

# **Taiwan Cogeneration Corporation**

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

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders  
Taiwan Cogeneration Corporation

### Opinion

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

In our opinion, the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Corporation as of December 31, 2025 and 2024, and its standalone financial performance and its standalone cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### 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 Standalone Financial Statements section of our report. We are independent of the Corporation 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 standalone financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the standalone 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 Corporation's standalone 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 31(d) for details on the associates' litigation related to the Fair Trade Act, Note 4(l) 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 Corporation, 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 Corporation'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 standalone financial statements of the Corporation, 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 23 for information on construction contracts, Note 4(m) 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 Corporation 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 71% of the Corporation's standalone operating revenue. The percentage of completion and related profit or loss from the construction contract were assessed and determined by the Corporation'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.

## **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of standalone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Corporation'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 Corporation 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 Corporation's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Corporation'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 Corporation'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 standalone 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 Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 Corporation to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the 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 standalone 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 standalone financial statements are intended only to present the standalone 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 standalone financial statements are those generally applied in the Republic of China.*

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

# TAIWAN COGENERATION CORPORATION

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

| ASSETS                                                                                 | 2025                 |            | 2024                 |            |
|----------------------------------------------------------------------------------------|----------------------|------------|----------------------|------------|
|                                                                                        | Amount               | %          | Amount               | %          |
| CURRENT ASSETS                                                                         |                      |            |                      |            |
| Cash (Notes 4 and 6)                                                                   | \$ 435,842           | 2          | \$ 547,176           | 3          |
| Financial assets at amortized cost (Notes 4, 7 and 8)                                  | -                    | -          | 150,000              | 1          |
| Contract assets (Notes 4, 5, 21 and 23)                                                | 599,542              | 3          | 2,368,657            | 11         |
| Accounts receivable (Notes 4, 9 and 23)                                                | 992,133              | 4          | 596,516              | 3          |
| Accounts receivable from related parties (Notes 4, 23 and 30)                          | 41,288               | -          | 50,353               | -          |
| Finance lease receivables (Notes 4, 10 and 30)                                         | 9,177                | -          | 880                  | -          |
| Dividend receivable (Notes 4 and 13)                                                   | -                    | -          | 320,940              | 1          |
| Other receivables (Notes 4 and 30)                                                     | 5,830                | -          | 4,716                | -          |
| Current income tax assets (Note 25)                                                    | 7,643                | -          | 826                  | -          |
| Inventories (Notes 4 and 11)                                                           | 5,720                | -          | 8,110                | -          |
| Prepaid value-added tax                                                                | 4,656                | -          | 15,768               | -          |
| Other current assets                                                                   | <u>10,566</u>        | <u>-</u>   | <u>3,318</u>         | <u>-</u>   |
| Total current assets                                                                   | <u>2,112,397</u>     | <u>9</u>   | <u>4,067,260</u>     | <u>19</u>  |
| NON-CURRENT ASSETS                                                                     |                      |            |                      |            |
| Financial assets at fair value through other comprehensive income (Notes 4, 12 and 29) | 268,677              | 1          | 268,557              | 1          |
| Investments accounted for using the equity method (Notes 4 and 13)                     | 21,225,073           | 88         | 16,802,843           | 78         |
| Property, plant and equipment (Notes 4 and 14)                                         | 351,717              | 2          | 340,482              | 2          |
| Right-of-use assets (Notes 4 and 15)                                                   | 21,771               | -          | 6,154                | -          |
| Computer software cost (Note 4)                                                        | 755                  | -          | 3,445                | -          |
| Deferred income tax assets (Notes 4 and 25)                                            | 55,330               | -          | 60,730               | -          |
| Long-term finance lease receivables (Notes 4, 10 and 30)                               | 772                  | -          | -                    | -          |
| Prepayments for equipment                                                              | 1,357                | -          | 15,052               | -          |
| Refundable deposits                                                                    | <u>5,663</u>         | <u>-</u>   | <u>5,673</u>         | <u>-</u>   |
| Total non-current assets                                                               | <u>21,931,115</u>    | <u>91</u>  | <u>17,502,936</u>    | <u>81</u>  |
| TOTAL                                                                                  | <u>\$ 24,043,512</u> | <u>100</u> | <u>\$ 21,570,196</u> | <u>100</u> |
| LIABILITIES AND EQUITY                                                                 |                      |            |                      |            |
| CURRENT LIABILITIES                                                                    |                      |            |                      |            |
| Short-term bills payable (Note 16)                                                     | \$ -                 | -          | \$ 499,764           | 2          |
| Accounts payable                                                                       | 77,289               | -          | 89,471               | 1          |
| Construction costs payable(Note 21)                                                    | 360,180              | 2          | 302,517              | 1          |
| Construction costs payable to related parties (Notes 21 and 30)                        | 957,149              | 4          | 2,532,671            | 12         |
| Accounts payable to related parties (Note 30)                                          | 5,743                | -          | 581                  | -          |
| Other payables (Notes 18 and 30)                                                       | 183,100              | 1          | 128,832              | 1          |
| Current income tax liabilities (Note 25)                                               | -                    | -          | 13,712               | -          |
| Provisions (Notes 4, 19 and 21)                                                        | 4,190                | -          | 14,126               | -          |
| Lease liabilities (Notes 4 and 15)                                                     | 26,423               | -          | 4,266                | -          |
| Current portion of bonds payable (Note 17)                                             | -                    | -          | 1,899,655            | 9          |
| Other current liabilities                                                              | <u>876</u>           | <u>-</u>   | <u>743</u>           | <u>-</u>   |
| Total current liabilities                                                              | <u>1,614,950</u>     | <u>7</u>   | <u>5,486,338</u>     | <u>26</u>  |
| NON-CURRENT LIABILITIES                                                                |                      |            |                      |            |
| Long-term borrowings (Note 16)                                                         | 5,942,050            | 25         | -                    | -          |
| Bonds payable (Note 17)                                                                | 599,589              | 2          | 599,503              | 3          |
| Provisions (Notes 4 and 19)                                                            | 3,561                | -          | -                    | -          |
| Lease liabilities (Notes 4 and 15)                                                     | 3,676                | -          | 2,855                | -          |
| Net defined benefit liabilities (Notes 4 and 20)                                       | 97,008               | -          | 85,714               | -          |
| Guarantee deposits received                                                            | <u>7,655</u>         | <u>-</u>   | <u>11,982</u>        | <u>-</u>   |
| Total non-current liabilities                                                          | <u>6,653,539</u>     | <u>27</u>  | <u>700,054</u>       | <u>3</u>   |
| Total liabilities                                                                      | <u>8,268,489</u>     | <u>34</u>  | <u>6,186,392</u>     | <u>29</u>  |
| EQUITY (Note 22 )                                                                      |                      |            |                      |            |
| Share capital                                                                          |                      |            |                      |            |
| Ordinary shares                                                                        | <u>7,302,820</u>     | <u>30</u>  | <u>7,302,820</u>     | <u>34</u>  |
| Capital surplus                                                                        | <u>2,785,428</u>     | <u>12</u>  | <u>2,621,919</u>     | <u>12</u>  |
| Retained earnings                                                                      |                      |            |                      |            |
| Legal reserve                                                                          | 2,127,679            | 9          | 1,954,986            | 9          |
| Special reserve                                                                        | 1,806,380            | 8          | 2,148,332            | 10         |
| Unappropriated earnings                                                                | <u>1,800,532</u>     | <u>7</u>   | <u>1,388,059</u>     | <u>6</u>   |
| Total retained earnings                                                                | <u>5,734,591</u>     | <u>24</u>  | <u>5,491,377</u>     | <u>25</u>  |
| Other equity                                                                           | <u>(47,816)</u>      | <u>-</u>   | <u>(32,312)</u>      | <u>-</u>   |
| Total equity                                                                           | <u>15,775,023</u>    | <u>66</u>  | <u>15,383,804</u>    | <u>71</u>  |
| TOTAL                                                                                  | <u>\$ 24,043,512</u> | <u>100</u> | <u>\$ 21,570,196</u> | <u>100</u> |

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

# TAIWAN COGENERATION CORPORATION

## STANDALONE 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, 23 and 30)                                                      |                  |            |                  |            |
| Sales                                                                                          | \$ 1,050,482     | 25         | \$ 978,196       | 16         |
| Construction services                                                                          | 3,122,345        | 74         | 4,876,360        | 83         |
| Consulting services                                                                            | <u>42,837</u>    | <u>1</u>   | <u>36,916</u>    | <u>1</u>   |
| Total operating revenue                                                                        | <u>4,215,664</u> | <u>100</u> | <u>5,891,472</u> | <u>100</u> |
| OPERATING COSTS (Notes 5, 20, 24 and 30)                                                       |                  |            |                  |            |
| Cost of sales                                                                                  | 780,766          | 18         | 796,086          | 13         |
| Construction services                                                                          | 3,108,235        | 74         | 4,833,020        | 82         |
| Consulting services                                                                            | <u>35,479</u>    | <u>1</u>   | <u>37,758</u>    | <u>1</u>   |
| Total operating costs                                                                          | <u>3,924,480</u> | <u>93</u>  | <u>5,666,864</u> | <u>96</u>  |
| GROSS PROFIT                                                                                   | 291,184          | 7          | 224,608          | 4          |
| REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES                                                  | <u>29,366</u>    | <u>1</u>   | <u>29,367</u>    | <u>-</u>   |
| REALIZED GROSS PROFIT                                                                          | 320,550          | 8          | 253,975          | 4          |
| OPERATING EXPENSES (Notes 20, 24 and 30)                                                       | <u>291,879</u>   | <u>7</u>   | <u>222,559</u>   | <u>4</u>   |
| PROFIT FROM OPERATIONS                                                                         | <u>28,671</u>    | <u>1</u>   | <u>31,416</u>    | <u>-</u>   |
| NON-OPERATING INCOME AND EXPENSES                                                              |                  |            |                  |            |
| Interest income                                                                                | 5,222            | -          | 9,503            | -          |
| Other income (Notes 24 and 30)                                                                 | 28,223           | 1          | 74,293           | 1          |
| Other gains and losses (Note 24)                                                               | 658              | -          | (119)            | -          |
| Finance costs (Note 24)                                                                        | (65,990)         | (2)        | (26,990)         | -          |
| Share of profit of subsidiaries and associates accounted for using the equity method (Note 13) | <u>1,798,099</u> | <u>43</u>  | <u>1,279,015</u> | <u>22</u>  |
| Total non-operating income and expenses                                                        | <u>1,766,212</u> | <u>42</u>  | <u>1,335,702</u> | <u>23</u>  |
| PROFIT BEFORE INCOME TAX                                                                       | 1,794,883        | 43         | 1,367,118        | 23         |
| INCOME TAX EXPENSE (Notes 4 and 25)                                                            | <u>(7,026)</u>   | <u>-</u>   | <u>(17,480)</u>  | <u>-</u>   |
| NET PROFIT FOR THIS YEAR                                                                       | <u>1,787,857</u> | <u>43</u>  | <u>1,349,638</u> | <u>23</u>  |

(Continued)

# TAIWAN COGENERATION CORPORATION

## STANDALONE 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              | %         |
| OTHER COMPREHENSIVE LOSS                                                                                                                                           |                     |            |                     |           |
| Items that will not be reclassified subsequently to profit or loss:                                                                                                |                     |            |                     |           |
| Remeasurement of defined benefit plan (Note 20)                                                                                                                    | \$ (10,793)         | (1)        | \$ 13,373           | -         |
| Unrealized profit or loss on investments in equity instruments at fair value through other comprehensive income (Note 29)                                          | 120                 | -          | (1,497)             | -         |
| Share of remeasurement of defined benefit plans of subsidiaries and associates accounted for using the equity method                                               | (2,417)             | -          | 6,462               | -         |
| 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 25)                                                         | <u>2,159</u>        | <u>-</u>   | <u>(2,674)</u>      | <u>-</u>  |
|                                                                                                                                                                    | <u>(17,552)</u>     | <u>(1)</u> | <u>(25,292)</u>     | <u>-</u>  |
| Items that may be reclassified subsequently to profit or loss:                                                                                                     |                     |            |                     |           |
| Share of exchange differences on translation of the financial statements of foreign operations of subsidiaries accounted for using the equity method               | (4,239)             | -          | 1,747               | -         |
| Share of other comprehensive income of associate accounted for using the equity method - (loss) gain on hedging instruments                                        | <u>(4,764)</u>      | <u>-</u>   | <u>17,583</u>       | <u>-</u>  |
|                                                                                                                                                                    | <u>(9,003)</u>      | <u>-</u>   | <u>19,330</u>       | <u>-</u>  |
| Other comprehensive loss, net of income tax                                                                                                                        | <u>(26,555)</u>     | <u>(1)</u> | <u>(5,962)</u>      | <u>-</u>  |
| TOTAL COMPREHENSIVE INCOME                                                                                                                                         | <u>\$ 1,761,302</u> | <u>42</u>  | <u>\$ 1,343,676</u> | <u>23</u> |
| EARNINGS PER SHARE (Note 26)                                                                                                                                       |                     |            |                     |           |
| Basic                                                                                                                                                              | <u>\$ 2.45</u>      |            | <u>\$ 1.85</u>      |           |
| Diluted                                                                                                                                                            | <u>\$ 2.44</u>      |            | <u>\$ 1.84</u>      |           |

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

(Concluded)

TAIWAN COGENERATION CORPORATION

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

|                                                                                                                  | Ordinary Shares | Capital Surplus | Retained Earnings |                 |                         | Exchange Differences on Translation of the Financial Statements of Foreign Operations | Other Equity                                                                                |                                    | Total Equity  |
|------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-------------------|-----------------|-------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------|---------------|
|                                                                                                                  |                 |                 | Legal Reserve     | Special Reserve | Unappropriated Earnings |                                                                                       | Unrealized (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income | Gain (Loss) on Hedging Instruments |               |
| 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)                         | \$ 15,449,572 |
| 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 for the year ended December 31, 2024                                                                  | -               | -               | -                 | -               | 1,349,638               | -                                                                                     | -                                                                                           | -                                  | 1,349,638     |
| 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                             | 1,343,676     |
| 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 the equity method (Notes 4 and 13) | -               | 163,509         | -                 | -               | -                       | -                                                                                     | -                                                                                           | -                                  | 163,509       |
| Net profit for the year ended December 31, 2025                                                                  | -               | -               | -                 | -               | 1,787,857               | -                                                                                     | -                                                                                           | -                                  | 1,787,857     |
| Other comprehensive (loss) income 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 standalone financial statements.

