TSEC Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

For the Nine Months Ended
September 30, 2024 and 2023

Address: 8F., No. 225, Sec. 3, Beixin Rd., Xindian Dist.,
New Taipei City 231, Taiwan (R.O.C.)
Tel.: (02) 2912-2199

§TABLE OF CONTENTS§

Independent Auditors' Review Report

The Board of Directors and Shareholders
TSEC Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of TSEC Corporation (the "Company") and its subsidiaries (collectively, the "Group") as of September 30, 2024 and 2023, the consolidated statements of comprehensive income for the three months and the nine months ended September 30, 2024 and 2023, relevant consolidated statements of changes in equity, cash flows for the six months then ended, as well as relevant notes, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews 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 September 30, 2024 and 2023, the financial performance for the three months ended September 30, 2024 and 2023, and the financial performance and consolidated cash flow for nine months ended September 30, 2024 and 2023 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

Among the investee companies included in TSEC's consolidated financial statements that are evaluated using the equity method, the financial statements of Yuan-Yu Solar Energy Co., Ltd. for the nine months ended September 30, 2024 and 2023 have not been reviewed by us but have been reviewed by other auditors. In addition, the financial statements of NFC III Renewable Power Co., Ltd. for the nine months ended September 30, 2024 have not been reviewed by us, but have been reviewed 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 September 30, 2024 and 2023, the investment balance in investee companies in the aforementioned accounted for NT$558,494 thousand and NT$143,722 thousand, representing 4.9% and 1.2% of the total consolidated assets. The shares of profit or loss from associates and joint ventures recognized under the equity method for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023 were NT$482 thousand, NT$9,793 thousand, NT$7,742 thousand and NT$49,395 thousand, respectively, accounting for 2.7%, 8.7%, 11% and 11.4% of the total consolidated comprehensive income for those periods.

Deloitte & Touche
Taipei, Taiwan
Republic of China

CPA Robert Yu	CPA Meng-Kuei Yu
Securities and Futures Commission Approval Number Tai-Cai-Zheng-Liu-Zi No. 0930128050	Financial Supervisory Commission Approval Number Jin-Guan-Zheng-Shen-Zi No. 1130357402

November 6, 2024

TSEC CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2024, December 31, 2023, and September 30, 2023

(In Thousands of New Taiwan Dollars)

		September 30, 2024		December 31, 2023		September 30, 2023	
Code	Assets	Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Notes IV and VI)	$ 634,491	6	$ 1,194,354	10	$ 1,270,729	11
1110	Financial assets at fair value through profit or loss (Notes IV and VII)	-	-	-	-	899	-
1136	Financial assets at amortized cost - current (Notes IV, VIII and XXXIII)	99,489	1	139,120	1	87,894	1
1150	Notes receivable (Notes IV, IX and XXV)	115,779	1	83,894	1	285,399	2
1172	Accounts receivable (Notes IV, IX and XXV)	1,468,186	13	1,487,008	12	907,561	7
1180	Accounts receivable from related parties (Notes IV, IX, XXV and XXXII)	55,543	-	42,437	-	25,654	-
1200	Other receivables (Notes IV and IX)	2,023	-	2,640	-	3,622	-
1210	Other receivables from related parties (Notes IV and XXXII)	1,124	-	1,385	-	1,403	-
1220	Current tax assets (Note IV)	3,143	-	2,340	-	1,616	-
130X	Inventories (Notes IV and X)	1,130,299	10	1,274,866	11	1,283,079	11
1470	Other current assets (Note XVIII)	42,788	-	97,134	1	143,821	1
11XX	Total current assets	3,552,865	31	4,325,178	36	4,011,677	33
	Non-current assets						
1535	Financial assets at amortized cost - non-current (Notes IV, VIII and XXXIII)	60,638	1	63,698	1	84,693	1
1550	Investments accounted for using the equity method (Notes IV, XIII and XXXIII)	787,246	7	781,105	6	807,272	7
1600	Property, plant and equipment (Notes IV, V, XIV and XXXIII)	6,073,009	54	6,229,578	52	6,345,463	53
1755	Right-of-use assets (Notes IV and XV)	10,242	-	16,216	-	13,644	-
1780	Other intangible assets (Notes IV and XVII)	10,067	-	7,800	-	6,807	-
1840	Deferred tax assets (Note IV)	232,861	2	244,812	2	258,142	2
1990	Other non-current assets (Note XVIII)	601,927	5	398,284	3	497,025	4
15XX	Total non-current assets	7,775,990	69	7,741,493	64	8,013,046	67
1XXX	Total assets	$ 11,328,855	100	$ 12,066,671	100	$ 12,024,723	100
Code	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes XIX)	$ 157,098	2	$ 341,836	3	$ 473,729	4
2110	Short-term bills payable (Notes XIX and XXXIII)	139,919	1	79,904	1	-	-
2120	Financial liabilities at fair value through profit or loss (Notes IV and VII)	72	-	724	-	-	-
2130	Contract liabilities (Notes IV, XXV and XXXII)	75,971	1	90,007	1	74,222	1
2150	Notes payable (Note XX)	-	-	23	-	24	-
2170	Accounts payable (Note XX)	319,340	3	525,327	4	622,713	5
2219	Other payables (Notes XXI)	318,495	3	442,012	4	491,899	4
2280	Lease liabilities - current (Notes IV and XV)	8,395	-	11,736	-	8,916	-
2320	Current portion of long-term borrowings (Notes XIX and XXXIII)	604,031	5	518,933	4	397,895	3
2399	Other current liabilities (Note XXI)	18,428	-	17,862	-	58,784	1
21XX	Total current liabilities	1,641,749	15	2,028,364	17	2,128,182	18
	Non-current liabilities						
2540	Long-term borrowings (Notes XIX and XXXIII)	1,858,536	16	2,068,284	17	2,024,671	17
2550	Provisions (Note IV)	28,543	-	25,021	-	23,228	-
2570	Deferred tax liabilities (Note IV)	5,841	-	3,346	-	1,764	-
2580	Lease liabilities - non-current (Notes IV and XV)	2,073	-	4,684	-	4,897	-
2635	Preferred stock liabilities - non-current (Notes IV and XXIII)	287,949	3	287,949	3	287,949	2
25XX	Total non-current liabilities	2,182,942	19	2,389,284	20	2,342,509	19
2XXX	Total liabilities	3,824,691	34	4,417,648	37	4,470,691	37
	Equity attributable to owners of the company (Note XXIV)						
3110	Share capital	5,127,967	45	5,127,967	42	5,127,967	43
3200	Capital surplus	1,965,641	17	1,965,635	16	1,965,635	16
	Retained earnings						
3310	Legal reserve	76,100	1	23,373	-	23,373	-
3320	Special reserve	170,900	1	171,049	2	171,049	1
3350	Unappropriated earnings	331,389	3	528,910	4	433,585	4
3300	Total retained earnings	578,389	5	723,332	6	628,007	5
3400	Other equity	(170,717)	(1)	(170,900)	(1)	(170,573)	(1)
31XX	Total equity attributable to owners of the Company	7,501,280	66	7,646,034	63	7,551,036	63
36XX	Non-controlling interests	2,884	-	2,989	-	2,996	-
3XXX	Total equity	7,504,164	66	7,649,023	63	7,554,032	63
	Total liabilities and equity	$ 11,328,855	100	$ 12,066,671	100	$ 12,024,723	100

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

(Please refer to the CPA Report by Deloitte Taiwan issued on November 6, 2024)

Chairperson: Wei Jen Investment Co. Ltd. Representative: Kuo-Jung Liao   Manager:Chen-Jen Hung   Accounting Manager: Wei-Che Chang

TSEC CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Three Months Ended September 30, 2024 and 2023, and for the Nine Months Ended September 30, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share

