Taiwan Cogeneration Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as of and for the year ended December 31, 2025 as provided in International Financial Reporting Standard 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies as of and for the year ended December 31, 2025. Hence, we do not prepare a separate set of consolidated financial statements of affiliates for the year ended December 31, 2025.

Very truly yours,

TAIWAN COGENERATION CORPORATION

By

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WANG, ZHEN-YONG
Chairman

March 12, 2026

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Taiwan Cogeneration Corporation

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Cogeneration Corporation (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2025 are described as follows:

Associates' Litigation Related to the Fair Trade Act

Please refer to Note 39(d) for details on the associates' litigation related to the Fair Trade Act, Note 4(o) for accounting policies on provisions and Note 5(a) for critical accounting judgments and key sources of estimation uncertainty.

Taiwan Power Company (TPC) claimed to have suffered losses due to joint actions by Independent Power Producers, which violated the Fair Trade Act, and filed a civil action for damages against the associates of the Group, including Sun Ba Power Corporation, Star Energy Power Corporation, Star Buck Power Corporation, and Kuo Kuang Power Company Ltd.

The aforementioned associates commissioned attorneys to analyze the case and believe they have not caused any losses to TPC. As a result, they have not recognized provisions for the relevant litigation, which in turn has not affected the Group's balance of investment accounted for using the equity method and the share of profit of associates accounted for using the equity method. The aforementioned associates have also engaged attorneys to assist with civil litigation matters. Since the litigation is still ongoing and the claimed amount is material to the consolidated financial statements of the Group, the outcome may change with subsequent developments of the cases, involving significant judgments by management. Thus, the assessment of contingent events in the associates' litigation related to the Fair Trade Act was considered as one of the key audit matters.

In our audit, we have obtained relevant documents, such as the lawsuit papers for the aforementioned case; discussed the management's correspondence with attorneys and the evaluation of the pending litigation; sent confirmation requests to the attorneys and reviewed their responses and assessments; and reviewed the latest developments of the pending litigation up to the date of the audit report to assess whether the associates' litigation related to the Fair Trade Act had been appropriately accounted for and disclosed in accordance with International Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets".

Evaluation of Profit and Loss of Construction Contracts

Please refer to Note 29 for information on construction contracts, Note 4(p) for the accounting policies on revenue recognition of construction contracts, and Note 5(b) for the critical accounting judgments and key sources of estimation uncertainty related to the evaluation of profit and loss of construction contracts.

The Group has entered into a construction contract for a large-scale offshore wind power generation project in central Taiwan. The construction service revenue of the aforementioned contract recognized for the year ended December 31, 2025 amounted to NT$3,000,403 thousand, representing 39% of the Group's consolidated operating revenue. The percentage of completion and related profit or loss from the construction contract were assessed and determined by the Group's management based on the nature of activities, expected subcontracting, construction periods, progress, methods, etc., involving critical accounting judgments made by the management. Thus, the evaluation of profit and loss of construction contracts was considered as one of the key audit matters.

In our audit, we visited and observed the construction site; obtained the construction contract and construction project schedules; expected total construction cost and construction acceptance reports; verified the construction cost, the estimated remaining cost before completion, and related supporting documents on a sampling basis in evaluating the reasonableness of the method and assumptions used by the management in the calculation of the percentage of completion; recalculated the percentage of completion, construction service revenue, construction service cost, profit or loss of the construction contract, contract assets and contract liabilities for reasonableness; and assessed the appropriateness of provisions.

Other Matter

We have also audited the standalone financial statements of Taiwan Cogeneration Corporation as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash (Notes 4 and 6)	$ 2,097,664	7	$ 1,843,366	7
Financial assets at amortized cost (Notes 4, 7, 8 and 38)	485,850	2	490,166	2
Contract assets (Notes 4, 5, 27, 29 and 37)	2,385,344	8	4,137,142	15
Accounts receivable (Notes 4, 9 and 29)	1,208,840	4	694,963	2
Accounts receivable from related parties (Notes 4, 29 and 37)	462,425	1	177,520	1
Finance lease receivables (Notes 4, 10 and 37)	9,177	-	852	-
Dividend receivables (Notes 4 and 15)	-	-	320,940	1
Other receivables (Notes 4, 31 and 37)	68,688	-	53,302	-
Inventories (Notes 4 and 11)	5,720	-	8,110	-
Prepaid construction costs (Note 27)	-	-	159,210	1
Prepaid value-added tax	57,961	-	72,624	-
Other current assets	42,624	-	59,811	-
Total current assets	6,824,293	22	8,018,006	29
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 12 and 36)	268,677	1	268,557	1
Financial assets at amortized cost (Notes 4, 7, 8 and 38)	6,604	-	6,500	-
Investments accounted for using the equity method (Notes 4 and 15)	18,095,875	59	13,821,210	51
Property, plant and equipment (Notes 4, 16 and 38)	3,747,529	12	4,082,756	15
Right-of-use assets (Notes 4 and 17)	375,947	1	391,463	2
Goodwill (Notes 4 and 18)	20,314	-	20,314	-
Intangible assets (Notes 4 and 19)	265,851	1	295,795	1
Deferred income tax assets (Notes 4 and 31)	341,542	1	253,106	1
Prepayments for equipment	716,238	2	15,787	-
Long-term finance lease receivables (Notes 4, 10 and 37)	772	-	-	-
Refundable deposits	113,674	1	91,585	-
Other non-current assets (Note 20)	17,365	-	18,423	-
Total non-current assets	23,970,388	78	19,265,496	71
TOTAL	$ 30,794,681	100	$ 27,283,502	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bills payable (Note 21)	$ -	-	$ 499,764	2
Contract liabilities (Notes 4, 5, 27, 29 and 37)	76,673	-	244,752	1
Accounts payable	89,065	-	107,195	1
Construction costs payable (Note 27)	3,767,654	12	4,384,713	16
Accounts payable to related parties (Note 37)	6,546	-	1,438	-
Other payables (Notes 23 and 37)	396,531	1	486,484	2
Current income tax liabilities (Notes 4 and 31)	154,464	1	58,728	-
Provisions (Notes 4, 25 and 27)	1,068,389	4	624,339	2
Lease liabilities (Notes 4, 17 and 37)	50,825	-	28,659	-
Current portion of bonds payable (Note 22)	-	-	1,899,655	7
Current portion of long-term borrowings (Notes 21 and 38)	227,723	1	221,829	1
Other current liabilities	9,442	-	7,124	-
Total current liabilities	5,847,312	19	8,564,680	32
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 21 and 38)	7,669,686	25	1,887,358	7
Contract liabilities (Notes 4 and 29)	162,597	1	134,637	1
Lease liabilities (Notes 4, 17 and 37)	403,707	1	427,606	2
Bonds payable (Note 22)	599,589	2	599,503	2
Provisions (Notes 4 and 25)	18,830	-	14,938	-
Deferred income tax liabilities (Notes 4 and 31)	52,867	-	58,100	-
Net defined benefit liabilities (Notes 4 and 26)	121,230	-	109,112	-
Guarantee deposits received	131,041	1	89,397	-
Other liabilities (Notes 4 and 24)	12,799	-	14,367	-
Total non-current liabilities	9,172,346	30	3,335,018	12
Total liabilities	15,019,658	49	11,899,698	44
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 28)				
Share capital				
Ordinary shares	7,302,820	24	7,302,820	27
Capital surplus	2,785,428	9	2,621,919	9
Retained earnings				
Legal reserve	2,127,679	7	1,954,986	7
Special reserve	1,806,380	6	2,148,332	8
Unappropriated earnings	1,800,532	5	1,388,059	5
Total retained earnings	5,734,591	18	5,491,377	20
Other equity	(47,816)	-	(32,312)	-
Total equity	15,775,023	51	15,383,804	56
TOTAL	$ 30,794,681	100	$ 27,283,502	100

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

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 5, 29 and 37)				
Sales	$ 1,768,279	23	$ 1,633,609	18
Construction services	5,515,727	73	7,220,877	79
Operations, maintenance and consulting services	327,513	4	277,748	3
Total operating revenues	7,611,519	100	9,132,234	100
OPERATING COSTS (Notes 5, 26, 30 and 37)				
Cost of sales	1,270,063	17	1,252,726	14
Construction services	4,986,019	65	6,876,650	75
Operations, maintenance and consulting services	271,395	4	222,169	2
Total operating costs	6,527,477	86	8,351,545	91
GROSS PROFIT	1,084,042	14	780,689	9
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	33,227	1	32,249	-
REALIZED GROSS PROFIT	1,117,269	15	812,938	9
OPERATING EXPENSES (Notes 26, 30 and 37)	521,011	7	377,060	4
PROFIT FROM OPERATIONS	596,258	8	435,878	5
NON-OPERATING INCOME AND EXPENSES				
Interest income	32,543	1	27,004	1
Other income (Notes 30 and 37)	29,754	-	24,631	-
Other gains and losses (Notes 30 and 33)	(5,386)	-	(78,613)	(1)
Finance costs (Notes 30 and 37)	(125,316)	(2)	(73,492)	(1)
Share of profit of associates accounted for using the equity method (Note 15)	1,373,511	18	1,098,754	12
Total non-operating income and expenses	1,305,106	17	998,284	11

(Continued)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	$ 1,901,364	25	$ 1,434,162	16
INCOME TAX EXPENSE (Notes 4 and 31)	(113,507)	(2)	(80,186)	(1)
NET PROFIT FROM CONTINUING OPERATIONS	1,787,857	23	1,353,976	15
LOSS FROM DISCONTINUING OPERATIONS (Notes 13, 29, 30 and 31)	-	-	(7,200)	-
NET PROFIT FOR THE YEAR	1,787,857	23	1,346,776	15
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined (loss) gain plans (Note 26)	(11,497)	-	14,537	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 36)	120	-	(1,497)	-
Share of remeasurement of defined benefit plans of associates accounted for using the equity method	(1,854)	-	5,531	-
Share of unrealized loss on investments in equity instruments at fair value through other comprehensive income of associates accounted for using the equity method	(6,621)	-	(40,956)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 31)	2,300	-	(2,907)	-
	(17,552)	-	(25,292)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(4,239)	-	1,747	-
Share of other comprehensive income of associate accounted for using the equity method - (loss) gain on hedging instruments	(4,764)	-	17,583	-
	(9,003)	-	19,330	-
Other comprehensive loss, net of income tax	(26,555)	-	(5,962)	-
TOTAL COMPREHENSIVE INCOME	$ 1,761,302	23	$ 1,340,814	15

(Continued)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 1,787,857	23	$ 1,349,638	15
Non-controlling interests	-	-	(2,862)	-
	$ 1,787,857	23	$ 1,346,776	15
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 1,761,302	23	$ 1,343,676	15
Non-controlling interests	-	-	(2,862)	-
	$ 1,761,302	23	$ 1,340,814	15
EARNINGS PER SHARE (Note 32)				
From continuing and discontinued operations				
Basic	$ 2.45		$ 1.85	
Diluted	$ 2.44		$ 1.84	
From continuing operations				
Basic	$ 2.45		$ 1.86	
Diluted	$ 2.44		$ 1.85	

