

**Taiwan Cogeneration Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2023 and 2022 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taiwan Cogeneration Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Cogeneration Corporation (the "Corporation") and its subsidiaries (collectively, the "Group") as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2023 and 2022, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". 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.

Conclusion

Based on our reviews, nothing has come to our attention that caused 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 of September 30, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

For details on Taiwan Power Company's filing of a civil lawsuit against the Group's associates, Sun Ba Power Corporation, Star Energy Power Corporation, Star Buck Power Corporation and Kuo Kuang Power Company Ltd., in connection with their alleged violation of the Fair Trade Act and request for compensation on the basis of claims for damages that it has suffered, refer to Note 38 (d). Our review conclusion is not modified in respect of this matter.

The engagement partners on the reviews resulting in this independent auditors' review report are Chao-Mei Chen and Cheng-Chuan Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 9, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,304,032	9	\$ 3,734,653	15	\$ 2,594,186	11
Financial assets at amortized cost (Notes 7, 8 and 37)	408,951	2	20,341	-	20,336	-
Contract assets (Notes 25, 27 and 36)	2,452,268	10	1,959,825	8	2,153,558	9
Accounts receivable (Notes 9 and 27)	204,715	1	521,402	2	181,675	1
Accounts receivable from related parties (Notes 27 and 36)	77,351	-	151,212	1	257,172	1
Finance lease receivables (Notes 10 and 36)	10,400	-	10,324	-	10,299	-
Other receivables (Note 36)	36,561	-	36,885	-	17,552	-
Inventories (Note 11)	10,443	-	18,104	-	15,676	-
Prepaid construction costs (Note 25)	-	-	46,184	-	46,326	-
Prepaid value-added tax	149,696	-	102,751	1	99,424	1
Other current assets	<u>38,601</u>	<u>-</u>	<u>34,523</u>	<u>-</u>	<u>36,386</u>	<u>-</u>
Total current assets	<u>5,693,018</u>	<u>22</u>	<u>6,636,204</u>	<u>27</u>	<u>5,432,590</u>	<u>23</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Notes 12 and 35)	266,520	1	277,120	1	267,310	1
Financial assets at amortized cost (Notes 7, 8 and 37)	28,817	-	34,104	-	27,133	-
Investments accounted for using the equity method (Note 14)	13,843,889	54	13,004,719	52	12,556,172	54
Property, plant and equipment (Notes 15 and 37)	3,846,260	15	3,231,917	13	3,173,603	14
Right-of-use assets (Note 16)	438,662	2	417,718	2	426,499	2
Goodwill	141,014	1	141,014	-	141,014	1
Intangible assets (Notes 17 and 37)	894,203	4	937,452	4	890,984	4
Deferred income tax assets (Note 4)	222,563	1	188,007	1	190,759	1
Prepayments for equipment	-	-	7,149	-	1,674	-
Finance lease receivables (Notes 10 and 36)	3,516	-	11,325	-	13,916	-
Refundable deposits	83,539	-	69,134	-	82,117	-
Other non-current assets (Note 18)	<u>20,385</u>	<u>-</u>	<u>20,537</u>	<u>-</u>	<u>20,802</u>	<u>-</u>
Total non-current assets	<u>19,789,368</u>	<u>78</u>	<u>18,340,196</u>	<u>73</u>	<u>17,791,983</u>	<u>77</u>
TOTAL	<u>\$ 25,482,386</u>	<u>100</u>	<u>\$ 24,976,400</u>	<u>100</u>	<u>\$ 23,224,573</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 37)	\$ 40,000	-	\$ 67,000	-	\$ 57,000	-
Short-term bills payable (Note 19)	999,744	4	999,276	4	998,834	4
Contract liabilities (Notes 25, 27 and 36)	131	-	583,082	3	177,004	1
Accounts payable	104,367	-	156,870	1	149,078	1
Construction costs payable	2,930,608	12	3,220,782	13	2,703,523	12
Accounts payable to related parties (Note 36)	1,627	-	2,045	-	8,229	-
Other payables (Notes 21 and 36)	220,042	1	315,915	1	234,398	1
Current income tax liabilities (Note 4)	63,493	-	70,657	-	29,568	-
Provisions (Notes 23 and 25)	431,705	2	259,197	1	263,438	1
Lease liabilities (Notes 16 and 36)	65,912	-	53,315	-	48,722	-
Current portion of long-term borrowings (Notes 19 and 37)	167,393	1	947,393	4	162,558	1
Other current liabilities	<u>5,414</u>	<u>-</u>	<u>24,905</u>	<u>-</u>	<u>2,278</u>	<u>-</u>
Total current liabilities	<u>5,030,436</u>	<u>20</u>	<u>6,700,437</u>	<u>27</u>	<u>4,834,630</u>	<u>21</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 37)	1,668,797	6	3,127,031	13	3,867,115	17
Contract liabilities (Note 27)	158,356	1	122,188	1	100,496	-
Lease liabilities (Notes 16 and 36)	434,587	2	424,382	2	437,279	2
Bonds payable (Note 20)	2,498,358	10	2,497,884	10	2,497,726	11
Provisions (Note 23)	14,533	-	14,296	-	14,217	-
Deferred income tax liabilities (Note 4)	65,044	-	70,691	-	70,796	-
Net defined benefit liabilities (Notes 4 and 24)	113,637	-	112,088	-	125,306	1
Guarantee deposits received	47,636	-	41,297	-	28,684	-
Other liabilities (Note 22)	<u>15,981</u>	<u>-</u>	<u>15,866</u>	<u>-</u>	<u>15,824</u>	<u>-</u>
Total non-current liabilities	<u>5,016,929</u>	<u>19</u>	<u>6,425,723</u>	<u>26</u>	<u>7,157,443</u>	<u>31</u>
Total liabilities	<u>10,047,365</u>	<u>39</u>	<u>13,126,160</u>	<u>53</u>	<u>11,992,073</u>	<u>52</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4, 26 and 31)						
Share capital						
Ordinary shares	<u>7,302,820</u>	<u>29</u>	<u>5,890,486</u>	<u>24</u>	<u>5,890,486</u>	<u>26</u>
Capital surplus	<u>2,627,120</u>	<u>10</u>	<u>499,694</u>	<u>2</u>	<u>499,694</u>	<u>2</u>
Retained earnings						
Legal reserve	1,828,961	7	1,737,133	7	1,737,133	7
Special reserve	2,435,361	10	2,621,945	10	2,621,945	11
Unappropriated earnings	<u>1,083,648</u>	<u>4</u>	<u>958,281</u>	<u>4</u>	<u>346,691</u>	<u>2</u>
Total retained earnings	<u>5,347,970</u>	<u>21</u>	<u>5,317,359</u>	<u>21</u>	<u>4,705,769</u>	<u>20</u>
Other equity	<u>807</u>	<u>-</u>	<u>(14,130)</u>	<u>-</u>	<u>(19,199)</u>	<u>-</u>
Total equity attributable to owners of the Corporation	15,278,717	60	11,693,409	47	11,076,750	48
NON-CONTROLLING INTERESTS	<u>156,304</u>	<u>1</u>	<u>156,831</u>	<u>-</u>	<u>155,750</u>	<u>-</u>
Total equity	<u>15,435,021</u>	<u>61</u>	<u>11,850,240</u>	<u>47</u>	<u>11,232,500</u>	<u>48</u>
TOTAL	<u>\$ 25,482,386</u>	<u>100</u>	<u>\$ 24,976,400</u>	<u>100</u>	<u>\$ 23,224,573</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 9, 2023)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 27 and 36)								
Sales	\$ 363,599	27	\$ 454,933	61	\$ 1,172,350	30	\$ 1,088,537	42
Construction services	939,274	68	221,141	30	2,574,548	65	1,366,357	52
Operations, maintenance and consulting services	<u>72,220</u>	<u>5</u>	<u>68,410</u>	<u>9</u>	<u>188,350</u>	<u>5</u>	<u>150,969</u>	<u>6</u>
Total operating revenues	<u>1,375,093</u>	<u>100</u>	<u>744,484</u>	<u>100</u>	<u>3,935,248</u>	<u>100</u>	<u>2,605,863</u>	<u>100</u>
OPERATING COSTS (Notes 24, 28 and 36)								
Cost of sales	322,169	23	386,210	52	1,018,860	26	959,357	37
Construction services	820,493	60	204,720	27	2,321,678	59	1,203,375	46
Operations, maintenance and consulting services	<u>61,720</u>	<u>4</u>	<u>63,353</u>	<u>9</u>	<u>172,499</u>	<u>4</u>	<u>144,481</u>	<u>5</u>
Total operating costs	<u>1,204,382</u>	<u>87</u>	<u>654,283</u>	<u>88</u>	<u>3,513,037</u>	<u>89</u>	<u>2,307,213</u>	<u>88</u>
GROSS PROFIT	170,711	13	90,201	12	422,211	11	298,650	12
(UNREALIZED) REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	<u>(24,893)</u>	<u>(2)</u>	<u>5,809</u>	<u>1</u>	<u>(29,178)</u>	<u>(1)</u>	<u>11,482</u>	<u>-</u>
REALIZED GROSS PROFIT	145,818	11	96,010	13	393,033	10	310,132	12
OPERATING EXPENSES (Notes 4, 24, 28 and 36)	<u>119,367</u>	<u>9</u>	<u>90,904</u>	<u>12</u>	<u>425,182</u>	<u>11</u>	<u>267,704</u>	<u>10</u>
PROFIT (LOSS) FROM OPERATIONS	<u>26,451</u>	<u>2</u>	<u>5,106</u>	<u>1</u>	<u>(32,149)</u>	<u>(1)</u>	<u>42,428</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	5,477	-	728	-	17,742	-	1,523	-
Other income (Notes 28 and 36)	3,205	-	2,836	-	18,718	-	17,560	-
Other gains and losses (Note 28)	7,079	1	5,231	1	19,700	1	21,436	1
Finance costs (Note 28)	(21,771)	(2)	(24,214)	(3)	(79,097)	(2)	(60,251)	(2)
Share of profit of associates accounted for using the equity method (Note 14)	<u>92,599</u>	<u>7</u>	<u>205,898</u>	<u>27</u>	<u>1,166,699</u>	<u>30</u>	<u>336,038</u>	<u>13</u>
Total non-operating income and expenses	<u>86,589</u>	<u>6</u>	<u>190,479</u>	<u>25</u>	<u>1,143,762</u>	<u>29</u>	<u>316,306</u>	<u>12</u>
PROFIT BEFORE INCOME TAX	113,040	8	195,585	26	1,111,613	28	358,734	14
INCOME TAX EXPENSE (Notes 4 and 29)	<u>(15,486)</u>	<u>(1)</u>	<u>(4,216)</u>	<u>-</u>	<u>(50,694)</u>	<u>(1)</u>	<u>(42,885)</u>	<u>(2)</u>
NET PROFIT	<u>97,554</u>	<u>7</u>	<u>191,369</u>	<u>26</u>	<u>1,060,919</u>	<u>27</u>	<u>315,849</u>	<u>12</u>

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TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 35)	\$ 1,600	-	\$ (2,000)	-	\$ (10,600)	-	\$ (8,000)	-
Share of other comprehensive (loss) income of associates accounted for using the equity method	(14,655)	(1)	1,244	-	2,018	-	(18,659)	(1)
	(13,055)	(1)	(756)	-	(8,582)	-	(26,659)	(1)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	1,247	-	(405)	-	5,707	-	(3,918)	-
Share of the other comprehensive income of associate accounted for using the equity method	10,399	1	-	-	17,812	-	-	-
	11,646	1	(405)	-	23,519	-	(3,918)	-
Other comprehensive loss for the period, net of income tax	(1,409)	-	(1,161)	-	14,937	-	(30,577)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 96,145	7	\$ 190,208	26	\$ 1,075,856	27	\$ 285,272	11
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 100,312	7	\$ 190,428	26	\$ 1,061,446	27	\$ 306,689	12
Non-controlling interests	(2,758)	-	941	-	(527)	-	9,160	-
	\$ 97,554	7	\$ 191,369	26	\$ 1,060,919	27	\$ 315,849	12
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 98,903	7	\$ 189,267	26	\$ 1,076,383	27	\$ 276,112	11
Non-controlling interests	(2,758)	-	941	-	(527)	-	9,160	-
	\$ 96,145	7	\$ 190,208	26	\$ 1,075,856	27	\$ 285,272	11
EARNINGS PER SHARE (Note 30)								
Basic	\$ 0.14		\$ 0.30		\$ 1.58		\$ 0.49	
Diluted	\$ 0.14		\$ 0.30		\$ 1.58		\$ 0.49	

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

(With Deloitte & Touche review report dated November 9, 2023)

(Concluded)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Corporation					Other Equity				
	Ordinary Shares	Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2022	\$ 5,890,486	\$ 499,694	\$ 1,644,763	\$ 2,823,917	\$ 961,235	\$ (70,640)	\$ 82,018	\$ -	\$ 146,590	\$ 11,978,063
Appropriation of 2021 earnings										
Legal reserve	-	-	92,370	-	(92,370)	-	-	-	-	-
Reversal of special reserve	-	-	-	(201,972)	201,972	-	-	-	-	-
Cash dividends - NT\$1.75 per share	-	-	-	-	(1,030,835)	-	-	-	-	(1,030,835)
	-	-	92,370	(201,972)	(921,233)	-	-	-	-	(1,030,835)
Net profit for the nine months ended September 30, 2022	-	-	-	-	306,689	-	-	-	9,160	315,849
Other comprehensive loss for the nine months ended September 30, 2022	-	-	-	-	-	(3,918)	(26,659)	-	-	(30,577)
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	306,689	(3,918)	(26,659)	-	9,160	285,272
BALANCE AT SEPTEMBER 30, 2022	\$ 5,890,486	\$ 499,694	\$ 1,737,133	\$ 2,621,945	\$ 346,691	\$ (74,558)	\$ 55,359	\$ -	\$ 155,750	\$ 11,232,500
BALANCE AT JANUARY 1, 2023	\$ 5,890,486	\$ 499,694	\$ 1,737,133	\$ 2,621,945	\$ 958,281	\$ (71,626)	\$ 66,882	\$ (9,386)	\$ 156,831	\$ 11,850,240
Appropriation of 2022 earnings										
Legal reserve	-	-	91,828	-	(91,828)	-	-	-	-	-
Special reserve	-	-	-	14,130	(14,130)	-	-	-	-	-
Reversal of special reserve	-	-	-	(200,714)	200,714	-	-	-	-	-
Cash dividends - NT\$1.05 per share	-	-	-	-	(618,501)	-	-	-	-	(618,501)
Share dividends - NT\$0.7 per share	412,334	-	-	-	(412,334)	-	-	-	-	-
	412,334	-	91,828	(186,584)	(936,079)	-	-	-	-	(618,501)
Net profit (loss) for the nine months ended September 30, 2023	-	-	-	-	1,061,446	-	-	-	(527)	1,060,919
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	5,707	(8,582)	17,812	-	14,937
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	1,061,446	5,707	(8,582)	17,812	(527)	1,075,856
Issuance of ordinary shares for cash	1,000,000	2,031,000	-	-	-	-	-	-	-	3,031,000
Compensation cost recognized from the issuance of ordinary shares for cash to employees (Notes 4 and 31)	-	96,426	-	-	-	-	-	-	-	96,426
BALANCE AT SEPTEMBER 30, 2023	\$ 7,302,820	\$ 2,627,120	\$ 1,828,961	\$ 2,435,361	\$ 1,083,648	\$ (65,919)	\$ 58,300	\$ 8,426	\$ 156,304	\$ 15,435,021

