

Taiwan Cogeneration Corporation and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2026 and 2025 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 June 30, 2026 and 2025, the related consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and the related notes to the consolidated financial statements, including material accounting policy information (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 June 30, 2026 and 2025, its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2026 and 2025 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 (TPC) filing of a civil lawsuit against the Group's subsidiaries, Sun Ba Power Corporation, Star Energy Power Corporation, Star Buck Power Corporation, and the Group's associate, 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 which TPC has allegedly suffered, refer to Note 41 (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

August 7, 2026

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	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 4,826,794	6	\$ 2,097,664	7	\$ 2,730,540	10
Financial assets at amortized cost (Notes 7, 8 and 40)	3,358,456	4	485,850	2	380,299	1
Financial assets for hedging (Notes 4 and 9)	18,324	-	-	-	-	-
Contract assets (Notes 5, 29 and 39)	2,566,110	3	2,385,344	8	2,795,023	10
Accounts receivable (Notes 10 and 29)	1,498,097	2	1,208,840	4	1,424,832	5
Accounts receivable from related parties (Notes 29 and 39)	12,006,569	15	462,425	1	417,048	2
Finance lease receivables (Notes 4, 11, 39 and 40)	3,530,530	4	9,177	-	9,170	-
Dividend receivable (Note 15)	406,258	1	-	-	1,108,931	4
Other receivables (Note 39)	153,027	-	68,688	-	91,647	-
Inventories (Note 12)	7,297	-	5,720	-	8,836	-
Prepaid construction costs	2,520	-	-	-	284,531	1
Prepaid value-added tax	611,345	1	57,961	-	63,773	-
Other current assets	190,377	-	42,624	-	50,466	-
Total current assets	29,175,704	36	6,824,293	22	9,365,096	33
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Notes 13 and 38)	271,477	1	268,677	1	268,557	1
Financial assets at amortized cost (Notes 7, 8 and 40)	256,269	-	6,604	-	6,604	-
Financial assets for hedging - non-current (Notes 4 and 9)	13,581	-	-	-	-	-
Investments accounted for using the equity method (Note 15)	6,197,965	8	18,095,875	59	13,599,823	48
Property, plant and equipment (Notes 16 and 40)	7,328,380	9	3,747,529	12	3,958,951	14
Right-of-use assets (Notes 17 and 40)	591,676	1	375,947	1	409,480	2
Goodwill (Note 18)	20,314	-	20,314	-	20,314	-
Intangible assets (Note 19)	265,063	-	265,851	1	280,553	1
Deferred income tax assets (Notes 4 and 31)	509,899	1	341,542	1	262,453	1
Prepayments for equipment	271,337	-	716,238	2	832	-
Refundable deposits	214,777	-	113,674	1	108,624	-
Long-term finance lease receivables (Notes 4, 11, 39 and 40)	34,223,655	42	772	-	5,428	-
Net defined benefit assets (Notes 4 and 26)	15,669	-	-	-	-	-
Other non-current assets (Note 20)	1,752,187	2	17,365	-	17,894	-
Total non-current assets	51,932,249	64	23,970,388	78	18,939,513	67
TOTAL	\$ 81,107,953	100	\$ 30,794,681	100	\$ 28,304,609	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 21)	\$ 250,000	-	\$ -	-	\$ 200,000	1
Short-term bills payable (Note 21)	399,378	1	-	-	-	-
Contract liabilities (Notes 5, 29 and 39)	63,837	-	76,673	-	4,514	-
Notes payable	18,697	-	-	-	-	-
Accounts payable	7,154,362	9	89,065	-	103,529	-
Construction costs payable	2,765,745	3	3,767,654	12	4,636,423	16
Accounts payable to related parties (Note 39)	18,911	-	6,546	-	5,721	-
Dividends payable (Notes 14 and 28)	2,553,540	3	-	-	1,533,592	6
Other payables (Notes 23 and 39)	1,435,817	2	396,531	1	474,545	2
Current income tax liabilities (Note 4)	581,279	1	154,464	1	107,816	-
Provisions (Note 25)	1,106,807	1	1,068,389	4	655,370	2
Lease liabilities (Notes 17 and 39)	49,808	-	50,825	-	56,199	-
Current portion of bonds payable (Note 22)	-	-	-	-	1,899,933	7
Current portion of long-term borrowings (Notes 21 and 40)	3,636,451	5	227,723	1	412,303	2
Other current liabilities	36,113	-	9,442	-	35,377	-
Total current liabilities	20,070,745	25	5,847,312	19	10,125,322	36
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 21 and 40)	22,099,028	27	7,669,686	25	1,634,898	6
Contract liabilities (Note 29)	179,442	-	162,597	1	149,297	1
Lease liabilities (Notes 17 and 39)	554,681	1	403,707	1	431,966	2
Bonds payable (Note 22)	6,098,100	8	599,589	2	599,546	2
Provisions (Note 25)	15,388	-	18,830	-	18,629	-
Deferred income tax liabilities (Notes 4 and 31)	1,158,368	1	52,867	-	56,230	-
Net defined benefit liabilities (Notes 4 and 26)	134,588	-	121,230	-	107,636	-
Guarantee deposits received	149,797	-	131,041	1	113,744	-
Other liabilities (Note 24)	11,164	-	12,799	-	12,740	-
Total non-current liabilities	30,400,556	37	9,172,346	30	3,124,686	11
Total liabilities	50,471,301	62	15,019,658	49	13,250,008	47
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 28)						
Share capital						
Ordinary shares	8,302,820	10	7,302,820	24	7,302,820	26
Capital surplus	5,175,883	7	2,785,428	9	2,621,919	9
Retained earnings						
Legal reserve	2,340,644	3	2,127,679	7	2,127,679	8
Special reserve	1,469,045	2	1,806,380	6	1,806,380	6
Unappropriated earnings	2,626,909	3	1,800,532	5	1,248,667	4
Total retained earnings	6,436,598	8	5,734,591	18	5,182,726	18
Other equity	(39,739)	-	(47,816)	-	(52,864)	-
Total equity attributable to owners of the Corporation	19,875,562	25	15,775,023	51	15,054,601	53
NON-CONTROLLING INTERESTS (Notes 14 and 28)	10,761,090	13	-	-	-	-
Total equity	30,636,652	38	15,775,023	51	15,054,601	53
TOTAL	\$ 81,107,953	100	\$ 30,794,681	100	\$ 28,304,609	100

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

(With Deloitte & Touche review report dated August 7, 2026)

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 June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 5, 29 and 39)								
Sales	\$ 20,352,202	98	\$ 416,529	18	\$ 32,775,500	95	\$ 837,210	20
Construction services	329,604	2	1,784,986	78	1,480,250	4	3,246,140	76
Operations, maintenance and consulting services	<u>100,961</u>	<u>-</u>	<u>78,955</u>	<u>4</u>	<u>232,495</u>	<u>1</u>	<u>160,985</u>	<u>4</u>
Total operating revenues	<u>20,782,767</u>	<u>100</u>	<u>2,280,470</u>	<u>100</u>	<u>34,488,245</u>	<u>100</u>	<u>4,244,335</u>	<u>100</u>
OPERATING COSTS (Notes 5, 26, 30 and 39)								
Cost of sales	18,487,257	89	321,853	14	29,843,676	86	629,853	15
Construction services	326,905	2	1,408,310	62	1,379,568	4	2,788,019	66
Operations, maintenance and consulting services	<u>76,455</u>	<u>-</u>	<u>71,531</u>	<u>3</u>	<u>205,109</u>	<u>1</u>	<u>142,899</u>	<u>3</u>
Total operating costs	<u>18,890,617</u>	<u>91</u>	<u>1,801,694</u>	<u>79</u>	<u>31,428,353</u>	<u>91</u>	<u>3,560,771</u>	<u>84</u>
GROSS PROFIT	1,892,150	9	478,776	21	3,059,892	9	683,564	16
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES (Note 15)	<u>87</u>	<u>-</u>	<u>8,062</u>	<u>-</u>	<u>314,866</u>	<u>1</u>	<u>16,123</u>	<u>1</u>
REALIZED GROSS PROFIT	1,892,237	9	486,838	21	3,374,758	10	699,687	17
OPERATING EXPENSES (Notes 26, 30 and 39)	<u>229,976</u>	<u>1</u>	<u>136,729</u>	<u>6</u>	<u>554,048</u>	<u>2</u>	<u>240,420</u>	<u>6</u>
PROFIT FROM OPERATIONS	<u>1,662,261</u>	<u>8</u>	<u>350,109</u>	<u>15</u>	<u>2,820,710</u>	<u>8</u>	<u>459,267</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	37,275	-	9,389	-	63,808	-	12,877	-
Gain from bargain purchase (Notes 4 and 33)	-	-	-	-	259,039	1	-	-
Other income (Note 39)	12,159	-	14,015	1	16,058	-	18,272	-
Other gains and losses (Notes 15 and 30)	49,263	-	(27,344)	(1)	687,421	2	(6,203)	-
Finance costs (Notes 30 and 39)	(194,562)	(1)	(20,677)	(1)	(398,150)	(1)	(41,994)	(1)
Share of profit of associates accounted for using the equity method (Note 15)	<u>148,357</u>	<u>1</u>	<u>616,293</u>	<u>27</u>	<u>266,086</u>	<u>1</u>	<u>879,699</u>	<u>21</u>
Total non-operating income and expenses	<u>52,492</u>	<u>-</u>	<u>591,676</u>	<u>26</u>	<u>894,262</u>	<u>3</u>	<u>862,651</u>	<u>20</u>
PROFIT BEFORE INCOME TAX	1,714,753	8	941,785	41	3,714,972	11	1,321,918	31
INCOME TAX EXPENSE (Notes 4 and 31)	<u>(323,415)</u>	<u>(1)</u>	<u>(70,793)</u>	<u>(3)</u>	<u>(538,697)</u>	<u>(2)</u>	<u>(96,977)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>1,391,338</u>	<u>7</u>	<u>870,992</u>	<u>38</u>	<u>3,176,275</u>	<u>9</u>	<u>1,224,941</u>	<u>29</u>

(Continued)

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 June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income (Note 38)	\$ (800)	-	\$ (3,600)	-	\$ 2,800	-	\$ -	-
Share of unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income of associates accounted for using the equity method	<u>8,180</u>	<u>-</u>	<u>(4,435)</u>	<u>-</u>	<u>16,373</u>	<u>-</u>	<u>(5,413)</u>	<u>-</u>
	<u>7,380</u>	<u>-</u>	<u>(8,035)</u>	<u>-</u>	<u>19,173</u>	<u>-</u>	<u>(5,413)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(948)	-	(8,458)	(1)	(2,030)	-	(6,566)	-
Loss on hedging instruments	(6,795)	-	-	-	(5,213)	-	-	-
Share of the other comprehensive loss of associate accounted for using the equity method (Note 15)	-	-	(4,889)	-	(6,465)	-	(8,573)	(1)
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 31)	<u>1,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,043</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(6,384)</u>	<u>-</u>	<u>(13,347)</u>	<u>(1)</u>	<u>(12,665)</u>	<u>-</u>	<u>(15,139)</u>	<u>(1)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>996</u>	<u>-</u>	<u>(21,382)</u>	<u>(1)</u>	<u>6,508</u>	<u>-</u>	<u>(20,552)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 1,392,334</u>	<u>7</u>	<u>\$ 849,610</u>	<u>37</u>	<u>\$ 3,182,783</u>	<u>9</u>	<u>\$ 1,204,389</u>	<u>28</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 918,114	5	\$ 870,992	38	\$ 2,461,987	7	\$ 1,224,941	29
Non-controlling interests	<u>473,224</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>714,288</u>	<u>2</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,391,338</u>	<u>7</u>	<u>\$ 870,992</u>	<u>38</u>	<u>\$ 3,176,275</u>	<u>9</u>	<u>\$ 1,224,941</u>	<u>29</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 921,149	5	\$ 849,610	37	\$ 2,470,064	7	\$ 1,204,389	28
Non-controlling interests	<u>471,185</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>712,719</u>	<u>2</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,392,334</u>	<u>7</u>	<u>\$ 849,610</u>	<u>37</u>	<u>\$ 3,182,783</u>	<u>9</u>	<u>\$ 1,204,389</u>	<u>28</u>

(Continued)

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 June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(Note 32)								
Basic	\$ 1.18		\$ 1.19		\$ 3.27		\$ 1.68	
Diluted	\$ 1.18		\$ 1.19		\$ 3.27		\$ 1.67	

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

(With Deloitte & Touche review report dated August 7, 2026)

(Concluded)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	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 ON JANUARY 1, 2025	\$ 7,302,820	\$ 2,621,919	\$ 1,954,986	\$ 2,148,332	\$ 1,388,059	\$ (66,159)	\$ 22,618	\$ 11,229	\$ -	\$ 15,383,804
Appropriation of 2024 earnings										
Legal reserve	-	-	172,693	-	(172,693)	-	-	-	-	-
Special reserve	-	-	-	18,182	(18,182)	-	-	-	-	-
Reversal of special reserve	-	-	-	(360,134)	360,134	-	-	-	-	-
Cash dividends	-	-	-	-	(1,533,592)	-	-	-	-	(1,533,592)
	-	-	172,693	(341,952)	(1,364,333)	-	-	-	-	(1,533,592)
Net profit for the six months ended June 30, 2025	-	-	-	-	1,224,941	-	-	-	-	1,224,941
Other comprehensive loss for the six months ended June 30, 2025	-	-	-	-	-	(6,566)	(5,413)	(8,573)	-	(20,552)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	1,224,941	(6,566)	(5,413)	(8,573)	-	1,204,389
BALANCE ON JUNE 30, 2025	\$ 7,302,820	\$ 2,621,919	\$ 2,127,679	\$ 1,806,380	\$ 1,248,667	\$ (72,725)	\$ 17,205	\$ 2,656	\$ -	\$ 15,054,601
BALANCE ON JANUARY 1, 2026	\$ 7,302,820	\$ 2,785,428	\$ 2,127,679	\$ 1,806,380	\$ 1,800,532	\$ (70,398)	\$ 16,117	\$ 6,465	\$ -	\$ 15,775,023
Appropriation of 2025 earnings										
Legal reserve	-	-	212,965	-	(212,965)	-	-	-	-	-
Special reserve	-	-	-	15,504	(15,504)	-	-	-	-	-
Reversal of special reserve	-	-	-	(352,839)	352,839	-	-	-	-	-
Cash dividends	-	-	-	-	(1,759,980)	-	-	-	-	(1,759,980)
	-	-	212,965	(337,335)	(1,635,610)	-	-	-	-	(1,759,980)
Net profit for the six months ended June 30, 2026	-	-	-	-	2,461,987	-	-	-	714,288	3,176,275
Other comprehensive (loss) income for the six months ended June 30, 2026	-	-	-	-	-	(2,030)	19,173	(9,066)	(1,569)	6,508
Total comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	2,461,987	(2,030)	19,173	(9,066)	712,719	3,182,783
Issuance of ordinary shares for cash (Note 28)	1,000,000	2,272,810	-	-	-	-	-	-	-	3,272,810
Non-controlling interests arising from acquisition of subsidiaries (Note 33)	-	-	-	-	-	-	-	-	10,841,931	10,841,931
Compensation cost recognized from the issuance of ordinary shares for cash to employees (Note 34)	-	117,645	-	-	-	-	-	-	-	117,645
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(793,560)	(793,560)
BALANCE ON JUNE 30, 2026	\$ 8,302,820	\$ 5,175,883	\$ 2,340,644	\$ 1,469,045	\$ 2,626,909	\$ (72,428)	\$ 35,290	\$ (2,601)	\$ 10,761,090	\$ 30,636,652