		For the three months ended September 30, 2024		For the three months ended September 30, 2023		For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
Code		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes XXV, XXXII and XXXIX)	$ 1,206,292	100	$ 1,857,645	100	$ 3,762,732	100	$ 6,405,448	100
5000	Operating costs (Notes X, XXII and XXV)	1,100,823	91	1,440,904	78	3,404,104	91	5,538,899	86
5900	Gross profit	105,469	9	416,741	22	358,628	9	866,549	14
5910	Unrealized loss (gain) on transactions with associates	1,165	-	(545)	-	1,165	-	5,927	-
5920	Realized gain (loss) on transactions with associates	239	-	-	-	718	-	(78)	-
5950	Realized gross profit	106,873	9	416,196	22	360,511	9	872,398	14
	Operating expenses (Notes XXII, XXV and XXXII)								
6100	Selling and marketing	19,073	1	26,769	1	60,402	2	80,373	1
6200	General and administrative	56,425	5	102,775	6	177,367	5	234,020	4
6300	Research and development	22,228	2	23,525	1	58,216	1	55,568	1
6450	Expected credit impairment loss (reversal gain) (Note IX)	(21,786)	(2)	54,250	3	(19,398)	(1)	57,307	1
6000	Total operating expenses	75,940	6	207,319	11	276,587	7	427,268	7
6500	Other Incomes and expenses, net (Note XXV)	(29)	-	(96,987)	(5)	(422)	-	(103,211)	(1)
6900	Profit from operations	30,904	3	111,890	6	83,502	2	341,919	6
	Non-operating income and expenses								
7010	Other income (Note XXV and XXXII)	5,569	-	14,566	1	24,020	1	40,061	1
7020	Other gain and loss (Note XXV)	551	-	8,412	1	7,135	-	8,878	-
7050	Finance costs (Note XXV)	(17,726)	(1)	(18,787)	(1)	(55,131)	(1)	(51,000)	(1)
7060	Share of profit or loss of associates	1,333	-	2,082	-	11,975	-	56,657	1
7100	Interest income (Note XXV)	4,746	-	6,907	-	13,466	-	15,077	-
7000	Total non-operating income and expenses	(5,527)	(1)	13,180	1	1,465	-	69,673	1
7900	Profit before Income Tax	25,377	2	125,070	7	84,967	2	411,592	7
7950	Income tax (expense) benefit (Notes IV and XXVI)	(7,050)	-	(12,340)	(1)	(14,448)	-	20,352	-
8200	Net Profit for the period	18,327	2	112,730	6	70,519	2	431,944	7
	Other comprehensive income (Loss)								
8310	Items that will not be reclassified subsequently to profit or loss:								
8317	Gain or loss on hedging instruments subject to basis adjustment (Note XXIV)	-	-	-	-	-	-	119	-
8320	The share of other comprehensive income of associates and joint ventures recognized under the equity method (Note XXIV)	(19)	-	(33)	-	(20)	-	(28)	-
8349	Income tax relating to items that will not be reclassified to profit or loss (Note XXVI)	-	-	-	-	-	-	(44)	-
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences in the translation of the financial statements of foreign operations (Note XXIV)	(209)	-	299	-	250	-	413	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Note XXVI)	41	-	(59)	-	(51)	-	(83)	-
8300	Other comprehensive income (loss) for the period, net of income tax	(187)	-	207	-	179	-	377	-
8500	Total Comprehensive Income	$ 18,140	2	$ 112,937	6	$ 70,698	2	$ 432,321	7
	Net Profit (Loss) Attributable To:								
8610	Owners of the Company	$ 18,338	2	$ 112,731	6	$ 70,534	2	$ 431,943	7
8620	Non-controlling interests	(11)	-	(1)	-	(15)	-	1	-
8600		$ 18,327	2	$ 112,730	6	$ 70,519	2	$ 431,944	7
	Total Comprehensive Income Attributable To:								
8710	Owners of the Company	$ 18,151	2	$ 112,938	6	$ 70,713	2	$ 432,320	7
8720	Non-controlling interests	(11)	-	(1)	-	(15)	-	1	-
8700		$ 18,140	2	$ 112,937	6	$ 70,698	2	$ 432,321	7
	Earnings Per Share (Note XXVII)								
9710	Basic	$ 0.04		$ 0.23		$ 0.14		$ 0.89	
9810	Diluted	$ 0.04		$ 0.23		$ 0.14		$ 0.89	

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

(Please refer to the CPA Report by Deloitte Taiwan issued on November 6, 2024)

Chairperson: Wei Jen Investment Co. Ltd.
Representative: Kuo-Jung Liao

Manager: Chen-Jen Hung

Accounting Manager: Wei-Che Chang

TSEC CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Nine Months Ended September 30, 2024 and 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

		Equity Attributable to Owners of the Company (Note XXIV)											
		Share capital			Retained earnings			Other Equity					
Code		Number of Shares (In Thousands)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences in the translation of the financial statements of foreign operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	(Loss) Gain on Hedging Instruments	Total	Non-controlling interests (Notes XII and XXIV)	Total equity
A1	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
	Allocation and Distribution of 2022 Earnings												
B1	Legal reserve	-	-	-	18,741	-	(18,741)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	129,364	(129,364)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(37,664)	-	-	-	(37,664)	-	(37,664)
C15	Cash dividend distribution from capital surplus	-	-	(12,555)	-	-	-	-	-	-	(12,555)	-	(12,555)
E1	Cash capital increase	36,500	365,000	624,150	-	-	-	-	-	-	989,150	-	989,150
N1	Recognize the compensation cost of employee stock options for cash capital increase	-	-	29,016	-	-	-	-	-	-	29,016	-	29,016
O1	Increase in non-controlling interests, net	-	-	-	-	-	-	-	-	-	-	2,900	2,900
T1	Basis adjustment of hedging instruments	-	-	-	-	-	-	-	-	99	99	-	99
D1	Net Income for the nine months ended September 30, 2023	-	-	-	-	-	431,943	-	-	-	431,943	1	431,944
D3	Other comprehensive income after tax for the nine months ended September 30, 2023	-	-	-	-	-	-	330	(28)	75	377	-	377
D5	Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	431,943	330	(28)	75	432,320	1	432,321
Z1	Balance at September 30, 2023	512,797	$ 5,127,967	$ 1,965,635	$ 23,373	$ 171,049	$ 433,585	$ 96	($ 170,669)	$ -	$ 7,551,036	$ 2,996	$ 7,554,032
A1	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
	Allocation and distribution of 2023 earnings												
B1	Legal reserve	-	-	-	52,727	-	(52,727)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(215,477)	-	-	-	(215,477)	-	(215,477)
B17	Reversal of special reserve	-	-	-	-	(149)	149	-	-	-	-	-	-
C17	Gain from exercising the Company's call rights	-	-	6	-	-	-	-	-	-	6	-	6
M3	Disposal of subsidiary	-	-	-	-	-	-	4	-	-	4	(90)	(86)
D1	Net profit (loss) for the nine months ended September 30, 2024	-	-	-	-	-	70,534	-	-	-	70,534	(15)	70,519
D3	Other comprehensive income after tax for the nine months ended September 30, 2024	-	-	-	-	-	-	199	(20)	-	179	-	179
D5	Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	70,534	199	(20)	-	70,713	(15)	70,698
Z1	Balance at September 30, 2024	512,797	$ 5,127,967	$ 1,965,641	$ 76,100	$ 170,900	$ 331,389	($ 32)	($ 170,685)	$ -	$ 7,501,280	$ 2,884	$ 7,504,164

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

(Please refer to the CPA Report by Deloitte Taiwan issued on November 6, 2024)

Chairperson: Wei Jen Investment Co. Ltd.
Representative: Kuo-Jung Liao

Manager: Chen-Jen Hung

Accounting Manager: Wei-Che Chang

TSEC CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
	Cash Flows from Operating Activities		
A10000	Profit before income tax	$ 84,967	$ 411,592
	Adjustments for		
A20100	Depreciation expense	524,822	696,857
A20200	Amortization	3,631	2,475
A20300	Expected credit impairment loss (reversal gain)	(19,398)	57,307
A20400	Net gain on fair value changes of financial instruments at fair value through profit or loss	(1,274)	(3,623)
A20900	Finance costs	55,131	51,000
A21200	Interest income	(13,466)	(15,077)
A21900	Share-based compensation cost (Note XXVIII)	-	29,016
A22300	Share of profit or loss of associates	(11,975)	(56,657)
A22500	Loss on disposal of property, plant and equipment	25	96,987
A23700	Write-down of inventories	16,140	183,633
A23900	Unrealized loss on transactions with associates	(1,165)	(5,927)
A24000	Realized (gain) loss on transactions with associates	(718)	78
A24100	Unrealized loss on foreign currency exchange, net	321	1,280
A29900	Loss on disposal of subsidiary	4	-
A29900	Provision for liabilities	3,522	6,088
A29900	Lease modification gain	(40)	-
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	1,380	2,087
A31130	Notes receivable	(31,885)	(285,399)
A31150	Accounts receivable	38,220	201,370
A31160	Accounts receivable from related parties	(13,106)	(16,156)
A31180	Other receivables	442	13,756
A31190	Other receivables from related parties	261	13
A31200	Inventories	128,427	232,609
A31240	Other current assets	54,346	19,779
A32110	Financial liabilities held for sell	(758)	-

(Continued)

(Continued)

Code		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
A32125	Contract liabilities	(14,036)	(43,523)
A32130	Notes payable	(23)	-
A32150	Accounts payable	(203,456)	(280,334)
A32180	Other payables	(60,158)	4,356
A32230	Other payables	566	1,205
A33000	Cash generated from operations	540,747	1,304,792
A33100	Interest received	$ 13,641	$ 13,148
A33300	Finance costs paid	(58,946)	(81,734)
A33500	Income tax paid	(856)	(1,171)
AAAA	Net cash generated from operating activities	494,586	1,235,035
	Cash Flows from Investing Activities		
B00040	Purchase of financial assets at amortized cost	-	(77,894)
B00050	Proceeds from sale of financial assets at amortized cost	41,864	163,928
B01600	Proceeds from sale of financial liabilities for hedging	-	(99)
B01800	Acquisition of associate	-	(432,000)
B02300	Disposal of subsidiary	(90)	-
B02700	Payments for property, plant and equipment (Note XXIX)	(573,638)	(907,853)
B02800	Proceeds from disposal of property, plant, and equipment	22	4,025
B03700	Increase in refundable deposits	(48,584)	(22,397)
B04500	Payments for other intangible assets	(5,898)	(4,574)
B07600	Dividends received from associate	7,697	12,828
BBBB	Net cash used in investing activities	(578,627)	(1,264,036)
	Cash Flows from Financing Activities		
C00200	Decrease in short-term borrowings	(184,738)	(466,233)
C00500	Increase in short-term bills payable	60,015	-
C00600	Decrease in short-term bills payable	-	(329,513)
C01600	Proceeds from long-term borrowings	461,000	465,775
C01700	Repayments of long-term borrowings	(585,650)	(193,159)
C03000	Increase in guarantee deposits received	-	46,295
C04020	Repayments of the principal portion of lease liabilities	(9,084)	(7,374)
C04500	Cash dividends paid	(215,477)	(50,219)
C04600	Cash capital increase	-	989,150
C05800	Increase in non-controlling interests, net	-	2,900
C09900	Exercising disgorgement	6	-
CCCC	Net cash generated from (used in) financing activities	(473,928)	457,622