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

(With Deloitte & Touche review report dated November 9, 2023)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,111,613	\$ 358,734
Adjustments for:		
Depreciation expense	265,871	222,999
Amortization expense	48,587	47,952
Finance costs	79,097	60,251
Interest income	(17,742)	(1,523)
Dividend income	(8,000)	(8,000)
Compensation cost of employee share options (Notes 4 and 31)	96,426	-
Share of profit of associates accounted for using the equity method	(1,166,699)	(336,038)
Loss on disposal of property, plant and equipment	40	-
Gain on disposal of investment accounted for using the equity method	-	(15,070)
Write-down of inventories	497	-
Unrealized (realized) gain on transactions with associates	29,178	(11,482)
Net unrealized loss (gain) on foreign currency exchange	3,973	(13,984)
Gain on lease modification	(3,286)	(110)
Others	-	(2,057)
Changes in operating assets and liabilities		
Contract assets	(492,443)	487,841
Accounts receivable	316,687	273,904
Accounts receivable from related parties	73,861	(161,107)
Other receivables	15,013	23,764
Inventories	7,164	(2,489)
Prepaid construction costs	46,184	(28,047)
Other current assets	(4,078)	(902)
Prepaid value-added tax	(46,945)	(17,818)
Contract liabilities	(546,783)	27,853
Accounts payable	(52,503)	21,610
Construction costs payable	(290,174)	(645,057)
Accounts payable to related parties	(418)	6,318
Other payables	(68,583)	14,129
Provisions	172,508	(41,361)
Other current liabilities	(19,491)	(15,560)
Net defined benefit liabilities	1,549	919
Cash (used in) generated from operations	(448,897)	245,669
Interest received	12,935	1,150
Dividends received	330,985	383,376
Interest paid	(82,457)	(64,546)
Income tax paid	(107,943)	(65,947)
Net cash (used in) generated from operating activities	(295,377)	499,702

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TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in financial assets at amortized cost	\$ (383,323)	\$ (3,274)
Disposal of associate	-	160,000
Payments for property, plant and equipment (Note 32)	(850,398)	(420,455)
(Increase) decrease in refundable deposits	(14,405)	7,638
Acquisition for intangible assets	(4,542)	(35,328)
Decrease in finance lease receivables	7,733	7,697
Increase other non-current assets	(644)	-
Increase in prepayments for equipment	-	(1,674)
Net cash used in investing activities	<u>(1,245,579)</u>	<u>(285,396)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(27,000)	17,000
Increase in short-term bills payable	-	499,078
Proceeds from long-term borrowings	2,920,000	9,357,000
Repayments of long-term borrowings	(5,158,234)	(9,189,939)
Increase (decrease) in guarantee deposits received	6,339	(15,399)
Repayments of the principal portion of lease liabilities	(40,199)	(34,292)
Dividends paid to owners of the Corporation	(618,501)	(1,030,835)
Issue of new Corporation's shares	<u>3,031,000</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>113,405</u>	<u>(397,387)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(3,070)</u>	<u>13,445</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,430,621)</u>	<u>(169,636)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,734,653</u>	<u>2,763,822</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,304,032</u>	<u>\$ 2,594,186</u>

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

(With Deloitte & Touche review report dated November 9, 2023)

(Concluded)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Taiwan Cogeneration Corporation (the “Corporation” and its subsidiaries are collectively referred to as the “Group”) was established by Taiwan Power Corporation (TPC) and several local companies on May 7, 1992. The Corporation’s shares have been trading on the Taipei Exchange from May 8, 2000 to August 24, 2003 before being listed on the Taiwan Stock Exchange on August 25, 2003. The Corporation is engaged in the following businesses:

- a. Engineering, planning, design, procurement, installation, construction and financial planning of cogeneration systems, and environmental protection and procurement of fuel for cogeneration systems and related businesses;
- b. Operation and management of cogeneration plants;
- c. Research and development, technical services and consultation services related to cogeneration;
- d. Manufacture, assembly, sale, lease, installation, and repair of cogeneration equipment;
- e. Investment in cogeneration plants and trading of related equipment;
- f. Businesses with respect to power generation other than utility; and
- g. Electric equipment installation.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Corporation’s board of directors on November 9, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by International Accounting Standards Board (IASB) (Note 1)
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in the consolidated financial statements is less than that required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Corporation.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income or loss of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 13 and Table 6 for the detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

3) Equity-settled share-based payment arrangements granted to employees

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of issued ordinary shares for cash that are reserved for employees is the date on which the employees' notice is confirmed.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations, the economic environment implications of the military conflict between Russia and Ukraine and related international sanctions, the recent development of the COVID-19 pandemic and its economic environment implications, inflation and interest rate fluctuations, and volatility in financial, energy, and foreign currency markets on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

a. Fair Trade Act litigation against associates

Since TPC concluded that these associates of the Group violated the Fair Trade Act with concerted action and caused a loss to TPC, TPC filed civil actions to claim compensation for the loss. Refer to Note 38 (d) for the detailed information. The aforementioned civil actions are still pending; results may vary depending on the subsequent development of the cases.

b. Construction contracts

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion of contract costs incurred for work performed to date to the estimated total contract costs. Incentives and penalties stipulated in the contract are considered variable considerations and should be included in the contract revenue only when it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The estimated total contract costs and contractual items are assessed and determined by management, based on the nature of the work, expected sub-contracting charges, construction periods, processes, methods, etc., for each construction contract. Changes in these estimates might affect the calculation of the percentage of completion and related profit and loss from the construction contracts.

6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 3,623	\$ 3,343	\$ 3,263
Checking accounts and demand deposits	1,650,409	3,146,874	2,405,038
Cash equivalents			
Time deposits	<u>650,000</u>	<u>584,436</u>	<u>185,885</u>
	<u>\$ 2,304,032</u>	<u>\$ 3,734,653</u>	<u>\$ 2,594,186</u>

Cash equivalents include time deposits which are highly liquid, readily convertible into a known amount of cash and subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

The market interest rates of cash in bank as of the balance sheet date were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Demand deposits	0.00%-1.45%	0.00%-2.88%	0.00%-0.70%
Time deposits	1.17%-1.45%	0.20%-5.35%	0.10%-3.30%

7. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months	\$ 408,609	\$ 20,000	\$ 20,000
Foreign investments			
Overseas government bonds - Philippines treasury bonds	<u>342</u>	<u>341</u>	<u>336</u>
	<u>\$ 408,951</u>	<u>\$ 20,341</u>	<u>\$ 20,336</u>
<u>Non-current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months	\$ 10,497	\$ 10,497	\$ 10,497
Restricted bank deposits	<u>18,320</u>	<u>23,607</u>	<u>16,636</u>
	<u>\$ 28,817</u>	<u>\$ 34,104</u>	<u>\$ 27,133</u>

Refer to Note 8 for information relating to credit risk management and impairment assessment of financial assets at amortized cost.

Refer to Note 37 for information on financial assets at amortized cost that are pledged as securities.

The Group's investment in Philippine treasury bonds was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount	<u>\$ 342</u>	<u>\$ 341</u>	<u>\$ 336</u>
Amount invested (in thousands of PHP)	<u>\$ 630</u>	<u>\$ 630</u>	<u>\$ 630</u>
Effective interest rates	5.706%	1.900%	1.900%
Period of holding	March 15, 2023 through March 6, 2024	March 16, 2022 through March 15, 2023	March 16, 2022 through March 15, 2023

The interest rate ranges for restricted bank deposits and time deposits with original maturities of more than 3 months as of the balance sheet date were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Demand deposits	0.530%-0.580%	0.410%-0.455%	0.280%-0.330%
Time deposits	0.145%-5.500%	0.380%-0.765%	0.380%-0.765%

8. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

The debt instruments invested in by the Group are classified as financial assets measured at amortized cost.

	September 30, 2023	December 31, 2022	September 30, 2022
At amortized cost			
Gross carrying amount	\$ 437,768	\$ 54,445	\$ 47,469
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 437,768</u>	<u>\$ 54,445</u>	<u>\$ 47,469</u>

The Group's policy is to only invest in debt instruments issued by entities with good credit standing. The Group continuously tracks the credit risk changes of its invested debt instruments, reviews significant information and other details about the debtor, and assesses whether the credit risk of the debt instrument investments has increased significantly since their initial recognition.

In assessing the expected credit losses for these investments, the Group takes into account the debtors' historical track record, prevailing market conditions, and forward-looking information to measure the expected credit losses over a 12-month period or for the entire duration of the investment. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group determined that there was no need to recognize expected credit losses for the debt instrument investments it holds.

9. ACCOUNTS RECEIVABLE

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 204,715	\$ 521,402	\$ 181,675

The average credit period ranges from 30 to 60 days. The Group applies the simplified approach prescribed by IFRS 9, providing for expected credit losses over the lifetime of all accounts receivable. These expected credit losses are individually estimated for each customer. The estimation takes into consideration the customers' past default history and current financial situation, the economic conditions of the industry they operate in, along with the GDP forecasts and the industry outlook.

The Group did not recognize an allowance for impairment loss against all of the accounts receivable because individually assessed lifetime ECLs indicated that all of the accounts receivable are collectible.

The aging analysis of accounts receivable based on the invoice date was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Up to 60 days	\$ 203,179	\$ 507,056	\$ 181,675
61-90 days	768	14,346	-
91-120 days	768	-	-
121-180 days	-	-	-
More than 180 days	-	-	-
	<u>\$ 204,715</u>	<u>\$ 521,402</u>	<u>\$ 181,675</u>

10. FINANCE LEASE RECEIVABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Undiscounted lease payments</u>			
Year 1	\$ 10,481	\$ 10,481	\$ 10,481
Year 2	3,520	10,481	10,481
Year 3	-	900	3,520
Year 4	-	-	-
Year 5	-	-	-
	<u>14,001</u>	<u>21,862</u>	<u>24,482</u>
Less: Unearned finance income	<u>(85)</u>	<u>(213)</u>	<u>(267)</u>
Lease payments receivable	<u>13,916</u>	<u>21,649</u>	<u>24,215</u>
Net investment in leases presented as finance lease receivables	<u>\$ 13,916</u>	<u>\$ 21,649</u>	<u>\$ 24,215</u>
Finance lease receivables - current	<u>\$ 10,400</u>	<u>\$ 10,324</u>	<u>\$ 10,299</u>
Finance lease receivables - non-current	<u>\$ 3,516</u>	<u>\$ 11,325</u>	<u>\$ 13,916</u>

The Group subleased its leasehold office premises to associates, and the lease term was 5 years, with fixed annual lease payments referenced in the head lease agreement. As the Group subleased the leasehold office premises for all of the remaining lease terms of the head lease, the sublease contracts were classified as finance leases. The interest rates inherent in leases were fixed at the contract dates for the entire term of the lease. The implicit interest rate was approximately 0.98%.

The Group measured the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of the balance sheet date, no finance lease receivable was past due. The Group did not recognize a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collaterals held.

11. INVENTORIES

	September 30, 2023	December 31, 2022	September 30, 2022
Raw materials	<u>\$ 10,443</u>	<u>\$ 18,104</u>	<u>\$ 15,676</u>

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Non-current</u>			
Domestic investments			
Unlisted shares			
Kaohsiung Arena Development Corporation (KADC)	\$ 244,200	\$ 254,800	\$ 248,200
Synergy Co., Ltd. (Synergy)	<u>22,320</u>	<u>22,320</u>	<u>19,110</u>
	<u>\$ 266,520</u>	<u>\$ 277,120</u>	<u>\$ 267,310</u>

The investments in KADC and Synergy are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

Refer to Note 35 for fair value information relating to financial assets at FVTOCI.

13. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Nature of Activities	Percentage of Ownership			Remark
			September 30, 2023	December 31, 2022	September 30, 2022	
The Corporation	Star Energy Corporation (SEC)	Undertaking and installing of power engineering projects	100	100	100	
The Corporation	Taiwan Cogeneration International Corporation (TCIC)	Investment in foreign countries and international trading	100	100	100	a
The Corporation	Yi Yuan Corporation (YYC)	Investment in geothermal power plant	51	51	51	
The Corporation	TCC Green Energy Corporation (TGE)	Investment in green power plant	100	100	100	b
The Corporation	Miaoli Wind Co., Ltd. (MWC)	Power generation	100	100	100	c
The Corporation	Hamaguri Co., Ltd. (HML)	Power generation	100	100	100	d
TGE	Shin Kuang Electric Energy Ltd. (SKE)	Power generation	100	100	100	e
SEC	Star Wind Corporation (SWC)	Power generation	100	100	100	
SEC	Star Solar Corporation (SSC)	Power generation	100	100	100	
YYC	Chingshuei Geothermal Power Corporation (CGPC)	Power generation	100	100	100	

- a. TCIC established a branch in the Philippines mainly for the expansion of the local engineering business.
- b. On June 30, 2023, TGE returned its capital of \$80,000 thousand to the Corporation.
- c. On September 20, 2022, MWC returned its capital of \$200,000 thousand to the Corporation.
- d. On December 30, 2022, the Corporation participated in a capital raising for HML and increased its investment by \$33,500 thousand.
- e. On December 26, 2022, the Corporation resolved to change the legal form of SKE to a company limited by shares. The original capital issued and fully paid, which amounted to \$170,000 thousand, was divided into 17,000 thousand ordinary shares with a par value of \$10. The aforementioned change of legal form was approved by the Taipei City Government on February 16, 2023. On June 30, 2023, SKE returned its capital of \$90,000 thousand to TGE.

Refer to Table 6 for the nature of activities, principal places of business and countries of incorporation of the subsidiaries

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Investments in associates</u>			
Material associates			
Ta-Yuan Cogeneration Company (TYC)	\$ 612,003	\$ 631,873	\$ 587,220
Sun Ba Power Corporation (Sun Ba)	6,415,763	5,901,135	5,714,498
Star Energy Power Corporation (SEPC)	2,373,453	2,264,035	2,168,826
Star Buck Power Corporation (SBPC)	2,381,613	2,335,752	2,135,715
Kuo Kuang Power Company Ltd. (KKPC)	1,922,356	1,737,173	1,794,378
	13,705,188	12,869,968	12,400,637
Associates that are not individually material	138,701	134,751	155,535
	<u>\$ 13,843,889</u>	<u>\$ 13,004,719</u>	<u>\$ 12,556,172</u>

The share of profit or loss of associates accounted for using the equity method was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Sun Ba	\$ 61,710	\$ 73,152	\$ 544,744	\$ 241,440
SBPC	31,497	48,743	167,714	5,622
TYC	27,644	49,520	67,438	66,880
KKPC	(6,265)	32,444	185,183	40,658
SEPC	(21,407)	2,671	202,474	(17,099)
Associates that are not individually material	<u>(580)</u>	<u>(632)</u>	<u>(854)</u>	<u>(1,463)</u>
	<u>\$ 92,599</u>	<u>\$ 205,898</u>	<u>\$ 1,166,699</u>	<u>\$ 336,038</u>

a. Material associates

	Proportion of Ownership and Voting Rights		
	September 30, 2023	December 31, 2022	September 30, 2022
TYC	29.31%	29.31%	29.31%
Sun Ba	43.00%	43.00%	43.00%
SEPC	40.50%	40.50%	40.50%
SBPC	41.27%	41.27%	41.27%
KKPC	35.00%	35.00%	35.00%

Refer to Table 6 for the nature of activities, principal places of business and countries of incorporation of the associates.