# TAIWAN COGENERATION CORPORATION

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

|                                                                                      | 2025             | 2024           |
|--------------------------------------------------------------------------------------|------------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                          |                  |                |
| Profit before income tax                                                             | \$ 1,794,883     | \$ 1,367,118   |
| Adjustments for:                                                                     |                  |                |
| Depreciation expense                                                                 | 54,307           | 49,540         |
| Amortization expense                                                                 | 2,690            | 2,946          |
| Finance costs                                                                        | 65,990           | 26,990         |
| Interest income                                                                      | (5,222)          | (9,503)        |
| Dividend income                                                                      | (10,000)         | (10,000)       |
| Share of profit of subsidiaries and associates accounted for using the equity method | (1,798,099)      | (1,279,015)    |
| Gain on disposal of investment accounted for using the equity method                 | -                | (586)          |
| Unrealized loss on foreign currency exchange                                         | 27               | 564            |
| Realized gain on transactions with subsidiaries and associates                       | (29,366)         | (29,367)       |
| Loss on lease modification                                                           | -                | 15             |
| Changes in operating assets and liabilities                                          |                  |                |
| Contract assets                                                                      | 1,769,115        | (1,458,332)    |
| Accounts receivable                                                                  | (395,617)        | (508,544)      |
| Accounts receivable from related parties                                             | 9,065            | 8,991          |
| Other receivables                                                                    | (1,256)          | (3,407)        |
| Inventories                                                                          | 2,390            | (159)          |
| Other current assets                                                                 | (7,248)          | 1,746          |
| Prepaid value-added tax                                                              | 11,112           | (2,240)        |
| Accounts payable                                                                     | (12,182)         | 11,950         |
| Accounts payable to related parties                                                  | 5,162            | -              |
| Construction costs payable                                                           | (1,517,859)      | 1,628,320      |
| Other payables                                                                       | 48,856           | 9,493          |
| Other current liabilities                                                            | 133              | 25             |
| Net defined benefit liabilities                                                      | 501              | 1,413          |
| Provisions                                                                           | (9,936)          | 14,126         |
| Cash used in operations                                                              | (22,554)         | (177,916)      |
| Interest received                                                                    | 5,364            | 10,841         |
| Dividends received                                                                   | 1,701,019        | 1,176,724      |
| Interest paid                                                                        | (67,758)         | (25,715)       |
| Income tax paid                                                                      | (19,996)         | (916)          |
| Net cash generated from operating activities                                         | <u>1,596,075</u> | <u>983,018</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                          |                  |                |
| Decrease in financial assets at amortized cost                                       | 150,000          | 300,000        |
| Acquisition of an associate                                                          | (3,819,376)      | -              |
| Disposal of investments accounted for using the equity method                        | -                | 141,337        |
| Payments for property, plant and equipment (Note 27)                                 | (23,620)         | (5,557)        |
| Decrease in refundable deposits                                                      | 10               | 106            |
| Payments for computer software                                                       | -                | (460)          |
|                                                                                      |                  | (Continued)    |

# TAIWAN COGENERATION CORPORATION

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

|                                                                                       | 2025               | 2024               |
|---------------------------------------------------------------------------------------|--------------------|--------------------|
| Decrease in finance lease receivables                                                 | \$ 9,283           | \$ 10,275          |
| Increase in prepayments for equipment                                                 | <u>(1,260)</u>     | <u>(15,052)</u>    |
| Net cash (used in) generated from investing activities                                | <u>(3,684,963)</u> | <u>430,649</u>     |
| CASH FLOWS FROM FINANCING ACTIVITIES                                                  |                    |                    |
| Decrease in short-term bills payable                                                  | (500,000)          | (500,000)          |
| Repayments of bonds payable                                                           | (1,900,000)        | -                  |
| Proceeds from long-term borrowings                                                    | 5,942,050          | -                  |
| Decrease in guarantee deposits received                                               | (4,327)            | (1,043)            |
| Repayments of the principal portion of lease liabilities                              | (26,550)           | (27,706)           |
| Dividends paid to owners of the Corporation                                           | <u>(1,533,592)</u> | <u>(1,409,444)</u> |
| Net cash generated from (used in) financing activities                                | <u>1,977,581</u>   | <u>(1,938,193)</u> |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE<br>OF CASH HELD IN FOREIGN CURRENCIES | <u>(27)</u>        | <u>(564)</u>       |
| NET DECREASE IN CASH                                                                  | (111,334)          | (525,090)          |
| CASH AT THE BEGINNING OF THE YEAR                                                     | <u>547,176</u>     | <u>1,072,266</u>   |
| CASH AT THE END OF THE YEAR                                                           | <u>\$ 435,842</u>  | <u>\$ 547,176</u>  |

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

(Concluded)

# **TAIWAN COGENERATION CORPORATION**

## **NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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### **1. GENERAL INFORMATION**

Taiwan Cogeneration Corporation (the “Corporation”) 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 standalone financial statements were approved by the 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 Corporation’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

| <b>New, Amended and Revised Standards and Interpretations</b>                                               | <b>Effective Date<br/>Announced by International<br/>Accounting Standards Board<br/>(IASB)</b> |
|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| 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 standalone financial statements were authorized for issue, the Corporation assessed that the application of other standards and interpretations will not have a material impact on the Corporation’s financial position and financial performance.

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

| <b>New, Amended and Revised Standards and Interpretations</b>                                                            | <b>Effective Date<br/>Announced by IASB (Note 1)</b> |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| 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 Corporation 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 Corporation 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 Corporation shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation 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 Corporation 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 Corporation 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 Corporation shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Corporation 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.

Except for the above impact, as of the date the standalone financial statements were authorized for issue, the Corporation is continuously assessing other impacts of the above amended standards and interpretations on the Corporation’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

##### **a. Statement of compliance**

The standalone financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

##### **b. Basis of preparation**

The standalone 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.

When preparing the standalone financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit, other comprehensive income and total equity in the standalone financial statements to be the same as the amounts attributable to the owner of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the standalone basis and the consolidated basis were made to investments accounted for using the equity method, share of profit or loss of subsidiaries and associates accounted for using the equity method, share of other comprehensive income of subsidiaries and associates accounted for using the equity method, and related equity items, as appropriate, in the standalone financial statements.

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 and cash equivalents 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 even if an agreement to refinance, or to reschedule payments on a long-term basis is completed after the reporting period and before the standalone financial statements are authorized for issue; and
- 3) Liabilities for which the Corporation 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 Corporation 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 Corporation's construction-related assets and liabilities.

d. Foreign currencies

In preparing the Corporation's standalone financial statements, transactions in currencies other than the Corporation'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 item 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 financial statements the Corporation's foreign operations (including subsidiaries, associates, joint ventures and branches in other countries) that are prepared using functional currencies which are 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. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, and 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 corporation similar or related items. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business 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 Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, The Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Corporation directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the Corporation's standalone financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the Corporation's standalone financial statements and only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investments in associates

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

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

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of the equity of associates and joint ventures attributable to the Corporation.

Any excess of the cost of acquisition over the Corporation'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 Corporation'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 or loss.

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 Corporation 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 Corporation's proportionate interest in the associate. The Corporation 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 Corporation'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 Corporation 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 Corporation 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 Corporation's standalone financial statements only to the extent of interests in the associates of entities that are not related to the Corporation.

h. 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.

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.

i. Intangible assets

Computer software is amortized on a straight-line basis over 2 to 6 years.

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.

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.

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

At the end of each reporting period, the Corporation 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 Corporation 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.

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.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation 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 maturity over 3 months measured at amortized cost, and 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.

Cash equivalents include time deposits within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Corporation 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 Corporation'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 Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), finance lease receivables, as well as contract assets.

The Corporation always recognizes lifetime expected credit losses (ECLs) for trade receivables, finance lease receivables and contract assets. For all other financial instruments, the Corporation 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 Corporation 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 Corporation considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Corporation):

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 Corporation 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 investments in equity instruments 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.

1. 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) Provision for engineering warranties

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

2) Decommissioning and restoration obligation

Pursuant to the lease agreement, the Corporation 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.

3) 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.

m. 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.

Revenue from consulting services is recognized when services are provided.

For construction contracts where the construction is in progress, the Corporation recognizes revenue over time. The Corporation 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 satisfaction of 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 Corporation recognizes a contract liability for the difference. Retention monies held by the customer based on the terms stated in the construction contract are intended to ensure that the Corporation adequately completes all its contractual obligations. Such retention receivables are recognized as contract assets until the Corporation satisfies its performance obligations.

n. Leases

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

1) The Corporation 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 Corporation 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 Corporation, as a lessee, accounted for by applying at 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. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Corporation's net investment outstanding in respect of leases.

2) The Corporation as a lessee

The Corporation 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 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 standalone 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. 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, the Corporation 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 standalone balance sheets.

o. 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 liabilities are recognized as employee benefits expense in the period in which 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 Corporation's defined benefit plans.

p. Taxation

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

1) Current tax

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 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 Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3) Current and deferred taxes

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 Corporation's accounting policies, management is required to make judgments, estimates and assumptions about 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 Corporation considers the possible impact of climate change and related government policies and regulations, 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 Corporation 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 31(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

|                                       | <b>December 31</b> |                   |
|---------------------------------------|--------------------|-------------------|
|                                       | <b>2025</b>        | <b>2024</b>       |
| Cash on hand                          | \$ 740             | \$ 720            |
| Checking accounts and demand deposits | <u>435,102</u>     | <u>546,456</u>    |
|                                       | <u>\$ 435,842</u>  | <u>\$ 547,176</u> |

The market interest rates of cash in bank at the end of the reporting periods were as follows:

|                 | <b>December 31</b> |             |
|-----------------|--------------------|-------------|
|                 | <b>2025</b>        | <b>2024</b> |
| Demand deposits | 0.00%-3.50%        | 0.00%-4.25% |

## 7. FINANCIAL ASSETS AT AMORTIZED COST

|                                                              | <b>December 31</b> |                   |
|--------------------------------------------------------------|--------------------|-------------------|
|                                                              | <b>2025</b>        | <b>2024</b>       |
| <u>Current</u>                                               |                    |                   |
| Domestic investments                                         |                    |                   |
| Time deposits with original maturities of more than 3 months | \$ -               | \$ <u>150,000</u> |

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

Time deposits with original maturities of more than 3 months as of the balance sheet date were as follows:

|               | <b>December 31</b> |             |
|---------------|--------------------|-------------|
|               | <b>2025</b>        | <b>2024</b> |
| Time deposits | -                  | 1.63%-1.72% |

## 8. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

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

|                                     | <b>December 31</b> |                   |
|-------------------------------------|--------------------|-------------------|
|                                     | <b>2025</b>        | <b>2024</b>       |
| At amortized cost                   |                    |                   |
| Gross carrying amount               | \$ -               | \$ 150,000        |
| Less: Allowance for impairment loss | <u>-</u>           | <u>-</u>          |
| At amortized cost                   | <u>\$ -</u>        | <u>\$ 150,000</u> |

The Corporation's policy is to only invest in debt instruments issued by entities with good credit standing. The Corporation 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 Corporation 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, 2024, the Corporation determined that there was no need to recognize expected credit losses for the debt instrument investments it holds.

## 9. ACCOUNTS RECEIVABLE

|                            | <b>December 31</b> |                   |
|----------------------------|--------------------|-------------------|
|                            | <b>2025</b>        | <b>2024</b>       |
| <u>Accounts receivable</u> |                    |                   |
| At amortized cost          |                    |                   |
| Gross carrying amount      | <u>\$ 992,133</u>  | <u>\$ 596,516</u> |

The average credit period ranges from 30 to 60 days.

The Corporation 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 Corporation 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:

|                   | <b>December 31</b>       |                          |
|-------------------|--------------------------|--------------------------|
|                   | <b>2025</b>              | <b>2024</b>              |
| Less than 60 days | \$ 643,603               | \$ 596,516               |
| 61 to 90 days     | -                        | -                        |
| 91 to 120 days    | <u>348,530</u>           | <u>-</u>                 |
|                   | <u><b>\$ 992,133</b></u> | <u><b>\$ 596,516</b></u> |

#### 10. FINANCE LEASE RECEIVABLES

|                                                                 | <b>December 31</b>     |                      |
|-----------------------------------------------------------------|------------------------|----------------------|
|                                                                 | <b>2025</b>            | <b>2024</b>          |
| <u>Undiscounted lease payments</u>                              |                        |                      |
| Year 1                                                          | \$ 9,270               | \$ 880               |
| Year 2                                                          | 772                    | -                    |
| Year 3                                                          | -                      | -                    |
| Year 4                                                          | -                      | -                    |
| Year 5                                                          | <u>-</u>               | <u>-</u>             |
|                                                                 | 10,042                 | 880                  |
| Less: Unearned finance income                                   | <u>(93)</u>            | <u>-</u>             |
| Lease payments receivable                                       | <u><b>9,949</b></u>    | <u><b>880</b></u>    |
| Net investment in leases presented as finance lease receivables | <u><b>\$ 9,949</b></u> | <u><b>\$ 880</b></u> |
| Finance lease receivables - current                             | <u><b>\$ 9,177</b></u> | <u><b>\$ 880</b></u> |
| Finance lease receivables - non-current                         | <u><b>\$ 772</b></u>   | <u><b>\$ -</b></u>   |

The Corporation 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 Corporation subleased the leasehold office premises for all of the remaining lease term 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 Corporation renewed the office lease, which was approved by the Corporation's board of directors on February 17, 2025. The Corporation 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 Corporation 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 Corporation 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 collateral 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              |
| <u>Non-current</u>                             |                   |                   |
| Domestic investments                           |                   |                   |
| Unlisted shares                                |                   |                   |
| Kaohsiung Arena Development Corporation (KADC) | \$ 245,000        | \$ 246,600        |
| Synergy Co., Ltd. (Synergy)                    | <u>23,677</u>     | <u>21,957</u>     |
|                                                | <u>\$ 268,677</u> | <u>\$ 268,557</u> |

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

Refer to Note 29 for fair value information relating to financial assets at FVTOCI.

## 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

|                             | December 31          |                      |
|-----------------------------|----------------------|----------------------|
|                             | 2025                 | 2024                 |
| Investments in subsidiaries | \$ 3,177,633         | \$ 3,033,015         |
| Investments in associates   | <u>18,047,440</u>    | <u>13,769,828</u>    |
|                             | <u>\$ 21,225,073</u> | <u>\$ 16,802,843</u> |

### a. Investments in subsidiaries

|                                                      | December 31         |                     |
|------------------------------------------------------|---------------------|---------------------|
|                                                      | 2025                | 2024                |
| Unlisted shares                                      |                     |                     |
| Star Energy Corporation (SEC)                        | \$ 2,122,587        | \$ 1,973,560        |
| Miaoli Wind Co., Ltd. (MWC)                          | 771,954             | 770,578             |
| Taiwan Cogeneration International Corporation (TCIC) | 159,792             | 164,263             |
| TCC Green Energy Corporation (TGE)                   | 150,697             | 134,443             |
| Hamaguri Co., Ltd. (HML)                             | <u>(27,397)</u>     | <u>(9,829)</u>      |
|                                                      | <u>\$ 3,177,633</u> | <u>\$ 3,033,015</u> |

On May 14, 2024, the Corporation held a meeting and approved the proposed disposal of 51% of equity of Yi Yuan Corporation. 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 carrying amounts of the assets and liabilities of YYC (including CGPC) at the date of disposal were disclosed in the Company's 2025 consolidated financial statements Note 33.

