	<u>\$ 389,025</u>	<u>\$ 356,891</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 dividends.

D. Payables to related parties:

	March 31, 2023	December 31, 2022	March 31, 2022
Payables to related parties:			
Associates	\$ 44,300	\$ 45,134	\$ 99,528
Other related parties	<u>6,607</u>	<u>4,056</u>	<u>725</u>
	<u>\$ 50,907</u>	<u>\$ 49,190</u>	<u>\$ 100,253</u>

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

#### E. Rent income

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Associates	\$ 5,863	\$ 5,269
Other related parties	5,102	5,352
	<u>\$ 10,965</u>	<u>\$ 10,621</u>

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

#### F. Others

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

#### (3) Key management compensation

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Short-term employee benefits	\$ 87,306	\$ 33,860
Long-term employee benefits	2,817	3,814
Post-employment benefits	2,914	2,285
	<u>\$ 93,037</u>	<u>\$ 39,959</u>

## 8. Pledged Assets

Pledged asset	March 31, 2023	December 31, 2022	Purpose
Other current assets			
Demand deposits	\$ 141,219	\$ 315,635	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	475	15,447	Earmarked construction projects, Restricted by the legislation on repatriating offshore funds
Time deposits	239,472	244,210	Engineering bond, merchandise loans, tariff guarantees, long-term and short-term borrowings, engineering guarantees, customs security deposit, warranty margin, exercise guarantee for construction and quality assurance for product sales
Financial assets at fair value through other comprehensive income - non-current			
Taiwan High Speed Rail Corporation	287,375	460,000	Long-term borrowings
Non-current financial assets at amortised cost	10,000	10,000	Performance guarantee
Property, plant, and equipment			
Land	76,587	77,392	Long-term borrowings, short-term borrowings
Machinery and equipment	260,673	140,750	"
Right-of-use assets	784,968	793,198	"
Other non-current assets			
Refundable deposits	89,958	64,298	Exercise guarantee or warranty for construction and exercise guarantee for tender
	<u>\$ 1,890,727</u>	<u>\$ 2,120,930</u>	

Pledged asset	March 31, 2022	Purpose
Notes receivable	\$ 37,258	Short-term borrowings and deposits for acceptance bill
Other current assets		
Demand deposits	428,007	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	471,844	Earmarked construction projects, Restricted by the legislation on repatriating offshore funds
Time deposits	230,273	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	461,600	Long-term borrowings
Non-current financial assets at amortised cost	160,000	Performance guarantee
Property, plant, and equipment		
Land	97,220	Long-term borrowings, short-term borrowings
Buildings and structures	10,500	"
Machinery and equipment	164,271	"
Right-of-use assets	806,814	"
Other non-current assets		
Refundable deposits	108,528	Exercise guarantee or warranty for construction and exercise guarantee for tender
Demand deposits	795	Restricted by the legislation on repatriating offshore funds
Time deposits	329,642	Restricted by the legislation on repatriating offshore funds
	<u>\$ 3,306,752</u>	

## 9. Significant Contingent Liabilities and Unrecognized Contract Commitments

### (1) Contingencies

- A. On April 21, 2021, the Company received a civil judgment from the Taiwan Taipei District Court concerning a claim filed by Fu Chang Engineering Co., Ltd. (Fu Chang), which is a subcontractor that undertook the electrical system and air-conditioning electric system for the Company's project 'Mechanical and Electrical Engineering of Songshan Cultural and Creative Park BOT Project' for a total of \$63,525, to request the Company to pay an additional payment amounting to \$68,495 for additional construction works. The Court entered a judgment that the Company shall make a payment in the amount of \$56,846 to Fu Chang. The Company has accrued and recognised an amount for potential payments in 2022 and filed an appeal with the Second Instance Court.
- B. On January 10, 2023, the Group's subsidiary, Teco Electirc & Machinery Pte Ltd., received a complaint from a customer regarding the specifications of products sold by the Group's subsidiary that did not meet the customer's requirement, and asked for a compensation of SGD 1,282 thousand plus related interests. The Group will negotiate the compensation amount with the customer.

### (2) Commitments

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

	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment	\$ 277,382	\$ 560,228	\$ 2,065,720
Intangible assets	4,027	7,638	1,145
	<u>\$ 281,409</u>	<u>\$ 567,866</u>	<u>\$ 2,066,865</u>

- B. As of March 31, 2023, the outstanding usance L/C used for acquiring raw materials and equipment was \$23,119.

## 10. Significant Disaster Loss

None.

## 11. Significant Events after the Balance Sheet Date

None.

## 12. Others

### (1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 3,865,169	\$ 3,303,226	\$ 5,133,440
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 40,847,170	\$ 34,527,463	\$ 33,990,185
Financial assets at amortised cost /Loans and receivables			
Cash and cash equivalents	\$ 22,243,350	\$ 21,156,796	\$ 19,298,415
Financial assets at amortised cost	72,118	115,909	313,159
Notes receivable	814,705	1,039,657	792,962
Accounts receivable	10,746,765	10,351,780	10,276,229
Other receivables	440,848	413,068	453,221
Guarantee deposits paid and restricted bank deposits	757,605	829,264	1,736,931
	\$ 35,075,391	\$ 33,906,474	\$ 32,870,917
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ 3,544	\$ 4,144	\$ 694
Financial liabilities at amortised cost			
Short-term borrowings	\$ 1,721,422	\$ 1,751,344	\$ 1,672,201
Notes payable	689,510	784,791	939,731
Accounts payable	8,372,923	9,125,804	8,880,848
Other payables	9,294,889	5,994,197	7,934,862
Lease liabilities	4,955,804	5,072,407	5,153,053
Bonds payable (including current portion)	5,000,000	5,000,000	6,000,000
Long-term borrowings (including current portion)	4,615,324	3,655,514	4,165,743
	\$ 34,649,872	\$ 31,384,057	\$ 34,746,438



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) and 6(14).