The market value of the investment in TYC, which was based on its closing price at the balance sheet date, was as follows:

Name of Associate	September 30, 2023	December 31, 2022	September 30, 2022
TYC	<u>\$ 1,580,272</u>	<u>\$ 1,490,687</u>	<u>\$ 1,071,431</u>

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

TYC

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 927,089	\$ 1,108,306	\$ 1,142,127
Non-current assets	3,548,893	3,346,935	3,343,426
Current liabilities	(883,544)	(774,010)	(867,957)
Non-current liabilities	<u>(1,483,986)</u>	<u>(1,504,106)</u>	<u>(1,592,519)</u>
Equity	<u>\$ 2,108,452</u>	<u>\$ 2,177,125</u>	<u>\$ 2,025,077</u>
Proportion of the Group's ownership	29.31%	29.31%	29.31%

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
Equity attributable to the Group	\$ 618,002	\$ 638,131	\$ 593,565
Unrealized gain with associates	<u>(5,999)</u>	<u>(6,258)</u>	<u>(6,345)</u>
Carrying amount	<u>\$ 612,003</u>	<u>\$ 631,873</u>	<u>\$ 587,220</u> (Concluded)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating revenue	<u>\$ 653,836</u>	<u>\$ 900,188</u>	<u>\$ 2,107,094</u>	<u>\$ 1,933,401</u>
Net profit for the period	\$ 94,310	\$ 168,949	\$ 230,078	\$ 228,174
Other comprehensive income (loss)	<u>(50,000)</u>	<u>4,243</u>	<u>6,885</u>	<u>(63,659)</u>
Total comprehensive income for the period	<u>\$ 44,310</u>	<u>\$ 173,192</u>	<u>\$ 236,963</u>	<u>\$ 164,515</u>
Dividends received from TYC	<u>\$ 89,585</u>	<u>\$ 53,751</u>	<u>\$ 89,585</u>	<u>\$ 53,751</u>

Sun Ba

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 6,284,342	\$ 3,856,190	\$ 5,703,814
Non-current assets	30,321,629	19,707,241	18,031,421
Current liabilities	(11,467,025)	(3,075,949)	(3,751,242)
Non-current liabilities	<u>(9,947,470)</u>	<u>(6,604,275)</u>	<u>(6,554,324)</u>
Equity	<u>\$ 15,191,476</u>	<u>\$ 13,883,207</u>	<u>\$ 13,429,669</u>
Proportion of the Group's ownership	43.00%	43.00%	43.00%
Equity attributable to the Group	\$ 6,532,335	\$ 5,969,779	\$ 5,774,758
Unrealized gain with associates	(118,659)	(70,731)	(62,347)
Goodwill	<u>2,087</u>	<u>2,087</u>	<u>2,087</u>
Carrying amount	<u>\$ 6,415,763</u>	<u>\$ 5,901,135</u>	<u>\$ 5,714,498</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating revenue	<u>\$ 4,704,789</u>	<u>\$ 5,173,272</u>	<u>\$ 16,947,560</u>	<u>\$ 14,544,305</u>
Net profit for the period	\$ 143,512	\$ 170,121	\$ 1,266,846	\$ 561,488
Other comprehensive income	<u>24,184</u>	<u>-</u>	<u>41,422</u>	<u>-</u>
Total comprehensive income for the period	<u>\$ 167,696</u>	<u>\$ 170,121</u>	<u>\$ 1,308,268</u>	<u>\$ 561,488</u>

On October 26, 2023, in an extraordinary shareholders' meeting, Sun Ba resolved to issue 20,000 thousand new shares through capitalization of retained earnings incurred for the six months ended June 30, 2023, for the purpose of capital increase.

On June 28, 2023, Sun Ba issued 178,320 thousand new shares from capital surplus and used the capital reserve of \$16,800 thousand to increase capital for the year ended December 31, 2022, which were resolved in the shareholders' meeting.

On May 9, 2022, Sun Ba issued 362,307 thousand new shares by converting capital surplus into capital and issued 37,693 thousand new shares by converting legal reserve into capital for the year ended December 31, 2021, which were resolved in the shareholders' meeting. The base date for the conversion of capital surplus to capital was May 23, 2022 and obtained an approval letter from the Ministry of Economic Affairs on June 10, 2022. The number of shares held by the Group increased by 172,000 thousand shares.

SEPC

	September 30, 2023	December 31, 2022	September 30, 2022	
Current assets	\$ 3,453,064	\$ 3,133,426	\$ 2,542,764	
Non-current assets	4,385,253	5,059,908	5,213,623	
Current liabilities	(1,473,344)	(2,044,508)	(1,835,839)	
Non-current liabilities	<u>(358,234)</u>	<u>(402,024)</u>	<u>(405,401)</u>	
Equity	<u>\$ 6,006,739</u>	<u>\$ 5,746,802</u>	<u>\$ 5,515,147</u>	
Proportion of the Group’s ownership	40.50%	40.50%	40.50%	
Equity attributable to the Group	\$ 2,432,730	\$ 2,327,456	\$ 2,233,635	
Unrealized gain with associates	<u>(59,277)</u>	<u>(63,421)</u>	<u>(64,809)</u>	
Carrying amount	<u>\$ 2,373,453</u>	<u>\$ 2,264,035</u>	<u>\$ 2,168,826</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	
	2022		2022	
Operating revenue	<u>\$ 1,480,372</u>	<u>\$ 2,074,783</u>	<u>\$ 7,738,433</u>	<u>\$ 6,572,903</u>
Net profit (loss) for the period	\$ (52,857)	\$ 6,595	\$ 499,936	\$ (42,220)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period	<u>\$ (52,857)</u>	<u>\$ 6,595</u>	<u>\$ 499,936</u>	<u>\$ (42,220)</u>
Dividends received from SEPC	\$ 97,200	\$ 157,950	\$ 97,200	\$ 157,950

SBPC

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 2,659,976	\$ 2,419,226	\$ 2,330,325
Non-current assets	7,973,120	8,505,321	8,639,978
Current liabilities	(1,916,769)	(1,769,582)	(2,293,746)
Non-current liabilities	<u>(2,444,477)</u>	<u>(2,959,451)</u>	<u>(2,954,127)</u>
Equity	<u>\$ 6,271,850</u>	<u>\$ 6,195,514</u>	<u>\$ 5,722,430</u>
Proportion of the Group's ownership	41.27%	41.27%	41.27%
Equity attributable to the Group	\$ 2,588,572	\$ 2,557,058	\$ 2,361,803
Unrealized gain with associates	<u>(206,959)</u>	<u>(221,306)</u>	<u>(226,088)</u>
Carrying amount	<u>\$ 2,381,613</u>	<u>\$ 2,335,752</u>	<u>\$ 2,135,715</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating revenue	<u>\$ 2,652,428</u>	<u>\$ 3,198,463</u>	<u>\$ 8,221,966</u>	<u>\$ 6,265,854</u>
Net profit for the period	\$ 76,295	\$ 118,099	\$ 406,336	\$ 13,622
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>\$ 76,295</u>	<u>\$ 118,099</u>	<u>\$ 406,336</u>	<u>\$ 13,622</u>
Dividends received from SBPC	<u>\$ 136,200</u>	<u>\$ 47,670</u>	<u>\$ 136,200</u>	<u>\$ 47,670</u>

KKPC

	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 2,598,840	\$ 2,242,596	\$ 2,203,560
Non-current assets	3,794,669	4,390,089	4,665,988
Current liabilities	(777,371)	(1,528,172)	(1,575,431)
Non-current liabilities	<u>(259,968)</u>	<u>(321,694)</u>	<u>(362,610)</u>
Equity	<u>\$ 5,356,170</u>	<u>\$ 4,782,819</u>	<u>\$ 4,931,507</u>
Proportion of the Group's ownership	35.00%	35.00%	35.00%
Equity attributable to the Group	\$ 1,874,659	\$ 1,673,986	\$ 1,726,027
Goodwill	19,304	19,304	19,304
Investment premium	<u>28,393</u>	<u>43,883</u>	<u>49,047</u>
Carrying amount	<u>\$ 1,922,356</u>	<u>\$ 1,737,173</u>	<u>\$ 1,794,378</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating revenue	<u>\$ 2,217,658</u>	<u>\$ 3,067,809</u>	<u>\$ 8,193,707</u>	<u>\$ 6,901,277</u>
Net (loss) profit for the period	\$ (3,147)	\$ 107,449	\$ 573,351	\$ 160,423
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period	<u>\$ (3,147)</u>	<u>\$ 107,449</u>	<u>\$ 573,351</u>	<u>\$ 160,423</u>
Dividends received from KKPC	<u>\$ -</u>	<u>\$ 116,005</u>	<u>\$ -</u>	<u>\$ 116,005</u>

On July 10, 2014, the Fair Trade Commission (FTC) imposed fines on Sun Ba, SEPC, SBPC, and KKPC, totaling \$489 million, \$392 million, \$100 million and \$371 million, respectively, for violation of the Fair Trade Act (original FTC ruling). These companies requested the revocation of fines under the petition procedure. In December 2014, Petitions and Appeals Committee of the Executive Yuan issued a letter to notify these companies that the proceedings for the appeal were postponed, and the appeal is subject to the ruling to be made by the Supreme Administrative Court. These companies paid the above-mentioned fines in full in advance in accordance with the Administrative Appeal Act and recognized them as other receivables. On June 16, 20, 30 and August 11, 2022, the Supreme Administrative Court revoked the second ruling and ruled to dismiss the original ruling against Sun Ba, SEPC, SBPC, and KKPC. Considering that the Supreme Administrative Court has made the final decision, these companies reclassified the fines from other receivables to impairment loss as of and for the six months ended June 30, 2022. However, the Petitions and Appeals Committee re-initiated the suspended appeal process due to the above-mentioned final judgment. Following the oral arguments on March 8, 2023, the Petitions and Appeals Committee dismissed the petitions filed by IPP on April 14, 2023, and IPP also filed an administrative lawsuit for relief, and the case is currently under the hearing of the Taipei High Administrative Court.

The Group is the single largest shareholder of Sun Ba, SEPC, and SBPC with 43%, 40.5%, and 41.27% ownership of them, respectively. However, according to the articles of incorporation of the investees, certain material events of the investees shall be approved by the vote of a certain number of members of the board of directors; therefore, the Group cannot direct the relevant activities of the investee and has no control over them. Management of the Group considered the Group as exercising significant influence over the investees and classified them as associates.

b. Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
The Group's share of:				
Net loss for the period	<u>\$ (580)</u>	<u>\$ (632)</u>	<u>\$ (854)</u>	<u>\$ (1,463)</u>
Total comprehensive loss for the period	<u>\$ (580)</u>	<u>\$ (632)</u>	<u>\$ (854)</u>	<u>\$ (1,463)</u>

The amounts of the share of profit or loss and other comprehensive income of the investments in associates accounted for using the equity method for the nine months ended September 30, 2023 and 2022 were based on the associates' financial statements reviewed by independent auditors for the same periods.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Property under Construction	Total
<u>Cost</u>								
Balance at January 1, 2023	\$ 264,637	\$ 362,096	\$ 6,630,990	\$ 793	\$ 191,597	\$ 40,643	\$ 82,183	\$ 7,572,939
Additions	-	-	16,283	-	15,683	-	797,471	829,437
Disposals	-	-	-	-	(856)	-	-	(856)
Reclassifications (Note)	-	-	7,149	-	-	-	-	7,149
Balance at September 30, 2023	<u>264,637</u>	<u>362,096</u>	<u>6,654,422</u>	<u>793</u>	<u>206,424</u>	<u>40,643</u>	<u>879,654</u>	<u>8,408,669</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2023	-	64,851	4,185,588	44	58,237	32,302	-	4,341,022
Depreciation expense	-	5,680	186,501	73	26,541	3,408	-	222,203
Disposals	-	-	-	-	(816)	-	-	(816)
Balance at September 30, 2023	-	<u>70,531</u>	<u>4,372,089</u>	<u>117</u>	<u>83,962</u>	<u>35,710</u>	-	<u>4,562,409</u>
Carrying amount at September 30, 2023	<u>\$ 264,637</u>	<u>\$ 291,565</u>	<u>\$ 2,282,333</u>	<u>\$ 676</u>	<u>\$ 122,462</u>	<u>\$ 4,933</u>	<u>\$ 879,654</u>	<u>\$ 3,846,260</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 264,637</u>	<u>\$ 297,245</u>	<u>\$ 2,445,402</u>	<u>\$ 749</u>	<u>\$ 133,360</u>	<u>\$ 8,341</u>	<u>\$ 82,183</u>	<u>\$ 3,231,917</u>
<u>Cost</u>								
Balance at January 1, 2022	\$ 264,637	\$ 78,954	\$ 5,911,042	\$ -	\$ 91,365	\$ 44,779	\$ 721,242	\$ 7,112,019
Additions	-	417	18,483	699	3,531	-	326,042	349,172
Decreases	-	-	(127)	-	-	-	-	(127)
Disposals	-	-	-	-	(6,239)	(4,136)	-	(10,375)
Reclassifications	-	-	666,062	-	-	-	(666,062)	-
Balance at September 30, 2022	<u>264,637</u>	<u>79,371</u>	<u>6,595,460</u>	<u>699</u>	<u>88,657</u>	<u>40,643</u>	<u>381,222</u>	<u>7,450,689</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2022	-	62,469	3,954,532	-	53,456	31,895	-	4,102,352
Depreciation expense	-	1,432	169,572	20	10,678	3,407	-	185,109
Disposals	-	-	-	-	(6,239)	(4,136)	-	(10,375)
Balance at September 30, 2022	-	<u>63,901</u>	<u>4,124,104</u>	<u>20</u>	<u>57,895</u>	<u>31,166</u>	-	<u>4,277,086</u>
Carrying amount at September 30, 2022	<u>\$ 264,637</u>	<u>\$ 15,470</u>	<u>\$ 2,471,356</u>	<u>\$ 679</u>	<u>\$ 30,762</u>	<u>\$ 9,477</u>	<u>\$ 381,222</u>	<u>\$ 3,173,603</u>

Note: The amount was reclassified from prepayments for equipment.

For the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, no impairment loss was recognized.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Office building	50 years
Plant and its attached facilities	15-25 years
Machinery and equipment	
Main power generation equipment	20-30 years
Others	3-15 years
Transportation equipment	5-10 years
Other equipment	2-8 years
Lease improvements	5 years

Refer to Note 28 for information on capitalized interest for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022.