(Continued)

(Continued)

Code		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
DDDD	Effects Of Exchange Rate Changes on The Balance of Cash Held in Foreign Currencies	(1,894)	4,304
EEEE	Net (Decrease) Increase in Cash and Cash Equivalents	(559,863)	432,925
E00100	Cash And Cash Equivalents at the Beginning of The Period	1,194,354	837,804
E00200	Cash And Cash Equivalents at the End of The Period	$ 634,491	$ 1,270,729

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the CPA Report by Deloitte Taiwan issued on November 6, 2024)

Chairperson: Wei Jen Investment Co. Ltd. Representative: Kuo-Jung Liao   Manager: Chen-Jen Hung   Accounting Manager: Wei-Che Chang

TSEC CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the Nine Months Ended September 30, 2024 and 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I Company History

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.

II. Date and Procedure for Approval of Financial Statements

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

III. Application of Newly Issued, Amended Standards and Interpretations

(I) 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.

(II) IFRS Accounting Standards Approved by the FSC Applicable in 2025

New, Amended and Revised Standards and Interpretations	Effective Dates Issued by the International Accounting Standards Board (IASB)
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

Note: 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.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the aforementioned 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.

(III) IFRS Accounting Standards Issued by the IASB but Not Yet Approved and Effective as Issued by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
"Annual Improvements to IFRS Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Undecided
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
IFRS 19 "Disclosure of Non-Publicly Accountable Subsidiaries"	January 1, 2027

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

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 the application of all 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.

IV. Summary of Significant Accounting Policies

(I) 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.

(II) 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.

(III) Basis of consolidation

See Notes XII and Table 3 of Note XXXVIII for detailed information on subsidiaries.

(IV) 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 for settlement within 12 months after the balance sheet date (even if long-term refinancing or payment arrangements have been completed between the balance sheet date and the approval of the financial report, these would still be classified as current liabilities), 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.

V. Critical Accounting Judgments, Assumptions, 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.

Major Sources of Estimated Assumptions and Uncertainties

Property, plant and equipment

The consolidated company, as resolved by the Board of Directors, is considering that the introduction of large-size advanced product production lines will gradually replace some of the existing machinery and equipment. Along with the commissioning of new equipment, the production line layout will be reorganized. After reviewing and evaluating the economic benefits and wear and tear of some machinery and equipment, it is proposed to change the estimated useful life of certain machinery and equipment to reflect actual useful life and reasonable cost allocation. This adjustment aims to provide reliable and more relevant information. Therefore, starting from May 1, 2023, the useful life of some machinery and equipment has been shortened. This change in estimate has resulted in an increase in depreciation expense of NT$167,653 thousand for the fiscal year 2023, which has been fully reflected in the consolidated financial statements for the third quarter of 2023.

VI. Cash and Cash Equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	$ 609	$ 609	$ 609
Checking accounts and demand deposits	497,036	734,023	627,979
Cash equivalents			
Time deposits with original maturities of 3 months or less	136,846	459,722	642,141
	$ 634,491	$ 1,194,354	$ 1,270,729

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:

	September 30, 2024	December 31, 2023	September 30, 2023
Demand deposits	0.001%～1.45%	0.001%～1.45%	0.001%～1.45%
Time deposits with original maturities of 3 months or less	1%～5%	0.55%～5.65%	0.55%～5.57%

VII. Financial Instruments at Fair Value through Profit or Loss

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets - mandatorily measured at FVTPL			
Derivative financial instruments (not under hedge accounting)-Foreign exchange forward contracts	$ -	$ -	$ 899
Financial liabilities - held for trading			
Derivative financial instruments (not under hedge accounting)-Foreign exchange forward contracts	$ 72	$ 724	$ -

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

September 30, 2024

	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	USD/NTD	2024.10.11	USD 133/NTD 4,213
	USD/NTD	2024.10.11	USD 216/NTD 6,838
	USD/NTD	2024.10.25	USD 133/NTD 4,223

December 31, 2023

	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	RMB/NTD	2024.01.10	CNY 1,120/NTD 4,923
	RMB/NTD	2024.01.10	CNY 585/NTD 2,572
	RMB/NTD	2024.01.10	CNY 1,258/NTD 5,520
	RMB/NTD	2024.01.10	CNY 2,000/NTD 8,759
	RMB/NTD	2024.01.10	CNY 7,345/NTD 32,245

September 30, 2023

	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	RMB/NTD	2023.10.25	CNY 1,258 /NTD 5,482
	RMB/NTD	2023.10.25	CNY 1,608 /NTD 7,018
	RMB/NTD	2023.10.25	CNY 1,072 /NTD 4,661
	RMB/NTD	2023.10.25	CNY 3,000 /NTD 13,050
	RMB/NTD	2023.10.25	CNY 8,750 /NTD 38,053

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.

VIII. Financial Assets at Amortized Cost

	September 30, 2024	December 31, 2023	September 30, 2023
Current			
Time deposits with original maturities of more than 3 months	$ 57,839	$ 85,344	$ 77,894
Restricted assets - cash in banks	41,650	53,776	10,000
	$ 99,489	$ 139,120	$ 87,894
Non-current			
Restricted assets - time deposits with original maturities of more than 3 months	$ 60,638	$ 63,698	$ 84,693

As of September 30, 2024, December 31, 2023, and September 30, 2023, the range of interest rates were 0.54%-4.95%, 0.53%-5.65%, and 0.30%-4.00%, respectively.

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

IX. Notes Receivable, Accounts Receivable and Other Receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable			
At amortized cost			
Gross carrying amount	$ 115,779	$ 83,894	$ 285,399
Less: Allowance for impairment loss	-	-	-
	$ 115,779	$ 83,894	$ 285,399
Accounts receivable			
At amortized cost			
Gross carrying amount	$ 1,468,848	$ 1,507,068	$ 983,259
Less: Allowance for impairment loss	(662)	(20,060)	(75,698)
	$ 1,468,186	$ 1,487,008	$ 907,561
Accounts receivable from related parties			
At amortized cost			
Gross carrying amount	$ 55,543	$ 42,437	$ 25,654
Less: Allowance for impairment loss	-	-	-
	$ 55,543	$ 42,437	$ 25,654
Other receivables			
Interest receivable	$ 1,974	$ 2,149	$ 3,485
Others	49	491	137
	$ 2,023	$ 2,640	$ 3,622

(I) 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 September 30, 2024, December 31, 2023, and September 30, 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:

	September 30, 2024	December 31, 2023	September 30, 2023
1-60 days	$ 115,779	$ 75,100	$ 285,399
61-90 days	-	8,794	-
	$ 115,779	$ 83,894	$ 285,399

(II) 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, the 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:

September 30, 2024

	Not Past Due	Up to 60 Days	61 to 120 Days	Over 121 Days	Individual Assessment	Total
Expected credit loss rate	0.02%	3.90%	-	-		
Gross carrying amount	$ 446,451	$ 14,688	$ -	$ -	$ 1,063,252	$ 1,524,391
Loss allowance (Lifetime ECLs)	(89)	(573)	-	-	-	(662)
Amortized cost	$ 446,362	$ 14,115	$ -	$ -	$ 1,063,252	$ 1,523,729

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

September 30, 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	$ 875,395	$ 57,820	$ -	$ -	$ 75,698	$ 1,008,913
Loss allowance (Lifetime ECLs)	-	-	-	-	(75,698)	(75,698)
Amortized cost	$ 875,395	$ 57,820	$ -	$ -	$ -	$ 933,215

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

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Balance at January 1	$ 20,060	$ 18,391
Add: Provision for impairment loss for the period	-	57,307
Less: Reversal of impairment loss for the period	(19,398)	-
Balance, end of period	$ 662	$ 75,698

Refer to Note XXXI. (IV) for details of the Group’s concentration of credit risk of receivables as of September 30, 2024, December 31, 2023 and September 30, 2023.

(III) Other receivables

The Group’s account of other receivables is mainly interest receivable. The Group adopted a policy of dealing only with credit worthy 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 September 30, 2024, December 31 and September 30, 2023, the Group assessed that the expected credit loss rate of other receivables was 0%.

X. Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	$ 863,488	$ 461,124	$ 429,979
Finished goods	225,434	701,846	734,707
Construction in progress	11,202	55,794	61,624
Work in progress	30,175	56,102	56,769
	$ 1,130,299	$ 1,274,866	$ 1,283,079

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

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Cost of inventories sold	$ 1,067,450	$ 1,434,466	$ 3,339,860	$ 5,341,105
Inventory write-downs	11,851	-	16,140	183,633
Others	21,522	6,438	48,104	14,161
	$ 1,100,823	$ 1,440,904	$ 3,404,104	$ 5,538,899

XI. Financial Assets at Fair Value Through Other Comprehensive Income

Investments in Equity Instruments at FVTOCI

	September 30, 2024	December 31, 2023	September 30, 2023
Non-current			
Domestic investments			
Unlisted shares			
Ordinary shares - Eversol Corporation	$ -	$ -	$ -

XII. Subsidiaries

Subsidiaries included in the consolidated financial statements

The entity responsible for preparing this consolidated financial report is as follows:

			Percentage of Ownership (%)		
Investor Company	Investee	Nature of Activities	September 30, 2024	December 31, 2023	September 30, 2023
TSEC Corporation	TSEC America, Inc. (Note 1)	Sales of solar related products; main operating risk is exchange rate	100%	100%	100%
	Houchang Energy Corporation (Hou Chang Energy) (Note 2)	Energy storage system operations; main operating risks are government regulations and natural disasters	100%	100%	100%
	Changyang Optoelectronics Corporation (Changyang Optoelectronics) (Note 3)	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%	80%
	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%	100%	100%
	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%	100%	100%
	TSECPV (HK) LIMITED (Note 4)	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%	100%
	Hengli Energy Corporation (Hengli Energy) (Note 5)	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%	100%	100%
	Yuan Jin Energy Co., Ltd. (Yuan Jin Energy) (Note 6)	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%	90%	90%
Hou Chang Energy Corporation	Hengyong Energy Corporation (Hengyong Energy)	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%	100%	100%
	Yongli Energy Corporation (Yongli Energy)	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%	100%	100%
Yuan Jin Energy Co., Ltd.	Jinjing Electric Power Co., Ltd. (Jinjing Electric Power) (Note 7)	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%	100%	-

Note 1: On September 11, 2018, the Group resolved to liquidate and dissolve its subsidiary TSEC America, Inc. as of November 6, 2024, TSEC America, Inc. has yet to execute its liquidation process.

Note 2: In July 2024, the Company increased its investment in its subsidiary, Hou Chang Energy Corporation, by NT$40,000 thousand, with the shareholding ratio remaining unchanged.

Note 3: Changyang Optoelectronics completed the liquidation process in September 2024.

Note 4: In November 2023, the Company increased its capital in the subsidiary TSECPV (HK) LIMITED by $50 thousand, but the Company's shareholding percentage remained unchanged. TSECPV (HK) LIMITED completed the liquidation process in August 2024.

Note 5: In May 2024, the company increased its investment in its subsidiary, W ENERGY INVESTMENT CORPORATION, by NT$4,900 thousand, with the ownership ratio remaining unchanged.

Note 6: The Company established Yuan-Jin Energy Co., Ltd. in February 2023 to engage in power development for $26,100 thousand, with 90% of shareholding ratio. Yuan-Jin Energy Co., Ltd. primarily engages in the development, operation, and sales of solar power systems and other related businesses. The business registration has been completed.

Note 7: 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. In addition, 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.

For the nature of business, primary business premise, and the information on the registered country of the above subsidiary, please refer to Table 3 in Note XXXVIII.

XIII. Investments Accounted for Using the Equity Method

Investments in Associates

	September 30, 2024	December 31, 2023	September 30, 2023
Material associates			
Holdgood Energy Development Corporation (Holdgood)	$ 228,752	$ 231,380	$ 234,342
Yuan-Yu Solar Energy Co., Ltd. (Yuan-Yu)	135,709	122,175	143,722
NFC III Renewable Power Co., Ltd. (NFC III)	422,785	427,550	429,208
	$ 787,246	$ 781,105	$ 807,272

Material associates

Name of Associate	September 30, 2024	December 31, 2023	September 30, 2023
Holdgood	45.49%	45.49%	45.49%
Yuan-Yu	20%	20%	20%
NFC III	24%	24%	24%

For the nature of business, primary business premise, and the information on the registered country of above-mentioned associates, please refer to Table 3 in Note XXXVIII “Information on Investees”.

The Company uses the equity method to evaluate the associate above-mentioned.

The Group provided the shares of Yuan-Yu to the financial institution as collaterals for loans to Yuanyu Corporation. Please see Note XXXIII for the information on collateral.

The Group acquired 43,200 thousand common shares of NFC III for $432,000 thousand in cash in July 2023, the shareholding ratio is 24%.

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.

XIV. Property, Plant and Equipment

For self-use

	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	-	68,664	65,773	-	32,488	192,229	359,154
Disposal	-	-	-	-	(55)	-	(55)
Reclassification	-	78,597	-	-	-	(78,597)	-
Balance at September 30, 2024	1,071,526	4,680,670	2,641,995	24,738	330,754	141,246	8,890,929
Accumulated depreciation and impairment							
Balance at January 1, 2024	-	1,555,349	531,597	24,634	190,672	-	2,302,252
Depreciation expense	-	151,711	337,245	30	26,690	-	515,676
Disposal	-	-	-	-	(8)	-	(8)
Balance at September 30, 2024	-	1,707,060	868,842	24,664	217,354	-	2,817,920
Net as of September 30, 2024	$ 1,071,526	$ 2,973,610	$ 1,773,153	$ 74	$ 113,400	$ 141,246	$ 6,073,009
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	-	146,028	1,304,404	-	28,115	51,460	1,530,007
Disposal	-	-	(1,102,707)	(179)	(19,722)	-	(1,122,608)
Reclassification	-	705,096	-	-	-	(410,012)	295,084
Balance at September 30, 2023	1,071,526	4,328,952	3,394,351	24,738	352,928	172,248	9,344,743
Accumulated depreciation and impairment							
Balance at January 1, 2023	-	1,249,600	1,688,278	24,773	236,887	-	3,199,538
Depreciation expense	-	118,689	541,215	30	22,632	-	682,566
Disposal	-	-	(1,001,695)	(179)	(19,722)	-	(1,021,596)
Reclassification	-	138,772	-	-	-	-	138,772
Balance at September 30, 2023	-	1,507,061	1,227,798	24,624	239,797	-	2,999,280
Net as of September 30, 2023	$ 1,071,526	$ 2,821,891	$ 2,166,553	$ 114	$ 113,131	$ 172,248	$ 6,345,463

No impairment loss or reversal gain was recognized for the nine months ended September 30, 2024 and 2023.

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	3-5 years
Miscellaneous equipment	3-15 years

Please see Note XXXIV for the details on the purchases of machines required for production and the significant commitments stated in the construction contracts.

Please see Notes XIX and XXXIII for information on financing of property, plant and equipment as of September 30, 2024, December 31 and September 30, 2023.

Please refer to Note XXV (XI) for information on the Group's interest capitalization for the three months ended September 30, 2024 and 2023, and the nine months ended September 30, 2024 and 2023.

XV. Lease Agreement

(I) Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount			
Buildings	$ 9,681	$ 15,266	$ 12,564
Transportation equipment	561	950	1,080
	$ 10,242	$ 16,216	$ 13,644

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Additions to right-of-use assets			$ 6,505	$ 10,318
Depreciation charge for right-of-use assets				
Buildings	$ 3,108	$ 2,088	$ 8,757	$ 6,969
Transportation equipment	130	130	389	475
	$ 3,238	$ 2,218	$ 9,146	$ 7,444

Except for the additions and depreciation expense recognized as listed above, there were no significant subleases or impairments on Group's right-of-use assets for the nine months ended September 30, 2024 and 2023.

(II) Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount			
Current	$ 8,395	$ 11,736	$ 8,916
Non-current	$ 2,073	$ 4,684	$ 4,897

Ranges of discount rates for lease liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	2.13%～3.06%	2.33%～3.06%	2.33%～3.06%
Transportation equipment	3.06%	3.06%	3.06%

(III) 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.

(IV) Other lease information

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Expenses relating to short-term leases and low-value asset leases	$ 1,020	$ 1,545	$ 2,794	$ 4,723
Total cash outflow for leases			($ 12,151)	($ 12,414)

The Group's leases of certain parking spaces and staff dorms 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.

XVI. Investment Properties

	Buildings
Cost	
Balance at January 1, 2023	$ 295,084
Reclassification (Note)	(295,084)
Balance at September 30, 2023	-
Accumulated depreciation	
Balance at January 1, 2023	131,925
Depreciation expense	6,847
Reclassification (Note)	(138,772)
Balance at September 30, 2023	-
Net as of September 30, 2023	$ -
Net as of December 31, 2022 and January 1, 2023	$ 163,159

Note: Reclassified to property, plant and equipment.