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

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation									
			Retained Earnings			Other Equity				
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated 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
BALANCE AT JANUARY 1, 2024	$ 7,302,820	$ 2,621,919	$ 1,828,961	$ 2,435,361	$ 1,269,700	$ (67,906)	$ 65,071	$ (6,354)	$ 138,094	$ 15,587,666
Appropriation of 2023 earnings										
Legal reserve	-	-	126,025	-	(126,025)	-	-	-	-	-
Reversal of special reserve	-	-	-	(287,029)	287,029	-	-	-	-	-
Cash dividends	-	-	-	-	(1,409,444)	-	-	-	-	(1,409,444)
	-	-	126,025	(287,029)	(1,248,440)	-	-	-	-	(1,409,444)
Net profit (loss) for the year ended December 31, 2024	-	-	-	-	1,349,638	-	-	-	(2,862)	1,346,776
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	17,161	1,747	(42,453)	17,583	-	(5,962)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,366,799	1,747	(42,453)	17,583	(2,862)	1,340,814
Change on disposal of interests in subsidiaries (Notes 4 and 33)	-	-	-	-	-	-	-	-	(135,232)	(135,232)
BALANCE AT DECEMBER 31, 2024	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)
Changes in capital surplus from investments in associates accounted for using equity method (Notes 4 and 15)	-	163,509	-	-	-	-	-	-	-	163,509
Net profit for the year ended December 31, 2025	-	-	-	-	1,787,857	-	-	-	-	1,787,857
Other comprehensive loss for the year ended December 31, 2025	-	-	-	-	(11,051)	(4,239)	(6,501)	(4,764)	-	(26,555)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	1,776,806	(4,239)	(6,501)	(4,764)	-	1,761,302
BALANCE AT DECEMBER 31, 2025	$ 7,302,820	$ 2,785,428	$ 2,127,679	$ 1,806,380	$ 1,800,532	$ (70,398)	$ 16,117	$ 6,465	$ -	$ 15,775,023

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

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax from continuing operations	$ 1,901,364	$ 1,434,162
Loss from discontinuing operation	-	(8,450)
Profit before income tax	1,901,364	1,425,712
Adjustments for:		
Depreciation expense	423,739	423,770
Amortization expense	36,007	45,963
Finance costs	125,316	76,301
Interest income	(32,543)	(27,034)
Dividend income	(10,000)	(10,000)
Share of profit of associates accounted for using the equity method	(1,373,511)	(1,098,754)
Loss on disposal of property, plant and equipment	192	-
Gain on disposal of subsidiaries	-	(586)
Loss on non-financial assets	-	76,056
(Gain) loss on lease modification	(158)	29
Net unrealized (gain) loss on foreign currency exchange	(1,123)	1,354
Realized gain on transactions with associates	(33,227)	(32,249)
Changes in operating assets and liabilities		
Contract assets	1,751,798	(2,015,397)
Accounts receivable	(513,877)	60,765
Accounts receivable from related parties	(284,905)	(93,970)
Other receivables	(4,434)	(27,164)
Inventories	2,390	(159)
Prepaid construction costs	-	(159,210)
Other current assets	17,187	(22,801)
Prepaid value-added tax	14,663	26,138
Contract liabilities	(140,119)	156,809
Accounts payable	(18,130)	1,951
Construction costs payable	(617,059)	1,427,518
Accounts payable to related parties	5,108	109
Other payables	111,950	62,861
Provisions	444,050	158,891
Other current liabilities	2,318	3,200
Net defined benefit liabilities	621	1,807
Cash generated from operations	1,807,617	461,910
Interest received	31,818	28,545
Dividends received	1,429,871	982,851
Interest paid	(135,172)	(74,524)
Income tax paid	(119,367)	(128,754)
Net cash generated from operating activities	3,014,767	1,270,028

(Continued)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in financial assets at amortized cost	$ 4,212	$ 260,258
Acquisition of an associate	(3,819,376)	-
Proceeds from disposal of subsidiaries (Note 33)	-	85,657
Payments for property, plant and equipment (Note 34)	(213,964)	(352,204)
Increase in refundable deposits	(22,089)	(7,072)
Payments for intangible assets	(5,005)	(4,484)
Decrease in finance lease receivables	9,339	9,941
Increase in prepayments for equipment	(556,196)	(15,787)
Net cash used in investing activities	(4,603,079)	(23,691)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	-	(55,000)
Decrease in short-term bills payable	(500,000)	(500,000)
Proceeds from long-term borrowings	5,942,050	800,000
Repayments of long-term borrowings	(153,828)	(142,721)
Repayments of bonds payable	(1,900,000)	-
Increase in guarantee deposits received	41,644	37,688
Repayments of the principal portion of lease liabilities	(53,336)	(55,563)
Dividends paid to owners of the Corporation	(1,533,592)	(1,409,444)
Net cash generated from (used in) financing activities	1,842,938	(1,325,040)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(328)	(753)
NET INCREASE (DECREASE) IN CASH	254,298	(79,456)
CASH AT THE BEGINNING OF THE YEAR	1,843,366	1,922,822
CASH AT THE END OF THE YEAR	$ 2,097,664	$ 1,843,366

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

1. GENERAL INFORMATION

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

a. Engineering, planning, design, procurement, installation, construction and financial planning of cogeneration systems, and environmental protection and procurement of fuel for cogeneration systems and related businesses;

b. Operation and management of cogeneration plants;

c. Research and development, technical services and consultation services related to cogeneration;

d. Manufacture, assembly, sale, lease, installation, and repair of cogeneration equipment;

e. Investment in cogeneration plants and trading of related equipment;

f. Businesses with respect to power generation other than utility; and

g. Electric equipment installation.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on March 12, 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 Financial Supervisory Commission (FSC)

   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 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by International Accounting Standards Board (IASB)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
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

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

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

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 Corporation 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.

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.

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 IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Group engages in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group’s construction-related assets and liabilities.

d. 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 of 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 Group.

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

Refer to Note 14 and Table 4 for the detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. 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 over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity’s functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Corporation’s foreign operations (including subsidiaries in other countries or those that use currencies different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. with the resulting exchange differences recorded in other comprehensive income (loss) and attributed to the Corporation’s owners and noncontrolling interests, respectively.

g. Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Cost is determined using the weighted-average method.

h. Investment in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group’s share of profit or loss and other comprehensive income or loss of the associate. The Group also recognizes the changes in the Group’s share of equity of associates.

Any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group’s proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus changes in the capital surplus from investments in associates accounted for using the equity method. If the Group’s ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment’s fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

Profits and losses resulting from upstream transactions, downstream transactions and transactions between associates are recognized in the Group’s consolidated financial statements only to the extent of interests in the associates that are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measure at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are tested whether the electricity produced during normal operation when ready for their intended use, the selling price and costs recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units or groups of cash-generating units (referred to as “cash-generating units”) that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent years.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

k. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization expenses or depreciation expenses) that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash, time deposits with original maturities over 3 months at amortized cost, accounts receivable, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI, finance lease receivables, as well as contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables, finance lease receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group).

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

n. Levies

Levies imposed by the government are accrued as other liabilities when the transactions or activities that trigger the payment of such levies occur. If the obligating event occurs over a period of time, the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

o. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

1) Onerous contracts

Onerous contracts are those in which the Group's unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions. In assessing whether a contract is onerous, the cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that are related directly to fulfilling contracts.

2) Provision for engineering warranties

The Group's warranty provisions on construction are estimated based on the expected occurrence of the warranty obligations.

3) Decommissioning and restoration obligation

Pursuant to the lease agreement, the Group has an obligation, at the end of the respective lease terms, to restore the leased plant assets to their original condition at the time of the lease. Provisions are recognized based on the present value of the best estimate of future outflows of economic benefits that will be required for fulfillment of the restoration obligation stated on the lease contract.

4) Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year.

p. Revenue recognition

Sales of energy are determined based on customers' monthly consumption of power, steam, hot water and ice water generated by the cogeneration system.

Sales of electricity are recognized when the electricity generated is transmitted to a substation of TPC.

For the renewable energy electricity sales business, the Group purchases electricity generated from renewable energy generation equipment from other companies and sells such electricity directly to corporate customers through TPC's grid. Accordingly, the Group acts as an agent and recognizes revenue on a net basis, representing the consideration received from corporate customers less the cost of purchased electricity, upon satisfaction of its performance obligations.

For the wind power generation business, after identifying the performance obligations in contracts with customers, the Group allocates the transaction price to each performance obligation and recognizes revenue when each performance obligation is satisfied.

Revenue from operations, maintenance and consulting services is recognized when services are provided.

For construction contracts where the construction is in progress, the Group recognizes revenue over time. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligation. A contract asset is recognized during the construction and is reclassified to accounts receivable at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognized to date, the Group recognizes a contract liability for the difference. Certain payment retained by the customer as specified in the contract is intended to ensure that the Group adequately completes all its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

q. Leases

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

1) The Group as a lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, accounted for by applying a recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus initial direct costs and is presented as a finance lease receivable.

2) The Group as a lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets except for those that meet the definition of investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

r. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other than that stated above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

s. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur, when the plan amendment, curtailment or settlement occurs. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plans.

t. Taxation

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred income tax

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of the recent development of climate change and related government policies and regulations, and related international sanctions and inflation and interest rate fluctuations, and volatility in financial, energy, and foreign currency markets on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

a. Fair Trade Act litigation against associates

Since TPC concluded that these associates of the Group violated the Fair Trade Act with concerted action and caused a loss to TPC, TPC filed civil actions to claim compensation for the loss. Refer to Note 39 (d) for the detailed information. The aforementioned civil actions are still pending; results may vary depending on the subsequent development of the cases.

b. Construction contracts

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

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

6. CASH

	December 31	
	2025	2024
Cash on hand	$ 3,773	$ 3,603
Checking accounts and demand deposits	2,093,891	1,839,763
	$ 2,097,664	$ 1,843,366

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

	December 31	
	2025	2024
Demand deposits	0.00%-3.50%	0.00%-4.25%

7. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
Current		
Domestic investments		
Time deposits with original maturities of more than 3 months	$ 485,523	$ 489,819
Foreign investments		
Philippines treasury bonds	327	347
	$ 485,850	$ 490,166
Non-current		
Domestic investments		
Time deposits with original maturities of more than 3 months	$ 104	$ -
Restricted bank deposits	6,500	6,500
	$ 6,604	$ 6,500

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

Refer to Note 38 for information on financial assets at amortized cost that are pledged as securities.

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

	December 31	
	2025	2024
Carrying amount	$ 327	$ 347
Amount invested (in thousands of PHP)	$ 612	$ 612
Effective interest rates	5.750%	5.780%
Period of holding	March 10, 2025 through March 4, 2026	March 6, 2024 through February 5, 2025

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:

	December 31	
	2025	**2024**
Demand deposits	0.705%	0.705%
Time deposits	1.630%-4.000%	1.530%-4.000%

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.

	December 31	
	2025	**2024**
At amortized cost		
Gross carrying amount	$ 492,454	$ 496,666
Less: Allowance for impairment loss	-	-
	$ 492,454	$ 496,666

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 December 31, 2025 and 2024, the Group determined that there was no need to recognize expected credit losses for the debt instrument investments it holds.