Refer to Note 37 for the carrying amount of property plant and equipment mortgaged as collateral for bank borrowings of the Group.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	Land	Buildings	Transportation Equipment	Other Equipment	Total
<u>Cost</u>					
Balance at January 1, 2023	\$ 345,749	\$ 192,556	\$ 22,560	\$ 9,424	\$ 570,289
Additions	54,214	14,567	14,289	-	83,070
Disposals	(19,924)	(142)	(8,389)	-	(28,455)
Balance at September 30, 2023	<u>380,039</u>	<u>206,981</u>	<u>28,460</u>	<u>9,424</u>	<u>624,904</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2023	57,032	84,670	9,443	1,426	152,571
Depreciation expense	12,495	24,031	7,275	435	44,236
Disposals	(3,265)	-	(7,300)	-	(10,565)
Balance at September 30, 2023	<u>66,262</u>	<u>108,701</u>	<u>9,418</u>	<u>1,861</u>	<u>186,242</u>
Carrying amount at September 30, 2023	<u>\$ 313,777</u>	<u>\$ 98,280</u>	<u>\$ 19,042</u>	<u>\$ 7,563</u>	<u>\$ 438,662</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 288,717</u>	<u>\$ 107,886</u>	<u>\$ 13,117</u>	<u>\$ 7,998</u>	<u>\$ 417,718</u>
<u>Cost</u>					
Balance at January 1, 2022	\$ 338,341	\$ 191,834	\$ 22,591	\$ 9,424	\$ 562,190
Additions	7,408	398	9,539	-	17,345
Disposals	-	(506)	(10,111)	-	(10,617)
Balance at September 30, 2022	<u>345,749</u>	<u>191,726</u>	<u>22,019</u>	<u>9,424</u>	<u>568,918</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2022	41,351	57,946	14,245	846	114,388
Depreciation expense	11,812	19,956	5,687	435	37,890
Disposals	-	-	(9,859)	-	(9,859)
Balance at September 30, 2022	<u>53,163</u>	<u>77,902</u>	<u>10,073</u>	<u>1,281</u>	<u>142,419</u>
Carrying amount at September 30, 2022	<u>\$ 292,586</u>	<u>\$ 113,824</u>	<u>\$ 11,946</u>	<u>\$ 8,143</u>	<u>\$ 426,499</u>

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amount</u>			
Current	<u>\$ 65,912</u>	<u>\$ 53,315</u>	<u>\$ 48,722</u>
Non-current	<u>\$ 434,587</u>	<u>\$ 424,382</u>	<u>\$ 437,279</u>

As of September 30, 2023, December 31, 2022 and September 30, 2022, the range of discount rates for lease liabilities was 0.98%-2.83%.

c. Material lease activities and terms

The rental payments for some leases of the solar power generation equipment are calculated at an agreed ratio of sales of electricity generated pursuant to the power purchase agreements that the Group entered into with TPC.

Refer to Note 17 for the information on the Group's acquisition of the rights to superficies from the Yilan County Government.

In 2019, HML leased the land from the landlords in Fangyuan Township, Changhua County for the fishery and electricity symbiosis development project. The period covered by the agreements include the development and construction period and 20 years from the date of the commence of commercial operations. HML shall make a priority request for renewal of the agreements six months before the expiration of the lease if it obtains permission to continue operations. The lease agreements are renewable for no more than 5 years each time and within the limit of two times.

d. Subleases

Refer to Note 10 for the information on the Group's sublease transactions.

e. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	<u>\$ 2,254</u>	<u>\$ 3,082</u>	<u>\$ 6,970</u>	<u>\$ 9,323</u>
Expenses relating to low-value asset leases	<u>\$ 246</u>	<u>\$ 216</u>	<u>\$ 973</u>	<u>\$ 573</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,400</u>	<u>\$ 1,439</u>	<u>\$ 4,100</u>	<u>\$ 4,890</u>
Total cash (outflow) for leases			<u>\$ (58,194)</u>	<u>\$ (55,252)</u>

The Group's leases include certain buildings and transportation equipment, which qualify as short-term leases and certain other equipment, which qualifies as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INTANGIBLE ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
Service concession arrangement	\$ 562,644	\$ 586,974	\$ 536,805
Computer software	13,399	12,970	10,222
Business rights	<u>318,160</u>	<u>337,508</u>	<u>343,957</u>
	<u>\$ 894,203</u>	<u>\$ 937,452</u>	<u>\$ 890,984</u>

a. Movements in intangible assets were as follows:

	Service Concession Arrangement					
	Operating Assets	Right-of-use Assets	Computer Software	Business Rights	Others	Total
<u>Cost</u>						
Balance at January 1, 2023	\$ 633,253	\$ 2,710	\$ 19,953	\$ 402,000	\$ 12,000	\$ 1,069,916
Additions	-	-	4,542	-	-	4,542
Disposals	-	-	(580)	-	-	(580)
Balance at September 30, 2023	<u>633,253</u>	<u>2,710</u>	<u>23,915</u>	<u>402,000</u>	<u>12,000</u>	<u>1,073,878</u>
<u>Accumulated amortization and impairment loss</u>						
Balance at January 1, 2023	48,440	549	6,983	64,492	12,000	132,464
Amortization expense	24,220	110	4,113	19,348	-	47,791
Disposals	-	-	(580)	-	-	(580)
Balance at September 30, 2023	<u>72,660</u>	<u>659</u>	<u>10,516</u>	<u>83,840</u>	<u>12,000</u>	<u>179,675</u>
Carrying amount at September 30, 2023	<u>\$ 560,593</u>	<u>\$ 2,051</u>	<u>\$ 13,399</u>	<u>\$ 318,160</u>	<u>\$ -</u>	<u>\$ 894,203</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 584,813</u>	<u>\$ 2,161</u>	<u>\$ 12,970</u>	<u>\$ 337,508</u>	<u>\$ -</u>	<u>\$ 937,452</u>
<u>Cost</u>						
Balance at January 1, 2022	\$ 537,752	\$ 2,710	\$ 23,053	\$ 402,000	\$ 12,000	\$ 977,515
Additions	33,303	-	2,025	-	-	35,328
Disposals	-	-	(2,144)	-	-	(2,144)
Balance at September 30, 2022	<u>571,055</u>	<u>2,710</u>	<u>22,934</u>	<u>402,000</u>	<u>12,000</u>	<u>1,010,699</u>
<u>Accumulated amortization and impairment loss</u>						
Balance at January 1, 2022	13,742	402	9,420	38,695	12,000	74,259
Amortization expense	22,706	110	5,436	19,348	-	47,600
Disposals	-	-	(2,144)	-	-	(2,144)
Balance at September 30, 2022	<u>36,448</u>	<u>512</u>	<u>12,712</u>	<u>58,043</u>	<u>12,000</u>	<u>119,715</u>
Carrying amount at September 30, 2022	<u>\$ 534,607</u>	<u>\$ 2,198</u>	<u>\$ 10,222</u>	<u>\$ 343,957</u>	<u>\$ -</u>	<u>\$ 890,984</u>

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Service concession arrangement	
Main power generation equipment	20 years
Transmission pipelines and other facilities	10-20 years
Others	5-20 years
Computer software	1-6 years
Business rights	15 years

b. Service concession arrangement

YYC signed the investment agreement “Yilan Chingshuei Geothermal Power Generation Build, Reconstruction, Operation, and Transfer” (also referred to as “Chingshuei Geothermal Contract”) with the Yilan county government in July 2017 for a service concession which will be operated by CGPC. YYC established CGPC to undertake the operations for a period of 20 years starting from the commencement date of commercial operations of the power generating unit.

The operating assets refer to the public infrastructure constructed and operated by CGPC.

The right-of-use asset was obtained by YYC from the Yilan county government under the Chingshuei Geothermal Contract to build and operate the power plant site. The rental rate during the construction period was set at 1% of the announced land value, and the rental rate during the period of operations was set at 3% of the announced land value.

c. Business rights

Business rights refer to the licenses to generate electricity from the Zhunan and Houlong wind farms in Miaoli County acquired from the Ministry of Economic Affairs through the business combination with MWC, in accordance with the Electricity Act. Amortization of the aforementioned licenses is recognized on a straight-line basis until February 2036.

d. Other intangible assets

Other intangible assets refer to the Grade A comprehensive construction registration certificate of SEC, which is deemed to have an indefinite useful life and not amortized because the certificate can be reviewed and renewed at a fraction of the cost every 5 years and is expected to generate sustainable net cash inflow, but is rather tested for impairment at least once a year and assessed at each balance sheet date to determine whether events and circumstances continue to support the assessment of its indefinite useful life.

18. OTHER ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Other non-current assets</u>			
Prepaid power lines usage expenses	\$ 20,385	\$ 20,537	\$ 20,802

In order to operate the solar power plant, the Group signed an agreement with a company for the “Installation of Renewable Energy Generation Equipment (Non-user) for Connection of Power Line to User”, and the Group should apportion the electricity project expenses (power lines usage expenses) in accordance with “Calculation of Apportionment Expenses for Renewable Energy Enhancement Projects on Power Grid”.

19. BORROWINGS

a. Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Secured borrowings	\$ 40,000	\$ 67,000	\$ 57,000

The ranges of interest rates on short-term borrowings at the end of the reporting periods were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Secured borrowings	2.20%	1.98%-2.76%	1.71%-2.42%

b. Short-term bills payable

	September 30, 2023	December 31, 2022	September 30, 2022
Commercial papers	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Less: Unamortized discounts on bills payable	<u>(256)</u>	<u>(724)</u>	<u>(1,166)</u>
	<u>\$ 999,744</u>	<u>\$ 999,276</u>	<u>\$ 998,834</u>

On March 18, 2022, the Group signed a revolving and non-guaranteed commercial paper underwriting contract with a bank. The Group could issue a non-guaranteed commercial paper (up to 90 days) on a revolving basis during the period of 4 years effective from March 23, 2022. The total underwriting amount is \$500 million.

On August 12, 2021, the Group signed a revolving and non-guaranteed commercial paper underwriting agreement with a bills finance company. The Group could issue a non-guaranteed commercial paper (up to 90 days) on a revolving basis during the period of 4 years effective from August 16, 2021. The total underwriting amount is \$500 million.

The ranges of interest rates on commercial paper payable were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Commercial papers	0.64%-0.70%	0.64%-0.70%	0.64%-0.70%

c. Long-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Pledged or mortgaged borrowings</u>			
Repayable in semi-annual installments from August 2021 to February 2032	\$ 303,800	\$ 339,080	\$ 337,080
Repayable in semi-annual installments from July 2022 to May 2031	274,480	283,240	292,000
Repayable in quarterly installments from December 2021 to September 2034	152,308	162,692	166,154
Repayable in semi-annual installments from February 2020 to February 2026	143,640	154,980	154,980
Repayable in semi-annual installments from November 2021 to May 2031	117,500	121,250	125,000
Repayable in semi-annual installments from August 2021 to May 2031	81,780	84,390	87,000
Repayable in semi-annual installments from November 2022 to May 2031	68,620	70,810	-
Repayable in monthly installments from January 2019 to January 2034	56,944	61,044	61,955
Repayable in monthly installments from August 2022 to February 2032	34,000	38,000	40,000
Repayable in quarterly installments from September 2021 to September 2034	33,423	35,702	36,462
Repayable in semi-annual installments from May 2021 to May 2031	21,620	22,310	23,000
			(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Secured borrowing</u>			
Repayable in semi-annual installments from July 2022 to January 2025	\$ 318,750	\$ 356,250	\$ 356,250
<u>Unsecured borrowings</u>			
Repayable in monthly installments from January 2021 to December 2025	83,300	88,400	90,100
Repayable in quarterly installments from April 2020 to March 2026	58,674	62,601	63,910
Repayable in quarterly installments from October 2019 to March 2026	48,776	52,193	53,332
Repayable in quarterly installments from October 2018 to October 2025	38,575	41,482	42,450
<u>Revolving unsecured borrowings</u>			
Revolving through November 2023	-	780,000	-
Revolving through November 2024	-	500,000	-
Revolving through November 2024	-	500,000	-
Revolving through October 2026	-	320,000	-
Revolving through January 2024	-	-	800,000
Revolving through September 2023	-	-	500,000
Revolving through August 2023	-	-	500,000
Revolving through April 2025	-	-	300,000
	1,836,190	4,074,424	4,029,673
Less: Current portion	(167,393)	(947,393)	(162,558)
	<u>\$ 1,668,797</u>	<u>\$ 3,127,031</u>	<u>\$ 3,867,115</u> (Concluded)

The Group's revolving unsecured borrowings are to be utilized on a revolving basis during the credit period according to the repayment schedule negotiated with banks.

The ranges of interest rates on long-term borrowings as of the balance sheet date were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Pledged or mortgaged borrowings	2.09%-3.11%	1.96%-2.97%	1.82%-2.46%
Secured borrowing	2.33%	2.21%	1.96%
Unsecured borrowings	1.80%-2.53%	1.80%-2.41%	1.80%-2.16%
Revolving unsecured borrowings	-	1.40%-1.71%	1.16%-1.50%

20. BONDS PAYABLE

	September 30, 2023	December 31, 2022	September 30, 2022
Domestic unsecured bond	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Less: Unamortized issuance cost	<u>(1,642)</u>	<u>(2,116)</u>	<u>(2,274)</u>
	<u>\$ 2,498,358</u>	<u>\$ 2,497,884</u>	<u>\$ 2,497,726</u>

On August 14, 2020, the Group issued unsecured bonds at par value for a total of \$2,500 million, which comprise bond A - \$1,900 million of 5-year bonds with annual coupon rate of 0.75% and bond B - \$600 million of 10-year bonds with annual coupon rate of 1%. Both types of bonds have bullet repayment terms, where simple interest is paid on an annual basis and the principal is repaid on maturity. The trustee of the bonds is Bank SinoPac Company Limited.

21. OTHER PAYABLES

	September 30, 2023	December 31, 2022	September 30, 2022
Payables for salaries and bonuses	\$ 55,882	\$ 44,333	\$ 47,819
Payables for compensation of employees and remuneration of directors	52,833	47,492	19,080
Payables for equipment	46,164	67,693	72,902
Payables for compensated absences	14,837	14,384	13,294
Payables for repairs	14,470	12,208	11,663
Payables for purchase of electricity	8,722	21,456	40,119
Payables for professional fees	6,271	17,489	6,581
Payables for interest	3,955	9,716	3,914
Payables for business tax	-	54,876	-
Others	<u>16,908</u>	<u>26,268</u>	<u>19,026</u>
	<u>\$ 220,042</u>	<u>\$ 315,915</u>	<u>\$ 234,398</u>

22. OTHER LIABILITIES

	September 30, 2023	December 31, 2022	September 30, 2022
Other liabilities			
Payables for levies	<u>\$ 15,981</u>	<u>\$ 15,866</u>	<u>\$ 15,824</u>

Pursuant to the Regulations Governing the Installation of Renewable Energy Generation Equipment, the module recovery fees of the Group's solar power generation equipment should be calculated based on the installed capacity (kW) of the equipment. The module recovery fees are levied over a period of 10 years and should be paid at the end of each year.