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

(With Deloitte & Touche review report dated August 7, 2026)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,714,972	\$ 1,321,918
Adjustments for:		
Depreciation expense	438,453	213,600
Amortization expense	94,229	17,835
Finance costs	398,150	41,994
Interest income	(63,808)	(12,877)
Dividend income	(10,000)	(10,000)
Compensation cost of employee share options	117,645	-
Share of profit of associates accounted for using the equity method	(266,086)	(879,699)
Net loss on disposals of property, plant and equipment	229	-
Gain on disposal of investments	(630,163)	-
Gain on lease modification	(273)	(2)
Net unrealized gain on foreign currency exchange	(2,392)	(11,427)
Net realized gain on transactions with associates	(314,866)	(16,123)
Gain on bargain purchase	(259,039)	-
Changes in operating assets and liabilities		
Contract assets	(180,766)	1,342,119
Accounts receivable	(289,257)	(729,869)
Accounts receivable from related parties	(5,476,884)	(239,528)
Other receivables	(87,170)	(42,425)
Finance lease payments receivable	1,554,337	-
Inventories	(1,577)	(726)
Prepaid construction costs	(2,520)	(125,321)
Other current assets	136,204	9,345
Prepaid value-added tax	39,167	8,851
Contract liabilities	4,009	(225,578)
Notes payable	(19,150)	-
Accounts payable	2,106,598	(3,666)
Accounts payable to related parties	12,365	4,283
Other payables	(8,532)	66,772
Construction costs payable	(1,001,909)	251,710
Provisions	10,376	31,031
Other current liabilities	(6,904)	28,253
Net defined benefit liabilities	(4,135)	(1,476)
Net defined benefit asset	(2,711)	-
Other liabilities	3,026	(1,627)
Cash generated from operations	1,618	1,037,367
Interest received	69,226	11,555
Dividend received	-	320,940
Interest paid	(345,586)	(34,261)
Income tax paid	(646,234)	(53,704)
Net cash (used in) generated from operating activities	(920,976)	1,281,897

(Continued)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	\$ (718,365)	\$ -
Decrease in financial assets at amortized cost	-	109,763
Payments for property, plant and equipment (Note 35)	(325,710)	(133,960)
Increase in refundable deposits	(78,846)	(17,039)
Acquisition of intangible assets	(6,952)	(2,064)
Proceeds from business combinations (Note 33)	805,543	-
Decrease in finance lease receivables	-	4,723
Increase of other non-current assets	(6,826)	-
Increase in prepayments for equipment	<u>(83,288)</u>	<u>-</u>
Net cash used in investing activities	<u>(414,444)</u>	<u>(38,577)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	250,000	200,000
Increase in short-term bills payable	1,600,000	-
Decrease in short-term bills payable	(2,000,000)	(500,000)
Proceeds from long-term borrowings	6,309,116	-
Repayments of long-term borrowings	(5,341,483)	(61,986)
Increase in guarantee deposits received	9,834	24,347
Repayments of the principal portion of lease liabilities	(37,385)	(27,660)
Issuance of ordinary shares for cash	<u>3,272,810</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>4,062,892</u>	<u>(365,299)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,658</u>	<u>9,153</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,729,130	887,174
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,097,664</u>	<u>1,843,366</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,826,794</u>	<u>\$ 2,730,540</u>

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

(With Deloitte & Touche review report dated August 7, 2026)

(Concluded)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025 (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 Company (TPC) and several local companies on May 7, 1992. The Corporation’s shares were traded 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; 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 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on August 7, 2026.

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 “IFRS Accounting Standards”) endorsed and issued into effect by the FSC

Based on the assessment, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 1)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027
Amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”	January 1, 2027 (Note 2)

Note 1: IFRS 18 will take effect starting from January 1, 2028 for domestic entities. Earlier application is permitted.

Note 2: An entity shall apply the amendments when it applies IFRS 18.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments and
Amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and
Joint Ventures”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

At the date of initial application of IFRS 18, an entity that is a venture capital organization, mutual fund, unit trust or similar entity is permitted to change its election from measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that aforementioned “similar entity” includes the entity that performs the assessments in accordance with the requirements of IFRS 18 and concludes that it has a main business activity of investing in particular types of assets. If eligible, the Group may apply the transition upon initial application.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

The Group has decided not to apply IFRS 18 and consequential amendments earlier.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
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 20 “Regulatory Assets and Regulatory Liabilities”	January 1, 2029

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the impacts of the above amended 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 these interim consolidated financial statements is less than the disclosure information 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 an 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).

Income and expenses of subsidiaries acquired during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions, as appropriate.

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 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 14 and Table 4 for the detailed information on subsidiaries including 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, 2025.

1) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required had those interests been directly disposed of by the Group.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

2) Share-based payment arrangements

Equity - settled share-based payment agreement 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. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the employees are informed.

3) Hedge accounting

The Group designates certain hedging instruments, which include derivatives, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as fair value hedges.

a) Fair value hedges

Gains or losses on derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

b) Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

4) Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

The Group as lessor

The Group signed a Power Purchase Agreement, which is classified as a finance lease.

The Group, as the lessor, recognized amounts due from the lessee as finance lease receivables at the amount of the Group's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the lease.

5) 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.

6) 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.

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, estimations 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.

The Group considers the possible impact of the recent development of climate change and related government policies and regulations, inflation and interest rate fluctuations and volatility in financial/energy/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 subsidiaries and associates

Since TPC concluded that these subsidiaries and 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 41 (d) for the detailed information. The aforementioned civil actions are still pending; litigation 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

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	\$ 7,261	\$ 3,773	\$ 3,673
Checking accounts and demand deposits	2,295,982	2,093,891	2,319,206
Cash equivalents			
Time deposits	156,346	-	407,661
Short-term bills	<u>2,367,205</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,826,794</u>	<u>\$ 2,097,664</u>	<u>\$ 2,730,540</u>

The market interest rates of cash in bank and short-term bills as of the end of the balance sheet date were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Demand deposits	0.00%-3.50%	0.00%-3.50%	0.00%-4.25%
Time deposits	1.50%-3.98%	-	1.64%-4.40%
Short-term bills	1.05%-1.43%	-	-

7. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months	\$ 3,250,282	\$ 485,523	\$ 379,982
Restricted bank deposits	107,841	-	-
Foreign investments			
Philippines treasury bonds	<u>333</u>	<u>327</u>	<u>317</u>
	<u>\$ 3,358,456</u>	<u>\$ 485,850</u>	<u>\$ 380,299</u>

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Non-current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months	\$ 252,069	\$ 104	\$ 104
Restricted bank deposits	<u>4,200</u>	<u>6,500</u>	<u>6,500</u>
	<u>\$ 256,269</u>	<u>\$ 6,604</u>	<u>\$ 6,604</u>
			(Concluded)

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

Refer to Note 40 for information on financial assets at amortized cost that are pledged as securities.

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:

	June 30, 2026	December 31, 2025	June 30, 2025
Demand deposits	0.705%-1.290%	0.705%	0.705%
Time deposits	1.650%-4.430%	1.630%-4.000%	1.525%-4.430%

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

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount	<u>\$ 333</u>	<u>\$ 327</u>	<u>\$ 317</u>
Amount invested (in thousands of PHP)	<u>\$ 639</u>	<u>\$ 612</u>	<u>\$ 612</u>
Effective interest rates	5.035%	5.750%	5.750%
Period of holding	March 5, 2026 through March 4, 2027	March 10, 2025 through March 4, 2026	March 10, 2025 through March 4, 2026

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.

	June 30, 2026	December 31, 2025	June 30, 2025
At amortized cost			
Gross carrying amount	\$ 3,614,725	\$ 492,454	\$ 386,903
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,614,725</u>	<u>\$ 492,454</u>	<u>\$ 386,903</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 June 30, 2026, December 31, 2025 and June 30, 2025, the Group determined that there was no need to recognize expected credit losses for the debt instrument investments it holds.

9. FINANCIAL ASSETS FOR HEDGING

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets for hedging - current			
Foreign exchange forward contracts (a)	<u>\$ 18,324</u>	<u>\$ -</u>	<u>\$ -</u>
Financial assets for hedging - non-current			
Interest rate swap contracts (b)	<u>\$ 13,581</u>	<u>\$ -</u>	<u>\$ -</u>

a. Foreign exchange forward contracts

The Group entered into forward foreign exchange contracts to hedge against foreign currency exchange rate fluctuations in USD and EUR arising from firm commitments under equipment/material supply contracts, engineering/procurement/construction/installation contracts, and long-term gas turbine maintenance service contracts for power generation units.

At the end of the reporting period, outstanding foreign exchange forward contracts were as follows:

June 30, 2026

	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	NTD/USD	July 30, 2026	USD2,068
	NTD/EUR	July 30, 2026	EUR5,889
	NTD/USD	July 31, 2026	USD1,488

b. Interest rate swap contracts

The Group entered into interest rate swap transactions primarily to hedge against the risk of fluctuations in borrowing costs arising from changes in interest rates.

At the end of the reporting period, outstanding interest rate swap contracts were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
\$ 500,000	December 31, 2027	1.29%	Note
500,000	December 31, 2027	1.38%	Note
500,000	January 3, 2028	1.46%	Note
500,000	January 3, 2028	1.49%	Note

Note: The three-month Taipei Interbank Offered Rate (TAIBOR) quoted by the Taipei Interbank Money Market Association two business days prior to the issuance date.

10. ACCOUNTS RECEIVABLE

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	<u>\$ 1,498,097</u>	<u>\$ 1,208,840</u>	<u>\$ 1,424,832</u>

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:

	June 30, 2026	December 31, 2025	June 30, 2025
Up to 60 days	\$ 862,186	\$ 859,585	\$ 1,424,107
61-90 days	725	725	725
91-120 days	191,086	348,530	-
121-180 days	-	-	-
More than 181 days	<u>444,100</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,498,097</u>	<u>\$ 1,208,840</u>	<u>\$ 1,424,832</u>

As of June 30, 2026, accounts receivables aged over 181 days had been fully collected on July 20, 2026.

11. FINANCE LEASE RECEIVABLES

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Undiscounted lease payments</u>			
Year 1	\$ 5,687,996	\$ 9,270	\$ 9,349
Year 2	5,722,704	772	5,454
Year 3	4,938,350	-	-
Year 4	2,783,511	-	-
Year 5	2,861,157	-	-
More than 5 years	<u>40,570,183</u>	<u>-</u>	<u>-</u>
	62,563,901	10,042	14,803
Less: Unearned finance income	<u>(24,809,716)</u>	<u>(93)</u>	<u>(205)</u>
Lease payments receivable	<u>37,754,185</u>	<u>9,949</u>	<u>14,598</u>
Net investment in leases presented as finance lease receivables	<u>\$ 37,754,185</u>	<u>\$ 9,949</u>	<u>\$ 14,598</u>
Finance lease receivables - current	<u>\$ 3,530,530</u>	<u>\$ 9,177</u>	<u>\$ 9,170</u>
Finance lease receivables - non-current	<u>\$ 34,223,655</u>	<u>\$ 772</u>	<u>\$ 5,428</u>

The Power Purchase Agreements entered into between the Group and TPC are classified as finance leases, with the Group acting as the lessor. All leases are denominated in New Taiwan dollars, and the lease term is 25 years. The interest rate implicit in the lease is determined at the contract date and is not subsequently revised during the lease term. The annual interest rates implicit in the contracts range from 4.50% to 6.89%.

The Group subleased its leasehold office premises to associates, and the lease term was 2-5 years, with fixed monthly lease payments referenced to 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 rates of the contracts ranged from approximately 0.98% to 1.86%.

The Group renewed the office lease, which was approved by the Group's board of directors on February 17, 2025. The Group subleased its leasehold office premises to associates, and the lease term was 2 years, with fixed monthly lease payments referenced to the head lease agreement.

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.

12. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	<u>\$ 7,297</u>	<u>\$ 5,720</u>	<u>\$ 8,836</u>

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Non-current</u>			
Domestic investments			
Unlisted shares			
Kaohsiung Arena Development Corporation (KADC)	\$ 247,800	\$ 245,000	\$ 246,600
Synergy Co., Ltd. (Synergy)	<u>23,677</u>	<u>23,677</u>	<u>21,957</u>
	<u>\$ 271,477</u>	<u>\$ 268,677</u>	<u>\$ 268,557</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 38 for fair value information relating to financial assets at FVTOCI.

14. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Name of Investor	Name of Subsidiary	Nature of Activities	Percentage of Ownership			Remark
			June 30, 2026	December 31, 2025	June 30, 2025	
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	(Note 1)
The Corporation	TCC Green Energy Corporation (TGE)	Investment in green power plant	100	100	100	
The Corporation	Miaoli Wind Co., Ltd. (MWC)	Power generation	100	100	100	
The Corporation	Hamaguri Co., Ltd. (HML)	Power generation	100	100	100	
The Corporation	Sun Ba Power Corporation (Sun Ba)	Power generation	62.5	(Note 2)	(Note 2)	
The Corporation	Star Energy Power Corporation (SEPC)	Power generation	60.0	(Note 2)	(Note 2)	
The Corporation	Star Buck Power Corporation (SBPC)	Power generation	64.0	(Note 2)	(Note 2)	
TGE	Shin Kuang Electric Energy Ltd. (SKE)	Power generation	100	100	100	
SEC	Star Wind Corporation (SWC)	Power generation	100	100	100	(Note 3)
SEC	Star Solar Corporation (SSC)	Power generation	100	100	100	

Note 1: TCIC established a branch in the Philippines mainly for the expansion of the local engineering business.

Note 2: The Corporation originally accounted for its investments in Sun Ba, SEPC, and SBPC using the equity method. Subsequently, in January 2026, it acquired additional shareholdings of 19.5%, 19.5%, and 22.73% in Sun Ba, SEPC, and SBPC, respectively. As the Group's shareholding in the aforementioned companies exceeded 50%, they have been classified as subsidiaries. Please refer to Note 15 for further details. For information related to the business combination, please refer to Note 33.

Note 3: On July 15, 2026, the Corporation acquired from SEC a 100% equity interest in SWC, a subsidiary of SEC, for \$545,704 thousand.

Refer to Table 4 for the nature of activities, principal places of business and countries of incorporation of the subsidiaries.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiaries	Non-controlling Interests Shareholding June 30, 2026
Sun Ba	37.5%
SEPC	40.0%
SBPC	36.0%

Name of Subsidiaries	Comprehensive Income Attributable to Non-controlling Interests		Accumulated Non-controlling Interests June 30, 2026
	For the Three Months Ended June 30, 2026	From January 9, 2026 to June 30, 2026	
Sun Ba	\$ 369,519	\$ 534,666	\$ 6,125,997
SEPC	81,094	127,410	2,475,987
SBPC	<u>20,572</u>	<u>50,643</u>	<u>2,159,106</u>
	<u>\$ 471,185</u>	<u>\$ 712,719</u>	<u>\$ 10,761,090</u>

The aggregate financial information of the following subsidiaries is based on the amounts before inter-company transaction cancellation:

Sun Ba

	June 30, 2026
Current assets	\$ 12,962,594
Non-current assets	31,146,982
Current liabilities	(8,801,725)
Non-current liabilities	<u>(19,006,675)</u>
Equity	<u>\$ 16,301,176</u>
Equity attributable to:	
Owners of the Corporation	\$ 10,175,179
Non-controlling interests in Sun Ba	<u>6,125,997</u>
	<u>\$ 16,301,176</u>

	For the Three Months Ended June 30, 2026	From January 9, 2026 to June 30, 2026
Operating revenue	<u>\$ 13,852,970</u>	<u>\$ 21,444,339</u>
Net profit for the period	\$ 990,821	\$ 1,395,132
Other comprehensive loss	<u>(5,436)</u>	<u>(4,170)</u>
Total comprehensive income	<u>\$ 985,385</u>	<u>\$ 1,390,962</u>
Profit attributable to:		
Owners of the Corporation	\$ 619,263	\$ 858,897
Non-controlling interests in Sun Ba	<u>371,558</u>	<u>536,235</u>
	<u>\$ 990,821</u>	<u>\$ 1,395,132</u>
Total comprehensive income attributable to:		
Owners of the Corporation	\$ 615,866	\$ 856,296
Non-controlling interests in Sun Ba	<u>369,519</u>	<u>534,666</u>
	<u>\$ 985,385</u>	<u>\$ 1,390,962</u>

As of June 30, 2026, Sun Ba had declared cash dividends of \$1,320,000 thousand. The Group had not yet paid dividends to non-controlling interests based on their shareholding percentage, and dividends payable amounted to \$495,000 thousand.

