TSEC Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
TSEC Corporation

Introduction

We have reviewed the accompanying consolidated financial statements of TSEC Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of March 31, 2024 and 2023 the consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews and the report of other auditors (please refer to other matters), nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter Paragraph

In the consolidated financial statements of the invested company included in the evaluation of equity method by the TSEC Corporation Group, the financial statements of Yuan-Yu Solar Energy Co., Ltd. and NFC III Renewable Power Co., Ltd. were not reviewed by our auditors, but by other auditors. Therefore, the conclusions made by our auditors regarding the amounts presented in the financial statements of investee companies in the aforementioned consolidated financial statements are based on the review results of the other auditors. As of March 31, 2024 and 2023, the investment balance in investee companies in the aforementioned accounted for NT$553,197 thousand and NT$131,009 thousand, representing 4.7% and 1.2% of the total consolidated assets. The share of the equity method recognized for associated enterprises and joint ventures for the three months ended March 31, 2024 and 2023, amounted to NT$3,130 thousand and NT$36,797 thousand, accounting for 14.1% and 20.9% of the total consolidated comprehensive income.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 6, 2024

<u>*Notice to Readers*</u>

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

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

TSEC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024 Amount	%	December 31, 2023 Amount	%	March 31, 2023 Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 876,734	7	$ 1,194,354	10	$ 947,586	8
Financial assets at amortized cost - current (Notes 4, 8 and 32)	87,054	1	139,120	1	51,626	1
Notes receivable (Notes 4, 9 and 25)	-	-	83,894	1	-	-
Accounts receivable (Notes 4, 9 and 25)	1,744,422	15	1,487,008	12	961,029	9
Accounts receivable from related parties (Notes 4, 9, 25 and 31)	8	-	42,437	-	-	-
Other receivables (Notes 4 and 9)	2,654	-	2,640	-	14,846	-
Other receivables from related parties (Notes 4 and 31)	389	-	1,385	-	813	-
Current tax assets (Note 4)	2,657	-	2,340	-	700	-
Inventories (Notes 4 and 10)	1,219,995	10	1,274,866	11	1,374,902	12
Other current assets (Note 18)	80,944	1	97,134	1	367,776	3
Total current assets	4,014,857	34	4,325,178	36	3,719,278	33
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current (Notes 4, 8 and 32)	61,598	1	63,698	1	90,188	1
Investments accounted for using the equity method (Notes 4, 13 and 32)	783,580	7	781,105	6	373,699	3
Property, plant and equipment (Notes 4, 14 and 32)	6,151,138	52	6,229,578	52	5,393,724	48
Right-of-use assets (Notes 4 and 15)	13,883	-	16,216	-	15,223	-
Investment properties (Notes 4, 16 and 32)	-	-	-	-	160,224	2
Other intangible assets (Notes 4 and 17)	6,759	-	7,800	-	5,269	-
Deferred tax assets (Note 4)	242,767	2	244,812	2	260,688	2
Other non-current assets (Notes 18 and 28)	486,105	4	398,284	3	1,195,871	11
Total non-current assets	7,745,830	66	7,741,493	64	7,494,886	67
TOTAL	$ 11,760,687	100	$ 12,066,671	100	$ 11,214,164	100

LIABILITIES AND EQUITY	March 31, 2024 Amount	%	December 31, 2023 Amount	%	March 31, 2023 Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 28)	$ 200,640	2	$ 341,836	3	$ 707,274	6
Short-term bills payable (Notes 19, 28 and 32)	79,905	1	79,904	1	339,659	3
Financial liabilities at fair value through profit or loss (Notes 4 and 7)	-	-	724	-	5	-
Financial liabilities for hedging - current (Notes 4 and 30)	-	-	-	-	39	-
Contract liabilities (Notes 4, 25 and 31)	319,704	3	90,007	1	526,788	5
Notes payable (Note 20)	15	-	23	-	37	-
Accounts payable (Note 20)	289,233	2	525,327	4	642,336	6
Other payables (Notes 21 and 28)	424,715	3	442,012	4	262,853	3
Lease liabilities - current (Notes 4, 15 and 28)	11,293	-	11,736	-	7,997	-
Current portion of long-term borrowings (Notes 19, 28 and 32)	560,791	5	518,933	4	243,626	2
Other current liabilities (Note 21)	18,191	-	17,862	-	10,357	-
Total current liabilities	1,904,487	16	2,028,364	17	2,740,971	25
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19, 28 and 32)	1,864,142	16	2,068,284	17	1,800,677	16
Provisions (Note 4)	26,089	-	25,021	-	19,266	-
Deferred tax liabilities (Note 4)	3,992	-	3,346	-	72	-
Lease liabilities - non-current (Notes 4, 15 and 28)	2,761	-	4,684	-	7,358	-
Preferred stock liabilities - non-current (Notes 4, 23 and 28)	287,949	3	287,949	3	287,949	3
Guarantee deposits received (Notes 21 and 28)	-	-	-	-	28,000	-
Total non-current liabilities	2,184,933	19	2,389,284	20	2,143,322	19
Total liabilities	4,089,420	35	4,417,648	37	4,884,293	44
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Share capital	5,127,967	44	5,127,967	42	4,762,967	42
Capital surplus	1,965,635	17	1,965,635	16	1,325,024	12
Retained earnings						
Legal reserve	23,373	-	23,373	-	4,632	-
Special reserve	171,049	1	171,049	2	41,685	1
Unappropriated earnings	550,883	5	528,910	4	363,516	3
Total retained earnings	745,305	6	723,332	6	409,833	4
Other equity	(170,627)	(2)	(170,900)	(1)	(170,945)	(2)
Total equity attributable to owners of the Company	7,668,280	65	7,646,034	63	6,326,879	56
NON-CONTROLLING INTERESTS	2,987	-	2,989	-	2,992	-
Total equity	7,671,267	65	7,649,023	63	6,329,871	56
TOTAL	$ 11,760,687	100	$ 12,066,671	100	$ 11,214,164	100

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

TSEC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25, 31 and 38)	$ 1,167,606	100	$ 2,178,973	100
OPERATING COSTS (Notes 10, 22 and 25)	1,034,198	89	1,970,258	90
GROSS PROFIT	133,408	11	208,715	10
REALIZED GAIN (LOSS) ON TRANSACTIONS WITH ASSOCIATES	239	-	(29)	-
REALIZED GROSS PROFIT	133,647	11	208,686	10
OPERATING EXPENSES (Notes 22, 25 and 31)				
Selling and marketing	21,057	2	23,753	1
General and administrative	64,227	5	63,098	3
Research and development	18,083	2	11,433	1
Expected credit loss recognized on accounts receivable (Note 9)	135	-	632	-
Total operating expenses	103,502	9	98,916	5
OTHER INCOMES AND EXPENSES, NET	(393)	-	-	-
PROFIT FROM OPERATIONS	29,752	2	109,770	5
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Note 25)	(19,388)	(2)	(16,727)	(1)
Share of profit or loss of associates	2,236	-	48,089	2
Interest income (Note 25)	4,288	1	4,669	-
Rental income (Note 31)	105	-	7,984	1
Other income (Note 31)	4,653	1	2,539	-
Foreign exchange gain (loss), net (Note 25)	2,494	-	(7,518)	-
Gains on financial assets (liabilities) at fair value through profit or loss	892	-	2,873	-
Miscellaneous expenses	(438)	-	-	-
Total non-operating income and expenses	(5,158)	-	41,909	2
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	24,594	2	151,679	7
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 26)	(2,623)	-	24,423	1
NET PROFIT	21,971	2	176,102	8

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TSEC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Note 24)	$ -	-	$ 17	-
Gain or loss on hedging instruments subject to basis adjustment (Note 24)	-	-	(20)	-
Income tax relating to items that will not be reclassified to profit or loss	-	-	(36)	-
Items that may be reclassified subsequently to profit or loss (Note 26)				
Exchange differences on the translation of the financial statements of foreign operations (Note 24)	341	-	(69)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 26)	(68)	-	13	-
Other comprehensive income (loss) for the period, net of income tax	273	-	(95)	-
TOTAL COMPREHENSIVE INCOME	$ 22,244	2	$ 176,007	8
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 21,973	2	$ 176,105	8
Non-controlling interests	(2)	-	(3)	-
	$ 21,971	2	$ 176,102	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 22,246	2	$ 176,010	8
Non-controlling interests	(2)	-	(3)	-
	$ 22,244	2	$ 176,007	8
EARNINGS PER SHARE (Note 27)				
Basic	$ 0.04		$ 0.37	
Diluted	$ 0.04		$ 0.37	