XVII. Other Intangible Assets

	September 30, 2024	December 31, 2023	September 30, 2023
Computer software	$ 10,067	$ 7,800	$ 6,807

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Cost		
Balance at January 1	$ 60,591	$ 54,004
Acquired by separate purchase	5,898	4,574
Disposal	(80)	(80)
Balance, end of period	66,409	58,498
Accumulated amortization		
Balance at January 1	52,791	49,296
Amortization	3,631	2,475
Disposal	(80)	(80)
Balance, end of period	56,342	51,691
Carrying amount, end of period	$ 10,067	$ 6,807

Computer software is amortized on a straight-line basis over 3-4 years.

Summary of amortization by function:

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Operating cost	$ 732	$ 509	$ 1,876	$ 1,338
Selling and marketing	566	357	1,411	901
General and administrative	116	78	311	218
Research and development	13	7	33	18
	$ 1,427	$ 951	$ 3,631	$ 2,475

XVIII. Other Assets - current and non-current

	September 30, 2024	December 31, 2023	September 30, 2023
Current			
Prepayments	$ 8,118	$ 53,200	$ 94,859
Prepayment expenses	28,536	28,711	30,934
Utilized Tax Credits	2,608	-	14,656
Others	3,526	15,223	3,372
	$ 42,788	$ 97,134	$ 143,821
Non-current			
Prepayments for equipment (capitalized interest included)	$ 377,957	$ 222,898	$ 292,577
Refundable deposits	223,970	175,386	204,448
	$ 601,927	$ 398,284	$ 497,025

XIX. Borrowings

(I) Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Bank credit loans	$ 157,098	$ 341,836	$ 473,729
Interest rate			
Bank credit loans	2.29%～2.33%	2.39%～2.58%	2.40%～2.81%

(II) Short-term bills payable

Outstanding short-term bills payable were as follows:

September 30, 2024

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
China Bills Finance Corporation	$ 50,000	$ 46	$ 49,954	2.248%	None
Taiwan Cooperative Bills Finance Corporation	30,000	7	29,993	2.248%	None
Mega Bills Finance Co., Ltd.	30,000	7	29,993	2.248%	None
China Bills Finance Corporation	20,000	14	19,986	2.248%	None
International Bills Finance Corporation	10,000	7	9,993	2.248%	None
	$ 140,000	$ 81	$ 139,919		

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		

(III) Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Secured borrowings			
Syndicated loans (administration fee for syndicated loans)	$ 1,126,840	$ 1,539,600	$ 1,532,806
Bank mortgage loans	934,109	646,315	506,150
	2,060,949	2,185,915	2,038,956
Unsecured borrowings			
Bank borrowings	401,618	401,302	383,610
Total	2,462,567	2,587,217	2,422,566
Less: Current portion	(604,031)	(518,933)	(397,895)
Long-term borrowings	$ 1,858,536	$ 2,068,284	$ 2,024,671
Interest rate	1.72%~2.95%	1.60%~3.09%	1.595%~3.299%

1. Syndicated loans

(1) 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 September 30, 2024, December 31 and September 30, 2023, the balance of the borrowings under the Type A loan were NT$250,000 thousand, NT$250,000 thousand and NT$0 thousand, respectively. As of September 30, 2024, and December 31 and September 30, 2023, the balance of the borrowings under the Type B loan were NT$308,000 thousand, NT$336,000 thousand and NT$300,000 thousand, respectively.

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.

(2) In November 2020, the consolidated company signed a syndicated credit agreement with a syndicate of banks led by Taiwan Cooperative Bank, with a total credit limit of NT$2,000,000 thousand (including NT$1,600,000 thousand for Item A financing and NT$400,000 thousand for Item B financing). The borrowing period extends to November 2025. The repayment schedule is as follows: from the date of the first drawdown, the repayment period is divided into 20 quarters, with the first quarter being the initial 3 months. During the first 12 quarters, 2% of the principal must be repaid each quarter; in the 13th and 19th quarters, 4% of the principal must be repaid each quarter; and the remaining principal must be repaid in the final quarter. As of September 30, 2024, December 31 and September 30, 2023, the balance of the borrowings under the Type A loan were NT$579,000 thousand, NT$966,000 thousand and NT$1,248,000 thousand, respectively.

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 bank-guaranteed and unsecured loan agreements have terms ranging from 5 to 7 years, with monthly repayments of principal and interest.

For guarantees provided by the Group for long-term borrowings, please see Note XXXIII.

XX. Notes Payable and Accounts Payable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes payable - operating	$ -	$ 23	$ 24
Accounts payable - operating	$ 319,340	$ 525,327	$ 622,713

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.

XXI. Other Liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Current			
Other payables			
Payables for salaries or bonuses	$ 122,547	$ 172,225	$ 162,153
Payables for purchases of equipment	37,752	97,292	152,852
Payables for transportation and customs clearance	39,169	42,931	49,934
Payables for labor and health insurance	15,689	20,491	20,739
Payables for interests	11,526	15,341	12,159
Payables for environmental cost	4,163	6,302	8,967
Payables for business tax	6,865	21,705	-
Others	80,784	65,725	85,095
	$ 318,495	$ 442,012	$ 491,899

	September 30, 2024	December 31, 2023	September 30, 2023
Other liabilities			
Deferred revenue-government grants	$ 7,000	$ 10,000	$ -
Guarantee deposits received	-	-	50,000
Others	11,428	7,862	8,784
	$ 18,428	$ 17,862	$ 58,784

XXII. Post-Employment Benefit Plans

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 September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Operating cost	$ 8,001	$ 8,777	$ 24,712	$ 26,946
Operating expenses	1,424	1,465	4,306	4,393
	$ 9,425	$ 10,242	$ 29,018	$ 31,339

XXIII. Preferred Stock Liabilities

On April 7, 2021, the Company's shareholders approved to issue 75,000 thousand shares of convertible preferred stock (Preferred A) with a par value of NT$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 NT$23.75 per share. The Company collected the total amount of NT$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 NT$287,949 thousand (included in non-current liabilities) and conversion options of NT$327,051 thousand (included in capital surplus). The rights and obligations of the preferred stock in this issuance are as follows:

(1) The distribution of earnings was based on the Company's Articles of Company 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.

(2) 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.

(3) 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.
(4) 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.
(5) Class B preferred shares were promised to be transferred to common shares on the day following the third anniversary of the issue.
(6) Class A preferred stock is non-voting, except during the preferred shareholders' meetings and on matters regarding the shareholders' rights and obligations.
(7) 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.
(8) 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, 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 permitted by regulations. The rights and obligations of class A preferred shares that 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.
(9) 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.
(10) 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.

XXIV. Equity

(I) Share capital - ordinary shares

	September 30, 2024	December 31, 2023	September 30, 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	512,797
Shares issued and fully paid	$ 5,127,967	$ 5,127,967	$ 5,127,967

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 XXIII.

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 50,000 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.

(II) Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Issuance of ordinary shares	$ 1,624,201	$ 1,624,201	$ 1,624,201
Expired employee share options	14,372	14,372	14,372
May be used to offset a deficit only			
Changes in the percentage of ownership interest in invested company accounted for using the equity method	11	11	11
Gain from exercising call rights	6	-	-
May not be used for any purpose			
Preferred stock conversion rights (Note XXIII)	327,051	327,051	327,051
	$ 1,965,641	$ 1,965,635	$ 1,965,635

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).

(III) 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. 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 XXV (IX).

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, 2024 and 2023, which resolved to approve the 2023 and 2022 profit distribution shown as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Legal reserve	$ 52,727	$ 18,741
(Reversal of) Special reserve	($ 149)	$ 129,364
Cash dividends	$ 215,477	$ 37,664
Cash dividend per dollar (NT$)	$ 0.4	$ 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.

(IV) Other equity items

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

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Balance at January 1	($ 235)	($ 234)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	250	413
Income tax relating to items that may be reclassified subsequently to profit or loss	($ 51)	($ 83)
Reclassification adjustment		
Disposal of subsidiary	4	-
Balance, end of period	($ 32)	$ 96

2. Unrealized gain on financial assets at FVTOCI

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Balance at January 1	($ 170,665)	($ 170,641)
Recognized for the period		
Share of profit or loss of associates accounted for using the equity method	(20)	(28)
Balance, end of period	($ 170,685)	($ 170,669)

3. Gain (loss) on hedging instruments

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Balance at January 1	$ -	($ 174)
Recognized for the period		
Gain (loss) on changes in the fair value of hedging instruments		
Foreign currency risk - foreign exchange forward contracts	-	119
Original carrying amount transferred to the hedged item		
Foreign currency risk - foreign exchange forward contracts	-	99
Related income tax	-	(44)
Balance, end of period	$ -	$ -

(V) Non-controlling interests

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Balance at January 1	$ 2,989	$ 95
Attributable to non-controlling interests		
Net (loss) profit for the period	(15)	1
Increase in non-controlling interest by acquiring Yuan Jin Energy	-	2,900
Disposal of subsidiary	(90)	-
Balance, end of period	$ 2,884	$ 2,996

XXV. Net Income

(I) Operating revenue

1. Contract balance

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Notes receivable (Note IX)	$ 115,779	$ 83,894	$ 285,399	$ -
Accounts receivable (Note IX)	$ 1,468,186	$ 1,487,008	$ 907,561	$ 1,164,930
Accounts receivable from related parties (Notes IX and XXXII)	$ 55,543	$ 42,437	$ 25,654	$ 9,498
Contract liabilities				
Sale of goods	$ 75,971	$ 90,007	$ 74,222	$ 117,745

Refer to Note IX 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 XXXIX (I) for further information on the revenue details.