	From January 9, 2026 to June 30, 2026
Net cash outflow from	
Operating activities	\$ (983,410)
Investing activities	(182,984)
Financing activities	<u>(1,606,614)</u>
Net cash outflow	<u>\$ (2,773,008)</u>
<u>SEPC</u>	
	June 30, 2026
Current assets	\$ 5,749,939
Non-current assets	2,671,092
Current liabilities	(2,039,230)
Non-current liabilities	<u>(197,641)</u>
Equity	<u>\$ 6,184,160</u>
Equity attributable to:	
Owners of the Corporation	\$ 3,708,173
Non-controlling interests in SEPC	<u>2,475,987</u>
	<u>\$ 6,184,160</u>

	For the Three Months Ended June 30, 2026	From January 9, 2026 to June 30, 2026
Operating revenue	<u>\$ 3,080,834</u>	<u>\$ 5,162,191</u>
Net profit for the period	\$ 202,733	\$ 312,717
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 202,733</u>	<u>\$ 312,717</u>
Profit attributable to:		
Owners of the Corporation	\$ 121,639	\$ 185,307
Non-controlling interests in SEPC	<u>81,094</u>	<u>127,410</u>
	<u>\$ 202,733</u>	<u>\$ 312,717</u>
Total comprehensive income attributable to:		
Owners of the Corporation	\$ 121,639	\$ 185,307
Non-controlling interests in SEPC	<u>81,094</u>	<u>127,410</u>
	<u>\$ 202,733</u>	<u>\$ 312,717</u>

As of June 30, 2026, SEPC had declared cash dividends of \$390,000 thousand. The Group had not yet paid dividends to non-controlling interests based on their shareholding percentage, and dividends payable amounted to \$156,000 thousand.

	From January 9, 2026 to June 30, 2026
Net cash inflow (outflow) from	
Operating activities	\$ 817,059
Investing activities	(754,129)
Financing activities	<u>(2,430)</u>
Net cash inflow	<u>\$ 60,500</u>

SBPC

	June 30, 2026
Current assets	\$ 3,331,012
Non-current assets	6,189,972
Current liabilities	(2,116,009)
Non-current liabilities	<u>(1,415,124)</u>
Equity	<u>\$ 5,989,851</u>
Equity attributable to:	
Owners of the Corporation	\$ 3,830,745
Non-controlling interests in SBPC	<u>2,159,106</u>
	<u>\$ 5,989,851</u>

	For the Three Months Ended June 30, 2026	From January 9, 2026 to June 30, 2026
Operating revenue	<u>\$ 2,981,965</u>	<u>\$ 5,335,783</u>
Net profit for the period	\$ 57,145	\$ 133,009
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 57,145</u>	<u>\$ 133,009</u>
Profit attributable to:		
Owners of the Corporation	\$ 36,573	\$ 82,366
Non-controlling interests in SBPC	<u>20,572</u>	<u>50,643</u>
	<u>\$ 57,145</u>	<u>\$ 133,009</u>
Total comprehensive income attributable to:		
Owners of the Corporation	\$ 36,573	\$ 82,366
Non-controlling interests in SBPC	<u>20,572</u>	<u>50,643</u>
	<u>\$ 57,145</u>	<u>\$ 133,009</u>

As of June 30, 2026, SBPC had declared cash dividends of \$396,000 thousand. The Group had not yet paid dividends to non-controlling interests based on their shareholding percentage, and dividends payable amounted to \$142,560 thousand.

	From January 9, 2026 to June 30, 2026
Net cash inflow (outflow) from	
Operating activities	\$ 658,851
Investing activities	2,688
Financing activities	<u>(192,868)</u>
Net cash inflow	<u>\$ 468,671</u>

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Investments in associates</u>			
Material associates			
Ta-Yuan Cogeneration Company (TYC)	\$ 573,951	\$ 588,446	\$ 573,662
Kuo Kuang Power Company Ltd. (KKPC)	5,576,828	5,676,006	1,687,431
Sun Ba	-	6,877,226	6,558,181
			(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
SEPC	\$ -	\$ 2,488,961	\$ 2,460,231
SBPC	-	2,416,801	2,273,432
	6,150,779	18,047,440	13,552,937
Associates that are not individually material	47,186	48,435	46,886
	<u>\$ 6,197,965</u>	<u>\$ 18,095,875</u>	<u>\$ 13,599,823</u>
			(Concluded)

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
KKPC	\$ 135,665	\$ 127,759	\$ 239,746	\$ 190,611
TYC	12,552	25,076	26,294	51,534
Sun Ba	-	360,871	-	470,692
SEPC	-	119,663	-	163,390
SBPC	-	(16,995)	-	3,676
Associates that are not individually material	140	(81)	46	(204)
	<u>\$ 148,357</u>	<u>\$ 616,293</u>	<u>\$ 266,086</u>	<u>\$ 879,699</u>

a. Material associates

	Proportion of Ownership and Voting Rights		
	June 30, 2026	December 31, 2025	June 30, 2025
TYC	29.31%	29.31%	29.31%
KKPC	45.83%	45.83%	35.00%
Sun Ba	(Note)	43.00%	43.00%
SEPC	(Note)	40.50%	40.50%
SBPC	(Note)	41.27%	41.27%

Refer to Table 4 for the nature of activities, principal places of business and countries of incorporation of the associates.

Note: As described in Note 14, due to the Corporation obtaining control over Sun Ba, SEPC, and SBPC, the investments previously accounted for using the equity method were derecognized. The Group remeasured its previously held equity interests at fair value on the acquisition date and accordingly recognized a gain on disposal of investments of \$623,698 thousand and realized gains from transactions with associates of \$314,693 thousand. In addition, cumulative amounts of other comprehensive income previously recognized in prior years in relating to the investments were reclassified to gain on disposal of investments in the amount of \$6,465 thousand.

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	June 30, 2026	December 31, 2025	June 30, 2025
TYC	<u>\$ 1,487,104</u>	<u>\$ 1,644,773</u>	<u>\$ 1,917,110</u>

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

TYC

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	\$ 726,159	\$ 712,369	\$ 773,567
Non-current assets	4,466,655	4,411,751	4,230,699
Current liabilities	(1,067,397)	(1,006,981)	(1,425,131)
Non-current liabilities	<u>(2,150,030)</u>	<u>(2,091,712)</u>	<u>(1,603,559)</u>
Equity	<u>\$ 1,975,387</u>	<u>\$ 2,025,427</u>	<u>\$ 1,975,576</u>
Proportion of the Group's ownership	29.31%	29.31%	29.31%
Equity attributable to the Group	\$ 579,001	\$ 593,668	\$ 579,056
Unrealized gain with associates	<u>(5,050)</u>	<u>(5,222)</u>	<u>(5,394)</u>
Carrying amount	<u>\$ 573,951</u>	<u>\$ 588,446</u>	<u>\$ 573,662</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Operating revenue	<u>\$ 683,646</u>	<u>\$ 595,485</u>	<u>\$ 1,304,430</u>	<u>\$ 1,214,827</u>
Net profit	\$ 42,825	\$ 85,553	\$ 89,709	\$ 175,821
Other comprehensive income (loss)	<u>27,908</u>	<u>(15,132)</u>	<u>55,860</u>	<u>(18,471)</u>
Total comprehensive income	<u>\$ 70,733</u>	<u>\$ 70,421</u>	<u>\$ 145,569</u>	<u>\$ 157,350</u>

As of June 30, 2026 and 2025, TYC has declared \$195,608 thousand and \$244,510 thousand of cash dividends, respectively. Dividends receivable in proportion to the Group's ownership amounted to \$57,334 thousand and \$71,668 thousand, respectively.

KKPC

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	\$ 3,078,522	\$ 3,638,746	\$ 1,883,671
Non-current assets	14,468,285	9,703,845	5,928,689
Current liabilities	(1,647,476)	(864,481)	(2,933,635)
Non-current liabilities	<u>(3,698,514)</u>	<u>(83,418)</u>	<u>(90,463)</u>
Equity	<u>\$ 12,200,817</u>	<u>\$ 12,394,692</u>	<u>\$ 4,788,262</u>
Proportion of the Group's ownership	45.83%	45.83%	35.00%
Equity attributable to the Group	\$ 5,585,951	\$ 5,674,802	\$ 1,675,892
Goodwill	19,304	19,304	19,304
Unrealized gain with associates	(22)	(22)	(14)
Investment discount	<u>(28,405)</u>	<u>(18,078)</u>	<u>(7,751)</u>
Carrying amount	<u>\$ 5,576,828</u>	<u>\$ 5,676,006</u>	<u>\$ 1,687,431</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Operating revenue	<u>\$ 2,718,049</u>	<u>\$ 2,637,251</u>	<u>\$ 4,872,818</u>	<u>\$ 4,756,231</u>
Net profit	\$ 307,309	\$ 379,778	\$ 545,695	\$ 574,107
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 307,309</u>	<u>\$ 379,778</u>	<u>\$ 545,695</u>	<u>\$ 574,107</u>
Dividend received	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,940</u>

As of June 30, 2026 and 2025, KKPC declared \$739,580 thousand and \$852,438 thousand of cash dividends, respectively. Dividends receivable, in proportion to the Group's ownership, amounted to \$338,924 thousand and \$298,353 thousand, respectively.

Sun Ba

	December 31, 2025	June 30, 2025
Current assets	\$ 10,744,391	\$ 11,460,277
Non-current assets	32,232,050	33,219,630
Current liabilities	(6,537,104)	(8,770,602)
Non-current liabilities	<u>(20,209,123)</u>	<u>(20,410,102)</u>
Equity	<u>\$ 16,230,214</u>	<u>\$ 15,499,203</u>
Proportion of the Group's ownership	43.00%	43.00%

(Continued)

	December 31, 2025	June 30, 2025
Equity attributable to the Group	\$ 6,978,992	\$ 6,664,657
Unrealized gain with associates	(103,853)	(108,563)
Goodwill	<u>2,087</u>	<u>2,087</u>
Carrying amount	<u>\$ 6,877,226</u>	<u>\$ 6,558,181</u> (Concluded)
	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2025
Operating revenue	<u>\$ 10,834,235</u>	<u>\$ 18,544,223</u>
Net profit	\$ 839,234	\$ 1,094,632
Other comprehensive loss	<u>(11,368)</u>	<u>(19,938)</u>
Total comprehensive income	<u>\$ 827,866</u>	<u>\$ 1,074,694</u>

As of June 30, 2025, Sun Ba declared \$1,080,000 thousand of cash dividends. Dividends receivable, in proportion to the Group's ownership, amounted to \$464,400 thousand.

SEPC

	December 31, 2025	June 30, 2025
Current assets	\$ 3,465,477	\$ 4,994,834
Non-current assets	4,405,739	3,228,176
Current liabilities	(1,376,470)	(1,771,679)
Non-current liabilities	<u>(233,304)</u>	<u>(254,245)</u>
Equity	<u>\$ 6,261,442</u>	<u>\$ 6,197,086</u>
Proportion of the Group's ownership	40.50%	40.50%
Equity attributable to the Group	\$ 2,535,884	\$ 2,509,820
Unrealized gain with associates	<u>(46,923)</u>	<u>(49,589)</u>
Carrying amount	<u>\$ 2,488,961</u>	<u>\$ 2,460,231</u>
	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2025
Operating revenue	<u>\$ 2,525,252</u>	<u>\$ 4,377,225</u>
Net profit	\$ 295,465	\$ 403,433
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 295,465</u>	<u>\$ 403,433</u>

As of June 30, 2025, SEPC declared \$300,000 thousand of cash dividends. Dividends receivable, in proportion to the Group's ownership, amounted to \$121,500 thousand.

SBPC

	December 31, 2025	June 30, 2025
Current assets	\$ 2,612,226	\$ 2,647,671
Non-current assets	6,550,817	6,840,479
Current liabilities	(1,288,503)	(1,727,679)
Non-current liabilities	<u>(1,621,698)</u>	<u>(1,831,826)</u>
Equity	<u>\$ 6,252,842</u>	<u>\$ 5,928,645</u>
Proportion of the Group's ownership	41.27%	41.27%
Equity attributable to the Group	\$ 2,580,718	\$ 2,446,913
Unrealized gain with associates	<u>(163,917)</u>	<u>(173,481)</u>
Carrying amount	<u>\$ 2,416,801</u>	<u>\$ 2,273,432</u>
	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2025
Operating revenue	<u>\$ 1,474,374</u>	<u>\$ 3,528,206</u>
Net (loss) profit	\$ (41,177)	\$ 8,906
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive (loss) income	<u>\$ (41,177)</u>	<u>\$ 8,906</u>

As of June 30, 2025, SBPC declared \$346,500 thousand of cash dividends. Dividends receivable, in proportion to the Group's ownership, amounted to \$143,010 thousand.

On December 31, 2025 and June 30, 2025, the Group is the single largest shareholder of Sun Ba, SEPC, and SBPC with 43%, 40.50%, 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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
The Group's share of:				
Net profit (loss)	<u>\$ 140</u>	<u>\$ (81)</u>	<u>\$ 46</u>	<u>\$ (204)</u>
Total comprehensive income (loss)	<u>\$ 140</u>	<u>\$ (81)</u>	<u>\$ 46</u>	<u>\$ (204)</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 six months ended June 30, 2026 and 2025 were based on the associates' financial statements reviewed by independent auditors for the same periods.

16. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Property under Construction	Total
<u>Cost</u>								
Balance on January 1, 2026	\$ 277,716	\$ 1,455,775	\$ 7,038,558	\$ -	\$ 223,537	\$ 20,111	\$ 73,602	\$ 9,089,299
Additions	-	-	-	-	17,087	-	238,593	255,680
Disposals	-	-	(350)	-	(3,113)	-	-	(3,463)
Reclassifications (Note)	-	-	-	-	-	4,580	646,618	651,198
Acquisitions through business combinations (Note 33)	321,436	948,211	1,165,731	6,898	4,406,034	-	51,305	6,899,615
Balance on June 30, 2026	<u>599,152</u>	<u>2,403,986</u>	<u>8,203,939</u>	<u>6,898</u>	<u>4,643,545</u>	<u>24,691</u>	<u>1,010,118</u>	<u>16,892,329</u>
<u>Accumulated depreciation</u>								
Balance on January 1, 2026	-	199,739	4,970,014	-	151,908	20,109	-	5,341,770
Disposals	-	-	(121)	-	(3,113)	-	-	(3,234)
Depreciation expense	-	43,323	170,208	350	186,158	155	-	400,194
Acquisitions through business combinations (Note 33)	-	115,944	435,863	3,747	3,269,665	-	-	3,825,219
Balance on June 30, 2026	-	<u>359,006</u>	<u>5,575,964</u>	<u>4,097</u>	<u>3,604,618</u>	<u>20,264</u>	-	<u>9,563,949</u>
Carrying amount on June 30, 2026	<u>\$ 599,152</u>	<u>\$ 2,044,980</u>	<u>\$ 2,627,975</u>	<u>\$ 2,801</u>	<u>\$ 1,038,927</u>	<u>\$ 4,427</u>	<u>\$ 1,010,118</u>	<u>\$ 7,328,380</u>
Carrying amount on December 31, 2025 and January 1, 2026	<u>\$ 277,716</u>	<u>\$ 1,256,036</u>	<u>\$ 2,068,544</u>	<u>\$ -</u>	<u>\$ 71,629</u>	<u>\$ 2</u>	<u>\$ 73,602</u>	<u>\$ 3,747,529</u>
<u>Cost</u>								
Balance on January 1, 2025	\$ 277,716	\$ 1,385,057	\$ 6,977,566	\$ -	\$ 226,230	\$ 41,163	\$ 180,149	\$ 9,087,881
Additions	-	-	20,354	-	2,571	-	22,951	45,876
Reclassifications (Note)	-	-	14,955	-	-	-	-	14,955
Balance on June 30, 2025	<u>277,716</u>	<u>1,385,057</u>	<u>7,012,875</u>	<u>-</u>	<u>228,801</u>	<u>41,163</u>	<u>203,100</u>	<u>9,148,712</u>
<u>Accumulated depreciation</u>								
Balance on January 1, 2025	-	139,424	4,701,493	-	123,379	40,829	-	5,005,125
Depreciation expense	-	29,273	135,856	-	19,361	146	-	184,636
Balance on June 30, 2025	-	<u>168,697</u>	<u>4,837,349</u>	<u>-</u>	<u>142,740</u>	<u>40,975</u>	<u>-</u>	<u>5,189,761</u>
Carrying amount on June 30, 2025	<u>\$ 277,716</u>	<u>\$ 1,216,360</u>	<u>\$ 2,175,526</u>	<u>\$ -</u>	<u>\$ 86,061</u>	<u>\$ 188</u>	<u>\$ 203,100</u>	<u>\$ 3,958,951</u>

Note: The amount was reclassified from prepayments for equipment.