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) and (14).
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2023

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

December 31, 2022

		Foreign		Sensitivity Analysis				
		currency amount				Effect on profit	Effect on other	
		(In thousands)	Exchange rate	Book value (NTD)	Degree of variation	or loss	comprehensive income	
(Foreign currency: functional currency)								
<u>Financial assets</u>								
<u>Monetary items</u>								
USD:NTD	USD	\$ 103,662	30.7100	\$ 3,183,460	1%	\$ 31,835	\$ -	
EUR:NTD	EUR	7,233	32.7200	236,664	1%	2,367	-	
USD:RMB	USD	11,707	6.9669	81,561	1%	816	-	
RMB:NTD	RMB	29,385	4.4080	129,529	1%	1,295	-	
AUD:NTD	AUD	4,478	20.8300	93,277	1%	933	-	
USD:SGD	USD	8,624	1.3422	11,575	1%	116	-	
USD:EUR	USD	10,244	0.9386	9,615	1%	96	-	
USD:MYR	USD	7,116	1.0655	7,582	1%	76	-	
<u>Non-monetary items</u>								
USD:NTD	USD	705,005	30.7100	21,650,704				
EUR:NTD	EUR	146,854	32.7200	4,805,063				
SGD:NTD	SGD	155,510	22.8800	3,558,069				
VND:NTD	VND	265,270,769	0.0013	344,852				
MYR:NTD	MYR	8,621	6.9951	60,305				
<u>Financial liabilities</u>								
<u>Monetary items</u>								
USD:NTD	USD	50,717	30.7100	1,557,519	1%	15,575	-	
USD:VND	USD	3,953	23,623.0769	121,397	1%	1,214	-	
USD:MYR	USD	9,939	4.3902	43,634	1%	436	-	
USD:AUD	USD	7,497	1.4743	11,053	1%	111	-	
USD:SGD	USD	3,539	1.3422	4,750	1%	48	-	

March 31, 2022

					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	\$	83,162	28.6250	\$	2,383,346	1%	\$	23,833	\$	-
EUR:NTD	EUR		5,171	31.9200		165,058	1%		1,651		-
USD:RMB	USD		45,556	6.3526		1,304,041	1%		13,040		-
RMB:NTD	RMB		48,391	4.5060		218,050	1%		2,181		-
AUD:NTD	AUD		6,910	21.4200		148,012	1%		1,480		-
USD:SGD	USD		8,017	1.3528		229,487	1%		2,295		-
USD:EUR	USD		6,886	0.8968		197,112	1%		1,971		-
USD:MYR	USD		10,922	4.2074		312,642	1%		3,126		-
EUR:USD	EUR		13,206	1.1151		421,536	1%		4,215		-
Non-monetary items											
USD:NTD	USD		719,290	38.6250		20,589,667					
EUR:NTD	EUR		140,103	31.9200		4,472,090					
SGD:NTD	SGD		153,458	21.1600		3,247,169					
VND:NTD	VND		268,896,923	0.0013		349,566					
MYR:NTD	MYR		7,726	6.8035		52,563					
Financial liabilities											
Monetary items											
USD:NTD	USD		50,675	28.6250		1,450,572	1%		14,506		-
USD:VND	USD		4,573	22,019.2308		130,902	1%		1,309		-
USD:MYR	USD		12,578	4.2074		360,045	1%		3,600		-

- v. Total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2023 and 2022 amounted to (\$23,239) and \$47,119, respectively.

Price risk

- i. The Group's financial instruments, which are exposed to price risk, are those characterized as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from such investments the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2023 and 2022 would have increased/decreased by \$134,749 and \$138,750, 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 \$2,032,594 and \$1,688,035, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain at least 30% of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. For the three-month periods ended March 31, 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in NTD, USD and RMB.
  - ii. The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
  - iii. As at March 31, 2023 and 2022, if interest rates at that date had been 0.25% higher/lower with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2023 and 2022 would have been \$3,168 and \$2,919 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost.
  - ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:  
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group adopts the assumption under IFRS 9, whereby the default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customers' accounts receivable, contract assets and rents receivable in accordance with credit rating of customer and credit risk on trade. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss under the provision matrix basis.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments;
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Group uses the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of notes and accounts receivable. As of March 31, 2023, December 31, 2022 and March 31, 2022, the loss rate methodology is as follows:

March 31, 2023			
	Expected credit loss rate	Total book value	Loss allowance
Not past due	0%~1%	\$ 8,892,219	(\$ 15,953)
Up to 30 days	0%~2%	1,264,363	( 3,045)
31 to 90 days	1%~20%	601,800	( 40,255)
91 to 180 days	1%~100%	237,830	( 19,542)
Over 180 days	1%~100%	504,804	( 136,442)
		<u>\$ 11,501,016</u>	<u>(\$ 215,237)</u>
December 31, 2022			
	Expected credit loss rate	Total book value	Loss allowance
Not past due	0%~1%	\$ 8,970,190	(\$ 22,459)
Up to 30 days	0%~2%	1,049,553	( 16,911)
31 to 90 days	1%~20%	542,913	( 23,681)
91 to 180 days	1%~100%	283,479	( 26,453)
Over 180 days	1%~100%	460,429	( 127,721)
		<u>\$ 11,306,564</u>	<u>(\$ 217,225)</u>

March 31, 2022			
	Expected credit loss rate	Total book value	Loss allowance
Not past due	0%~1%	\$ 9,152,323	(\$ 12,289)
Up to 30 days	0%~2%	798,987	( 12,747)
31 to 90 days	1%~20%	450,117	( 11,684)
91 to 180 days	1%~100%	172,266	( 23,834)
Over 180 days	1%~100%	433,309	( 120,765)
		<u>\$ 11,007,002</u>	<u>(\$ 181,319)</u>
March 31, 2023			
	Expected credit loss rate	Total book value	Loss allowance
Individual	1.00	\$ 25,250	(\$ 25,250)
Group A	0%~5%	6,601,470	( 13,825)
Group B	0%~10%	1,782,260	( 5,852)
Group C	0%~20%	1,140,786	( 29,286)
Group D	0%~40%	503,671	( 10,984)
Group E	0%~100%	1,447,579	( 130,040)
		<u>\$ 11,501,016</u>	<u>(\$ 215,237)</u>
December 31, 2022			
	Expected credit loss rate	Total book value	Loss allowance
Individual	100%	\$ 27,254	(\$ 27,254)
Group A	0%~5%	6,287,506	( 13,182)
Group B	0%~10%	1,639,893	( 5,735)
Group C	1%~20%	1,398,623	( 22,818)
Group D	1%~40%	453,283	( 35,400)
Group E	1%~100%	1,500,005	( 112,836)
		<u>\$ 11,306,564</u>	<u>(\$ 217,225)</u>
March 31, 2022			
	Expected credit loss rate	Total book value	Loss allowance
Individual	100%	\$ 28,966	(\$ 28,966)
Group A	0%~5%	6,024,915	( 11,138)
Group B	0%~10%	1,919,664	( 3,986)
Group C	1%~20%	1,570,949	( 26,805)
Group D	1%~40%	317,543	( 10,117)
Group E	1%~100%	1,154,965	( 100,307)
		<u>\$ 11,017,002</u>	<u>(\$ 181,319)</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:

	2023
	Notes receivable and accounts receivable
At January 1	\$ 217,225
Reversal of impairment	( 1,097)
Write-offs during the period	( 1,851)
Effect of foreign exchange	960
At March 31	<u>\$ 215,237</u>
	2022
	Notes receivable and accounts receivable
At January 1	\$ 168,327
Provision for impairment	10,447
Write-offs during the period	( 4,362)
Effect of foreign exchange	6,907
At March 31	<u>\$ 181,319</u>

For the three-month periods ended March 31, 2023 and 2022, the Group recognised impairment gains from other receivables at amortised cost amounting to \$1,589 and \$1,991, respectively.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.
- ii. As of March 31, 2023, December 31, 2022 and March 31, 2022, the undrawn credit amounts are \$23,255,461, \$22,052,652 and \$19,242,556, respectively.
- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.