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

|      | <b>For the Year Ended December 31</b> |                   |
|------|---------------------------------------|-------------------|
|      | <b>2025</b>                           | <b>2024</b>       |
| SEC  | \$ 396,057                            | \$ 245,647        |
| TGE  | 36,368                                | 22,349            |
| MWC  | 9,804                                 | (78,156)          |
| YYC  | -                                     | (2,979)           |
| HML  | (17,568)                              | (16,985)          |
| TCIC | <u>(232)</u>                          | <u>10,231</u>     |
|      | <u>\$ 424,429</u>                     | <u>\$ 180,107</u> |

  

| <b>Name of Subsidiary</b> | <b>Proportion of Ownership and<br/>Voting Rights</b> |             |
|---------------------------|------------------------------------------------------|-------------|
|                           | <b>December 31</b>                                   |             |
|                           | <b>2025</b>                                          | <b>2024</b> |
| SEC                       | 100.00%                                              | 100.00%     |
| TCIC                      | 100.00%                                              | 100.00%     |
| TGE                       | 100.00%                                              | 100.00%     |
| MWC                       | 100.00%                                              | 100.00%     |
| HML                       | 100.00%                                              | 100.00%     |

TCIC established a branch in the Philippines mainly to expand the local engineering business.

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

The share of profit or loss and other comprehensive income of the investments in subsidiaries accounted for using the equity method for the years ended December 31, 2025 and 2024 was based on the subsidiaries' financial statements audited by independent auditors for the same years.

For the year ended December 31, 2024, in determining the value-in-use of the investments, the Corporation estimated the present value of the estimated future cash flows expected to arise from the operation of MWC and from the ultimate disposal by using the discount rate 14.58%. Based on the assessment, the carrying amount of the associate was higher than its recoverable amount (on the basis of its value-in-use), therefore the Corporation recognized a loss of \$76,056 thousand.

b. Investments in associates

|                                      | <b>December 31</b>   |                      |
|--------------------------------------|----------------------|----------------------|
|                                      | <b>2025</b>          | <b>2024</b>          |
| 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)  | <u>5,676,006</u>     | <u>1,795,179</u>     |
|                                      | <u>\$ 18,047,440</u> | <u>\$ 13,769,828</u> |

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

|        | <b>For the Year Ended December 31</b> |                     |
|--------|---------------------------------------|---------------------|
|        | <b>2025</b>                           | <b>2024</b>         |
| Sun Ba | \$ 778,736                            | \$ 521,096          |
| KKPC   | 198,158                               | 173,412             |
| SEPC   | 191,890                               | 170,370             |
| SBPC   | 137,852                               | 150,837             |
| TYC    | <u>67,034</u>                         | <u>83,193</u>       |
|        | <u>\$ 1,373,670</u>                   | <u>\$ 1,098,908</u> |

Material associates

|        | <b>Proportion of Ownership and<br/>Voting Rights</b> |             |
|--------|------------------------------------------------------|-------------|
|        | <b>December 31</b>                                   |             |
|        | <b>2025</b>                                          | <b>2024</b> |
| TYC    | 29.31%                                               | 29.31%      |
| Sun Ba | 43.00%                                               | 43.00%      |
| SEPC   | 40.50%                                               | 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:

|                          | <b>December 31</b>  |                     |
|--------------------------|---------------------|---------------------|
| <b>Name of Associate</b> | <b>2025</b>         | <b>2024</b>         |
| TYC                      | <u>\$ 1,644,773</u> | <u>\$ 1,718,232</u> |

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

TYC

|                                           | <b>December 31</b>  |                     |
|-------------------------------------------|---------------------|---------------------|
|                                           | <b>2025</b>         | <b>2024</b>         |
| 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                   | <u>(2,091,712)</u>  | <u>(1,655,820)</u>  |
| Equity                                    | <u>\$ 2,025,427</u> | <u>\$ 2,062,736</u> |
| Proportion of the Corporation's ownership | 29.31%              | 29.31%              |
| Equity attributable to the Corporation    | \$ 593,668          | \$ 604,604          |
| Unrealized gain with associates           | <u>(5,222)</u>      | <u>(5,568)</u>      |
| Carrying amount                           | <u>\$ 588,446</u>   | <u>\$ 599,036</u>   |

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

Sun Ba

|                                           | <b>December 31</b>   |                      |
|-------------------------------------------|----------------------|----------------------|
|                                           | <b>2025</b>          | <b>2024</b>          |
| 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                   | <u>(20,209,123)</u>  | <u>(15,039,749)</u>  |
| Equity                                    | <u>\$ 16,230,214</u> | <u>\$ 15,504,509</u> |
| Proportion of the Corporation's ownership | 43.00%               | 43.00%               |
| Equity attributable to the Corporation    | \$ 6,978,992         | \$ 6,666,937         |
| Unrealized gain with associates           | (103,853)            | (112,187)            |
| Goodwill                                  | <u>2,087</u>         | <u>2,087</u>         |
| Carrying amount                           | <u>\$ 6,877,226</u>  | <u>\$ 6,556,837</u>  |

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

SEPC

|                                           | <b>December 31</b>  |                     |
|-------------------------------------------|---------------------|---------------------|
|                                           | <b>2025</b>         | <b>2024</b>         |
| 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                   | <u>(233,304)</u>    | <u>(285,460)</u>    |
| Equity                                    | <u>\$ 6,261,442</u> | <u>\$ 6,093,653</u> |
| Proportion of the Corporation's ownership | 40.50%              | 40.50%              |
| Equity attributable to the Corporation    | \$ 2,535,884        | \$ 2,467,929        |
| Unrealized gain with associates           | <u>(46,923)</u>     | <u>(52,354)</u>     |
| Carrying amount                           | <u>\$ 2,488,961</u> | <u>\$ 2,415,575</u> |

|                                   | <b>For the Year Ended December 31</b> |                     |
|-----------------------------------|---------------------------------------|---------------------|
|                                   | <b>2025</b>                           | <b>2024</b>         |
| Operating revenue                 | <u>\$ 8,153,124</u>                   | <u>\$ 8,737,915</u> |
| Net profit                        | \$ 473,803                            | \$ 420,667          |
| Other comprehensive (loss) income | <u>(6,014)</u>                        | <u>3,887</u>        |
| Total comprehensive income        | <u>\$ 467,789</u>                     | <u>\$ 424,554</u>   |
| Dividends received from SEPC      | <u>\$ 121,500</u>                     | <u>\$ 182,250</u>   |

SBPC

|                                           | <b>December 31</b>  |                     |
|-------------------------------------------|---------------------|---------------------|
|                                           | <b>2025</b>         | <b>2024</b>         |
| 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                   | <u>(1,621,698)</u>  | <u>(2,032,688)</u>  |
| Equity                                    | <u>\$ 6,252,842</u> | <u>\$ 6,266,239</u> |
| Proportion of the Corporation's ownership | 41.27%              | 41.27%              |
| Equity attributable to the Corporation    | \$ 2,580,718        | \$ 2,586,247        |
| Unrealized gain with associates           | <u>(163,917)</u>    | <u>(183,046)</u>    |
| Carrying amount                           | <u>\$ 2,416,801</u> | <u>\$ 2,403,201</u> |

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

KKPC

|                                           | <b>December 31</b>   |                     |
|-------------------------------------------|----------------------|---------------------|
|                                           | <b>2025</b>          | <b>2024</b>         |
| 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                   | <u>(83,418)</u>      | <u>(161,820)</u>    |
| Equity                                    | <u>\$ 12,394,692</u> | <u>\$ 5,066,594</u> |
| Proportion of the Corporation's ownership | 45.83%               | 35.00%              |
| Equity attributable to the Corporation    | \$ 5,674,802         | \$ 1,773,308        |
| Goodwill                                  | 19,304               | 19,304              |
| Unrealized gain with associates           | (22)                 | (9)                 |
| Investment premium                        | <u>(18,078)</u>      | <u>2,576</u>        |
| Carrying amount                           | <u>\$ 5,676,006</u>  | <u>\$ 1,795,179</u> |

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

On July 24, 2025, the Corporation participated in the cash capital increase of KKPC in the amount of \$3,819,376 thousand. As the Corporation 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 Company's proportionate share in the net assets of the associate changed, and the Corporation 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 Corporation 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 Corporation is the single largest shareholder of Sun Ba, SEPC, and SBPC with 43%, 40.5% and 41.27%, ownership of the investees, 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 Corporation cannot direct the relevant activities of the investee and has no control over them. Management of the Corporation considered the Corporation as exercising significant influence over the investees and classified them as associates.

#### 14. PROPERTY, PLANT AND EQUIPMENT

|                                      | Land              | Buildings        | Machinery and Equipment | Other Equipment  | Leasehold Improvements | Total             |
|--------------------------------------|-------------------|------------------|-------------------------|------------------|------------------------|-------------------|
| <u>Cost</u>                          |                   |                  |                         |                  |                        |                   |
| Balance at January 1, 2025           | \$ 214,502        | \$ 78,954        | \$ 1,927,664            | \$ 80,895        | \$ 19,592              | \$ 2,321,607      |
| Additions                            | -                 | -                | 25,554                  | 5,974            | -                      | 31,528            |
| Reclassification (Note)              | -                 | -                | 14,955                  | -                | -                      | 14,955            |
| Balance at December 31, 2025         | <u>214,502</u>    | <u>78,954</u>    | <u>1,968,173</u>        | <u>86,869</u>    | <u>19,592</u>          | <u>2,368,090</u>  |
| <u>Accumulated depreciation</u>      |                   |                  |                         |                  |                        |                   |
| Balance at January 1, 2025           | -                 | 68,158           | 1,831,422               | 61,982           | 19,563                 | 1,981,125         |
| Depreciation expense                 | -                 | 1,896            | 24,108                  | 9,218            | 26                     | 35,248            |
| Balance at December 31, 2025         | -                 | <u>70,054</u>    | <u>1,855,530</u>        | <u>71,200</u>    | <u>19,589</u>          | <u>2,016,373</u>  |
| Carrying amount at December 31, 2025 | <u>\$ 214,502</u> | <u>\$ 8,900</u>  | <u>\$ 112,643</u>       | <u>\$ 15,669</u> | <u>\$ 3</u>            | <u>\$ 351,717</u> |
| <u>Cost</u>                          |                   |                  |                         |                  |                        |                   |
| Balance at January 1, 2024           | \$ 214,502        | \$ 78,954        | \$ 1,927,664            | \$ 87,517        | \$ 19,592              | \$ 2,328,229      |
| Additions                            | -                 | -                | -                       | 464              | -                      | 464               |
| Disposals                            | -                 | -                | -                       | (7,086)          | -                      | (7,086)           |
| Balance at December 31, 2024         | <u>214,502</u>    | <u>78,954</u>    | <u>1,927,664</u>        | <u>80,895</u>    | <u>19,592</u>          | <u>2,321,607</u>  |
| <u>Accumulated depreciation</u>      |                   |                  |                         |                  |                        |                   |
| Balance at January 1, 2024           | -                 | 66,262           | 1,811,102               | 58,768           | 19,488                 | 1,955,620         |
| Depreciation expense                 | -                 | 1,896            | 20,320                  | 10,300           | 75                     | 32,591            |
| Disposals                            | -                 | -                | -                       | (7,086)          | -                      | (7,086)           |
| Balance at December 31, 2024         | -                 | <u>68,158</u>    | <u>1,831,422</u>        | <u>61,982</u>    | <u>19,563</u>          | <u>1,981,125</u>  |
| Carrying amount at December 31, 2024 | <u>\$ 214,502</u> | <u>\$ 10,796</u> | <u>\$ 96,242</u>        | <u>\$ 18,913</u> | <u>\$ 29</u>           | <u>\$ 340,482</u> |

Note: The amount was transferred from prepayments for equipment.

No impairment loss was recognized for the years ended December 31, 2025 and 2024.

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

|                                          |             |
|------------------------------------------|-------------|
| Buildings                                |             |
| Office buildings                         | 50 years    |
| Plant and its attached facilities        | 15-25 years |
| Machinery and equipment                  |             |
| Main power generation equipment          | 30 years    |
| Auxiliary equipment for power generation | 3-15 years  |
| Other equipment                          | 3-8 years   |
| Lease improvements                       | 5 years     |

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

|                                         | Buildings        | Transportation<br>Equipment | Other<br>Equipment | Total            |
|-----------------------------------------|------------------|-----------------------------|--------------------|------------------|
| <u>Cost</u>                             |                  |                             |                    |                  |
| Balance at January 1, 2025              | \$ 73,783        | \$ 8,035                    | \$ -               | \$ 81,818        |
| Additions                               | 33,962           | 714                         | -                  | 34,676           |
| Disposals                               | (73,783)         | (660)                       | -                  | (74,443)         |
| Balance at December 31, 2025            | <u>33,962</u>    | <u>8,089</u>                | <u>-</u>           | <u>42,051</u>    |
| <u>Accumulated depreciation</u>         |                  |                             |                    |                  |
| Balance at January 1, 2025              | 72,501           | 3,163                       | -                  | 75,664           |
| Depreciation expense                    | 16,848           | 2,211                       | -                  | 19,059           |
| Disposals                               | (73,783)         | (660)                       | -                  | (74,443)         |
| Balance at December 31, 2025            | <u>15,566</u>    | <u>4,714</u>                | <u>-</u>           | <u>20,280</u>    |
| Carrying amount at<br>December 31, 2025 | <u>\$ 18,396</u> | <u>\$ 3,375</u>             | <u>\$ -</u>        | <u>\$ 21,771</u> |
| <u>Cost</u>                             |                  |                             |                    |                  |
| Balance at January 1, 2024              | \$ 73,851        | \$ 7,006                    | \$ 724             | \$ 81,581        |
| Additions                               | -                | 2,226                       | -                  | 2,226            |
| Disposals                               | (68)             | (1,197)                     | (724)              | (1,989)          |
| Balance at December 31, 2024            | <u>73,783</u>    | <u>8,035</u>                | <u>-</u>           | <u>81,818</u>    |
| <u>Accumulated depreciation</u>         |                  |                             |                    |                  |
| Balance at January 1, 2024              | 57,716           | 2,074                       | 700                | 60,490           |
| Depreciation expense                    | 14,785           | 2,140                       | 24                 | 16,949           |
| Disposals                               | -                | (1,051)                     | (724)              | (1,775)          |
| Balance at December 31, 2024            | <u>72,501</u>    | <u>3,163</u>                | <u>-</u>           | <u>75,664</u>    |
| Carrying amount at<br>December 31, 2024 | <u>\$ 1,282</u>  | <u>\$ 4,872</u>             | <u>\$ -</u>        | <u>\$ 6,154</u>  |

### b. Lease liabilities

|                        | <u>December 31</u> |                 |
|------------------------|--------------------|-----------------|
|                        | 2025               | 2024            |
| <u>Carrying amount</u> |                    |                 |
| Current                | <u>\$ 26,423</u>   | <u>\$ 4,266</u> |
| Non-current            | <u>\$ 3,676</u>    | <u>\$ 2,855</u> |

As of December 31, 2025 and 2024, the ranges of discount rates for lease liabilities were 1.66%-1.86% and 0.98%-1.83%, respectively.