9. ACCOUNTS RECEIVABLE

	December 31	
	2025	**2024**
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 1,208,840	$ 694,963

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 expected credit losses indicated that all of the accounts receivable are collectible.

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

	December 31	
	2025	**2024**
Up to 60 days	$ 859,585	$ 694,963
61-90 days	725	-
91-120 days	348,530	-
121-180 days	-	-
More than 180 days	-	-
	$ 1,208,840	$ 694,963

10. FINANCE LEASE RECEIVABLES

	December 31	
	2025	**2024**
Undiscounted lease payments		
Year 1	$ 9,270	$ 852
Year 2	772	-
Year 3	-	-
Year 4	-	-
Year 5	-	-
	10,042	852
Less: Unearned finance income	(93)	-
Lease payments receivable	9,949	852
Net investment in leases presented as finance lease receivables	$ 9,949	$ 852
Finance lease receivables - current	$ 9,177	$ 852
Finance lease receivables - non-current	$ 772	$ -

The Group subleased its leasehold office premises to associates, and the lease term was 2-5 years, with fixed annual lease payments referenced in the head lease agreement. As the Group subleased the leasehold office premises for all of the remaining lease terms of the head lease, the sublease contracts were classified as finance leases. The interest rates inherent in leases were fixed at the contract dates for the entire term of the lease. The implicit interest rate was approximately 0.98%-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 annual lease payments referenced in 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.

11. INVENTORIES

	December 31	
	2025	2024
Raw materials	$ 5,720	$ 8,110

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2025	2024
Non-current		
Domestic investments		
Unlisted shares		
Kaohsiung Arena Development Corporation (KADC)	$ 245,000	$ 246,600
Synergy Co., Ltd. (Synergy)	23,677	21,957
	$ 268,677	$ 268,557

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 36 for fair value information relating to financial assets at FVTOCI.

13. DISCONTINUED OPERATIONS

On May 9, 2024, the Corporation held a meeting and approved the proposed disposal of 51% of equity of Yi Yuan Corporation (YYC). The disposal of YYC and its subsidiary Chingshuei Geothermal Power Corporation (CGPC) was signed on May 14, 2024. The disposal was completed on May 22, 2024, and control of the operations was passed to the acquirer.

The profit and loss details and cash flow information of discontinued operations were as follows:

	January 1, 2024 - May 22, 2024
Operating revenue	$ 18,187
Operating costs	(23,355)
Gross loss from operations	(5,168)
Operating expenses	(1,109)
Loss from operating	(6,277)
Interest income	30
Other income	26

(Continued)

	January 1, 2024 - May 22, 2024
Other gains and losses	$ (6)
Finance costs	(2,809)
Loss before income tax	(9,036)
Income tax expense	1,250
Net loss for the period	(7,786)
Gain on disposal (Note 33)	586
Loss from discontinued operations	$ (7,200)
Loss from discontinued operations attributable to:	
Owners of the Corporation	$ (4,338)
Non-controlling interests	(2,862)
	$ (7,200)
Net cash from (outflow):	
Operating activities	$ 3,147
Investing activities	-
Financing activities	(18,933)
Net cash outflow	$ (15,786)

(Concluded)

The carrying amounts of the assets and liabilities of YYC (including CGPC) at the date of disposal were disclosed in Note 33.

14. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Nature of Activities	Percentage of Ownership December 31 2025	2024	Remark
The Corporation	Star Energy Corporation (SEC)	Undertaking of power engineering projects	100	100	
The Corporation	Taiwan Cogeneration International Corporation (TCIC)	Investment in foreign countries and international trading	100	100	(Note)
The Corporation	TCC Green Energy Corporation (TGE)	Investment in green power plant	100	100	
The Corporation	Miaoli Wind Co., Ltd. (MWC)	Power generation	100	100	
The Corporation	Hamaguri Co., Ltd. (HML)	Power generation	100	100	
TGE	Shin Kuang Electric Energy Ltd. (SKE)	Power generation	100	100	
SEC	Star Wind Corporation (SWC)	Power generation	100	100	
SEC	Star Solar Corporation (SSC)	Power generation	100	100	

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

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

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2025	2024
Investments in associates		
Material associates		
Ta-Yuan Cogeneration Company (TYC)	$ 588,446	$ 599,036
Sun Ba Power Corporation (Sun Ba)	6,877,226	6,556,837
Star Energy Power Corporation (SEPC)	2,488,961	2,415,575
Star Buck Power Corporation (SBPC)	2,416,801	2,403,201
Kuo Kuang Power Company Ltd. (KKPC)	5,676,006	1,795,179
	18,047,440	13,769,828
Associates that are not individually material	48,435	51,382
	$ 18,095,875	$ 13,821,210

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

	For the Year Ended December 31	
	2025	2024
Sun Ba	$ 778,736	$ 521,096
KKPC	198,158	173,412
SEPC	191,890	170,370
SBPC	137,852	150,837
TYC	67,034	83,193
Associates that are not individually material	(159)	(154)
	$ 1,373,511	$ 1,098,754

a. Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2025	2024
TYC	29.31%	29.31%
Sun Ba	43.00%	43.00%
SEPC	40.05%	40.50%
SBPC	41.27%	41.27%
KKPC	45.83%	35.00%

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

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

	December 31	
Name of Associate	2025	2024
TYC	$ 1,644,773	$ 1,718,232

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

	December 31	
	2025	2024
Current assets	$ 712,369	$ 931,619
Non-current assets	4,411,751	4,002,787
Current liabilities	(1,006,981)	(1,215,850)
Non-current liabilities	(2,091,712)	(1,655,820)
Equity	$ 2,025,427	$ 2,062,736
Proportion of the Group's ownership	29.31%	29.31%
Equity attributable to the Group	$ 593,668	$ 604,604
Unrealized gain with associates	(5,222)	(5,568)
Carrying amount	$ 588,446	$ 599,036

	For the Year Ended December 31	
	2025	2024
Operating revenue	$ 2,474,726	$ 2,518,464
Net profit	$ 228,700	$ 283,830
Other comprehensive loss	(22,590)	(135,723)
Total comprehensive income	$ 206,110	$ 148,107
Dividends received from TYC	$ 71,668	$ 75,251

Sun Ba

	December 31	
	2025	2024
Current assets	$ 10,744,391	$ 7,196,789
Non-current assets	32,232,050	32,325,862
Current liabilities	(6,537,104)	(8,978,393)
Non-current liabilities	(20,209,123)	(15,039,749)
Equity	$ 16,230,214	$ 15,504,509
Proportion of the Group's ownership	43.00%	43.00%
Equity attributable to the Group	$ 6,978,992	$ 6,666,937
Unrealized gain with associates	(103,853)	(112,187)
Goodwill	2,087	2,087
Carrying amount	$ 6,877,226	$ 6,556,837

	For the Year Ended December 31	
	2025	2024
Operating revenue	$ 36,242,388	$ 25,402,965
Net profit	$ 1,811,013	$ 1,211,852
Other comprehensive (loss) income	(5,308)	44,144
Total comprehensive income	$ 1,805,705	$ 1,255,996
Dividends received	$ 464,400	$ 531,480

SEPC

	December 31	
	2025	2024
Current assets	$ 3,465,477	$ 3,622,117
Non-current assets	4,405,739	4,070,466
Current liabilities	(1,376,470)	(1,313,470)
Non-current liabilities	(233,304)	(285,460)
Equity	$ 6,261,442	$ 6,093,653
Proportion of the Group's ownership	40.50%	40.50%
Equity attributable to the Group	$ 2,535,884	$ 2,467,929
Unrealized gain with associates	(46,923)	(52,354)
Carrying amount	$ 2,488,961	$ 2,415,575

	For the Year Ended December 31	
	2025	2024
Operating revenue	$ 8,153,124	$ 8,737,915
Net profit	$ 474,803	$ 420,667
Other comprehensive (loss) income	(6,014)	3,887
Total comprehensive income	$ 468,789	$ 424,554
Dividends received from SEPC	$ 121,500	$ 182,250

SBPC

	December 31	
	2025	2024
Current assets	$ 2,612,226	$ 2,450,604
Non-current assets	6,550,817	7,184,378
Current liabilities	(1,288,503)	(1,336,055)
Non-current liabilities	(1,621,698)	(2,032,688)
Equity	$ 6,252,842	$ 6,266,239
Proportion of the Group's ownership	41.27%	41.27%
Equity attributable to the Group	$ 2,580,718	$ 2,586,247
Unrealized gain with associates	(163,917)	(183,046)
Carrying amount	$ 2,416,801	$ 2,403,201

	For the Year Ended December 31	
	2025	2024
Operating revenue	$ 8,803,915	$ 9,690,029
Net profit	$ 334,002	$ 365,464
Other comprehensive (loss) income	(899)	2,238
Total comprehensive income	$ 333,103	$ 367,702
Dividends received from SBPC	$ 143,010	$ 183,870

KKPC

	December 31	
	2025	2024
Current assets	$ 3,638,746	$ 3,957,849
Non-current assets	9,703,845	3,018,554
Current liabilities	(864,481)	(1,747,989)
Non-current liabilities	(83,418)	(161,820)
Equity	$ 12,394,692	$ 5,066,594
Proportion of the Group's ownership	45.83%	35.00%
Equity attributable to the Group	$ 5,674,802	$ 1,773,308
Goodwill	19,304	19,304
Unrealized gain with associates	(22)	(9)
Investment premium	(18,078)	2,576
Carrying amount	$ 5,676,006	$ 1,795,179

	For the Year Ended December 31	
	2025	2024
Operating revenue	$ 8,189,898	$ 8,839,267
Net profit	$ 623,736	$ 554,473
Other comprehensive (loss) income	(4,036)	1,317
Total comprehensive income	$ 619,700	$ 555,790
Dividends received from KKPC	$ 619,293	$ -

On July 24, 2025, the Group participated in the cash capital increase of KKPC in the amount of $3,819,376 thousand. As the Group did not subscribe to the new shares in proportion to its existing ownership interest, its shareholding percentage increased from 35% to 45.83%. As a result, the Group's proportionate share in the net assets of the associate changed, and the Group recognized an increase in capital surplus of $163,509 thousand.

As of December 31, 2024, KKPC had declared $916,972 thousand of cash dividends. The Group had not yet collected the dividends in proportion to its ownership interest, and dividends receivable amounted to $320,940 thousand as of December 31, 2024, which were subsequently collected on March 28, 2025.

On July 10, 2014, the Fair Trade Commission (FTC) imposed administrative fines for the third time on Sun Ba, SEPC, SBPC and KKPC in the amounts of $489 million, $392 million, $100 million and $371 million, respectively. These companies filed administrative appeals seeking to revoke the fines. In mid-December 2014, the Administrative Appeal Committee of the Executive Yuan notified these companies that the administrative appeal proceedings would be suspended pending the final judgment of the Supreme Administrative Court regarding the alleged concerted actions.

In accordance with the Administrative Appeal Act, these companies had fully paid the aforementioned fines in advance and recorded the payments as other receivables. However, between June and August 2022, the Supreme Administrative Court rendered final judgments to set aside the second remand judgments and dismiss the lawsuits filed by the independent power producers (IPPs). In consideration of the final court decisions, these companies reclassified the fines previously recorded under other receivables to impairment losses.