3. Partially completed contracts

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

	September 30, 2024	December 31, 2023	September 30, 2023
Sale of goods			
- Obligations satisfied in 2023	$ -	$ -	$ 74,222
- Obligations satisfied in 2024	75,971	90,007	-
	$ 75,971	$ 90,007	$ 74,222

(II) Interest income

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Cash in banks	$ 1,269	$ 6,285	$ 8,645	$ 11,960
Financial assets at amortized cost	1,746	619	3,072	3,099
Others	1,731	3	1,749	18
Total	$ 4,746	$ 6,907	$ 13,466	$ 15,077

(III) Other incomes and expenses, net

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Loss on disposal of property, plant and equipment, net	$ -	($ 96,987)	($ 25)	($ 96,987)
Others	(29)	-	(397)	(6,224)
Total	($ 29)	($ 96,987)	($ 422)	($ 103,211)

(IV) Other revenue

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Revenue from government grants	$ 4,567	$ 4,567	$ 18,481	$ 4,567
Lease revenue	131	4,395	364	24,780
Others	871	5,604	5,175	10,714
Total	$ 5,569	$ 14,566	$ 24,020	$ 40,061

(V) Other gains and losses

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Gains (losses) on financial assets and financial liabilities				
Financial assets mandatorily classified as at fair value through profit or loss	$ 450	$ 757	$ 1,380	$ 3,999
Financial liabilities held for sell	(72)	-	(106)	(376)
Loss on disposal of subsidiary	(4)	-	(4)	-
Foreign currency exchange gains, net	177	7,655	6,303	5,255
Others	-	-	(438)	-
Total	$ 551	$ 8,412	$ 7,135	$ 8,878

(VI) Depreciation and amortization expenses

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Property, plant and equipment	$ 174,493	$ 167,943	$ 515,676	$ 682,566
Right-of-use assets	3,238	2,218	9,146	7,444
Investment properties	-	978	-	6,847
Intangible assets	1,427	951	3,631	2,475
Total	$ 179,158	$ 172,090	$ 528,453	$ 699,332
An analysis of depreciation by function				
Operating cost	$ 171,362	$ 164,344	$ 506,104	$ 677,247
Operating expenses	6,369	6,795	18,718	19,610
	$ 177,731	$ 171,139	$ 524,822	$ 696,857
An analysis of amortization by function				
Operating cost	$ 732	$ 509	$ 1,876	$ 1,338
Operating expenses	695	442	1,755	1,137
	$ 1,427	$ 951	$ 3,631	$ 2,475

(VII) Operating expenses directly related to investment properties

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Rent revenue generated				
Depreciation expense	$ -	$ 978	$ -	$ 6,847
Tax	-	33	-	234
	$ -	$ 1,011	$ -	$ 7,081

(VIII) Employee benefit expenses

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Post-employment benefits				
Defined contribution plans (Note XXII)	$ 9,425	$ 10,242	$ 29,018	$ 31,339
Share-based payment (Note XXVIII)	-	29,016	-	29,016
Payroll expenses	214,222	251,926	684,584	794,164
Labor and health insurance expenses	24,733	27,358	75,151	84,217
Other employee benefits	27,069	27,786	82,470	90,486
Total employee benefit expenses	$ 275,449	$ 346,328	$ 871,223	$ 1,029,222
An analysis of employee benefit expense by function				
Operating cost	$ 229,104	$ 260,577	$ 717,622	$ 824,142
Operating expenses	46,345	85,751	153,601	205,080
	$ 275,449	$ 346,328	$ 871,223	$ 1,029,222

(VIX) 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 nine months ended September 30, 2024 and 2023 were as follows:

Accrual rate

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Compensation of employees	9.0%	5.4%
Remuneration of directors	4.6%	3.0%

Amount

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Compensation of employees	$ 3,343	$ 7,772	$ 8,528	$ 24,002
Remuneration of directors	$ 1,395	$ 3,972	$ 4,311	$ 13,335

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	For the Year Ended December 31, 2022
	Cash	Cash
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.

(X) Gains (losses) on foreign currency exchange

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Foreign currency exchange gains	$ 5,338	$ 22,047	$ 31,492	$ 46,263
Foreign currency exchange losses	(5,161)	(14,392)	(25,189)	(41,008)
Net income	$ 177	$ 7,655	$ 6,303	$ 5,255

(XI) Finance costs

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Interest expense	$ 16,245	$ 19,534	$ 49,884	$ 62,111
Interests on preferred stock liabilities	3,075	3,075	9,225	10,236
Finance costs	1,494	1,757	4,910	5,194
Interest on lease liabilities	81	103	273	317
Others	50	217	207	595
Less: Capitalized interest	(3,219)	(5,899)	(9,368)	(27,453)
	$ 17,726	$ 18,787	$ 55,131	$ 51,000

Information about capitalized interest is as follows:

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Capitalized interest	$ 3,219	$ 5,899	$ 9,368	$ 27,453
Capitalization rate	2.4%	2.94%	2.41%	2.94%

XXVI. Income Tax

(I) Income tax recognized in profit or loss

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

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Current tax				
In respect of the current period	$ -	$ 63	($ 53)	$ 63
Deferred tax				
In respect of the current period	(7,050)	(12,403)	(14,395)	20,289
Income tax benefit recognized in profit or loss	($ 7,050)	($ 12,340)	($ 14,448)	$ 20,352

(II) Income tax recognized in other comprehensive income

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Deferred tax				
Recognized for the period				
- Translation of foreign operations	$ 41	($ 59)	($ 51)	($ 83)
- Cash flow hedges	-	-	-	(44)
	$ 41	($ 59)	($ 51)	($ 127)

(III) 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 was established in 2023, and its income tax return for 2023 has not yet been approved by the tax authorities.

XXVII. 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 Profit for the period

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Earnings used in the computation of basic and diluted earnings per share				
Profit for the period attributable to owners of the Company	$ 18,338	$ 112,731	$ 70,534	$ 431,943

Shares

Unit: Thousand shares

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	512,797	500,101	512,797	484,319
Effect of potentially dilutive ordinary shares				
Compensation of employees	346	847	638	908
Weighted average number of ordinary shares used in the computation of diluted earnings per share	513,143	500,948	513,435	485,227

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 September 30, 2024, the outstanding preferred shares of the Company were not included in the calculation of diluted earnings per share as they were anti-dilutive.

XXVIII. Share-based Payment Agreement

The Company completed a cash capital increase in July 2023, in which the shares available for employees' subscription was calculated at $29,016 thousand based on the option evaluation model, and the capital reserve was increased by the same amount.

Information on relevant assumptions about employee stock options is disclosed as follows:

	Grant date
	July 5, 2023
Fair value of stock options	NT$7.95 per share
Exercise price	NT$27.1 per share
Duration	11 days
Stock price volatility	40.00%
Risk-free rate	0.9920%

XXIX. Information on Cash Flows

(I) Non-cash transactions

In addition to the information disclosed in other notes, the Group engaged in the following investing activities for certain cash transactions for the nine months ended September 30, 2024 and 2023:

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Acquisition of property, plant and equipment	$ 359,154	$ 1,530,007
Net increase in prepayments for equipment	155,059	(526,538)
Net increase in payables for purchase of equipment	59,540	(97,275)
Effect of foreign currency exchange differences	(115)	1,659
Cash paid	$ 573,638	$ 907,853

(II) Changes in liabilities arising from financing activities

For the Nine Months Ended September 30, 2024

			Non-cash Changes					
	January 1, 2024	Cash Flows	New Leases	Long-term borrowings - current portion	Amortization of Interest Expenses	Effect of foreign currency exchange differences	Others	September 30, 2024
Short-term borrowings	$ 341,836	($ 184,738)	$ -	$ -	$ -	$ -	$ -	$ 157,098
Short-term bills payable	79,904	60,015	-	-	1,474	-	(1,474)	139,919
Long-term borrowings - current portion	518,933	(585,650)	-	670,748	-	-	-	604,031
Long-term borrowings	2,068,284	461,000	-	(670,748)	-	-	-	1,858,536
Lease liabilities	16,420	(9,084)	6,505	-	273	-	(3,646)	10,468
Preferred stock liabilities	287,949	-	-	-	-	-	-	287,949
	$ 3,313,326	($ 258,457)	$ 6,505	$ -	$ 1,747	$ -	($ 5,120)	$ 3,058,001

For the Nine Months Ended September 30, 2023

			Non-cash Changes					
	January 1, 2023	Cash Flows	New Leases	Long-term borrowings - current portion	Amortization of Interest Expenses	Effect of foreign currency exchange differences	Others	September 30, 2023
Short-term borrowings	$ 939,962	($ 466,233)	$ -	$ -	$ -	$ -	$ -	$ 473,729
Short-term bills payable	329,513	(329,513)	-	-	3,886	-	(3,886)	-
Long-term borrowings - current portion	218,604	(193,159)	-	372,450	-	-	-	397,895
Long-term borrowings	1,931,346	465,775	-	(372,450)	-	-	-	2,024,671
Guarantee deposits received	3,705	46,295	-	-	-	-	-	50,000
Lease liabilities	10,869	(7,374)	10,318	-	317	-	(317)	13,813
Preferred stock liabilities	287,949	-	-	-	-	-	-	287,949
	$ 3,721,948	($ 484,209)	$ 10,318	$ -	$ 4,203	$ -	($ 4,203)	$ 3,248,057

XXX. 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 management's recommendations, 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.

XXXI. Financial Instruments

(I) 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).

(II) Fair value of financial instruments that are measured at fair value on a recurring basis

1. Fair value hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivatives	$ -	$ 72	$ -	$ 72

December 31, 2023

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

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets classified as at fair value through profit or loss				
Derivatives	$ -	$ 899	$ -	$ 899

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 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.

(III) Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets			
Financial liabilities at FVTPL			
Financial assets mandatorily measured as at FVTPL	$ -	$ -	$ 899
Financial assets at amortized cost (Note 1)	2,661,243	3,189,922	2,871,403
Financial liabilities			
Financial liabilities at FVTPL			
Held for sell	72	724	-
Financial liabilities at amortized cost (Note 2)	3,534,037	4,042,586	4,158,647

Note 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).

Note 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.

(IV) 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, and analyzes 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.

(1) 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 XXXVII.

Sensitivity analysis

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

The following table details the Group's sensitivity to a 5% increase and decreases in the New Taiwan dollar (the functional currency) against the relevant foreign currency (the 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 the New Taiwan dollar weakening 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.

	USD impact	
	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Income	$ 8,210	$ 2,359

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 Group's sensitivity to the U.S. dollar exchange rate has increased during this period, primarily due to an increase in net assets denominated in U.S. dollars.

<u>Hedge accounting</u>

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 directions 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 (In Thousands)	Maturity Date	Forward Rate	Line Item in Balance Sheet	Carrying Amount Liabilities
Cash flow hedges						
Forecast sales - forward exchange contracts	USD/NTD	USD 867/NTD 26,795	January 18, 2023	$ 30.905	Financial liabilities for hedging	$ -
Forecast sales - forward exchange contracts	USD/NTD	USD 289/NTD 8,817	April 25, 2023	30.507	Financial liabilities for hedging	-
Forecast sales - forward exchange contracts	RMB/NTD	RMB 6,690/NTD 29,712	April 25, 2023	4.441	Financial liabilities for hedging	-

September 30, 2023

Hedging Instrument	Currency	Notional Amount (In Thousands)	Maturity Date	Forward Rate	Line Item in Balance Sheet	Carrying Amount Liabilities
Cash flow hedges						
Forecast sales - forward exchange contracts	USD/NTD	USD 867/NTD 26,795	January 18, 2023	$ 30.905	Financial liabilities for hedging	$ -
Forecast sales - forward exchange contracts	USD/NTD	USD 289/NTD 8,817	April 25, 2023	30.507	Financial liabilities for hedging	-
Forecast sales - forward exchange contracts	RMB/NTD	RMB 6,690/NTD 29,712	April 25, 2023	4.441	Financial liabilities for hedging	-

For the Nine Months Ended September 30, 2023

Hedging Losses Recognized in OCI	Income tax recognized in hedging
Cash flow hedges	
Forecast sales (i)(ii)	$ 75

(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 XXIV for a reconciliation of hedge-related other equity.

(2) 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
- Financial liabilities	$ 438,336	$ 384,273	$ 301,762
Cash flow interest rate risk			
- Financial assets	793,216	1,395,830	1,441,460
- Financial liabilities	2,619,665	2,929,053	2,896,295

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 nine months ended September 30, 2024 and 2023 would have decreased/increased by NT$3,425 thousand and NT$2,728 thousand, respectively, which was mainly attributable to the Group's exposure to interest rate risk on its long-term borrowings.

Group's interest rate sensitivity increased during the period, mainly due to the increase in net liabilities for variable interest rates.

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 credit risk mainly arises from its top 10 clients in terms of operating revenue. As of September 30, 2024, December 31 and September 30, 2023, the percentages of total accounts receivable from main clients were 97.3%, 93.42% and 72.54%, respectively.

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.

(1) 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.

September 30, 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	$ 32,274	$ 266,276	$ 517,154	$ 1,962,289
Fixed interest rate liabilities	139,919	-	-	287,949
Non-interest bearing liabilities	239,553	206,245	40,706	-
Lease liabilities	1,217	2,222	5,096	2,109
	$ 412,963	$ 474,743	$ 562,956	$ 2,252,347

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	$ 8,535	$ 2,109	$ -	$ -	$ -

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	$ -	$ -	$ -

September 30, 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	$ 135,099	$ 228,996	$ 571,669	$ 2,130,488
Fixed interest rate liabilities	-	-	-	287,949
Non-interest bearing liabilities	459,032	335,887	179,484	-
Lease liabilities	765	1,529	6,883	4,945
	$ 594,896	$ 566,412	$ 758,036	$ 2,423,382

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	$ 9,177	$ 4,945	$ -	$ -	$ -

(2) Liquidity and interest rate risk table for derivative financial liabilities

For the liquidity analysis of derivative instruments, the information on the derivatives settled on a gross basis is compiled based on undiscounted gross cash inflows and outflows.

September 30, 2024

	On Demand or Less than 1 Month	1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year
Gross settled				
Foreign exchange forward contracts				
- Inflow	$ 15,275	$ -	$ -	$ -
- Outflow	(15,347)	-	-	-
	($ 72)	$ -	$ -	$ -

December 31, 2023

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

September 30, 2023

	On Demand or Less than 1 Month	1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year
Gross settled				
Foreign exchange forward contracts				
- Inflow	$ 68,264	$ -	$ -	$ -
- Outflow	(67,365)	-	-	-
	$ 899	$ -	$ -	$ -

(3) Financing facilities

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank overdraft facilities			
- Amount used	$ 1,041,279	$ 822,868	$ 568,883
- Amount unused	1,360,868	1,563,214	1,489,868
	$ 2,402,147	$ 2,386,082	$ 2,058,751
Secured bank overdraft facilities:			
- Amount used	$ 3,848,281	$ 2,973,184	$ 2,846,800
- Amount unused	2,211,877	2,030,880	2,376,361
	$ 6,060,158	$ 5,004,064	$ 5,223,161

XXXII. Related-party Transactions

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

(I) Related parties and relationship

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

(II) Operating revenue

Line Item	Related Party Category/Name	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Sales	Associate	$ 58,803	$ 6,853	$ 58,811	$ 76,933

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

(III) Lease revenue

Related Party Category/Name	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Associate				
Holdgood	$ 131	$ 396	$ 364	$ 1,076

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

(IV) Other revenue

Related Party Category/Name	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Associate				
Holdgood	$ 375	$ 291	$ 1,578	$ 1,275

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.

(V) Accounts receivable - associates

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable from related parties	Associate			
	Holdgood	$ 55,543	$ 42,437	$ 25,654

The outstanding accounts receivable from related parties are unsecured and are not overdue. As of September 30, 2024, December 31 and September 30, 2023, no allowance was recognized for accounts receivable from related parties.

(VI) Other receivable

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Other receivables from related parties	Associate			
	Holdgood	$ 1,124	$ 1,385	$ 1,403

Receivables for power plant maintenance fees and rent.

(VII) Endorsements and guarantees

Endorsements and guarantees provided by the groups.

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Associate			
Yuan-Yu	$ 120,000	$ 120,000	$ 120,000

As of September 30, 2024, December 31 and September 30, 2023, the amount of the Group's collateral provided for the above endorsements and guarantees were NT$135,709 thousand, NT$122,175 thousand and NT$143,722 thousand respectively.

(VIII) Contract liabilities

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Contract liabilities	Associate			
	Holdgood	$ -	$ 2,101	$ 3,153

(IX) Remuneration of key management personnel

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Short-term employee benefits	$ 10,537	$ 3,418	$ 33,574	$ 47,940
Post-employment benefits	162	162	486	486
	$ 10,699	$ 3,580	$ 34,060	$ 48,426

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

XXXIII. Pledged Assets

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:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	$ 1,071,526	$ 1,071,526	$ 1,071,526
Buildings	1,780,356	1,835,015	1,853,292
Machinery	892,494	634,672	161,640
Investments accounted for using equity method	135,709	122,175	143,722
Financial assets at amortized cost	102,288	117,474	94,693
	$ 3,982,373	$ 3,780,862	$ 3,324,873

XXXIV. Material Contingent Liabilities and Unrecognized Contractual Commitments

As of September 30, 2024, December 31 and September 30, 2023, the Group's material commitments at the balance sheet date are as follows:

(I) Commitments for construction contracts

	September 30, 2024	December 31, 2023	September 30, 2023
Purchased	$ 254,782	$ 93,873	$ 160,383
To be purchased in the future	83,404	218,345	179,461
Total Notional Amount	$ 338,186	$ 312,218	$ 339,844

(II) Commitments for material purchasing contracts

	September 30, 2024	December 31, 2023	September 30, 2023
Purchased	$ 433,579	$ 393,553	$ 358,995
To be purchased in the future	588,263	706,260	732,508
Total Notional Amount	$ 1,021,842	$ 1,099,813	$ 1,091,503

(III) Commitments for equipment purchasing contracts

	September 30, 2024	December 31, 2023	September 30, 2023
Purchased	$ 362,373	$ 510,942	$ 420,711
To be purchased in the future	63,789	213,001	399,381
Total Notional Amount	$ 426,162	$ 723,943	$ 820,092

XXXV. Other Matters

On 15 February 2023, the President announced the amendments to the Climate Change Response Act to add a requirement for a carbon fee. Subsequently, the Ministry of the Environment promulgated the "Regulations for Charging of Carbon Fees", the "Regulations for Administration of Voluntary Reduction Plans", and the "Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees" on 29 August 2024, and the carbon fee charging rate was also announced on 21 October 2024, and will take effect on 1 January 2025, accordingly. Based on the emission assessment for fiscal year 2023, Group will be subject to a carbon fee. Therefore, Group will recognize a provision for the related liabilities in fiscal year 2025 based on the actual emissions, and pay the carbon fee in May 2026, accordingly.

XXXVI. Material Events After the Reporting Period: Please see Note XXXV.

XXXVII. Foreign Currency Assets and Liabilities with Significantly Impact

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:

Unit: In Thousands of Foreign Currencies/In Thousands of New Taiwan Dollars

September 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 10,728	31.65 (USD:NTD)	$ 339,541
Non-monetary items			
USD	263	31.65 (USD:NTD)	8,310
Financial liabilities			
Monetary items			
USD	5,540	31.65 (USD:NTD)	175,341

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
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

September 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 18,336	32.27 (USD:NTD)	$ 591,703
Non-monetary items			
USD	262	32.27 (USD:NTD)	8,464
Financial liabilities			
Monetary items			
USD	16,874	32.27 (USD:NTD)	544,524

The unrealized exchange losses on foreign currencies with significant influence are as follows:

	For the Three Months Ended September 30, 2024		For the Three Months Ended September 30, 2023	
Foreign Currency	Exchange Rate	Unrealized exchange losses, net	Exchange Rate	Unrealized exchange losses, net
USD	32.301 (USD:NTD)	($ 771)	31.684 (USD:NTD)	($ 1,993)

	For the Nine Months Ended September 30, 2024		For the Nine Months Ended September 30, 2023	
Foreign Currency	Exchange Rate	Unrealized exchange losses, net	Exchange Rate	Unrealized exchange losses, net
USD	32.034 (USD:NTD)	($ 284)	30.928 (USD:NTD)	($ 1,102)

XXXVIII. Additional Disclosures

(I) 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 VII and XXXI
10. Intercompany relationships and significant intercompany transactions: None

(II) Information on investees: Table 3 (attached)

(III) Information on investments in mainland China: None

(IV) 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)

XXXIX. 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.

(I) Segment revenue and results

	Solar modules	Others	Eliminations	Total
For the Nine Months Ended September 30, 2024				
Revenue from external customers	$ 3,642,000	$ 120,732	$ -	$ 3,762,732
Intersegment revenue	$ -	$ -	$ -	$ -
Segment profit (loss)	$ 117,735	($ 35,449)	$ 1,216	$ 83,502
For the Nine Months Ended September 30, 2023				
Revenue from external customers	$ 6,304,927	$ 100,521	$ -	$ 6,405,448
Intersegment revenue	$ -	$ -	$ -	$ -
Segment profit (loss)	$ 358,672	($ 17,887)	$ 1,134	$ 341,919

(II) Segment total assets

	September 30, 2024	December 31, 2023	September 30, 2023
Segment total assets			
Solar modules	$ 10,904,052	$ 11,575,683	$ 11,552,660
Others	424,803	490,988	472,063
Consolidated total assets	$ 11,328,855	$ 12,066,671	$ 12,024,723

TSEC CORPORATION AND SUBSIDIARIES

Endorsements and guarantees provided by the groups.

For the Nine Months Ended September 30, 2024

TABLE 1

(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	Ratio of Accumulated	Guarantee to Net Equity in Latest Financial Statements (%) (Note 3)	Aggregate Guarantee Limit (Note 2)	Endorsement/Guarantee by Parent to Subsidiary (Note 5)	Endorsement/Guarantee by Subsidiary to Parent (Note 5)	Endorsement/Guarantee by Entity in Mainland China (Note 5)	Note
		Name of Associate	Relationship (Note 1)											
0	TSEC Corporation	Yuan-Yu Solar Energy Co., Ltd.	6	$ 1,500,256	$ 120,000	$ 120,000	$ 120,000	$ 135,709	1.60	$ 3,375,576	N	N	N	
0	TSEC Corporation	Houchang Energy Corporation	2	1,500,256	245,000	245,000	194,481	-	3.26	3,375,576	Y	N	N	
0	TSEC Corporation	Jinjing Electric Power Co., Ltd.	2	1,500,256	80,000	80,000	-	-	1.07	3,375,576	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:

1. A company with which it has business dealings.
2. The Company directly or indirectly holds more than 50% of the voting shares of the other company.
3. The other company directly or indirectly holds more than 50% of the voting shares of the Company.
4. 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.
5. The company provides mutual guarantees with other companies in the same industry or joint contractors as required by contract for construction projects.
6. The company provides guarantees for the investee company based on a joint investment relationship, with all contributing shareholders endorsing the guarantee in proportion to their shareholdings.

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 (excluding investments in subsidiaries)

September 30, 2024

TABLE 2 (In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the period				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair value	
TSEC Corporation	Domestic investments Unlisted shares							
	Ordinary shares - 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 Nine Months Ended September 30, 2024

TABLE 3

(InThousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Business and Products	Investment Amount		Held at the end of the period			Net Income (Loss) of the Investee	Share of Profit	Note
				End of the period	End of the last period	Number of Shares (In Thousands)	%	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 (USD 1,000,000)	$ 31,129 (USD 1,000,000)	100	100	$ 8,310	($ 16)	($ 16)	Notes 1, 4 and 6
	Houchang Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan	Energy Storage System Operations	160,500	120,500	16,050	100	138,364	(22,166)	(22,166)	Notes 1 and 6
	Changyang Optoelectronics Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan	Self-usage power generation equipment utilizing renewable energy industry	-	400	-	-	-	(28)	(22)	Notes 1, 6 and 8
	Yunsheng Optoelectronics Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan	Self-usage power generation equipment utilizing renewable energy industry	500	500	50	100	482	1	1	Notes 1 and 6
	Yunxing Optoelectronics Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan	Self-usage power generation equipment utilizing renewable energy industry	500	500	50	100	482	1	1	Notes 1 and 6
	TSECPV(HK) LIMITED	806-807, 8/F, One Pacific Place, 88 Queensway, Hong Kong	Sales of solar related products	- (USD -)	250 (USD 8,038)	-	-	-	-	-	Notes 1, 6 and 9
	Hengli Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan	Self-usage power generation equipment utilizing renewable energy industry	4,989	89	500	100	4,917	(63)	(63)	Notes 1 and 6
	Yuan Jin Energy Co., Ltd.	8F., No. 225, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City 231, Taiwan	Self-usage power generation equipment utilizing renewable energy industry	26,100	26,100	2,610	90	25,954	(94)	(84)	Notes 1 and 6
	Holdgood Energy Corporation	8F., No. 225, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City 231, Taiwan	Self-usage power generation equipment utilizing renewable energy industry	213,804	213,804	21,380	45.49	228,752	9,306	4,233	Notes 2 and 5
	Yuan-Yu Solar Energy Co., Ltd.	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan	Self-usage power generation equipment utilizing renewable energy industry	120,000	120,000	12,000	20	135,709	56,056	12,507	Notes 3, 5 and 7
	NFC III Renewable Power Co., Ltd.	12F-4, No. 89, Songren Road, Xinyi District, Taipei City 110413, Taiwan	Self-usage power generation equipment utilizing renewable energy industry	432,000	432,000	43,200	24	422,785	(19,855)	(4,765)	Notes 3
Houchang Energy Corporation	Hengli Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan	Self-usage power generation equipment utilizing	100	100	10	100	89	-	-	Notes 1 and 6

			renewable energy industry							
	Yongli Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan	Self-usage power generation equipment utilizing renewable energy industry	100	100	10	100	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	Self-usage power generation equipment utilizing renewable energy industry	28,024	28,024	2,810	100	27,809	(64)	(64)	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 the issuance date of this consolidated financial statements, 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 provided the shares of Yuan Yu to the bank institution as collateral for Yuan Yu's financing in Note XXXIII.

Note 8: Changyang Optoelectronics completed the liquidation process in September 2024.

Note 9: TSECPV(HK) LIMITED completed the liquidation process in August 2024.

TSEC CORPORATION AND SUBSIDIARIES

Information of major shareholders

September 30, 2024

TABLE 4

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.