### c. Subleases

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

d. Other lease information

|                                             | <b>For the Year Ended December 31</b> |                    |
|---------------------------------------------|---------------------------------------|--------------------|
|                                             | <b>2025</b>                           | <b>2024</b>        |
| Expenses relating to short-term leases      | <u>\$ 2,545</u>                       | <u>\$ 2,185</u>    |
| Expenses relating to low-value asset leases | <u>\$ 442</u>                         | <u>\$ 82</u>       |
| Total cash outflow for leases               | <u>\$ (30,057)</u>                    | <u>\$ (30,151)</u> |

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

## 16. BORROWINGS

a. Short-term Bills Payables

|                                              | <b>December 31</b> |                   |
|----------------------------------------------|--------------------|-------------------|
|                                              | <b>2025</b>        | <b>2024</b>       |
| Commercial papers                            | \$ -               | \$ 500,000        |
| Less: Unamortized discounts on bills payable | <u>-</u>           | <u>(236)</u>      |
|                                              | <u>\$ -</u>        | <u>\$ 499,764</u> |

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

|                   | <b>December 31</b> |             |
|-------------------|--------------------|-------------|
|                   | <b>2025</b>        | <b>2024</b> |
| Commercial papers | -                  | 0.70%       |

b. Long-term borrowings

|                                  | <b>December 31</b>  |             |
|----------------------------------|---------------------|-------------|
|                                  | <b>2025</b>         | <b>2024</b> |
| Syndicated credit borrowing      | \$ 2,042,050        | \$ -        |
| 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       | <u>500,000</u>      | <u>-</u>    |
|                                  | 5,942,050           | -           |
| Less: Current portion            | <u>-</u>            | <u>-</u>    |
|                                  | <u>\$ 5,942,050</u> | <u>\$ -</u> |

In December 2025, the Corporation entered into a syndicated loan agreement with syndicate 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 Corporation 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 Corporation's operations and requires the Corporation to maintain specified financial ratios.

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

|                                | <b>December 31</b> |             |
|--------------------------------|--------------------|-------------|
|                                | <b>2025</b>        | <b>2024</b> |
| Syndicated credit borrowing    | 2.24%              | -           |
| Revolving unsecured borrowings | 1.81%-1.90%        | -           |

## 17. BONDS PAYABLE

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

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

## 18. OTHER PAYABLES

|                                                                      | <b>December 31</b> |                   |
|----------------------------------------------------------------------|--------------------|-------------------|
|                                                                      | <b>2025</b>        | <b>2024</b>       |
| Payables for compensation of employees and remuneration of directors | \$ 75,686          | \$ 60,181         |
| Payables for salaries and bonuses                                    | 35,352             | 28,789            |
| Payables for business development expenses                           | 28,000             | -                 |
| Payables for compensated absences                                    | 9,168              | 8,153             |
| Payables for equipment                                               | 7,908              | -                 |
| Payables for professional fees                                       | 5,332              | 12,030            |
| Payables for interest                                                | 5,197              | 7,693             |
| Others                                                               | <u>16,457</u>      | <u>11,986</u>     |
|                                                                      | <u>\$ 183,100</u>  | <u>\$ 128,832</u> |

## 19. PROVISIONS

|                              |                   | December 31                        |                   |                  |
|------------------------------|-------------------|------------------------------------|-------------------|------------------|
|                              |                   | 2025                               | 2024              |                  |
| <u>Current</u>               |                   |                                    |                   |                  |
| Warranties                   |                   | \$ 3,490                           | \$ 14,126         |                  |
| Carbon fee                   |                   | <u>700</u>                         | <u>-</u>          |                  |
|                              |                   | <u>\$ 4,190</u>                    | <u>\$ 14,126</u>  |                  |
| <u>Non-current</u>           |                   |                                    |                   |                  |
| Decommissioning liabilities  |                   | <u>\$ 3,561</u>                    | <u>\$ -</u>       |                  |
|                              |                   |                                    |                   |                  |
|                              | <b>Warranties</b> | <b>Decommissioning Liabilities</b> | <b>Carbon Fee</b> | <b>Total</b>     |
| <u>Cost</u>                  |                   |                                    |                   |                  |
| Balance at January 1, 2025   | \$ 14,126         | \$ -                               | \$ -              | \$ 14,126        |
| Additional                   | 50                | 3,561                              | 700               | 4,311            |
| Usage                        | (1,674)           | -                                  | -                 | (1,674)          |
| Reversal                     | <u>(9,012)</u>    | <u>-</u>                           | <u>-</u>          | <u>(9,012)</u>   |
| Balance at December 31, 2025 | <u>\$ 3,490</u>   | <u>\$ 3,561</u>                    | <u>\$ 700</u>     | <u>\$ 7,751</u>  |
|                              |                   |                                    |                   |                  |
| Balance at January 1, 2024   | \$ -              | \$ -                               | \$ -              | \$ -             |
| Additional                   | 14,183            | -                                  | -                 | 14,183           |
| Usage                        | <u>(57)</u>       | <u>-</u>                           | <u>-</u>          | <u>(57)</u>      |
| Balance at December 31, 2024 | <u>\$ 14,126</u>  | <u>\$ -</u>                        | <u>\$ -</u>       | <u>\$ 14,126</u> |

The Corporation 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.

## 20. RETIREMENT BENEFIT PLANS

### a. Defined contribution plan

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

### b. Defined benefit plan

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Act is 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 contributes amounts equal to 6.5% 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 assesses 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 is required to fund the difference in a one-time 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 has no right to influence the investment policy and strategy.

The amounts included in the standalone balance sheets in respect of the Corporation’s defined benefit plan were as follows:

|                                             | <b>December 31</b> |                  |
|---------------------------------------------|--------------------|------------------|
|                                             | <b>2025</b>        | <b>2024</b>      |
| Present value of defined benefit obligation | \$ 224,332         | \$ 203,898       |
| Fair value of plan assets                   | <u>(127,324)</u>   | <u>(118,184)</u> |
| Deficit                                     | <u>97,008</u>      | <u>85,714</u>    |
| Net defined benefit liabilities             | <u>\$ 97,008</u>   | <u>\$ 85,714</u> |

Movements in net defined benefit liabilities were as follows:

|                                                                       | <b>Present Value<br/>of Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>Plan Assets</b> | <b>Net Defined<br/>Benefit<br/>Liabilities</b> |
|-----------------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------|------------------------------------------------|
| Balance at January 1, 2024                                            | <u>\$ 208,209</u>                                              | <u>\$ (110,535)</u>                  | <u>\$ 97,674</u>                               |
| Service cost                                                          |                                                                |                                      |                                                |
| Current service cost                                                  | 3,490                                                          | -                                    | 3,490                                          |
| Past service cost                                                     | 50                                                             | -                                    | 50                                             |
| Net interest expense (income)                                         | <u>2,585</u>                                                   | <u>(1,402)</u>                       | <u>1,183</u>                                   |
| Recognized in profit or loss                                          | <u>6,125</u>                                                   | <u>(1,402)</u>                       | <u>4,723</u>                                   |
| Remeasurement                                                         |                                                                |                                      |                                                |
| Return on plan assets (excluding amounts<br>included in net interest) | -                                                              | (9,670)                              | (9,670)                                        |
| Actuarial gain - changes in demographic<br>assumptions                | (7,030)                                                        | -                                    | (7,030)                                        |
| Actuarial loss - experience adjustments                               | <u>3,327</u>                                                   | <u>-</u>                             | <u>3,327</u>                                   |
| Recognized in other comprehensive income<br>or loss                   | <u>(3,703)</u>                                                 | <u>(9,670)</u>                       | <u>(13,373)</u>                                |
| Contributions from employers                                          | -                                                              | (3,310)                              | (3,310)                                        |
| Benefits paid                                                         | <u>(6,733)</u>                                                 | <u>6,733</u>                         | <u>-</u>                                       |
|                                                                       | <u>(6,733)</u>                                                 | <u>3,423</u>                         | <u>(3,310)</u>                                 |
| Balance at December 31, 2024                                          | <u>\$ 203,898</u>                                              | <u>\$ (118,184)</u>                  | <u>\$ 85,714</u>                               |

(Continued)

|                                                                       | <b>Present Value<br/>of Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>Plan Assets</b> | <b>Net Defined<br/>Benefit<br/>Liabilities</b> |
|-----------------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------|------------------------------------------------|
| Balance at January 1, 2025                                            | <u>\$ 203,898</u>                                              | <u>\$ (118,184)</u>                  | <u>\$ 85,714</u>                               |
| Service cost                                                          |                                                                |                                      |                                                |
| Current service cost                                                  | 3,008                                                          | -                                    | 3,008                                          |
| Net interest expense (income)                                         | <u>3,312</u>                                                   | <u>(1,946)</u>                       | <u>1,366</u>                                   |
| Recognized in profit or loss                                          | <u>6,320</u>                                                   | <u>(1,946)</u>                       | <u>4,374</u>                                   |
| Remeasurement                                                         |                                                                |                                      |                                                |
| Return on plan assets (excluding amounts<br>included in net interest) | -                                                              | (8,241)                              | (8,241)                                        |
| Actuarial loss - changes in demographic<br>assumptions                | 4,761                                                          | -                                    | 4,761                                          |
| Actuarial loss - experience adjustments                               | <u>14,273</u>                                                  | <u>-</u>                             | <u>14,273</u>                                  |
| Recognized in other comprehensive income<br>or loss                   | <u>19,034</u>                                                  | <u>(8,241)</u>                       | <u>10,793</u>                                  |
| Amount disbursed per the Corporation's<br>accounting records          | (692)                                                          | -                                    | (692)                                          |
| Contributions from employers                                          | -                                                              | (3,181)                              | (3,181)                                        |
| Benefits paid                                                         | <u>(4,228)</u>                                                 | <u>4,228</u>                         | <u>-</u>                                       |
|                                                                       | <u>(4,920)</u>                                                 | <u>1,047</u>                         | <u>(3,873)</u>                                 |
| Balance at December 31, 2025                                          | <u>\$ 224,332</u>                                              | <u>\$ (127,324)</u>                  | <u>\$ 97,008</u><br>(Concluded)                |

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

|                    | <b>For the Year Ended December 31</b> |                 |
|--------------------|---------------------------------------|-----------------|
|                    | <b>2025</b>                           | <b>2024</b>     |
| Operating costs    | <u>\$ 1,920</u>                       | <u>\$ 2,602</u> |
| Operating expenses | <u>\$ 2,454</u>                       | <u>\$ 2,121</u> |

Through the defined benefit plan under the Labor Standards Act, the Corporation 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:

|                                  | <b>December 31</b> |             |
|----------------------------------|--------------------|-------------|
|                                  | <b>2025</b>        | <b>2024</b> |
| 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:

|                                  | <b>December 31</b> |                   |
|----------------------------------|--------------------|-------------------|
|                                  | <b>2025</b>        | <b>2024</b>       |
| Discount rate                    |                    |                   |
| 0.25% increase                   | <u>\$ (4,761)</u>  | <u>\$ (4,505)</u> |
| 0.25% decrease                   | <u>\$ 4,905</u>    | <u>\$ 4,650</u>   |
| Expected rate of salary increase |                    |                   |
| 0.25% increase                   | <u>\$ 4,737</u>    | <u>\$ 4,498</u>   |
| 0.25% decrease                   | <u>\$ (4,623)</u>  | <u>\$ (4,382)</u> |

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 was as follows:

|                                                      | <b>December 31</b> |                 |
|------------------------------------------------------|--------------------|-----------------|
|                                                      | <b>2025</b>        | <b>2024</b>     |
| Expected contributions to the plan for the next year | <u>\$ 3,266</u>    | <u>\$ 3,157</u> |
| Average duration of the defined benefit obligation   | 8.7 years          | 9.1 years       |

## 21. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The Corporation'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

|                 | <b>Within<br/>One Year</b> | <b>More than<br/>One Year</b> | <b>Total</b>      |
|-----------------|----------------------------|-------------------------------|-------------------|
| <u>Assets</u>   |                            |                               |                   |
| Contract assets | <u>\$ 599,542</u>          | <u>\$ -</u>                   | <u>\$ 599,542</u> |

(Continued)

|                            | <b>Within<br/>One Year</b> | <b>More than<br/>One Year</b> | <b>Total</b>        |
|----------------------------|----------------------------|-------------------------------|---------------------|
| <u>Liabilities</u>         |                            |                               |                     |
| Provisions - warranties    | \$ -                       | \$ 3,490                      | \$ 3,490            |
| Construction costs payable | <u>1,317,329</u>           | <u>-</u>                      | <u>1,317,329</u>    |
|                            | <u>\$ 1,317,329</u>        | <u>\$ 3,490</u>               | <u>\$ 1,320,819</u> |
|                            |                            |                               | (Concluded)         |

December 31, 2024

|                            | <b>Within<br/>One Year</b> | <b>More than<br/>One Year</b> | <b>Total</b>        |
|----------------------------|----------------------------|-------------------------------|---------------------|
| <u>Assets</u>              |                            |                               |                     |
| Contract assets            | <u>\$ 392,969</u>          | <u>\$ 1,975,688</u>           | <u>\$ 2,368,657</u> |
| <u>Liabilities</u>         |                            |                               |                     |
| Provisions - warranties    | \$ -                       | \$ 14,126                     | \$ 14,126           |
| Construction costs payable | <u>442,149</u>             | <u>2,393,039</u>              | <u>2,835,188</u>    |
|                            | <u>\$ 442,149</u>          | <u>\$ 2,407,165</u>           | <u>\$ 2,849,314</u> |

## 22. EQUITY

### a. Share capital

|                                                                | <b>December 31</b>   |                      |
|----------------------------------------------------------------|----------------------|----------------------|
|                                                                | <b>2025</b>          | <b>2024</b>          |
| Number of authorized ordinary shares (in thousands)            | <u>1,000,000</u>     | <u>1,000,000</u>     |
| Amount of authorized ordinary shares                           | <u>\$ 10,000,000</u> | <u>\$ 10,000,000</u> |
| Number of issued and fully paid ordinary shares (in thousands) | <u>730,282</u>       | <u>730,282</u>       |
| Amount of issued and fully paid ordinary shares                | <u>\$ 7,302,820</u>  | <u>\$ 7,302,820</u>  |

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

On November 12, 2025, the Corporation's 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 FSC on January 16, 2026.

b. Capital surplus

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

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Corporation's current articles of incorporation (the "Articles"), where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan where not less than 70% of distributable retained earnings shall be distributed; the plan 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 24.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:

|                                 | <b>Appropriation of Earnings</b> |             |
|---------------------------------|----------------------------------|-------------|
|                                 | <b>2024</b>                      | <b>2023</b> |
| 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:

|                                 | <b>Appropriation<br/>of Earnings<br/>2025</b> |
|---------------------------------|-----------------------------------------------|
| 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.