Following the final judgments, the Administrative Appeal Committee of the Executive Yuan resumed the previously suspended administrative appeal proceedings and dismissed the appeals filed by the IPPs on April 14, 2023. The IPPs subsequently filed administrative litigation for further remedy. KKPC, Sun Ba, SBPC and SEPC subsequently reached settlements with the FTC at the Taipei High Administrative Court on June 2 and 3, 2025, under which the fines were revised to $247 million, $326 million, $67 million and $261 million, respectively.

In addition, on July 23, 2025, the FTC refunded the overpaid fines to KKPC, Sun Ba, SBPC and SEPC in the amounts of $124,000 thousand, $163,000 thousand, $33,333 thousand and $130,667 thousand, respectively. The aforementioned investees recognized reversal of impairment losses for the six months ended 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 Year Ended December 31	
	2025	2024
The Group's share of:		
Net loss	$ (159)	$ (154)
Other comprehensive income	-	-
Total comprehensive loss	$ (159)	$ (154)

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 years ended December 31, 2025 and 2024 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
Cost								
Balance at January 1, 2025	$ 277,716	$ 1,385,057	$ 6,977,566	$ -	$ 226,230	$ (41,163	$ 180,149	$ 9,087,881
Additions	-	-	27,067	-	10,618	-	62,802	100,487
Disposals	-	-	(280)	-	(7,857)	(21,052)	-	(29,189)
Decrease	-	-	-	-	(5,454)	-	(79,381)	(84,835)
Reclassification (Note)	-	70,718	34,205	-	-	-	(89,968)	14,955
Balance at December 31, 2025	277,716	1,455,775	7,038,558	-	223,537	20,111	73,602	9,089,299
Accumulated depreciation								
Balance at January 1, 2025	-	139,424	4,701,493	-	123,379	40,829	-	5,005,125
Depreciation expense	-	60,315	268,609	-	36,386	332	-	365,642
Disposals	-	-	(88)	-	(7,857)	(21,052)	-	(28,997)
Balance at December 31, 2025	-	199,739	4,970,014	-	151,908	20,109	-	5,341,770
Carrying amount at December 31, 2025	$ 277,716	$ 1,256,036	$ 2,068,544	$ -	$ 71,629	$ 2	$ 73,602	$ 3,747,529
Cost								
Balance at January 1, 2024	$ 277,716	$ 1,385,474	$ 6,977,566	$ 793	$ 234,510	$ 40,643	$ 17,304	$ 8,934,006
Additions	-	-	-		876	520	162,845	164,241
Disposals	-	-	-		(7,942)	-	-	(7,942)
Disposal of subsidiary (Note 33)	-	(417)	-	(793)	(1,214)	-	-	(2,424)
Balance at December 31, 2024	277,716	1,385,057	6,977,566	-	226,230	41,163	180,149	9,087,881
Accumulated depreciation								
Balance at January 1, 2024	-	80,914	4,437,199	142	91,940	36,846	-	4,647,041
Depreciation expense	-	58,554	264,294	37	40,058	3,983	-	366,926
Disposals	-	-	-	-	(7,942)	-	-	(7,942)
Disposal of subsidiary (Note 33)	-	(44)	-	(179)	(677)	-	-	(900)
Balance at December 31, 2024	-	139,424	4,701,493	-	123,379	40,829	-	5,005,125
Carrying amount at December 31, 2024	$ 277,716	$ 1,245,633	$ 2,276,073	$ -	$ 102,851	$ 334	$ 180,149	$ 4,082,756

Note: The amount was reclassified from prepayments for equipment.

For the years ended December 31, 2025 and 2024, no impairment loss was recognized.

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

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

Refer to Note 30 for information on capitalized interest for the years ended December 31, 2025 and 2024.

Refer to Note 38 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	Buildings	Transportation Equipment	Other Equipment	Total
Cost					
Balance at January 1, 2025	$ 376,974	$ 190,573	$ 27,608	$ 8,699	$ 603,854
Additions	2,368	33,963	12,391	-	48,722
Disposals	(4,765)	(76,242)	(12,607)	-	(93,614)
Balance at December 31, 2025	374,577	148,294	27,392	8,699	558,962
Accumulated depreciation and impairment loss					
Balance at January 1, 2025	87,564	107,070	16,017	1,740	212,391
Depreciation expense	15,643	33,431	9,391	435	58,900
Disposals	-	(75,881)	(12,395)	-	(88,276)
Balance at December 31, 2025	103,207	64,620	13,013	2,175	183,015
Carrying amount at December 31, 2025	$ 271,370	$ 83,674	$ 14,379	$ 6,524	$ 375,947
Cost					
Balance at January 1, 2024	$ 377,320	$ 207,471	$ 29,297	$ 9,424	$ 623,512
Additions	257	25,405	4,451	-	30,113
Disposals	(603)	(42,303)	(6,140)	(725)	(49,771)
Balance at December 31, 2024	376,974	190,573	27,608	8,699	603,854
Accumulated depreciation and impairment loss					
Balance at January 1, 2024	72,137	117,136	11,999	2,006	203,278
Depreciation expense	15,427	31,939	10,013	459	57,838
Disposals	-	(42,005)	(5,995)	(725)	(48,725)
Balance at December 31, 2024	87,564	107,070	16,017	1,740	212,391
Carrying amount at December 31, 2024	$ 289,410	$ 83,503	$ 11,591	$ 6,959	$ 391,463

b. Lease liabilities

	December 31	
	2025	2024
Carrying amount		
Current	$ 50,825	$ 28,659
Non-current	$ 403,707	$ 427,606

As of December 31, 2025 and 2024, the range of discount rates for lease liabilities was both 0.98%-2.83%.

c. Material lease activities and terms

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

Refer to Note 19 for the information on the Group's acquisition of the rights to superficies from the Yilan County Government.

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

d. Subleases

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

e. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 11,896	$ 12,736
Expenses relating to low-value asset leases	$ 1,316	$ 928
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 9,072	$ 8,763
Total cash (outflow) for leases	$ (92,027)	$ (85,443)

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.

18. GOODWILL

	For the Year Ended December 31	
	2025	2024
Cost		
Balance at January 1 and December 31	$ 141,014	$ 141,014
Accumulated impairment losses		
Balance at January 1	$ 120,700	$ 44,644
Impairment losses	-	76,056
Balance at December 31	$ 120,700	$ 120,700
Carrying amount at December 31	$ 20,314	$ 20,314

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.

Based on the assessment, the recoverable amounts of MWC for the year ended December 31, 2024 were lower than the related carrying amounts, and goodwill impairment losses of $76,056 thousand were recognized and presented in other gains and losses in the consolidated income statements.

19. INTANGIBLE ASSETS

	December 31	
	2025	2024
Computer software	$ 5,733	$ 9,881
Business rights	260,118	285,914
	$ 265,851	$ 295,795

a. Movements in intangible assets were as follows:

	Service Concession Arrangement					
	Operating Assets	Right-of-use Assets	Computer Software	Business Rights	Others	Total
Cost						
Balance at January 1, 2025	$ -	$ -	$ 28,289	$ 402,000	$ 12,000	$ 442,289
Additions	-	-	5,005	-	-	5,005
Disposals	-	-	(5,111)	-	-	(5,111)
Balance at December 31, 2025	-	-	28,183	402,000	12,000	442,183
Accumulated amortization and impairment loss						
Balance at January 1, 2025	-	-	18,408	116,086	12,000	146,494
Amortization expense	-	-	9,153	25,796	-	34,949
Disposals	-	-	(5,111)	-	-	(5,111)
Balance at December 31, 2025	-	-	22,450	141,882	12,000	176,332
Carrying amount at December 31, 2025	$ -	$ -	$ 5,733	$ 260,118	$ -	$ 265,851

(Continued)

	Service Concession Arrangement					
	Operating Assets	**Right-of-use Assets**	**Computer Software**	**Business Rights**	**Others**	**Total**
Cost						
Balance at January 1, 2024	$ 633,253	$ 2,710	$ 25,585	$ 402,000	$ 12,000	$ 1,075,548
Additions	1,122	-	3,362	-	-	4,484
Disposals	-	-	(500)	-	-	(500)
Disposal of subsidiary (Note 33)	(634,375)	(2,710)	(158)	-	-	(637,243)
Balance at December 31, 2024	-	-	28,289	402,000	12,000	442,289
Accumulated amortization and impairment loss						
Balance at January 1, 2024	80,733	696	11,992	90,289	12,000	195,710
Amortization expense	11,981	54	7,074	25,797	-	44,906
Disposals	-	-	(500)	-	-	(500)
Disposal of subsidiary (Note 33)	(92,714)	(750)	(158)	-	-	(93,622)
Balance at December 31, 2024	-	-	18,408	116,086	12,000	146,494
Carrying amount at December 31, 2024	$ -	$ -	$ 9,881	$ 285,914	$ -	$ 295,795

(Concluded)

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

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

b. Service concession arrangement

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

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

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

Refer to Note 33 for the Corporation sold the equity of YYC (including CGPC) on May 22, 2024, and lost control of the service concession.

c. Business rights

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

d. Other intangible assets

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

20. OTHER ASSETS

	December 31	
	2025	**2024**
Other non-current assets		
Prepaid power lines usage expenses	$ 17,365	$ 18,423

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 bills payable

	December 31	
	2025	**2024**
Commercial papers	$ -	$ 500,000
Less: Unamortized discounts on bills payable	-	(236)
	$ -	$ 499,764

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

	December 31	
	2025	**2024**
Commercial papers	-	0.70%

b. Long-term borrowings

	December 31	
	2025	2024
Syndicated credit borrowing	$ 2,042,050	$ -
Pledged or mortgaged borrowings		
Repayable in semi-annual installments from August 2026 to February 2040	800,000	800,000
Repayable in semi-annual installments from August 2021 to February 2032	233,240	268,520
Repayable in semi-annual installments from July 2022 to May 2031	230,680	248,200
Repayable in quarterly installments from December 2021 to September 2034	121,154	135,000
Repayable in semi-annual installments from February 2020 to February 2034	120,960	132,300
Repayable in semi-annual installments from November 2021 to May 2031	98,750	106,250
Repayable in semi-annual installments from August 2021 to May 2031	68,730	73,950
Repayable in semi-annual installments from November 2022 to May 2031	57,670	62,050
Repayable in semi-annual installments from September 2021 to September 2034	26,587	29,625
Repayable in quarterly installments from August 2022 to February 2032	26,000	30,000
Repayable in semi-annual installments from May 2021 to May 2031	18,170	19,550
Unsecured borrowings		
Repayable in monthly installments from January 2021 to December 2035	68,000	74,800
Repayable in quarterly installments from April 2020 to March 2026	46,893	52,129
Repayable in quarterly installments from October 2019 to March 2026	38,525	43,081
Repayable in quarterly installments from October 2018 to October 2025	-	33,732
Revolving unsecured borrowings		
Revolving through December 2027	1,300,000	-
Revolving through December 2027	1,000,000	-
Revolving through March 2027	600,000	-
Revolving through September 2027	500,000	-
Revolving through May 2027	500,000	-
	7,897,409	2,109,187
Less: Current portion	(227,723)	(221,829)
	$ 7,669,686	$ 1,887,358

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

	December 31	
	2025	2024
Syndicated credit borrowing	2.24%	-
Pledged or mortgaged borrowings	2.17%-2.73%	2.22%-2.83%
Unsecured borrowings	2.23%	1.80%-2.23%
Revolving unsecured borrowings	1.81%-1.90%	-

In December 2025, the Group 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 through 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 terms and conditions, the agreement also imposes certain restrictions on the Group's operations and requires the Group to maintain specified financial ratios.