23. PROVISIONS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Warranties	<u>\$ 431,705</u>	<u>\$ 259,197</u>	<u>\$ 263,438</u>
<u>Non-current</u>			
Decommissioning costs and liability	<u>\$ 14,533</u>	<u>\$ 14,296</u>	<u>\$ 14,217</u>
	Warranties	Decommissioning Costs and Liability	Total
Balance at January 1, 2023	\$ 259,197	\$ 14,296	\$ 273,493
Additions	188,145	237	188,382
Usage	(9,142)	-	(9,142)
Reversal	<u>(6,495)</u>	<u>-</u>	<u>(6,495)</u>
Balance at September 30, 2023	<u>\$ 431,705</u>	<u>\$ 14,533</u>	<u>\$ 446,238</u>
Balance at January 1, 2022	\$ 304,799	\$ 13,986	\$ 318,785
Additions	42,829	231	43,060
Usage	(45,226)	-	(45,226)
Reversal	<u>(38,964)</u>	<u>-</u>	<u>(38,964)</u>
Balance at September 30, 2022	<u>\$ 263,438</u>	<u>\$ 14,217</u>	<u>\$ 277,655</u>

24. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the pension expenses of defined benefit plans were calculated based on the actuarially determined pension cost rate on December 31, 2022 and 2021, respectively. The amounts were recognized under the following financial statement accounts:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating costs	<u>\$ 818</u>	<u>\$ 694</u>	<u>\$ 2,524</u>	<u>\$ 2,127</u>
Operating expenses	<u>\$ 580</u>	<u>\$ 483</u>	<u>\$ 1,670</u>	<u>\$ 1,405</u>

25. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The Group's assets and liabilities related to the construction business are classified as either current or non-current based on the operating cycle. The amounts expected to be recovered or settled within one year after the reporting period and more than one year after the reporting period for related assets and liabilities were as follows:

September 30, 2023

	Within One Year	More than One Year	Total
<u>Assets</u>			
Contract assets	\$ 1,708,622	\$ 409,287	\$ 2,117,909
<u>Liabilities</u>			
Contract liabilities	\$ 131	\$ -	\$ 131
Provisions - warranties	<u>13,705</u>	<u>418,000</u>	<u>431,705</u>
	<u>\$ 13,836</u>	<u>\$ 418,000</u>	<u>\$ 431,836</u>

December 31, 2022

	Within One Year	More than One Year	Total
<u>Assets</u>			
Contract assets	\$ 1,516,324	\$ 171,567	\$ 1,687,891
Prepaid construction costs	<u>46,184</u>	<u>-</u>	<u>46,184</u>
	<u>\$ 1,562,508</u>	<u>\$ 171,567</u>	<u>\$ 1,734,075</u>
<u>Liabilities</u>			
Contract liabilities	\$ 221	\$ 582,861	\$ 583,082
Provisions - warranties	<u>7,439</u>	<u>251,758</u>	<u>259,197</u>
	<u>\$ 7,660</u>	<u>\$ 834,619</u>	<u>\$ 842,279</u>

September 30, 2022

	Within One Year	More than One Year	Total
<u>Assets</u>			
Contract assets	\$ 1,910,151	\$ 3,973	\$ 1,914,124
Prepaid construction costs	<u>46,326</u>	<u>-</u>	<u>46,326</u>
	<u>\$ 1,956,477</u>	<u>\$ 3,973</u>	<u>\$ 1,960,450</u>
<u>Liabilities</u>			
Contract liabilities	\$ 21,271	\$ 155,733	\$ 177,004
Provisions - warranties	<u>7,542</u>	<u>255,896</u>	<u>263,438</u>
	<u>\$ 28,813</u>	<u>\$ 411,629</u>	<u>\$ 440,442</u>

26. EQUITY

a. Share capital

	September 30, 2023	December 31, 2022	September 30, 2022
Number of authorized ordinary shares (in thousands)	<u>1,000,000</u>	<u>800,000</u>	<u>800,000</u>
Amount of authorized ordinary shares	<u>\$ 10,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>
Number of issued and fully paid ordinary shares (in thousands)	<u>730,282</u>	<u>589,049</u>	<u>589,049</u>
Amount of issued and fully paid ordinary shares	<u>\$ 7,302,820</u>	<u>\$ 5,890,486</u>	<u>\$ 5,890,486</u>

On November 10, 2022, the Corporation's board of directors resolved to issue 100,000 thousand new shares with a par value of \$10 per share and at a premium of \$30.31 per share. After the capital increase, the Corporation's paid-in capital amounted to \$6,890,486 thousand. The aforementioned cash capital increase was approved by the Securities and Futures Bureau of the FSC on March 7, 2023, and The Corporation's board of directors determined the base date for this increase to be June 6, 2023.

On June 26, 2023, the Corporation's shareholders' meeting resolved to capitalize retained earnings amounting to \$412,334 thousand, issuing 41,233 thousand new shares, each with a par value of \$10. The Corporation's board of directors set the ex-rights date as July 29, 2023.

A holder of issued ordinary shares with par value of \$10 is entitled to vote and to receive dividends.

b. Capital surplus

	September 30, 2023	December 31, 2022	September 30, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of ordinary shares	\$ 2,491,000	\$ 460,000	\$ 460,000
Conversion of bonds	32,494	32,494	32,494
<u>May only be used to offset a deficit</u>			
Issuance of ordinary shares for cash with shares reserved for employee subscription, recognized at a premium	<u>103,626</u>	<u>7,200</u>	<u>7,200</u>
	<u>\$ 2,627,120</u>	<u>\$ 499,694</u>	<u>\$ 499,694</u>

Note: The capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be transferred to share capital or distributed in cash. Capitalization of such capital surplus is limited to once a year and a certain prescribed percentage of the Corporation's paid-in capital.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Corporation's current articles of incorporation (the "Articles"), where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan where not less than 70% of distributable retained earnings shall be distributed; the plan should be resolved in the shareholders' meeting for the distribution of dividends to shareholders. For the policies on the distribution of the compensation of employees and remuneration of directors, please refer to Note 28.f.

The Corporation adopted a balanced dividend policy, where dividends are distributed in the form of both cash and shares, out of which cash dividends shall not be less than 20% of the total dividends distributed. However, the ratio of cash dividends may be reduced to less than 20%, which should be resolved by the shareholders, if the expenditure for a new important investment plan reaches \$300 million or above and the Corporation is unable to obtain other funds to meet the cash needs of the plan.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1090150022 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2022 and 2021, which had been resolved in the shareholders' meetings on June 26, 2023 and May 31, 2022, respectively, were as follows:

	Appropriation of Earnings	
	2022	2021
Legal reserve	\$ 91,828	\$ 92,370
Special reserve	14,130	-
Reversal of special reserve	(200,714)	(201,972)
Cash dividends	618,501	1,030,835
Share dividends	412,334	-
Cash dividends per share (NT\$)	1.05	1.75
Share dividends per share (NT\$)	0.70	-

The reversals of the special reserve in 2022 and 2021 were the reversal amount voluntarily set aside in accordance with the Company Act in prior years.

27. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Revenue from contracts with customers				
Sales				
Sales of electricity	\$ 297,323	\$ 419,679	\$ 957,055	\$ 914,394
Sales of steam	55,125	15,663	162,078	104,521
Service concession	11,089	19,495	52,975	69,358
Others	<u>62</u>	<u>96</u>	<u>242</u>	<u>264</u>
	363,599	454,933	1,172,350	1,088,537
Construction service	939,274	221,141	2,574,548	1,366,357
Operations, maintenance and consulting services	<u>72,220</u>	<u>68,410</u>	<u>188,350</u>	<u>150,969</u>
	<u>\$ 1,375,093</u>	<u>\$ 744,484</u>	<u>\$ 3,935,248</u>	<u>\$ 2,605,863</u>

a. Contract balances

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Accounts receivable (including related parties)	<u>\$ 282,066</u>	<u>\$ 672,614</u>	<u>\$ 438,847</u>	<u>\$ 551,644</u>
Contract assets				
Construction contracts	\$ 2,117,909	\$ 1,687,891	\$ 1,914,124	\$ 2,499,530
Rendering of services	<u>334,359</u>	<u>271,934</u>	<u>239,434</u>	<u>141,869</u>
	<u>\$ 2,452,268</u>	<u>\$ 1,959,825</u>	<u>\$ 2,153,558</u>	<u>\$ 2,641,399</u>

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Contract liabilities				
Construction contracts	\$ 131	\$ 583,082	\$ 177,004	\$ 193,467
Sales	<u>158,356</u>	<u>122,188</u>	<u>100,496</u>	<u>56,180</u>
	<u>\$ 158,487</u>	<u>\$ 705,270</u>	<u>\$ 277,500</u>	<u>\$ 249,647</u>
				(Concluded)

The changes in the contract assets and the contract liabilities balances primarily resulted from the timing difference between the Group's satisfaction of performance obligations and the customer's payment.

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the corresponding invoice is billed to the customer, and the contract assets have the same risk characteristics as the trade receivables from the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables can be applied to the contract assets. The Group did not recognize an allowance for impairment loss against all of the contract assets.

- b. Refer to Note 41 for information on disaggregation of revenue from contracts with customers.

28. NET PROFIT

- a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Dividend income	\$ -	\$ -	\$ 8,000	\$ 8,000
Others	<u>3,205</u>	<u>2,836</u>	<u>10,718</u>	<u>9,560</u>
	<u>\$ 3,205</u>	<u>\$ 2,836</u>	<u>\$ 18,718</u>	<u>\$ 17,560</u>

- b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Foreign exchange gain	\$ 9,900	\$ 18,274	\$ 47,037	\$ 45,935
Gain on lease modification	3,459	5	3,286	110
Gain on disposal of associate	-	-	-	15,070
Foreign exchange loss	(6,280)	(11,283)	(29,580)	(37,414)
Loss on disposal of property, plant and equipment	-	-	(40)	-
Others	<u>-</u>	<u>(1,765)</u>	<u>(1,003)</u>	<u>(2,265)</u>
	<u>\$ 7,079</u>	<u>\$ 5,231</u>	<u>\$ 19,700</u>	<u>\$ 21,436</u>

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Interest on bank loans	\$ 12,186	\$ 14,789	\$ 50,874	\$ 32,981
Interest on bonds payable	5,221	5,221	15,662	15,659
Interest on lease liabilities	2,403	2,232	6,758	6,683
Interest on commercial papers	1,810	1,810	5,372	4,530
Others	<u>151</u>	<u>162</u>	<u>431</u>	<u>398</u>
	<u>\$ 21,771</u>	<u>\$ 24,214</u>	<u>\$ 79,097</u>	<u>\$ 60,251</u>

Information on capitalized interest were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Amount of capitalized interest	\$ 18	\$ 593	\$ 18	\$ 3,975
Capitalized interest rate	1.68%	1.56%-1.88%	1.68%	1.44%-1.88%

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Property, plant and equipment	\$ 74,321	\$ 66,233	\$ 222,203	\$ 185,109
Right-of-use assets	15,163	12,538	43,668	37,890
Intangible assets	16,079	17,198	47,791	47,600
Prepaid power lines usage expense	<u>268</u>	<u>264</u>	<u>796</u>	<u>352</u>
	<u>\$ 105,831</u>	<u>\$ 96,233</u>	<u>\$ 314,458</u>	<u>\$ 270,951</u>
An analysis of depreciation by function				
Operating costs	\$ 68,694	\$ 66,329	\$ 205,276	\$ 185,075
Operating expenses	<u>20,790</u>	<u>12,442</u>	<u>60,595</u>	<u>37,924</u>
	<u>\$ 89,484</u>	<u>\$ 78,771</u>	<u>\$ 265,871</u>	<u>\$ 222,999</u>
An analysis of amortization by function				
Operating costs	\$ 8,377	\$ 9,347	\$ 25,131	\$ 23,446
Operating expenses	<u>7,970</u>	<u>8,115</u>	<u>23,456</u>	<u>24,506</u>
	<u>\$ 16,347</u>	<u>\$ 17,462</u>	<u>\$ 48,587</u>	<u>\$ 47,952</u>

e. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Post-employment benefits				
Defined contribution plans	\$ 4,092	\$ 3,546	\$ 12,042	\$ 10,264
Defined benefit plans	<u>1,398</u>	<u>1,177</u>	<u>4,194</u>	<u>3,532</u>
	<u>5,490</u>	<u>4,723</u>	<u>16,236</u>	<u>13,796</u>
Share-based payments				
Equity-settled	<u>-</u>	<u>-</u>	<u>96,426</u>	<u>-</u>
Short-term benefits	<u>123,815</u>	<u>112,279</u>	<u>399,241</u>	<u>318,040</u>
Total employee benefits expense	<u>\$ 129,305</u>	<u>\$ 117,002</u>	<u>\$ 511,903</u>	<u>\$ 331,836</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 87,533	\$ 71,394	\$ 265,708	\$ 213,782
Operating expenses	<u>41,772</u>	<u>45,608</u>	<u>246,195</u>	<u>118,054</u>
	<u>\$ 129,305</u>	<u>\$ 117,002</u>	<u>\$ 511,903</u>	<u>\$ 331,836</u>
Short-term benefits				
Wages and salaries	\$ 110,723	\$ 100,364	\$ 356,277	\$ 281,271
Labor and health insurance	7,495	7,353	25,050	22,455
Others	<u>5,597</u>	<u>4,562</u>	<u>17,914</u>	<u>14,314</u>
	<u>\$ 123,815</u>	<u>\$ 112,279</u>	<u>\$ 399,241</u>	<u>\$ 318,040</u>

f. Compensation of employees and remuneration of directors

The Corporation accrues compensation of employees and remuneration of directors at rates of no less than 0.5% and no higher than 1%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. The compensation of employees and remuneration of directors for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, respectively, were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Compensation of employees	\$ 7,093	\$ 8,760	\$ 36,077	\$ 12,696
Remuneration of directors	1,426	2,013	11,087	3,227

If there will be a change in the proposed amount after the annual consolidated financial statements are authorized for issue, the difference will be recorded as a change in accounting estimate.

The compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2021, which had been resolved by the Corporation's board of directors on March 10, 2023 and March 16, 2022, respectively, were as follows:

	For the Year Ended December 31	
	2022	2021
Compensation of employees - cash	\$ 30,046	\$ 30,225
Remuneration of directors	9,522	9,496

There was no difference between the above resolved amounts and the respective amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

29. INCOME TAX

- a. Major components of income tax expense recognized in profit or loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current income tax				
In respect of the current period	\$ 50,266	\$ (954)	\$ 90,417	\$ 39,723
Income tax on unappropriated earnings	<u>-</u>	<u>-</u>	<u>480</u>	<u>152</u>
	50,266	(954)	90,897	39,875
Deferred income tax				
In respect of the current period	<u>(34,780)</u>	<u>5,170</u>	<u>(40,203)</u>	<u>3,010</u>
Income tax expense recognized in profit or loss	<u>\$ 15,486</u>	<u>\$ 4,216</u>	<u>\$ 50,694</u>	<u>\$ 42,885</u>

- b. Income tax assessments

The income tax returns of the Corporation, SEC, SSC, SWC, TGE, SKE, YYC, CGPC, MWC and HML through 2021 have been assessed by the tax authorities. Under the local income tax law, TCIC is not obligated to pay income tax.