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

TSEC CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company (Note 24)											
	Share Capital			Retained Earnings			Other Equity					
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	(Loss) Gain on Hedging Instruments	Total	Non-controlling Interests (Notes 12 and 24)	Total Equity
BALANCE AT JANUARY 1, 2023	476,297	$ 4,762,967	$ 1,325,024	$ 4,632	$ 41,685	$ 187,411	$ (234)	$ (170,641)	$ (174)	$ 6,150,670	$ 95	$ 6,150,765
Increase in non-controlling interests, net	-	-	-	-	-	-	-	-	-	-	2,900	2,900
Basis adjustment of hedging instruments	-	-	-	-	-	-	-	-	199	199	-	199
Net profit (loss) for the three months ended March 31, 2023	-	-	-	-	-	176,105	-	-	-	176,105	(3)	176,102
Other comprehensive (loss) income for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	(56)	17	(56)	(95)	-	(95)
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	176,105	(56)	17	(56)	176,010	(3)	176,007
BALANCE AT MARCH 31, 2023	476,297	$ 4,762,967	$ 1,325,024	$ 4,632	$ 41,685	$ 363,516	$ (290)	$ (170,624)	$ (31)	$ 6,326,879	$ 2,992	$ 6,329,871
BALANCE AT JANUARY 1, 2024	512,797	$ 5,127,967	$ 1,965,635	$ 23,373	$ 171,049	$ 528,910	$ (235)	$ (170,665)	$ -	$ 7,646,034	$ 2,989	$ 7,649,023
Net profit (loss) for the three months ended March 31, 2024	-	-	-	-	-	21,973	-	-	-	21,973	(2)	21,971
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	273	-	-	273	-	273
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	21,973	273	-	-	22,246	(2)	22,244
BALANCE AT MARCH 31, 2024	512,797	$ 5,127,967	$ 1,965,635	$ 23,373	$ 171,049	$ 550,883	$ 38	$ (170,665)	$ -	$ 7,668,280	$ 2,987	$ 7,671,267

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

TSEC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Gain before income tax	$ 24,594	$ 151,679
Adjustments for:		
Depreciation	172,962	188,669
Amortization	1,041	674
Expected credit loss recognized on accounts receivable	135	632
Net gain on fair value changes of financial assets at fair value through profit or loss	(892)	(2,873)
Finance costs	19,388	16,727
Interest income	(4,288)	(4,669)
Share of loss of associates	(2,236)	(48,089)
Loss on disposal of property, plant and equipment	25	-
Write-down of inventories	4,289	133,268
Realized (gain) loss on transactions with associates	(239)	29
Net unrealized (gain) loss on foreign currency exchange	(1,223)	3,659
Provision for liabilities	1,068	2,126
Lease modification gain	(10)	-
Net changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	168	2,241
Notes receivable	83,894	-
Accounts receivable	(256,063)	203,272
Accounts receivable from related parties	42,429	9,498
Other receivables	447	2,055
Other receivables from related parties	996	603
Inventories	50,582	191,151
Other current assets	16,190	(204,176)
Contract liabilities	229,697	409,043
Notes payable	(8)	13
Accounts payable	(238,261)	(255,669)
Other payables	(16,561)	(110,228)
Other current liabilities	329	2,778
Cash generated from operations	128,453	692,413
Interest received	3,827	3,291
Finance costs paid	(19,576)	(12,433)
Income tax paid	(317)	(318)
Net cash generated from operating activities	112,387	682,953
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	-	(41,626)
Proceeds from sale of financial assets at amortized cost	54,569	156,544
Proceeds from sale of financial liabilities for hedging	-	(199)

(Continued)

TSEC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
Payments for property, plant and equipment (Note 28)	$ (181,865)	$ (380,549)
Proceeds from disposal of property, plant, and equipment	22	-
Decrease in refundable deposits	731	445
Payments for other intangible assets	-	(1,235)
Net cash used in investing activities	(126,543)	(266,620)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(141,196)	(232,688)
Increase in short-term bills payable	1	10,146
Proceeds from long-term borrowings	102,000	-
Repayments of long-term borrowings	(264,284)	(105,647)
Increase in guarantee deposits received	-	24,295
Repayments of the principal portion of lease liabilities	(2,985)	(2,624)
Increase in non-controlling interests	-	2,900
Net cash used in financing activities	(306,464)	(303,618)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	3,000	(2,933)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(317,620)	109,782
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,194,354	837,804
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 876,734	$ 947,586

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

TSEC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

TSEC Corporation (the "Company") was incorporated on June 24, 2010. The Company is mainly engaged in the design, manufacture, construction and sale of solar cells, modules and power plants.

The Company's shares have been listed on the Taiwan Stock Exchange since October 1, 2015.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the Group, are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 6, 2024.

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

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

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

IFRS 18 "Presentation and Disclosures in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as 'other' only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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, are described as follows:

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

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

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

c. Basis of consolidation

See Notes 12 and 37 of Table 3 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

Except for the explanations below, other explanations of significant accounting policies are described in the significant accounting policies section of the consolidated financial statement for the year ended December 31, 2023.

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; and

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

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

Income tax expense

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

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. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group takes into account the impacts of inflation and possible market interest rate fluctuations on the relevant critical accounting estimates of cash flows, growth rates, discount rates, and profitability. The management will continue to review the estimates and the basic assumptions. If an amendment to estimates only affects the current period, it shall be recognized in the period of said amendment; if an amendment to accounting estimates affects the current year and future periods, it shall be recognized in the period of said amendment and future periods.

The management of the Group evaluated that there were no critical accounting judgments or estimation uncertainty on the accounting policies, estimates and basic assumptions that were adopted by the Group.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	$ 609	$ 609	$ 609
Checking accounts and demand deposits	471,869	734,023	752,916
Cash equivalents			
Time deposits with original maturities of 3 months or less	404,256	459,722	194,061
	$ 876,734	$ 1,194,354	$ 947,586

The market interest rate intervals of demand deposits and time deposits with maturities of 3 months or less at the end of reporting period were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Demand deposits	0.001%-1.45%	0.001%-1.45%	0.001%-1.25%
Time deposits with original maturities of 3 months or less	0.55%-5.35%	0.55%-5.65%	1.10%-4.88%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
Financial liabilities - held for trading			
Derivative financial instruments (not under hedge accounting)			
Foreign exchange forward contracts	$ -	$ 724	$ 5

At the end of the period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2023			
Buy	USD/NTD	2024.01.10	RMB1,120/NTD4,923
	USD/NTD	2024.01.10	RMB585/NTD2,572
	USD/NTD	2024.01.10	RMB1,258/NTD5,520
	USD/NTD	2024.01.10	RMB2,000/NTD8,759
	USD/NTD	2024.01.10	RMB7,345/NTD32,245
March 31, 2023			
Buy	USD/NTD	2023.04.25	USD227/NTD6,911
	USD/NTD	2023.04.10	USD285/NTD8,712
	USD/NTD	2023.04.10	USD610/NTD18,497

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. The purpose of its financial hedging strategy is to hedge against most of the market price risk.

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2024	December 31, 2023	March 31, 2023
Current			
Time deposits with original maturities of more than 3 months	$ 41,854	$ 85,344	$ 41,626
Restricted assets - cash in banks	45,200	53,776	10,000
	$ 87,054	$ 139,120	$ 51,626
Non-current			
Restricted assets - time deposits with original maturities of more than 3 months	$ 61,598	$ 63,698	$ 90,188

As of March 31, 2024, December 31, 2023 and March 31, 2023, the range of interest rate were 0.54%-5.20%, 0.53%-5.65% and 0.53%-3.5%, respectively.

The financial assets at amortized cost - restricted assets of Groups were used as pledged deposits for secured borrowings from banks, performance guarantee and borrowings for purchases. Refer to Note 32 for the details.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable			
At amortized cost			
Gross carrying amount	$ -	$ 83,894	$ -
Less: Allowance for impairment loss	-	-	-
	$ -	$ 83,894	$ -
Accounts receivable			
At amortized cost			
Gross carrying amount	$ 1,764,617	$ 1,507,068	$ 980,052
Less: Allowance for impairment loss	(20,195)	(20,060)	(19,023)
	$ 1,744,422	$ 1,487,008	$ 961,029
Accounts receivable from related parties			
At amortized cost			
Gross carrying amount	$ 8	$ 42,437	$ -
Less: Allowance for impairment loss	-	-	-
	$ 8	$ 42,437	$ -
Other receivables			
Interest receivable	$ 2,610	$ 2,149	$ 2,934
Value added tax rebate	-	-	8,343
Rent receivables	-	-	2,524
Others	44	491	1,045
	$ 2,654	$ 2,640	$ 14,846

a. Notes receivable

The Group’s average cash days for notes receivable ranged from 45 to 90 days.

The Group recognizes the loss allowance for notes receivable based on the lifetime ECLs. The existing period ECLs are based on the past default records of customers and the economic situation of the industry. As of March 31, 2024, December 31,2023, and March 31,2023, the Group assessed that the notes receivable are not required to recognize ECLs.