For the six months ended June 30, 2026 and 2025, 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	3-35 years
Machinery and equipment	
Main power generation equipment	12-30 years
Others	3-15 years
Transportation equipment	5-10 years
Other equipment	2-20 years
Lease improvements	2-10 years

Refer to Note 30 for information on capitalized interest for the three months and for the six months ended June 30, 2026 and 2025.

Refer to Note 40 for the carrying amount of property, plant and equipment mortgaged as collateral for bank borrowings of the Group.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	Land	Land use Right	Buildings	Transportation Equipment	Other Equipment	Total
<u>Cost</u>						
Balance on January 1, 2026	\$ 374,577	\$ -	\$ 148,294	\$ 27,392	\$ 8,699	\$ 558,962
Additions	1,634	-	331	4,271	-	6,236
Disposals	-	-	(12,157)	(11,652)	-	(23,809)
Decreases	-	-	-	-	(143,009)	(143,009)
Acquisitions through business combinations (Note 33)	<u>175,446</u>	<u>80,651</u>	<u>32,352</u>	<u>14,757</u>	<u>143,009</u>	<u>446,215</u>
Balance on June 30, 2026	<u>551,657</u>	<u>80,651</u>	<u>168,820</u>	<u>34,768</u>	<u>8,699</u>	<u>844,595</u>
<u>Accumulated depreciation and impairment loss</u>						
Balance on January 1, 2026	103,207	-	64,620	13,013	2,175	183,015
Disposals	-	-	(12,157)	(11,652)	-	(23,809)
Decreases	-	-	-	-	(64,934)	(64,934)
Depreciation expense	10,674	1,189	19,854	6,325	217	38,259
Acquisitions through business combinations (Note 33)	<u>26,486</u>	<u>9,884</u>	<u>10,083</u>	<u>9,001</u>	<u>64,934</u>	<u>120,388</u>
Balance on June 30, 2026	<u>140,367</u>	<u>11,073</u>	<u>82,400</u>	<u>16,687</u>	<u>2,392</u>	<u>252,919</u>
Carrying amount on June 30, 2026	<u>\$ 411,290</u>	<u>\$ 69,578</u>	<u>\$ 86,420</u>	<u>\$ 18,081</u>	<u>\$ 6,307</u>	<u>\$ 591,676</u>
Carrying amount on December 31, 2025 and January 1, 2026	<u>\$ 271,370</u>	<u>\$ -</u>	<u>\$ 83,674</u>	<u>\$ 14,379</u>	<u>\$ 6,524</u>	<u>\$ 375,947</u>
<u>Cost</u>						
Balance on January 1, 2025	\$ 376,974	\$ -	\$ 190,573	\$ 27,608	\$ 8,699	\$ 603,854
Additions	8,444	-	33,845	5,682	-	47,971
Disposals	-	-	(75,786)	(2,957)	-	(78,743)
Balance on June 30, 2025	<u>385,418</u>	<u>-</u>	<u>148,632</u>	<u>30,333</u>	<u>8,699</u>	<u>573,082</u>
<u>Accumulated depreciation and impairment loss</u>						
Balance on January 1, 2025	87,564	-	107,070	16,017	1,740	212,391
Depreciation expense	7,802	-	16,644	4,776	217	29,439
Disposals	-	-	(75,425)	(2,803)	-	(78,228)
Balance on June 30, 2025	<u>95,366</u>	<u>-</u>	<u>48,289</u>	<u>17,990</u>	<u>1,957</u>	<u>163,602</u>
Carrying amount on June 30, 2025	<u>\$ 290,052</u>	<u>\$ -</u>	<u>\$ 100,343</u>	<u>\$ 12,343</u>	<u>\$ 6,742</u>	<u>\$ 409,480</u>

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Carrying amount</u>			
Current	<u>\$ 49,808</u>	<u>\$ 50,825</u>	<u>\$ 56,199</u>
Non-current	<u>\$ 554,681</u>	<u>\$ 403,707</u>	<u>\$ 431,966</u>

As of June 30, 2026, December 31, 2025 and June 30, 2025, the range of discount rates for lease liabilities was all 0.98%-2.83%.

c. Material lease activities and terms

Certain lease contracts for rooftops used for 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.

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 11 for the information on the Group's sublease transactions.

e. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	<u>\$ 1,496</u>	<u>\$ 3,324</u>	<u>\$ 5,880</u>	<u>\$ 5,305</u>
Expenses relating to low-value asset leases	<u>\$ 2,551</u>	<u>\$ 425</u>	<u>\$ 3,610</u>	<u>\$ 678</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 5,910</u>	<u>\$ 1,540</u>	<u>\$ 8,199</u>	<u>\$ 2,553</u>
Total cash outflow for leases			<u>\$ (61,215)</u>	<u>\$ (44,098)</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.

The Group's has pledge its land use right as collateral for borrowings. Refer to Note 40.

18. GOODWILL

	For the Six Months Ended June 30	
	2026	2025
<u>Cost</u>		
Balance on January 1 and June 30	\$ 141,014	\$ 141,014
<u>Accumulated impairment losses</u>		
Balance on January 1 and June 30	<u>(120,700)</u>	<u>(120,700)</u>
Carrying amount on June 30	<u>\$ 20,314</u>	<u>\$ 20,314</u>

The Group's goodwill is related to the expected benefits of the increase in sales of electricity. Since the goodwill relates solely to a single cash generating unit, the goodwill is assessed for impairment by calculating the recoverable amount and the carrying amount of its net assets.

19. INTANGIBLE ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
Computer software	\$ 17,844	\$ 5,733	\$ 7,537
Business rights	<u>247,219</u>	<u>260,118</u>	<u>273,016</u>
	<u>\$ 265,063</u>	<u>\$ 265,851</u>	<u>\$ 280,553</u>

a. Movements in intangible assets were as follows:

	Computer Software	Business Rights	Others	Total
<u>Cost</u>				
Balance on January 1, 2026	\$ 28,183	\$ 402,000	\$ 12,000	\$ 442,183
Additions	6,952	-	-	6,952
Disposals	(2,964)	-	-	(2,964)
Acquisitions through business combinations (Note 33)	<u>25,679</u>	<u>-</u>	<u>-</u>	<u>25,679</u>
Balance on June 30, 2026	<u>57,850</u>	<u>402,000</u>	<u>12,000</u>	<u>471,850</u>
<u>Accumulated amortization and impairment loss</u>				
Balance on January 1, 2026	22,450	141,882	12,000	176,332
Amortization expense	7,506	12,899	-	20,405
Disposals	(2,964)	-	-	(2,964)
Acquisitions through business combinations (Note 33)	<u>13,014</u>	<u>-</u>	<u>-</u>	<u>13,014</u>
Balance on June 30, 2026	<u>40,006</u>	<u>154,781</u>	<u>12,000</u>	<u>206,787</u>
Carrying amount on June 30, 2026	<u>\$ 17,844</u>	<u>\$ 247,219</u>	<u>\$ -</u>	<u>\$ 265,063</u>
Carrying amount on December 31, 2025 and January 1, 2026	<u>\$ 5,733</u>	<u>\$ 260,118</u>	<u>\$ -</u>	<u>\$ 265,851</u>
<u>Cost</u>				
Balance on January 1, 2025	\$ 28,289	\$ 402,000	\$ 12,000	\$ 442,289
Additions	2,064	-	-	2,064
Disposals	<u>(110)</u>	<u>-</u>	<u>-</u>	<u>(110)</u>
Balance on June 30, 2025	<u>30,243</u>	<u>402,000</u>	<u>12,000</u>	<u>444,243</u>
<u>Accumulated amortization and impairment loss</u>				
Balance on January 1, 2025	18,408	116,086	12,000	146,494
Amortization expense	4,408	12,898	-	17,306
Disposals	<u>(110)</u>	<u>-</u>	<u>-</u>	<u>(110)</u>
Balance on June 30, 2025	<u>22,706</u>	<u>128,984</u>	<u>12,000</u>	<u>163,690</u>
Carrying amount on June 30, 2025	<u>\$ 7,537</u>	<u>\$ 273,016</u>	<u>\$ -</u>	<u>\$ 280,553</u>

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

Computer software	1-6 years
Business rights	15 years

b. 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.

c. Other intangible assets

Other intangible assets refer to 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.

20. OTHER ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Other non-current assets</u>			
Prepaid power lines usage expenses	\$ 16,835	\$ 17,365	\$ 17,894
Long-term prepaid maintenance expenses (Notes 33 and 41)	<u>1,735,352</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,752,187</u>	<u>\$ 17,365</u>	<u>\$ 17,894</u>

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”.

21. BORROWINGS

a. Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Unsecured borrowings</u>			
Bank loans - unsecured	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
Bank loans - unsecured	1.825%	-	1.803%
b. Short-term bills payable			
	June 30, 2026	December 31, 2025	June 30, 2025
Commercial papers	\$ 400,000	\$ -	\$ -
Less: Unamortized discounts on bills payable	<u>(622)</u>	<u>-</u>	<u>-</u>
	<u>\$ 399,378</u>	<u>\$ -</u>	<u>\$ -</u>

On June 29, 2026, the Group entered into an unsecured commercial paper underwriting and purchase agreement with a bills finance company. The commercial paper, with a total underwriting amount of \$400 million, is expected to be repaid on July 29, 2026.

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

	June 30, 2026	December 31, 2025	June 30, 2025
Commercial papers	1.90%	-	-
c. Long-term borrowings			
	June 30, 2026	December 31, 2025	June 30, 2025
Syndicated credit loans	\$ 2,042,690	\$ 2,042,050	\$ -
Syndicated secured loans	14,832,084	-	-
Pledged or mortgaged borrowings			
Repayable in semi-annual installments from August 2026 to February 2040	800,000	800,000	800,000
Repayable in semi-annual installments from August 2021 to February 2032	215,600	233,240	250,880
Repayable in semi-annual installments from July 2022 to May 2031	221,920	230,680	239,440
Repayable in quarterly installments from December 2021 to September 2034	114,231	121,154	128,077
Repayable in semi-annual installments from February 2020 to February 2034	117,331	120,960	126,630
Repayable in semi-annual installments from November 2021 to May 2031	95,000	98,750	102,500
Repayable in semi-annual installments from August 2021 to May 2031	66,120	68,730	71,340
Repayable in semi-annual installments from November 2022 to May 2031	55,480	57,670	59,860
Repayable in semi-annual installments from August 2022 to February 2032	24,000	26,000	28,000
			(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
Repayable in quarterly installments from September 2021 to September 2034	\$ 25,067	\$ 26,587	\$ 28,105
Repayable in semi-annual installments from May 2021 to May 2031	17,480	18,170	18,860
Repayable in semi-annual installments from August 2029 to February 2043	989,100	-	-
Secured borrowing			
Repayment of \$700,000 thousand will be made in April 2026, with the remaining balance to be fully repaid in April 2027	800,000	-	-
Unsecured borrowings			
Repayable in semi-annual installments from February 2027 to February 2033	2,179,376	-	-
Repayable in semi-annual installments from March 2027 to March 2033	650,000	-	-
Repayable in monthly installments from January 2021 to December 2035; however, it was fully prepaid in March 2026	-	68,000	71,400
Repayable in quarterly installments from April 2020 to March 2026	-	46,893	49,511
Repayable in quarterly installments from October 2019 to March 2026	-	38,525	40,803
Repayable in quarterly installments from October 2018 to October 2025	-	-	31,795
Revolving unsecured borrowings			
Revolving through March 2029	790,000	-	-
Revolving through May 2028	500,000	-	-
Revolving through February 2028	500,000	-	-
Revolving through February 2028	200,000	-	-
Revolving through December 2027	-	1,300,000	-
Revolving through December 2027	-	1,000,000	-
Revolving through September 2027	-	500,000	-
Revolving through May 2027	500,000	500,000	-
Revolving through March 2027	-	600,000	-
	<u>25,735,479</u>	<u>7,897,409</u>	<u>2,047,201</u>
Less: Current portion	<u>(3,636,451)</u>	<u>(227,723)</u>	<u>(412,303)</u>
	<u>\$ 22,099,028</u>	<u>\$ 7,669,686</u>	<u>\$ 1,634,898</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
Syndicated credit loans	2.24%	2.24%	-
Syndicated secured loans	2.04%-2.45%	-	-
Pledged or mortgaged borrowings	2.17%-2.80%	2.17%-2.73%	2.17%-2.80%
Secured bank borrowing	2.15%	-	-
Unsecured borrowings	2.08%-2.33%	2.23%	1.80%-2.23%
Revolving unsecured borrowings	1.80%-1.98%	1.81%-1.90%	-

In December 2025, the Corporation entered into a syndicated loan agreement with a consortium of banks with a total credit facility of \$5,200,000 thousand. In accordance with the agreement, the availability period of the credit facility is until December 2028. Repayment of the first installment will commence in December 2028, and the loan will thereafter be repayable in five installments, with one installment payable each year. The Group may apply for an extension in accordance with the terms of the agreement. In addition to general covenants, the agreement also imposes certain restrictions on the Corporation's operations and requires the Corporation to maintain specified financial ratios.

In December 2021, Sun Ba entered into a syndicated loan agreement with a consortium of banks, with a total credit facility of \$24,450,000 thousand (including performance guarantees for the power purchase agreement and natural gas purchase and sale agreement). Pursuant to the agreement, the availability period for drawdown by the Group extends until June 2025. Repayment of the first installment commenced in December 2025, and the remaining balance is repayable in 34 semi-annual installments thereafter. In addition to general covenants, the agreement imposes certain restrictions on the operations of Sun Ba and requires Sun Ba to maintain specified financial ratios.

In June 2024, SBPC entered into a five-year syndicated loan agreement with a consortium of banks, with a total credit facility of \$3,300,000 thousand (including performance guarantees for the power purchase agreement). In addition to general covenants, the agreement imposes certain restrictions on the operations of SBPC and requires the Group to maintain specified financial ratios.