30. EARNINGS PER SHARE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Basic earnings per share (NT\$)	<u>\$ 0.14</u>	<u>\$ 0.30</u>	<u>\$ 1.58</u>	<u>\$ 0.49</u>
Diluted earnings per share (NT\$)	<u>\$ 0.14</u>	<u>\$ 0.30</u>	<u>\$ 1.58</u>	<u>\$ 0.49</u>

The weighted average number of shares outstanding used in the earnings per share computation was adjusted retrospectively for the issuance of bonus shares on July 29, 2023. Due to retrospective adjustments, the basic and diluted earnings per share adjusted retrospectively for the three months and nine months ended September 30, 2022 were adjusted as follows:

	Before Retrospective Adjustment		After Retrospective Adjustment	
	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2022	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2022
Basic earnings per share	<u>\$ 0.32</u>	<u>\$ 0.52</u>	<u>\$ 0.30</u>	<u>\$ 0.49</u>
Diluted earnings per share	<u>\$ 0.32</u>	<u>\$ 0.52</u>	<u>\$ 0.30</u>	<u>\$ 0.49</u>

The profit and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Profit used in the computation of basic earnings per share	<u>\$ 100,312</u>	<u>\$ 190,428</u>	<u>\$ 1,061,446</u>	<u>\$ 306,689</u>
Profit used in the computation of diluted earnings per share	<u>\$ 100,312</u>	<u>\$ 190,428</u>	<u>\$ 1,061,446</u>	<u>\$ 306,689</u>

Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	730,282	630,282	672,773	630,282
Effect of potentially dilutive ordinary shares				
Compensation of employees of the Corporation	<u>872</u>	<u>370</u>	<u>1,071</u>	<u>591</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>731,154</u>	<u>630,652</u>	<u>673,844</u>	<u>630,873</u>

The Corporation may settle the compensation of employees paid in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

31. SHARE-BASED PAYMENT ARRANGEMENTS

The Corporation completed a cash capital increase in April 2023, reserving a portion for employees to subscribe to shares. The compensation cost, as calculated using the Black-Scholes-Merton option pricing model, amounted to \$96,426 thousand and the capital surplus increased by an equivalent amount.

32. PARTIAL CASH TRANSACTIONS

- a. For the nine months ended September 30, 2023 and 2022, the Group entered into the following partial cash investing activities:

	For the Nine Months Ended September 30	
	2023	2022
Partial cash payments for acquisition of property, plant and equipment		
Acquisition of property, plant and equipment	\$ 829,437	\$ 349,172
Changes in payables for equipment	21,529	84,238
Changes in payables for levies	-	(12,955)
Depreciation of right-of-use assets	<u>(568)</u>	<u>-</u>
Cash payments	<u>\$ 850,398</u>	<u>\$ 420,455</u>

- b. Changes in liabilities arising from financing activities

For the nine months ended September 30, 2023

	January 1, 2023	Cash Flows	Non-cash Changes			September 30, 2023
			New Leases	Interest Expense	Others	
Short-term borrowings	\$ 67,000	\$ (27,000)	\$ -	\$ -	\$ -	\$ 40,000
Short-term bills payable	999,276	-	-	5,372	(4,904)	999,744
Long-term loans	4,074,424	(2,238,234)	-	-	-	1,836,190
Guarantee deposits received	41,297	6,339	-	-	-	47,636
Bonds payable	2,497,884	-	-	15,662	(15,188)	2,498,358
Lease liabilities	<u>477,697</u>	<u>(40,199)</u>	<u>83,070</u>	<u>6,758</u>	<u>(26,827)</u>	<u>500,499</u>
	<u>\$ 8,157,578</u>	<u>\$ (2,299,094)</u>	<u>\$ 83,070</u>	<u>\$ 27,792</u>	<u>\$ (46,919)</u>	<u>\$ 5,922,427</u>

For the nine months ended September 30, 2022

	January 1, 2022	Cash Flows	Non-cash Changes			September 30, 2022
			New Leases	Interest Expense	Others	
Short-term borrowings	\$ 40,000	\$ 17,000	\$ -	\$ -	\$ -	\$ 57,000
Short-term bills payable	499,614	499,078	-	4,530	(4,388)	998,834
Long-term loans	3,862,612	167,061	-	-	-	4,029,673
Guarantee deposits received	44,083	(15,399)	-	-	-	28,684
Bonds payable	2,497,255	-	-	15,659	(15,188)	2,497,726
Lease liabilities	<u>503,039</u>	<u>(34,292)</u>	<u>17,345</u>	<u>6,683</u>	<u>(6,774)</u>	<u>486,001</u>
	<u>\$ 7,446,603</u>	<u>\$ 633,448</u>	<u>\$ 17,345</u>	<u>\$ 26,872</u>	<u>\$ (26,350)</u>	<u>\$ 8,097,918</u>

33. EXPLANATORY COMMENTS ABOUT THE SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The operations of the cogeneration plant have seasonal characteristics and the electricity price is determined in accordance with TPC's requirements. During the summer months (starting from May 16 to October 15), the selling price of electricity is higher. The rest of the months are considered non-summer months. Based on past experience, the Corporation sells electricity and steam it produces to energy users, and sells any remaining electricity to TPC. Revenue is recognized accordingly on a monthly basis. Hence, the peak period for sales is in the summer months.

Construction and operations, maintenance and consulting services do not have seasonal characteristics. Based on past experience, the Group's consolidated revenue is recognized based on the progress of each construction project and when services are provided, respectively.

34. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Corporation's overall strategy remains unchanged within recent 5 years.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Corporation (comprising ordinary shares, capital surplus, retained earnings and other equity).

Key management personnel of the Corporation review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Corporation may adjust the amount of dividends paid to shareholders, the number of new shares issued, and/or the amount of new debt issued or existing debt redeemed.

35. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Management believes the carrying amounts of the financial assets and financial liabilities not carried at fair value are approximately at their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	\$ -	\$ -	\$ 266,520	\$ 266,520

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>277,120</u>	\$ <u>277,120</u>

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>267,310</u>	\$ <u>267,310</u>

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the nine months ended September 30, 2023

	Financial Assets at FVTOCI - Equity Investments
Beginning balance	\$ 277,120
Recognized in other comprehensive loss	<u>(10,600)</u>
Ending balance	\$ <u>266,520</u>

For the nine months ended September 30, 2022

	Financial Assets at FVTOCI - Equity Investments
Beginning balance	\$ 275,310
Recognized in other comprehensive loss	<u>(8,000)</u>
Ending balance	\$ <u>267,310</u>

3) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

The fair value of domestic unlisted equity in KADC securities was determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee. The significant unobservable inputs used are listed on the table below. An increase in long-term revenue growth rates or long-term pre-tax operating margin or a decrease in the weighted average cost of capital (WACC) or discount for lack of marketability used in isolation would result in increases in fair value.

	September 30, 2023	December 31, 2022	September 30, 2022
Long-term revenue growth rates	0.00%-0.26%	0.00%-2.65%	0.00%-2.65%
Long-term pre-tax operating margin	40.54%-40.53%	40.68%-41.53%	40.93%-41.90%
WACC	7.69%	6.97%	7.48%
Discount for lack of marketability	13.45%	15.20%	12.35%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the equity investments would increase (decrease) as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Long-term revenue growth rate			
1% increase	<u>\$ 25,400</u>	<u>\$ 26,200</u>	<u>\$ 29,200</u>
1% decrease	<u>\$ (24,400)</u>	<u>\$ (25,200)</u>	<u>\$ (24,200)</u>
WACC			
0.5% increase	<u>\$ (18,600)</u>	<u>\$ (22,000)</u>	<u>\$ (20,200)</u>
0.5% decrease	<u>\$ 21,200</u>	<u>\$ 25,400</u>	<u>\$ 23,200</u>

The fair value of domestic unlisted equity in Synergy securities was determined using the market approach. The judgment is based on the evaluation of companies of the same type and the operating conditions of the invested companies.

c. Categories of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
Measured at amortized cost (Note 1)	\$ 3,127,127	\$ 4,560,774	\$ 3,168,603
FVTOCI	266,520	277,120	267,310
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	8,543,721	11,201,341	10,613,814

Note 1: The balances include cash and cash equivalents, accounts receivable, accounts receivable from related parties, part of other receivables, refundable deposits and financial assets measured at amortized cost.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, accounts payable, accounts payable to related parties, construction costs payable, other payables, current portion of long-term borrowings, guarantee deposits received, bonds payable and long-term borrowings. However, short-term employee benefits payable and payables for business tax are not included.

d. Financial risk management objectives and policies

The Group's financial risk management objectives are to manage the market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk with respect to the Group's operations. To lower the financial risks, the Group seeks to identify, evaluate, and avoid market uncertainty, to minimize the potential unfavorable impact on the Group due to market volatility.

The Group's important financial activities are reviewed by the board of directors in accordance with related regulations and internal control systems. The Group shall follow the overall guidelines for financial risk management and segregation of duties with respect to financial operating procedures.

1) Market risk

a) Foreign currency risk

Refer to Note 39 for the carrying amounts of the Group's significant monetary assets and monetary liabilities denominated in non-functional foreign currencies (including those eliminated in the consolidated financial statements).

Sensitivity analysis

The Group is mainly exposed to the U.S. dollar and the Euro.

The following table details the Group's sensitivity to a 1% increase and decrease in its functional currency against the relevant foreign currencies. A positive number below indicates a decrease in profit before income tax associated with the New Taiwan dollar strengthening 1% against the relevant foreign currency. For a 1% weakening of the New Taiwan dollar, there would be an equal and opposite impact on profit before income tax, and the balances below would be negative.

	For the Nine Months Ended September 30	
	2023	2022
Profit or loss		
USD	\$ 692	\$ 1,614
EUR	1,913	3,373

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting periods were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
Financial assets	\$ 1,083,364	\$ 636,923	\$ 240,933
Financial liabilities	3,998,601	3,974,857	3,982,561
Cash flow interest rate risk			
Financial assets	1,667,681	3,169,167	2,420,613
Financial liabilities	1,876,190	4,141,424	4,086,673

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of liabilities outstanding at the end of the reporting period was outstanding for the reporting period. A 1% increase or decrease in interest rates was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% increase/decrease and all other variables were held constant, the Group's profit before income tax for the nine months ended September 30, 2023 and 2022 would have decreased by \$1,564 thousand and \$12,495 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes, the Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the period.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the nine months ended September 30, 2023 and 2022 would have increased/decreased by \$2,665 thousand and \$2,673 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk represents the potential loss that would be incurred by the Group if the counterparties or third parties breached the contracts. Financial instruments with positive fair values at the balance sheet date are evaluated for credit risk. The Group only transacts with financial institutions and companies with good credit ratings; thus, no material credit risk is anticipated.

3) Liquidity risk

The Group manages liquidity risk by maintaining adequate cash in banks and banking facilities, and continuously monitoring forecast and actual cash flows as well as matching the maturity profiles of financial assets and liabilities. As of September 30, 2023, December 31, 2022 and September 30, 2022, the available unutilized bank loan facilities were \$11,489,271 thousand, \$7,770,620 thousand and \$8,708,126 thousand, respectively.

The following tables detail the Group's remaining contractual maturities of its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

September 30, 2023

	Within One Year	2 to 3 Years	4 to 5 Years	5+ Years	Total
Short-term borrowings	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
Short-term bills payable	1,000,000	-	-	-	1,000,000
Non-interest bearing liabilities	3,169,429	-	-	-	3,169,429
Lease liabilities	75,330	78,106	51,641	400,633	605,710
Long-term borrowings	167,393	817,671	195,263	655,863	1,836,190
Bonds payable	<u>20,250</u>	<u>1,924,399</u>	<u>12,000</u>	<u>611,221</u>	<u>2,567,870</u>
	<u>\$ 4,472,402</u>	<u>\$ 2,820,176</u>	<u>\$ 258,904</u>	<u>\$ 1,667,717</u>	<u>\$ 9,219,199</u>

December 31, 2022

	Within One Year	2 to 3 Years	4 to 5 Years	5+ Years	Total
Short-term borrowings	\$ 67,000	\$ -	\$ -	\$ -	\$ 67,000
Short-term bills payable	1,000,000	-	-	-	1,000,000
Non-interest bearing liabilities	3,542,803	3,910	16,044	-	3,562,757
Lease liabilities	62,104	92,407	47,243	371,375	573,129
Long-term borrowings	947,393	1,993,484	398,179	735,368	4,074,424
Bonds payable	<u>20,250</u>	<u>1,935,086</u>	<u>12,000</u>	<u>615,721</u>	<u>2,583,057</u>
	<u>\$ 5,639,550</u>	<u>\$ 4,024,887</u>	<u>\$ 473,466</u>	<u>\$ 1,722,464</u>	<u>\$ 11,860,367</u>

September 30, 2022

	Within One Year	2 to 3 Years	4 to 5 Years	5+ Years	Total
Short-term borrowings	\$ 57,000	\$ -	\$ -	\$ -	\$ 57,000
Short-term bills payable	1,000,000	-	-	-	1,000,000
Non-interest bearing liabilities	3,023,859	3,679	3,043	-	3,030,581
Lease liabilities	57,405	97,935	49,229	378,660	583,229
Long-term borrowings	162,558	2,668,866	492,393	705,856	4,029,673
Bonds payable	<u>20,250</u>	<u>1,938,649</u>	<u>12,000</u>	<u>617,221</u>	<u>2,588,120</u>
	<u>\$ 4,321,072</u>	<u>\$ 4,709,129</u>	<u>\$ 556,665</u>	<u>\$ 1,701,737</u>	<u>\$ 11,288,603</u>

36. RELATED PARTY TRANSACTIONS

Besides as disclosed elsewhere in the other notes, details of significant transactions between the Group and its related parties were disclosed below:

a. Related parties and relationships

Related Party	Relationship with the Group
TPC	Investor with significant influence over the Group
TYC	Associate
Sun Ba	Associate
SEPC	Associate
KKPC	Associate
SBPC	Associate

b. Operating transactions

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Sales	Investors with significant influence over the Group				
	TPC	\$ 174,566	\$ 286,271	\$ 493,282	\$ 461,660
Construction service revenue	Investors with significant influence over the Group				
	TPC	\$ 76,127	\$ 12,040	\$ 190,346	\$ 26,273
	Associates				
	Sun Ba	108,472	52,329	248,627	295,245
	Others	964	4,332	1,250	4,663
		<u>109,436</u>	<u>56,661</u>	<u>249,877</u>	<u>299,908</u>
		<u>\$ 185,563</u>	<u>\$ 68,701</u>	<u>\$ 440,223</u>	<u>\$ 326,181</u>
Operations, maintenance and consulting services revenue	Investors with significant influence over the Group				
	TPC	\$ 58,800	\$ 32,435	\$ 139,245	\$ 97,565
	Associates				
	SEPC	2,101	1,969	6,064	6,451
	SBPC	1,213	1,515	3,975	4,757
	Sun Ba	1,148	1,402	3,430	5,515
		<u>4,462</u>	<u>4,886</u>	<u>13,469</u>	<u>16,723</u>
		<u>\$ 63,262</u>	<u>\$ 37,321</u>	<u>\$ 152,714</u>	<u>\$ 114,288</u>
Cost of sales	Investors with significant influence over the Group				
	TPC	\$ 5,027	\$ 19,538	\$ 35,438	\$ 51,821
	Associates				
	Others	44	46	95	108
		<u>\$ 5,071</u>	<u>\$ 19,584</u>	<u>\$ 35,533</u>	<u>\$ 51,929</u>
Operations, maintenance and consulting services cost	Investors with significant influence over the Group				
	TPC	\$ 2	\$ 10	\$ 7	\$ 10
Operating expenses	Investors with significant influence over the Group				
	TPC	\$ 33	\$ 17	\$ 33	\$ 67

The above transactions with related parties were negotiated based on each contract.

c. Non-operating transactions

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Other income	Investors with significant influence over the Group TPC	\$ -	\$ -	\$ 6	\$ -
	Associates				
	TYC	620	1,300	4,153	2,418
	KKPC	342	305	1,706	1,700
	Sun Ba	719	240	1,535	1,097
	SBPC	319	269	1,299	917
	SEPC	344	301	1,097	972
		<u>2,344</u>	<u>2,415</u>	<u>9,790</u>	<u>7,104</u>
		<u>\$ 2,344</u>	<u>\$ 2,415</u>	<u>\$ 9,796</u>	<u>\$ 7,104</u>

The above transactions with related parties were negotiated based on each contract.

d. Receivables from related parties

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Accounts receivable from related parties	Investors with significant influence over the Group TPC	\$ 74,451	\$ 143,220	\$ 252,066
	Associates			
	Sun Ba	1,243	2,385	1,532
	Others	1,657	5,607	3,574
		<u>2,900</u>	<u>7,992</u>	<u>5,106</u>
		<u>\$ 77,351</u>	<u>\$ 151,212</u>	<u>\$ 257,172</u>
Other receivables	Associates			
	TYC	\$ 205	\$ 1,885	\$ 211
	Others	63	63	-
		<u>\$ 268</u>	<u>\$ 1,948</u>	<u>\$ 211</u>

The outstanding receivables from related parties were unsecured. For the nine months ended September 30, 2023 and 2022, no impairment loss was recognized on receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Accounts payable to related parties	Investors with significant influence over the Group			
	TPC	\$ 1,627	\$ 2,045	\$ 8,122
	Associates			
	Others	<u>-</u>	<u>-</u>	<u>107</u>
		<u>\$ 1,627</u>	<u>\$ 2,045</u>	<u>\$ 8,229</u>
Other payables	Investors with significant influence over the Group			
	TPC	\$ 340	\$ 1,196	\$ 665
	Associates			
	Others	<u>-</u>	<u>31</u>	<u>31</u>
		<u>\$ 340</u>	<u>\$ 1,227</u>	<u>\$ 696</u>

The outstanding payables to related parties were unsecured.

f. Contract assets

Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Investors with significant influence over the Group			
TPC	<u>\$ 841,015</u>	<u>\$ 608,374</u>	<u>\$ 921,936</u>
Associates			
Sun Ba	145,314	277,286	264,827
Others	<u>-</u>	<u>4,500</u>	<u>4,663</u>
	<u>145,314</u>	<u>281,786</u>	<u>269,490</u>
	<u>\$ 986,329</u>	<u>\$ 890,160</u>	<u>\$ 1,191,426</u>

g. Contract liabilities

Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Investors with significant influence over the Group			
TPC	<u>\$ -</u>	<u>\$ 64</u>	<u>\$ 28,915</u>

h. Lease agreement

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Lease liabilities - current	Investors with significant influence over the Group TPC	\$ 344	\$ 388	\$ 387
Lease liabilities - non-current	Investors with significant influence over the Group TPC	\$ 7,368	\$ 7,733	\$ 7,712

i. Sublease arrangements

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Finance lease receivables - current	Associates Sun Ba SBPC SEPC	\$ 4,616 2,939 2,547	\$ 4,582 2,918 2,528	\$ 4,571 2,911 2,522
		\$ 10,102	\$ 10,028	\$ 10,004
Finance lease receivables - non-current	Associates Sun Ba SBPC SEPC	\$ 1,560 994 862	\$ 5,026 3,201 2,774	\$ 6,176 3,933 3,409
		\$ 3,416	\$ 11,001	\$ 13,518

For the nine months ended September 30, 2023 and 2022, no impairment loss was recognized for finance lease receivables. Refer to Note 10 for information on sublease arrangements.

j. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 9,985	\$ 7,011	\$ 37,465	\$ 28,044
Post-employment benefits	260	616	921	1,485
Share-based payments	-	-	14,128	-
	\$ 10,245	\$ 7,627	\$ 52,514	\$ 29,529

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

37. ASSETS PLEDGED OR MORTGAGED AS COLLATERAL

The following assets have been pledged or mortgaged as collateral for borrowings, contract performance and establishment of a branch office:

	September 30, 2023	December 31, 2022	September 30, 2022
Machinery and equipment, net	\$ 1,488,578	\$ 1,552,920	\$ 1,574,159
Service concession arrangement - operating assets	280,000	280,000	-
Land	50,135	50,135	50,135
Demand deposits (recognized as financial assets at amortized cost)	18,320	23,607	16,636
Time deposits (recognized as financial assets at amortized cost)	10,497	10,497	10,497
Government bonds (recognized as financial assets at amortized cost)	<u>342</u>	<u>341</u>	<u>336</u>
	<u>\$ 1,847,872</u>	<u>\$ 1,917,500</u>	<u>\$ 1,651,763</u>

38. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group as of September 30, 2023 were as follows:

- a. The commitments for construction projects that have not been performed amounted to approximately \$12,547,846 thousand.
- b. Commitments for construction expenditure and purchase of equipment were approximately \$12,319,270 thousand.
- c. Under a Coal Purchase Agreement, the Group shall purchase 56 thousand tons of coal based on an agreed price.
- d. TPC concluded that IPPs violated the Fair Trade Act with concerted action and caused a loss to TPC.

In September 2015, TPC filed administrative proceedings in the Taipei High Administrative Court and filed a civil action in the Taipei District Court to claim compensation for the loss. As of September 30, 2023, the closing administrative proceedings and civil action in progress were as follows:

- 1) TPC filed administrative proceedings in the Taipei High Administrative Court to claim compensation in the amounts of \$4,400 million, \$2,500 million, \$200 million, and \$2,400 million against Sun Ba, SEPC, SBPC, and KKPC, respectively. Subsequently, TPC filed an expanded appeal to claim additional compensation against these companies. The total claim for compensation against Sun Ba, SEPC, SBPC and KKPC was \$8,660 million, \$4,990 million, \$623 million and \$4,890 million, respectively. Afterwards, TPC filed an amended appeal against SBPC on February 14, 2020, with the total claim for compensation against SBPC reduced to \$380 thousand. The Taipei High Administrative Court considered these cases as private disputes and transferred these cases to Taipei District Court. TPC appealed the ruling to the Supreme Administrative Court. However, the Supreme Administrative Court ruled to dismiss TPC's appeal. These cases have been transferred to the Taipei District Court accordingly. On August 9 and September 5, 2018, the case between SEPC and FTC, and the case between KKPC and FTC, respectively, were postponed by the Taipei District Court until the administrative proceedings in the Taiwan High Administrative Court with respect to the alleged concerted action are concluded. However, TPC subsequently withdrew its complaints in June and August 2020. Thus, the cases were deemed actions never initiated.

- 2) TPC filed a civil action in the Taipei District Court to claim \$4,257 million, \$2,489 million, \$307 million, and \$2,490 million against Sun Ba, SEPC, SBPC, and KKPC, respectively. On February 8, 2018, the Taipei District Court ruled to dismiss TPC's civil action against SBPC. On March 5, 2018, TPC appealed this case to the Taiwan High Court. Afterwards, on June 14, 2018, the Taiwan High Court ruled to postpone this case until the administrative proceedings between SBPC and FTC in the Supreme Administrative Court with respect to the alleged concerted action are concluded. Thereafter, on August 1, 2019, in order to avoid repeating trials of the same facts of the same case that will result in a waste of judicial resources, the Taiwan High Court, within its power and authority, revoked its previous ruling that suspended the proceedings. TPC appealed the ruling to the Taiwan High Court. However, the Supreme Administrative Court ruled to dismiss TPC's appeal on December 11, 2019. After the trial, the Taiwan High Court ruled to reject TPC's appeal and the additional lawsuit on December 28, 2022. Because TPC had already filed an appeal on January 30, 2023, this case will be transferred to the Supreme Court for trial. On June 19, 2018, the Taipei District Court ruled to dismiss TPC's civil action against Sun Ba, SEPC and KKPC. On July 13, 2018, TPC appealed this case to the Taiwan High Court. After about three years of trial procedures in the Taiwan High Court (THC), THC ruled to dismiss TPC's appeal and additional claim on November 9, 2021. On December 13, 2021, TPC appealed this case to the Supreme Court, and this case had been transferred to the Supreme Court.

These companies have engaged attorneys for the above claims. Whether these companies are liable for the damages depends on the judgment by the court.

- e. YYC entered into an investment agreement "Yilan Chingshuei Geothermal Power Generation Build, Reconstruction, Operation, and Transfer ("BOT+ROT")" with the Yilan County Government in July 2017, which is effective for 20 years starting from the commencement date of commercial operations of the power generating unit of the operating company that YYC established, namely CGPC. However, two years prior to the expiry of the construction period, a request for a preferential contract may be made to the Yilan County Government, limited to 20 years once only. CGPC started the generation plant with TPC in February 2021, completed the construction of power generation plant and started trial operations in June 2021 and subsequently acquired the electricity enterprise license in October 2021, after which it started selling electricity to TPC. During the operational phase, CGPC shall pay for the annual operating rights before June 30 each year. The payment for the operating rights is calculated based on the capacity of the power generating units and the agreed proportion of annual sales of electricity. At the expiry of the contract, except for those that do not need to be transferred with the written consent of the Yilan County Government, CGPC shall transfer all existing operating assets and all power plant technologies, operations and maintenance related to the continued operations of the plant to the Yilan County Government or its designated third party.

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the functional currencies of the Group, and the exchange rates between the foreign currencies and the respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

September 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 3,360	32.27	<u>\$ 108,440</u>
EUR	6,068	33.91	<u>\$ 205,757</u>
Non-monetary items			
Investments accounted for using the equity method			
PHP	244,731	0.5667	<u>\$ 138,701</u>
<u>Foreign currency liabilities</u>			
Monetary items			
USD	1,217	32.27	<u>\$ 39,268</u>
EUR	427	33.91	<u>\$ 14,470</u>

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 3,234	30.71	<u>\$ 99,306</u>
EUR	13,958	32.72	<u>\$ 456,702</u>
Non-monetary items			
Investments accounted for using the equity method			
PHP	246,245	0.5472	<u>\$ 134,751</u>
<u>Foreign currency liabilities</u>			
Monetary items			
USD	3,015	30.71	<u>\$ 92,591</u>
EUR	373	32.72	<u>\$ 12,205</u>

September 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 8,009	31.75	<u>\$ 254,293</u>
EUR	11,164	31.26	<u>\$ 348,985</u>
Non-monetary items			
Investments accounted for using the equity method			
PHP	288,585	0.5390	<u>\$ 155,535</u>
<u>Foreign currency liabilities</u>			
Monetary items			
USD	2,925	31.75	<u>\$ 92,856</u>
EUR	373	31.26	<u>\$ 11,663</u>

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Three Months Ended September 30				
2023			2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
USD	31.68 (USD:NTD)	<u>\$ 2,923</u>	30.40 (USD:NTD)	<u>\$ 6,103</u>
EUR	34.49 (EUR:NTD)	<u>\$ 625</u>	30.62 (EUR:NTD)	<u>\$ 795</u>
For the Nine Months Ended September 30				
2023			2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	30.93 (USD:NTD)	<u>\$ 3,604</u>	29.29 (USD:NTD)	<u>\$ 11,764</u>
EUR	33.52 (EUR:NTD)	<u>\$ 14,005</u>	31.15 (EUR:NTD)	<u>\$ (2,674)</u>

40. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital (None)

- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 4)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
 - 9) Trading in derivative instruments (None)
 - 10) Intercompany relationships and significant intercompany transactions (Table 7)
- b. Information on investees (Table 6)
- c. Information on investments in mainland China:
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (None)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

41. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

- Guantian cogeneration plant (GCP)
- Segment of construction and consulting services (CC)

a. Segment revenue and results

The analysis of the Group's revenue and results from continuing operations by reportable segment was as follows:

	For the Nine Months Ended September 30, 2023		
	GCP	CC	Total
Revenue from customers	<u>\$ 693,555</u>	<u>\$ 3,241,693</u>	<u>\$ 3,935,248</u>
Segment (loss) profit	<u>\$ (25,751)</u>	<u>\$ 235,193</u>	\$ 209,442
Unallocated operating expenses			(251,693)
Interest income			15,808
Interest expense			(64,382)
Share of profit of associates accounted for using the equity method			1,166,699
Other non-operating income and expenses			<u>35,739</u>
Profit before income tax			<u>\$ 1,111,613</u>
Depreciation expense	<u>\$ 20,139</u>	<u>\$ 195,261</u>	
Amortization expense	<u>\$ 114</u>	<u>\$ 26,998</u>	
	For the Nine Months Ended September 30, 2022		
	GCP	CC	Total
Revenue from customers	<u>\$ 605,511</u>	<u>\$ 2,000,352</u>	<u>\$ 2,605,863</u>
Segment (loss) profit	<u>\$ (115,260)</u>	<u>\$ 268,700</u>	\$ 153,440
Unallocated operating expenses			(119,470)
Interest income			1,314
Interest expense			(46,988)
Share of profit of associates accounted for using the equity method			336,038
Other non-operating income and expenses			<u>34,400</u>
Profit before income tax			<u>\$ 358,734</u>
Depreciation expense	<u>\$ 19,350</u>	<u>\$ 175,174</u>	
Amortization expense	<u>\$ 118</u>	<u>\$ 26,993</u>	

Segment revenue reported above represented the revenue generated from external customers. Segment profit (loss) represented the profit before income tax earned by each segment without allocation of part of operating expenses, share of profit or loss of associates accounted for using the equity method, part of interest income, part of interest expense, and part of other non-operating income and expenses. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment assets and liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Segment assets</u>			
GCP	\$ 480,404	\$ 498,469	\$ 433,290
CC	<u>7,703,916</u>	<u>7,111,008</u>	<u>6,745,344</u>
Total segment assets	8,184,320	7,609,477	7,178,634
Unallocated assets			
Investments accounted for using the equity method	13,843,889	13,004,719	12,556,172
Others	<u>3,454,177</u>	<u>4,362,204</u>	<u>3,489,767</u>
Consolidated total assets	<u>\$ 25,482,386</u>	<u>\$ 24,976,400</u>	<u>\$ 23,224,573</u>
<u>Segment liabilities</u>			
GCP	\$ 84,480	\$ 1,695	\$ 133,181
CC	<u>6,084,735</u>	<u>6,640,432</u>	<u>5,916,394</u>
Total segment liabilities	6,169,215	6,642,127	6,049,575
Unallocated liabilities	<u>3,878,150</u>	<u>6,484,033</u>	<u>5,942,498</u>
Consolidated total liabilities	<u>\$ 10,047,365</u>	<u>\$ 13,126,160</u>	<u>\$ 11,992,073</u>

TABLE 1

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Note 3)	Actual Amount Borrowed (Note 9)	Interest Rate (%)	Nature of Financing (Note 4)	Business Transaction Amount (Note 5)	Reasons for Short-term Financing (Note 6)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 8)	Aggregate Financing Limit (Note 7)	Note
													Item	Value			
1	SEC	SSC	Other receivables from related parties	Y	\$ 20,000	\$ -	\$ -	-	The need for short-term financing	\$ -	Retirement of loans, operating capital	\$ -	-	\$ -	\$ 369,618	\$ 739,237	

Note 1: The Corporation and its investees are numbered as follows:

a.