The aging analysis of notes receivable based on the account journal date is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
1-60 days	$ -	$ 75,100	$ -
61-90 days	-	8,794	-
	$ -	$ 83,894	$ -

b. Accounts receivable/accounts receivable from related parties

The average credit period of accounts receivable is 30-75 days. No interest is charged on accounts receivable. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecast and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables (including related parties) based on the Group's provision matrix:

March 31, 2024

	Not Past Due	Up to 60 Days	61 to 120 Days	Over 121 Days	Individual Assessment	Total
Expected credit loss rate	0.02%	3.89%	4.55%	-		
Gross carrying amount	$ 332,022	$ 19,818	$ 7,351	$ -	$ 1,405,434	$ 1,764,625
Loss allowance (Lifetime ECLs)	(66)	(772)	(334)	-	(19,023)	(20,195)
Amortized cost	$ 331,956	$ 19,046	$ 7,017	$ -	$ 1,386,411	$ 1,744,430

December 31, 2023

	Not Past Due	Up to 60 Days	61 to 120 Days	Over 121 Days	Individual Assessment	Total
Expected credit loss rate	0.06%	4.27%	-	-		
Gross carrying amount	$ 1,527,554	$ 2,928	$ -	$ -	$ 19,023	$ 1,549,505
Loss allowance (Lifetime ECLs)	(911)	(126)	-	-	(19,023)	(20,060)
Amortized cost	$ 1,526,643	$ 2,802	$ -	$ -	$ -	$ 1,529,445

March 31, 2023

	Not Past Due	Up to 60 Days	61 to 120 Days	Over 121 Days	Individual Assessment	Total
Expected credit loss rate	0%	0%	-	-		
Gross carrying amount	$ 924,209	$ 36,820	$ -	$ -	$ 19,023	$ 980,052
Loss allowance (Lifetime ECLs)	-	-	-	-	(19,023)	(19,023)
Amortized cost	$ 924,209	$ 36,820	$ -	$ -	$ -	$ 961,029

The movements of the loss allowance of receivable were as follows:

	For the Three Months Ended March 31	
	2024	2023
Balance, beginning of period	$ 20,060	$ 18,391
Add: Net remeasurement of loss allowance	135	632
Balance, end of period	$ 20,195	$ 19,023

Refer to Note 30.d for details of the Group's concentration of credit risk of receivables as of March 31, 2024, December 31, 2023 and March 31, 2023.

c. Other receivables

The Group's account of other receivables is mainly interest receivable and value added tax rebate. The Group adopted a policy of dealing only with creditworthy counterparties. The Group determines whether credit risk has increased significantly since initial recognition and measures the loss allowance for other receivables by continuous monitoring of the debtor, with reference to the past default experience of the debtor and an analysis of the debtor's current financial position. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group assessed that the expected credit loss rate of other receivables was 0%.

10. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	$ 856,519	$ 461,124	$ 472,965
Finished goods	255,053	701,846	671,738
Construction in progress	71,983	55,794	73,048
Work in process	36,440	56,102	157,151
	$ 1,219,995	$ 1,274,866	$ 1,374,902

The nature of the cost of goods sold is as follows:

	For the Three Months Ended March 31	
	2024	2023
Cost of inventories sold	$ 1,018,080	$ 1,832,538
Inventory write-downs	4,289	133,268
Others	11,829	4,452
	$ 1,034,198	$ 1,970,258

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	March 31, 2024	December 31, 2023	March 31, 2023
Non-current			
Domestic investments			
Unlisted shares			
Ordinary shares - Eversol Corporation	$ -	$ -	$ -

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

			Percentage of Ownership (%)		
Investor	Investee	Nature of Activities	March 31, 2024	December 31, 2023	March 31, 2023
TSEC Corporation	TSEC America, Inc. (Note a)	Sales of solar related products; main operating risk is exchange rate	100.00	100.00	100.00
	Houchang Energy Corporation	Energy storage of regulation reserve; main operating risks are government regulations and natural disasters	100.00	100.00	100.00
	Changyang Optoelectronics Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	80.00	80.00	80.00
	Yunsheng Optoelectronics Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	100.00
	Yunxing Optoelectronics Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	100.00
	TSECPV (HK) LIMITED (Note c)	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	100.00
	Hengli Energy Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	100.00
	Yuan Jin Energy Co., Ltd. (Note b)	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	90.00	90.00	90.00
Hou Chang Energy Corporation	Hengyong Energy Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	100.00
	Yongli Energy Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	100.00
Yuan Jin Energy Co., Ltd.	Jinjing Electric Power Co., Ltd. (Note d)	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	-

a. On September 11, 2018, the Group resolved to liquidate and dissolve its subsidiary TSEC America, Inc. As of May 6, 2024, TSEC America, Inc. has yet to execute its liquidation process.

b. The Company established Yuan-Jin Energy Co., Ltd. in February 2023 to engage in power development for $26,100 thousand in cash, shareholding became 90%, operation and sales businesses of solar power generation systems, and the business registration has been completed.

c. The Company increased its capital in the subsidiary TSECPV (HK) LIMITED by $50 thousand in November 2023, and the Company's shareholding percentage remained unchanged.

d. In December 2023, Yuan-Jin Energy Co., Ltd. purchased the entire equity of Jinjing Electric Power Co., Ltd. from KWE Corporation with cash of $24 thousand, therefore Jinjing Electric Power Co., Ltd. became a 100% owned subsidiary of the Group. After the acquisition, and the Group increased its capital in the subsidiary Jinjing Electric Power Co., Ltd. by $28,000 thousand in December 2023, and the shareholding percentage remained unchanged.

Refer to Note 37 of Table 3 for the nature of activities, principal places of business and countries of incorporation of the subsidiaries.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Material associates			
Holdgood Energy Development Corporation (Holdgood)	$ 230,383	$ 231,380	$ 242,690
Yuan-Yu Solar Energy Co., Ltd. (Yuan-Yu)	127,175	122,175	131,009
NFC III Renewable Power Co., Ltd. (NFC III)	426,022	427,550	-
	$ 783,580	$ 781,105	$ 373,699

Material associate

	Proportion of Ownership and Voting Rights		
Name of Associate	**March 31, 2024**	**December 31, 2023**	**March 31, 2023**
Holdgood	45.49%	45.49%	45.49%
Yuan-Yu	20.00%	20.00%	20.00%
NFC III	24.00%	24.00%	-

The nature, principal place of business and country information of Company registration of above-mentioned associate, refer to Note 37 of Table 3.

The Company using equity method to evaluate associate above-mentioned.

Refer to Note 32 for the merged company issued the equity of Yuan-Yu to the financial bank as collateral for Yuan-Yu financing.

The share of profit or loss and other comprehensive income of investments accounted for using the equity method in 2024 and 2023 were calculated based on their financial statements which have been reviewed by the auditors for the same periods.

14. PROPERTY, PLANT AND EQUIPMENT

Assets Used by the Group

	Land	Buildings	Machinery	Office Equipment	Miscellaneous Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2024	$ 1,071,526	$ 4,533,409	$ 2,576,222	$ 24,738	$ 298,321	$ 27,614	$ 8,531,830
Additions	-	3,265	12,198	-	7,019	69,125	91,607
Disposals	-	-	-	-	(55)	-	(55)
Balance at March 31, 2024	1,071,526	4,536,674	2,588,420	24,738	305,285	96,739	8,623,382
Accumulated depreciation and impairment							
Balance at January 1, 2024	-	1,555,349	531,597	24,634	190,672	-	2,302,252
Depreciation expense	-	49,979	111,577	11	8,433	-	170,000
Disposals	-	-	-	-	(8)	-	(8)
Balance at March 31, 2024	-	1,605,328	643,174	24,645	199,097	-	2,472,244
Carrying amount at March 31, 2024	$ 1,071,526	$ 2,931,346	$ 1,945,246	$ 93	$ 106,188	$ 96,739	$ 6,151,138
Carrying amount at December 31, 2023 and January 1, 2024	$ 1,071,526	$ 2,978,060	$ 2,044,625	$ 104	$ 107,649	$ 27,614	$ 6,229,578
Cost							
Balance at January 1, 2023	$ 1,071,526	$ 3,477,828	$ 3,192,654	$ 24,917	$ 344,535	$ 530,800	$ 8,642,260
Additions	-	7,864	91,069	-	3,477	31,669	134,079
Reclassification	-	52,366	-	-	-	(52,366)	-
Balance at March 31, 2023	1,071,526	3,538,058	3,283,723	24,917	348,012	510,103	8,776,339
Accumulated depreciation and impairment							
Balance at January 1, 2023	-	1,249,600	1,688,278	24,773	236,887	-	3,199,538
Depreciation expense	-	35,448	140,561	10	7,058	-	183,077
Balance at March 31, 2023	-	1,285,048	1,828,839	24,783	243,945	-	3,382,615
Carrying amount at March 31, 2023	$ 1,071,526	$ 2,253,010	$ 1,454,884	$ 134	$ 104,067	$ 510,103	$ 5,393,724

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	50 years
Building improvement	5-20 years
Machinery	3-20 years
Office equipment	3 years
Miscellaneous equipment	3-15 years

Refer to Note 33 for the details on the purchases of machines required for production and the significant commitments stated in the construction contracts.

Refer to Notes 19 and 32 for the carrying amounts of property, plant and equipment pledged by the Group to secure borrowings as of March 31, 2024, December 31, 2023 and March 31, 2023.