Non-derivative financial liabilities:

<u>March 31, 2023</u>	<u>Up to 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 1,721,422	\$ -	\$ -	\$ -	\$ -
Notes payable	689,510	-	-	-	-
Accounts payable	8,372,923	-	-	-	-
Lease liabilities	511,214	377,896	346,008	553,765	4,246,457
Other payables	9,294,889	-	-	-	-
Bonds payable (including current portion)	-	-	5,000,000	-	-
Long-term borrowings (including current portion)	1,999,779	972,982	359,988	333,827	1,217,880

Non-derivative financial liabilities:

<u>December 31, 2022</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	\$ 1,751,344	\$ -	\$ -	\$ -	\$ -
Notes payable	784,791	-	-	-	-
Accounts payable	9,125,804	-	-	-	-
Lease liabilities	573,681	409,543	368,097	602,944	4,437,138
Other payables	5,994,197	-	-	-	-
Bonds payable (including current portion)	-	-	5,000,000	-	-
Long-term borrowings (including current portion)	1,585,816	242,733	1,013,050	61,563	925,412

Non-derivative financial liabilities:

<u>March 31, 2022</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	\$ 1,672,201	\$ -	\$ -	\$ -	\$ -
Notes payable	939,731	-	-	-	-
Accounts payable	8,880,848	-	-	-	-
Lease liabilities	519,598	477,709	322,624	476,651	4,528,427
Other payables	7,934,862	-	-	-	-
Bonds payable (including current portion)	1,000,000	-	-	5,000,000	-
Long-term borrowings (including current portion)	2,695,425	330,105	1,075,297	16,445	61,667

iv. As of March 31, 2023, December 31, 2022 and March 31, 2022, the derivative financial liabilities which were executed by the Group were all due within one year.

(3) Fair value information

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

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

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

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

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

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

<u>March 31, 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	\$ 2,694,978	\$ -	\$ 1,163,784	\$ 3,858,762
Non-hedging derivatives	-	6,407	-	6,407
Financial assets at fair value through other comprehensive income				
Equity securities	<u>40,651,884</u>	<u>-</u>	<u>195,286</u>	<u>40,847,170</u>
	<u>\$ 43,346,862</u>	<u>\$ 6,407</u>	<u>\$ 1,359,070</u>	<u>\$ 44,712,339</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Non-hedging derivatives	<u>\$ -</u>	<u>\$ 3,544</u>	<u>\$ -</u>	<u>\$ 3,544</u>

<u>December 31, 2022</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	\$ 2,135,696	\$ -	\$ 1,167,229	\$ 3,302,925
Non-hedging derivatives	-	301	-	301
Financial assets at fair value through other comprehensive income				
Equity securities	<u>34,332,208</u>	<u>-</u>	<u>195,255</u>	<u>34,527,463</u>
	<u>\$ 36,467,904</u>	<u>\$ 301</u>	<u>\$ 1,362,484</u>	<u>\$ 37,830,689</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Non-hedging derivatives	<u>\$ -</u>	<u>\$ 4,144</u>	<u>\$ -</u>	<u>\$ 4,144</u>
<u>March 31, 2022</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	\$ 2,774,991	\$ -	\$ 2,352,914	\$ 5,127,905
Non-hedging derivatives	-	5,535	-	5,535
Financial assets at fair value through other comprehensive income				
Equity securities	<u>33,760,702</u>	<u>-</u>	<u>229,483</u>	<u>33,990,185</u>
	<u>\$ 36,535,693</u>	<u>\$ 5,535</u>	<u>\$ 2,582,397</u>	<u>\$ 39,123,625</u>

D. The methods and assumptions the Group used to measure fair value are as follows:

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

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

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods.
- (c) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- (d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial

instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

E. For the three-month periods ended March 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2023 and 2022:

	Non-derivative equity	
	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Beginning balance	\$ 1,362,484	\$ 3,621,022
Gains and losses recognized in profit or loss	( 2,067)	56,223
Gain and loss recognized in other comprehensive income	31	64,320
Sold during the period	( 1,378)	( 1,159,168)
Ending balance	<u>\$ 1,359,070</u>	<u>\$ 2,582,397</u>

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

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

	Fair value at March 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Unlisted shares	\$ 1,359,070	Market comparable companies	Price to earnings ratio multiple	1.62~2.43	The higher the multiple, the higher the fair value
Private equity fund			Discount for lack of marketability	15%	The higher the discount for lack of marketability, the lower the fair value
	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Unlisted shares	\$ 1,362,484	Market comparable companies	Price to earnings ratio multiple	1.62~2.31	The higher the multiple, the higher the fair value
Private equity fund			Discount for lack of marketability	15%	The higher the discount for lack of marketability, the lower the fair value
	Fair value at March 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Unlisted shares	\$ 2,582,397	Market comparable companies	Price to earnings ratio multiple	1.94~2.42	The higher the multiple, the higher the fair value
Private equity fund			Discount for lack of marketability	15%	The higher the discount for lack of marketability, the lower the fair value

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

March 31, 2023						
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
			change	change	change	change
Financial assets	Input	Change				
Equity instrument	Discount for lack of marketability	±5%	\$ 58,189	(\$ 58,189)	\$ 9,764	(\$ 9,764)
December 31, 2022						
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
			change	change	change	change
Financial assets	Input	Change				
Equity instrument	Discount for lack of marketability	±5%	\$ 58,361	(\$ 58,361)	\$ 9,763	(\$ 9,763)
March 31, 2022						
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
			change	change	change	change
Financial assets	Input	Change				
Equity instrument	Discount for lack of marketability	±5%	\$ 117,646	(\$ 117,646)	\$ 11,474	(\$ 11,474)

### 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) 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 primarily 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: This Group is primarily engaged investment in various businesses and leasing and development of real estate.

Starting from January 1, 2022, the Group adjusted the investment segment according to the current conditions. Because former investment segment had decreased the investment transactions which target the short-term spread on equity shares and gradually disposed such non-operating investments, the investment strategy was adjusted to be aligned with the Group's long-term and related strategical investments. Thus, this company's performance was not measured at segment income. The company excluded the profit or loss in relation to investment units, which is shown as non-operating income and expenses, and remeasured and disclosed in segment information. In the first quarter of 2022, the operating segment information was also remeasured and disclosed according to aforementioned segments.