22. BONDS PAYABLE

	December 31	
	2025	2024
Domestic unsecured bond	$ 600,000	$ 2,500,000
Less: Current portion	-	(1,899,655)
Less: Unamortized issuance cost	(411)	(842)
	$ 599,589	$ 599,503

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

23. OTHER PAYABLES

	December 31	
	2025	2024
Payables for compensation of employees and remuneration of directors	$ 86,461	$ 67,867
Payables for salaries and bonuses	65,203	63,661
Payables for purchase of electricity	59,883	47,583
Payables for compensation	49,088	-
Payables for business development expenses	29,218	-
Payables for equipment	19,043	218,158
Payables for repairs	16,471	23,963
Payables for compensated absences	16,437	15,329
Payables for professional fees	7,731	14,414
Payables for interest	6,509	9,297
Payables for business tax	-	3,138
Others	40,487	23,074
	$ 396,531	$ 486,484

24. OTHER LIABILITIES

	December 31 2025	December 31 2024
Other liabilities		
Payables for levies	$ 12,799	$ 14,367

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

	December 31 2025	December 31 2024
Current		
Warranties	$ 992,318	$ 549,918
Onerous contracts	75,371	74,421
Carbon fee	700	-
	$ 1,068,389	$ 624,339
Non-current		
Decommissioning costs and liability	$ 18,830	$ 14,938

	Warranties	Onerous Contracts	Decommissioning Costs and Liability	Carbon fee	Total
Balance at January 1, 2025	$ 549,918	$ 74,421	$ 14,938	$ -	$ 639,277
Additional	634,100	33,857	3,892	700	672,549
Usage	(151,442)	-	-	-	(151,442)
Reversal	(40,258)	(32,907)	-	-	(73,165)
Balance at December 31, 2025	$ 992,318	$ 75,371	$ 18,830	$ 700	$ 1,087,219
Balance at January 1, 2024	$ 465,448	$ -	$ 14,613	$ -	$ 480,061
Additional	367,577	120,000	325	-	487,902
Usage	(63,612)	-	-	-	(63,612)
Reversal	(219,495)	(45,579)	-	-	(265,074)
Balance at December 31, 2024	$ 549,918	$ 74,421	$ 14,938	$ -	$ 639,277

The Group has achieved the designated targets for 2025 and expects to submit the progress report on the implementation of the 2025 voluntary emission reduction plan by April 30, 2026. The provision for carbon fee liabilities is calculated based on the adjustment factor applicable to the emission volume at the preferential rate.

26. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

Except for TCIC, the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, these companies make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. TCIC currently has no employee; therefore, no pension plan was established.

b. Defined benefit plans

The defined benefit plans adopted by the Corporation and SEC in accordance with the Labor Standards Act are operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation and SEC contribute amounts equal to 6.5% and 3% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Corporation and SEC assess the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation and SEC are required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation and SEC have no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2025	2024
Present value of defined benefit obligation	$ 249,029	$ 228,424
Fair value of plan assets	(127,799)	(119,312)
Deficit	121,230	109,112
Net defined benefit liabilities	$ 121,230	$ 109,112

Movements in net defined benefit liabilities were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2024	$ 235,875	$ (114,033)	$ 121,842
Service cost			
Current service cost	3,829	-	3,829
Past service costs	50	-	50
Net interest expense (income)	2,931	(1,448)	1,483
Recognized in profit or loss	6,810	(1,448)	5,362

(Continued)

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	$ -	$ (9,970)	$ (9,970)
Actuarial gain - changes in financial assumptions	(7,926)	-	(7,926)
Actuarial loss - experience adjustments	3,359	-	3,359
Recognized in other comprehensive income or loss	(4,567)	(9,970)	(14,537)
Contributions from employers	-	(3,555)	(3,555)
Benefits paid	(9,694)	9,694	-
	(9,694)	6,139	(3,555)
Balance at December 31, 2024	$ 228,424	$ (119,312)	$ 109,112
Balance at January 1, 2025	$ 228,424	$ (119,312)	$ 109,112
Service cost			
Current service cost	3,437	-	3,437
Net interest expense (income)	3,711	(1,967)	1,744
Recognized in profit or loss	7,148	(1,967)	5,181
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(8,432)	(8,432)
Actuarial loss - changes in financial assumptions	5,369	-	5,369
Actuarial loss - experience adjustments	14,560	-	14,560
Recognized in other comprehensive income or loss	19,929	(8,432)	11,497
Amount disbursed per the company's accounting records	(692)	-	(692)
Contributions from employers	-	(3,868)	(3,868)
Benefits paid	(5,780)	5,780	-
	(6,472)	1,912	(4,560)
Balance at December 31, 2025	$ 249,029	$ (127,799)	$ 121,230

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans was as follows:

	For the Year Ended December 31	
	2025	2024
Operating costs	$ 2,566	$ 3,117
Operating expenses	$ 2,615	$ 2,245

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government/corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2025	**2024**
Discount rate	1.38%	1.63%
Expected rate of salary increase	3.25%	3.25%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2025	**2024**
Discount rate		
0.25% increase	$ (5,369)	$ (5,072)
0.25% decrease	$ 5,539	$ 5,241
Expected rate of salary increase		
0.25% increase	$ 5,350	$ 5,071
0.25% decrease	$ (5,214)	$ (4,935)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

An analysis of the average duration of the defined benefit obligation is as follows:

	December 31	
	2025	**2024**
Expected contributions to the plans for the next year	$ 3,578	$ 3,458
Average duration of the defined benefit obligation	9.25 years	9.79 years

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:

December 31, 2025

	Within One Year	More than One Year	Total
Assets			
Contract assets	$ 1,761,548	$ 85,946	$ 1,847,494
Liabilities			
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	2,937,080	486,881	3,423,961
	$ 3,011,523	$ 1,556,785	$ 4,568,308

December 31, 2024

	Within One Year	More than One Year	Total
Assets			
Contract assets	$ 1,725,040	$ 1,981,383	$ 3,706,423
Prepaid construction costs	159,210	-	159,210
	$ 1,884,250	$ 1,981,383	$ 3,865,633
Liabilities			
Contract liabilities	$ 114	$ 244,597	$ 244,711
Provisions - warranties	33,113	516,805	549,918
Onerous contracts	-	74,421	74,421
Construction costs payable	1,689,047	2,319,035	4,008,082
	$ 1,722,274	$ 3,154,858	$ 4,877,132

28. EQUITY

a. Share capital

	December 31 2025	December 31 2024
Number of authorized ordinary shares (in thousands)	1,000,000	1,000,000
Amount of authorized ordinary shares	$ 10,000,000	$ 10,000,000
Number of issued and fully paid ordinary shares (in thousands)	730,282	730,282
Amount of issued and fully paid ordinary shares	$ 7,302,820	$ 7,302,820

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 shareholders' meeting resolved to issuing 100,000 thousand new shares, each with a par value of $10. The above-mentioned cash capital increase was approved and became effective upon filing by the Securities and Futures Bureau of the Financial Supervisory Commission on January 16, 2026.

b. Capital surplus

	December 31 2025	December 31 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	$ 2,589,425	$ 2,589,425
Conversion of bonds	32,494	32,494
May be used to offset a deficit only		
Changes in capital surplus from investments in associates accounted for using the equity method	163,509	-
	$ 2,785,428	$ 2,621,919

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Corporation's current articles of incorporation (the "Articles"), where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan where not less than 70% of distributable retained earnings shall be distributed; the plan should be resolved in the shareholders' meeting for the distribution of dividends to shareholders. For the policies on the distribution of the compensation of employees and remuneration of directors, please refer to Note 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, 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 2024 and 2023, which had been resolved in the shareholders' meetings on May 29, 2025 and May 31, 2024, respectively, were as follows:

	Appropriation of Earnings	
	2024	2023
Legal reserve	$ 172,693	$ 126,025
Special reserve	18,182	-
Reversal of special reserve	(360,134)	(287,029)
Cash dividends	1,533,592	1,409,444
Cash dividends per share (NT$)	2.1	1.93

The reversals of the special reserve in 2024 and 2023 were the reversal amount voluntarily set aside in accordance with the Company Act in prior years.

The appropriations of earnings for 2025 had been proposed by the Corporation's board of directors on March 12, 2026. The appropriations and dividends per share were as follows:

	Appropriation of Earnings
	2025
Legal reserve	$ 212,965
Special reserve	15,504
Reversal of special reserve	(352,839)
Cash dividends	1,759,980
Cash dividends per share (NT$)	2.41

The appropriations of earnings for 2025 are subject to the resolution of the shareholders in their meeting to be held on May 29, 2026.

29. REVENUES

	For the Year Ended December 31	
	2025	2024
Revenues from contracts with customers accounted for continuing operations		
Sales		
Sales of electricity	$ 1,432,537	$ 1,344,370
Sales of steam	335,261	288,766
Others	481	473
	1,768,279	1,633,609
Construction service	5,515,727	7,220,877
Operations, maintenance and consulting services	327,513	277,748
	7,611,519	9,132,234
Revenue from contracts with customers accounted for discontinued operations (Note 13)		
Sales		
Service concession income	-	18,187
	$ 7,611,519	$ 9,150,421

a. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable (including related parties)	$ 1,671,265	$ 872,483	$ 846,178
Contract assets			
Construction contracts	$ 1,847,494	$ 3,706,423	$ 1,765,727
Rendering of services	537,850	430,719	356,018
	$ 2,385,344	$ 4,137,142	$ 2,121,745
Contract liabilities			
Construction contracts	$ 76,658	$ 244,711	$ 113,264
Power purchase agreement	162,597	134,637	168,845
Rendering of services	15	41	-
	$ 239,270	$ 379,389	$ 282,109

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 43 for information about disaggregation of revenue from contracts with customers.

30. NET PROFIT

a. Other income

	For the Year Ended December 31	
	2025	2024
From continuing operations		
Dividend income	$ 10,000	$ 10,000
Others	19,754	14,631
	29,754	24,631
From discontinued operations (Note 13)		
Others	-	26
	$ 29,754	$ 24,657

b. Other gains and losses

	For the Year Ended December 31	
	2025	2024
From continuing operations		
Foreign exchange gain	$ 130,576	$ 19,723
Foreign exchange loss	(85,702)	(21,607)
Gain (loss) on lease modification	158	(29)
Loss on indemnification	(49,088)	-
Loss on disposal of property, plant and equipment	(192)	-
Impairment loss	-	(76,056)
Others	(1,138)	(644)
	(5,386)	(78,613)
From discontinued operations (Note 13)		
Others	-	(6)
	$ (5,386)	$ (78,619)

c. Finance costs

	For the Year Ended December 31	
	2025	2024
From continuing operations		
Interest on bank loans	$ 87,249	$ 36,983
Interest on bonds payable	15,268	20,891
Interest on lease liabilities	12,485	5,890
Interest on commercial papers	9,688	9,133
Others	626	595
	125,316	73,492
From discontinued operations (Note 13)		
Interest on bank loans	-	2,798
Interest on lease liabilities	-	8
Others	-	3
	-	2,809
	$ 125,316	$ 76,301

Information about capitalized interest were as follows:

	For the Year Ended December 31	
	2025	2024
Amount of capitalized interest	$ 418	$ 865
Capitalized interest rate	2.17%	2.34%

d. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
From continuing operations		
Property, plant and equipment	$ 365,642	$ 366,782
Right-of-use assets	58,097	56,844
Intangible assets	34,949	32,871
Prepaid power lines usage expense	1,058	1,057
	459,746	457,554
From discontinued operations (Note 13)		
Property, plant and equipment	-	144
Intangible assets	-	12,035
	-	12,179
	$ 459,746	$ 469,733
An analysis of depreciation by function		
Operating costs	$ 345,712	$ 342,918
Operating expenses	78,027	80,708
From discontinued operations (Note 13)	-	144
	$ 423,739	$ 423,770
An analysis of amortization by function		
Operating costs	$ 1,194	$ 1,193
Operating expenses	34,813	32,735
From discontinued operations (Note 13)	-	12,035
	$ 36,007	$ 45,963

e. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
From continuing operations		
Post-employment benefits		
Defined contribution plans	$ 17,663	$ 15,835
Defined benefit plans	5,181	5,362
	22,844	21,197
Share-based payments		
Short-term benefits	561,166	541,966
	584,010	563,163
From discontinued operations (Note 13)		
Post-employment benefits		
Defined contribution plans	-	197
Short-term benefits	-	4,474
	-	4,671
Total employee benefits expense	$ 584,010	$ 567,834
An analysis of employee benefits expense by function		
Operating costs	$ 337,973	$ 348,475
Operating expenses	246,037	214,688
From discontinued operations (Note 13)	-	4,671
	$ 584,010	$ 567,834
From continuing operations		
Short-term benefits		
Wages and salaries	$ 490,578	$ 471,584
Labor and health insurance	33,452	33,545
Others	37,136	36,837
	561,166	541,966
From discontinued operations (Note 13)		
Short-term benefits		
Wages and salaries	-	3,890
Labor and health insurance	-	394
Others	-	190
	-	4,474
	$ 561,166	$ 546,440

f. Compensation of employees and remuneration of directors

The Corporation accrues compensation of employees and remuneration of directors is set aside at rates of no less than 0.5% and no higher than 1%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. In accordance with the amendment to the Securities and Exchange Act in August 2024, pursuant to the resolution of the 2025 shareholders' meeting, the Corporation amended its Articles of Incorporation to specify that 1% of the allocated employees' remuneration shall be distributed to entry-level employees, with the remaining portion allocated to all employees.

The employees' remuneration (including that of entry-level employees) and directors' remuneration for the years ended December 31, 2025 and 2024 were approved by the Corporation's board of directors on March 12, 2026 and March 13, 2025, respectively, 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

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

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, 2024 and 2023.

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 Year Ended December 31	
	2025	**2024**
From continuing operations		
Current income tax		
In respect of the current year	$ 204,363	$ 112,521
Income tax on unappropriated earnings	1,106	1,142
Adjustments for prior years	(593)	41
	204,876	113,704
Deferred income tax		
In respect of the current year	(91,369)	(33,518)
	113,507	80,186
From discontinued operations (Note 13)		
Deferred income tax		
In respect of the current year	-	(1,250)
Income tax expense recognized in profit or loss	$ 113,507	$ 78,936

A reconciliation of profit before income tax and income tax expense is as follows:

	For the Year Ended December 31	
	2025	**2024**
Profit before income tax from continuing operations	$ 1,901,364	$ 1,434,162

(Continued)

	For the Year Ended December 31	
	2025	2024
Income tax expense calculated at the statutory rate	$ 380,273	$ 286,831
Non-taxable income and non-deductible expenses in determining taxable income/loss carryforwards	(270,525)	(209,888)
Changes in unrecognized loss carryforwards and deductible temporary differences	3,246	2,060
Income tax on undistributed earnings	1,106	1,142
Adjustments for prior year	(593)	41
Income tax expense recognized in profit or loss	$ 113,507	$ 80,186

(Concluded)

b. Income tax (benefit) expense recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
Deferred income tax		
In respect of the current year		
Remeasurement of defined benefit plans	$ (2,300)	$ 2,907

c. Current income tax assets and liabilities

	December 31	
	2025	2024
Current income tax assets		
Tax refund receivable (included in other receivables)	$ 10,227	$ 7,834
Current income tax liabilities		
Income tax payable	$ 154,464	$ 58,728

d. Movements of deferred income tax assets and liabilities

For the year ended December 31, 2025

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Deferred income tax assets				
Loss carryforwards	$ 25,790	$ 4,333	$ -	$ 30,123
Temporary differences				
Unrealized gain on transactions with associates	55,929	(6,574)	-	49,355
Defined benefit obligation	15,004	123	2,300	17,427
Depreciation differences of property, plant and equipment	24,687	(1,056)	-	23,631

(Continued)

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Construction warranties	$ 109,983	$ 88,481	$ -	$ 198,464
Allowance for loss on inventories	92	(11)	-	81
Onerous contracts	14,884	190	-	15,074
Others	6,737	650	-	7,387
	$ 253,106	$ 86,136	$ 2,300	$ 341,542
Deferred income tax liabilities				
Temporary differences				
Unrealized foreign exchange gain or loss	$ 24	$ (24)	$ -	$ -
Business rights	57,184	(5,160)	-	52,024
Depreciation differences of right-of-use assets	892	(49)	-	843
	$ 58,100	$ (5,233)	$ -	$ 52,867

(Concluded)

For the year ended December 31, 2024

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Disposal of Subsidiaries	Ending Balance
Deferred income tax assets					
Loss carryforwards	$ 26,228	$ 5,437	$ -	$ (5,875)	$ 25,790
Temporary differences					
Unrealized gain on transactions with associates	62,526	(6,597)	-	-	55,929
Defined benefit obligation	17,548	363	(2,907)	-	15,004
Depreciation differences of property, plant and equipment	25,745	(1,058)	-	-	24,687
Construction warranties	93,089	16,894	-	-	109,983
Allowance for loss on inventories	60	32	-	-	92
Onerous contracts	-	14,884	-	-	14,884
Others	7,108	(371)	-	-	6,737
	$ 232,304	$ 29,584	$ (2,907)	$ (5,875)	$ 253,106
Deferred income tax liabilities					
Temporary differences					
Unrealized foreign exchange gain or loss	$ -	$ 24	$ -	$ -	$ 24
Business rights	62,343	(5,159)	-	-	57,184
Depreciation differences of right-of-use assets	941	(49)	-	-	892
	$ 63,284	$ (5,184)	$ -	$ -	$ 58,100

e. Deductible temporary differences and unused loss carryforwards for which no deferred income tax assets have been recognized in the consolidated balance sheets

	December 31	
	2025	**2024**
Deductible temporary differences		
Loss on investments accounted for using the equity method	$ 494,400	$ 494,168
Deferred interest expense	293,986	277,986
Others	12,000	12,000
	$ 800,386	$ 784,154

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2025 comprised:

	Unused Amount
HML	
Expiry in 2029	$ 26,854
Expiry in 2030	24,466
Expiry in 2031	17,805
Expiry in 2032	21,183
Expiry in 2033	17,691
Expiry in 2034	20,963
Expiry in 2035	21,667
	$ 150,629

g. Income tax assessments

The income tax returns of the Corporation, SEC, 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 Year Ended December 31	
	2025	**2024**
Basic earnings per share (NT$)		
From continuing operations	$ 2.45	$ 1.86
From discontinued operations	-	(0.01)
Total basic earnings per share	$ 2.45	$ 1.85
Diluted earnings per share (NT$)		
From continuing operations	$ 2.44	$ 1.85
From discontinued operations	-	(0.01)
Total basic earnings per share	$ 2.44	$ 1.84

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

Net profit

	For the Year Ended December 31	
	2025	2024
Net profit for the period attributable to owners of the Corporation used in the computation of basic earnings per share	$ 1,787,857	$ 1,349,638
Less: Net loss from discontinued operations	-	(7,200)
Net profit from continuing operations	$ 1,787,857	$ 1,356,838

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

	For the Year Ended December 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	730,282	730,282
Effect of potentially dilutive ordinary shares		
Compensation of employees of the Corporation	1,620	1,269
Weighted average number of ordinary shares used in the computation of diluted earnings per share	731,902	731,551

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

33. DISPOSAL OF SUBSIDIARIES

On May 14, 2024, the Group entered into a sale agreement to dispose of YYC (and CGPC). The disposal was completed on May 22, 2024 on which dates lost control of CGPC.

a. Consideration received

	YYC (and CGPC)
Cash and cash equivalents	$ 141,337

b. Analysis of assets and liabilities over which control is lost

	YYC (and CGPC)
Current assets	
Cash and cash equivalents	$ 55,680
Accounts receivable from related parties	6,900
Other receivables	2,904
Prepaid value-added tax	19,935
Other current assets	1,468
Non-current assets	
Financial assets at amortized cost	10,000
Property, plant and equipment	1,524
Intangible assets	543,621
Deferred income tax assets	5,875
Refundable deposits	77
Current liabilities	
Construction costs payable	(2,066)
Other payables	(6,229)
Current portion of long-term borrowing	(300,000)
Lease liabilities	(192)
Other current liabilities	(95)
Non-current liabilities	
Contract liabilities	(59,529)
Lease liabilities	(1,867)
Guarantee deposits received	(2,023)
Net assets disposed of	$ 275,983

c. Gain on disposal of subsidiaries

	YYC (and CGPC)
Consideration received	$ 141,337
Net assets disposed of	(275,983)
Non-controlling interests	135,232
Gain on disposals	$ 586

The gains on disposal of YYC (and CGPC) were included in the profit from discontinued operations and other gains or losses, respectively.

d. Net cash inflow on disposal of subsidiaries

	YYC (and CGPC)
Consideration received in cash and cash equivalents	$ 141,337
Less: Cash and cash equivalent balances disposed of	(55,680)
Gain on disposals	$ 85,657

34. PARTIAL CASH TRANSACTIONS

a. For the years ended December 31, 2025 and 2024, the Group entered into the following partial cash investing activities:

	For the Year Ended December 31	
	2025	2024
Partial cash payments for acquisition of property, plant and equipment		
Acquisition of property, plant and equipment	$ 100,487	$ 164,241
Changes in payables for equipment	114,280	188,957
Depreciation of right-of-use assets	(803)	(994)
Cash payments	$ 213,964	$ 352,204

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2025

	January 1, 2025	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Interest Expense	Non-cash Changes: Others	December 31, 2025
Short-term bills payable	$ 499,764	$ (500,000)	$ -	$ 12,485	$ (12,249)	$ -
Long-term borrowings	2,109,187	5,788,222	-	-	-	7,897,409
Guarantee deposits received	89,397	41,644	-	-	-	131,041
Bonds payable	2,499,158	(1,900,000)	-	15,268	(14,837)	599,589
Lease liabilities	456,265	(53,336)	48,722	9,688	(6,807)	454,532
	$ 5,653,771	$ 3,376,530	$ 48,722	$ 37,441	$ (33,893)	$ 9,082,571

For the year ended December 31, 2024

	January 1, 2024	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Disposal of Subsidiaries	Non-cash Changes: Interest Expense	Non-cash Changes: Others	December 31, 2024
Short-term borrowings	$ 55,000	$ (55,000)	$ -	$ -	$ -	$ -	$ -
Short-term bills payable	999,130	(500,000)	-	-	5,890	(5,256)	499,764
Long-term borrowings	1,751,908	657,279	-	(300,000)	-	-	2,109,187
Guarantee deposits received	53,732	37,688	-	(2,023)	-	-	89,397
Bonds payable	2,498,517	-	-	-	20,891	(20,250)	2,499,158
Lease liabilities	483,071	(55,563)	30,113	(2,059)	9,141	(8,438)	456,265
	$ 5,841,358	$ 84,404	$ 30,113	$ (304,082)	$ 35,922	$ (33,944)	$ 5,653,771

35. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of net debt (borrowings offset by cash) and 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.

36. 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

December 31, 2025

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

December 31, 2024

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

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

For the year ended December 31, 2025

	Financial Assets at FVTOCI - Equity Investments
Beginning balance	$ 268,557
Recognized in other comprehensive income	120
Ending balance	$ 268,677

For the year ended December 31, 2024

	Financial Assets at FVTOCI - Equity Investments
Beginning balance	$ 270,054
Recognized in other comprehensive loss	(1,497)
Ending balance	$ 268,557

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

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

	December 31	
	2025	**2024**
Long-term revenue growth rates	0.00%-1.99%	(0.03%)-2.31%
Long-term pre-tax operating margin	40.04%-45.67%	39.99%-45.08%
WACC	8.14%	7.58%
Discount for lack of marketability	19.04%	16.11%

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:

	December 31	
	2025	**2024**
Long-term revenue growth rate		
1% increase	$ 30,000	$ 31,600
1% decrease	$ (28,200)	$ (29,600)
WACC		
0.5% increase	$ (12,200)	$ (13,200)
0.5% decrease	$ 13,000	$ 14,400

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

	December 31	
	2025	**2024**
Financial assets		
Measured at amortized cost (Note 1)	$ 4,433,518	$ 3,670,508
FVTOCI	268,677	268,557
Financial liabilities		
Measured at amortized cost (Note 2)	12,708,817	10,016,259

Note 1: The balances include cash, 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, 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 important financial activities are reviewed by the board of directors in accordance with related regulations and internal control systems. The Group shall follow the overall guidelines for financial risk management and segregation of duties with respect to financial operating procedures.

1) Market risk

a) Foreign currency risk

Refer to Note 41 for the carrying amounts of the Group's significant monetary assets and monetary liabilities denominated in non-functional foreign currencies (including those eliminated in the consolidated financial statements).

Sensitivity analysis

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

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

	For the Year Ended December 31	
	2025	**2024**
Profit or loss		
USD	$ 993	$ 666
EUR	2,048	(99)

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:

	December 31	
	2025	**2024**
Fair value interest rate risk		
Financial assets	$ 495,903	$ 491,018
Financial liabilities	1,054,121	3,455,187
Cash flow interest rate risk		
Financial assets	2,098,051	1,844,515
Financial liabilities	7,897,409	2,109,187

Sensitivity analysis

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

If interest rates had been 1% increase/decrease and all other variables were held constant, the Group's profit before income tax for the years ended December 31, 2025 and 2024 would have decreased/increased by $57,994 thousand and $2,647 thousand, respectively.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the years ended December 31, 2025 and 2024 would have increased/decreased by $2,687 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 maintaining adequate cash in banks and banking facilities, and continuously monitoring forecast and actual cash flows as well as matching the maturity profiles of financial assets and liabilities. As of December 31, 2025 and 2024, the available unutilized bank loan facilities were $11,571,619 thousand and $11,129,876 thousand, respectively.

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

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
	$ 4,504,965	$ 4,453,244	$ 1,321,316	$ 3,012,047	$ 13,291,572

December 31, 2024

	Within One Year	2 to 3 Years	4 to 5 Years	5+ Years	Total
Short-term bills payable	$ 500,000	$ -	$ -	$ -	$ 500,000
Non-interest bearing liabilities	4,908,150	-	-	-	4,908,150
Lease liabilities	36,758	69,811	50,661	408,786	566,016
Long-term borrowings	221,829	486,707	300,329	1,100,322	2,109,187
Bonds payable	1,914,836	12,000	12,000	603,721	2,542,557
	$ 7,581,573	$ 568,518	$ 362,990	$ 2,112,829	$ 10,625,910

37. RELATED PARTY TRANSACTIONS

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

a. Related parties and relationships

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

b. Operating transactions

Line Item	Related Party Category/Name	For the Year Ended December 31 2025	2024
Sales	Investors with significant influence over the Group		
	TPC	$ 689,342	$ 689,453
Construction service revenue	Investors with significant influence over the Group		
	TPC	$ 1,180,215	$ 235,887
Operations, maintenance and consulting services revenue	Investors with significant influence over the Group		
	TPC	$ 235,200	$ 205,433
	Associates		
	Others	17,576	18,749
		$ 252,776	$ 224,182
Cost of sales	Investors with significant influence over the Group		
	TPC	$ 39,078	$ 23,914
	Associates		
	Others	129	126
		$ 39,207	$ 24,040
Operations, maintenance and consulting services cost	Investors with significant influence over the Group		
	TPC	$ 15	$ 18
Operating expenses	Investors with significant influence over the Group		
	TPC	$ 162	$ -

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

c. Non-operating transactions

Line Item	Related Party Category/Name	For the Year Ended December 31 2025	2024
Other income	Associates		
	TYC	$ 4,195	$ 3,978
	SBPC	3,200	1,148
	KKPC	2,586	2,489
	Sun Ba	2,302	2,141
	SEPC	2,207	2,707
		$ 14,490	$ 12,463
Interest expense	Investors with significant influence over the Group		
	TPC	$ 77	$ 81

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

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31 2025	December 31 2024
Accounts receivable from related parties	Investors with significant influence over the Group		
	TPC	$ 459,698	$ 173,717
	Associates		
	Others	2,727	3,803
		$ 462,425	$ 177,520
Other receivables	Associates		
	TYC	$ 1,632	$ 1,147
	SBPC	1,528	354
	Sun Ba	1,055	884
	KKPC	800	524
	SEPC	609	1,212
		$ 5,624	$ 4,121

The outstanding receivables from related parties were unsecured. For the years ended December 31, 2025 and 2024, no impairment loss was recognized on receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31 2025	December 31 2024
Accounts payable to related parties	Investors with significant influence over the Group		
	TPC	$ 6,440	$ 1,438
	Associates		
	Others	106	-
		$ 6,546	$ 1,438
Other payables	Investors with significant influence over the Group		
	TPC	$ 4,905	$ 3,200
	Associates		
	Others	-	156
		$ 4,905	$ 3,356

The outstanding payables to related parties were unsecured.

f. Contract assets

Related Party Category/Name	December 31 2025	December 31 2024
Investors with significant influence over the Group		
TPC	$ 709,984	$ 608,824
Associates		
Others	287	43,250
	$ 710,271	$ 652,074

g. Contract liabilities

Related Party Category/Name	December 31 2025	December 31 2024
Investors with significant influence over the Group		
TPC	$ 36,193	$ 244,597
Associate		
Others	-	41
	$ 36,193	$ 244,638

h. Lease agreement

Line Item	Related Party Category/Name	December 31 2025	December 31 2024
Lease liabilities - current	Investors with significant influence over the Group		
	TPC	$ 370	$ 524
Lease liabilities - non-current	Investors with significant influence over the Group		
	TPC	$ 6,661	$ 7,031

i. Sublease arrangements

Line Item	Related Party Category/Name	December 31 2025	December 31 2024
Finance lease receivables - current	Associates		
	Sun Ba	$ 3,842	$ 391
	SBPC	2,980	254
	SEPC	2,058	181
		$ 8,880	$ 826
Long-term finance lease receivables non-current	Associates		
	Sun Ba	$ 323	$ -
	SBPC	251	-
	SEPC	173	-
		$ 747	$ -

For the years ended December 31, 2025 and 2024, no impairment loss was recognized for finance lease receivables. Refer to Note 10 for information on sublease arrangements.

j. Remuneration of key management personnel

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	$ 57,013	$ 49,493
Post-employment benefits	1,020	944
	$ 58,033	$ 50,437

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

38. 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:

	December 31	
	2025	2024
Machinery and equipment, net	$ 1,524,090	$ 1,601,174
Buildings	1,178,187	1,234,837
Land	63,214	63,214
Demand deposits (recognized as financial assets at amortized cost)	6,500	6,500
Time deposits (recognized as financial assets at amortized cost)	104	-
Philippines government bonds (recognized as financial assets at amortized cost)	327	347
	$ 2,772,422	$ 2,906,072

39. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group as of December 31, 2025 were as follows:

a. The commitments for construction projects that have not been performed amounted to approximately $8,977,430 thousand.

b. Commitments for construction expenditure and purchase of equipment were approximately $10,430,084 thousand.

c. Under a Coal Purchase Agreement, the Group shall purchase 48 thousand tons of coal based on an agreed price.

d. TPC concluded that IPPs violated the Fair Trade Act with concerted action and caused a loss to TPC. In September 2015, TPC filed administrative proceedings in the Taipei High Administrative Court and filed a civil action in the Taipei District Court to claim compensation for the loss. As of December 31, 2025, the closing administrative proceedings and 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. 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. 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 (THC), THC ruled to dismiss TPC's appeal and additional claim on November 9, 2021. On December 13, 2021, TPC filed an appeal with the Supreme Court, which, after review, on July 16, 2025, rendered a decision to overturn the original judgment and remand the case to the Taiwan High Court for retrial. The case is currently under trial at the Taiwan High Court.

These companies have engaged attorneys for the above claims. Whether these companies will be liable for the damages depends on the outcome of the court proceedings.

40. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In January 2026, the Group completed the acquisition of 19.5%, 19.5% and 22.73% equity interests in Sun Ba, SEPC and SBPC, respectively, from Tokyo Electric Power Company International B.V. (Netherlands), for a total consideration of $4,922,150 thousand. The Group acquired the equity interests in Sun Ba, SEPC and SBPC in order to align with the government's energy transition policy and to expand its investments in gas-fired power plants.