Refer to Note 25.h for capitalized interest for the three months ended March 31, 2024 and 2023.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount			
Buildings	$ 13,063	$ 15,266	$ 13,885
Transportation equipment	820	950	1,338
	$ 13,883	$ 16,216	$ 15,223

	For the Three Months Ended March 31	
	2024	2023
Additions to right-of-use assets	$ 1,273	$ 7,110
Depreciation charge for right-of-use assets		
Buildings	$ 2,832	$ 2,441
Transportation equipment	130	216
	$ 2,962	$ 2,657

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount			
Current	$ 11,293	$ 11,736	$ 7,997
Non-current	$ 2,761	$ 4,684	$ 7,358

Ranges of discount rates for lease liabilities were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Buildings	2.13%-3.06%	2.33%-3.06%	2.43%-3.06%
Transportation equipment	3.06%	3.06%	3.06%

c. Material leasing activities and terms

The Group leases certain buildings and cars, for the use of offices, office car and employee dormitories with lease terms of 2 to 4 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms.

d. Other lease information

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases and low-value asset leases	$ 897	$ 1,721
Total cash outflow for leases	$ (3,987)	$ (4,464)

The Group's leases of certain parking space and staff dorm qualify as short-term leases and leases of certain photocopiers qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Buildings
Cost	
Balance at January 1, 2023 and March 31, 2023	$ 295,084
Accumulated depreciation	
Balance at January 1, 2023	131,925
Depreciation expenses	2,935
Balance at March 31, 2023	134,860
Carrying amount at March 31, 2023	$ 160,224

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	
Main building of plant	50 years
Plant improvement	3-20 years

The investment properties are leased out for 4 years, and the lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Year 1	$ -	$ -	$ 48,000
Year 2	-	-	48,000
Year 3	-	-	44,000
Year 4	-	-	-
	$ -	$ -	$ 140,000

The fair value of the investment properties was not evaluated by independent qualified professional valuers, the Group management only adopted evaluation models commonly used by market participants, and measured by using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

The fair value as appraised was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value	$ -	$ -	$ 441,246

All of the Group's investment properties were held under freehold interests. The investment properties pledged as collateral for bank borrowings are set out in Note 32.

There was no capitalized interest for the investment properties for the three months ended March 31, 2023.

17. OTHER INTANGIBLE ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount			
Computer software	$ 6,759	$ 7,800	$ 5,269

	For the Three Months Ended March 31	
	2024	2023
Cost		
Balance at January 1	$ 60,591	$ 54,004
Additions	-	1,235
Disposals	(80)	-
Balance at March 31	60,511	55,239
Accumulated amortization		
Balance at January 1	52,791	49,296
Amortization expense	1,041	674
Disposals	(80)	-
Balance at March 31	53,752	49,970
Carrying amount at March 31	$ 6,759	$ 5,269

Computer software is amortized on a straight-line basis over 1-4 years.

Summary of amortization by function

	For the Three Months Ended March 31	
	2024	2023
Operating cost	$ 544	$ 371
Selling and marketing expenses	394	232
General and administrative expenses	94	66
Research and development expenses	9	5
	$ 1,041	$ 674

18. OTHER ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Current			
Prepayments	$ 46,316	$ 53,200	$ 306,026
Prepayment expenses	18,889	28,711	37,231
Others	15,739	15,223	24,519
	$ 80,944	$ 97,134	$ 367,776
Non-current			
Prepayments for equipment (capitalized interest included)	$ 311,450	$ 222,898	$ 1,014,265
Refundable deposits	174,655	175,386	181,606
	$ 486,105	$ 398,284	$ 1,195,871

19. BORROWINGS

a. Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Bank credit loans	$ 200,640	$ 341,836	$ 707,274
Interest rate interval			
Bank credit loans	2.40%-2.68%	2.39%-2.58%	2.42%-2.87%

b. Short-term bills payable

Outstanding short-term bills payable were as follows:

March 31, 2024

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
Mega Bills Finance Co., Ltd.	$ 30,000	$ 34	$ 29,966	2.138%	None
Taiwan Cooperative Bills Finance Corporation	30,000	33	29,967	2.138%	None
International Bills Finance Corporation	20,000	28	19,972	2.138%	None
	$ 80,000	$ 95	$ 79,905		

December 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
Mega Bills Finance Co., Ltd.	$ 30,000	$ 34	$ 29,966	2.168%	None
Taiwan Cooperative Bills Finance Corporation	30,000	34	29,966	2.168%	None
China Bills Finance Corporation	20,000	28	19,972	2.168%	None
	$ 80,000	$ 96	$ 79,904		

March 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
Mega Bills Finance Co., Ltd.	$ 30,000	$ 23	$ 29,977	2.138%	Machinery
Mega Bills Finance Co., Ltd	50,000	41	49,959	2.138%	Machinery
Taiwan Cooperative Bills Finance Corporation	30,000	23	29,977	2.138%	Machinery
Taiwan Cooperative Bills Finance Corporation	50,000	41	49,959	2.138%	Machinery
International Bills Finance Corporation	80,000	63	79,937	2.098%	None

(Continued)

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
China Bills Finance Corporation	$ 50,000	$ 75	$ 49,925	2.098%	None
China Bills Finance Corporation	50,000	75	49,925	2.098%	None
	$ 340,000	$ 341	$ 339,659		

(Concluded)

Guarantees provided for the above short-term bills payable are disclosed in Note 32.

c. Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Secured borrowings			
Syndicated loans (administration fee for syndicated loans)	$ 1,329,697	$ 1,539,600	$ 1,303,163
Bank mortgage loans	644,978	646,315	741,140
Unsecured borrowings			
Bank borrowings	450,258	401,302	-
	2,424,933	2,587,217	2,044,303
Less: Current portion	(560,791)	(518,933)	(243,626)
Long-term borrowings	$ 1,864,142	$ 2,068,284	$ 1,800,677
Interest rate (%)	1.60%-2.79%	1.60%-3.09%	1.60%-3.27%

1) Syndicated loans

a) In March 2023, the Group signed a syndicated loan agreement with a bank syndicate with Mega International Commercial Bank as the lead bank. The credit line is $1,909,600 thousand (including $1,573,600 thousand for the limit of Type A loan and $336,000 thousand for Type B loan), and the loan period is five years from the date the loan is first utilized. The principal of Type A loan should be paid off before the date the credit period expires. As for Type B loans, the 12-month period after the loan is first utilized is considered period 1, and the subsequent period is one month; the principal is divided into 48 installments, with the remaining principal being paid off in the last period. As of March 31, 2024 and December 31, 2023, the balance of Type A loan was $250,000 thousand; as of March 31, 2024 and December 31, 2023, the balance of Type B loan was $336,000 thousand.

During the course of above-mentioned borrowings, the Group's financial statements are required to be in compliance with certain financial ratios. If any non-conformity with the agreed financial ratios occurs, the Group should make improvements to the agreement through cash capital increase or other means. Financial commitments are not deemed to have been breached if completed within the specified time period.

b) In November 2020, the Group signed a syndicated loan agreement with a bank syndicate with Taiwan Cooperative Bank as the lead bank. The credit line is $2,000,000 thousand (including $1,600,000 thousand for the limit of Type A loan and $400,000 thousand for the Type B loan), and the loan period is up to November 2025. The first installment shall be paid upon three months after the first drawdown, and the Group shall pay the following installments every three months in a total of 20 installments to pay off the principal of the loan. The Group shall repay 2% of the principal from the 1st to the 12th installments, 4% of the principal from the 13th to the 19th installments, and the remaining principal in the last installment. As of March 31, 2024, December 31, 2023 and March 31, 2023, the balances of the Type A loan were $757,000 thousand, $966,000 thousand, and $1,312,000 thousand, respectively. As of March 31, 2023, the balance of Type B loan was $160,000 thousand, which was recorded in short-term notes payable.

   In the course of the duration of the above-mentioned borrowings, the Group's financial statements are required to be in compliance with certain financial ratios. In the event of a non-conformity with any of the financial ratios, the Group shall conduct capital increase in cash or make improvements by other means while paying compensation to the group of banks in a lump sum at 0.20% of the outstanding balance of the loan drawn down. Also, the Group shall make improvements to meet the requirements of the agreement between the provision of the financial statements to the provision of the next first-half or annual financial statements. If the Group completes the improvement within said improvement period and meets the requirements of the agreement, the non-conformity shall not be deemed as a breach of the Group's financial commitment.

2) The contract period of the bank mortgage loan is from 5 years to 7 years and the principal and interest are repaid monthly.

   For guarantees provided by the Group for long-term borrowings, refer to Note 32.

20. NOTES PAYABLE AND ACCOUNTS PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
Notes payable - operating	$ 15	$ 23	$ 37
Accounts payable - operating	$ 289,233	$ 525,327	$ 642,336

The average credit period for purchases was 60 to 115 days. The Group has established financial risk management policies to ensure that all payables are repaid within the pre-agreed credit periods.

21. OTHER LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
Current			
Other payables			
Payables for salaries or bonuses	$ 168,837	$ 172,225	$ 61,209
Payables for purchases of equipment	93,934	97,292	20,051
Payables for transportation and customs clearance	46,703	42,931	35,672
Payables for labor and health insurance	19,833	20,491	21,909
Payables for interests	17,933	15,341	19,680
Payables for environmental cost	4,265	6,302	7,764
Others	73,210	87,430	96,568
	$ 424,715	$ 442,012	$ 262,853
Other liabilities	$ 10,000	$ 10,000	$ -
Deferred revenue-government grants	8,191	7,862	10,357
Others			
	$ 18,191	$ 17,862	$ 10,357
Non-current			
Other liabilities			
Guarantee deposits received	$ -	$ -	$ 28,000

22. RETIREMENT BENEFIT PLANS

Defined Contribution Plan

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

Pension expenses for these defined contribution plans are classified under the following accounts:

	For the Three Months Ended March 31	
	2024	2023
Operating costs	$ 8,473	$ 9,246
Operating expenses	1,457	1,458
	$ 9,930	$ 10,704