“0” for the Corporation.

b.

Investees are numbered from “1”.

Note 2: The receivables from associates, receivables from related parties, shareholders’ accounts, prepayments, temporary payments, and others as stated shall be filled in if they are classified as financing.

Note 3: Maximum balance of financing provided to others for the period.

Note 4: It is necessary to specify if the nature of financing is for business transactions or short-term financing.

Note 5: If the nature of financing is for business transactions, the amount of business transactions should be specified. The amount of business transactions shall be the total amount of business conducted between the lender and the borrower in the most recent year.

Note 6: If the funds were necessary for short-term financing, the reasons, the beneficiary of financing and the use of the fund, such as retirement of loans, procurement of equipment and operating capital, should be specified.

Note 7: Limit on the total amount of financing provided by SEC and subsidiaries to entities was \$739,237 thousand, which was calculated at 40% of SEC’s net worth in the current financial statements (\$1,848,092 thousand (net worth as of September 30, 2023) × 40%).

Note 8: The financing limit for each borrower was \$369,618 thousand, which was calculated at 20% of SEC’s net worth in the current financial statements (\$1,848,092 thousand (net worth as of September 30, 2023) × 20%).

Note 9: Should a public company comply with Article 14-1 of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” to submit financing reports to the Board of Directors for approval one by one, even though the financing funds have not yet been allocated, the financing amount approved by the Board of Directors should still be included in the balance announcement for exposing risks. When the funds are subsequently repaid, the balance after repayment shall be disclosed to reflect the adjustment of risk. In accordance with Article 14-2 of the Regulations, a public company may authorize the chairman of the board of directors to approve financing funds in a certain amount and allocated them in installments or revolving within a one-year period, but the financing funds approved by the board of directors should still be used as the declared balance. Although the funds will be repaid thereafter, in consideration that the loan may be allocated again, the financing funds approved by the board of directors should be used as the announced balance.

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)

No (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Provided to Each Guaranteed Party	Maximum Balance for the Period (Note 5)	Ending Balance (Note 5)	Amount Actually Drawn (Note 6)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Maximum Amount Endorsed/ Guaranteed	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 7)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 7)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 7)
		Name	Relationship (Note 2)										
0	The Corporation	CGPC	b	\$ 3,819,679 (Note 3)	\$ 204,000	\$ 204,000	\$ 162,563	\$ -	1.34%	\$ 6,111,487 (Note 4)	Y	N	N

Note 1: The Corporation and its investees are numbered as follows:

- a. “0” for the Corporation.
- b. Investees are numbered from “1”

Note 2: There are seven types of relationships between the endorser/guarantor and the endorsee/guarantee that should be disclosed as one of the following:

- a. Companies that have business dealings with each other.
- b. A company in which the Corporation directly and indirectly holds more than 50% of the voting shares.
- c. A company that directly and indirectly holds more than 50% of the voting shares in the Corporation.
- d. Between companies in which the Corporation directly and indirectly holds more than 90% of the voting shares.
- e. The Corporation fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for the purposes of undertaking a construction project.
- f. All capital-contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- g. Companies in the same industry provide among themselves joint and several securities as a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act.

Note 3: The limit on the endorsement/guarantee provided by the Corporation to each subsidiary was \$3,819,679 thousand, which was calculated at 25% of the Corporation’s net worth in the current financial statements (\$15,278,717 thousand (net worth as of September 30, 2023) × 25%).

Note 4: The limit on the total amount of endorsement/guarantee provided by the Corporation and subsidiaries to entities was \$6,111,487 thousand, which was calculated at 40% of the Corporation’s net worth in the current financial statements (\$15,278,717 thousand (net worth as of September 30, 2023) × 40%)

Note 5: The maximum balance for the period, ending balance and amount of endorsement/guarantee collateralized by properties represent the amounts of facilities, not the amounts actually drawn.

Note 6: Actual amount drawn by the endorsee/guarantee within the maximum balance of the guarantee.

Note 7: It is a guarantor of the listed parent company to the endorsement of the subsidiary; the subsidiary company’s endorsement of the listed parent company and the endorsement of the mainland area must be filled with Y.

TABLE 3

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
The Corporation	<u>Stock</u> KADC	N/A	Financial assets at fair value through other comprehensive income	\$ 20,000	\$ 244,200	8.00	\$ 244,200	
	Synergy	N/A	"	1,911	22,320	19.11	22,320	

TABLE 4

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)**

Acquiring Company	Title of Property	Transaction Date or Occurrence Date	Transaction Amount	Payment	Counterparty	Relationship	Where the Counterparty Is A Related Party, the Previous Transfer Information				Pricing Reference and Basis	Purpose of Acquisition and Use	Other Agreements
							Owner	Relationship with Issuer	Date of Transfer	Amount			
SEC	Solar Photovoltaic System and ancillary equipment	2022.03.16	\$ 2,220,000 (Note)	Based on the terms in the purchase order	Osprey Energy Co., Ltd., etc. (Note)	-	N/A	N/A	N/A	\$ -	Price comparison and price negotiation	Equipment for business use	-

Note: The disclosures are expected information approved by the board of directors. The actual information shall be subject to the final purchase order of SEC.

TABLE 5

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Transaction with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total (Note 4)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 4)	
The Corporation	TPC	Investor with significant influence	Sales (Note 1)	\$ 330,956	20.06	Receivables are collected within 30 days after billing dates under agreements	\$ -	-	\$ 46,707	39.06	
SEC	TPC	Investor with significant influence of the parent company	Sales (Note 2)	393,011	15.05	Receivables are collected within 30 days after billing dates under agreements	-	-	12,824	8.98	
	The Corporation	Parent company	Sales (Note 3)	688,125	26.36	Receivables are collected within 30 days after billing dates under agreements	-	-	673 (Note 5)	0.47	
	Sun Ba	Investee of the Corporation accounted for using the equity method	Sales (Note 3)	248,722	9.53	Receivables are collected within 30 days after billing dates under agreements	-	-	-	-	
MWC	TGE	Fellow subsidiary	Sales (Note 1)	193,694	100.00	Receivables are collected within 30 days after billing dates under agreements	-	-	39,951 (Note 5)	100.00	

Note 1: Sales of electricity.

Note 2: Sales of electricity and revenues from construction and operating, maintenance and consulting services.

Note 3: Revenues from construction and operating, maintenance and consulting services.

Note 4: The amount is shown as a ratio of the financial statements of each entity.

Note 5: The amount was eliminated upon consolidation.

TABLE 6

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2023			Net Profit (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2023	December 31, 2022	Number of Shares (In Thousands)	%	Carrying Amount			
The Corporation	SEC	Taipei City	Undertaking and installing of power engineering projects	\$ 1,550,020	\$ 1,550,020	142,709	100.00	\$ 1,848,017	\$ 181,003	\$ 129,828 (Note 2)	Subsidiary (Note 8)
	TCIC	British Virgin Islands	Investment in foreign countries and international trading	685,374	685,374	22,260	100.00	244,437	6,075	6,075	Subsidiary (Note 8)
	YYC	Yilan County	Investment in geothermal power plant	153,000	153,000	15,300	51.00	161,561	(1,076)	(549)	Subsidiary (Note 8)
	TGE	Taipei City	Investment in green power plant	95,000	175,000	10,500 (Note 5)	100.00	122,287	11,861	11,861	Subsidiary (Note 8)
	TYC	Taoyuan City	Cogeneration plants, management of operations, maintenance of equipment	214,240	214,240	35,834	29.31	612,003	230,078	67,438	Investee of the Corporation accounted for using the equity method
	Sun Ba	Tainan City	Power generation	3,073,500	3,073,500	430,000	43.00	6,415,763	1,266,846	544,744	Investee of the Corporation accounted for using the equity method
	KKPC	Taoyuan City	Power generation	1,775,426	1,775,426	114,730	35.00	1,922,356	573,351	185,183 (Note 1)	Investee of the Corporation accounted for using the equity method
	SEPC	Changhua County	Power generation	1,272,500	1,272,500	121,500	40.50	2,373,453	499,936	202,474	Investee of the Corporation accounted for using the equity method
	SBPC	Taipei City	Power generation	1,409,130	1,409,130	136,200	41.27	2,381,613	406,336	167,714	Investee of the Corporation accounted for using the equity method
	MWC	Taipei City	Power generation	673,608	673,608	51,400	100.00	878,326	30,743	22,145 (Note 3)	Subsidiary (Note 8)
	HML	Changhua County	Power generation	103,130	103,130	10,000	100.00	57,510	(10,341)	(10,561) (Note 4)	Subsidiary (Note 8)
SEC	SWC	Changhua County	Power generation	177,870	177,870	17,787	100.00	174,087	8,968	8,968	Sub-subsidiary (Note 8)
	SSC	Taipei City	Power generation	240,000	240,000	24,000	100.00	208,941	3,539	3,539	Sub-subsidiary (Note 8)
TCIC	Redondo Peninsula Energy, Inc.	Philippines	Power generation	573,165	573,165	8,446	25.00	138,701	(3,416)	(854)	Investee of the Corporation's subsidiary accounted for using the equity method
YYC	CGPC	Yilan County	Power generation	250,000	250,000	27,600 (Note 7)	100.00	278,877	(517)	(517)	Sub-subsidiary (Note 8)
TGE	SKE	Taipei City	Power generation	80,000	170,000	8,000 (Note 6)	100.00	86,720	4,019	4,019	Sub-subsidiary (Note 8)

Note 1: Recognized as share of profit of \$200,673 thousand and amortization of investment premium of \$15,490 thousand.

Note 2: Recognized as share of profit of \$181,003 thousand and unrealized gain on construction and operating, maintenance and consulting services of \$51,175 thousand.

Note 3: Recognized as share of profit of \$30,743 thousand and amortization of investment premium of \$8,598 thousand.

Note 4: Recognized as share of loss of \$(10,341) thousand and amortization of investment premium of \$220 thousand.

Note 5: Including capital reduction of 8,000 thousand shares.

Note 6: Including capital reduction of 9,000 thousand shares.

Note 7: Including capitalization of retained earnings of 1,920 thousand shares.

Note 8: The amount was eliminated upon consolidation.

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			% of Consolidated Operating Revenues or Total Assets (Note 3)
				Financial Statement Account	Amount (Note 4)	Payment Terms (Note 5)	
0	The Corporation	SEC	a	Operating, maintenance and consulting service revenue	\$ 9,731	According to general terms and conditions	-
		SEC	a	Accounts receivable from related parties	4,699	According to general terms and conditions	-
		TGE	a	Sales revenue	1,807	According to general terms and conditions	-
		TGE	a	Operating, maintenance and consulting service revenue	2,818	According to general terms and conditions	-
		TGE	a	Accounts receivable from related parties	2,160	According to general terms and conditions	-
		CGPC	a	Operating, maintenance and consulting service revenue	1,552	According to general terms and conditions	-
		CGPC	a	Accounts receivable from related parties	353	According to general terms and conditions	-
		MWC	a	Operating, maintenance and consulting service revenue	1,451	According to general terms and conditions	-
		MWC	a	Accounts receivable from related parties	150	According to general terms and conditions	-
1	SEC	The Corporation	b	Construction service revenue	686,475	According to general terms and conditions	17
		The Corporation	b	Operating, maintenance and consulting service revenue	1,650	According to general terms and conditions	-
		The Corporation	b	Contract assets	640,295	According to general terms and conditions	3
		The Corporation	b	Accounts receivable from related parties	673	According to general terms and conditions	-
		SWC	c	Accounts receivable from related parties	2,784	According to general terms and conditions	-
		SWC	c	Operating, maintenance and consulting service revenue	15,680	According to general terms and conditions	-
		SWC	c	Contract assets	11,999	According to general terms and conditions	-
		SSC	c	Operating, maintenance and consulting service revenue	13,833	According to general terms and conditions	-
		SSC	c	Accounts receivable from related parties	520	According to general terms and conditions	-
		SSC	c	Other receivables from related parties	3,676	According to general terms and conditions	-
		SSC	c	Contract assets	12,489	According to general terms and conditions	-
		SKE	c	Operating, maintenance and consulting service revenue	938	According to general terms and conditions	-
		SKE	c	Accounts receivable from related parties	416	According to general terms and conditions	-
		HML	c	Operating, maintenance and consulting service revenue	396	According to general terms and conditions	-
		HML	c	Accounts receivable from related parties	208	According to general terms and conditions	-
		CGPC	c	Accounts receivable from related parties	5,457	According to general terms and conditions	-
		CGPC	c	Contract assets	2,903	According to general terms and conditions	-
		MWC	c	Operating, maintenance and consulting service revenue	5,549	According to general terms and conditions	-
		MWC	c	Accounts receivable from related parties	2,652	According to general terms and conditions	-
2	MWC	TGE	c	Sales revenue	193,694	According to general terms and conditions	5
		TGE	c	Accounts receivable from related parties	39,951	According to general terms and conditions	-
3	SWC	TGE	c	Sales revenue	59,495	According to general terms and conditions	2
		TGE	c	Accounts receivable from related parties	8,134	According to general terms and conditions	-
4	SKE	TGE	c	Sales revenue	22,067	According to general terms and conditions	1
		TGE	c	Accounts receivable from related parties	5,511	According to general terms and conditions	-
5	SSC	SKE	c	Operating, maintenance and consulting service revenue	720	According to general terms and conditions	-
		SKE	c	Accounts receivable from related parties	416	According to general terms and conditions	-
		TGE	c	Sales revenue	28,934	According to general terms and conditions	1
		TGE	c	Accounts receivable from related parties	12,039	According to general terms and conditions	-

Note 1: Significant transactions between the Corporation and its subsidiaries or among subsidiaries are numbered as follows:

- “0” for the Corporation.
- The subsidiaries are numbered consecutively beginning from “1” in the order presented in the table above.

Note 2: Related party transactions are divided into three categories as follows:

- The Corporation to subsidiary.
- Subsidiary to the Corporation.
- Subsidiary to subsidiary.

Note 3: The percentage of consolidated operating revenues or consolidated total assets: for a balance sheet account, the percentage is calculated by dividing the ending balance of the account by consolidated total assets; for an income statement account, the percentage is calculated by dividing the accumulated amount in the current period of the account by the consolidated operating revenues.

Note 4: The amount was eliminated upon consolidation.

Note 5: The payment terms were negotiated based on each contract.

TABLE 8**TAIWAN COGENERATION CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Taiwan Power Company	200,918,361	27.51