## 23. REVENUES

|                                        | <b>For the Year Ended December 31</b> |                     |
|----------------------------------------|---------------------------------------|---------------------|
|                                        | <b>2025</b>                           | <b>2024</b>         |
| Revenues from contracts with customers |                                       |                     |
| Sales                                  |                                       |                     |
| Sales of electricity                   | \$ 714,741                            | \$ 688,957          |
| Sales of steam                         | 335,261                               | 288,766             |
| Others                                 | 480                                   | 473                 |
|                                        | <u>1,050,482</u>                      | <u>978,196</u>      |
| Construction services                  | 3,122,345                             | 4,876,360           |
| Consulting services                    | <u>42,837</u>                         | <u>36,916</u>       |
|                                        | <u>\$ 4,215,664</u>                   | <u>\$ 5,891,472</u> |

a. Contract balances

|                                                 | December 31,<br>2025 | December 31,<br>2024 | January 1, 2024   |
|-------------------------------------------------|----------------------|----------------------|-------------------|
| Accounts receivable (including related parties) | <u>\$ 1,033,421</u>  | <u>\$ 646,869</u>    | <u>\$ 147,316</u> |
| Contract assets                                 |                      |                      |                   |
| Construction contracts                          | <u>\$ 599,542</u>    | <u>\$ 2,368,657</u>  | <u>\$ 910,325</u> |

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

The Corporation 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 Corporation concluded that the expected loss rates for trade receivables can be applied to the contract assets. The Corporation did not recognize an allowance for impairment loss against all of the contract assets.

- b. The revenues of the Corporation's Guantian cogeneration plant and the segment of research, consulting and construction services are due to sales from the cogeneration plant and revenue from consulting and construction services.

## 24. NET PROFIT

a. Other income

|                  | <b>For the Year Ended December 31</b> |                  |
|------------------|---------------------------------------|------------------|
|                  | 2025                                  | 2024             |
| Dividend income  | \$ 10,000                             | \$ 10,000        |
| Others (Note 30) | <u>18,223</u>                         | <u>64,293</u>    |
|                  | <u>\$ 28,223</u>                      | <u>\$ 74,293</u> |

b. Other gains and losses

|                                                                      | <b>For the Year Ended December 31</b> |                 |
|----------------------------------------------------------------------|---------------------------------------|-----------------|
|                                                                      | 2025                                  | 2024            |
| Foreign exchange gain                                                | \$ 24,205                             | \$ 5,403        |
| Foreign exchange loss                                                | (23,307)                              | (5,418)         |
| Gain on disposal of investment accounted for using the equity method | -                                     | 586             |
| Loss on lease modification                                           | -                                     | (47)            |
| Others                                                               | <u>(240)</u>                          | <u>(643)</u>    |
|                                                                      | <u>\$ 658</u>                         | <u>\$ (119)</u> |

c. Finance costs

|                               | <b>For the Year Ended December 31</b> |                  |
|-------------------------------|---------------------------------------|------------------|
|                               | <b>2025</b>                           | <b>2024</b>      |
| Interest on bank loans        | \$ 37,669                             | \$ -             |
| Interest on bonds payable     | 15,268                                | 20,891           |
| Interest on commercial papers | 12,485                                | 5,890            |
| Interest on lease liabilities | 520                                   | 178              |
| Others                        | <u>48</u>                             | <u>31</u>        |
|                               | <u>\$ 65,990</u>                      | <u>\$ 26,990</u> |

d. Depreciation and amortization

|                                         | <b>For the Year Ended December 31</b> |                  |
|-----------------------------------------|---------------------------------------|------------------|
|                                         | <b>2025</b>                           | <b>2024</b>      |
| Property, plant and equipment           | \$ 35,248                             | \$ 32,591        |
| Right-of-use assets                     | 19,059                                | 16,949           |
| Computer software                       | <u>2,690</u>                          | <u>2,946</u>     |
|                                         | <u>\$ 56,997</u>                      | <u>\$ 52,486</u> |
| An analysis of depreciation by function |                                       |                  |
| Operating costs                         | \$ 29,620                             | \$ 26,050        |
| Operating expenses                      | <u>24,687</u>                         | <u>23,490</u>    |
|                                         | <u>\$ 54,307</u>                      | <u>\$ 49,540</u> |
| An analysis of amortization by function |                                       |                  |
| Operating costs                         | \$ 137                                | \$ 137           |
| Operating expenses                      | <u>2,553</u>                          | <u>2,809</u>     |
|                                         | <u>\$ 2,690</u>                       | <u>\$ 2,946</u>  |

e. Employee benefits expense

|                                 | <b>For the Year Ended December 31</b> |                   |
|---------------------------------|---------------------------------------|-------------------|
|                                 | <b>2025</b>                           | <b>2024</b>       |
| Post-employment benefits        |                                       |                   |
| Defined contribution plans      | \$ 6,653                              | \$ 4,674          |
| Defined benefit plans           | <u>4,374</u>                          | <u>4,723</u>      |
|                                 | <u>11,027</u>                         | <u>9,397</u>      |
| Share-based payment             |                                       |                   |
| Short-term benefits             | <u>284,322</u>                        | <u>254,441</u>    |
| Total employee benefits expense | <u>\$ 295,349</u>                     | <u>\$ 263,838</u> |

(Continued)

|                                                      | <b><u>For the Year Ended December 31</u></b> |                   |
|------------------------------------------------------|----------------------------------------------|-------------------|
|                                                      | <b>2025</b>                                  | <b>2024</b>       |
| An analysis of employee benefits expense by function |                                              |                   |
| Operating costs                                      | \$ 113,382                                   | \$ 113,930        |
| Operating expenses                                   | <u>181,967</u>                               | <u>149,908</u>    |
|                                                      | <u>\$ 295,349</u>                            | <u>\$ 263,838</u> |
| Short-term benefits                                  |                                              |                   |
| Wages and salaries                                   | \$ 254,581                                   | \$ 224,635        |
| Labor and health insurance                           | 14,358                                       | 13,527            |
| Others                                               | <u>15,383</u>                                | <u>16,279</u>     |
|                                                      | <u>\$ 284,322</u>                            | <u>\$ 254,441</u> |
|                                                      |                                              | (Concluded)       |

f. Compensation of employees and remuneration of directors

According to the Corporation's Articles, the Corporation accrues compensation of employees and remuneration of directors at rates not less than 0.5% and not higher than 1%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. 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:

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

If there will be a change in the proposed amount after the annual standalone 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 standalone 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.

## 25. INCOME TAX

### a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

|                                                 | <b><u>For the Year Ended December 31</u></b> |                  |
|-------------------------------------------------|----------------------------------------------|------------------|
|                                                 | <b>2025</b>                                  | <b>2024</b>      |
| Current tax                                     |                                              |                  |
| In respect of the current year                  | \$ -                                         | \$ 14,774        |
| Adjustments for prior period                    | <u>(533)</u>                                 | <u>-</u>         |
|                                                 | (533)                                        | 14,774           |
| Deferred tax                                    |                                              |                  |
| In respect of the current year                  | <u>7,559</u>                                 | <u>2,706</u>     |
| Income tax expense recognized in profit or loss | <u>\$ 7,026</u>                              | <u>\$ 17,480</u> |

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

|                                                                                                 | <b><u>For the Year Ended December 31</u></b> |                     |
|-------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------|
|                                                                                                 | <b>2025</b>                                  | <b>2024</b>         |
| Profit before income tax                                                                        | <u>\$ 1,794,883</u>                          | <u>\$ 1,367,118</u> |
| Income tax expense calculated at the statutory rate                                             | \$ 358,977                                   | \$ 273,424          |
| Non-taxable income and non-deductible expenses in determining taxable income/loss carryforwards | (354,664)                                    | (258,000)           |
| Adjustments for prior period                                                                    | (533)                                        | -                   |
| Changes in unrecognized deductible temporary differences                                        | <u>3,246</u>                                 | <u>2,056</u>        |
| Income tax expense recognized in profit or loss                                                 | <u>\$ 7,026</u>                              | <u>\$ 17,480</u>    |

### b. Income tax recognized in other comprehensive income or loss

|                                       | <b><u>For the Year Ended December 31</u></b> |                 |
|---------------------------------------|----------------------------------------------|-----------------|
|                                       | <b>2025</b>                                  | <b>2024</b>     |
| <u>Deferred income tax</u>            |                                              |                 |
| In respect of the current year        |                                              |                 |
| Remeasurement of defined benefit plan | <u>\$ (2,159)</u>                            | <u>\$ 2,674</u> |

### c. Current income tax assets and tax liabilities

|                                       | <b><u>December 31</u></b> |                  |
|---------------------------------------|---------------------------|------------------|
|                                       | <b>2025</b>               | <b>2024</b>      |
| <u>Current income tax assets</u>      |                           |                  |
| Tax refund receivable                 | <u>\$ 7,643</u>           | <u>\$ 826</u>    |
| <u>Current income tax liabilities</u> |                           |                  |
| Income tax payable                    | <u>\$ -</u>               | <u>\$ 13,712</u> |

d. Deferred tax assets

The movements of deferred tax assets were as follows:

For the year ended December 31, 2025

|                                                    | Beginning<br>Balance | Recognized in<br>Profit or Loss | Recognized in<br>Other<br>Comprehensive<br>Income | Ending<br>Balance |
|----------------------------------------------------|----------------------|---------------------------------|---------------------------------------------------|-------------------|
| <u>Deferred income tax assets</u>                  |                      |                                 |                                                   |                   |
| Temporary differences                              |                      |                                 |                                                   |                   |
| Unrealized gain on transactions<br>with associates | \$ 43,539            | \$ (5,873)                      | \$ -                                              | \$ 37,666         |
| Defined benefit obligation                         | 14,161               | 99                              | 2,159                                             | 16,419            |
| Construction warranties                            | 2,825                | (1,666)                         | -                                                 | 1,159             |
| Allowance for loss on<br>inventories               | 92                   | (11)                            | -                                                 | 81                |
| Others                                             | <u>113</u>           | <u>(108)</u>                    | <u>-</u>                                          | <u>5</u>          |
|                                                    | <u>\$ 60,730</u>     | <u>\$ (7,559)</u>               | <u>\$ 2,159</u>                                   | <u>\$ 55,330</u>  |

For the year ended December 31, 2024

|                                                    | Beginning<br>Balance | Recognized in<br>Profit or Loss | Recognized in<br>Other<br>Comprehensive<br>Income | Ending<br>Balance |
|----------------------------------------------------|----------------------|---------------------------------|---------------------------------------------------|-------------------|
| <u>Deferred income tax assets</u>                  |                      |                                 |                                                   |                   |
| Temporary differences                              |                      |                                 |                                                   |                   |
| Unrealized gain on transactions<br>with associates | \$ 49,414            | \$ (5,875)                      | \$ -                                              | \$ 43,539         |
| Defined benefit obligation                         | 16,551               | 284                             | (2,674)                                           | 14,161            |
| Construction warranties                            | -                    | 2,825                           | -                                                 | 2,825             |
| Allowance for loss on<br>inventories               | 60                   | 32                              | -                                                 | 92                |
| Others                                             | <u>85</u>            | <u>28</u>                       | <u>-</u>                                          | <u>113</u>        |
|                                                    | <u>\$ 66,110</u>     | <u>\$ (2,706)</u>               | <u>\$ (2,674)</u>                                 | <u>\$ 60,730</u>  |

e. Deductible temporary differences for which no deferred income tax assets have been recognized in the standalone balance sheets

|                                                           | <u>December 31</u> |                   |
|-----------------------------------------------------------|--------------------|-------------------|
|                                                           | 2025               | 2024              |
| Deductible temporary differences                          |                    |                   |
| Loss on investments accounted for using the equity method | \$ 494,400         | \$ 494,168        |
| Deferred interest expense                                 | <u>293,986</u>     | <u>277,986</u>    |
|                                                           | <u>\$ 788,386</u>  | <u>\$ 772,154</u> |

f. Income tax assessment

The income tax returns of the Corporation through 2023 have been assessed by the tax authorities.

## 26. EARNINGS PER SHARE

|                                   | <b><u>For the Year Ended December 31</u></b> |                |
|-----------------------------------|----------------------------------------------|----------------|
|                                   | <b>2025</b>                                  | <b>2024</b>    |
| Basic earnings per share (NT\$)   | <u>\$ 2.45</u>                               | <u>\$ 1.85</u> |
| Diluted earnings per share (NT\$) | <u>\$ 2.44</u>                               | <u>\$ 1.84</u> |

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

Net profit

|                                                                   | <b><u>For the Year Ended December 31</u></b> |                     |
|-------------------------------------------------------------------|----------------------------------------------|---------------------|
|                                                                   | <b>2025</b>                                  | <b>2024</b>         |
| Net profit used to calculate basic and diluted earnings per share | <u>\$ 1,787,857</u>                          | <u>\$ 1,349,638</u> |

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

|                                                                                                  | <b><u>For the Year Ended December 31</u></b> |                |
|--------------------------------------------------------------------------------------------------|----------------------------------------------|----------------|
|                                                                                                  | <b>2025</b>                                  | <b>2024</b>    |
| 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                                                                        | <u>1,620</u>                                 | <u>1,269</u>   |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | <u>731,902</u>                               | <u>731,551</u> |

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

## 27. PARTIAL CASH TRANSACTIONS

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

|                                                                        | <b>For the Year Ended December 31</b> |                 |
|------------------------------------------------------------------------|---------------------------------------|-----------------|
|                                                                        | <b>2025</b>                           | <b>2024</b>     |
| Partial cash payments for acquisition of property, plant and equipment |                                       |                 |
| Acquisition of property, plant and equipment                           | \$ 31,528                             | \$ 464          |
| Changes in payables for equipment                                      | <u>(7,908)</u>                        | <u>5,093</u>    |
| Cash payments                                                          | <u>\$ 23,620</u>                      | <u>\$ 5,557</u> |

- b. Changes in liabilities arising from financing activities

### For the year ended December 31, 2025

|                             | <b>January 1, 2025</b> | <b>Cash Flows</b>   | <b>Non-cash Changes</b> |                         |                    | <b>December 31, 2025</b> |
|-----------------------------|------------------------|---------------------|-------------------------|-------------------------|--------------------|--------------------------|
|                             |                        |                     | <b>New Leases</b>       | <b>Interest Expense</b> | <b>Others</b>      |                          |
| Short-term bills payable    | \$ 499,764             | \$ (500,000)        | \$ -                    | \$ 12,485               | \$ (12,249)        | \$ -                     |
| Guarantee deposits received | 11,982                 | (4,327)             | -                       | -                       | -                  | 7,655                    |
| Long-term borrowings        | -                      | 5,942,050           | -                       | -                       | -                  | 5,942,050                |
| Bonds payable               | 2,499,158              | (1,900,000)         | -                       | 15,268                  | (14,837)           | 599,589                  |
| Lease liabilities           | <u>7,121</u>           | <u>(26,550)</u>     | <u>34,676</u>           | <u>520</u>              | <u>14,332</u>      | <u>30,099</u>            |
|                             | <u>\$ 3,018,025</u>    | <u>\$ 3,511,173</u> | <u>\$ 34,676</u>        | <u>\$ 28,273</u>        | <u>\$ (12,754)</u> | <u>\$ 6,579,393</u>      |

### For the year ended December 31, 2024

|                             | <b>January 1, 2024</b> | <b>Cash Flows</b>   | <b>Non-cash Changes</b> |                         |                    | <b>December 31, 2024</b> |
|-----------------------------|------------------------|---------------------|-------------------------|-------------------------|--------------------|--------------------------|
|                             |                        |                     | <b>New Leases</b>       | <b>Interest Expense</b> | <b>Others</b>      |                          |
| Short-term bills payable    | \$ 999,130             | \$ (500,000)        | \$ -                    | \$ 5,890                | \$ (5,256)         | \$ 499,764               |
| Guarantee deposits received | 13,025                 | (1,043)             | -                       | -                       | -                  | 11,982                   |
| Bonds payable               | 2,498,517              | -                   | -                       | 20,891                  | (20,250)           | 2,499,158                |
| Lease liabilities           | <u>32,800</u>          | <u>(27,706)</u>     | <u>2,226</u>            | <u>178</u>              | <u>(377)</u>       | <u>7,121</u>             |
|                             | <u>\$ 3,543,472</u>    | <u>\$ (528,749)</u> | <u>\$ 2,226</u>         | <u>\$ 26,959</u>        | <u>\$ (25,883)</u> | <u>\$ 3,018,025</u>      |

## 28. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure the Corporation will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Corporation's overall strategy remains unchanged within the last 5 years.

The capital structure of the Corporation 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.

## 29. 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<br>at FVTOCI -<br>Equity<br>Investments |
|------------------------------------------|----------------------------------------------------------|
| Beginning balance                        | \$ 268,557                                               |
| Recognized in other comprehensive income | 120                                                      |
| Ending balance                           | \$ 268,677                                               |

For the year ended December 31, 2024

|                                        | Financial Assets<br>at FVTOCI -<br>Equity<br>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.

|                                    | <b>December 31</b> |               |
|------------------------------------|--------------------|---------------|
|                                    | <b>2025</b>        | <b>2024</b>   |
| 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:

|                               | <b>December 31</b> |                    |
|-------------------------------|--------------------|--------------------|
|                               | <b>2025</b>        | <b>2024</b>        |
| Long-term revenue growth rate |                    |                    |
| 1% increase                   | <u>\$ 30,000</u>   | <u>\$ 31,600</u>   |
| 1% decrease                   | <u>\$ (28,200)</u> | <u>\$ (29,600)</u> |
| WACC                          |                    |                    |
| 0.5% increase                 | <u>\$ (12,200)</u> | <u>\$ (13,200)</u> |
| 0.5% decrease                 | <u>\$ 13,000</u>   | <u>\$ 14,400</u>   |

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

#### c. Categories of financial instruments

|                                                      | <b>December 31</b> |              |
|------------------------------------------------------|--------------------|--------------|
|                                                      | <b>2025</b>        | <b>2024</b>  |
| <u>Financial assets</u>                              |                    |              |
| Financial assets measured at amortized cost (Note 1) | \$ 1,480,756       | \$ 1,675,374 |
| Financial assets at FVTOCI                           | 268,677            | 268,557      |
| <u>Financial liabilities</u>                         |                    |              |
| Measured at amortized cost (Note 2)                  | 8,008,434          | 5,964,230    |

Note 1: The balances include cash, accounts receivable, accounts receivable from related parties, dividends receivable, 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 bills payable, accounts payable, construction costs payable, construction costs payable to related parties, accounts payable to related parties, other payables, current portion of bonds payable, long-term borrowings and bonds payable. However, short-term employee benefits payable is not included.

d. Financial risk management objectives and policies

The Corporation'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 Corporation's operations. To lower the financial risks, the Corporation seeks to identify, evaluate, and avoid market uncertainty, to minimize the potential unfavorable impact on the Corporation due to market volatility.

The Corporation's important financial activities are reviewed by the board of directors in accordance with related regulations and internal control systems. The Corporation 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 33 for the carrying amounts of the Corporation's significant monetary assets and monetary liabilities denominated in non-functional foreign currencies.

Sensitivity analysis

The Corporation is mainly exposed to the U.S. dollar, the Euro, and the Japanese yen.

The following table details the Corporation'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.

|                | <b><u>For the Year Ended December 31</u></b> |             |
|----------------|----------------------------------------------|-------------|
|                | <b>2025</b>                                  | <b>2024</b> |
| Profit or loss |                                              |             |
| USD            | \$ (33)                                      | \$ (373)    |
| JPY            | 38                                           | 54          |

b) Interest rate risk

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

|                               | <b>December 31</b> |             |
|-------------------------------|--------------------|-------------|
|                               | <b>2025</b>        | <b>2024</b> |
| Fair value interest rate risk |                    |             |
| Financial assets              | \$ 9,949           | \$ 150,880  |
| Financial liabilities         | 629,688            | 3,006,043   |
| Cash flow interest rate risk  |                    |             |
| Financial assets              | 432,775            | 544,720     |
| Financial liabilities         | 5,942,050          | -           |

Sensitivity analysis

The sensitivity analysis below was determined based on the Corporation'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 Corporation's profit before income tax December 31, 2025 and 2024 would have decrease/increase by \$55,093 thousand and increase/decrease by \$5,447 thousand, respectively.

c) Other price risk

The Corporation was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes, the Corporation 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 Corporation 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 Corporation only transacts with financial institutions and companies with good credit ratings; thus, no material credit risk is anticipated.

### 3) Liquidity risk

The Corporation 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 \$6,764,670 thousand and \$4,772,000 thousand, respectively.

The following tables detail the Corporation'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 Corporation can be required to pay.

#### December 31, 2025

|                                  | <b>Within<br/>One Year</b> | <b>2 to 3 Years</b> | <b>4 to 5 Years</b> | <b>5+ Years</b>     | <b>Total</b>        |
|----------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|
| Non-interest bearing liabilities | \$ 1,466,795               | \$ -                | \$ -                | \$ -                | \$ 1,466,795        |
| Lease liabilities                | 26,713                     | 3,695               | -                   | -                   | 30,408              |
| Long-term borrowings             | -                          | 4,064,000           | 328,000             | 1,558,000           | 5,950,000           |
| Bonds payable                    | <u>6,000</u>               | <u>12,000</u>       | <u>609,721</u>      | <u>-</u>            | <u>627,721</u>      |
|                                  | <u>\$ 1,499,508</u>        | <u>\$ 4,079,695</u> | <u>\$ 937,721</u>   | <u>\$ 1,558,000</u> | <u>\$ 8,074,924</u> |

#### December 31, 2024

|                                  | <b>Within<br/>One Year</b> | <b>2 to 3 Years</b> | <b>4 to 5 Years</b> | <b>5+ Years</b>   | <b>Total</b>        |
|----------------------------------|----------------------------|---------------------|---------------------|-------------------|---------------------|
| Short-term bills payable         | \$ 500,000                 | \$ -                | \$ -                | \$ -              | \$ 500,000          |
| Non-interest bearing liabilities | 2,965,308                  | -                   | -                   | -                 | 2,965,308           |
| Lease liabilities                | 4,331                      | 2,555               | 347                 | -                 | 7,233               |
| Bonds payable                    | <u>1,914,836</u>           | <u>12,000</u>       | <u>12,000</u>       | <u>603,721</u>    | <u>2,542,557</u>    |
|                                  | <u>\$ 5,384,475</u>        | <u>\$ 14,555</u>    | <u>\$ 12,347</u>    | <u>\$ 603,721</u> | <u>\$ 6,015,098</u> |

## 30. RELATED PARTY TRANSACTIONS

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

### a. Related parties and relationships

| <b>Related Party</b> | <b>Relationship with the Corporation</b>                 |
|----------------------|----------------------------------------------------------|
| TPC                  | Investor with significant influence over the Corporation |
| SEC                  | Subsidiary                                               |
| YYC                  | Subsidiary (not a related party from June 2024)          |
| TGE                  | Subsidiary                                               |
| MWC                  | Subsidiary                                               |
| HML                  | Subsidiary                                               |
| CGPC                 | Sub-subsidiary (not a related party from June 2024)      |

(Continued)

| <b>Related Party</b>                  | <b>Relationship with the Corporation</b> |
|---------------------------------------|------------------------------------------|
| Shin Kuang Electric Energy Ltd. (SKE) | Sub-subsidiary                           |
| Star Wind Corporation (SWC)           | Sub-subsidiary                           |
| Star Solar Corporation (SSC)          | Sub-subsidiary                           |
| TYC                                   | Associate                                |
| Sun Ba                                | Associate                                |
| SEPC                                  | Associate                                |
| KKPC                                  | Associate                                |
| SBPC                                  | Associate                                |

(Concluded)

b. Operating transactions

| <b>Line Item</b>           | <b>Related Party Category/Name</b>                        | <b>For the Year Ended December 31</b> |                     |
|----------------------------|-----------------------------------------------------------|---------------------------------------|---------------------|
|                            |                                                           | <b>2025</b>                           | <b>2024</b>         |
| Sales                      | Investors with significant influence over the Corporation |                                       |                     |
|                            | TPC                                                       | \$ 493,153                            | \$ 489,474          |
|                            | Subsidiaries                                              |                                       |                     |
|                            | Others                                                    | <u>5,684</u>                          | <u>5,872</u>        |
|                            |                                                           | <u>\$ 498,837</u>                     | <u>\$ 495,346</u>   |
| Consulting service revenue | Subsidiaries                                              |                                       |                     |
|                            | SEC                                                       | \$ 15,493                             | \$ 11,487           |
|                            | Others                                                    | <u>8,970</u>                          | <u>5,602</u>        |
|                            |                                                           | <u>24,463</u>                         | <u>17,089</u>       |
|                            | Sub-subsidiaries                                          |                                       |                     |
|                            | Others                                                    | <u>1,440</u>                          | <u>1,613</u>        |
|                            | Associates                                                |                                       |                     |
|                            | SEPC                                                      | 9,090                                 | 9,237               |
|                            | SBPC                                                      | 4,320                                 | 4,320               |
|                            | Sun Ba                                                    | 3,524                                 | 4,169               |
|                            | Others                                                    | <u>-</u>                              | <u>488</u>          |
|                            |                                                           | <u>16,934</u>                         | <u>18,214</u>       |
|                            |                                                           | <u>\$ 42,837</u>                      | <u>\$ 36,916</u>    |
| Cost of sales              | Investors with significant influence over the Corporation |                                       |                     |
|                            | TPC                                                       | <u>\$ 32,841</u>                      | <u>\$ 18,551</u>    |
| Construction cost          | Subsidiaries                                              |                                       |                     |
|                            | SEC                                                       | <u>\$ 2,995,617</u>                   | <u>\$ 4,427,703</u> |
| Operating expenses         | Subsidiaries                                              |                                       |                     |
|                            | Others                                                    | <u>\$ 274</u>                         | <u>\$ 531</u>       |

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

c. Non-operating transactions

| Line Item    | Related Party Category/Name | For the Year Ended December 31 |               |
|--------------|-----------------------------|--------------------------------|---------------|
|              |                             | 2025                           | 2024          |
| Other income | Subsidiaries                |                                |               |
|              | Others                      | \$ 1,070                       | \$ 1,113      |
|              | Sub-subsidiaries            |                                |               |
|              | SWC                         | -                              | 49,500        |
|              | Others                      | 185                            | 52            |
|              |                             | <u>185</u>                     | <u>49,552</u> |
|              | Associates                  |                                |               |
|              | TYC                         | 4,195                          | 3,978         |
|              | SBPC                        | 3,200                          | 1,148         |
|              | KKPC                        | 2,586                          | 2,489         |
|              | Sun Ba                      | 2,302                          | 2,141         |
|              | SEPC                        | <u>2,207</u>                   | <u>2,707</u>  |
|              |                             | <u>14,490</u>                  | <u>12,463</u> |
|              |                             | \$ 15,745                      | \$ 63,128     |

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             | 2024             |
| Accounts receivable from related parties | Investors with significant influence over the Corporation |                  |                  |
|                                          | TPC                                                       | \$ 34,082        | \$ 44,919        |
|                                          | Subsidiaries                                              |                  |                  |
|                                          | Others                                                    | 4,479            | 1,933            |
|                                          | Associates                                                |                  |                  |
|                                          | Others                                                    | <u>2,727</u>     | <u>3,501</u>     |
|                                          |                                                           | <u>\$ 41,288</u> | <u>\$ 50,353</u> |
| Other receivables                        | Subsidiaries                                              |                  |                  |
|                                          | Others                                                    | \$ 206           | \$ 454           |
|                                          | Associates                                                |                  |                  |
|                                          | TYC                                                       | 1,632            | 1,147            |
|                                          | SBPC                                                      | 1,528            | 354              |
|                                          | Sun Ba                                                    | 1,055            | 884              |
|                                          | KKPC                                                      | 800              | 524              |
|                                          | SEPC                                                      | <u>609</u>       | <u>1,212</u>     |
|                                          |                                                           | <u>5,624</u>     | <u>4,121</u>     |
|                                          |                                                           | <u>\$ 5,830</u>  | <u>\$ 4,575</u>  |

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            | 2024            |
| Accounts payable to related parties           | Investors with significant influence over the Corporation<br>TPC | \$ 5,743        | \$ 581          |
| Construction costs payable to related parties | Subsidiaries<br>SEC                                              | \$ 957,149      | \$ 2,532,671    |
| Other payables                                | Subsidiaries                                                     |                 |                 |
|                                               | HML                                                              | \$ 3,816        | \$ 3,816        |
|                                               | Others                                                           | 217             | 331             |
|                                               |                                                                  | <u>4,033</u>    | <u>4,147</u>    |
|                                               | Associates                                                       |                 |                 |
|                                               | Others                                                           | -               | 156             |
|                                               |                                                                  | <u>\$ 4,033</u> | <u>\$ 4,303</u> |

The outstanding payables to related parties were unsecured.

f. Sublease arrangements

| Line Item                           | Related Party Category/Name | December 31     |               |
|-------------------------------------|-----------------------------|-----------------|---------------|
|                                     |                             | 2025            | 2024          |
| Finance lease receivables - current | Subsidiaries                |                 |               |
|                                     | SEC                         | \$ -            | \$ 28         |
|                                     | Associates                  |                 |               |
|                                     | Sun Ba                      | 3,842           | 391           |
|                                     | SBPC                        | 2,980           | 254           |
|                                     | SEPC                        | <u>2,058</u>    | <u>181</u>    |
|                                     |                             | <u>8,880</u>    | <u>826</u>    |
|                                     |                             | <u>\$ 8,880</u> | <u>\$ 854</u> |
| Long-term finance lease receivables | Associates                  |                 |               |
|                                     | Sun Ba                      | \$ 323          | \$ -          |
|                                     | SBPC                        | 251             | -             |
|                                     | SEPC                        | <u>173</u>      | <u>-</u>      |
|                                     |                             | <u>\$ 747</u>   | <u>\$ -</u>   |

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

g. Remuneration of key management personnel

|                              | <b>For the Year Ended December 31</b> |                  |
|------------------------------|---------------------------------------|------------------|
|                              | <b>2025</b>                           | <b>2024</b>      |
| Short-term employee benefits | \$ 37,039                             | \$ 30,935        |
| Post-employment benefits     | <u>858</u>                            | <u>779</u>       |
|                              | <u>\$ 37,897</u>                      | <u>\$ 31,714</u> |

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

### 31. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

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

- a. The commitments for construction projects that have not been performed amounted to approximately \$1,330,415 thousand.
- b. Commitments for construction expenditure and purchase of equipment were approximately \$454,520 thousand.
- c. Under a Coal Purchase Agreement, the Corporation 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. TPC already filed an appeal on January 30, 2023. However, after a trial, the Supreme Court announced on November 22, 2023 that the original judgment should be abandoned and sent back to the Taiwan High Court for trial. On June 19, 2018, the Taipei District Court ruled to dismiss TPC's civil action against Sun Ba, SEPC and KKPC. On July 13, 2018, TPC appealed this case to the Taiwan High Court. After 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 to handle the claims. Whether these companies will be liable for damages depends on the outcome of the court proceedings.

### 32. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In January 2026, the Corporation 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 Corporation acquired the equity interests in Sun Ba, SEPC and SBPC to align with the government's energy transition policy and to expand its investment in natural gas power plants.

#### Transfer consideration

|      |              |
|------|--------------|
| Cash | \$ 4,922,150 |
|------|--------------|

### 33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the functional currencies of the Corporation, 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<br>Currency | Exchange Rate | Carrying<br>Amount |
|---------------------------------------------------|---------------------|---------------|--------------------|
| <u>Foreign currency assets</u>                    |                     |               |                    |
| Monetary items                                    |                     |               |                    |
| USD                                               | \$ 692              | 31.43         | \$ 21,750          |
| JPY                                               | 18,906              | 0.2008        | <u>3,796</u>       |
|                                                   |                     |               | <u>\$ 25,546</u>   |
| Non-monetary items                                |                     |               |                    |
| Investments accounted for using the equity method |                     |               |                    |
| USD                                               | 5,084               | 31.43         | <u>\$ 159,792</u>  |
| <u>Foreign currency liabilities</u>               |                     |               |                    |
| Monetary items                                    |                     |               |                    |
| USD                                               | 797                 | 31.43         | <u>\$ 25,063</u>   |

December 31, 2024

|                                                      | Foreign<br>Currency | Exchange Rate | Carrying<br>Amount |
|------------------------------------------------------|---------------------|---------------|--------------------|
| <u>Foreign currency assets</u>                       |                     |               |                    |
| Monetary items                                       |                     |               |                    |
| USD                                                  | \$ 177              | 32.79         | \$ 5,812           |
| JPY                                                  | 25,912              | 0.2099        | <u>5,439</u>       |
|                                                      |                     |               | <u>\$ 11,251</u>   |
| Non-monetary items                                   |                     |               |                    |
| Investments accounted for using the equity<br>method |                     |               |                    |
| USD                                                  | 5,010               | 32.79         | <u>\$ 164,263</u>  |
| <u>Foreign currency liabilities</u>                  |                     |               |                    |
| Monetary items                                       |                     |               |                    |
| USD                                                  | 1,314               | 32.79         | <u>\$ 43,099</u>   |

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

| <b>For the Year Ended December 31</b> |                      |                                                |                      |                                                |
|---------------------------------------|----------------------|------------------------------------------------|----------------------|------------------------------------------------|
| <b>2025</b>                           |                      |                                                | <b>2024</b>          |                                                |
| <b>Foreign<br/>Currency</b>           | <b>Exchange Rate</b> | <b>Net Foreign<br/>Exchange<br/>(Loss)Gain</b> | <b>Exchange Rate</b> | <b>Net Foreign<br/>Exchange<br/>(Loss)Gain</b> |
| USD                                   | 31.18 (USD:NTD)      | <u>\$ (1,039)</u>                              | 32.122 (USD:NTD)     | <u>\$ (648)</u>                                |
| EUR                                   | 35.18 (EUR:NTD)      | <u>\$ 25</u>                                   | 34.74 (EUR:NTD)      | <u>\$ 678</u>                                  |

### 34. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (None)
- 3) Significant marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 1)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 2)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)

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.

**TABLE 1**

**TAIWAN COGENERATION CORPORATION**

**SIGNIFICANT 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 | Percentage of Ownership | Fair Value |      |
| The Corporation      | <u>Stock</u><br>KADC<br>Synergy        | Not applicable<br>Not applicable      | Financial assets at fair value through other comprehensive income<br>" | 20,000                          | \$ 245,000      | 8.00%                   | \$ 245,000 |      |
|                      |                                        |                                       |                                                                        | 1,911                           | 23,677          | 1.19%                   | 23,677     |      |

**TABLE 2**

**TAIWAN COGENERATION CORPORATION**

**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<br>Different from Others |               | Notes/Accounts<br>Receivable (Payable) |                           | Note |
|-----------------|-----------------|-----------------------------------------------------------|---------------------|------------|---------------------------|-------------------------------------------------------------------------------|-------------------------------------------------|---------------|----------------------------------------|---------------------------|------|
|                 |                 |                                                           | Purchase/<br>Sale   | Amount     | % of<br>Total<br>(Note 4) | Payment Terms                                                                 | Unit Price                                      | Payment Terms | Ending Balance                         | % of<br>Total<br>(Note 4) |      |
| The Corporation | TPC             | Investor with significant influence of the parent company | Sales<br>(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<br>(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<br>(Note 3)   | 2,995,891  | 50.38                     | Receivables are collected within 30 days after billing dates under agreements | -                                               | -             | 217                                    | 0.04                      |      |
| MWC             | TGE             | Fellow subsidiary                                         | Sales<br>(Note 1)   | 275,707    | 100.00                    | Receivables are collected within 30 days after billing dates under agreements | -                                               | -             | 95,537                                 | 100.00                    |      |

Note 1: Sales of electricity.

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

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

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

**TABLE 3**

**TAIWAN COGENERATION CORPORATION**

**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 payment terms are under agreements, so the information of turnover ratio is not applicable.

TABLE 4

TAIWAN COGENERATION CORPORATION

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES  
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)<br>of the Investee | Share of Profit<br>(Loss) | Note                                                                           |
|------------------|--------------------------------|------------------------|-------------------------------------------------------------------------|----------------------------|----------------------|------------------------------------|----------------------------|--------------------|--------------------------------------|---------------------------|--------------------------------------------------------------------------------|
|                  |                                |                        |                                                                         | December 31,<br>2025       | December 31,<br>2024 | Number of Shares<br>(In Thousands) | Shareholding<br>Percentage | Carrying<br>Amount |                                      |                           |                                                                                |
| The Corporation  | SEC                            | Taipei City            | Undertaking and installing of power engineering projects                | \$ 1,550,020               | \$ 1,550,020         | 142,709                            | 100.00%                    | \$ 2,122,587       | \$ 392,190                           | \$ 396,057<br>(Note 1)    | Subsidiary                                                                     |
|                  | TCIC                           | British Virgin Islands | Investment in foreign countries and international trading               | 685,374                    | 685,374              | 22,260                             | 100.00%                    | 159,792            | (232)                                | (232)                     | Subsidiary                                                                     |
|                  | TGE                            | Taipei City            | Investment in green power plant                                         | 95,000                     | 95,000               | 10,500                             | 100.00%                    | 150,697            | 36,368                               | 36,368                    | Subsidiary                                                                     |
|                  | 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            | 496,668                            | 45.83%                     | 5,676,006          | 623,736                              | 198,158<br>(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          | 473,803                              | 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<br>(Note 3)         | Subsidiary                                                                     |
|                  | HML                            | Changhua County        | Power generation                                                        | 103,130                    | 103,130              | 10,000                             | 100.00%                    | (27,397)           | (17,370)                             | (17,568)<br>(Note 4)      | Subsidiary                                                                     |
| SEC              | SWC                            | Changhua County        | Power generation                                                        | 517,870                    | 177,870              | 51,787                             | 100.00%                    | 573,965            | 19,434                               | 19,434                    | Sub-subsiidiary                                                                |
|                  | SSC                            | Taipei City            | Power generation                                                        | 240,000                    | 240,000              | 24,000                             | 100.00%                    | 229,572            | 14,133                               | 14,133                    | Sub-subsiidiary                                                                |
| 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-subsiidiary                                                                |

Note 1: It recognized the share of profit of \$392,190 thousand and plus the realized sales gross profit of \$3,867 thousand.

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

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

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

# TAIWAN COGENERATION CORPORATION

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**TAIWAN COGENERATION CORPORATION****STATEMENT OF CASH****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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| <b>Item</b>       | <b>Description</b>                                  | <b>Amount</b>     |
|-------------------|-----------------------------------------------------|-------------------|
| Cash              |                                                     |                   |
| Cash on hand      |                                                     | \$ 740            |
| Checking accounts |                                                     | <u>2,327</u>      |
| Demand deposits   |                                                     |                   |
| NTD               |                                                     | 407,197           |
| USD               | US\$692 thousand (exchange rate to NTD at 31.43)    | 21,750            |
| EUR               | EUR0.9 thousand (exchange rate to NTD at 36.90)     | 32                |
| JPY               | JPY18,906 thousand (exchange rate to NTD at 0.2008) | <u>3,796</u>      |
|                   |                                                     | <u>432,775</u>    |
|                   |                                                     | <u>\$ 435,842</u> |

**TAIWAN COGENERATION CORPORATION****STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

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| <b>Customer Name</b>          | <b>Amount</b>       |
|-------------------------------|---------------------|
| Related parties               |                     |
| TPC                           | \$ 34,082           |
| TGE                           | 3,399               |
| Others (Note)                 | <u>3,807</u>        |
|                               | <u>41,288</u>       |
| Non-related parties           |                     |
| CPC CORPORATION, TAIWAN       | 462,453             |
| ORSTED TAIWAN AND CBC LIMITED | 444,503             |
| Others (Note)                 | <u>85,177</u>       |
|                               | <u>992,133</u>      |
|                               | <u>\$ 1,033,421</u> |

Note: The amount of individual customer included in others did not exceed 5% of the balance of this account.

**TAIWAN COGENERATION CORPORATION****STATEMENT OF INVENTORIES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>                                    | <b>Amount</b>   |                                |
|------------------------------------------------|-----------------|--------------------------------|
|                                                | <b>Cost</b>     | <b>Market Value<br/>(Note)</b> |
| Raw materials                                  | \$ 6,123        | <u>\$ 5,720</u>                |
| Less: Allowance for inventory valuation losses | <u>(403)</u>    |                                |
|                                                | <u>\$ 5,720</u> |                                |

Note: The market value of inventories was based on the net realizable value.

BRIGHTON-BEST INTERNATIONAL (TAIWAN) INC.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

|                                         | Balance January 1, 2025 |                   | Additions |             | Deductions |             | Fair Value    | Balance December 31, 2025 |                   | Collateral | Note |
|-----------------------------------------|-------------------------|-------------------|-----------|-------------|------------|-------------|---------------|---------------------------|-------------------|------------|------|
|                                         | Shares                  | Amount            | Shares    | Amount      | Shares     | Amount      |               | Shares                    | Amount            |            |      |
| Domestic unlisted shares                |                         |                   |           |             |            |             |               |                           |                   |            |      |
| Kaohsiung Arena Development Corporation | 20,000,000              | \$ 246,600        | -         | \$ -        | -          | \$ -        | \$ (1,600)    | 20,000,000                | \$ 245,000        | None       |      |
| Synergy Co., Ltd.                       | 1,911,000               | <u>21,957</u>     | -         | <u>-</u>    | -          | <u>-</u>    | <u>1,720</u>  | 1,911,000                 | <u>23,677</u>     | None       |      |
|                                         |                         | <u>\$ 268,557</u> |           | <u>\$ -</u> |            | <u>\$ -</u> | <u>\$ 120</u> |                           | <u>\$ 268,677</u> |            |      |