23. CONVERTIBLE PREFERRED STOCK

On April 7, 2021, the Company's shareholders approved to issue 75,000 thousand shares of convertible preferred stock (Preferred A) with par value of $10 through private placement. On November 18, 2021, the Company's board of directors approved the issuance of 25,895 thousand shares of the Preferred A stock at a price of $23.75 per share. The Company collected the total amount of $615,000 thousand on December 2, 2021, and completed the registration of the share issuance. Subject to the conditions of the issuance, the preferred shares were split into preferred stock liability of $287,949 thousand (included in non-current liabilities) and conversion options of $327,051 thousand (included in capital surplus). The rights and obligations of the preferred stock in this issuance are as follows:

a. The distribution of earnings was based on the Company's Articles of Incorporation, current year or current quarter and accumulated unappropriated dividend shall be appropriated to class A preferred shares in the first priority. If there were no earnings or earnings that were not sufficient to be appropriated to class A preferred shares, the distributable earnings shall be appropriated to class A preferred shares. The dividend deficiency shall be made up in a profitable year or quarter subsequently in the first priority.

b. The annual dividend rate of class A preferred shares was 2% which was calculated at the issuance price per share and paid in cash, the ex-dividend date of the preferred dividend was authorized to be determined by the board of directors. The issuance number in issuance year or quarter and recovered year or quarter were calculated at the actual issuance number of days.

c. If the expected dividend distribution amount of common shares exceeds the dividend amount of class A preferred shares in the current year, the shareholders of class A preferred shares can participate in the distribution.

d. Except for the aforementioned dividend, the shareholders of class A preferred shares can participate in the appropriation of earnings and reserves to shareholders of common shares of preference shares.

e. Class B preferred shares were promised to be transferred to common shares on the day following the third anniversary of the issue.

f. Class A preferred stock is non-voting, except during the preferred shareholders' meetings and on matters regarding the shareholders' rights and obligations.

g. When it comes to appropriate over common shares residual assets of the Company, class A preferred shares have priority preferred shares. However, the amount was limited to the issuance price plus the total amount of unpaid dividends.

h. The issuance period of class A preferred shares was no period, the shareholders of class A preferred shares did not have the right to demand the Company call back class A preferred shares. However, on the date after years of the issuance date, the Company can call back all or some of class A preferred shares at the actual issuance price in cash or other ways which were permitted by regulations. The rights and obligations of class A preferred shares which have not been called will continue until the Company calls back. In the current year of calling back the class A preferred shares, if the Company's shareholders resolve to appropriate dividends, the amounts of dividends which have to be the number of actual distribute d as of the date of call back will be calculated according to issuance days in the current year.

i. The preemptive rights for stockholders of class A preferred stocks are the same as those of common stocks when the Company increases its capital by issuing shares.

j. When class A preferred shares meet the condition of call back or mature in the issuance period, if the Company cannot call back all or some class A preferred shares due to force majeure or inscrutable fault of the Company, the rights of class A preferred shares which have not been called back will continue according to aforementioned issuance conditions until the Company calls back all the class A preferred shares. The dividends will be calculated according to the original annual rate and actual extension period, and the rights of class A preferred shares shall not be diminished according to the Company's articles of incorporation.

On March 7, 2022, the Company's board of directors resolved that the offering of the remaining 49,105 thousand shares will not be continued.

24. EQUITY

a. Share capital - ordinary shares

	March 31, 2024	December 31, 2023	March 31, 2023
Shares authorized (in thousands of shares)	700,000	700,000	700,000
Shares authorized	$ 7,000,000	$ 7,000,000	$ 7,000,000
Shares issued and fully paid (in thousands of shares)	512,797	512,797	476,297
Shares issued and fully paid	$ 5,127,967	$ 5,127,967	$ 4,762,967

The par value of the issued ordinary shares is NT$10. Each share entitles its holder to the right to vote and to receive dividends. And released convertible preferred stock (Preferred A) through private placement 25,895 thousand shares, please refer to Note 23.

The Company issued 36,500 thousand ordinary shares with a par value of $10, for a consideration of $27.10 per share which increased the share capital issued and fully paid to $989,150 thousand and release shares increased to 512,797 thousand shares on August 2, 2023. The Company completed its registration on August 31, 2023.

Of the authorized capital, a total of 5,000 thousand shares should be reserved for employee share option certificates, which should be issued in batches in accordance with the resolution of the board of directors.

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Issuance of ordinary shares			
Premium from issuance of ordinary shares	$ 1,624,201	$ 1,624,201	$ 991,729
Expired employee share options	14,372	14,372	6,233

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit only			
Changes in percentage of ownership interest in invested company accounted for using the equity method	$ 11	$ 11	$ 11
May not be used for any purpose			
Preferred stock conversion rights (Note 23)	327,051	327,051	327,051
	$ 1,965,635	$ 1,965,635	$ 1,325,024

(Concluded)

The capital surplus from shares issued in excess of par and donations could be used to offset deficits; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's amended Articles of Incorporation (the "Articles"), where the Company 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 a 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 Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors in Note 25.f.

In addition, in accordance with the dividend policy as stated in the Company's Articles, dividends shall be distributed in an appropriate manner based on the Company's future capital budget and funding needs. Dividends shall be distributed in the form of cash or shares, with the percentage of cash dividends not less than 10% of the total dividends distributed.

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

The Company held the shareholders' meeting on May 24, 2023 and June 9, 2022, which resolved to approve the 2022 and 2021 profit distribution shown as follows:

	For the Year Ended December 31	
	2022	2021
Legal reserve	$ 18,741	$ 4,632
Special reserve	$ 129,364	$ 41,685
Cash dividends	$ 37,664	$ -
Cash dividend per dollar (NT$)	$ 0.075	$ -

The board of shareholders held a meeting on May 24, 2023 and proposed the distribution of cash dividends, $0.025 per share, from capital surplus - stock issuance premium of $12,555 thousand.

The appropriations of earnings for 2023, which were proposed by the Company's board of directors on March 6, 2024, were as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 52,727
Reversal of special reserve	$ (149)
Cash dividends	$ 215,477
Cash dividend per dollar (NT$)	$ 0.4

The appropriation of earnings for 2023 will be resolved in the shareholders' meeting to be held in May 2024.

d. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Three Months Ended March 31	
	2024	**2023**
Balance at January 1	$ (235)	$ (234)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	341	(69)
Income tax relating to items that may be reclassified subsequently to profit or loss	(68)	13
Balance at March 31	$ 38	$ (290)

2) Unrealized gain on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2024	**2023**
Balance at January 1	$ (170,665)	$ (170,641)
Recognized for the period		
Unrealized gain - equity instruments	-	17
Balance at March 31	$ (170,665)	$ (170,624)

3) Gain (loss) on hedging instruments

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	$ -	$ (174)
Recognized for the year		
Gain (loss) on changes in the fair value of hedging instruments		
Foreign currency risk - foreign exchange forward contracts	-	(20)
Original carrying amount transferred to the hedged item		
Foreign currency risk - foreign exchange forward contracts	-	199
Related income tax	-	(36)
Balance at March 31	$ -	$ (31)

e. Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ 2,989	$ 95
Attributable to non-controlling interests		
Net loss for the period	(2)	(3)
Increase in non-controlling interest by acquiring Yuan Jin Energy Co., Ltd.	-	2,900
Balance at March 31	$ 2,987	$ 2,992

25. NET INCOME

a. Operating revenue

1) Contract balance

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Notes receivable (Note 9)	$ -	$ 83,894	$ -	$ -
Accounts receivable (Note 9)	$ 1,744,422	$ 1,487,008	$ 961,029	$ 1,164,930
Accounts receivable from related parties (Notes 9 and 31)	$ 8	$ 42,437	$ -	$ 9,498
Contract liabilities				
Sale of goods	$ 319,704	$ 90,007	$ 526,788	$ 117,745

Refer to Note 9 for the explanation of accounts receivable generated from contracts.

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

2) Details of revenue from contracts with customers

Refer to Note 38.a. for further information about the details of revenue.

3) Partially completed contracts

The timing of revenue recognition for performance obligations that have not been completely.

	March 31, 2024	December 31, 2023	March 31, 2023
Sale of goods			
Obligations satisfied in 2023	$ -	$ -	$ 526,788
Obligations satisfied in 2024	319,704	90,007	-
	$ 319,704	$ 90,007	$ 526,788

b. Interest income

	For the Three Months Ended March 31	
	2024	2023
Cash in banks	$ 3,789	$ 3,905
Financial assets at amortized cost	485	751
Others	14	13
	$ 4,288	$ 4,669

c. Depreciation and amortization expenses

	For the Three Months Ended March 31	
	2024	2023
Property, plant and equipment	$ 170,000	$ 183,077
Right-of-use assets	2,962	2,657
Investment properties	-	2,935
Intangible assets	1,041	674
	$ 174,003	$ 189,343
An analysis of depreciation by function		
Operating costs	$ 166,846	$ 182,322
Operating expenses	6,116	6,347
	$ 172,962	$ 188,669

(Continued)

	For the Three Months Ended March 31	
	2024	2023
An analysis of amortization by function		
Operating costs	$ 544	$ 371
Operating expenses	497	303
	$ 1,041	$ 674

(Concluded)

d. Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2024	2023
Generating rental income of investment properties		
Depreciation expense	$ -	$ 2,935
Tax expense	-	100
	$ -	$ 3,035

e. Employee benefit expenses

	For the Three Months Ended March 31	
	2024	2023
Post-employment benefits		
Defined contribution plans (Note 22)	$ 9,930	$ 10,704
Payroll expenses	250,938	261,624
Labor and health insurance expenses	25,660	29,178
Other employee benefits	27,508	32,758
Total employee benefit expenses	$ 314,036	$ 334,264
An analysis of employee benefit expense by function		
Operating costs	$ 249,917	$ 276,139
Operating expenses	64,119	58,125
	$ 314,036	$ 334,264

f. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 5% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors, after offsetting accumulated deficits, if any.