22. BONDS PAYABLE

	June 30, 2026	December 31, 2025	June 30, 2025
Secured domestic bonds	\$ 5,500,000	\$ -	\$ -
Unsecured domestic bond	600,000	600,000	2,500,000
Less: Current portion	-	-	(1,899,933)
Less: Unamortized issuance cost	<u>(1,900)</u>	<u>(411)</u>	<u>(521)</u>
	<u>\$ 6,098,100</u>	<u>\$ 599,589</u>	<u>\$ 599,546</u>

On August 1, 2022, Sun Ba issued secured corporate bonds at par value for a total of \$5,500 million, which comprising 5-year bonds with an annual coupon rate of 1.88%. The 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 CTBC Bank Co., Ltd. The bonds are guaranteed by the aforementioned syndicate of banks, with the guarantee covering the principal amount and one year of accrued interest, totaling \$5,603,400 thousand.

On August 14, 2020, the Corporation 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.

23. OTHER PAYABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Payables for equipment	\$ 606,917	\$ 19,043	\$ 129,599
Payables for compensation of employees and remuneration of directors	229,626	86,461	127,270
Payables for interest	137,820	6,509	19,145
Payables for electricity development assistance fund	111,660	-	-
Payables for purchase of electricity	93,863	59,883	90,310
Payables for salaries and bonuses	89,990	65,203	44,852
Payables for business tax	53,987	-	6,588
Payables for compensated absences	33,158	16,437	16,708
Payables for professional fees	28,564	7,731	8,363
Payables for repairs	15,196	16,471	14,499
Payables for compensation	-	49,088	-
Payables for business development expenses	-	29,218	-
Others	<u>35,036</u>	<u>40,487</u>	<u>17,211</u>
	<u>\$ 1,435,817</u>	<u>\$ 396,531</u>	<u>\$ 474,545</u>

24. OTHER LIABILITIES

	June 30, 2026	December 31, 2025	June 30, 2025
Other liabilities			
Payables for levies	<u>\$ 11,164</u>	<u>\$ 12,799</u>	<u>\$ 12,740</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.

25. PROVISIONS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Warranties	\$ 1,051,740	\$ 992,318	\$ 596,432
Onerous contracts	46,906	75,371	56,668
Decommissioning costs and liability	3,595	-	-
Carbon fee	<u>4,566</u>	<u>700</u>	<u>2,270</u>
	<u>\$ 1,106,807</u>	<u>\$ 1,068,389</u>	<u>\$ 655,370</u>

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Non-current</u>			
Decommissioning costs and liability	\$ <u>15,388</u>	\$ <u>18,830</u>	\$ <u>18,629</u> (Concluded)

	Warranties	Onerous Contracts	Decom- missioning Costs and Liability	Carbon Fee	Total
Balance on January 1, 2026	\$ 992,318	\$ 75,371	\$ 18,830	\$ 700	\$ 1,087,219
Additions	113,158	769	153	4,566	118,646
Usage	(53,736)	-	-	-	(53,736)
Reversal	-	(29,234)	-	(16,921)	(46,155)
Payment	-	-	-	(8,243)	(8,243)
Acquisitions through business combinations (Note 33)	-	-	-	24,464	24,464
Balance on June 30, 2026	\$ <u>1,051,740</u>	\$ <u>46,906</u>	\$ <u>18,983</u>	\$ <u>4,566</u>	\$ <u>1,122,195</u>
Balance on January 1, 2025	\$ 549,918	\$ 74,421	\$ 14,938	\$ -	\$ 639,277
Additions	154,413	-	3,691	2,270	160,374
Usage	(79,277)	-	-	-	(79,277)
Reversal	(28,622)	(17,753)	-	-	(46,375)
Balance on June 30, 2025	\$ <u>596,432</u>	\$ <u>56,668</u>	\$ <u>18,629</u>	\$ <u>2,270</u>	\$ <u>673,999</u>

Starting from 2025, the Group recognizes the carbon fee provision in accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC. The Group originally estimated the carbon fee provision based on the standard rate. In the first half of 2026, the Group obtained the approval for the self-determined reduction plan from the competent authority; therefore, the carbon fee provision was calculated based on the preferential rate.

26. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the pension expenses of defined benefit plans were calculated based on the actuarially determined pension cost rate on December 31, 2025 and 2024, respectively. The amounts were recognized under the following financial statement accounts:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Operating costs	\$ <u>1,324</u>	\$ <u>722</u>	\$ <u>2,812</u>	\$ <u>1,777</u>
Operating expenses	\$ <u>885</u>	\$ <u>574</u>	\$ <u>1,844</u>	\$ <u>1,196</u>

27. 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:

June 30, 2026

	Within One Year	More than One Year	Total
<u>Assets</u>			
Contract assets	\$ 1,678,572	\$ 262,694	\$ 1,941,266
Prepaid construction costs	<u>2,520</u>	<u>-</u>	<u>2,520</u>
	<u>\$ 1,681,092</u>	<u>\$ 262,694</u>	<u>\$ 1,943,786</u>
<u>Liabilities</u>			
Contract liabilities	\$ 31,519	\$ 30,170	\$ 61,689
Provisions - warranties	56,328	995,412	1,051,740
Onerous contracts	-	46,906	46,906
Construction costs payable	<u>2,234,159</u>	<u>512,954</u>	<u>2,747,113</u>
	<u>\$ 2,322,006</u>	<u>\$ 1,585,442</u>	<u>\$ 3,907,448</u>

December 31, 2025

	Within One Year	More than One Year	Total
<u>Assets</u>			
Contract assets	<u>\$ 1,761,548</u>	<u>\$ 85,946</u>	<u>\$ 1,847,494</u>
<u>Liabilities</u>			
Contract liabilities	\$ 36,305	\$ 40,353	\$ 76,658
Provisions - warranties	38,138	954,180	992,318
Onerous contracts	-	75,371	75,371
Construction costs payable	<u>2,937,080</u>	<u>486,881</u>	<u>3,423,961</u>
	<u>\$ 3,011,523</u>	<u>\$ 1,556,785</u>	<u>\$ 4,568,308</u>

June 30, 2025

	Within One Year	More than One Year	Total
<u>Assets</u>			
Contract assets	\$ 2,113,755	\$ 141,496	\$ 2,255,251
Prepaid construction costs	<u>284,531</u>	<u>-</u>	<u>284,531</u>
	<u>\$ 2,398,286</u>	<u>\$ 141,496</u>	<u>\$ 2,539,782</u>
<u>Liabilities</u>			
Contract liabilities	\$ 114	\$ -	\$ 114
Provisions - warranties	64,429	532,003	596,432
Onerous contracts	-	56,668	56,668
Construction costs payable	<u>3,702,848</u>	<u>275,646</u>	<u>3,978,494</u>
	<u>\$ 3,767,391</u>	<u>\$ 864,317</u>	<u>\$ 4,631,708</u>

28. EQUITY

a. Share capital

	June 30, 2026	December 31, 2025	June 30, 2025
Number of authorized ordinary shares (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Amount of authorized ordinary shares	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of issued and fully paid ordinary shares (in thousands)	<u>830,282</u>	<u>730,282</u>	<u>730,282</u>
Amount of issued and fully paid ordinary shares	<u>\$ 8,302,820</u>	<u>\$ 7,302,820</u>	<u>\$ 7,302,820</u>

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

On November 12, 2025, the Corporation's board of directors resolved to issue 100,000 thousand new shares, each with a par value of \$10, for a consideration of \$32.73 per share which increased the share capital issued and fully paid to \$8,302,820 thousand. The above-mentioned cash capital increase was approved and became effective upon filing by the Securities and Futures Bureau of the FSC on January 16, 2026, and the subscription base date was determined by the board of directors on March 20, 2026 to be May 20, 2026, and the registration of the change was completed on June 15, 2026.

The Corporation recognized common stock of \$1,000,000 thousand and capital surplus - issuance of ordinary shares after deducting issuance costs.

b. Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of ordinary shares	\$ 4,979,880	\$ 2,589,425	\$ 2,589,425
Conversion of bonds	32,494	32,494	32,494
<u>May be used to offset a deficit only</u>			
Share of changes in associates accounted for using the equity method	<u>163,509</u>	<u>163,509</u>	<u>-</u>
	<u>\$ 5,175,883</u>	<u>\$ 2,785,428</u>	<u>\$ 2,621,919</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 shall be submitted to the shareholders' meeting for approval 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 30.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 in their meeting. 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 IFRS Accounting Standards" should be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2025 and 2024, which had been resolved in the shareholders' meetings on May 29, 2026 and May 29, 2025, respectively, were as follows:

	Appropriation of Earnings	
	2025	2024
Legal reserve	\$ 212,965	\$ 172,693
Special reserve	15,504	18,182
Reversal of special reserve	(352,839)	(360,134)
Cash dividends	1,759,980	1,533,592
Cash dividends per share (NT\$)	2.41 (Note)	2.1

Note: The cash dividend per share was calculated based on the number of outstanding shares as of the record date for share transfer suspension of the Corporation's 2026 annual shareholders' meeting. On March 20, 2026, the Board of Directors resolved to authorize the Chairman to determine the ex-dividend record date. On June 16, 2026, the Chairman approved July 8, 2026 as the ex-dividend record date. Due to the issuance of 100,000 thousand new shares by the Corporation before the ex-dividend record date, which affected the number of outstanding shares, the cash dividend per share was adjusted from \$2.41 to \$2.12.

The reversals of the special reserve in 2025 and 2024 were the reversal amount voluntarily set aside in accordance with the Company Act in prior years.

d. Non-controlling interests

	For the Six Months Ended June 30, 2026
Balance on January 1	\$ -
Non-controlling interests arising from acquisition of subsidiaries (Note 33)	10,841,931
Cash dividends distributed by subsidiaries	(793,560)
Share in profit for the period	714,288
Other comprehensive loss during the year	
Loss on hedging instruments	<u>(1,569)</u>
Balance on June 30	<u>\$ 10,761,090</u>

29. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Revenue from contracts with customers				
Sales				
Sales of electricity	\$ 20,261,310	\$ 328,520	\$ 32,635,551	\$ 678,450
Sales of steam	90,717	87,878	139,632	158,520
Others	<u>175</u>	<u>131</u>	<u>317</u>	<u>240</u>
	20,352,202	416,529	32,775,500	837,210
Construction service	329,604	1,784,986	1,480,250	3,246,140
Operations, maintenance and consulting services	<u>100,961</u>	<u>78,955</u>	<u>232,495</u>	<u>160,985</u>
	<u>\$ 20,782,767</u>	<u>\$ 2,280,470</u>	<u>\$ 34,488,245</u>	<u>\$ 4,244,335</u>

a. Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Accounts receivable (including related parties)	<u>\$ 13,504,666</u>	<u>\$ 1,671,265</u>	<u>\$ 1,841,880</u>	<u>\$ 872,483</u>
Contract assets				
Construction contracts	\$ 1,941,266	\$ 1,847,494	\$ 2,255,251	\$ 3,706,423
Rendering of services	<u>624,844</u>	<u>537,850</u>	<u>539,772</u>	<u>430,719</u>
	<u>\$ 2,566,110</u>	<u>\$ 2,385,344</u>	<u>\$ 2,795,023</u>	<u>\$ 4,137,142</u>
Contract liabilities				
Construction contracts	\$ 61,689	\$ 76,658	\$ 114	\$ 244,711
Power purchase agreements	179,442	162,597	149,297	134,637
Rendering of services	<u>2,148</u>	<u>15</u>	<u>4,400</u>	<u>41</u>
	<u>\$ 243,279</u>	<u>\$ 239,270</u>	<u>\$ 153,811</u>	<u>\$ 379,389</u>

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 substantially 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 45 for information about disaggregation of revenue from contracts with customers.

30. NET PROFIT

a. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Dividend income	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Others	<u>2,159</u>	<u>4,015</u>	<u>6,058</u>	<u>8,272</u>
	<u>\$ 12,159</u>	<u>\$ 14,015</u>	<u>\$ 16,058</u>	<u>\$ 18,272</u>

b. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Gain on disposal of associates (Note 15)	\$ -	\$ -	\$ 630,163	\$ -
Gain on reversal of compensation	49,088	-	49,088	-
Foreign exchange gain	3,809	30,508	15,762	55,989
Foreign exchange loss	(3,782)	(57,854)	(6,794)	(61,194)
Loss on disposal of property, plant and equipment	(136)	-	(229)	-
Lease modification gain	273	2	273	2
Others	11	-	(842)	(1,000)
	<u>\$ 49,263</u>	<u>\$ (27,344)</u>	<u>\$ 687,421</u>	<u>\$ (6,203)</u>

c. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Interest on bank loans	\$ 166,882	\$ 12,820	\$ 315,401	\$ 25,566
Interest on bonds payable	19,819	5,223	47,191	10,446
Interest on commercial papers	5,500	-	21,475	809
Interest on lease liabilities	2,844	2,484	6,141	4,866
Others	(483)	150	7,942	307
	<u>\$ 194,562</u>	<u>\$ 20,677</u>	<u>\$ 398,150</u>	<u>\$ 41,994</u>

Information about capitalized interest were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Amount of capitalized interest	<u>\$ 6,190</u>	<u>\$ -</u>	<u>\$ 6,190</u>	<u>\$ 418</u>
Capitalized interest rate	2.33%	-	2.33%	2.17%

d. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Property, plant and equipment	\$ 195,755	\$ 93,643	\$ 400,194	\$ 184,636
Right-of-use assets	18,963	14,746	38,259	28,964
Intangible assets	9,958	8,813	20,405	17,306
Long-term prepaid maintenance expenses	36,650	-	73,294	-
Prepaid power lines usage expense	<u>265</u>	<u>264</u>	<u>530</u>	<u>529</u>
	<u>\$ 261,591</u>	<u>\$ 117,466</u>	<u>\$ 532,682</u>	<u>\$ 231,435</u>
An analysis of depreciation by function				
Operating costs	\$ 192,609	\$ 88,578	\$ 394,132	\$ 174,443
Operating expenses	<u>22,109</u>	<u>19,811</u>	<u>44,321</u>	<u>39,157</u>
	<u>\$ 214,718</u>	<u>\$ 108,389</u>	<u>\$ 438,453</u>	<u>\$ 213,600</u>
An analysis of amortization by function				
Operating costs	\$ 38,543	\$ 298	\$ 75,680	\$ 597
Operating expenses	<u>8,330</u>	<u>8,779</u>	<u>18,549</u>	<u>17,238</u>
	<u>\$ 46,873</u>	<u>\$ 9,077</u>	<u>\$ 94,229</u>	<u>\$ 17,835</u>

e. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Post-employment benefits				
Defined contribution plans	\$ 7,472	\$ 3,944	\$ 14,728	\$ 7,987
Defined benefit plans	<u>2,209</u>	<u>1,296</u>	<u>4,656</u>	<u>2,973</u>
	9,681	5,240	19,384	10,960
Share-based payments				
Equity-settled (Note 34)	-	-	117,645	-
Short-term benefits	<u>272,631</u>	<u>159,347</u>	<u>528,933</u>	<u>295,815</u>
	<u>\$ 282,312</u>	<u>\$ 164,587</u>	<u>\$ 665,962</u>	<u>\$ 306,775</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 165,486	\$ 82,660	\$ 334,775	\$ 168,618
Operating expenses	<u>116,826</u>	<u>81,927</u>	<u>331,187</u>	<u>138,157</u>
	<u>\$ 282,312</u>	<u>\$ 164,587</u>	<u>\$ 665,962</u>	<u>\$ 306,775</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Short-term benefits				
Wages and salaries	\$ 236,251	\$ 143,773	\$ 457,096	\$ 264,564
Labor and health insurance	14,603	7,771	29,799	15,910
Others	<u>21,777</u>	<u>7,803</u>	<u>42,038</u>	<u>15,341</u>
	<u>\$ 272,631</u>	<u>\$ 159,347</u>	<u>\$ 528,933</u>	<u>\$ 295,815</u>

(Concluded)

f. Compensation of employees and remuneration of directors

The compensation of employees and remuneration of directors are set aside at rates not less than 0.5% and not higher than 1%, respectively, of net profit before income tax, compensation of employees and remuneration of directors, and specifies that 1% of the employee compensation will be allocated to non-executive employees, with the remaining portion distributed among all employees.