(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 years ended December 31, 2022 and 2021 is as follows:

For the three-month period ended March 31, 2023						
	Green mechatronic solution business Group	Intelligence energy business Group	Air and intelligent life business Group	Others	Adjustment and elimination	Total
<u>Operating revenues</u>						
Operating revenues from external customers	\$ 8,049,073	\$ 3,009,728	\$ 2,964,845	\$ 876,535	\$ -	\$ 14,900,181
Operating revenues from internal segments	4,441,083	150,582	1,098,541	30,178	( 5,720,384)	-
Total operating revenues	<u>\$ 12,490,156</u>	<u>\$ 3,160,310</u>	<u>\$ 4,063,386</u>	<u>\$ 906,713</u>	<u>(\$ 5,720,384)</u>	<u>\$ 14,900,181</u>
Segment profits and losses	<u>\$ 1,399,073</u>	<u>\$ 142,252</u>	<u>\$ 66,025</u>	<u>\$ 90,050</u>	<u>\$ -</u>	<u>\$ 1,697,400</u>
For the three-month period ended March 31, 2022						
	Green mechatronic solution business Group	Intelligence energy business Group	Air and intelligent life business Group	Others	Adjustment and elimination	Total
<u>Operating revenues</u>						
Operating revenues from external customers	\$ 7,285,360	\$ 1,619,285	\$ 4,119,275	\$ 873,368	\$ -	\$ 13,897,288
Operating revenues from internal segments	4,732,447	190,943	1,229,067	75,082	( 6,227,539)	-
Total operating revenues	<u>\$ 12,017,807</u>	<u>\$ 1,810,228</u>	<u>\$ 5,348,342</u>	<u>\$ 948,450</u>	<u>(\$ 6,227,539)</u>	<u>\$ 13,897,288</u>
Segment profits and losses	<u>\$ 699,493</u>	<u>\$ 99,002</u>	<u>\$ 193,908</u>	<u>\$ 158,243</u>	<u>\$ -</u>	<u>\$ 1,150,646</u>

(4) Reconciliation for segment profit (loss)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment profit or loss to the profit before tax and discontinued operations for the three-month periods ended March 31, 2023 and 2022 is provided as follows:

	For the three-month period ended March 31, 2023	For the three-month period ended March 31, 2022
Adjusted operating income of reportable segments	\$ 1,607,350	\$ 992,403
Adjusted operating income of other operating segments	90,050	158,243
Interest income	124,127	31,836
Gains (losses) on financial instruments	556,350 (	545,791)
Financial cost	( 60,591) (	52,206)
Associates' and joint ventures' profit and loss accounted for under the equity method	( 19,602)	97,614
Gains on disposals of property, plant and equipment	( 6,607) (	163)
Others	( 104,083)	117,856
Income before income tax	<u>\$ 2,186,994</u>	<u>\$ 799,792</u>

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Loans to others

For the three-month period ended March 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance during the three- month period ended March 31, 2023	Balance at March 31, 2023	Actual amount drawn down	Interest rate (%)	Nature of loans	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	U.V.G.	Teco Netherlands	Other receivables	Yes	\$ 232,050	\$ 232,050	\$ 232,050	-	Short-term financing	\$ -	For operating capital	\$ -	-	\$ -	\$ 515,697	\$ 859,496	Note 2
2	Teco Westinghouse	TWMM	"	"	61,420	60,900	-	4.49%	Short-term financing	-	For operating capital	-	-	-	706,229	1,412,459	Note 3
3	Great Teco Motor (PTE) Ltd.	Teco Netherlands	"	"	192,270	192,270	192,270	2.18%	Short-term financing	-	For operating capital	-	-	-	291,783	486,304	Note 4
4	Motovario Corp.	Motovario S.P.A.	"	"	184,260	182,700	160,776	4.49%	Short-term financing	-	For operating capital	-	-	-	205,007	273,343	Note 5

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

(1)The Company is '0'.

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

Note 2: In accordance with U.V.G.'s policy, limit on total loans shall not exceed 10% of U.V.G.'s net assets based on the latest financial statements (March 31, 2023), and limit on loans to a single party shall not exceed 6% of U.V.G.'s net assets based on the latest financial statements (March 31, 2023).

Note 3: In accordance with Teco Westinghouse's policy, limit on total loans shall not exceed 20% of Teco Westinghouse's net assets based on the latest financial statements (March 31, 2023), and limit on loans to a single party shall not 10% of Teco Westinghouse's net assets based on the latest financial statements (March 31, 2023).

Note 4: Great Teco Motor (PTE) Ltd.'s limit on total loans shall not exceed 10% of Great Teco Motor (PTE) Ltd.'s net assets based on the latest financial statements (March 31, 2023), and limit on loans to a single party shall not exceed 6% of Great Teco Motor (PTE) Ltd.'s net assets based on the latest financial statements (March 31, 2023).

Note 5: In accordance with Motovario Corp.'s policy, limit on total loans shall not exceed 40% of Motovario Corp.'s net assets based on the latest audited financial statement (March 31, 2023), and limit on loans to a single party shall not exceed 30% of Motovario Corp.'s net assets based on the latest audited financial statement (March 31, 2023).

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others  
For the three-month period ended March 31, 2023

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of March 31, 2023	Outstanding endorsement/ guarantee amount at March 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor ( Note 2 )											
0	TECO ELECTRIC & MACHINERY CO., LTD.	Sankyo Co., Ltd	(4)	\$ 17,028,299	\$ 104,580	\$ 102,960	\$ 96,096	-	0.12	\$ 51,084,896	Y	N	N	Note 3
0	"	Motorvario	(4)	17,028,299	1,160,250	1,160,250	1,069,088	-	1.36	51,084,896	Y	N	N	"
1	Teco Westinghouse	TWMM	(4)	706,229	61,420	60,900	60,900	-	0.86	1,412,459	Y	N	N	Note 4
2	Teco Australia Pty. Ltd.	TECO New Zealand Pty Ltd.	(4)	160,759	14,600	14,325	14,325	-	0.89	321,517	Y	N	N	Note 5
3	Century Development	CDC DEVELOPMENT INDIA PRIVATE LIMITED	(6)	454,013	157,121	157,011	157,011	-	3.46	908,026	Y	N	N	Note 6
4	Tong-An Assets	CDC DEVELOPMENT INDIA PRIVATE LIMITED	(6)	530,757	117,841	117,758	117,758	-	2.22	1,061,513	N	N	N	Note 7
5	Tong-An Investment Co., Ltd.	CDC DEVELOPMENT INDIA PRIVATE LIMITED	(6)	150,934	117,841	117,758	117,758	-	0.45	200,000	N	N	N	Note 8

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

- (1) The Company is ‘0’.
- (2) The subsidiaries are numbered in order starting from ‘1’.
- Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:
- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

- Note 3: In accordance with the Company’s policy, the total guarantee amount shall not exceed 60% of Company’s net assets based on the latest financial statements (March 31, 2023), and the guarantee to a single party shall not exceed 20% of the Company’s net assets. If the guarantee amount is denominated in foreign currency, the amount shall be translated at the exchange rate prevailing on the date of approval by the Board of Directors to assess whether the guarantee amount exceeds the limit.
- Note 4: In accordance with the Teco Westinghouse’s policy, the total guarantee amount shall not exceed 20% of Teco Westinghouse’s net assets based on the latest financial statements (March 31, 2023), and the guarantee to a single party shall no exceed 10% of Teco Westinghouse’s net assets. If the guarantee amount is denominated in foreign currency, the amount shall be translated at the exchange rate prevailing on the date of approval by the Board of Directors to assess whether the guarantee amount exceeds the limit.
- Note 5: In accordance with the TECO AUSTRALIA Pty Ltd.' s policy, the total guarantee amount shall not exceed 20% of TECO AUSTRALIA Pty Ltd.' s net assets based on the latest financial statements (March 31, 2023), and the guarantee to a single party shall no exceed 10% of TECO AUSTRALIA Pty Ltd.' s net assets. If the guarantee amount is denominated in foreign currency, the amount shall be translated at the exchange rate prevailing on the date of approval by the Board of Directors to assess whether the guarantee amount exceeds the limit.

Note 6:In accordance with Century Development’s policy, the total guarantee amount shall not exceed 20% of Century Development’s net assets based on the latest financial statements (March 31, 2023), 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 7:In accordance with Tong-An Asset’s policy, the total guarantee amount shall not exceed 20% of Tong-An Asset’s net assets based on the latest financial statements (March 31, 2023), 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 8: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 &amp; MACHINERY CO., LTD. AND SUBSIDIARIES

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

March 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2023				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	\$ 343,968	14.62	\$ 343,968	
	Stock 2	None	"	2,137	64,004	1.43	64,004	
	Stock 3	"	"	210,333	10,253,719	5.64	10,253,719	
	Stock 4	The Company is a director of the investee	"	190,061	5,749,332	3.38	5,749,332	
	Stock 5	None	"	8,697	126,109	0.09	126,109	
	Stock 6	The Company is a director of the investee	"	5,098	238,085	13.42	238,085	
	Stock 7, etc.	None	"	15,796	4,319	-	4,319	
	Stock 8	"	Note 4	3,200	169,297	0.03	169,297	
	Stock 9	"	"	11,527	490,492	1.96	490,492	
	Stock 10	"	"	47,839	463,080	1.58	463,080	
	Stock 11	"	"	201	1,302	-	1,302	
	Stock 12	The Company is a director of the investee	"	32,980	341,190	10.99	341,190	
	Stock 13	None	"	7,500	480,640	5.00	480,640	
	Stock 14, etc.	"	"	22,104	250,958	-	250,958	
	Fund 1	"	"	-	89,407	-	89,407	
	Fund 2	"	"	-	94,152	-	94,152	
	Stock 2	"	Note 1	5,309	159,018	3.56	159,018	
	Stock 15	"	"	720	56,341	0.50	56,341	
	Stock 16	The Company is a director of the investee	"	264	238,067	0.12	238,067	
Teco International	Stock 17	None	"	3,177	300,580	0.67	300,580	
	Stock 18, etc.	The Company is a director of the investee	"	8,689	228,514	-	228,514	
	Stock 19, etc.	None	Note 3	1,714	152,730	-	152,730	
Tong-An Investment	Stock 2	"	Note 1	7,913	237,004	5.31	237,004	
	Stock 15	"	"	1,225	95,782	0.85	95,782	
	Stock 20	An investee company accounted for under the equity method by the Company	"	19,540	830,452	0.91	830,452	
	Stock 18	Related party in substance	"	8,197	152,455	7.28	152,455	
	Stock 21	None	"	8,692	653,635	0.27	653,635	
	Stock 22	"	"	1,285	129,785	0.04	129,785	
	Stock 16	The Company is a director of the investee	"	21,918	19,791,954	10.03	19,791,954	
	Stock 23	None	"	1,217	70,485	0.37	70,485	
	Stock 24, etc.	"	"	30,317	813,608	-	813,608	
	Stock 25, etc.	"	Note 3	1,013	146,213	-	146,213	
	Stock 16	The Company is a director of the investee	Note 4	1,091	984,992	0.50	984,992	
	Fund 3	None	"	50,000	440,000	-	440,000	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2023				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Tong-An Investment	Fund 4	None	Note 4	625	\$ 21,655	-	\$ 21,655	
U.V.G	Stock 26, etc.	"	Note 1	118	7,900	-	7,900	
An-Tai International	Stock 2	"	"	653	19,557	0.44	19,557	
	Stock 20	An investee company accounted for under the equity method by the Company	"	2,826	120,094	0.13	120,094	
	Stock 18	Related party in substance	"	1,270	23,625	1.13	23,625	
	Stock 27	"	"	2,756	205,023	8.51	205,023	
	Stock 28	None	"	205	16,348	0.14	16,348	
	Stock 19, etc.	"	Note 3	1,160	110,533	-	110,533	
Jie-Zheng Property	Fund 5, etc.	"	Note 2	-	20,997	-	20,997	
Information Technology Total Service	Stock 29, etc.	"	Note 1	3,269	32,254	-	32,254	
Teco Singapore	Stock 16, etc.	Related party in substance	"	474	427,675	-	427,675	
Taiwan Pelican Express	Stock 20	An investee company accounted for under the equity method by the Company	"	7,070	300,475	0.33	300,475	
	Stock 16	None	"	716	646,584	0.32	646,584	
Teco Australia	Stock 16	"	"	359	324,560	0.16	324,560	
Sankyo	Stock 30	"	"	68	7,141	-	7,141	
Tecom and its subsidiaries	Stock 4	The Company is a corporate director of the investee	"	10,350	313,087	0.18	313,087	
	Stock 7, etc.	None	"	1,161	767	-	767	
	Stock 31	"	Note 3	1,719	28,793	0.82	28,793	
	Fund 6, etc.	"	Note 2	546	10,599	-	10,599	
Tong Dai	Stock 20	An investee company accounted for under the equity method by the Company	Note 3	77	3,282	-	3,282	
	Stock 32, etc.	None	"	2	80	-	80	

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

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

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

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

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

For the three-month period ended March 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:													
Real estate acquired by	Marketable Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate disposal	Other commitments
Century Biotech Development Corp.	Park permanent work	In October 2019	\$1,660,955	\$1,645,032	FAR EASTERN GENERAL CONTRACTOR INC.	Non-related parties	Not applicable	Not applicable	Not applicable	Not applicable	Comparative price and bargain	Operation needs	None
	Park curtain wall work	In February 2020	410,000	336,217	CHINA WIRE & CABLE CO., LTD.	Non-related parties	Not applicable	Not applicable	Not applicable	Not applicable	Comparative price and bargain	Operation needs	None
	Park electrical and mechanical work	In September 2020	1,375,000	1,076,778	TECO ELECTRIC & MACHINERY CO., LTD.	Related parties	Not applicable	Not applicable	Not applicable	Not applicable	Comparative price and bargain	Operation needs	None
	Park renovation work	In May 2021	483,900	431,193	CHEN-JIA CONSTRUCTION AND ENGINEERING CO., LTD.	Non-related parties	Not applicable	Not applicable	Not applicable	Not applicable	Comparative price and bargain	Operation needs	None



TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more  
For the three-month period ended March 31, 2023

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
TECO ELECTRIC & MACHINERY CO., LTD.	Tesen	An investee accounted for under the equity method	Purchases	\$ 710,705	13%	30 days	Note	Note	\$ -	-	
	Wuxi Teco	An indirect investee accounted for under the equity method	"	343,623	6%	"	"	"	( 714,703)	(14%)	
	TECO (VIETNAM) ELECTRIC & MACHINERY	"	"	178,773	3%	"	"	"	( 132,484)	(3%)	
	Tai-An Wuxi	"	"	176,549	3%	"	"	"	( 166,378)	(3%)	
	Tong Dai	An investee accounted for under the equity method	Sales	( 269,475)	(4%)	90 days	"	"	243,429	5%	
	Teco Singapore	"	"	( 143,308)	(2%)	"	"	"	58,990	1%	
	Teco Westinghouse	An indirect investee accounted for under the equity method	"	( 958,803)	(14%)	"	"	"	364,339	8%	
	Teco Australia	"	"	( 268,725)	(4%)	"	"	"	218,497	5%	
Teco Westinghouse Canada	"	"	( 233,730)	(3%)	"	"	"	64,164	1%		

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
March 31, 2023

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2023	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	\$ 243,620	3.49	\$ -	-	\$ 168,117	
"	A-Ok Technical	"	119,085	1.27	-	-	22,555	
"	E-Joy International	"	110,615	2.44	-	-	433	
"	Teco Westinghouse	An indirect investee accounted for under the equity method	396,374	11.02	-	-	360,709	
"	Century Biotech Development Corp.	"	100,567	-	-	-	-	
"	Teco Australia	"	218,497	4.47	-	-	99,724	
"	TECO MIDDLE EAST	"	120,975	1.31			-	
Wuxi Teco	TECO ELECTRIC & MACHINERY CO., LTD.	"	714,703	1.74	-	-	158,455	
Tai-An Wuxi	"	"	166,378	3.88	-	-	62,797	
TECO (VIETNAM) ELECTRIC & MACHINERY U.V.G.	"	"	132,484	6.51	-	-	40,521	
	Teco Netherlands	An investee accounted for under the equity method	232,050	-	-	-	-	
Great Teco Motor (PTE) Ltd.	"	Fellow subsidiary	192,270	-	-	-	-	
Motovario Corp.	Motovario	An investee accounted for under the equity method	160,776	-	-	-	-	Total amount was \$1,672

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting period  
For the three-month period ended March 31, 2023

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	TECO ELECTRIC & MACHINERY CO., LTD.	Tong Dai	(1)	Notes receivable, accounts receivable and other receivables	\$ 243,620	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	"	A-Ok Technical	"	"	119,085	"	-
0	"	Teco Westinghouse	"	Accounts receivable and other receivables	396,374	"	-
0	"	E-Joy International	"	"	110,615	"	-
0	"	Century Biotech Development Corp.	"	"	100,567	"	-
0	"	Teco Australia	"	Accounts receivable	218,497	"	-
0	"	TECO MIDDLE EAST	"	"	120,975	"	-
1	Wuxi Teco	TECO ELECTRIC & MACHINERY CO., LTD.	(2)	Accounts receivable	714,703	"	1%
2	Tai-An Wuxi	"	"	"	166,378	"	-
3	TECO (VIETNAM) ELECTRIC & MACHINERY	"	"	"	132,484	"	-
4	U.V.G	Teco Netherlands	(3)	Other receivables	232,050	"	-
5	Great Teco Motor (PTE) Ltd.	"	"	"	192,270	"	-
6	Motovario Corp.	Motovario	"	"	160,776	"	-
0	TECO ELECTRIC & MACHINERY CO., LTD.	Teco Westinghouse	(1)	Sales	958,803	"	6%
0	"	Tong Dai	"	"	269,475	"	2%
0	"	Teco Australia	"	"	268,725	"	2%
0	"	Teco Westinghouse Canada	"	"	233,730	"	2%
0	"	Teco Singapore	"	"	143,308	"	1%
7	Tesen	TECO ELECTRIC & MACHINERY CO., LTD.	(2)	"	710,705	"	5%
1	Wuxi Teco	"	"	"	343,623	"	2%
3	TECO (VIETNAM) ELECTRIC & MACHINERY	"	"	"	178,773	"	1%
2	Tai-An Wuxi	"	"	"	176,549	"	1%

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

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

Note 2: Relationship with the transaction company:

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

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Information on investees

For the three-month period ended March 31, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2023			Net profit (loss) of the investee for the three-month period ended March 31, 2023	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2023	Footnote
				Balance as at March 31, 2023	Balance as at December 31, 2022	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%	\$ 2,444,341	(\$ 10,990)	(\$ 15,581)	None
	Tecom	Taiwan	Manufacturing of key telephone system and nonkey service unit telephone system	431,109	431,109	19,228,898	63.52%	126,222	( 14,432)	( 11,603)	None
	Teco International	Taiwan	Investment holdings, investments in securities and construction of commercial buildings	100,013	100,013	77,847,395	100%	1,860,005	14,300	14,520	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%	12,110,258	283,246	283,186	None
	Teco Singapore and its subsidiaries	Singapore	Distribution of the Company's motor products in Singapore	112,985	112,985	7,200,000	90%	3,705,340	31,480	31,324	None
	Tong-An Investment	Taiwan	Investment holdings	2,490,000	2,490,000	577,913,365	99.60%	25,250,330	347,112	345,723	None
	Teco Electro	Taiwan	Manufacturing of Stepping motors	71,460	71,460	10,253,864	59.56%	220,084	3,034	1,800	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%	8,620,430	286,604	285,618	None
	ITTS	Taiwan	E-business service, mailing and data management	111,286	111,286	11,467,248	41.97%	222,501	20,436	8,577	None
	Tesen	Taiwan	Manufacturing and sales of home appliance	200,000	200,000	20,000,000	100%	230,269	28,665	24,689	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%	485,892	( 19,105)	( 4,468)	None

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2023			Net profit (loss)	Investment income	Footnote
				Balance as at March 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	of the investee	(loss) recognized by the	
									for the three-month period ended March 31, 2023	Company for the three-month period ended March 31, 2023	
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%	\$ 462,943	\$ 23,250	\$ 19,402	None
	Teco Vietnam	Vietnam	Manufacturing and sales of motors	540,453	540,453	-	100%	337,625	( 8,921)	( 7,877)	None
	Yatec	Taiwan	Development and maintenance of various electric appliances	92,389	92,389	7,800,000	64.95%	139,919	1,434	945	None
	Tong-An Assets	Taiwan	Real estate business	2,111,889	2,111,889	395,415,338	100%	5,307,565	9,403	9,425	None
	Taian Subic	Philippines	Manufacturing and sales of switches	165,819	165,819	17,131,155	76.70%	216,397	4,385	3,594	None
	Micropac (BVI) and its subsidiaries	British Virgin Islands	Manufacturing and distribution of optical fiber apparatus and international trading	454,923	454,923	14,883,591	100%	1,219,838	1,296	1,488	None
	Century Development	Taiwan	Development and management of industrial park	951,141	951,141	100,592,884	28.67%	1,398,320	86,293	22,981	None
	An-Tai International	Taiwan	Investment holdings	150,000	150,000	37,352,237	100%	649,518	7,441	7,441	None
	Taiwan Pelican Express	Taiwan	Logistics and distribution services	255,116	255,116	24,121,700	25.27%	331,961	1,550	392	None
	Taian-Ecobar	Taiwan	Bus bar and manufacturing of its components	70,330	70,330	7,033,000	84.73%	174,024	13,174	11,163	None
	Eagle Holding Co.	Cayman Islands	Investment holdings	3,691,723	3,691,723	1	100%	4,993,899	128,553	128,553	None
Eagle Holding Co. TECO MOTOR	TECO MOTOR B.V.	Netherlands	Investment holdings	3,691,723	3,691,723	1	100%	4,993,899	128,553	128,553	None
	Motovario S.p.A	Italy	Production and sale of gear reducers and motors	3,989,850	3,989,850	18,010,000	100%	4,993,899	128,553	128,553	None
Tung Pei	Tung Pei (SAMOA) Industrial Co., Ltd.	Samoa	Investment holdings and establishment of overseas distribution channel	646,343	646,343	23,031,065	100%	1,991,292	( 41,625)	( 41,625)	None
Tecom	Baycom	Taiwan	Manufacturing and sales of optical telecom products	431,258	431,258	14,700,741	43.76%	208,503	7,118	3,115	None
Tong-An Investment	Century Development	Taiwan	Development and management of industrial park	420,646	420,646	46,235,042	13.18%	692,622	86,293	11,347	None
	Taiwan Pelican Express	Taiwan	Logistics and distribution services	54,874	54,874	6,474,468	6.78%	149,192	1,550	105	None
	Century Biotech Development Corp.	Taiwan	Development and construction of real estate	514,270	514,270	51,427,000	20.57%	500,853	( 3,535)	( 727)	None
	Century Real Estate (International) Pte. Ltd.	Singapore	Investing in other areas	274,856	274,856	9,120,000	30%	148,752	( 995)	( 221)	None

Table 8, Page 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2023			Net profit (loss) of the investee for the three-month period ended March 31, 2023	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2023	Footnote
				Balance as at March 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Lien Chang	Gen Mao International Corp.	Taiwan	Investment holdings	\$ 92,000	\$ 92,000	12,553,526	100%	\$ 136,053	(\$ 651)	(\$ 651)	None
	Gen Mao (Singapore)	Singapore	Investment holdings	582,246	582,246	27,502,355	84.97%	750,840	( 7,706)	( 4,192)	None
Gen Mao International Corp.	Gen Mao (Singapore)	Singapore	Investment holdings	91,079	91,079	4,866,045	15.03%	132,805	( 7,706)	( 742)	None
Century Development	Centurytech Construction and Management Corp.	Taiwan	Construction and sales of related raw materials	238,170	238,170	2,250,000	100%	( 20,274)	( 94)	138	None
	Jie-Zheng Property Service & Management Co., Ltd.	Taiwan	Building management servicing	13,750	13,750	1,512,500	50%	82,252	10,197	5,114	None
	United Development	Taiwan	Investment consultancy service for domestic and foreign industrial parks and land	25,536	25,536	6,102,973	51.60%	90,598	3,242	1,673	None
	Greyback International Property Inc.	Philippines	Housing project in Subic	9,912	9,912	144,600	30.11%	10,457	-	-	None
	Century Real Estate (International) Pte. Ltd.	Singapore	Investing in other areas	365,820	365,820	12,160,000	40%	269,748	( 995)	( 398)	None
	Century Biotech Development Corp.	Taiwan	Development and construction of real estate	771,460	771,460	77,146,000	30.86%	751,372	( 3,535)	( 1,091)	None
Teco Electro	Teco Electro Devices Co., Ltd.	British Virgin Islands	Trading and investment holdings	88,108	88,108	2,510,000	100%	243,815	( 1,022)	( 1,548)	None
Teco Singapore	Century Development	Taiwan	Development and management of industrial park	179,222	179,222	21,264,873	6.06%	2,751	86,293	52	None
Tong-An Assets	Century Development	Taiwan	Leasing of real estate	184,893	184,893	17,013,593	4.85%	220,471	86,293	4,274	None
	Century Biotech Development Corp.	Taiwan	Development and construction of real estate	514,270	514,270	51,427,000	20.57%	500,852	( 3,535)	( 728)	None
	Century Real Estate (International) Pte. Ltd.	Singapore	Investing in other areas	274,856	274,856	9,120,000	30%	196,857	( 995)	( 370)	None

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

For the three-month period ended March 31, 2023

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, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2023	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2023	Net income of investee for the three-month period ended March 31, 2023	Ownership held by the Company (direct or indirect)(%)	Investment income (loss) recognized by the Company for the three- month period ended March 31, 2023	Book value of investments in Mainland China as of March 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2023	Footnote
Teco (Dong Guang)	Manufacturing and sales of air conditioners mechanical equipment	\$ 268,799	Note 2	\$ 188,139	\$ - \$ -	\$ 188,139	(\$ 2,938)	100%	(\$ 2,938)	\$ 134,061	\$ -	Note 15
Wuxi Teco	Manufacturing and sales of motors	1,697,276	Note 1	768,259	- -	768,259	146,360	84.12%	124,232	2,106,384	386,884	Note 14
Taian (Wuxi)	Manufacturing and sales of optical fiber	495,123	Note 10	205,551	- -	205,551	1,297	100%	1,297	1,047,014	217,858	Note 15
Nanchang Teco	Manufacturing and sales of home appliances	456,293	Note 3	456,293	- -	456,293	(205)	100%	(205)	(19,023)	-	Note 15
Jiangxi Teco	Manufacturing and sales of motors	1,481,569	Note 1	1,383,653	- -	1,383,653	39,969	98.07%	39,198	1,617,212	72,823	Note 14
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	(479)	87.60%	(419)	249,636	-	Note 14
Xiamen An-Tai	Development, manufacturing and sales of LCD monitors.	678,681	Note 3	467,577	- -	467,577	571	100%	571	250,299	-	Note 14
Teco Han Zhou	Development and consulting of device products	9,837	Note 1	9,837	- -	9,837	1,097	100%	977	24,361	11,937	Note 15
Teco Century	Manufacturing and sales of compressor	680,938	Note 3	340,469	- -	340,469	1,987	24%	473	29,911	-	Note 15
Fujian Teco	Manufacturing and sales of electronic components	391,843	Note 1	391,843	- -	391,843	(318)	100%	(318)	46,979	-	Note 15
Shanghai Xisngseng	Distribution of air conditioner	24,004	Note 2	-	- -	-	361	39.90%	144	(10,208)	-	Note 15
Jiangxi TECO (AC)	Manufacturing and sales of air conditioning mechanical equipment	79,813	Note 3	79,813	- -	79,813	(5,284)	100%	(5,284)	136,998	-	Note 15
Qingdao Teco Innovation	Science Park development and business operations and consulting services	59,444	Note 12	59,444	- -	59,444	(117)	100%	(117)	39,154	-	Note 15
Shanghai Teco	Sales of home appliances	23,829	Note 1	23,829	- -	23,829	51,095	100%	60,354	318,984	100,122	Note 14
Jiangxi TECO Westinghouse Motor Coil Co.,Ltd.	Manufacturing and sales of motors, winding and related elements	119,840	Note 11	-	- -	-	3,356	100%	3,356	124,821	-	Note 15
Wuxi TECO Precision Industry Co. Ltd.	Production and sale of industrial motors and applications	656,500	Note 13	-	- -	-	3,004	100%	3,004	859,613	-	Note 15
Beijing Pelican Express	Storage services	26,422	Note 4	26,422	- -	26,422	-	-	-	-	-	Note 18
Fubon Gehua (Beijing) Trading Co., Ltd.	Merchandise wholesale	349,215	Note 5	24,746	- -	24,746	-	1.63%	-	-	-	Note 16 、 17
Wuhan Tecom	Communication network information, technology development, sales and technology services business	6,950	Note 6	6,950	- -	6,950	(304)	100%	(304)	-	-	Note 14 、 19



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, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2023	Net income of investee for the three-month period ended March 31, 2023	Ownership held by the Company (direct or indirect)(%)	Investment income (loss) recognized by the Company for the three- month period ended March 31, 2023	Book value of investments in Mainland China as of March 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2023	Footnote
				Remitted to Mainland China	Remitted back to Taiwan								
Informantion Technology (Wuxi)	ERP building, system maintenance and purchases of information appliance	\$ 10,167	Note 8	\$ 10,167	\$ -	\$ -	\$ 10,167	\$ (1,360)	100%	\$ (1,360)	\$ 34,006	\$ -	Note 14
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 9	86,101	-	-	86,101	(1,022)	100%	(1,548)	243,815	43,265	Note 15

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 Tecom Global Tech Investment (B.V.I) Limited 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 Tecom Global Tech Investment Pte Limited and then invest in Mainland China.

Note 8: 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 9: 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 10: 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 11: 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 12: 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 13: 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 14: The amount recognized was based on the financial statements that were reviewed by R.O.C. parent company's CPA firm.

Note 15: The amount recognized was based on the financial statements that were not reviewed by the other CPA firm.

Note 16: Financial assets at fair value through other comprehensive income.

Note 17: As of March 31, 2023, accumulated impairment of \$24,746 was accrued.

Note 18: The company was dissolved and liquidated in 2022.

Note 19: There were upstream transactions with the subsidiaries amounting to (\$125) during the period.

Company name	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		
	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2023	Investment by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
TECO Electric & Machinery Co., Ltd.	\$ 6,487,880	\$ 8,750,356	\$ 55,062,848
Taiwan Pelican Express Co., Ltd.	51,168	51,168	1,495,441
Tecom Co., Ltd.	6,950	681,144	290,893
Information Technology Total Services Co., Ltd.	10,167	10,167	344,326
Teco Electro Devices Co., Ltd.	86,101	115,225	222,495

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

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

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

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES  
Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas  
For the three-month period ended March 31, 2023

Table 10

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements and guarantees		Financing				
	Amount	%	Amount	%	Balance at March 31, 2023	%	Balance at March 31, 2023	Purpose	Maximum balance during the three-month period ended March 31, 2023	Balance at March 31, 2023	Interest rate	Interest during the three-month period ended March 31, 2023	Others
Wuxi Teco	\$ 2,938	-	\$ -	-	\$ 3,455	-	\$ -	-	\$ -	\$ -	-	\$ -	-
Taian (Wuxi)	2,199	-	-	-	3,470	-	-	-	-	-	-	-	-
Jiangxi Teco	4,088	-	-	-	4,028	-	-	-	-	-	-	-	-
QingDao Teco	-	-	-	-	172	-	-	-	-	-	-	-	-
Shanghai Teco	-	-	-	-	-	-	-	-	-	-	-	-	-
Jiangxi TECO (AC)	-	-	-	-	-	-	-	-	-	-	-	-	-
Wuxi Teco Precision	1,675	-	-	-	1,675	-	-	-	-	-	-	-	-
Wuxi Teco	( 343,623)	(6%)	-	-	( 714,703)	14%	-	-	-	-	-	-	-
Taian (Wuxi)	( 176,549)	(3%)	-	-	( 166,378)	3%	-	-	-	-	-	-	-
Jiangxi Teco	( 35,789)	(1%)	-	-	( 35,651)	(1%)	-	-	-	-	-	-	-
Xiamen An-Tai	( 1,212)	-	-	-	( 1,192)	-	-	-	-	-	-	-	-
Jiangxi TECO (AC)	9,741	-	-	-	( 1,791)	-	-	-	-	-	-	-	-
Wuxi Teco Precision	( 2,025)	-	-	-	( 1,073)	-	-	-	-	-	-	-	-
Genmao (Suzhao)	( 16,888)	-	-	-	( 5,490)	-	-	-	-	-	-	-	-

TECO ELECTRIC & MACHINERY CO., LTD. AND SUBSIDIARIES

Major shareholders information

March 31, 2023

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	135,473,000	6.33%