The compensation of employees and remuneration of directors for the three months ended March 31, 2024 and 2023 were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	9.39%	5.00%
Remuneration of directors	3.29%	3.50%

Amount

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	$ 2,529	$ 8,289
Remuneration of directors	$ 885	$ 5,802

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors for the year ended December 31, 2023 and 2022, which were approved in the board of directors' meeting held on March 6, 2024 and March 8, 2023, respectively, were as follows:

Amount

	For the Year Ended December 31	
	2023	2022
Compensation of employees	$ 31,800	$ 9,586
Remuneration of directors	18,000	6,710

There is no difference between the amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

g. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2024	2023
Foreign currency exchange gains	$ 14,658	$ 15,721
Foreign currency exchange losses	(12,164)	(23,239)
Net gains (losses)	$ 2,494	$ (7,518)

h. Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest expense	$ 17,397	$ 22,579
Interest on preferred stocks	3,075	4,086
Finance costs	1,537	1,422
Interest on lease liabilities	105	119
Others	54	79
Less: Capitalized interest	(2,780)	(11,558)
	$ 19,388	$ 16,727

Information about capitalized interest is as follows:

	For the Three Months Ended March 31	
	2024	2023
Capitalized interest	$ 2,780	$ 11,558
Capitalization rate	2.42%	3.30%

26. INCOME TAXES FROM CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax (expense) benefit are as follows:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current period	$ -	$ -
Deferred tax		
In respect of the current period	(2,623)	24,423
Income tax benefit recognized in profit or loss	$ (2,623)	$ 24,423

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2024	2023
Deferred tax		
In respect of the current period		
Translation of foreign operations	$ (68)	$ 13
Cash flow hedges	-	(36)
	$ (68)	$ (23)

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

	March 31	
	2024	2023
Loss carryforwards	$ 1,471,252	$ 1,777,739
Deductible temporary differences		
Impairment loss of financial assets	$ 1,705	$ 1,705

d. Information about unused loss carryforwards

Loss carryforwards as of March 31, 2023 comprised:

Unused Amount	Expiry Year
$ 18,219	2027
238,290	2028
89,609	2029
126,960	2030
320	2032
794	2033
486	2034
$ 474,678	

e. Income tax assessments

The income tax returns of the Group through 2022 has been assessed by the tax authorities, and there is no significant difference between the number of cases assessed and declared.

The income tax returns of Changyang Optoelectronics Corporation, Yunsheng Optoelectronics Corporation and Yunxing Optoelectronics Corporation, Houchang Energy Corporation, Hengyong Energy Corporation, Hengli Energy Corporation, Yongli Energy Corporation and Jinjing Electric Power Co., Ltd. and through 2022 have been assessed by the tax authorities, and there is no significant difference between the number of cases assessed and declared. Yuan-Jin Energy has not filed income tax returns since its establishment in 2023.

27. EARNINGS PER SHARE

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

Net Earnings for the Period

	For the Three Months Ended March 31	
	2024	2023
Earnings used in the computation of basic and diluted earnings per share		
Profit for the period attributable to owners of the Company	$ 21,973	$ 176,105

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

	For the Three Months Ended March 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	512,797	476,297
Effect of potentially dilutive ordinary shares		
Employee share options	965	400
Weighted average number of ordinary shares used in the computation of diluted earnings per share	513,762	476,697

The Group may settle the compensation of employees in cash or shares; therefore, the Group 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.

As of March 31, 2024, the Group's outstanding preferred shares were not included in the calculation, they are anti-dilutive and excluded from the computation of diluted earnings per share.

28. CASH FLOW INFORMATION

a. Non-cash transactions

For the three months ended March 31, 2024 and 2023, the Group entered into the following non-cash investing activities:

	For the Three Months Ended March 31	
	2024	2023
Acquisition of property, plant and equipment	$ 91,607	$ 134,079
Net increase in prepayments for equipment	85,772	210,945
Net increase in payables for purchase of equipment	3,358	35,526
Effect of foreign currency exchange differences	1,128	(1)
Cash paid	$ 181,865	$ 380,549

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2024

	Balance as of January 1, 2024	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Long-term Borrowings - Current Portion	Non-cash Changes: Amortization of Interest Expenses	Others	Balance as of March 31, 2024
Short-term borrowings	$ 341,836	$ (141,196)	$ -	$ -	$ -	$ -	$ 200,640
Short-term bills payable	79,904	1	-	-	390	(390)	79,905
Long-term borrowings - current portion	518,933	(264,284)	-	306,142	-	-	560,791
Long-term borrowings	2,068,284	102,000	-	(306,142)	-	-	1,864,142
Lease liabilities	16,420	(2,985)	1,273	-	105	(759)	14,054
Preferred stock liabilities	287,949	-	-	-	-	-	287,949
	$ 3,313,326	$ (306,464)	$ 1,273	$ -	$ 495	$ (1,149)	$ 3,007,481

For the three months ended March 31, 2023

	Balance as of January 1, 2023	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Long-term Borrowings - Current Portion	Non-cash Changes: Amortization of Interest Expenses	Others	Balance as of March 31, 2023
Short-term borrowings	$ 939,962	$ (232,688)	$ -	$ -	$ -	$ -	$ 707,274
Short-term bills payable	329,513	10,146	-	-	1,554	(1,554)	339,659
Long-term borrowings - current portion	218,604	(105,647)	-	130,669	-	-	243,626
Long-term borrowings	1,931,346	-	-	(130,669)	-	-	1,800,677
Guarantee deposits	3,705	24,295	-	-	-	-	28,000
Lease liabilities	10,869	(2,624)	7,110	-	119	(119)	15,355
Preferred stock liabilities	287,949	-	-	-	-	-	287,949
	$ 3,721,948	$ (306,518)	$ 7,110	$ -	$ 1,673	$ (1,673)	$ 3,422,540

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Group will review the capital structure periodically according to the economic environment and business considerations. Based on the recommendations of the management, the Group will adjust the number of new shares issued or the amount of new debt issued in order to balance the overall capital structure.

30. FINANCIAL INSTRUMENTS

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

The management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values (or their fair values cannot be reliably measured).

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivatives	$ -	$ 724	$ -	$ 724

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivatives	$ -	$ 5	$ -	$ 5
Financial liabilities for hedging				
Derivatives	$ -	$ 39	$ -	$ 39

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2024 and 2023.

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

Financial Instrument	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

c. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets			
Financial assets at amortized cost (1)	$ 2,947,514	$ 3,189,922	$ 2,239,351
Financial liabilities			
Financial liabilities at FVTPL			
Held for sell	-	724	5
Financial liabilities for hedging	-	-	39
Financial liabilities at amortized cost (2)	3,511,338	4,042,586	4,221,702

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, accounts receivable from related parties, other accounts receivable (excluding value added tax rebate), other accounts receivable - related parties and refundable deposits (recognized as other non-current assets).

2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans (including current portion), short-term bills payable, notes payable, trade and other payables (excluding wage payable, labor and medical insurance, pension and value-added tax) and preferred stock liability.

d. Financial risk management objectives and policies

The Group's major financial instruments include financial assets and liabilities measured at FVTPL, financial assets measured at FVTOCI, accounts receivable, accounts payable, and short-term, long-term debt and lease liabilities etc. The Group's corporate treasury function coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

For the carrying amounts of monetary assets and monetary liabilities denominated in the non-functional currency at the balance sheet date (including monetary items denominated in non-functional currencies in the consolidated financial statements), refer to Note 36.

<u>Sensitivity analysis</u>

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

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currency (U.S. dollar). 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with New Taiwan dollar strengthening 5% against the U.S. dollar. For a 5% weakening of the New Taiwan dollar against the U.S. dollar, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	U.S. Dollar	
	USD:NTD	
	For the Three Months Ended March 31	
	2024	2023
Profit (loss) gain	$ (4,562)	$ 9,225

This was mainly attributable to the exposure on outstanding bank deposits, financial assets at amortized cost, short-term loans, receivables and payables denominated in U.S. dollars which were not hedged at the end of the reporting period.

The sensitivity of the Group to the U.S. dollar decreased during the current period, mainly due to the decrease in accounts payable - operating denominated in U.S. dollars during the current period.

Hedge accounting

The Group's hedging strategy is to enter into forward foreign exchange contracts to hedge the risk of exchange rate changes on foreign currency machine purchase contracts that are expected to occur in the future and are designated as cash flow hedges. When the forecasted purchases actually occur, a basis adjustment is made to the initial carrying amount of the hedged item.

For the hedges of highly probable forecast sales and purchases, as the critical terms (i.e., the notional amount, life and underlying) of the forward foreign exchange contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates. The Group compares changes in the fair value of forward foreign exchange contracts with changes in purchase costs to assess the effectiveness of the hedge.

The main source of hedge ineffectiveness in these hedging relationships is the effect of credit risks of the Group and the counterparty on the fair value of the forward exchange contracts. Such credit risks do not impact the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness emerged from these hedging relationships.