Transfer consideration

Cash	$ 4,922,150

The difference between the acquisition cost and the net equity arose from the Group's acquisitions of Sun Ba, SEPC, and SBPC. As the measurement of the identifiable assets acquired and liabilities assumed in the business combination has not yet been completed, the amounts were recognized on a provisional basis at the acquisition date which occurred subsequent to the reporting period. During the subsequent measurement period, retrospective adjustments may be made or additional goodwill or gain on bargain purchase arising from the acquisition may be recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

41. 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:

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 3,957	31,43	$ 124,356
EUR	5,978	36.90	$ 220,595

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Non-monetary items			
Investments accounted for using the equity method			
PHP	$ 89,402	0.5417	$ 48,435
Foreign currency liabilities			
Monetary items			
USD	797	31,43	$ 25,063
EUR	427	36.90	$ 15,746

(Concluded)

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 3,344	32.79	$ 109,653
EUR	138	34.14	$ 4,718
Non-monetary items			
Investments accounted for using the equity method			
PHP	90,907	0.5652	$ 51,382
Foreign currency liabilities			
Monetary items			
USD	1,314	32.79	$ 43,099
EUR	427	34.14	$ 14,569

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

	For the Year Ended December 31			
	2025		2024	
Foreign Currencies	Exchange Rate	Net Losses and Profits	Exchange Rate	Net Profits and Losses
USD	31.18 (USD:NTD)	$ (2,289)	32.112 (USD:NTD)	$ 5,293
EUR	35.18 (EUR:NTD)	$ 47,500	34.74 (EUR:NTD)	$ (7,124)

42. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (None)

3) 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.

43. SEGMENT INFORMATION

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

- Guantian cogeneration plant (GCP)

- Segment of construction and consulting services (CC)

YYC and CGPC were discontinued in the current period. The segment information reported on the following pages does not include any amounts for these discontinued operations, which are described in more detail in Note 13.

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 Year Ended December 31, 2025		
	GCP	**CC**	**Total**
Revenue from customers	$ 1,050,482	$ 6,561,037	$ 7,611,519
Segment profit	$ 248,706	$ 550,787	$ 799,493
Unallocated operating expenses			(207,872)
Interest income			25,441
Interest expense			(113,201)
Share of profit of associates accounted for using the equity method			1,373,511
Other non-operating income and expenses			23,992
Profit before income tax from continuing operations			$ 1,901,364
Depreciation expense	$ 29,619	$ 257,785	
Amortization expense	$ 137	$ 7,520	

	For the Year Ended December 31, 2024		
	GCP	**CC**	**Total**
Revenue from customers	$ 978,196	$ 8,154,038	$ 9,132,234
Segment profit	$ 162,546	$ 369,867	$ 532,413
Unallocated operating expenses			(105,210)
Interest income			21,956
Interest expense			(58,503)
Share of profit of associates accounted for using the equity method			1,098,754
Other non-operating income and expenses			(55,248)
Profit before income tax from continuing operations			$ 1,434,162
Depreciation expense	$ 26,050	$ 258,554	
Amortization expense	$ 137	$ 17,221	

Segment revenue reported above represented the revenue generated from external customers. Segment (loss) profit 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

	December 31	
	2025	2024
Segment assets		
From continuing operations		
GCP	$ 467,692	$ 490,623
CC	9,176,575	9,931,696
Total segment assets	9,644,267	10,422,319
Unallocated assets		
Investments accounted for using the equity method	18,095,875	13,821,210
Others	3,054,539	3,039,973
Consolidated total assets	$ 30,794,681	$ 27,283,502
Segment liabilities		
From continuing operations		
GCP	$ 89,259	$ 91,183
CC	7,799,127	8,375,155
Total segment liabilities	7,888,386	8,466,338
Unallocated liabilities	7,131,272	3,433,360
Consolidated total liabilities	$ 15,019,658	$ 11,899,698

c. Geographical information

The Group’s revenues for the years ended December 31, 2025 and 2024 were all generated domestically; therefore, there is no geographical information for the Group.

d. Information about major customers

Single customers that contributed 10% or more to the Group’s revenues were as follows:

	For the Year Ended December 31	
	2025	2024
Sales and research, consulting and construction service revenue from TPC	$ 2,104,757	$ 1,130,773
Consulting and construction service revenue from customer A	3,000,403	4,457,933

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares (In Thousands)	Carrying Amount	% of Ownership	Fair Value	
The Corporation	Stock							
	KADC	N/A	Financial assets at fair value through other comprehensive income	20,000	$ 245,000	8.00	$ 245,000	
	Synergy	N/A	〃	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 YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Transaction with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total (Note 4)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 4)	
The Corporation	TPC	Investor with significant influence	Sales (Note 1)	$ 493,153	11.70	Receivables are collected within 30 days after billing dates under agreements	-	-	$ 34,082	3.30	
SEC	TPC	Investor with significant influence of the parent company	Sales (Note 2)	1,598,673	26.89	Receivables are collected within 30 days after billing dates under agreements	-	-	427,674	75.99	
	The Corporation	Parent company	Sales (Note 3)	2,995,891	50.38	Receivables are collected within 30 days after billing dates under agreements	-	-	217 (Note 5)	0.04	
MWC	TGE	Fellow subsidiary	Sales (Note 1)	275,707	100.00	Receivables are collected within 30 days after billing dates under agreements	-	-	95,537 (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 service.

Note 4: Represents the percentage of each company’s financial statements.

Note 5: The amount was eliminated upon consolidation.

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance		Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
						Amount	Action Taken		
SEC	TPC	Investor with significant influence of the parent company	Accounts receivable	$ 427,674	Note	$ -	-	$ 250,363	$ -

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

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Net Profit (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Shares (In Thousands)	Shareholding Percentage	Carrying Amount			
The Corporation	SEC	Taipei City	Undertaking of power engineering projects	$ 1,550,020	$ 1,550,020	142,709	100.00	$ 2,122,587	$ 392,190	$ 396,057 (Note 1)	Subsidiary (Note 5)
	TCIC	British Virgin Islands	Investment in foreign countries and international trading	685,374	685,374	22,260	100.00	159,792	(232)	(232)	Subsidiary (Note 5)
	TGE	Taipei City	Investment in green power plant	95,000	95,000	10,500	100.00	150,697	36,368	36,368	Subsidiary (Note 5)
	TYC	Taoyuan City	Cogeneration plants, management of operations, maintenance of equipment	214,240	214,240	35,834	29.31	588,446	228,700	67,034	Investee of the Corporation accounted for using the equity method
	Sun Ba	Tainan City	Power generation	3,073,500	3,073,500	516,000	43.00	6,877,226	1,811,013	778,736	Investee of the Corporation accounted for using the equity method
	KKPC	Taoyuan City	Power generation	5,594,802	1,775,426	496,688	45.83	5,676,006	623,736	198,158 (Note 2)	Investee of the Corporation accounted for using the equity method
	SEPC	Changhua County	Power generation	1,272,500	1,272,500	121,500	40.50	2,488,961	474,803	191,890	Investee of the Corporation accounted for using the equity method
	SBPC	Taipei City	Power generation	1,409,130	1,409,130	136,200	41.27	2,416,801	334,002	137,852	Investee of the Corporation accounted for using the equity method
	MWC	Taipei City	Power generation	673,608	673,608	51,400	100.00	771,954	21,270	9,804 (Note 3)	Subsidiary (Note 5)
	HML	Changhua County	Power generation	103,130	103,130	10,000	100.00	(27,397)	(17,370)	(17,568) (Note 4)	Subsidiary (Note 5)
SEC	SWC	Changhua County	Power generation	517,870	517,870	51,787	100.00	573,765	19,434	19,434	Sub-subsidiary (Note 5)
	SSC	Taipei City	Power generation	240,000	240,000	24,000	100.00	229,572	14,133	14,133	Sub-subsidiary (Note 5)
TCIC	Redondo Peninsula Energy, Inc.	Philippines	Power generation	573,165	573,165	8,446	25.00	48,435	(636)	(159)	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	87,371	4,032	4,032	Sub-subsidiary (Note 5)

Note 1: It recognized as share of profit of $392,190 thousand and realized gross profit of $3,867 thousand.

Note 2: It recognized as share of profit of $218,810 thousand and amortization of investment premium of $20,652 thousand.

Note 3: It recognized as share of profit of $21,270 thousand and amortization of investment premium of $11,466 thousand.

Note 4: It recognized as share of loss of $(17,370) thousand and amortization of investment premium of $198 thousand.

Note 5: Eliminated in the preparation of consolidated financial statements.

TABLE 5

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms (Note 5)	% of Consolidated Operating Revenues or Total Assets (Note 3)
0	The Corporation	SEC	a	Operating, maintenance and consulting service revenue	$ 15,493	According to general terms and conditions	-
		TGE	a	Sales revenue	5,684	According to general terms and conditions	-
		TGE	a	Operating, maintenance and consulting service revenue	5,880	According to general terms and conditions	-
		TGE	a	Accounts receivable from related parties	3,399	According to general terms and conditions	-
		MWC	a	Operating, maintenance and consulting service revenue	3,030	According to general terms and conditions	-
		SKE	a	Operating, maintenance and consulting service revenue	1,320	According to general terms and conditions	-
1	SEC	The Corporation	b	Construction revenue	2,994,630	According to general terms and conditions	39
		The Corporation	b	Operating, maintenance and consulting service revenue	1,261	According to general terms and conditions	-
		The Corporation	b	Contract assets	957,149	According to general terms and conditions	3
		SWC	c	Construction revenue	6,951	According to general terms and conditions	-
		SWC	c	Operating, maintenance and consulting service revenue	14,863	According to general terms and conditions	-
		SWC	c	Contract assets	15,336	According to general terms and conditions	-
		SWC	c	Contract liabilities	216,182	According to general terms and conditions	1
		SSC	c	Operating, maintenance and consulting service revenue	32,188	According to general terms and conditions	-
		SSC	c	Accounts receivable from related parties	17,316	According to general terms and conditions	-
		SSC	c	Contract assets	3,843	According to general terms and conditions	-
		MWC	c	Operating, maintenance and consulting service revenue	5,322	According to general terms and conditions	-
		TGE	c	Operating, maintenance and consulting service revenue	4,975	According to general terms and conditions	-
2	MWC	TGE	c	Sales revenue	275,707	According to general terms and conditions	4
		TGE	c	Accounts receivable from related parties	95,537	According to general terms and conditions	-
3	SWC	TGE	c	Sales revenue	83,838	According to general terms and conditions	1
		TGE	c	Account receivables from related parties	39,980	According to general terms and conditions	-
4	SKE	TGE	c	Sales revenue	28,464	According to general terms and conditions	-
		TGE	c	Accounts receivable from related parties	3,819	According to general terms and conditions	-
5	SSC	SEC	c	Operating, maintenance and consulting service revenue	24,040	According to general terms and conditions	-
		SEC	c	Accounts receivable from related parties	23,949	According to general terms and conditions	-
		TGE	c	Sales revenue	90,528	According to general terms and conditions	1
		TGE	c	Accounts receivable from related parties	22,483	According to general terms and conditions	-
6	HML	The Corporation	b	Other receivables - related parties	3,816	According to general terms and conditions	-

(Continued)

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. The Corporation to subsidiary.
b. Subsidiary to the Corporation.
c. Subsidiary to subsidiary.

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

Note 4: The amount was eliminated upon consolidation.

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

Note 6: The Company may decide whether to list the major transactions in this table based on the principle of materiality or not.

(Concluded)