TAIWAN COGENERATION CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

| Investees | Balance, January 1, 2025 |                      | Additions (Note 1) |                     | Deductions (Note 2) |                       | Remeasurement of Defined Benefit Plans | Share of Other Comprehensive Item That Will Not Be Reclassified Subsequently to Profit or Loss (Note 3) | Share of Other Comprehensive Items That May Be Reclassified Subsequently to Profit or Loss (Note 4) | Realized (Unrealized) Gain on Construction Services with Associates | Share of Profit or Loss | Exchange Differences on Translating Foreign Operations | Balance, December 31, 2025 |                             |                      | Fair Value or Net Worth (Note 5) | Note      |
|-----------|--------------------------|----------------------|--------------------|---------------------|---------------------|-----------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------|--------------------------------------------------------|----------------------------|-----------------------------|----------------------|----------------------------------|-----------|
|           | Number of Shares         | Amount               | Number of Shares   | Amount              | Number of Shares    | Amount                |                                        |                                                                                                         |                                                                                                     |                                                                     |                         |                                                        | Number of Shares           | Percentage of Ownership (%) | Amount               |                                  |           |
|           |                          |                      |                    |                     |                     |                       |                                        |                                                                                                         |                                                                                                     |                                                                     |                         |                                                        |                            |                             |                      |                                  |           |
| TYC       | 35,833,827               | \$ 599,036           | -                  | \$ -                | -                   | \$ (71,668)           | \$ 320                                 | \$ (6,621)                                                                                              | \$ -                                                                                                | \$ 345                                                              | \$ 67,034               | \$ -                                                   | 35,833,827                 | 29.31                       | \$ 588,446           | \$ 1,644,773                     |           |
| Sun Ba    | 516,000,000              | 6,556,837            | -                  | -                   | -                   | (464,400)             | 2,483                                  | -                                                                                                       | (4,764)                                                                                             | 8,334                                                               | 778,736                 | -                                                      | 516,000,000                | 43.00                       | 6,877,226            | 6,978,992                        | (Note 6)  |
| KKPC      | 114,730,000              | 1,795,179            | 381,937,600        | 3,982,885           | -                   | (298,353)             | (1,850)                                | -                                                                                                       | -                                                                                                   | (13)                                                                | 198,158                 | -                                                      | 496,667,600                | 45.83                       | 5,676,006            | 5,674,802                        | (Note 7)  |
| SEPC      | 121,500,000              | 2,415,575            | -                  | -                   | -                   | (121,500)             | (2,436)                                | -                                                                                                       | -                                                                                                   | 5,432                                                               | 191,890                 | -                                                      | 121,500,000                | 40.50                       | 2,488,961            | 2,535,884                        | (Note 8)  |
| SBPC      | 136,200,000              | 2,403,201            | -                  | -                   | -                   | (143,010)             | (371)                                  | -                                                                                                       | -                                                                                                   | 19,129                                                              | 137,852                 | -                                                      | 136,200,000                | 41.27                       | 2,416,801            | 2,580,718                        | (Note 9)  |
| SEC       | 142,708,896              | 1,973,560            | -                  | -                   | -                   | (242,606)             | (563)                                  | -                                                                                                       | -                                                                                                   | (3,861)                                                             | 396,057                 | -                                                      | 142,708,896                | 100.00                      | 2,122,587            | 2,122,610                        | (Note 10) |
| TCIC      | 22,260,000               | 164,263              | -                  | -                   | -                   | -                     | -                                      | -                                                                                                       | -                                                                                                   | -                                                                   | (232)                   | (4,239)                                                | 22,260,000                 | 100.00                      | 159,792              | 159,792                          |           |
| TGE       | 10,500,000               | 134,443              | -                  | -                   | -                   | (20,114)              | -                                      | -                                                                                                       | -                                                                                                   | -                                                                   | 36,368                  | -                                                      | 10,500,000                 | 100.00                      | 150,697              | 150,697                          |           |
| MWC       | 51,400,000               | 770,578              | -                  | -                   | -                   | (8,428)               | -                                      | -                                                                                                       | -                                                                                                   | -                                                                   | 9,804                   | -                                                      | 51,400,000                 | 100.00                      | 771,954              | 546,605                          | (Note 11) |
| HML       | 10,000,000               | (9,829)              | -                  | -                   | -                   | -                     | -                                      | -                                                                                                       | -                                                                                                   | -                                                                   | (17,568)                | -                                                      | 10,000,000                 | 100.00                      | (27,397)             | (30,768)                         | (Note 12) |
|           |                          | <u>\$ 16,802,843</u> |                    | <u>\$ 3,982,885</u> |                     | <u>\$ (1,370,079)</u> | <u>\$ (2,417)</u>                      | <u>\$ (6,621)</u>                                                                                       | <u>\$ (4,764)</u>                                                                                   | <u>\$ 29,366</u>                                                    | <u>\$ 1,798,099</u>     | <u>\$ (4,239)</u>                                      |                            |                             | <u>\$ 21,225,073</u> | <u>\$ 22,364,105</u>             |           |

- Note 1: The increase represented participation in the capital increase of KKPC and capital surplus arising from changes in ownership interests not in proportion to the shareholding percentage.
- Note 2: The decrease represented cash dividends distributed by investees accounted for using the equity method.
- Note 3: Share of other comprehensive item that will not be reclassified subsequently to profit or loss represents the recognition of changes in unrealized gains or losses arising from TYC’s investment in equity instruments, measured at fair value through other comprehensive income.
- Note 4: Share of other comprehensive items that may be reclassified subsequently to profit or loss represents the recognition of changes in unrealized gains or losses arising from Sun Ba’s investment in hedging instruments, measured at fair value through other comprehensive income.
- Note 5: For TYC, the amount represented its fair value calculated based on its closing price on December 31, 2025. For other equity investments, the amounts represented their net worth.
- Note 6: The difference between the carrying amount and net worth of equity interest included \$2,087 thousand of goodwill and \$(103,853) thousand of unrealized gain on consulting and construction services.
- Note 7: The difference between the carrying amount and net worth of equity interest included \$19,304 thousand of goodwill, \$(18,078) thousand of unamortized investment premium, and unrealized gain on consulting and construction services of \$(22) thousand.
- Note 8: The difference between the carrying amount and net worth of equity interest was unrealized gain on consulting and construction services of \$(46,923) thousand.
- Note 9: The difference between the carrying amount and net worth of equity interest was unrealized gain on consulting and construction services of \$(163,917) thousand.
- Note 10: The difference between the carrying amount and net worth of equity interest was unrealized gain on consulting and construction services of \$(23) thousand.
- Note 11: The difference between the carrying amount and net worth of equity interest included \$20,314 thousand of goodwill and \$205,035 thousand of unamortized investment premium.
- Note 12: The difference between the carrying amount and net worth of equity interest included \$3,371 thousand of unamortized investment premium.
- Note 13: The above investments accounted for using the equity method were unsecured and unpledged.

**TAIWAN COGENERATION CORPORATION****STATEMENT OF ACCOUNTS PAYABLE****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

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| <b>Supplier Name</b>                 | <b>Amount</b>    |
|--------------------------------------|------------------|
| Related parties                      |                  |
| TPC                                  | <u>\$ 5,743</u>  |
| Non-related parties                  |                  |
| Full Winner Co., Ltd.                | 38,189           |
| Cycle Sustainable Resource Co., Ltd. | 8,702            |
| Chang Tiner Industrial Co., Ltd.     | 6,929            |
| Yeng Hsingh Co., Ltd.                | 4,841            |
| Others (Note)                        | <u>18,628</u>    |
|                                      | <u>77,289</u>    |
|                                      | <u>\$ 83,032</u> |

Note: The amount of individual supplier included in others did not exceed 5% of the balance of this account.

TAIWAN COGENERATION CORPORATION

STATEMENT OF BONDS PAYABLE  
DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

| Bond Name                                                | Trustee      | Issuance Period       | Interest Payment Date                  | Coupon Rate | Total Amount | Amount Repaid | Unredeemed Amount | Unamortized Bond Discount | Balance, End of Year | Repayment Method                                                | Collateral |
|----------------------------------------------------------|--------------|-----------------------|----------------------------------------|-------------|--------------|---------------|-------------------|---------------------------|----------------------|-----------------------------------------------------------------|------------|
| 1st Domestic Unsecured Corporate Bond-B (issued in 2020) | Bank SinoPac | 2020.08.14-2030.08.14 | Interest payable annually on August 14 | 1.00%       | \$ 600,000   | \$ -          | \$ 600,000        | \$ (411)                  | \$ 599,589           | Bullet repayment (principal repaid in one lump sum at maturity) | None       |

TAIWAN COGENERATION CORPORATION

STATEMENT OF LONG-TERM BORROWINGS  
DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

| Bank Name                             | Maturity and Repayment Terms                                                                                                                                                                                                                                       | Interest Rates (%) | Balance December 31, 2025 |                     |                     | Collateral | Note |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------|---------------------|---------------------|------------|------|
|                                       |                                                                                                                                                                                                                                                                    |                    | Current                   | Over 1 Year         | Total               |            |      |
| Syndicated loan led by Bank of Taiwan | The syndicated credit facility, under the terms of the syndicated loan agreement, has a drawdown period until June 2026, with the first installment to be repaid from December 2028, and subsequent installments to be repaid annually in five equal installments. | 2.24               | \$ -                      | \$ 2,042,050        | \$ 2,042,050        | -          | None |
| Yuanta Bank                           | The bank revolving credit facility is available for drawdown until December 2027.                                                                                                                                                                                  | 1.85               | -                         | 1,300,000           | 1,300,000           | -          | None |
| KGI Bank                              | The bank revolving credit facility is available for drawdown until December 2027.                                                                                                                                                                                  | 1.90               | -                         | 1,000,000           | 1,000,000           | -          | None |
| Bank of Taiwan                        | The bank revolving credit facility is available for drawdown until December 2027.                                                                                                                                                                                  | 1.81               | -                         | 500,000             | 500,000             | -          | None |
| Taipei Fubon Bank                     | The bank revolving credit facility is available for drawdown until September 2027.                                                                                                                                                                                 | 1.85               | -                         | 500,000             | 500,000             | -          | None |
| First Commercial Bank                 | The bank revolving credit facility is available for drawdown until March 2027.                                                                                                                                                                                     | 1.85               | -                         | 600,000             | 600,000             | -          | None |
|                                       |                                                                                                                                                                                                                                                                    |                    | <u>\$ -</u>               | <u>\$ 5,942,050</u> | <u>\$ 5,942,050</u> |            |      |

**TAIWAN COGENERATION CORPORATION****STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

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| <b>Underlying Asset</b>  | <b>Lease Term</b>     | <b>Discount Rate<br/>(%)</b> | <b>Balance,<br/>End of Year</b> |
|--------------------------|-----------------------|------------------------------|---------------------------------|
| Taipei office            | 2025.02.01-2027.01.31 | 1.86                         | \$ 26,666                       |
| Company vehicle RFA-2721 | 2023.06.02-2028.06.01 | 1.66                         | 1,445                           |
| Company vehicle RFH-3965 | 2024.02.19-2028.02.18 | 1.83                         | 663                             |
| Company vehicle RFV-2101 | 2025.05.01-2028.04.30 | 1.86                         | 578                             |
| Company vehicle RFE-3739 | 2024.01.10-2027.01.09 | 1.83                         | 376                             |
| Company vehicle RDZ-3280 | 2023.05.05-2026.05.04 | 1.66                         | 259                             |
| Company vehicle RDW-8909 | 2023.08.07-2026.08.06 | 1.80                         | <u>112</u>                      |
|                          |                       |                              | <u>\$ 30,099</u>                |

**TAIWAN COGENERATION CORPORATION****STATEMENT OF OPERATING REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>           | <b>Quantity</b>      | <b>Amount</b>       |
|-----------------------|----------------------|---------------------|
| Sales                 |                      |                     |
| Sales of electricity  | 197,568 thousand kwh | \$ 714,741          |
| Sales of steam        | 337 thousand tons    | 335,261             |
| Others                |                      | <u>480</u>          |
|                       |                      | 1,050,482           |
| Construction services |                      | 3,122,345           |
| Consulting services   |                      | <u>42,837</u>       |
|                       |                      | <u>\$ 4,215,664</u> |

**TAIWAN COGENERATION CORPORATION****STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>               | <b>Amount</b>              |
|---------------------------|----------------------------|
| Cost of sales             |                            |
| Fuel costs                | \$ 441,070                 |
| Variable indirect costs   | 133,326                    |
| Labor costs               | 77,387                     |
| Maintenance costs         | 57,836                     |
| Others (Note)             | <u>71,147</u>              |
|                           | 780,766                    |
| Construction service cost | 3,108,235                  |
| Consulting service cost   | <u>35,479</u>              |
|                           | <u><u>\$ 3,924,480</u></u> |

Note: The amount of each item in others did not exceed 5% of the balance of this account.

**TAIWAN COGENERATION CORPORATION**

**STATEMENT OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>                         | <b>Amount</b>     |
|-------------------------------------|-------------------|
| Payroll expense and pension expense | \$ 166,080        |
| Professional fees                   | 52,260            |
| Depreciation expense                | 24,687            |
| Others (Note)                       | <u>48,852</u>     |
|                                     | <u>\$ 291,879</u> |

Note: The amount of each item in others did not exceed 5% of the balance of this account.

## TAIWAN COGENERATION CORPORATION

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)

|                            | 2025               |                       |                   | 2024               |                       |                   |
|----------------------------|--------------------|-----------------------|-------------------|--------------------|-----------------------|-------------------|
|                            | Operating<br>Costs | Operating<br>Expenses | Total             | Operating<br>Costs | Operating<br>Expenses | Total             |
| Employee benefits expense  |                    |                       |                   |                    |                       |                   |
| Payroll                    | \$ 94,688          | \$ 137,928            | \$ 232,616        | \$ 93,964          | \$ 113,171            | \$ 207,135        |
| Labor and health insurance | 7,740              | 6,618                 | 14,358            | 7,467              | 6,060                 | 13,527            |
| Pension                    | 4,840              | 6,187                 | 11,027            | 5,178              | 4,219                 | 9,397             |
| Remuneration of directors  | -                  | 21,965                | 21,965            | -                  | 17,500                | 17,500            |
| Other personnel expense    | <u>6,114</u>       | <u>9,269</u>          | <u>15,383</u>     | <u>7,321</u>       | <u>8,958</u>          | <u>16,279</u>     |
|                            | <u>\$ 113,382</u>  | <u>\$ 181,967</u>     | <u>\$ 295,349</u> | <u>\$ 113,930</u>  | <u>\$ 149,908</u>     | <u>\$ 263,838</u> |
| Depreciation expense       | <u>\$ 29,620</u>   | <u>\$ 24,687</u>      | <u>\$ 54,307</u>  | <u>\$ 26,050</u>   | <u>\$ 23,490</u>      | <u>\$ 49,540</u>  |
| Amortization expense       | <u>\$ 137</u>      | <u>\$ 2,553</u>       | <u>\$ 2,690</u>   | <u>\$ 137</u>      | <u>\$ 2,809</u>       | <u>\$ 2,946</u>   |

Note 1: The number of employees as of December 31, 2025 and 2024 was 143 and 141, respectively, of which the number of non-employee directors was 12 for both years.

Note 2: Average employee benefits expense for the years ended December 31, 2025 and 2024 was \$2,086 thousand and \$1,910 thousand, respectively. Average payroll for the years ended December 31, 2025 and 2024 was \$1,775 thousand and \$1,606 thousand, respectively. In 2025, the average payroll increased by 10.52% compared to 2024.

Note 3: The Corporation's audit committee consists of independent directors instead of supervisors.

Note 4: The Corporation's compensation policies are detailed as follows:

a. Directors

Based on the Corporation's Articles, the board of directors is authorized to determine the remuneration of directors based on their level of participation in the Corporation's operations and value of their contributions, taking into account the usual standards in the industry. In addition, if the Corporation is profitable in a given year, it shall allocate not more than 1% of the net profit as remuneration of directors.

b. Managers and employees

In accordance with the Corporation's "Charter of the Remuneration Committee", the Corporation shall periodically review the performance of directors and managers, policies, systems, standards, structure and general compensation levels of the industry, as well as the reasonableness of the relevance between compensation and individuals' work performance, business performance and future risks. In addition, in accordance with the Corporation's Articles, if the Corporation is profitable in a given year, it shall allocate not less than 0.5% of the net profit as employees' compensation, of which 1% shall be distributed to entry-level employees, and the remaining portion shall be distributed among all employees, which shall be paid in accordance with the "Regulations for Employees' Compensation", taking into consideration the Corporation's financial status, operating performance and policies, as well as the job duties, abilities and performance of the employees to ensure that the remuneration scheme is competitive and motivational.

The Corporation has established the "Regulations for Employees' Salaries" as the basis of employees' salaries and various bonuses and allowances, and stays updated on the market level of salary and regularly reviews the Corporation's salary policies. The Corporation also distributes year-end bonuses, performance bonuses and work bonuses in accordance with the "Regulations on Distribution of Employee Bonuses" to reward employees for their hard work; the relevant bonuses are determined based on the Corporation's financial status, operating conditions, and individuals' work performance. In addition to year-end and performance bonuses, the Corporation also has in place a salary adjustment mechanism which serves to motivate its employees by providing them a competitive salary and benefits package.