The Group's exchange rate risk hedge information is summarized as follows:

December 31, 2023

Hedging Instrument	Currency	Notional Amount (thousand)	Maturity	Forward Rate	Line Item in Balance Sheet	Carrying Amount Liability
Cash flow hedge						
Forecast sales - forward exchange contracts	USD/NTD	USD867/NTD26,795	January 18, 2023	$ 30.905	Financial liabilities for hedging	$ -
Forecast sales - forward exchange contracts	USD/NTD	USD289/NTD8,817	April 25, 2023	30.507	Financial liabilities for hedging	-
Forecast sales - forward exchange contracts	RMB/NTD	RMB6,690/ NTD29,712	April 25, 2023	4.441	Financial liabilities for hedging	-

March 31, 2023

Hedging Instrument	Currency	Notional Amount (Thousand)	Maturity	Forward Rate	Line Item in Balance Sheet	Carrying Amount Liability
Cash flow hedge						
Forecast sales - forward exchange contracts	USD/NTD	USD289/NTD8,817	April 25, 2023	$ 30.507	Financial liabilities for hedging	$ 39

Hedged Item	Accumulated Gains or Losses on Hedging Instruments in Other Equity Continuing Hedges
Cash flow hedge	
Forecast sales (i)	$ (31)

For the three months ended March 31, 2023

Comprehensive Income	Hedging Losses Recognized in OCI
Cash flow hedge	
Forecast sales (i)(ii)	$ (56)

i. The Group has entered into a forward exchange contract for the purchase of machinery and equipment to hedge the risk of exchange rate fluctuations from anticipated future purchase transactions, at which time the amount previously deferred in equity will be included in the carrying amount of machinery and equipment.

ii. Refer to Note 24 for a reconciliation of hedge-related other equity.

b) Interest rate risk

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

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial liabilities	$ 381,908	$ 384,273	$ 642,963
Cash flow interest rate risk			
Financial assets	1,023,985	1,395,830	1,087,711
Financial liabilities	2,625,573	2,929,053	2,751,577

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. A 25 basis point increase or decrease 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.

Had interest rates been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the three months ended March 31, 2024 and 2023 would have decreased/increased by $1,001 thousand and $1,040 thousand, respectively, which was mainly attributable to the Group's exposure to interest rate risk on its long-term borrowings.

The Group's interest rate sensitivity didn't have a material change during the period.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, is primarily equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group uses available financial information and mutual transaction records to rate major customers. The Group continues to monitor the credit risk exposures and the credit ratings of their counterparties.

The Group's concentration of credit risk of 96.23%, 93.42% and 84.16% in total trade receivables as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, was related to the Group's ten largest customers.

3) Liquidity risk

The Group managed and maintained sufficient cash and cash equivalents to support the operations of the Group and mitigate the impact of fluctuations in cash flows with long-term borrowings. The Group's management supervised the use of bank financing quotas and ensures compliance with the terms of the loan contract.

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

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

March 31, 2024

	On Demand or Less than 1 Month	1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year
Non-derivative financial liabilities				
Variable interest rate liabilities	$ 55,895	$ 219,901	$ 538,995	$ 1,963,721
Fixed interest rate liabilities	79,905	-	-	287,949
Non-interest bearing liabilities	269,926	175,020	72,965	-
Lease liabilities	1,026	2,052	8,509	2,808
	$ 406,752	$ 396,973	$ 620,469	$ 2,254,478

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Lease liabilities	$ 11,587	$ 2,808	$ -	$ -	$ -

December 31, 2023

	On Demand or Less than 1 Month	1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year
Non-derivative financial liabilities				
Variable interest rate liabilities	$ 66,725	$ 314,400	$ 541,908	$ 2,194,842
Fixed interest rate liabilities	79,904	-	-	287,949
Non-interest bearing liabilities	383,863	273,751	88,066	-
Lease liabilities	1,003	2,006	9,029	4,756
	$ 531,495	$ 590,157	$ 639,003	$ 2,487,547

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Lease liabilities	$ 12,038	$ 4,756	$ -	$ -	$ -

March 31, 2023

	On Demand or Less than 1 Month	1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year
Non-derivative financial liabilities				
Variable interest rate liabilities	$ 95,107	$ 490,066	$ 425,170	$ 1,938,420
Fixed interest rate liabilities	339,659	-	-	287,949
Non-interest bearing liabilities	392,358	371,469	78,691	-
Lease liabilities	884	1,769	5,643	7,467
	$ 828,008	$ 863,304	$ 509,504	$ 2,233,836

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Lease liabilities	$ 8,296	$ 7,467	$ -	$ -	$ -

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

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

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Year
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 54,021	$ -	$ -	$ -
Outflows	(54,745)	-	-	-
	$ (724)	$ -	$ -	$ -

March 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Year
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 42,937	$ -	$ -	$ -
Outflows	(42,981)	-	-	-
	$ (44)	$ -	$ -	$ -

c) Financing facilities

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank overdraft facilities			
Amount used	$ 1,035,076	$ 822,868	$ 937,832
Amount unused	1,373,021	1,563,214	1,015,775
	$ 2,408,097	$ 2,386,082	$ 1,953,607
Secured bank overdraft facilities:			
Amount used	$ 3,075,184	$ 2,973,184	$ 2,531,600
Amount unused	2,525,877	2,030,880	2,691,561
	$ 5,601,061	$ 5,004,064	$ 5,223,161

31. TRANSACTIONS WITH RELATED PARTIES

The terms of the transactions and the prices are negotiated separately, details of the transactions are disclosed below:

a. The Group's related parties

Related Party	Relationship with the Group
Holdgood	Associate
Yuan-Yu	Associate

b. Operating revenue

Line Item	Related Party Category	For the Three Months Ended March 31 2024	2023
Sales	Associate		
	Holdgood	$ 8	$ 4

The prices and collection period of sales transactions are based on the contract, which are similar to those of other companies in general.

c. Rent revenue

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2024	2023
Rent revenue	Associate Holdgood	$ 105	$ 279

The rent is determined according to the bargaining method, and the rent is charged on a monthly basis.

d. Other revenue

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2024	2023
Other revenue	Associate Holdgood	$ 350	$ 292

Other revenue refers to amounts charged to associates and power plant maintenance cleaning costs, transaction contents are made based on the price and collection period stated in the contract.

e. Accounts receivable - associates

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable	Associate Holdgood	$ 8	$ 42,437	$ -

The outstanding accounts receivable from related parties are unsecured and are not overdue. As of March 31, 2024, December 31, 2023 and March 31, 2023, no allowance was recognized for accounts receivable from related parties.

f. Other receivable

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Other receivables	Associate Holdgood	$ 389	$ 1,385	$ 813

Receivables for power plant maintenance fees and rent.

g. Endorsements and guarantees

Endorsements and guarantees provided by the groups.

Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Associate			
Yuan-Yu	$ 120,000	$ 120,000	$ 120,000

On March 31, 2024, December 31 and March 31, 2023, the amount of the Group's collateral provided for the above endorsements and guarantees was $127,175 thousand, $122,175 thousand and $131,009 thousand respectively.

h. Contract liabilities

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Contract liabilities	Associate			
	Holdgood	$ 2,652	$ 2,101	$ 7,692

i. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	$ 12,098	$ 22,155
Post-employment benefits	162	467
	$ 12,260	$ 22,622

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

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for import duties, bank borrowings, borrowings for the purchase of material, power plant business and other credit facilities:

	March 31, 2024	December 31, 2023	March 31, 2023
Land	$ 1,071,526	$ 1,071,526	$ 425,279
Buildings	1,816,899	1,835,015	753,422
Machinery	604,450	634,672	276,893
Investment properties	-	-	91,531
Investments accounted for using equity method	127,175	122,175	131,009
Financial assets at amortized cost	106,798	117,474	100,188
	$ 3,726,848	$ 3,780,862	$ 1,778,322

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of March 31, 2024, December 31, 2023 and March 31, 2023, significant commitments of the Group were as follows:

a. Commitments for construction contracts

	March 31, 2024	December 31, 2023	March 31, 2023
Purchased	$ 164,760	$ 93,873	$ 482,724
To be purchased in the future	143,125	218,345	150,293
	$ 307,885	$ 312,218	$ 633,017

b. Commitments for material purchasing contracts

	March 31, 2024	December 31, 2023	March 31, 2023
Purchased	$ 292,872	$ 393,553	$ 656,870
To be purchased in the future	908,392	706,260	1,071,335
	$ 1,201,264	$ 1,099,813	$ 1,728,205

c. Commitments for equipment purchasing contracts

	March 31, 2024	December 31, 2023	March 31, 2023
Purchased	$ 569,681	$ 510,942	$ 525,460
To be purchased in the future	171,938	213,001	308,638
	$ 741,619	$ 723,943	$ 834,098

34. OTHER ITEMS

On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, on April 29, 2024, the Ministry of Environment announced the draft “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees”. According to the draft “Regulations Governing the Collection of Carbon Fees”, starting from the year 2024, companies belonging to the power generation industry and large-scale operators in the manufacturing industry, with total annual greenhouse gas emissions generated by direct emissions and indirect emissions that occur through the use of purchased electricity exceeding 25,000 metric tons of carbon dioxide equivalent (tCO2e), shall pay carbon fees if their plants are the emission sources subject to inventory, registration and inspection as announced by the Ministry of Environment.