The compensation of employees (including non-executive employees) and remuneration of directors for the six months ended June 30, 2026 and 2025, were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Compensation of employees	\$ 26,650	\$ 26,441	\$ 38,329	\$ 37,802
Remuneration of directors	8,883	8,893	12,776	12,601

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 the accounting estimate.

The compensation of employees (including non-executive employees) and the remuneration of directors for the years ended December 31, 2025 and 2024, which had been resolved by the Corporation's board of directors on March 12, 2026 and March 13, 2025, respectively, were as follows:

	For the Year Ended December 31	
	2025	2024
Compensation of employees - cash	\$ 57,367	\$ 45,567
Remuneration of directors - cash	17,975	14,270

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, 2025 and 2024.

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.

31. INCOME TAX

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Current income tax				
In respect of the current period	\$ 341,309	\$ 74,894	\$ 586,893	\$ 107,697
Income tax on unappropriated earnings	2,133	-	2,133	1,106
Adjustments for prior year	<u>9,409</u>	<u>(609)</u>	<u>9,409</u>	<u>(609)</u>
	352,851	74,285	598,435	108,194
Deferred income tax				
In respect of the current period	<u>(29,436)</u>	<u>(3,492)</u>	<u>(59,738)</u>	<u>(11,217)</u>
	<u>\$ 323,415</u>	<u>\$ 70,793</u>	<u>\$ 538,697</u>	<u>\$ 96,977</u>

- b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Current tax				
Loss on hedging instruments	<u>\$ 1,359</u>	<u>\$ -</u>	<u>\$ 1,043</u>	<u>\$ -</u>

- c. Income tax assessments

The income tax returns of Sun Ba through 2024 have been assessed by the tax authorities, the income tax returns of the Corporation, SEC, SEPC, SBPC, SWC, SSC, TGE, SKE, MWC and HML through 2023 have been assessed by the tax authorities.

Under the local income tax law, TCIC is not obligated to pay income tax.

32. EARNINGS PER SHARE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Basic earnings per share (NT\$)	<u>\$ 1.18</u>	<u>\$ 1.19</u>	<u>\$ 3.27</u>	<u>\$ 1.68</u>
Diluted earnings per share (NT\$)	<u>\$ 1.18</u>	<u>\$ 1.19</u>	<u>\$ 3.27</u>	<u>\$ 1.67</u>

The earnings 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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Net profit for the period attributable to owners of the Corporation used in the computation of basic earnings per share	\$ 918,114	\$ 870,992	\$ 2,461,987	\$ 1,224,941

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	775,337	730,282	752,934	730,282
Effect of potentially dilutive ordinary shares				
Compensation of employees of the Corporation	502	847	987	1,282
Weighted average number of ordinary shares used in the computation of diluted earnings per share	775,839	731,129	753,921	731,564

The Corporation may settle the compensation of employees paid in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation are settled in shares and the resulting potential shares are 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.

33. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Sun Ba	Power generation	January 9, 2026	19.5	\$ 2,903,796
SEPC	Power generation	January 9, 2026	19.5	\$ 1,077,772
SBPC	Power generation	January 9, 2026	22.73	\$ 940,582

In January 2026, in line with the national energy transition policy, the Group expanded its investment in natural gas-fired power plants by acquiring equity interests in Sun Ba, SEPC, and SBPC.

b. Consideration transferred

	Sun Ba	SEPC	SBPC
Cash	\$ 2,903,796	\$ 1,077,772	\$ 940,582

c. Assets acquired and liabilities assumed at the date of acquisition

	Sun Ba	SEPC	SBPC
Current assets			
Cash and cash equivalents	\$ 3,563,449	\$ 1,074,385	\$ 1,089,859
Financial assets at amortized cost	100,906	659,000	-
Financial assets for hedging	19,559	-	2,997
Accounts receivable - related parties	4,306,391	886,150	874,719
Finance lease receivables	1,978,240	793,895	591,348
Other receivables	3,765	853	69
Prepaid value-added tax	592,551	-	-
Other current assets	179,530	51,194	53,233
Non-current assets			
Financial assets at amortized cost	-	1,644,000	-
Financial assets for hedging	17,562	-	-
Property, plant and equipment	1,275,777	473,757	1,324,862
Right-of-use assets	238,689	4,374	82,764
Intangible assets	10,792	-	1,873
Deferred income tax assets	96,093	118,477	1,450
Finance lease receivables	28,855,987	1,962,764	5,119,341
Net defined benefit asset	3,428	-	9,530
Refundable deposits	11,166	94	10,997
Prepayments for equipment	-	123,009	-
Other non-current assets	1,722,556	79,264	-
Current liabilities			
Short-term bills payable	(799,320)	-	-
Notes payable	-	(18,346)	(19,501)
Accounts payable	(2,948,906)	(1,239,170)	(770,623)
Other payables	(958,748)	(52,624)	(53,184)
Income tax payable	(363,045)	(57,043)	(57,761)
Provisions	(24,000)	-	(464)
Lease liabilities	(11,926)	(3,528)	(13,433)
Current portion of long-term borrowings	(1,407,198)	-	(369,683)
Other current liabilities	(23,962)	(5,759)	(3,854)
Non-current liabilities			
Long-term loans	(13,981,908)	-	(1,111,648)
Lease liabilities	(160,450)	(902)	(72,217)
Bonds payable	(5,497,772)	-	-
Deferred tax liabilities	(563,750)	(214,366)	(434,694)
Net defined benefit liabilities	-	(17,493)	-
Guarantee deposits received	(5,242)	(542)	(3,138)
	<u>\$ 16,230,214</u>	<u>\$ 6,261,443</u>	<u>\$ 6,252,842</u>

The initial accounting for the acquisition of the above-mentioned companies is provisional as of the balance sheet date. For tax purposes, the tax bases of the assets of the above-mentioned companies are required to be re-determined based on their fair market values. As of the date of approval for issuance of these consolidated financial statements, the required valuation of fair value and other related computations have not yet been completed. Accordingly, the tax bases have been determined on a provisional basis based on the best estimates of the management of the Group.

d. Non-controlling interests

The non-controlling interests in Sun Ba, SEPC, and SBPC were measured at their acquisition-date, totaling to \$10,841,931 thousand. The fair value of Sun Ba and SBPC was estimated using the income approach, while that of SEPC was estimated using the market approach. The following are the key assumptions used in determining the fair value:

- 1) Discount rate of 4% to 7%;
- 2) Long-term sustainable growth rates of 0%; and
- 3) Adjustments are made for factors considered by market participants, including the lack of control over Sun Ba, SEPC, and SBPC, as well as the lack of marketability of the shares.

e. Gain on bargain purchase arising from acquisition

	Sun Ba	SEPC	SBPC
Consideration transferred	\$ 2,903,796	\$ 1,077,772	\$ 940,582
Fair value of previously held equity interests	7,234,319	2,633,670	2,853,390
Plus: Non-controlling interests	6,086,331	2,504,577	2,251,023
Less: Fair value of identifiable net assets acquired	<u>(16,230,214)</u>	<u>(6,261,443)</u>	<u>(6,252,842)</u>
Gain on bargain purchase arising from acquisition	<u>\$ (5,768)</u>	<u>\$ (45,424)</u>	<u>\$ (207,847)</u>

f. Net cash inflow (outflow) on the acquisition of subsidiaries

	Sun Ba	SEPC	SBPC
Cash and cash equivalent balances acquired	\$ 3,563,449	\$ 1,074,385	\$ 1,089,859
Less: Consideration paid in cash	<u>(2,903,796)</u>	<u>(1,077,772)</u>	<u>(940,582)</u>
	<u>\$ 659,653</u>	<u>\$ (3,387)</u>	<u>\$ 149,277</u>

34. SHARE-BASED PAYMENT ARRANGEMENTS

In March 2026, the Corporation conducted a cash capital increase with employee subscription rights. The compensation cost recognized for the employee share subscription rights, measured using the Black-Scholes-Merton option pricing model, amounted to \$117,645 thousand, with a corresponding increase in capital surplus.

The inputs used in the valuation model are as follows:

March 20, 2026

Grant date share price	\$46.10
Strike price	\$32.73
Expected volatility	22.81%
Expected life	53 days
Risk-free interest rate	1.26%

35. PARTIAL CASH TRANSACTIONS

- a. For the six months ended June 30, 2026 and 2025, the Group entered into the following partial cash investing activities:

	For the Six Months Ended June 30	
	2026	2025
Partial cash payments for acquisition of property, plant and equipment		
Acquisition of property, plant and equipment	\$ 255,680	\$ 45,876
Changes in payables for equipment	70,030	88,559
Depreciation of right-of-use assets	<u>-</u>	<u>(475)</u>
Cash payments	<u>\$ 325,710</u>	<u>\$ 133,960</u>

- b. Changes in liabilities arising from financing activities

For the six months ended June 30, 2026

			Non-cash Changes				
	January 1, 2026	Cash Flows	New Leases	Subsidiaries (Note 33)	Interest Expense	Others	June 30, 2026
Short-term borrowings	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Short-term bills payable	-	(400,000)	-	799,320	21,475	(21,417)	399,378
Long-term loans	7,897,409	967,633	-	16,870,437	-	-	25,735,479
Guarantee deposits received	131,041	9,834	-	8,922	-	-	149,797
Bonds payable	599,589	-	-	5,497,772	47,191	(46,452)	6,098,100
Lease liabilities	454,532	(37,385)	6,236	262,456	6,141	(87,491)	604,489
	<u>\$ 9,082,571</u>	<u>\$ 790,082</u>	<u>\$ 6,236</u>	<u>\$ 23,438,907</u>	<u>\$ 74,807</u>	<u>\$ (155,360)</u>	<u>\$ 33,237,243</u>

For the six months ended June 30, 2025

	January 1, 2025	Cash Flows	Non-cash Changes			June 30, 2025
			New Leases	Interest Expense	Others	
Short-term borrowings	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
Short-term bills payable	499,764	(500,000)	-	809	(573)	-
Long-term loans	2,109,187	(61,986)	-	-	-	2,047,201
Guarantee deposits received	89,397	24,347	-	-	-	113,744
Bonds payable	2,499,158	-	-	10,446	(10,125)	2,499,479
Lease liabilities	456,265	(27,660)	47,971	4,866	6,723	488,165
	<u>\$ 5,653,771</u>	<u>\$ (365,299)</u>	<u>\$ 47,971</u>	<u>\$ 16,121</u>	<u>\$ (3,975)</u>	<u>\$ 5,348,589</u>

36. 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 (May 16 to October 15), the selling price of electricity is higher. The rest of the months are classified as 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.

37. 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 has remained unchanged over the past five 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.

38. 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

June 30, 2026

	Level 1	Level 2	Level 3	Total
Financial assets for hedging				
Forward foreign exchange contracts	\$ -	\$ 18,324	\$ -	\$ 18,324
Interest rate swap contracts	-	13,581	-	13,581
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	-	-	271,477	271,477
	<u>\$ -</u>	<u>\$ 31,905</u>	<u>\$ 271,477</u>	<u>\$ 303,382</u>

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,677</u>	<u>\$ 268,677</u>

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,557</u>	<u>\$ 268,557</u>

2) Valuation techniques and inputs applied for Level 2 fair value measurement

The fair value of forward foreign exchange contracts is determined using forward exchange rate quotations and yield curves derived from quoted interest rates corresponding to the contract maturities.

The fair value of interest rate swap contracts is estimated by discounting future cash flows using benchmark yield curves as of the balance sheet date and incorporating credit risk spreads under the contracts.

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

For the six months ended June 30, 2026

	Financial Assets at FVTOCI - Equity Investments
Beginning balance	\$ 268,677
Recognized in other comprehensive income	<u>2,800</u>
Ending balance	<u>\$ 271,477</u>

For the six months ended June 30, 2025

	Financial Assets at FVTOCI - Equity Investments
Beginning balance	\$ 268,557
Recognized in other comprehensive income	<u>-</u>
Ending balance	<u>\$ 268,557</u>

4) 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.

	June 30, 2026	December 31, 2025	June 30, 2025
Long-term revenue growth rates	0.00%-2.50%	0.00%-1.99%	0.00%-2.31%
Long-term pre-tax operating margin	40.04%-45.67%	40.04%-45.67%	39.99%-45.08%
WACC	8.81%	8.14%	7.70%
Discount for lack of marketability	18.79%	19.04%	18.55%

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 have increased (decreased) as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Long-term revenue growth rate			
1% increase	<u>\$ 31,800</u>	<u>\$ 30,000</u>	<u>\$ 28,000</u>
1% decrease	<u>\$ (32,400)</u>	<u>\$ (28,200)</u>	<u>\$ (32,800)</u>
WACC			
0.5% increase	<u>\$ (10,800)</u>	<u>\$ (12,200)</u>	<u>\$ (12,600)</u>
0.5% decrease	<u>\$ 11,600</u>	<u>\$ 13,000</u>	<u>\$ 13,600</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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets</u>			
Financial assets for hedging	\$ 31,905	\$ -	\$ -
Financial assets measured at amortized cost (Note 1)	22,712,120	4,433,518	6,266,093
Financial assets at FVTOCI	271,477	268,677	268,557
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	43,608,731	12,708,817	9,874,156

Note 1: The balances include cash and cash equivalents, accounts receivable, accounts receivable from related parties, dividend receivables, 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, notes payable, accounts payable, accounts payable to related parties, construction costs payable, other payables, current portion of long-term borrowings, current portion of bonds payable, 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 significant financial activities are subject to review by the board of directors in accordance with applicable regulations and internal control policies. The Group follows the relevant financial procedures governing overall financial risk management and the segregation of duties and responsibilities.

1) Market risk

a) Foreign currency risk

Refer to Note 43 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).

Hedge accounting

The Group's hedging strategy is to use forward foreign exchange contracts to hedge exposure to exchange rate fluctuations arising from specific foreign currency inflows and outflows, as well as to manage foreign currency exposure arising from highly probable forecast purchases in the future. The hedging adjustment is recognized as an adjustment to the carrying amount of the non-financial hedged item when the forecast purchase transaction occurs.

For hedges of highly probable forecast purchase transactions, the critical terms of the forward foreign exchange contracts (such as notional amount, tenor, and underlying) are aligned with those of the hedged items. The Group performs a qualitative assessment to determine that the value changes of the forward foreign exchange contracts and the hedged forecast transactions move systematically in the opposite direction due to changes in the hedged exchange rates.

The source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the foreign exchange forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness is expected to emerge from these hedging relationships.

Sensitivity analysis

The Group is mainly exposed to the JPY, 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 Six Months Ended June 30	
	2026	2025
Profit or loss		
USD	\$ (1,133)	\$ 1,023
EUR	342	7,026
JPY	42	-

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:

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
Financial assets	\$ 43,787,036	\$ 495,903	\$ 802,662
Financial liabilities	7,101,967	1,054,121	2,987,644
Cash flow interest rate risk			
Financial assets	2,397,252	2,098,051	2,324,419
Financial liabilities	25,985,479	7,897,409	2,247,201

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 assets and 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 six months ended June 30, 2026 and 2025 would have decreased/increased by \$107,941 thousand and increased/decreased by \$386 thousand, respectively.

Hedge accounting

The Group applies cash flow hedge accounting using interest rate swap contracts to convert a portion of its issued floating-rate financial liabilities from floating interest rates to fixed interest rates, thereby reducing the exposure to cash flow variability arising from changes in interest rates on such liabilities. The fair value of interest rate swap contracts at the balance sheet date is estimated by discounting future cash flows using benchmark yield curves as of the balance sheet date and incorporating credit risk spreads under the contracts.

As the terms of the aforementioned interest rate swap contracts match those of the related financial liabilities, the Group performs a qualitative assessment to determine that the value changes of the interest rate swap contracts and the hedged financial liabilities move systematically in the opposite direction due to changes in the hedged interest rates. The main sources of hedge ineffectiveness arise from the effect of counterparty credit risk on the fair value of the interest rate swap contracts. Such credit risk does not affect the changes in fair value of the hedged items attributable to changes in interest rates. No other sources of hedge ineffectiveness were identified during the hedging period.

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 six months ended June 30, 2026 and 2025 would have increased/decreased by \$2,715 thousand and \$2,686 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 monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecasted and actual cash flows as well as matching the maturity profiles of financial assets and liabilities. The Group had available unutilized short-term bank loan facilities set out in (c) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has 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. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

June 30, 2026

	Within One Year	2 to 3 Years	4 to 5 Years	5+ Years	Total
Short-term borrowings	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
Short-term bills payable	400,000	-	-	-	400,000
Non-interest bearing liabilities	11,125,774	-	-	-	11,125,774
Lease liabilities	61,427	76,352	68,565	536,844	743,188
Long-term borrowings	3,636,451	5,259,918	2,900,257	13,938,853	25,735,479
Bonds payable	109,400	5,520,617	608,221	-	6,238,238
	<u>\$ 15,583,052</u>	<u>\$ 10,856,887</u>	<u>\$ 3,577,043</u>	<u>\$ 14,475,697</u>	<u>\$ 44,492,679</u>

December 31, 2025

	Within One Year	2 to 3 Years	4 to 5 Years	5+ Years	Total
Non-interest bearing liabilities	\$ 4,211,819	\$ -	\$ -	\$ -	\$ 4,211,819
Lease liabilities	59,423	60,634	50,986	383,580	554,623
Long-term borrowings	227,723	4,380,610	660,609	2,628,467	7,897,409
Bonds payable	6,000	12,000	609,721	-	627,721
	<u>\$ 4,504,965</u>	<u>\$ 4,453,244</u>	<u>\$ 1,321,316</u>	<u>\$ 3,012,047</u>	<u>\$ 13,291,572</u>

June 30, 2025

	Within One Year	2 to 3 Years	4 to 5 Years	5+ Years	Total
Short-term borrowings	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
Non-interest bearing liabilities	6,661,068	-	-	-	6,661,068
Lease liabilities	65,695	81,321	51,002	395,591	593,609
Long-term borrowings	412,303	312,329	296,329	1,026,240	2,047,201
Bonds payable	1,907,711	12,000	12,000	600,721	2,532,432
	<u>\$ 9,246,777</u>	<u>\$ 405,650</u>	<u>\$ 359,331</u>	<u>\$ 2,022,552</u>	<u>\$ 12,034,310</u>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the period.

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

June 30, 2026

	Within One Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years	5+ Years
<u>Net settlement</u>					
Forward foreign exchange contract	\$ 18,324	\$ -	\$ -	\$ -	\$ -
Interest rate swap agreement	-	-	-	13,581	-
	<u>\$ 18,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,581</u>	<u>\$ -</u>

c) Financing facilities

	June 30, 2026	December 31, 2025	June 30, 2025
Secured bank loan facilities:			
Amount used	\$ 2,087,113	\$ 1,801,940	\$ 1,558,207
Amount unused	<u>1,604,900</u>	<u>2,720,000</u>	<u>685,800</u>
	<u>\$ 3,692,013</u>	<u>\$ 4,521,940</u>	<u>\$ 2,244,007</u>
Unsecured bank loan facilities which may be extended by mutual agreement:			
Amount used	\$ 39,062,479	\$ 4,350,781	\$ 3,713,032
Amount unused	<u>33,893,873</u>	<u>11,571,619</u>	<u>10,332,670</u>
	<u>\$ 72,956,352</u>	<u>\$ 15,922,400</u>	<u>\$ 14,045,702</u>

39. 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

<u>Related Party</u>	<u>Relationship with the Group</u>
TPC	Investor with significant influence over the Group
TYC	Associate
Sun Ba	Associate (Note)
SEPC	Associate (Note)
KKPC	Associate
SBPC	Associate (Note)
Taiwan Sugar Corporation (TSC)	Investor with significant influence over the Group

Note: Starting from January 2026, the entity became a consolidated subsidiary. The transaction amounts and account balances disclosed in this note were all incurred prior to its consolidation as a subsidiary.

b. Operating transactions

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Sales	Investors with significant influence over the Group				
	TPC	<u>\$ 20,098,466</u>	<u>\$ 179,777</u>	<u>\$ 32,242,684</u>	<u>\$ 315,076</u>
Construction service revenue	Investors with significant influence over the Group				
	TPC	<u>\$ 262,227</u>	<u>\$ 499,475</u>	<u>\$ 1,114,444</u>	<u>\$ 647,239</u>
Operations, maintenance and consulting services revenue	Investors with significant influence over the Group				
	TPC	\$ 68,268	\$ 58,800	\$ 161,467	\$ 117,600
	Associates				
	Others	<u>-</u>	<u>3,938</u>	<u>-</u>	<u>8,237</u>
		<u>\$ 68,268</u>	<u>\$ 62,738</u>	<u>\$ 161,467</u>	<u>\$ 125,837</u>
Cost of sales	Investors with significant influence over the Group				
	TPC	\$ 88,013	\$ 7,571	\$ 147,933	\$ 20,037
	Associates				
	Others	<u>-</u>	<u>34</u>	<u>-</u>	<u>65</u>
		<u>\$ 88,013</u>	<u>\$ 7,605</u>	<u>\$ 147,933</u>	<u>\$ 20,102</u>
Operations, maintenance and consulting services cost	Investors with significant influence over the Group				
	TPC	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>
Operating expenses - service expenses	Investors with significant influence over the Group				
	TPC	\$ -	\$ -	\$ 324	\$ -
	TSC	<u>723</u>	<u>-</u>	<u>1,383</u>	<u>-</u>
		<u>\$ 723</u>	<u>\$ -</u>	<u>\$ 1,707</u>	<u>\$ -</u>

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 June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Other income	Associates				
	TYC	\$ 1,211	\$ 1,328	\$ 1,604	\$ 1,809
	KKPC	316	321	752	1,131
	SBPC	-	629	-	1,047
	SEPC	-	420	-	791
	Sun Ba	<u>-</u>	<u>289</u>	<u>-</u>	<u>668</u>
		<u>\$ 1,527</u>	<u>\$ 2,987</u>	<u>\$ 2,356</u>	<u>\$ 5,446</u>

(Continued)

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Interest expense	Investors with significant influence over the Group				
	TPC	\$ 101	\$ 19	\$ 202	\$ 39
	TSC	<u>656</u>	<u>-</u>	<u>1,308</u>	<u>-</u>
		<u>\$ 757</u>	<u>\$ 19</u>	<u>\$ 1,510</u>	<u>\$ 39</u>

(Concluded)

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

d. Receivables from related parties

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable from related parties	Investors with significant influence over the Group			
	TPC	\$ 12,006,569	\$ 459,698	\$ 415,416
	Associates			
	Others	<u>-</u>	<u>2,727</u>	<u>1,632</u>
		<u>\$ 12,006,569</u>	<u>\$ 462,425</u>	<u>\$ 417,048</u>
Other receivables	Associates			
	TYC	\$ 1,634	\$ 1,632	\$ 880
	SBPC	-	1,528	-
	Sun Ba	-	1,055	-
	KKPC	-	800	-
	SEPC	<u>-</u>	<u>609</u>	<u>-</u>
		<u>\$ 1,634</u>	<u>\$ 5,624</u>	<u>\$ 880</u>

The outstanding receivables from related parties were unsecured. For the six months ended June 30, 2026 and 2025, no impairment loss was recognized on receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable to related parties	Investors with significant influence over the Group			
	TPC	\$ 18,911	\$ 6,440	\$ 5,721
	Associates			
	Others	<u>-</u>	<u>106</u>	<u>-</u>
		<u>\$ 18,911</u>	<u>\$ 6,546</u>	<u>\$ 5,721</u>
Other payables	Investors with significant influence over the Group			
	TPC	\$ 3,255	\$ 4,905	\$ 3,155
	TSC	<u>420</u>	<u>-</u>	<u>-</u>
		<u>\$ 3,675</u>	<u>\$ 4,905</u>	<u>\$ 3,155</u>

The outstanding payables to related parties were unsecured.

f. Contract assets

Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Investors with significant influence over the Group			
TPC	\$ 1,604,578	\$ 709,984	\$ 771,262
Associates			
Others	<u>-</u>	<u>287</u>	<u>43,373</u>
	<u>\$ 1,604,578</u>	<u>\$ 710,271</u>	<u>\$ 814,635</u>

g. Contract liabilities

Related Party Category/Name	June 30 2026	December 31, 2025	June 30, 2025
Investors with significant influence over the Group			
TPC	<u>\$ -</u>	<u>\$ 36,193</u>	<u>\$ -</u>

h. Lease agreement

Line Item	Related Party Category/Name	June 30 2026	December 31, 2025	June 30, 2025
Lease liabilities - current	Investors with significant influence over the Group			
	TPC	\$ 938	\$ 370	\$ 368
	TSC	<u>5,147</u>	<u>-</u>	<u>-</u>
		<u>\$ 6,085</u>	<u>\$ 370</u>	<u>\$ 368</u>
Lease liabilities - non-current	Investors with significant influence over the Group			
	TPC	\$ 20,627	\$ 6,661	\$ 6,625
	TSC	<u>146,133</u>	<u>-</u>	<u>-</u>
		<u>\$ 166,760</u>	<u>\$ 6,661</u>	<u>\$ 6,625</u>

i. Sublease arrangements

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Finance lease receivables - current	Associates			
	Sun Ba	\$ -	\$ 3,842	\$ 3,884
	SBPC	-	2,980	2,952
	SEPC	<u>-</u>	<u>2,058</u>	<u>2,039</u>
		<u>\$ -</u>	<u>\$ 8,880</u>	<u>\$ 8,875</u>

(Continued)

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Long-term finance lease receivables non-current	Associates Sun Ba SBPC SEPC	\$ - - - <u>-</u>	\$ 323 251 173 <u>747</u>	\$ 2,299 1,747 1,207 <u>5,253</u>
		<u>\$ -</u>	<u>\$ 747</u>	<u>\$ 5,253</u>

(Concluded)

For the six months ended June 30, 2025, no impairment loss was recognized for finance lease receivables. Refer to Note 11 for information about sublease arrangements.

j. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 30,780	\$ 17,318	\$ 53,961	\$ 30,372
Post-employment benefits	717	225	1,384	567
Share-based payment arrangements	<u>-</u>	<u>-</u>	<u>23,483</u>	<u>-</u>
	<u>\$ 31,497</u>	<u>\$ 17,543</u>	<u>\$ 78,828</u>	<u>\$ 30,939</u>

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

40. 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:

	June 30, 2026	December 31, 2025	June 30, 2025
Machinery and equipment, net	\$ 1,475,508	\$ 1,524,090	\$ 1,551,206
Buildings	1,217,043	1,178,187	1,206,512
Land	63,214	63,214	63,214
Land use rights	56,474	-	-
Time deposits (recognized as financial assets at amortized cost)	6,720	104	104
Demand deposits (recognized as financial assets at amortized cost)	105,425	6,500	6,500
Philippines government bonds (recognized as financial assets at amortized cost)	<u>333</u>	<u>327</u>	<u>317</u>
	<u>\$ 2,924,717</u>	<u>\$ 2,772,422</u>	<u>\$ 2,827,853</u>

The Group has also pledged property, plant and equipment of Sun Ba First Power Plant and SBPC prior to their adoption of IFRS Accounting Standards (which are recognized as finance lease receivables after the adoption of IFRS Accounting Standards) as collateral for borrowings.

41. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group as of June 30, 2026 were as follows:

- a. The commitments for construction projects that have not been performed amounted to approximately \$12,830,268 thousand.
- b. Commitments for construction expenditure and purchase of equipment were approximately \$5,021,502 thousand.
- c. Under a Coal Purchase Agreement, the Group shall purchase 43 thousand tons of coal based on an agreed price.
- d. 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 June 30, 2026, the civil action in progress were as follows:

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. However, after a trial, the Supreme Court announced on November 22, 2023 that the original judgment should be abandoned and sent back to the Taiwan High 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, Taiwan High Court ruled to dismiss TPC's appeal and additional claim on November 9, 2021. However, as TPC filed an appeal on December 13, 2021, the Supreme Court, after review, rendered a judgment on July 16, 2025, setting aside the original decision and remanding the case to the Taiwan High Court for further proceedings. Accordingly, the aforementioned case is currently pending before the Taiwan High 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. Sun Ba, SEPC, and SBPC (hereinafter collectively referred to as the "aforementioned companies") have each entered into power purchase agreements with TPC. The agreements became effective from the commercial operation date of each generating unit and will expire upon the lapse of 25 years thereafter. The aforementioned power purchase agreements have been amended several times, mainly with respect to the upper limit of the annual capacity factor, the pricing mechanism for electricity sales revenue generated in excess of the agreed capacity factor, and adjustments to the capital cost rate in line with market interest rates. The agreements also stipulate that TPC may increase the upper limit of the purchased capacity factor based on the requirements of the power system.

Pursuant to the aforementioned power purchase agreements, the aforementioned companies are required to provide performance guarantees during the commercial operation period of the generating units to ensure fulfillment of the agreements. As of June 30, 2026, the aforementioned companies had provided bank performance guarantee letters totaling \$144,000 thousand, pledged time deposits amounting to \$144,000 thousand, and bank performance guarantee letters issued through syndicated banks totaling \$330,000 thousand.

In addition, on May 7, 2024, SBPC entered into a power purchase agreement for the remaining capacity of an existing gas-fired generating unit with TPC. The agreement will expire on June 29, 2034, and pursuant to the agreement, SBPC is required to provide an operating performance guarantee deposit of \$10,800 thousand during the commercial operation period of the generating unit.

Furthermore, Sun Ba and SBPC have each entered into power plant unit repair (maintenance) service agreements with TPC, under which TPC provides periodic overhaul services as well as emergency or unscheduled maintenance services, and the aforementioned companies pay service fees in accordance with the agreements.

- f. Sun Ba, SEPC, and SBPC (hereinafter collectively referred to as the “aforementioned companies”) have each entered into natural gas purchase agreements with domestic natural gas suppliers for power generation purposes. The agreements became effective from the commercial operation date of each generating unit and will expire upon the lapse of 25 years thereafter. Pursuant to the terms of the aforementioned natural gas purchase agreements, the aforementioned companies are required to provide performance guarantees to the natural gas suppliers during the commercial operation period of the generating units. As of June 30, 2026, the aforementioned companies had provided bank performance guarantee letters totaling \$6,034,528 thousand as performance guarantees.
- g. Sun Ba, SEPC, and SBPC (hereinafter collectively referred to as the “aforementioned companies”) have each entered into long-term gas turbine maintenance service agreements and long-term spare parts supply agreements with foreign companies, pursuant to which the original equipment manufacturers provide gas turbine maintenance services and the aforementioned companies pay the related consideration in accordance with the agreements.

Among them, Sun Ba and SEPC entered into the aforementioned agreements with the same foreign company and prepaid a portion of the contract consideration in accordance with the agreements, which was recognized under other non-current assets. During the actual maintenance service period, maintenance fees are charged based on the actual operating hours of the gas turbines at the agreed rates.

- h. SEPC and SBPC (hereinafter collectively referred to as the “aforementioned companies”) have entered into a natural gas pipeline sharing agreement, pursuant to which SEPC provides the natural gas transmission pipeline of its power plant for connection to and use by SBPC for natural gas transportation. The agreement became effective from the commercial operation date of SBPC’s generating unit (June 30, 2009) and will expire upon the lapse of 25 years thereafter. Starting from the date of the initial gas transmission, SBPC is required to pay SEPC an agreed annual pipeline usage fee. The aforementioned agreements constitute necessary long-term contractual commitments for the operations of the aforementioned companies.

42. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On August 7, 2026, the Corporation’s Board of Directors approved a resolution to lease right-of-use assets from related party TPC, with the amount of right-of-use assets acquired of \$652,746 thousand.

43. 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:

June 30, 2026

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 8,498	31.85	<u>\$ 270,671</u>
EUR	4,287	36.29	<u>\$ 155,558</u>
JPY	1,385,086	0.1963	<u>\$ 271,892</u>
Non-monetary items			
Investments accounted for using the equity method			
PHP	90,712	0.5202	<u>\$ 47,186</u>

Foreign currency liabilities

Monetary items			
USD	12,056	31.85	<u>\$ 383,968</u>
EUR	3,345	36.29	<u>\$ 121,396</u>
JPY	1,363,769	0.1963	<u>\$ 267,708</u>

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 3,957	31.43	<u>\$ 124,356</u>
EUR	5,978	36.90	<u>\$ 220,595</u>
Non-monetary items			
Investments accounted for using the equity method			
PHP	89,402	0.5417	<u>\$ 48,435</u>

Foreign currency liabilities

Monetary items			
USD	797	31.43	<u>\$ 25,063</u>
EUR	427	36.90	<u>\$ 15,746</u>

June 30, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 4,388	29.30	<u>\$ 128,579</u>
EUR	20,876	34.35	<u>\$ 717,077</u>
Non-monetary items			
Investments accounted for using the equity method			
PHP	90,542	0.5178	<u>\$ 46,886</u>
<u>Foreign currency liabilities</u>			
Monetary items			
USD	898	29.30	<u>\$ 26,317</u>
EUR	422	34.35	<u>\$ 14,499</u>

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

For the Three Months Ended June 30				
2026			2025	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Loss
USD	31.597 (USD:NTD)	<u>\$ 115</u>	30.823 (USD:NTD)	<u>\$ (9,376)</u>
EUR	36.760 (EUR:NTD)	<u>\$ 51</u>	34.980 (EUR:NTD)	<u>\$ (16,114)</u>
JPY	0.1983 (JPY:NTD)	<u>\$ (138)</u>		
For the Six Months Ended June 30				
2026			2025	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange (Loss) Gain
USD	31.614 (USD:NTD)	<u>\$ 5,466</u>	31.859 (USD:NTD)	<u>\$ (10,077)</u>
EUR	36.902 (EUR:NTD)	<u>\$ 3,691</u>	34.780 (EUR:NTD)	<u>\$ 5,006</u>
JPY	0.2000 (JPY:NTD)	<u>\$ (203)</u>		

44. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (None)
- 3) Significant marketable securities held (excluding investment in subsidiaries, associates, and joint ventures) (Table 1)

- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 2)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
 - 6) Intercompany relationships and significant intercompany transactions (Table 5)
- b. Information on investees (Table 4)
- 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.

45. 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)
- Natural gas-fired power plant
- 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 Six Months Ended June 30, 2026				
	GCP	Natural Gas-fired Power Plant	CC	Total
Revenue from customers	<u>\$ 462,887</u>	<u>\$ 31,942,313</u>	<u>\$ 2,083,045</u>	<u>\$ 34,488,245</u>
Segment profit	<u>\$ 56,894</u>	<u>\$ 2,303,344</u>	<u>\$ 546,985</u>	\$ 2,907,223
Unallocated operating expenses				(238,481)
Interest income				11,125
Interest expense				(122,150)
Share of profit of associates accounted for using the equity method				266,086
Other non-operating income and expenses				<u>891,169</u>
Profit before income tax				<u>\$ 3,714,972</u>
Depreciation expense	<u>\$ 14,968</u>	<u>\$ 1,071,655</u>	<u>\$ 113,652</u>	
Amortization expense	<u>\$ 384</u>	<u>\$ 2,343</u>	<u>\$ 3,432</u>	
For the Six Months Ended June 30, 2025				
	GCP	CC	Total	
Revenue from customers	<u>\$ 488,462</u>	<u>\$ 3,755,873</u>	<u>\$ 4,244,335</u>	
Segment profit	<u>\$ 90,435</u>	<u>\$ 452,216</u>	\$ 542,651	
Unallocated operating expenses			(85,928)	
Interest income			9,700	
Interest expense			(35,898)	
Share of profit of associates accounted for using the equity method			879,699	
Other non-operating income and expenses			<u>11,694</u>	
Profit before income tax			<u>\$ 1,321,918</u>	
Depreciation expense	<u>\$ 14,512</u>	<u>\$ 130,706</u>		
Amortization expense	<u>\$ 68</u>	<u>\$ 3,591</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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Segment assets</u>			
From continuing operations			
GCP	\$ 478,412	\$ 467,692	\$ 489,437
Natural gas-fired power plant	62,051,591	-	-
CC	<u>8,207,019</u>	<u>9,176,575</u>	<u>9,464,094</u>
Total segment assets	70,737,022	9,644,267	9,953,531
Unallocated assets			
Investments accounted for using the equity method	6,197,965	18,095,875	13,599,823
Others	<u>4,172,966</u>	<u>3,054,539</u>	<u>4,751,255</u>
Consolidated total assets	<u>\$ 81,107,953</u>	<u>\$ 30,794,681</u>	<u>\$ 28,304,609</u>
<u>Segment liabilities</u>			
From continuing operations			
GCP	\$ 98,337	\$ 89,259	\$ 104,662
Natural gas-fired power plant	33,576,406	-	-
CC	<u>5,884,645</u>	<u>7,799,127</u>	<u>8,304,962</u>
Total segment liabilities	39,559,388	7,888,386	8,409,624
Unallocated liabilities	<u>10,911,913</u>	<u>7,131,272</u>	<u>4,840,384</u>
Consolidated total liabilities	<u>\$ 50,471,301</u>	<u>\$ 15,019,658</u>	<u>\$ 13,250,008</u>

TABLE 1

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Security	Relationship	Financial Statement Account	June 30, 2026				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan Cogeneration Corporation	<u>Stock</u> KADC Synergy	N/A N/A	Financial assets at fair value through other comprehensive income "	20,000	\$ 247,800	8.00	\$ 247,800	
				1,911	23,677	1.19	23,677	

TABLE 2

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 SIX MONTHS ENDED JUNE 30, 2026
(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)	
Taiwan Cogeneration Corporation	TPC	Investor with significant influence of the Corporation	Sales (Note 1)	\$ 215,754	29.98	Receivables are collected within 30 days after billing dates under agreements	\$ -	-	\$ 47,544	8.04	
SEC	TPC	Investor with significant influence of the Corporation	Sales (Note 2)	1,356,755	51.08	Receivables are collected within 30 days after billing dates under agreements	-	-	285,210	20.12	
	Taiwan Cogeneration Corporation	The Corporation	Sales (Note 3)	235,986	8.88	Receivables are collected within 30 days after billing dates under agreements	-	-	205,519 (Note 5)	14.50	
	SWC	Subsidiary	Sales (Note 3)	852,139	32.08	Receivables are collected within 30 days after billing dates under agreements	-	-	150 (Note 5)	0.01	
Sun Ba	TPC	Investor with significant influence of the Corporation	Sale (Note 4)	21,444,339	100.00	Receivables are collected within 35 days after billing dates under agreements	-	-	9,396,426	100.00	
SEPC	TPC	Investor with significant influence of the Corporation	Sale (Note 4)	5,162,191	100.00	Receivables are collected within 22 days after billing dates under agreements	-	-	1,112,500	100.00	
SBPC	TPC	Investor with significant influence of the Corporation	Sale (Note 4)	5,335,783	100.00	Receivables are collected within 22 days after billing dates under agreements	-	-	1,162,544	100.00	
MWC	TGE	Fellow subsidiary	Sales (Note 1)	157,935	100.00	Receivables are collected within 30 days after billing dates under agreements	-	-	38,413 (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: Revenue from construction and operating, maintenance and consulting services.

Note 4: Sales of electricity and lease interest income.

Note 5: The amount was eliminated upon consolidation.

TABLE 3

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2026
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts	
					Amount	Action Taken			
SEC	Taiwan Cogeneration Corporation TPC	The Corporation	Accounts receivable	\$ 205,519	Note	\$ -	-	\$ 205,207	\$ -
		Investor with significant influence of the Corporation		285,210	Note	-	-	7,863	-
Sun Ba	TPC	Investor with significant influence of the Corporation		9,396,426	9.54	-	-	7,012,677	-
SEPC	TPC	Investor with significant influence of the Corporation		1,112,500	10.83	-	-	1,112,500	-
SBPC	TPC	Investor with significant influence of the Corporation		1,162,544	11.73	-	-	1,162,544	-

Note: The amount represents construction contract receivables, and the method of payment is based on the contract; therefore, the information on turnover ratio is not applicable.

TABLE 4

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2026			Net Profit (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2026	December 31, 2025	Number of Shares (In Thousands)	Shareholding Percentage (%)	Carrying Amount			
Taiwan Cogeneration Corporation (the “Corporation”)	SEC	Taipei City	Undertaking and installing of power engineering projects	\$ 1,550,020	\$ 1,550,020	142,709	100.00	\$ 1,838,181	\$ 107,779	\$ 206,481 (Note 1)	Subsidiary (Note 6)
	TCIC	British Virgin Islands	Investment in foreign countries and international trading	685,374	685,374	22,260	100.00	161,107	3,344	3,344	Subsidiary (Note 6)
	TGE	Taipei City	Investment in green power plant	95,000	95,000	10,500	100.00	136,027	18,062	18,062	Subsidiary (Note 6)
	TYC	Taoyuan City	Cogeneration plants, management of operations, maintenance of equipment	214,240	214,240	35,834	29.31	573,951	89,709	26,294	Investee of the Corporation accounted for using the equity method
	Sun Ba	Tainan City	Power generation	5,977,296	3,073,500	750,000	62.50	10,175,179	1,395,132	858,897	Subsidiary (Notes 5 and 6)
	KKPC	Taoyuan City	Power generation	5,594,802	5,594,802	496,668	45.83	5,576,828	545,695	239,746 (Note 2)	Investee of the Corporation accounted for using the equity method
	SEPC	Changhua County	Power generation	2,350,272	1,272,500	180,000	60.00	3,708,173	312,717	185,307	Subsidiary (Notes 5 and 6)
	SBPC	Taipei City	Power generation	2,349,712	1,409,130	211,200	64.00	3,830,745	133,009	82,366	Subsidiary (Notes 5 and 6)
	MWC	Taipei City	Power generation	673,608	673,608	51,400	100.00	796,835	51,285	44,023 (Note 3)	Subsidiary (Note 6)
	HML	Changhua County	Power generation	112,130	103,130	10,900	100.00	(27,695)	(9,200)	(9,299) (Note 4)	Subsidiary (Note 6)
SEC	SWC	Changhua County	Power generation	517,870	517,870	51,787	100.00	504,809	12,897	12,897	Sub-subsidiary (Note 6)
	SSC	Taipei City	Power generation	240,000	240,000	24,000	100.00	209,359	3,544	3,544	Sub-subsidiary (Note 6)
TCIC	Redondo Peninsula Energy, Inc.	Philippines	Power generation	573,165	573,165	8,446	25.00	47,186	184	46	Investee of the Corporation’s subsidiary accounted for using the equity method
TGE	SKE	Taipei City	Power generation	80,000	80,000	8,000	100.00	85,648	1,906	1,906	Sub-subsidiary (Note 6)

Note 1: It recognized share of profit of \$107,779 thousand and plus the realized sales gross profit of \$98,702 thousand.

Note 2: It recognized share of profit of \$250,072 thousand and less the amortization of investment premium of \$10,326 thousand.

Note 3: It recognized share of profit of \$51,285 thousand and less the amortization of investment premium of \$7,262 thousand.

Note 4: It recognized share of loss of \$9,200 thousand and less the amortization of investment premium of \$99 thousand.

Note 5: Material non-controlling interests.

Note 6: The amount was eliminated upon consolidation.

TABLE 5

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Company Name	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms (Note 5)	% of Consolidated Operating Revenues or Total Assets (Note 3)
0	Taiwan Cogeneration Corporation (the “Corporation”)	SEC	a	Operating, maintenance and consulting service revenue	\$ 5,668	According to general terms and conditions	-
		SEC	a	Accounts receivable from related parties	1,050	According to general terms and conditions	-
		TGE	a	Operating, maintenance and consulting service revenue	2,900	According to general terms and conditions	-
		TGE	a	Accounts receivable from related parties	1,121	According to general terms and conditions	-
		MWC	a	Operating, maintenance and consulting service revenue	2,100	According to general terms and conditions	-
		Sun Ba	a	Operating, maintenance and consulting service revenue	2,043	According to general terms and conditions	-
		Sun Ba	a	Accounts receivable from related parties	1,094	According to general terms and conditions	-
		Sun Ba	a	Finance lease receivables	2,253	According to general terms and conditions	-
		SEPC	a	Operating, maintenance and consulting service revenue	3,413	According to general terms and conditions	-
		SEPC	a	Finance lease receivables	1,207	According to general terms and conditions	-
		SBPC	a	Operating, maintenance and consulting service revenue	2,280	According to general terms and conditions	-
		SBPC	a	Finance lease receivables	1,747	According to general terms and conditions	-
1	SEC	The Corporation	b	Construction revenue	235,206	According to general terms and conditions	1
		The Corporation	b	Contract assets	586,641	According to general terms and conditions	1
		The Corporation	b	Accounts receivable from related parties	205,519	According to general terms and conditions	-
		SWC	c	Construction revenue	842,097	According to general terms and conditions	2
		SWC	c	Operating, maintenance and consulting service revenue	10,042	According to general terms and conditions	-
		SWC	c	Contract assets	11,007	According to general terms and conditions	-
		SWC	c	Contract liabilities	276,485	According to general terms and conditions	-
		SSC	c	Operating, maintenance and consulting service revenue	6,305	According to general terms and conditions	-
		SSC	c	Accounts receivable from related parties	9,144	According to general terms and conditions	-
		SSC	c	Contract assets	9,607	According to general terms and conditions	-
		MWC	c	Operating, maintenance and consulting service revenue	2,304	According to general terms and conditions	-
		TGE	c	Operating, maintenance and consulting service revenue	2,391	According to general terms and conditions	-
		TGE	c	Accounts receivable from related parties	1,206	According to general terms and conditions	-
2	Sun Ba	SEPC	c	Other income	9,930	According to general terms and conditions	-
3	SEPC	SBPC	c	Other income	5,022	According to general terms and conditions	-
4	MWC	TGE	c	Sales revenue	157,935	According to general terms and conditions	-
		TGE	c	Accounts receivable from related parties	38,413	According to general terms and conditions	-
5	SWC	TGE	c	Sales revenue	44,984	According to general terms and conditions	-
		TGE	c	Accounts receivable from related parties	11,332	According to general terms and conditions	-

(Continued)

No. (Note 1)	Company Name	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms (Note 5)	% of Consolidated Operating Revenues or Total Assets (Note 3)
6	SKE	TGE	c	Sales revenue	\$ 13,786	According to general terms and conditions	-
		TGE	c	Accounts receivable from related parties	5,812	According to general terms and conditions	-
7	SSC	SEC	b	Other receivables from related parties	1,755	According to general terms and conditions	-
		TGE	c	Sales revenue	43,475	According to general terms and conditions	-
		TGE	c	Accounts receivable from related parties	21,927	According to general terms and conditions	-
8	HML	The Corporation	b	Other receivables from related parties	3,816	According to general terms and conditions	-

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

- a. “0” for the Corporation.
- b. 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:

- a. From the Corporation to the subsidiary.
- b. From the subsidiary to the Corporation.
- c. Between to subsidiaries.

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.

Note 6: The disclosure of significant transactions in this table determined by the principle of materiality of the Corporation.

(Concluded)