Based on the emissions of the Group in 2023, the Group expects that the aforementioned threshold will be reached in 2024 and shall pay carbon fees. However, because the aforementioned drafts are still in the stage of draft preview and the rates of the carbon fee have not yet been announced, the Group is not able to reasonably estimate the impact of carbon fees

35. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies (including monetary items that have been written off in a non-functional currency in the consolidated financial statements) and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

March 31, 2024

	Foreign Currency (In thousands)	Exchange Rate	Carrying Amount (In thousands)
Financial assets			
Monetary items			
USD	$ 9,753	32.00 (USD:NTD)	$ 312,096
Non-monetary items			
USD	263	32.00 (USD:NTD)	8,418
Financial liabilities			
Monetary items			
USD	6,902	32.00 (USD:NTD)	220,864

December 31, 2023

	Foreign Currency (In thousands)	Exchange Rate	Carrying Amount (In thousands)
Financial assets			
Monetary items			
USD	$ 11,465	30.705 (USD:NTD)	$ 352,033
Non-monetary items			
USD	263	30.705 (USD:NTD)	8,077
Financial liabilities			
Monetary items			
USD	10,734	30.705 (USD:NTD)	329,587

March 31, 2023

	Foreign Currency (In thousands)	Exchange Rate	Carrying Amount (In thousands)
Financial assets			
Monetary items			
USD	$ 12,925	30.45 (USD:NTD)	$ 393,566
Non-monetary items			
USD	263	30.45 (USD:NTD)	8,003
Financial liabilities			
Monetary items			
USD	18,984	30.45 (USD:NTD)	578,063

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

	For the Three Months Ended March 31			
	2024		2023	
Foreign Currency	Exchange Rate	Unrealized Foreign Exchange Loss	Exchange Rate	Unrealized Foreign Exchange Loss
USD	31.448 (USD:NTD)	$ 1,184	30.395 (USD:NTD)	$ (4,120)

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others: None

2) Endorsements/guarantees provided: Table 1 (attached)

3) Marketable securities held (excluding investments in subsidiaries): Table 2 (attached)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

9) Trading in derivative instruments: Notes 7 and 30

10) Intercompany relationships and significant intercompany transactions: None

b. Information on investees: Table 3 (attached)

c. Information on investments in mainland China: None

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 4 (attached)

38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the type of products delivered or services provided. The reportable segments of the Group are the solar module segment and other segments.

Solar module segment: Provides manufacturing and after-sales services of solar module products.

a. Segment revenue and results

The following is an analysis of the Group's revenue and results from operations by reportable segment.

	Solar Module	Others	Eliminations	Total
For three months ended March 31, 2024				
Revenue from external customers	$ 1,155,469	$ 12,137	$ -	$ 1,167,606
Intersegment revenue	$ -	$ -	$ -	$ -
Segment income (loss)	$ 31,790	$ (2,380)	$ 342	$ 29,752
For three months ended March 31, 2023				
Revenue from external customers	$ 2,173,475	$ 5,498	$ -	$ 2,178,973
Intersegment revenue	$ -	$ -	$ -	$ -
Segment income (loss)	$ 112,096	$ (2,336)	$ 10	$ 109,770

b. Segment total assets

	March 31, 2024	December 31, 2023	March 31, 2023
Solar modules	$ 11,303,380	$ 11,575,683	$ 10,859,174
Others	457,307	490,988	354,990
Consolidated total assets	$ 11,760,687	$ 12,066,671	$ 11,214,164

TSEC CORPORATION AND SUBSIDIARIES

GUARANTEES PROVIDED
FOR THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Guarantor	Guarantee		Limit on Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Guaranteed During the Period (Note 4)	Outstanding Guarantee at the End of the Period (Note 4)	Actual Amount Borrowed	Amount Guaranteed by Collateral	Ratio of Accumulated Guarantee to Net Equity in Latest Financial Statements (%) (Note 3)	Aggregate Guarantee Limit (Note 2)	Guarantee Given by Parent on Behalf of Subsidiaries (Note 5)	Guarantee Given by Subsidiaries on Behalf of Parent (Note 5)	Guarantee Given on Behalf of Companies in Mainland China (Note 5)	Note
		Name	Relationship (Note 1)											
0	TSEC Corporation (the "Company")	Yuan-Yu Solar Energy Co., Ltd.	e.	$ 1,533,656	$ 120,000	$ 120,000	$ 120,000	$ 127,175	1.56	$ 3,450,726	N	N	N	
		Houchang Energy Corporation	b.	1,533,656	245,000	245,000	194,481	-	3.19	3,450,726	Y	N	N	
		Jinjing Electric Power Co., Ltd.	b.	1,533,656	80,000	80,000	-	-	1.04	3,450,726	Y	N	N	

Note 1: The relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following five categories; fill in the number of categories each case belongs to:

a. A company with which it has business dealings.

b. The Company directly or indirectly holds more than 50% of the voting shares of the other company.

c. The other company directly or indirectly holds more than 50% of the voting shares of the Company.

d. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company. However, the restriction does not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

e. Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction of the preceding four subparagraphs.

Note 2: The total amount of the Company's external endorsement guarantees shall not exceed 45% of the current net worth. The ceiling amount of endorsement guarantees to a single company is no more than 20% of the Company's net worth, and no more than 30% of the Company's net worth if it is to a single overseas affiliated company. The net value is based on the financial statements recently verified or audited by independent auditors.

Note 3: It is calculated according to the financial data of the company providing the endorsements/guarantees.

Note 4: The maximum balance of endorsements/guarantees for the current period and the balance of endorsement/guarantee, end of period, are the amounts approved by the board of directors.

Note 5: "Y" shall be entered only in the cases of endorsement/guarantee by the publicly listed parent to subsidiary; endorsement/guarantee by subsidiary to the publicly listed parent; endorsement/guarantee to entity in mainland China.

TSEC CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
TSEC Corporation (the "Company")	<u>Domestic unlisted ordinary shares</u> Eversol Corporation	-	Financial assets at fair value through other comprehensive income (FVTOCI)	62,591	$ -	2.23	$ -	-

Note: None of the marketable securities held at the end of the period listed in the table above were pledged as collateral.

TSEC CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Business and Products	Investment Amount		March 31, 2024			Net Income (Loss) of the Investee	Share of Profit	Other Items
				March 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
TSEC Corporation	TSEC America, Inc.	1235 N Harbor Blvd Ste 240, Fullerton, CA 92832, U.S.A.	Sales of solar related products	$ 31,129 (US$ 1,000,000)	$ 31,129 (US$ 1,000,000)	100	100.00	$ 8,418	$ -	$ -	Notes 1, 4 and 6
	Houchang Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	120,500	120,500	12,050	100.00	116,584	(3,946)	(3,946)	Notes 1 and 6
	Changyang Optoelectronics Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	400	400	40	80.00	385	-	-	Notes 1 and 6
	Yunsheng Optoelectronics Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	500	500	50	100.00	481	-	-	Notes 1 and 6
	Yunxing Optoelectronics Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	500	500	50	100.00	481	-	-	Notes 1 and 6
	TSECPV (HK) LIMITED	806-807, 8/F, One Pacific Place, 88 Queensway, Hong Kong	Sales of solar related products	250 (US$ 8,038)	250 (US$ 8,038)	-	100.00	-	-	-	Notes 1 and 6
	Hengli Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	89	89	10	100.00	80	-	-	Notes 1 and 6
	Yuan Jin Energy Co., Ltd.	8F., No. 225, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	26,100	26,100	2,610	90.00	26,024	(16)	(14)	Notes 1 and 6
	Yuan-Yu Solar Energy Co., Ltd.	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	120,000	120,000	12,000	20.00	127,175	16,811	4,658	Notes 3, 5 and 7
	Holdgood Energy Corporation	8F., No. 225, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	213,804	213,804	21,380	45.49	230,383	(1,965)	(894)	Notes 2 and 5
	NFC III Renewable Power Co., Ltd.	12F-4, No. 89, Songren Road, Xinyi District, Taipei City 110413, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	432,000	432,000	43,200	24.00	426,022	(6,367)	(1,528)	Note 3
Hou Chang Energy Corporation	Hengli Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	100	100	10	100.00	89	-	-	Notes 1 and 6
	Yongli Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	100	100	10	100.00	89	-	-	Notes 1 and 6
Yuan Jin Energy Co., Ltd.	Jinjing Electric Power Co., Ltd.	No. 85, Guangfu N. Rd., Hukou Township, Hsinchu County 303036, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	28,024	28,024	2,810	100.00	27,869	(4)	(4)	Notes 1 and 6

Note 1: The investment gains and losses of the subsidiaries accounted for using the equity method are calculated based on the financial statements that have been reviewed.

Note 2: The investment gains and losses of the associates accounted for using the equity method are calculated based on the financial statements that have been reviewed.

Note 3: The investment gains and losses of the associates accounted for using the equity method are calculated based on the financial statements that have been audited by the other CPAs.

Note 4: The board of directors resolved to liquidate and dissolve the subsidiary TSEC America, Inc. on September 11, 2018. As of May 6, 2024, TSEC America, Inc. has not completed the liquidation procedures.

Note 5: Carrying amount includes unrealized gross margin.

Note 6: Eliminated from the consolidated financial statements.

Note 7: The Company issued the equity of Yuan Yu Company to the bank lender as collateral for Yuan Yu Company's financing in Note 32.

TABLE 4

TSEC CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
None	-	-

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter.