

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

YEONG GUAN ENERGY
TECHNOLOGY GROUP CO.,
LTD. and Subsidiaries

Consolidated Financial Statements for
the Nine Months Ended September
30, 2024 and 2023 and
Independent Auditors' Review Report

Notice to Readers

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

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

Address: Cricket Square, Hutchins Drive,
Po Box 2681, Grand Cayman, KY1-1111,
Cayman Islands
Telephone: 002-86-574-86228866

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders

YEONG GUAN ENERGY TECHNOLOGY GROUP CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of Yeong Guan Energy Technology Group Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, 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

Except as explained in the following paragraph, 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 consist 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, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries, joint operations, and associates as described in the preceding paragraph been reviewed, 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, and its consolidated financial performance and its cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations

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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.

Deloitte and Touche

CPA Huang Yao-Lin

CPA Lee, Tung-Feng

Financial Supervisory Commission

Executive Yuan

Approval Document No.

Gin-Guan-Zheng-Shen-Tze

No. 106004806

Securities and Futures Bureau

Approval Document No.

Tai-Cai-Zheng-Six-Tze

No. 0930128050

November 7, 2024

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Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
Consolidated Balance Sheets

Unit: in thousands of NTD

| Code | Asset | September 30, 2024 (Reviewed) | | December 31, 2023 (Audited) | | September 30, 2023 (Reviewed) | |
|------|--|-------------------------------|--------------|-----------------------------|--------------|-------------------------------|--------------|
| | | Amount | % | Amount | % | Amount | % |
| | CURRENT ASSETS | | | | | | |
| 1100 | Cash and cash equivalent(Notes 6) | \$ 2,191,717 | 9 | \$ 2,196,543 | 9 | \$ 2,198,207 | 9 |
| 1110 | Financial assets at fair value through profit or loss – current(Notes 7) | 13,554 | - | 50,134 | - | 11,221 | - |
| 1136 | Financial assets measured based on amortized cost – current(Note 9) | 32,428 | - | 364,745 | 2 | - | - |
| 1150 | Notes receivable(Notes 22) | 553,254 | 2 | 609,795 | 2 | 890,764 | 4 |
| 1170 | Account receivables, net(Notes 10 and 22) | 2,399,317 | 10 | 2,754,519 | 11 | 2,948,715 | 12 |
| 130X | Inventories, net(Notes 11) | 1,779,591 | 7 | 2,325,047 | 9 | 2,734,401 | 11 |
| 1476 | Other financial assets-current(Notes 16 and 29) | 699,382 | 3 | 1,206,385 | 5 | 1,257,970 | 5 |
| 1479 | Other current assets | <u>1,477,595</u> | <u>6</u> | <u>572,533</u> | <u>2</u> | <u>559,523</u> | <u>2</u> |
| 11XX | Total Current Assets | <u>9,146,838</u> | <u>37</u> | <u>10,079,701</u> | <u>40</u> | <u>10,600,801</u> | <u>43</u> |
| | NON-CURRENT ASSETS | | | | | | |
| 1517 | Financial assets at fair value through other comprehensive income - non-current (Notes 8) | 192,002 | 1 | 136,581 | 1 | 158,259 | 1 |
| 1600 | Property, plant and equipment(Notes 13 ,28 and 29) | 12,317,831 | 49 | 11,751,198 | 47 | 11,116,610 | 45 |
| 1755 | Right of Use Assets(Notes 14 and 29) | 535,758 | 2 | 553,987 | 2 | 576,919 | 2 |
| 1760 | Investment property, net | 714 | - | 719 | - | 720 | - |
| 1805 | Goodwill(Notes 15) | 140,160 | 1 | 137,888 | 1 | 139,884 | 1 |
| 1840 | Deferred income tax assets(Notes 4 and 24) | 240,475 | 1 | 133,879 | - | 108,534 | - |
| 1915 | Equipment prepayments | 2,165,697 | 9 | 2,183,512 | 9 | 1,976,494 | 8 |
| 1980 | Other non-current financial assets (Notes 16 and 29) | 37,168 | - | 31,953 | - | 28,626 | - |
| 1990 | Other non-current assets | <u>87,523</u> | <u>-</u> | <u>67,088</u> | <u>-</u> | <u>77,206</u> | <u>-</u> |
| 15XX | Total Non-Current Assets | <u>15,717,328</u> | <u>63</u> | <u>14,996,805</u> | <u>60</u> | <u>14,183,252</u> | <u>57</u> |
| 1XXX | TOTAL ASSETS | <u>\$ 24,864,166</u> | <u>100</u> | <u>\$ 25,076,506</u> | <u>100</u> | <u>\$ 24,784,053</u> | <u>100</u> |
| Code | LIABILITIES and SHAREHOLDER’S EQUITY | | | | | | |
| | CURRENT LIABILITIES | | | | | | |
| 2100 | Short-term loans (Notes 17 and 29) | \$ 4,652,780 | 19 | \$ 4,455,552 | 18 | \$ 4,184,296 | 17 |
| 2120 | Financial liabilities at fair value through profit or loss - current (Notes 7 and 18) | - | - | - | - | 1,617 | - |
| 2130 | Contract liabilities (Notes 22 and 28) | 3,161 | - | 13,290 | - | 14,399 | - |
| 2150 | Notes payable | 147,471 | - | 1,414,054 | 6 | 1,229,172 | 5 |
| 2170 | Account payables | 737,550 | 3 | 635,560 | 2 | 660,996 | 3 |
| 2219 | Other accounts payable (Notes 19) | 743,635 | 3 | 793,967 | 3 | 770,443 | 3 |
| 2230 | Current income tax liabilities (Notes 4 and 24) | 14,264 | - | 27,130 | - | 20,313 | - |
| 2280 | Lease liabilities - current (Notes 14) | 19,442 | - | 18,467 | - | 21,295 | - |
| 2321 | Current portion of bonds payable (Notes 18) | 98,354 | - | - | - | - | - |
| 2322 | Current portion of long-term borrowings (Notes 17 and 29) | 908,912 | 4 | - | - | - | - |
| 2399 | Other current liabilities | <u>51,384</u> | <u>-</u> | <u>2,988</u> | <u>-</u> | <u>16,828</u> | <u>-</u> |
| 21XX | Total Current Liabilities | <u>7,376,953</u> | <u>29</u> | <u>7,361,008</u> | <u>29</u> | <u>6,904,960</u> | <u>28</u> |
| | NON-CURRENT LIABILITIES | | | | | | |
| 2500 | Financial liabilities at fair value through profit or loss - non-current (Notes 7 and 18) | 20,013 | - | 12,173 | - | 13,101 | - |
| 2530 | Bonds payable (Notes 18) | 988,181 | 4 | 1,076,786 | 4 | 1,073,544 | 4 |
| 2540 | Long-term borrowings (Notes 17 and 29) | 7,446,526 | 30 | 7,693,912 | 31 | 7,302,697 | 30 |
| 2570 | Deferred income tax liabilities (Notes 4 and 24) | 230,717 | 1 | 5,648 | - | 8,648 | - |
| 2580 | Lease liabilities - non-current (Notes 14) | <u>194,037</u> | <u>1</u> | <u>199,611</u> | <u>1</u> | <u>206,500</u> | <u>1</u> |
| 25XX | Total Non-Current Liabilities | <u>8,879,474</u> | <u>36</u> | <u>8,988,130</u> | <u>36</u> | <u>8,604,490</u> | <u>35</u> |
| 2XXX | TOTAL LIABILITIES | <u>16,256,427</u> | <u>65</u> | <u>16,349,138</u> | <u>65</u> | <u>15,509,450</u> | <u>63</u> |
| | EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | | |
| 3110 | Common stock capital | <u>1,181,359</u> | <u>5</u> | <u>1,181,359</u> | <u>5</u> | <u>1,181,359</u> | <u>5</u> |
| 3200 | Additional paid-in capital | <u>6,490,466</u> | <u>26</u> | <u>6,490,466</u> | <u>26</u> | <u>6,490,466</u> | <u>26</u> |
| | Retained earnings | | | | | | |
| 3310 | Legal reserve | 576,294 | 2 | 576,294 | 2 | 576,294 | 2 |
| 3320 | Special reserve | 1,383,149 | 6 | 1,192,621 | 5 | 1,192,621 | 5 |
| 3350 | Unappropriated retained earnings | (<u>297,141</u>) | (<u>1</u>) | <u>503,002</u> | <u>2</u> | <u>704,645</u> | <u>3</u> |
| 3300 | Total Retained Earnings | <u>1,662,302</u> | <u>7</u> | <u>2,271,917</u> | <u>9</u> | <u>2,473,560</u> | <u>10</u> |
| | Other components of Equity | | | | | | |
| 3410 | Exchange difference on translation of foreign financial statements | (908,076) | (4) | (1,340,964) | (6) | (1,011,476) | (4) |
| 3420 | Unrealized evaluation gains and losses of the equity instrument investment benefit measured at fair value through other comprehensive gains and losses | (<u>53,977</u>) | (<u>-</u>) | (<u>42,727</u>) | <u>-</u> | (<u>26,090</u>) | (<u>-</u>) |
| 3400 | Total Other Components of Equity | (<u>962,053</u>) | (<u>4</u>) | (<u>1,383,691</u>) | (<u>6</u>) | (<u>1,037,566</u>) | (<u>4</u>) |
| 31XX | EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | 8,372,080 | 34 | 8,560,051 | 34 | 9,107,819 | 37 |
| 36XX | Non-controlling interests | <u>235,659</u> | <u>-</u> | <u>167,317</u> | <u>1</u> | <u>166,784</u> | <u>-</u> |
| 3XXX | TOTAL EQUITY | <u>8,607,739</u> | <u>35</u> | <u>8,727,368</u> | <u>35</u> | <u>9,274,603</u> | <u>37</u> |
| | TOTAL LIABILITIS and EQUITY | <u>\$ 24,864,166</u> | <u>100</u> | <u>\$ 25,076,506</u> | <u>100</u> | <u>\$ 24,784,053</u> | <u>100</u> |

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

Chairman: Chang, Hsien-Ming

General Manager: Li, Rong

Chief Accountant: Tsai, Ching-Wu

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Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
Consolidated Income Statement
(Reviewed, Not Audited)

Unit: in thousands of NTD,
Except Earnings Per Share

| Code | | 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 | |
|------|--|--|---------------|--|---------------|---|---------------|---|--------------|
| | | Amount | % | Amount | % | Amount | % | Amount | % |
| 4000 | OPERATING REVENUE (Notes 22) | \$ 1,847,224 | 100 | \$ 1,938,525 | 100 | \$ 5,005,980 | 100 | \$ 6,498,608 | 100 |
| 5000 | OPERATING COSTS (Notes 11 and 23) | <u>1,818,859</u> | <u>99</u> | <u>1,672,798</u> | <u>86</u> | <u>5,174,903</u> | <u>104</u> | <u>5,355,637</u> | <u>83</u> |
| 5900 | GROSS PROFIT | <u>28,365</u> | <u>1</u> | <u>265,727</u> | <u>14</u> | (<u>168,923</u>) | (<u>4</u>) | <u>1,142,971</u> | <u>17</u> |
| | OPERATING EXPENSES (Notes 10 and 23) | | | | | | | | |
| 6100 | Marketing expenses | 101,730 | 5 | 101,526 | 5 | 252,870 | 5 | 284,631 | 4 |
| 6200 | General and administrative expenses | 136,705 | 7 | 164,714 | 9 | 388,177 | 8 | 481,095 | 7 |
| 6300 | Research and development expenses | 51,926 | 3 | 75,653 | 4 | 157,030 | 3 | 242,962 | 4 |
| 6450 | Expected credit loss (gain) | <u>11,459</u> | <u>1</u> | <u>24,119</u> | <u>1</u> | <u>13,774</u> | - | <u>27,766</u> | <u>1</u> |
| 6000 | Total operating expenses | <u>301,820</u> | <u>16</u> | <u>366,012</u> | <u>19</u> | <u>811,851</u> | <u>16</u> | <u>1,036,454</u> | <u>16</u> |
| 6900 | PROFIT (LOSS) FROM OPERATIONS | (<u>273,455</u>) | (<u>15</u>) | (<u>100,285</u>) | (<u>5</u>) | (<u>980,774</u>) | (<u>20</u>) | <u>106,517</u> | 1 |
| | NON-OPERATING INCOME AND EXPENSES | | | | | | | | |
| 7100 | Interest income (Notes 23) | 5,827 | - | 7,374 | - | 22,322 | - | 23,995 | 1 |
| 7190 | Other income and loss (Notes 12, 23 and 28) | 878,939 | 48 | 9,167 | 1 | 960,193 | 19 | 17,736 | - |
| 7235 | Financial product net (loss) profit at fair value through profit and loss (Notes 7 and 18) | 8,926 | 1 | (40,506) | (2) | 390 | - | (1,580) | - |
| 7630 | Foreign currency exchange net loss (Notes 30) | 22,975 | 1 | (53,697) | (3) | (70,810) | (1) | (13,851) | - |
| 7510 | Finance costs (Notes 18 and 23) | (<u>113,503</u>) | (<u>6</u>) | (<u>62,024</u>) | (<u>3</u>) | (<u>324,838</u>) | (<u>6</u>) | (<u>171,712</u>) | (<u>3</u>) |
| 7000 | Total non-operating income and expenses | <u>803,164</u> | <u>44</u> | (<u>139,686</u>) | (<u>7</u>) | <u>587,257</u> | <u>12</u> | (<u>145,412</u>) | (<u>2</u>) |
| 7900 | PROFIT (LOSS) BEFORE INCOME TAX | 529,709 | 29 | (239,971) | (12) | (393,517) | (8) | (38,895) | (1) |
| 7950 | INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 24) | <u>192,043</u> | 11 | (<u>19,211</u>) | (1) | <u>212,981</u> | <u>4</u> | <u>32,769</u> | - |
| 8200 | NET PROFIT (LOSS) FOR THE PERIOD | <u>337,666</u> | 18 | (<u>220,760</u>) | (<u>11</u>) | (<u>606,498</u>) | (<u>12</u>) | (<u>71,664</u>) | (<u>1</u>) |
| | OTHER COMPREHENSIVE INCOME (LOSS) | | | | | | | | |
| | Items that may not be reclassified subsequently to profit or loss: | | | | | | | | |
| 8316 | Unrealized gain on financial assets at fair value through other comprehensive income | 23,157 | 1 | - | - | (11,250) | - | 58,286 | 1 |
| | Items that may be reclassified subsequently to profit or loss: | | | | | | | | |
| 8361 | Exchange differences arising on translation of foreign operations | <u>41,874</u> | 3 | <u>398,389</u> | 20 | <u>453,581</u> | 9 | <u>165,838</u> | 2 |
| 8300 | OTHER COMPREHENSIVE INCOME | <u>65,031</u> | 4 | <u>398,389</u> | 20 | <u>442,331</u> | 9 | <u>224,124</u> | 3 |
| 8500 | TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>\$ 402,697</u> | <u>22</u> | <u>\$ 177,629</u> | <u>9</u> | <u>\$ 164,167</u> | (<u>3</u>) | <u>\$ 152,460</u> | <u>2</u> |
| | NET PROFIT (LOSS) ATTRIBUTABLE TO: | | | | | | | | |
| 8610 | Shareholders of the parent | \$ 333,585 | 18 | (\$ 218,355) | (<u>11</u>) | (\$ 605,708) | (<u>12</u>) | (\$ 68,097) | (<u>1</u>) |
| 8620 | Non-controlling interests | <u>4,081</u> | - | (<u>2,405</u>) | - | (<u>790</u>) | - | (<u>3,567</u>) | - |
| 8600 | | <u>\$ 337,666</u> | <u>18</u> | (<u>\$ 220,760</u>) | (<u>11</u>) | (<u>\$ 606,498</u>) | (<u>12</u>) | (<u>\$ 71,664</u>) | (<u>1</u>) |
| | TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | | | | | |
| 8710 | Shareholders of the parent | \$ 374,588 | 20 | \$ 179,608 | 9 | (\$ 184,070) | (<u>3</u>) | \$ 158,372 | 2 |
| 8720 | Non-controlling interests | <u>28,109</u> | <u>2</u> | (<u>1,979</u>) | - | <u>19,903</u> | - | (<u>5,912</u>) | - |
| 8700 | | <u>\$ 402,697</u> | <u>22</u> | <u>\$ 177,629</u> | <u>9</u> | (<u>\$ 164,167</u>) | (<u>3</u>) | <u>\$ 152,460</u> | <u>2</u> |
| | (LOSS) EARNINGS PER SHARE (Note 25) | | | | | | | | |
| 9750 | Basic | <u>\$ 2.82</u> | | (<u>\$ 1.85</u>) | | (<u>\$ 5.13</u>) | | (<u>\$ 0.60</u>) | |
| 9850 | Diluted | <u>\$ 2.82</u> | | (<u>\$ 1.85</u>) | | (<u>\$ 5.13</u>) | | (<u>\$ 0.60</u>) | |

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

Chairman: Chang, Hsien-Ming

General Manager: Li, Rong

Chief Accountant: Tsai, Ching-Wu

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Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
For periods from January 1 to September 30 of 2024 and 2023
(Reviewed, Not Audited)

Unit: in thousands of NTD

| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 21) | | | | | | | | | | | | | | | | | | | |
|---|--|-----------------|----------------------------|--------------|----------------------|----------------------------|--------|--------------|-------------------|-----------------|-------------------|--------------|---|--|------------------|--------------|---------------------------|--------------|--------------|
| | | Capital Surplus | | | | | | | Retained Earnings | | | | | Other Equity | | | | | |
| | | | | | | | | | | | | | | Unrealized Valuation Gain on Financial Assets at Fair Value Through Other Comprehensive Income | | | Non-Controlling Interests | | Total |
| Code | | Common Stock | Additional Paid-In Capital | Stock Option | Invalid Stock Option | Treasury Stock Transaction | Others | Total | Legal Reserve | Special Reserve | Retained Earnings | Total | Exchange Differences on Translation of Foreign Operations | | Total | Total | Total | (Notes 21) | Total Equity |
| A1 | BALANCE AT JANUARY 1, 2023 | \$1,106,175 | \$5,722,508 | \$ 80,098 | \$ 148,875 | \$ 28,673 | \$ - | \$ 5,980,154 | \$ 576,294 | \$ 1,349,197 | \$ 544,916 | \$ 2,470,407 | (\$ 1,179,659) | (\$ 13,126) | (\$ 1,192,785) | \$ 8,363,951 | \$ 128,061 | \$ 8,492,012 | |
| B3 | Appropriation and distribution of 2023 earnings: Special reserve | - | - | - | - | - | - | - | - | (156,576) | 156,576 | - | - | - | - | - | - | - | |
| C5 | Capital Reserve From Stock Warrants | - | - | 141,750 | - | - | - | 141,750 | - | - | - | - | - | - | - | 141,750 | - | 141,750 | |
| C17 | Other changes in capital surplus | - | - | - | - | - | 5 | 5 | - | - | - | - | - | - | - | 5 | - | 5 | |
| D1 | Net income for the 3 months ended September 30, 2023 | - | - | - | - | - | - | - | - | - | (68,097) | (68,097) | - | - | - | (68,097) | (3,567) | (71,664) | |
| D3 | Other comprehensive income for the 9 months ended September 30, 2023, net of income tax | - | - | - | - | - | - | - | - | - | - | - | 168,183 | 58,286 | 226,469 | 226,469 | (2,345) | 224,124 | |
| D5 | Total comprehensive income for the 9 months ended September 30, 2023 | - | - | - | - | - | - | - | - | - | (68,097) | (68,097) | 168,183 | 58,286 | 226,469 | 158,372 | (5,192) | 152,460 | |
| Q1 | Disposal of investments in equity instruments at fair value through other comprehensive income | - | - | - | - | - | - | - | - | - | 71,250 | 71,250 | - | (71,250) | (71,250) | - | - | - | |
| I1 | Convertible bonds converted to ordinary shares | 75,184 | 412,821 | (44,264) | - | - | - | 368,557 | - | - | - | - | - | - | - | 443,741 | - | 443,741 | |
| O1 | Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 44,635 | 44,635 | |
| T1 | Expired stock options | - | - | (74,822) | 74,822 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Z1 | BALANCE AT SEPTEMBER 30, 2023 | \$ 1,181,359 | \$ 6,135,329 | \$ 102,762 | \$ 223,697 | \$ 28,673 | \$ 5 | \$6,490,466 | \$ 576,294 | \$ 1,192,621 | \$ 704,645 | \$ 2,473,560 | (\$ 1,011,476) | (\$ 26,090) | (\$ 1,037,566) | \$ 9,107,819 | \$ 166,784 | \$ 8,274,603 | |
| A1 | BALANCE AT JANUARY 1, 2024 | \$ 1,181,359 | \$ 6,135,329 | \$ 102,762 | \$ 223,697 | \$ 28,673 | \$ 5 | \$6,490,466 | \$ 576,294 | \$ 1,192,621 | \$ 503,002 | \$ 2,271,917 | (\$ 1,340,964) | (\$ 42,727) | (\$ 1,383,691) | \$ 8,560,051 | \$ 167,317 | \$ 8,727,368 | |
| B3 | Special reserve reversed | - | - | - | - | - | - | - | - | 190,528 | (190,528) | - | - | - | - | - | - | - | |
| D1 | Net income for the 9 months ended September 30, 2024 | - | - | - | - | - | - | - | - | - | (605,708) | (605,708) | - | - | - | (605,708) | (790) | (606,498) | |
| D3 | Other comprehensive income for the Three Months Ended September 30, 2024 | - | - | - | - | - | - | - | - | - | - | - | 432,888 | (11,250) | 421,638 | 421,638 | 20,693 | 442,331 | |
| D5 | Total other comprehensive income for the Three Months Ended September 30, 2024 | - | - | - | - | - | - | - | - | - | (605,708) | (605,708) | 432,888 | (11,250) | 421,638 | (184,070) | 19,903 | (164,167) | |
| O1 | Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | (3,907) | (3,907) | - | - | - | (3,907) | 48,439 | 44,532 | |
| C17 | Other changes in capital surplus | - | - | - | - | - | 6 | 6 | - | - | - | - | - | - | - | 6 | - | 6 | |
| Z1 | BALANCE AT SEPTEMBER 30, 2024 | \$ 1,181,359 | \$ 6,135,329 | \$ 102,762 | \$ 223,697 | \$ 28,673 | \$ 11 | \$ 6,490,472 | \$ 576,294 | \$ 1,383,149 | (\$ 297,141) | \$ 1,622,302 | (\$ 908,076) | (\$ 53,977) | (\$ 962,053) | \$ 8,372,080 | \$ 235,659 | \$ 8,607,739 | |

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

Chairman: Chang, Hsien-Ming

General Manager: Li, Rong

Chief Accountant: Tsai, Ching-Wu

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Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flows
For periods from January 1 to September 30 of 2024 and 2023
(Reviewed, Not Audited)

Unit: in thousands of NTD

| Code | | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--------|--|--|--|
| | CASH FLOWS FROM OPERATING ACTIVITIES | | |
| A10000 | Loss before income tax | (\$ 393,517) | (\$ 38,895) |
| A20010 | Adjustments for: | | |
| A20100 | Depreciation expense | 530,189 | 368,831 |
| A20200 | Amortization expense | 4,835 | 5,567 |
| A20300 | Expected credit loss recognized | 13,774 | 27,766 |
| A20400 | Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss | (390) | 1,580 |
| A20900 | Finance costs | 324,838 | 171,712 |
| A21200 | Interest income | (22,322) | (23,995) |
| A22500 | Loss on disposal of property, plant and equipment | (239,900) | 8,780 |
| A22800 | Loss on disposal of intangible assets | 35 | - |
| A22900 | Gain on disposal of right to use assets | (418,711) | - |
| A23800 | Recognition of write-down of inventories | 69,037 | 13,604 |
| A24100 | Net (gain) loss on foreign currency exchange | 38,088 | (6,200) |
| A24200 | Gain on repayment of bonds payable | | (4,942) |
| A30000 | Net change on operating assets and liabilities | | |
| A31130 | Notes receivable | 81,713 | (571,343) |
| A31150 | Account receivables | 450,488 | 530,008 |
| A31200 | Inventories | 617,686 | (839,976) |
| A31240 | Other current assets | (601,355) | (35,646) |
| A31990 | Other non-current assets | (36,220) | (29,629) |
| A32110 | Financial instrument at fair value through profit and loss | 8,385 | 18,853 |
| A32125 | Contract liability | 87,185 | (1,821) |
| A32130 | Notes payable | (1,318,771) | (143,337) |
| A32150 | Account payables | 74,878 | (276,189) |
| A32180 | Other payables | (75,529) | (73,204) |
| A32230 | Other current liabilities | 48,008 | 1,178 |
| A32990 | Other financial assets | <u>550,799</u> | <u>3,643</u> |
| A33000 | Cash generated from operations | (206,777) | (891,655) |
| A33300 | Interest paid | (327,624) | (232,802) |
| A33500 | Income tax paid | (<u>103,726</u>) | (<u>70,261</u>) |
| AAAA | Net cash generated from operating activities | (<u>638,127</u>) | (<u>1,194,718</u>) |

(to be continued)

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

(brought forward)

| Code | | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--------|---|--|--|
| | CASH FLOWS FROM INVESTING ACTIVITIES | | |
| B00010 | Purchase of financial assets at fair value through other comprehensive income | (\$ 59,144) | (\$ 137,560) |
| B00020 | Proceeds from disposal of financial assets at fair value through other comprehensive income | - | 99,750 |
| B00040 | Purchase of disposal of financial assets at amortized cost | (408) | - |
| B00050 | Proceeds from disposal of financial assets at amortized cost | 346,156 | 188,974 |
| B00100 | Purchase of financial asset at fair value through profit or loss | (44,439) | (127,901) |
| B00200 | Proceeds from disposal of financial asset at fair value through profit or loss | 82,760 | 127,357 |
| B02600 | Proceeds from disposal of right to use assets | 243,867 | - |
| B02700 | Purchase of property, plant and equipment | (471,758) | (1,505,815) |
| B02800 | Disposal of property, plant and equipment | 174,033 | 16,985 |
| B04500 | Payment for intangible assets | (12,264) | (571) |
| B06700 | (Increase) decrease in other non-current assets | 13,361 | (4,846) |
| B07100 | Increase in equipment prepayments | (383,538) | (548,806) |
| B07500 | Interests collected | <u>24,073</u> | <u>24,932</u> |
| BBBB | Net cash generated used in investing activities | (<u>87,301</u>) | (<u>1,867,501</u>) |
| | CASH FLOWS FROM FINANCING ACTIVITIES | | |
| C00200 | Increase in short term loan | 8,329 | 735,442 |
| C01200 | Issuance of bonds | - | 1,557,690 |
| C01300 | Repayment of bonds payable | - | (1,422,358) |
| C01600 | Proceeds from long term loan | 632,061 | 2,186,065 |
| C04020 | Payments of lease liabilities | (25,672) | (21,146) |
| C05800 | Changes in non-controlling interests | 44,532 | 44,635 |
| C09900 | Return of unclaimed dividends | <u>6</u> | <u>5</u> |
| CCCC | Net cash generated from financing activities | <u>659,256</u> | <u>3,080,333</u> |
| DDDD | EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | <u>61,346</u> | <u>65,713</u> |
| EEEE | NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS | (<u>4,826</u>) | 83,827 |
| E00100 | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>2,196,543</u> | <u>2,114,380</u> |
| E00200 | CASH AND CASH EQUIVALENTS AT THE END OF SEPTEMBER 30, 2024 | <u>\$ 2,191,717</u> | <u>\$ 2,198,207</u> |

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

Chairman: Chang, Hsien-Ming

General Manager: Li, Rong

Chief Accountant: Tsai, Ching-Wu

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Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
for periods from January 1 to September 30 of 2024 and 2023
(Unless otherwise specified, all amounts are in thousands of NTD.)

1. GENERAL

Yeong Guan Energy Technology Group Co., Ltd. (hereinafter referred to as the “Company”) was established on January 22, 2008 in British Cayman Islands under the main purpose of organization restructuring. According to the Company’s equity swap agreement, organization restructuring was completed on September 22, 2008. The Company has become an investment holding company after the restructuring.

The Company’s stocks were listed and traded in Taiwan Stock Exchange starting April 27, 2012.

Consolidated financial statements hereto are presented in the Company’s functional currency of NTD.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on November 7, 2024.

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

A. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Group’s accounting policies.

B. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

| New, Amended and Revised Standards and Interpretations | Effective Date Announced by IASB (Note 1) |
|--|---|
| Amendments to IAS 21 “Lack of Exchangeability” | January 1, 2025 (Note 1) |

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Note 1: 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 other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

C. The IFRSs issued by International Accounting Standards Board (IASB), but not yet endorsed and issued into effect by the FSC

| New IFRSs | Effective Date Announced by IASB |
|--|---|
| Annual Improvements to IFRS Accounting Standards - Volume 11 | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 "Amendments to the 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" | To be determined by IASB |
| IFRS 17 "Insurance Contracts" | January 1, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 -Comparative Information" | January 1, 2023 |
| IFRS 18 "Presentation and Disclosure in Financial Statements" | January 1, 2027 |
| IFRS 19 "Subsidiaries without Public Accountability: Disclosures" | January 1, 2027 |

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

IFRS 18 "Presentation and Disclosure 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

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classified into the operating, investing, financing, income taxes and discontinued 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 Company 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 Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) 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 IFRSs as endorsed and issued into effect by the FSC.

(2) 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;

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2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

(3) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Table 6 and Table 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

(4) Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

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Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- 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:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- 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.

Taxation

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are audited on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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6. Cash and Cash Equivalents

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|------------------------------|---------------------|---------------------|---------------------|
| Cash On Hand | \$ 1,672 | \$ 1,021 | \$ 1,423 |
| Checking Accounts and Demand | | | |
| Deposit | 1,583,337 | 1,903,035 | 1,715,439 |
| Cash Equivalents | | | |
| Time Deposits with Original | | | |
| Maturities within 3 months | <u>606,708</u> | <u>292,487</u> | <u>481,345</u> |
| | <u>\$ 2,191,717</u> | <u>\$ 2,196,543</u> | <u>\$ 2,198,207</u> |

The market rate intervals of cash in bank and bank overdrafts at the end of the reporting period were as follows:

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--------------|--------------------|-------------------|--------------------|
| Bank Deposit | 0.0001%~5.25% | 0.0001%~5.30% | 0.0001%~5.25% |

7. Financial Instruments at Fair Value through Profit or Loss

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---|-----------------------|----------------------|-----------------------|
| <u>Financial assets at FVTPL- current</u> | | | |
| Financial assets mandatorily classified as at FVTPL | | | |
| Derivative financial assets (not under hedge accounting) | | | |
| - Foreign exchange forward contracts | \$ - | \$ 155 | \$ - |
| - interest rate swap | - | - | - |
| Non-derivative financial assets | | | |
| - Financial product | <u>13,554</u> | <u>49,979</u> | <u>11,221</u> |
| | <u>\$ 13,554</u> | <u>\$ 50,134</u> | <u>\$ 11,221</u> |
| <u>Financial liabilities at FVTPL - current</u> | | | |
| Financial liabilities mandatorily classified as at FVTPL | | | |

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| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--|-----------------------|----------------------|-----------------------|
| Derivative financial liabilities (not under hedge accounting) | | | |
| — Foreign exchange | | | |
| forward contracts | \$ - | \$ - | \$ 1,617 |
| <u>Financial liabilities at FVTPL - non-current</u> | | | |
| Derivative financial assets (not under hedge accounting) | | | |
| — Domestic Forth | | | |
| Convertible Bond | | | |
| (Note18) | \$ 20,013 | \$ 12,173 | \$ 13,101 |

At the end of the reporting period, outstanding interest rate swap contracts not under hedge accounting were as follows:

December 31, 2023

| | Currency | Maturity Date | Contract Amount (in thousands) |
|----------|----------|---------------|-----------------------------------|
| Buy Swap | EUR/RMB | 2024.03.07 | EUR 2,000/RMB 15,566 |

September 30, 2023

| | Currency | Maturity Date | Contract Amount (in thousands) |
|----------|----------|---------------|-----------------------------------|
| Buy Swap | EUR/RMB | 2024.03.07 | EUR 2,000/RMB 15,566 |

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

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8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|----------------------|-------------------------------|--------------------------|-------------------------------|
| <u>Non-current</u> | | | |
| Domestic investments | | | |
| Unlisted shares | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,637</u> |
| Foreign investments | | | |
| Unlisted shares | <u>\$ 192,002</u> | <u>\$ 136,581</u> | <u>\$ 141,622</u> |

The Company invested in Formosa 5 International Investment Co., Ltd., Asia Renewable Energy (Cayman) Ltd., KOP Investment Limited Company and Jiuquan One heavy wind power Group Co., LTD common stocks and expect to make profits from long-term investments. The management of the Company considered that the inclusion of short-term fluctuations in the fair value of these investments in profit and loss is inconsistent with the long-term investment plan described above, and therefore chose to designate these investments as being measured at fair value through other comprehensive income.

9. Financial Assets Measured at Amortized Cost

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|--|---------------------------|--------------------------|---------------------------|
| <u>Current</u> | | | |
| Time deposits with original maturity of more than 3 months | <u>\$ 32,428</u> | <u>\$ 364,745</u> | <u>\$ -</u> |

The ranges of interest rates for time deposits with original maturities of more than 3 months were from 1.43% to 2.55% and 2.85 to 4.60% as of September 30, 2024 and December 31, 2023.

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10. Account Receivables

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------------------|-----------------------|---------------------|---------------------|
| <u>Account Receivables</u> | | | |
| At amortized cost | | | |
| Gross carrying amount | \$2,509,944 | \$2,850,163 | \$3,009,045 |
| Less: Allowance for impairment loss | (<u>110,627</u>) | (<u>95,644</u>) | (<u>60,330</u>) |
| | <u>\$ 2,399,317</u> | <u>\$ 2,754,519</u> | <u>\$ 2,948,715</u> |
| <u>At amortized cost</u> | | | |

The average credit period of sales of goods was 90 days. No interest was charged on trade receivables. Credit rating information is obtained from independent rating agencies where available or, if not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. 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. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. 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 following table details the loss allowance of trade receivables based on the Group's provision matrix.

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September 30, 2024

| | Non-Default | Default 1~90 Days | Default 91~180 Days | Default Exceeding 181Days | Total |
|-------------------------------|---------------------|----------------------|------------------------|---------------------------------|---------------------|
| Expected credit loss rate | 0.21% | 3.04% | 20.8% | 100% | - |
| Gross carrying amount | \$ 2,220,326 | \$ 175,910 | \$ 16,592 | \$ 97,116 | \$ 2,509,944 |
| Loss allowance (Lifetime ECL) | (<u>4,717</u>) | (<u>5,343</u>) | (<u>3,451</u>) | (<u>97,116</u>) | (<u>110,627</u>) |
| Amortized Costs | <u>\$ 2,215,609</u> | <u>\$ 170,567</u> | <u>\$ 13,141</u> | <u>\$ -</u> | <u>\$ 2,399,317</u> |

December 31, 2023

| | Non-Default | Default 1~90 Days | Default 91~180 Days | Default Exceeding 181Days | Total |
|-------------------------------|---------------------|----------------------|------------------------|---------------------------------|---------------------|
| Expected credit loss rate | 0.13% | 2.14% | 17.2% | 100% | |
| Gross carrying amount | \$ 2,363,210 | \$ 366,134 | \$ 43,528 | \$ 77,291 | \$ 2,850,163 |
| Loss allowance (Lifetime ECL) | (<u>3,037</u>) | (<u>7,831</u>) | (<u>7,485</u>) | (<u>77,291</u>) | (<u>95,644</u>) |
| Amortized Costs | <u>\$ 2,360,173</u> | <u>\$ 358,303</u> | <u>\$ 36,043</u> | <u>\$ -</u> | <u>\$ 2,754,519</u> |

September 30, 2023

| | Non-Default | Default 1~90 Days | Default 91~180 Days | Default Exceeding 181Days | Total |
|-------------------------------|---------------------|----------------------|------------------------|---------------------------------|---------------------|
| Expected credit loss rate | 0.07% | 0.96% | 19.55% | 100% | - |
| Gross carrying amount | \$ 2,310,046 | \$ 609,719 | \$ 45,348 | \$ 43,932 | \$ 3,009,045 |
| Loss allowance (Lifetime ECL) | (<u>1,700</u>) | (<u>5,834</u>) | (<u>8,864</u>) | (<u>43,932</u>) | (<u>60,330</u>) |
| Amortized Costs | <u>\$ 2,308,346</u> | <u>\$ 603,885</u> | <u>\$ 36,484</u> | <u>\$ -</u> | <u>\$ 2,948,715</u> |

The movements of the loss allowance of account receivables were as follows:

| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|---|---|
| Balance at January 1 | \$ 95,644 | \$ 32,043 |
| Add: Net remeasurement of loss allowance | 13,774 | 27,766 |
| Foreign exchange gains and losses | <u>1,209</u> | <u>521</u> |
| Balance at September 30 | <u>\$110,627</u> | <u>\$ 60,330</u> |

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11. Inventories

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|------------------|-----------------------|----------------------|-----------------------|
| Finished goods | \$ 95,644 | \$ 544,415 | \$ 634,864 |
| Work in progress | 13,774 | 788,453 | 935,920 |
| Raw materials | <u>590,364</u> | <u>992,179</u> | <u>1,163,617</u> |
| | <u>\$ 1,779,591</u> | <u>\$ 2,325,047</u> | <u>\$ 2,734,401</u> |

The cost of inventories recognized as cost of goods sold for the Three Months Ended September 30, 2024 and 2023 was \$1,818,859 thousand and \$1,672,798 thousand, respectively, and the cost of inventories recognized as cost of goods sold for the nine months ended September 30, 2024 and 2023 was \$5,174,903 thousand and \$5,355,637 thousand, respectively.

12. Subsidiaries

Subsidiaries included in this consolidated financial statement

| Investor | Investee | Nature of Business | Shareholding percentage | | |
|---|--|---|-------------------------|------------------------|-------------------------|
| | | | 2024 September 30 | 2023 December 31 | 2023 September 30 |
| Yeong Guan Energy Technology Group Co., Ltd.(Company) | Yeong Guan Holding Co., Ltd. (YGV) | Investment | 100 | 100 | 100 |
| | Yeong Guan Heavy Industry (Thailand) Co., Ltd. (YGZ) | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 75 | 75 | 75 |
| YGV | Yeong Guan International Co., Ltd. (YGI) | Investment | 100 | 100 | 100 |
| | Yeong Chen Asia Pacific Co., Ltd. (YGA) | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 100 | 100 | 100 |
| YGI | Ningbo Yeong Shang Casting Iron Co., Ltd. (YGS) | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 100 | 100 | 100 |
| | Ningbo Lu Lin Machine Tool Foundry Co., Ltd. (YGL) | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 100 | 100 | 100 |
| | Dongguan Yeong Guan Mould Factory Co., Ltd. (YGD) | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 100 | 100 | 100 |
| | Jiangsu Bright Steel Fine Machinery Co., Ltd. (YGB) | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 80 | 80 | 80 |
| | Ningbo Yeong Chia Mei Trade Co., Ltd. (YGM) | Transaction of various steel castings and casting molds as well as related import/export businesses | 100 | 100 | 100 |

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| Investor | Investee | Nature of Business | 2024 | 2023 | 2023 |
|----------|---|---|--------------|-------------|--------------|
| | | | September 30 | December 31 | September 30 |
| | Shanghai No. 1 Machine Tool Foundry (Su zhou) Co., Ltd.(YGW) | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 34.18 | 30.74 | 37.04 |
| YGS | Jiangsu Bright Steel Fine Machinery Co., Ltd. (YGB) | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 20 | 20 | 20 |
| YGD | Shanghai No. 1 Machine Tool Foundry (Su zhou) Co., Ltd. (YGW) | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 61.31 | 58.06 | 58.06 |

13. Property, Plant and Equipment

Assets used by the Group

| | Self-Owned Land | Building | Machine Equipment | Transportation Equipment | Other Equipment | Work-in-Progress Property | Total |
|---|-------------------|---------------------|--------------------|--------------------------|-------------------|---------------------------|---------------------|
| <u>Cost</u> | | | | | | | |
| Balance at January 1, 2024 | 721,193 | \$10,065,078 | \$5,375,805 | \$ 74,123 | \$ 592,686 | \$943,393 | \$17,772,278 |
| Additions | - | 8,200 | 51,043 | 2,647 | 13,968 | 392,125 | 468,343 |
| Disposals | - | (180,178) | (304,016) | (7,691) | (57,393) | (10,953) | (560,231) |
| Reclassification | - | 111,061 | 445,607 | 1,938 | 16,255 | (156,874) | 417,987 |
| Capitalized interest | - | - | - | - | - | 19,552 | 19,552 |
| Effect of foreign currency exchange differences | 38,409 | 151,627 | 208,399 | 2,728 | 23,871 | 86,336 | 511,369 |
| Balance at September 30, 2024 | <u>\$ 712,840</u> | <u>\$10,155,788</u> | <u>\$2,777,198</u> | <u>\$ 73,745</u> | <u>\$ 589,387</u> | <u>\$1,273,579</u> | <u>\$18,629,299</u> |
| <u>Accumulated Depreciation and Impairment</u> | | | | | | | |
| Balance at January 1, 2024 | \$ - | \$1,971,073 | \$3,503,162 | \$ 51,495 | \$ 495,350 | \$ - | \$ 6,021,080 |
| Disposals | - | (158,012) | (242,989) | (7,005) | (50,223) | - | (458,229) |
| Depreciation Expenses | - | 273,286 | 201,121 | 5,591 | 20,212 | - | 500,210 |
| Effect of foreign currency exchange differences | - | 81,943 | 144,237 | 1,848 | 20,379 | - | 248,407 |
| Balance at September 30, 2024 | <u>\$ -</u> | <u>\$2,004,261</u> | <u>\$3,605,531</u> | <u>\$ 51,929</u> | <u>\$ 485,718</u> | <u>\$ -</u> | <u>\$ 6,311,468</u> |
| Carrying amount at December 31, 2024 | <u>\$ 721,193</u> | <u>\$8,094,005</u> | <u>\$1,872,643</u> | <u>\$ 22,628</u> | <u>\$97,336</u> | <u>\$943,393</u> | <u>\$11,751,198</u> |
| Carrying amount at September 30, 2024 | <u>\$ 759,602</u> | <u>\$7,987,498</u> | <u>\$2,171,667</u> | <u>\$ 21,815</u> | <u>\$ 103,669</u> | <u>\$1,273,579</u> | <u>\$12,317,831</u> |
| | | | | | | | |
| | Self-Owned Land | Building | Machine Equipment | Transportation Equipment | Other Equipment | Work-in-Progress Property | Total |
| <u>Cost</u> | | | | | | | |
| Balance at January 1, 2023 | \$ 718,061 | \$3,792,427 | \$4,937,352 | \$ 68,787 | \$ 605,938 | \$5,282,893 | \$15,405,458 |
| Additions | - | 23,434 | 24,531 | 5,726 | 14,796 | 1,389,132 | 1,457,619 |
| Disposals | - | (8,651) | (71,734) | (5,943) | (41,046) | - | (127,374) |
| Reclassification | - | 2,123 | 359,456 | 5,945 | 14,088 | (140,625) | 240,987 |
| Capitalized interest | - | - | - | - | - | 83,552 | 83,552 |
| Effect of foreign currency exchange differences | (5,221) | 70,180 | 126,803 | 1,155 | 11,039 | (6,140) | 197,816 |
| Balance at September 30, 2023 | <u>\$ 712,840</u> | <u>\$3,879,513</u> | <u>\$5,376,408</u> | <u>\$ 75,670</u> | <u>\$ 604,815</u> | <u>\$6,608,812</u> | <u>\$17,258,058</u> |
| <u>Accumulated Depreciation and Impairment</u> | | | | | | | |
| Balance at January 1, 2023 | \$ - | \$1,840,329 | \$3,344,717 | \$ 48,461 | \$ 521,285 | \$ - | \$ 5,754,792 |
| Disposals | - | (8,236) | (51,876) | (5,252) | (36,245) | - | (101,609) |
| Depreciation Expenses | - | 134,757 | 183,092 | 4,871 | 18,680 | - | 341,400 |
| Reclassification | - | - | - | 2,665 | - | - | 2,665 |
| Effect of foreign currency exchange differences | - | 37,411 | 96,494 | 821 | 9,474 | - | 144,200 |
| Balance at September 30, 2023 | <u>\$ 718,061</u> | <u>\$2,004,261</u> | <u>\$3,572,427</u> | <u>\$ 51,566</u> | <u>\$ 513,194</u> | <u>\$ -</u> | <u>\$ 6,141,448</u> |
| Carrying amount at September 30, 2023 | <u>\$ 712,840</u> | <u>\$1,875,252</u> | <u>\$1,803,981</u> | <u>\$ 24,104</u> | <u>\$91,621</u> | <u>\$6,608,812</u> | <u>\$11,116,610</u> |

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The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

| | |
|--------------------------|---------------|
| Building | 5 to 35 years |
| Machine Equipment | 2 to 25 years |
| Transportation Equipment | 2 to 10 years |
| Other Equipment | 3 to 10 years |

Major components for the Group's building include factory main building and power generating equipment. Depreciation for them is recognized based on service life of 35 years, 20 years and 5 years respectively.

Refer to Note 29 for the carrying amount of property, plant and equipment pledged by the Group to secure bank loans.

14. Lease Arrangements

(1) Right-of-Use Assets

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--------------------------|-----------------------|----------------------|-----------------------|
| Carrying amount | | | |
| Land | \$476,278 | \$504,865 | \$523,276 |
| Buildings | 58,397 | 47,723 | 52,097 |
| Transportation Equipment | <u>1,083</u> | <u>1,399</u> | <u>1,546</u> |
| | <u>\$535,758</u> | <u>\$553,987</u> | <u>\$576,919</u> |

Refer to Note 29 for the carrying amount of right-of-use assets pledged by the Group to secure bank loans.

| | 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 |
|---|--|--|---|---|
| Depreciation of right-of- use assets | | | | |
| Land | \$ 5,371 | \$ 5,575 | \$ 16,852 | \$ 17,206 |
| Buildings | 4,306 | 2,824 | 12,765 | 9,818 |
| Transportation Equipment | <u>117</u> | <u>116</u> | <u>357</u> | <u>402</u> |
| | <u>\$ 10,154</u> | <u>\$ 8,515</u> | <u>\$ 29,974</u> | <u>\$ 27,426</u> |

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets

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during the nine months ended September 30, 2024 and 2023.

(2) Lease Liabilities

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--------------|-----------------------|----------------------|-----------------------|
| Carry amount | | | |
| Current | <u>\$ 19,442</u> | <u>\$ 18,467</u> | <u>\$ 21,295</u> |
| Non-current | <u>\$ 194,037</u> | <u>\$199,611</u> | <u>\$206,500</u> |

Range of discount rate for lease liabilities was as follows:

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--------------------------|-----------------------|----------------------|-----------------------|
| Land | 2%~2.1% | 2%~2.1% | 2%~2.1% |
| Buildings | 3.2%~3.45% | 3.45% | 1.92%~3.45% |
| Transportation Equipment | 2.5%~5% | 2.5%~5% | 2.5%~5% |

(3) Material leasing activities and terms

To meet with demands from related businesses of wind-power turbine industry, the Group leased roughly 20.6 hectares of land in Taichung Port Industrial Zone from Port of Taichung, Taiwan International Ports Corporation Limited, with a lease term of 20 years. The Group itself invests in the conducting of planning, design and construction of related facilities. Ownership of such facilities belong to the Group. However, establishment of superficies is not permitted and transfer of such facilities shall obtain consent from the Port of Taichung, Taiwan International Ports Corporation Limited. Without consent from the Port of Taichung, Taiwan International Ports Corporation Limited, the Group shall not request to withdraw from the lease prior to expiration under any reasons. In the event that the Group intends to continue the lease upon expiration of lease term, the Group shall apply for renewal of the lease, in writing, from the Port of Taichung, Taiwan International Ports Corporation Limited 6 months prior to expiration of the lease. In the event that the Port of Taichung, Taiwan International Ports Corporation Limited still intends to lease the land, renewal terms shall therefore be negotiated by both parties and shall be under the premises of non-violation of laws and regulations at the time of renewal.

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(4) 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 | <u>\$9,982</u> | <u>\$10,488</u> | <u>\$29,291</u> | <u>\$23,161</u> |
| Expenses relating to low-value asset leases | <u>\$ 453</u> | <u>\$ 313</u> | <u>\$ 748</u> | <u>\$ 2,046</u> |
| Total cash outflow for leases | | | <u>(\$60,238)</u> | <u>(\$50,321)</u> |

The Group selects transportation equipment, which meet with short-term lease, and certain office equipment leases, which meet with low-value asset lease, for application of recognition exemption. Related right-of-use asset or lease liabilities will not be recognized upon such leases.

15. Goodwill

The goodwill of the Group has not been significantly increased, disposed of or impaired from the six months ended September 30, 2024 and 2023.

16. Other Financial Assets

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|------------------------------|-----------------------|----------------------|-----------------------|
| <u>Current</u> (Note 29) | | | |
| Pledged bank acceptance | \$607,950 | \$1,009,170 | \$1,160,198 |
| Bank acceptance deposits | 24,260 | 108,795 | 7,032 |
| Restricted time deposits | 49,586 | 49,293 | 49,279 |
| Quality guarantee deposits | <u>17,586</u> | <u>39,127</u> | 41,461 |
| | <u>\$ 699,382</u> | <u>\$1,206,385</u> | <u>\$1,257,970</u> |
| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
| <u>Non-current</u> (Note 29) | | | |
| Quality guarantee deposits | <u>\$ 37,168</u> | <u>\$ 31,953</u> | <u>\$ 28,626</u> |

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17. Loans

(1) Short Term Loans

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--------------------------------|-----------------------|----------------------|-----------------------|
| <u>Secured Loans</u> (Note 30) | | | |
| Bank Loans | \$ 916,736 | \$ 860,225 | \$ 905,619 |
| <u>Unsecured Loans</u> | | | |
| Line of Credit Loans | 3,236,044 | 3,095,327 | 2,778,677 |
| Syndicated loan | 500,000 | 500,000 | 500,000 |
| | <u>3,736,044</u> | <u>3,595,327</u> | <u>3,278,677</u> |
| | <u>\$ 4,652,780</u> | <u>\$ 4,455,552</u> | <u>\$ 4,184,296</u> |
| Interest Rate | 2.12%-5.10% | 1.88%-5.11% | 1.35%-4.96% |

(2) Long Term Loans

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------------|-----------------------|----------------------|-----------------------|
| <u>Secure Loans</u> (Note 29) | | | |
| Bank Loans | \$ 551,054 | \$ 234,973 | \$ 142,252 |
| Syndicated loan | 4,961,177 | 4,861,177 | 4,711,177 |
| Minus: Syndicated loan fee | (7,838) | (10,451) | (11,322) |
| Less: Current portion | (456,141) | - | - |
| | <u>5,048,252</u> | <u>5,085,699</u> | <u>4,842,107</u> |
| <u>Unsecure Loans</u> | | | |
| Bank Loans | 348,398 | 196,109 | - |
| Syndicated loan | 2,506,689 | 2,417,493 | 2,466,428 |
| Minus: Syndicated loan fee | (4,042) | (5,389) | (5,838) |
| Less: Current portion | (452,771) | - | - |
| | <u>2,398,274</u> | <u>2,608,213</u> | <u>2,460,590</u> |
| | <u>\$ 7,446,526</u> | <u>\$ 7,693,912</u> | <u>\$ 7,302,697</u> |
| Interest Rate | 2.37%-6.49% | 2.27%-6.75% | 2.265%-6.5% |

On October 25, 2023, the Group entered a syndicated loan agreement of credit extension total amount of NT\$3.66 billion with seven financial institutes including the Land Bank of Taiwan. Specifically, (1) A credit extension: It is for the borrower Yeong Guan Holdings Co., Limited Taiwan Branch to build PPE (includes repaying the

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balance of the Land Bank of Taiwan 's loan to build the plant in 2021), mid-term loan. Multiple drawdowns are available. However, revolving credit is not allowed. (2) B Credit Extension: It is for the borrower Yeong Guan Holdings Co., Limited Taiwan Branch to build PPE, mid-term secured loan, credit line is NTD36.6 million dollars. Multiple drawdowns are unavailable and revolving credit is not allowed. The A credit period shall be from the date of first use to the date of expiration of 2 years. The B credit period shall be from the date of first use to the date of expiration of 6 years. However, it shall not exceed 7 years from the date when the credit plan is first used. The Borrower shall fully pay the outstanding balance, interest payable, related fees and all other payables for each of the credit facilities at the expiration of the term of each facility.

On January 4, 2023, the Group entered a syndicated loan agreement of credit extension total amount of USD\$0.13 billion and NTD 2.145 billion with six financial institutes including the Land Bank of Taiwan. Specifically, (1) A-1 credit extension: It is for the borrower Yeong Guan Energy Technology Group Company Limited to repay its loan (including but not limited to the balance of the previous syndicated loan), mid-term loan. Credit line is USD75 million dollars or EURO with equivalent value. One time drawdown, however, revolving credit is not allowed. (2) A-2 Credit Extension: It is for the borrower Yeong Guan Energy Technology Group Company Limited to repay its domestic 3rd unsecured convertible bond. Credit line is USD55 million dollars or EURO with equivalent value. Multiple drawdowns are available. However, revolving credit is not allowed. (3) B-1 Credit Extension: It is for the borrower Yeong Guan Holdings Co., Limited Taiwan Branch to repay its loan (including but not limited to the balance of the previous syndicated loan) Credit line is NT\$245 million dollars or foreign currency with equivalent value (limited to USD, Euro Dollar). Multiple drawdowns are unavailable. However, revolving credit is not allowed. (4)B-2 Credit Extension: It is for the borrower Yeong Guan Holdings Co., Limited Taiwan Branch to buy PPE. Credit line is NT\$1.4 billion dollars or foreign currency with equivalent value (limited to USD, Euro dollar). Multiple drawdowns are unavailable. However, revolving credit is not allowed. (5) B-3 Credit Extension: It is for borrower Yeong Guan Holdings Co., Limited Taiwan Branch to strengthen mid-term operation capital. Credit line is NT\$0.5 billion dollars or foreign currency with equivalent value (limited to USD, Euro Dollar). Revolving credit is available. The credit period shall be from the date of first use to the date of expiration of 5 years. However, the Group may apply

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to extend the credit extension period for 2 years, once only The borrower shall fully pay off all debts under this credit.

18. Corporate Bond Payable

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--|-----------------------|----------------------|-----------------------|
| Third Domestic Unsecured Convertible Bonds (1) | \$ 98,354 | \$ 97,993 | \$ 97,871 |
| Fourth Domestic Unsecured Convertible Bonds (2) | <u>988,181</u> | <u>978,793</u> | <u>975,673</u> |
| | <u>1,086,535</u> | <u>1,076,786</u> | <u>1,073,544</u> |
| Less: Current portion | (<u>98,354</u>) | <u>-</u> | <u>-</u> |
| | <u>\$988,181</u> | <u>\$1,076,786</u> | <u>\$1,073,544</u> |

- (1) On September 3, 2020, the Company issued 15,000 units NTD denominated un-secured convertible corporate bond with 0% coupon rate and total principal amount of NT\$1.5 billion.

Each unit corporate bond holder is entitled to convert the bond into the Company's common shares under the price of NT\$100/share. After determination of conversion price, adjustments shall be made in accordance with conversion price adjustment formula in the event of ex-right or ex-dividend. As of Sep. 31, 2023, conversion price has been adjusted to NT\$96.4 and conversion period starts from December 4, 2020 to September 3, 2025. In the event of unconverted corporate bond upon expiration of aforementioned period, onetime cash repayment of bond face value plus interest compensation will be made on September 3, 2025. In the event that conditions are met, the Company shall be entitled to request to redeem this convertible corporate bond from creditors based on agreed prices.

During the period which starts from the next day after 3 months of issuance and until 40 days before expiration of the issuance, in the event the Company's common share closing prices in Taiwan Stock Exchange exceed this bond's conversion price at that time over 30% (included) for 30 consecutive business days, the Company will be entitled to send out a 30-day-expiration "Bond Redemption Notice" within subsequent 30 business days, and redeem all bonds in cash calculated based on face value upon expiration of aforementioned period. During the period which starts from the next day after 3 months of issuance and until 40 days before expiration of the issuance, in the event that this bond's outstanding balance is lower than 10% of original total issue amount, the Company will therefore be entitled to send out a 30-day-expiration "Bond Redemption Notice" based on names recorded on bondholder's name list at any time

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thereafter, and redeem outstanding bond in cash calculated based on face value upon expiration of aforementioned period.

Respective expiration dates of 3-year periods after issuance are pre-mature sell back record dates for bondholders of this bond. Bondholders are entitled to send out notice in writing to the Company's share agent within 40 days prior to aforementioned sell back record dates requesting the Company to redeem bond held by them in cash and in 101.51% of face value.

This convertible corporate bond includes liability and equity components. Equity components are presented as Additional Paid-In Capital - Share Subscription Right under equities. Liability components, on the other hand, are cognized as liabilities of embedded derivative financial instruments and non-derivative products. Such embedded derivative financial instrument have been assessed at fair value of NT\$0, NT\$0 and NT\$0 thousand (included in financial liabilities - noncurrent which are measured through profit/loss based on fair value) on September 30, 2024, December 31, 2023 and September 30, 2023 respectively; non-derivative product liability have been measured on September 30, 2024, December 31, 2023 and September 30, 2023 are NT\$98,354 thousand, NT\$97,993 thousand NT\$97,871 thousand (included in corporate bond payable which is due, or whose put option will be exercised, in one year) based on amortized cost and its effective interest rate originally recognized is 0.4923%

| | |
|---|-------------------|
| Issuance Proceeds (less transaction cost of NT\$4,094 thousand) | \$ 1,549,294 |
| Equity Components | (<u>80,098</u>) |
| Net Liability Components on Issue Day (including NT\$1,463,619 thousand of corporate bond payable and NT\$5,577 thousand of financial assets at fair value – non-current) | 1,469,196 |
| Interest Calculated in Effective Interest Rate | 22,241 |
| Redemption of convertible bonds at maturity | (1,387,506) |
| Loss on Valuation of Financial Instrument | (<u>5,577</u>) |
| Net Liability Components on September 31, 2024 | <u>\$ 98,354</u> |

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All of the third unsecured convertible corporate bonds have not yet been converted as of September 30, 2024.

- (2) On February 20, 2024, the Company issued 15,000 units NTD denominated un-secured convertible corporate bond with 0% coupon rate and total principal amount of NT\$1.5 billion.

Each unit corporate bond holder is entitled to convert the bond into the Company's common shares under the price of NT\$62.3/share. Conversion period starts from May 20, 2024 to February 20, 2028. In the event of unconverted corporate bond upon expiration of aforementioned period, onetime cash repayment of bond face value plus interest compensation will be made on February 20, 2028. In the event that conditions are met, the Company shall be entitled to request to redeem this convertible corporate bond from creditors based on agreed prices.

During the period which starts from the next day after 3 months of issuance and until 40 days before expiration of the issuance, in the event the Company's common share closing prices in Taiwan Stock Exchange exceed this bond's conversion price at that time over 30% (included) for 30 consecutive business days, the Company will be entitled to send out a 30-day-expiration "Bond Redemption Notice" within subsequent 30 business days, and redeem all bonds in cash calculated based on face value upon expiration of aforementioned period. During the period which starts from the next day after 3 months of issuance and until 40 days before expiration of the issuance, in the event that this bond's outstanding balance is lower than 10% of original total issue amount, the Company will therefore be entitled to send out a 30-day-expiration "Bond Redemption Notice" based on names recorded on bondholder's name list at any time thereafter, and redeem outstanding bond in cash calculated based on face value upon expiration of aforementioned period.

Respective expiration dates of 3-year periods after issuance are pre-mature sell back record dates for bondholders of this bond. Bondholders are entitled to send out notice in writing to the Company's share agent within 40 days prior to aforementioned sell back record dates requesting the Company to redeem bond held by them in cash and in 101.51% of face value.

This convertible corporate bond includes liability and equity components. Equity components are presented as Additional Paid-In Capital - Share Subscription Right

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under equities. Liability components, on the other hand, are cognized as liabilities of embedded derivative financial instruments and non-derivative products. Such embedded derivative financial instrument have been assessed at fair value of NT\$20,013, NT\$12,173 and NT\$13,101 thousand (included in financial liabilities - noncurrent which are measured through profit/loss based on fair value) on September 30, 2024, December 31, 2023 and September 30, 2023 respectively; non-derivative product liability have been measured on September 30, 2024, December 31, 2023 and September 30, 2023 are NT\$988,181 thousand, NT\$978,793 thousand NT\$975,673 thousand (included in corporate bond payable which is due, or whose put option will be exercised, in one year) based on amortized cost and its effective interest rate originally recognized is 1.2785%.

| | |
|---|---------------------|
| Issuance Proceeds (less transaction cost of NT\$5,811 thousand) | \$ 1,557,690 |
| Equity Components | (<u>141,750</u>) |
| Net Liability Components on Issue Day (including NT\$1,407,684 thousand of corporate bond payable and NT\$8,256 thousand of financial assets at fair value – non-current) | 1,415,940 |
| Interest Calculated in Effective Interest Rate | 21,984 |
| Convertible bonds converted into ordinary shares | (441,487) |
| Gain on Valuation of Financial Instrument | <u>11,757</u> |
| Net Liability Components on September 30, 2024 | <u>\$ 1,008,194</u> |

19. Other Payables

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|------------------------|--------------------|-------------------|--------------------|
| Salary Payable | \$ 281,852 | \$ 286,730 | \$ 299,950 |
| Payables on Equipment | 106,253 | 111,692 | 107,492 |
| Processing Fee Payable | 75,820 | 67,685 | 73,265 |
| Freight Payable | 44,361 | 25,692 | 30,566 |
| Utilities Payable | 32,570 | 27,808 | 37,703 |
| Tax Payable | 32,523 | 39,884 | 27,610 |
| Interest Payable | 24,611 | 21,216 | 19,123 |
| Others | 145,645 | 213,260 | 174,734 |
| | <u>\$ 743,635</u> | <u>\$ 793,967</u> | <u>\$ 770,443</u> |

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20. **Retirement Benefit Plans**

Yeong Chen Asia Pacific Co., Ltd. and Yeong Guan Holdings Co., Limited Taiwan branch adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiary in China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

21. **Equity**

(1) Share Capital

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|--|-----------------------|----------------------|-----------------------|
| Number of Shares Authorized (in thousands) | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> |
| Shares authorized | <u>\$ 3,000,000</u> | <u>\$ 3,000,000</u> | <u>\$3,000,000</u> |
| Number of shares issued and fully paid (in thousands) | <u>118,136</u> | <u>118,136</u> | <u>118,136</u> |
| Shares issued | <u>\$ 1,181,359</u> | <u>\$ 1,181,359</u> | <u>\$1,181,359</u> |

Fully paid ordinary shares, which have a par value at \$10, carry one vote per share and carry a right to dividends.

(2) Capital Surplus

The capital surplus arising from shares issued in excess of par (including share premium from the issuance of ordinary shares, treasury share transactions, consolidation excess and expired share options) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

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Capital surplus generated from equity component of convertible bonds payable may not be used for any purpose; Capital surplus generated from forfeited share options may only be used to offset a deficit.

(3) Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, when Company makes 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, and then any remaining profit together with any undistributed retained earnings, distributed, 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 of bonus of shareholders. For the policies on distribution of compensation of employees and remuneration of directors and supervisors before and after amendment, refer to Note 23. compensation of employees and remuneration of directors.

Distribution of shareholder dividend and employee bonus can be distributed, pursuant to Board of Director's Meeting determination, to employees or shareholders in cash, proceeds from fully paid shares not yet issued, or both cash and aforementioned proceeds. For shareholder dividend, however, cash dividend distributed shall not be less than 10% of all dividends. The Company will not pay for interest on undistributed dividend or bonus.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset a deficit. 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.

Items referred to under Rule No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2023 and 2022, which were approved in the shareholders' meeting held on May 31, 2024 and June 16, 2023, respectively, were as follows:

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

| | Earnings Distribution | |
|-----------------|-----------------------|---------------------|
| | 2023 | 2022 |
| Special Reserve | <u>\$ 190,528</u> | <u>(\$ 156,576)</u> |

(4) Special Reserve

Upon the Company's first adoption of IFRSs, accumulated conversion adjustment amount transferred into retained earnings was NT\$8,214 thousand. The same amount of special reserve has already been appropriated accordingly. Upon earnings distribution, other shareholder's equity deduction as of the ending day of reporting period as well as special reserve appropriated during first adoption of IFRSs shall also be recognized. In the event that there is a subsequent reversal on other shareholder's equity reduction balance, distribution of earnings can then be conducted on the reserval portion.

(5) Non-Controlling Interest

| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|--|---|---|
| Balance at January 1 | \$ 167,317 | \$ 128,061 |
| Current Net Profit (Loss) | (790) | (3,567) |
| Exchange Difference on Translation of Foreign Financial Statement | 20,639 | (2,345) |
| Adjustments relating to changes in capital surplus of Yeong Guan Heavy Industry (Thailand) Company | 44,532 | 44,635 |
| Acquisition of non-controlling interests in YGW | <u>3,907</u> | <u>-</u> |
| Balance at September 30 | <u>\$ 235,659</u> | <u>\$ 166,784</u> |

22. 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 |
|----------------------------|--|--|---|---|
| Client Contract Revenue | | | | |
| Product Sales Revenue | <u>\$ 1,847,224</u> | <u>\$ 1,938,525</u> | <u>\$ 5,005,980</u> | <u>\$ 6,498,608</u> |

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Disaggregation of revenue from contracts with customers

Please refer to note 32 for detail information on client contract revenue.

23. Net Profit(Loss)

(1) 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 |
|---------------|---|--|---|---|
| Bank deposits | \$ <u>5,827</u> | \$ <u>7,374</u> | \$ <u>22,322</u> | \$ <u>23,995</u> |

(2) Other Profits 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 |
|---|---|--|---|---|
| Net Gain from Disposal of Right to use Assets | \$ 394,172 | \$ - | \$ 418,711 | \$ - |
| The benefits of government demolition compensation | 286,123 | - | 286,123 | - |
| Net Gain/(Loss) from Disposal and Abandonment of Property, Factory and Equipment | 192,968 | (1,617) | 239,900 | (8,780) |
| Subsidized Income | 6,563 | 6,127 | 8,089 | 8,424 |
| Net Gain from Disposal of Right-of-use assets | (35) | - | (35) | - |
| Gain on repayment of bonds payable | - | 4,942 | - | 4,942 |
| Others | (<u>852</u>) | (<u>285</u>) | <u>7,405</u> | <u>13,150</u> |
| | \$ <u>878,939</u> | \$ <u>9,167</u> | \$ <u>960,193</u> | \$ <u>17,736</u> |

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(3) Financial Cost

| | 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 on Bank Loans | \$ 116,799 | \$ 91,283 | \$ 330,114 | \$ 236,899 |
| Interest on Lease Liabilities | 1,505 | 1,402 | 4,527 | 3,968 |
| Interest on Convertible Bond | <u>3,281</u> | <u>4,436</u> | <u>9,749</u> | <u>14,397</u> |
| | 121,585 | 97,121 | 344,390 | 255,264 |
| Less: Amounts included in the cost of qualifying assets | (<u>8,082</u>) | (<u>35,097</u>) | (<u>19,552</u>) | (<u>83,552</u>) |
| | <u>\$ 113,503</u> | <u>\$ 62,024</u> | <u>\$ 324,838</u> | <u>\$ 171,712</u> |

Information on capitalized interest is as follows:

| | For the Three Months Ended September 30 | | For the nine Months Ended September 30 | |
|--------------------------------|--|---------------|---|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Capitalized interest amount | \$ 8,082 | \$ 35,097 | \$ 19,552 | \$ 83,552 |
| Capitalization rate | 3.408%-4.21% | 2.266%-3.991% | 3.408%-4.477% | 2.265%-3.991% |

(4) Depreciation, Amortization and Employee Benefit Expense

| | For the Three Months Ended September 30, 2024 | | | For the Three Months Ended September 30, 2023 | | |
|----------------------------|--|---------------------|-------------------|--|---------------------|-------------------|
| | Business Cost | Business Expense | Total | Business Cost | Business Expense | Total |
| Employment Benefit Expense | | | | | | |
| Post-Employment Benefit | \$ 23,625 | \$ 5,488 | \$ 29,113 | \$ 19,302 | \$ 4,694 | \$ 23,996 |
| Other Employment Benefit | <u>306,557</u> | <u>86,964</u> | <u>393,521</u> | <u>301,452</u> | <u>100,391</u> | <u>401,843</u> |
| | <u>\$ 330,182</u> | <u>\$ 92,452</u> | <u>\$ 422,634</u> | <u>\$ 320,754</u> | <u>\$ 105,085</u> | <u>\$ 425,839</u> |
| Depreciation | <u>\$ 151,956</u> | <u>\$ 26,404</u> | <u>\$ 178,360</u> | <u>\$ 102,680</u> | <u>\$ 21,821</u> | <u>\$ 124,501</u> |
| Amortization | <u>\$ 477</u> | <u>\$ 1,152</u> | <u>\$ 1,629</u> | <u>\$ 328</u> | <u>\$ 1,485</u> | <u>\$ 1,813</u> |

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| | For the Nine months ended September 30, 2024 | | | For the Nine months ended September 30, 2023 | | |
|----------------------------|---|---------------------|---------------------|---|---------------------|--------------------|
| | Business Cost | Business Expense | Total | Business Cost | Business Expense | Total |
| Employment Benefit Expense | | | | | | |
| Post-Employment Benefit | \$ 63,896 | \$ 17,660 | \$ 81,556 | \$ 49,434 | \$ 14,840 | \$ 64,274 |
| Other Employment Benefit | 777,995 | 273,201 | 1,051,196 | 770,876 | 318,216 | 1,089,092 |
| | <u>\$ 841,891</u> | <u>\$ 290,861</u> | <u>\$ 1,132,752</u> | <u>\$ 820,310</u> | <u>\$ 330,056</u> | <u>\$1,153,366</u> |
| Depreciation | <u>\$ 451,177</u> | <u>\$ 79,007</u> | <u>\$ 530,184</u> | <u>\$ 303,853</u> | <u>\$ 64,973</u> | <u>\$ 368,826</u> |
| Amortization | <u>\$ 1,143</u> | <u>\$ 3,692</u> | <u>\$ 4,835</u> | <u>\$ 814</u> | <u>\$ 4,753</u> | <u>\$ 5,567</u> |

Aforementioned depreciation expense does not include depreciation expenses of NT\$5 thousand for investment real property for Nine Months Ended September 30, 2024 and 2023 (included under non-operating revenue and expense – other benefits and losses).

(5) Employee Compensation and Director/Supervisor Compensation

The Company shall appropriate employee compensation and director/supervisor compensation in accordance with respective distribution zones of 2%~15% and no higher than 3% after current year pre-tax benefits prior to the distribution of employee and director/supervisor compensation are deducted. No compensation of employees and remuneration of directors and supervisors were estimated as the Company reported net losses for the nine months ended September 30, 2024. The employees' compensation and remuneration to directors and supervisors for the nine months September 30, 2023 were as follows:

Amount

| | For the Nine Months Ended September 30 | |
|-------------------------------------|---|-------------|
| | 2024 | 2023 |
| Employee Compensation | <u>\$ -</u> | <u>\$ -</u> |
| Director/Supervisor Compensation | <u>\$ -</u> | <u>\$ -</u> |

There was no difference between the actual appropriated amounts of employees' compensation and remuneration of directors and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022. The Company offered to settle employee's compensation in cash.

Information on the employees' compensation and remuneration of directors and

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supervisors resolved by the Company's board of directors in 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

24. Income Tax

(1) Income tax recognized in profit or loss

The major components of tax expense(benefit) were as follow:

| | <u>For the Three Months Ended September 30</u> | | <u>For the Nine Months Ended September 30</u> | |
|---|--|--------------------|---|------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Current Tax | | | | |
| In respect of the current year | \$ 7,740 | (\$2,248) | \$ 52,325 | \$ 52,325 |
| Unappropriated retained earnings | (57) | - | 295 | 2,653 |
| Adjustments from previous years | <u>467</u> | <u>668</u> | <u>(8,230)</u> | <u>(9,084)</u> |
| | <u>8,150</u> | <u>(1,580)</u> | <u>\$90,715</u> | <u>\$45,894</u> |
| Deferred tax | | | | |
| In respect of the current year | 183,883 | (17,631) | 120,749 | (13,125) |
| Adjustments from previous years | <u>10</u> | <u>-</u> | <u>1,517</u> | <u>-</u> |
| | <u>183,893</u> | <u>(17,631)</u> | <u>122,266</u> | <u>(13,125)</u> |
| Income tax expense recognized in profit or loss | <u>\$192,043</u> | <u>(\$19,211)</u> | <u>\$212,981</u> | <u>\$32,769</u> |

(2) Income tax assessments

Yeong Chen Asia Pacific Company and Yeong Guan Holdings Co., Limited Taiwan branch's tax filing cases prior to the year of 2022 have all been assessed by tax authority Furthermore, all subsidiaries in China and Yeong Guan Heavy Industries have all completed their income tax filings within deadlines in accordance with local tax authorities' requirements.

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25. (Loss) Earnings per Share

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

Net loss for the period

| | <u>For the Three Months Ended September 30</u> | | <u>For the Nine Months Ended September 30</u> | |
|---|--|---------------------|---|--------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Loss for the period attributable to owners of the Company | <u>\$333,585</u> | <u>(\$218,355)</u> | <u>(\$605,708)</u> | <u>(\$68,097)</u> |
| Loss used in the computation of diluted (Loss) earnings per share | <u>\$333,585</u> | <u>(\$218,355)</u> | <u>(\$605,708)</u> | <u>(\$68,097)</u> |

Number of Shares

Unit: 1,000 shares

| | <u>For the Three Months Ended September 30</u> | | <u>For the Nine Months Ended September 30</u> | |
|--|--|----------------|---|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Weighted average number of ordinary shares used in the computation of basic loss per share | <u>118,136</u> | <u>118,124</u> | <u>118,136</u> | <u>113,363</u> |
| Weighted average number of ordinary shares used in the computation of diluted loss per share | <u>118,136</u> | <u>118,124</u> | <u>118,136</u> | <u>113,363</u> |

If the Company offered to settle bonuses paid to employees in cash or shares, the Company assumed the entire amount of the bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

The Group's third and fourth outstanding domestic unsecured convertible bonds are potential common shares. However, given the counter-dilution effect from such potential

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common shares of 2023 Q3, they are not included in the calculation of diluted earnings per share.

26. **Capital Risk Management**

The Group engages itself in capital management to ensure necessary finance resources and operation plan for the purpose of meeting the needs for future 12-month operation capital, capital expenditure, debt repayment as well as dividend payment. Under the premise that respective enterprise of the Group will be able to operate continuously, shareholder's compensation will be maximized through optimization of debt and equity balances.

The Group's major management regularly review the Group's capital structure. Contents of review include consideration of various capital costs as well as their related risks. With major management's suggestions, the Group balances its overall capital structure through dividend payment, new share issuance, new debt issuance or repayment of existing debt.

27. **Financial Instruments**

(I) Fair value of financial instruments that are not measured at fair value

September 30, 2024

| | Book Value | Fair Value | | | |
|--|--------------------|--------------------|-------------|-------------|--------------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| <u>Financial Liability</u> | | | | | |
| Financial liabilities at amortized cost | | | | | |
| Convertible bonds payable | <u>\$1,086,535</u> | <u>\$1,052,006</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$1,052,006</u> |

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December 31, 2023

| | Book Value | Fair Value | | | |
|--|--------------------|--------------------|-------------|-------------|--------------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| <u>Financial Liability</u> | | | | | |
| Financial liabilities at amortized cost | | | | | |
| Convertible bonds payable | <u>\$1,076,786</u> | <u>\$1,139,817</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$1,139,817</u> |

September 30, 2023

| | Book Value | Fair Value | | | |
|--|--------------------|--------------------|-------------|-------------|--------------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| <u>Financial Liability</u> | | | | | |
| Financial liabilities at amortized cost | | | | | |
| Convertible bonds payable | <u>\$1,073,544</u> | <u>\$1,165,669</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$1,165,669</u> |

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

1. Fair value hierarchy

September 30, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------|-------------|------------------|-------------------|-------------------|
| <u>Financial assets at FVTPL</u> | | | | |
| Financial Product | <u>\$ -</u> | <u>\$ 13,554</u> | <u>\$ -</u> | <u>\$ 13,554</u> |
| <u>Financial assets at FVTOCI</u> | | | | |
| Unlisted shares | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 192,002</u> | <u>\$ 192,002</u> |
| <u>Financial liabilities at FVTPL</u> | | | | |
| Convertible Bond | <u>\$ -</u> | <u>\$ 20,013</u> | <u>\$ -</u> | <u>\$ 20,013</u> |

December 31, 2023

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------|-------------|------------------|------------------|-------------------|
| <u>Financial assets at FVTPL</u> | | | | |
| Derivative financial assets | <u>\$ -</u> | <u>\$ 155</u> | <u>\$ -</u> | <u>\$ 155</u> |
| Financial Product | <u>-</u> | <u>49,979</u> | <u>-</u> | <u>49,979</u> |
| | <u>\$ -</u> | <u>\$ 50,134</u> | <u>\$ -</u> | <u>\$ 50,134</u> |
| <u>Financial assets at FVTOCI</u> | | | | |
| Unlisted shares | <u>\$ -</u> | <u>\$ -</u> | <u>\$136,581</u> | <u>\$ 136,581</u> |
| <u>Financial liabilities at FVTPL</u> | | | | |
| Convertible Bond Payables | <u>\$ -</u> | <u>\$ 12,173</u> | <u>\$ -</u> | <u>\$ 12,173</u> |

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September 30, 2023

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------|---------|-----------|------------|------------|
| <u>Financial assets at FVTPL</u> | | | | |
| Financial Product | \$ - | \$ 11,221 | \$ - | \$ 11,221 |
| <u>Financial assets at FVTOCI</u> | | | | |
| Unlisted shares | \$ - | \$ - | \$ 158,259 | \$ 158,259 |
| <u>Financial liabilities at FVTPL</u> | | | | |
| Derivatives | \$ - | \$ 1,617 | \$ - | \$ 1,617 |
| Convertible Bond | - | 13,101 | - | 13,101 |
| | \$ - | \$ 14,718 | \$ - | \$ 14,718 |

There were no transfers between the level 1 and level 2 during the period of Three Months Ended September 30, 2024 and 2023.

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

September 30, 2024

| Financial Assets | Financial Assets at FVTOCI |
|---|----------------------------|
| | Equity Instruments |
| Balance at January 1, 2024 | \$136,581 |
| Purchases | 59,144 |
| Recognized in other comprehensive income | (11,250) |
| Effect of foreign currency exchange differences | 7,527 |
| Balance at September 30, 2024 | <u>\$192,002</u> |

September 30, 2023

| Financial Assets | Financial Assets at FVTOCI |
|--|----------------------------|
| | Equity Instruments |
| Balance at January 1, 2024 | \$ 58,357 |
| Purchases | 137,560 |
| Recognized in other comprehensive income | 58,286 |
| settlements | (28,500) |
| Effect of foreign currency exchange differences | 3,806 |
| Comprehensive income | 229,509 |
| Transferred disposal gains and losses to retained earnings | (71,250) |
| Balance at September 30, 2024 | <u>\$158,259</u> |

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3. Valuation techniques and inputs applied for Level 2 fair value measurement

| <u>Types of Financial Instruments</u> | <u>Assessment Techniques and Input Values</u> |
|---|--|
| Derivatives - foreign exchange forward contracts | Discounted cash flow Method Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. |
| Financial Product | Discounted Cash Flow Method: Future cash flow is assessed using period-end observable interest rates and rates of return stipulated in agreements, and is discounted respectively using discount rates which are capable of reflecting respective transaction counterparties' credit risks |
| Domestic Third Unsecured Convertible Corporate Bond | Under the assumption that corporate bond will be redeemed on September 13, 2025, discount rate adopted is calculated via interpolation method using government bond yield rates from public offer 2-year and 5-year period. |
| Domestic Forth Unsecured Convertible Corporate Bond | Under the assumption that corporate bond will be redeemed on February 20, 2028, discount rate adopted is calculated via interpolation method using government bond yield rates from public offer 2-year and 5-year period. |

(III) Categories of Financial Instruments

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|---|---------------------------|--------------------------|---------------------------|
| <u>Financial Asset</u> | | | |
| Financial assets at FVTPL | \$ 13,554 | \$ 50,134 | \$ 11,221 |
| Financial assets at amortized cost (Note 1) | 5,941,194 | 6,045,365 | 6,158,700 |
| Financial assets at FVTOCI | 192,002 | 136,581 | 158,259 |
| <u>Financial Liability</u> | | | |
| Financial liability at FVTPL | 20,013 | 12,173 | 14,718 |
| Measured at amortized cost (Note 2) | 15,723,409 | 16,069,831 | 15,221,148 |

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, other receivables and refundable deposit.

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Note. 2: The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, trade and other payables, and bonds issued.

(IV) Financial risk management objectives and policies

The Group's main financial instruments include cash and cash equivalents, notes and trade receivables, trade payables, loans and lease liability. The finance department of the Group provides service to business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the Company's board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use financial derivatives and non-derivative financial instrument, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

After completion of derivative financial instrument transaction, finance department will file report to the Board of Directors Meeting accordingly.

1. Market Risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see Note (1) below), interest rates (see Note (2) below) and other price rates (see Note (3) below).

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

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(1) Foreign currency risk

Several subsidiaries of the Company have foreign currency denominated sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contract.

The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 7 and 30.

Sensitivity Analysis

The Group was mainly exposed to the currency USD, EUR and RMB. The following table details the Group’s sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. 1% 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 exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the functional currency strengthen 1% against the relevant foreign currencies. For a 1% weakening of the functional currency against the relevant foreign currencies, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|-----|---|---|
| USD | \$ 2,000 | \$ 5,094 |

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| | For the nine months ended September 30, 2024 | For the nine months ended September 30, 2023 |
|-----|---|---|
| EUR | 12,105 | 7,900 |
| RMB | (221) | (1,801) |

Aforementioned foreign currency's influence over profit or loss mainly comes from fair value changes, on the balance sheet day, of consolidated company's outstanding USD, EUR and RMB denominated account receivables/payables without cash flow hedge as well as total amount investment hedge derivatives.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign currency risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

(2) Interest Rate Risk

The Group is exposed to interest rate risk because entities in the Group borrow loans at both fixed and floating interest rates.

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

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|------------------------|--------------------|-------------------|--------------------|
| Fair Value Risks | | | |
| -Financial Assets | \$ 1,308,568 | \$ 1,568,327 | \$ 1,609,907 |
| -Financial Liabilities | 3,119,597 | 3,483,222 | 2,943,139 |
| Cash Flow Risks | | | |
| -Financial Assets | 1,649,890 | 1,995,512 | 1,872,933 |
| -Financial Liabilities | 11,268,010 | 6,715,802 | 9,932,785 |

Sensitivity Analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding

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at the end of the reporting period was outstanding for the whole period. A 1% 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.

If interest rates had been 1% higher or lower and all other variables were held constant, the Group's pre-tax profit for the years ended September 30, 2024 and 2023 would decrease or increase by (\$60,449) thousand and (\$24,273) thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank loans.

(2) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes, the Group does not actively trade these investments. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax/post-tax profit for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$1,920 thousand and by \$1,583 thousand.

2. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 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 failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

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To mitigate credit risk, management of consolidated company assigns a specific team responsible for credit extension amount determination, credit extension approval as well as other monitoring processes to ensure that appropriate actions have been taken to recover overdue account receivables. Additionally, consolidated company will, on balance sheet day, re-verify each account receivable recoverable amount to ensure unrecoverable account receivables have already been recognized as appropriate impairment losses. With this, the Company's management considers that consolidated company's credit risks have been reduced dramatically.

The Group transacted with a large number of customers from various industries and geographical locations. The Group continuously assesses the operations and financial positions of customers and monitors the collectability of accounts receivable.

Current capital transaction counterparties are financial institutions and company organizations with good credit ratings, and therefore their credit risks are limited. The Group transacts with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3. Liquidity Risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank loans as a significant source of liquidity. As of the Group had available unutilized short-term bank loan facilities set out in (3) below.

(I) Liquidity and Interest Rate Risk Tables for Non-Derivative Financial Liabilities

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

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To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

September 30, 2024

| | On Demand or Less than 1 Month | 1 to 3 months | 3 months to 1 year | 1 to 5 years | more than 5 years |
|---|--------------------------------------|--------------------|-----------------------|--------------------|----------------------|
| <u>Non-derivative financial liability</u> | | | | | |
| Non-interest bearing | \$ 486,885 | \$ 666,523 | \$ 192,578 | \$ 818 | \$ - |
| Lease liability | 2,851 | 5,718 | 25,687 | 105,155 | 109,579 |
| Variable interest rate instrument | 1,248,237 | 1,049,728 | 1,868,317 | 7,101,728 | - |
| Fixed interest rate instrument | 361,125 | 514,243 | 729,297 | 1,265,942 | - |
| | <u>\$2,099,098</u> | <u>\$2,236,212</u> | <u>\$2,815,879</u> | <u>\$8,473,643</u> | <u>\$ 109,579</u> |

Additional information about the maturity analysis for lease liabilities:

| | Less than 1 year | 1 to 5 years | 5 to 10 years | 10 to 15 years | 15 to 20 years | More than 20 years |
|-----------------|---------------------|-------------------|------------------|-------------------|-------------------|-----------------------|
| Lease liability | <u>\$ 34,256</u> | <u>\$ 105,155</u> | <u>\$ 74,707</u> | <u>\$ 34,872</u> | <u>\$ -</u> | <u>\$ -</u> |

December 31, 2023

| | On Demand or Less than 1 Month | 1 to 3 months | 3 months to 1 year | 1 to 5 years | more than 5 years |
|---|--------------------------------------|--------------------|-----------------------|--------------------|----------------------|
| <u>Non-derivative financial liability</u> | | | | | |
| Non-interest bearing | \$ 877,488 | \$ 1,055,906 | \$ 622,703 | \$ 754 | \$ - |
| Lease liability | 2,184 | 4,386 | 19,744 | 102,773 | 120,785 |
| Variable interest rate instrument | 1,022,124 | 777,809 | 664,230 | 7,693,912 | - |
| Fixed interest rate instrument | 475,628 | 321,127 | 1,194,634 | 1,130,400 | - |
| | <u>\$2,377,424</u> | <u>\$2,159,228</u> | <u>\$2,501,311</u> | <u>\$8,927,839</u> | <u>\$ 120,785</u> |

Additional information about the maturity analysis for lease liabilities:

| | Less than 1 year | 1 to 5 years | 5 to 10 years | 10 to 15 years | 15 to 20 years | More than 20 years |
|-----------------|---------------------|-------------------|------------------|-------------------|-------------------|-----------------------|
| Lease liability | <u>\$ 26,314</u> | <u>\$ 102,773</u> | <u>\$ 74,707</u> | <u>\$ 46,078</u> | <u>\$ -</u> | <u>\$ -</u> |

September 30, 2023

| | On Demand or Less than 1 Month | 1 to 3 months | 3 months to 1 year | 1 to 5 years | more than 5 years |
|---|--------------------------------------|--------------------|-----------------------|--------------------|----------------------|
| <u>Non-derivative financial liability</u> | | | | | |
| Non-interest bearing | \$ 759,699 | \$ 1,219,486 | \$ 380,062 | \$ 1,414 | \$ - |
| Lease liability | 2,227 | 4,441 | 20,056 | 101,825 | 129,982 |
| Variable interest rate liabilities | 1,545,976 | 243,699 | 840,413 | 7,302,697 | - |
| Fixed interest rate instrument | 197,554 | 271,245 | 1,040,899 | 1,174,910 | - |
| | <u>\$2,505,456</u> | <u>\$1,738,871</u> | <u>\$2,281,430</u> | <u>\$8,580,846</u> | <u>\$ 129,982</u> |

Additional information about the maturity analysis for lease liabilities:

| | Less than 1 year | 1 to 5 years | 5 to 10 years | 10 to 15 years | 15 to 20 years | More than 20 years |
|-----------------|---------------------|-------------------|------------------|-------------------|-------------------|-----------------------|
| Lease liability | <u>\$ 26,724</u> | <u>\$ 101,825</u> | <u>\$ 80,169</u> | <u>\$ 49,813</u> | <u>\$ -</u> | <u>\$ -</u> |

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Differences between floating interest rate and interest rate estimated on balance sheet day will lead to changes in floating interest rate instrument amounts for aforementioned non-derivative financial liability.

(2) Liquidity and Interest Rate Risk Tables for Derivative Financial Liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the period.

December 31, 2023

| | On Demand or Less than 1 Month | 1 to 3 months | 3 months to 1 year |
|------------------------|--------------------------------------|---------------|-----------------------|
| <u>Net settled</u> | | | |
| Foreign SWAP contracts | | | |
| - Inflow | \$ 67,933 | \$ - | \$ - |
| - Outflow | (67,778) | - | - |
| | <u>\$ 155</u> | <u>\$ -</u> | <u>\$ -</u> |

September 30, 2023

| | On Demand or Less than 1 Month | 1 to 3 months | 3 months to 1 year |
|---------------------------------------|--------------------------------------|---------------|-----------------------|
| <u>Net settled</u> | | | |
| Foreign exchange forward contracts | | | |
| - Inflow | \$ - | \$ - | \$ 69,290 |
| - Outflow | - | - | (70,907) |
| | <u>\$ -</u> | <u>\$ -</u> | <u>(\$ 1,617)</u> |

(3) Financing Facilities

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|--|---------------------------|--------------------------|---------------------------|
| Unsecured Bank Overdraft Facility, Reviewed Annually | | | |
| - Amount Used | \$ 6,587,089 | \$ 6,203,540 | \$ 5,747,726 |
| - Amount Unused | <u>3,823,895</u> | <u>3,869,333</u> | <u>2,969,474</u> |
| | <u>\$ 10,410,984</u> | <u>\$ 10,072,873</u> | <u>\$ 8,717,200</u> |
| Secured Bank Overdraft Facility, Extendable If Agreed by the Parties) | | | |
| - Amount Used | \$ 6,421,129 | \$ 5,945,924 | \$ 5,739,267 |
| - Amount Unused | <u>1,541,672</u> | <u>2,863,351</u> | <u>3,833,361</u> |

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| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|---|---------------------------|--------------------------|---------------------------|
| Unsecured Bank Overdraft Facility, Reviewed Annually | | | |
| — Amount Used | \$ 6,587,089 | \$ 6,203,540 | \$ 5,747,726 |
| — Amount Unused | <u>3,823,895</u> | <u>3,869,333</u> | <u>2,969,474</u> |
| | <u>\$ 10,410,984</u> | <u>\$ 10,072,873</u> | <u>\$ 8,717,200</u> |
| | <u>\$ 7,962,801</u> | <u>\$ 8,809,275</u> | <u>\$ 9,572,628</u> |

(V) Information of Financial Asset Transfer

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable is not paid at maturity, the suppliers have the right to request that the Group pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amounts of \$403,368 thousand, \$537,258 thousand and \$1,145,246 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the nine months ended September 30, 2024 and 2023, the Group did not recognize any gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

28. Transactions With Related Party

Balances, transactions, revenue and expenses between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below

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(1) Name and Relation

| Name | Relation |
|------------------------------------|---------------------------|
| Yeong Guan Mould Factory Co., Ltd. | Substantial related-party |
| Shiouhuei Wu | Substantial related-party |

(2) Acquisition of property, plant and equipment

| | Purchase Price | |
|---------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Substantial related-party | \$ <u>-</u> | \$ <u>1,200</u> |

(3) Others

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|-------------|--|--------------|---|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Rent income | \$ <u>15</u> | \$ <u>15</u> | \$ <u>45</u> | \$ <u>45</u> |

For lease contract with related party, rent is determined under reference of market prices and payment is subject to the general terms and conditions.

(4) Major Management Remuneration

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|-----------------------------|--|-----------------|---|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Short-term Employee Benefit | \$ 7,250 | \$ 8,307 | \$ 23,352 | \$ 24,820 |
| Post-Employment Benefit | <u>168</u> | <u>218</u> | <u>5,744</u> | <u>656</u> |
| | \$ <u>7,418</u> | \$ <u>8,525</u> | \$ <u>29,096</u> | \$ <u>25,476</u> |

The compensation to directors and other key management personnel were determined by the Remuneration Committee in accordance with the individual performance and the market trends.

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29. Assets Pledged as Collateral or for Security

The Group's following assets are provided as loan collaterals, construction performance bond or product quality warranty.

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|-------------------------------------|---------------------------|--------------------------|---------------------------|
| Property, Plant and Equipment, Net | \$ 8,621,943 | \$ 8,106,260 | \$ 1,417,029 |
| Right-to-Use Asset | 188,118 | 173,115 | 180,913 |
| Other Financial Assets – Current | 699,382 | 1,206,385 | 1,257,970 |
| Other Financial Assets – Noncurrent | <u>37,168</u> | <u>31,953</u> | <u>28,626</u> |
| | <u>\$ 9,546,611</u> | <u>\$ 9,517,713</u> | <u>\$ 2,884,538</u> |

30. Significant Assets and Liabilities Denominated in Foreign Currencies

The significant financial assets and liabilities denominated in foreign currencies were as follows:

September 30, 2024

| | <u>Foreign Currency</u> | <u>Exchange Rate</u> | <u>Book Value</u> |
|----------------------------|-----------------------------|----------------------|-------------------|
| <u>Financial Assets</u> | | | |
| <u>Currency Item</u> | | | |
| USD | \$ 23,822 | 7.0074 (USD: RMB) | \$ 754,205 |
| USD | 9,187 | 31.66 (USD: NTD) | 290,860 |
| EUR | 20,205 | 7.8267 (EUR: RMB) | 714,853 |
| EUR | 9,039 | 35.38 (EUR: NTD) | 319,800 |
| RMB | 11,630 | 4.5181 (RMB: NTD) | 52,546 |
| THB | 4,263 | 0.9811 (THB: NTD) | 4,182 |
| <u>Financial Liability</u> | | | |
| <u>Currency Item</u> | | | |
| USD | 219 | 7.0074 (USD: RMB) | 6,934 |
| USD | 39,108 | 31.66 (USD: NTD) | 1,238,159 |
| EUR | 180 | 7.8267 (EUR: RMB) | 6,368 |
| EUR | 63,278 | 35.38 (EUR: NTD) | 2,238,776 |
| RMB | 6,730 | 4.5181 (RMB: NTD) | 30,407 |

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December 31, 2023

| | Foreign Currency | Exchange Rate | Book Value |
|----------------------------|---------------------|--------------------|------------|
| <u>Financial Assets</u> | | | |
| <u>Currency Item</u> | | | |
| USD | \$ 15,368 | 7.0827 (USD: RMB) | \$ 471,951 |
| USD | 10,238 | 30.71 (USD: NTD) | 314,409 |
| EUR | 29,881 | 7.8592 (EUR: RMB) | 1,015,356 |
| EUR | 12,469 | 33.98 (EUR: NTD) | 423,697 |
| RMB | 46,102 | 4.3359 (RMB: NTD) | 199,894 |
| THB | 21,210 | 0.8965 (THB: NTD) | 19,015 |
| GBP | 293 | 39.14 (GBP: NTD) | 11,468 |
| <u>Non-monetary items</u> | | | |
| <u>Derivatives</u> | | | |
| EUR | 5 | 7.8592 (EUR: RMB) | 155 |
| <u>Financial Liability</u> | | | |
| <u>Currency Item</u> | | | |
| USD | 456 | 7.0827 (USD: RMB) | 14,004 |
| USD | 38,950 | 30.71 (USD: NTD) | 1,196,155 |
| EUR | 2 | 7.8592 (EUR: RMB) | 68 |
| EUR | 65,453 | 33.98 (EUR: NTD) | 2,224,093 |
| RMB | 42,533 | 4.3359 (RMB: NTD) | 184,419 |
| RMB | 8,964 | 0.2068 (RMB: THB) | 38,867 |

September 30, 2023

| | Foreign Currency | Exchange Rate | Book Value |
|----------------------------|---------------------|--------------------|------------|
| <u>Financial Assets</u> | | | |
| <u>Currency Item</u> | | | |
| USD | \$ 11,394 | 7.1798 (USD: RMB) | \$ 367,798 |
| USD | 14,364 | 32.28 (USD: NTD) | 463,670 |
| EUR | 27,149 | 7.5489 (EUR: RMB) | 920,623 |
| EUR | 11,422 | 33.91 (EUR: NTD) | 387,320 |
| RMB | 69,651 | 4.4959 (RMB: NTD) | 313,144 |
| THB | 21,202 | 0.8781 (THB: NTD) | 18,617 |
| <u>Financial Liability</u> | | | |
| <u>Currency Item</u> | | | |
| USD | 439 | 7.1798 (USD: RMB) | 14,171 |
| USD | 41,099 | 32.28 (USD: NTD) | 1,326,676 |
| EUR | 7 | 7.5849 (EUR: RMB) | 237 |
| EUR | 61,813 | 33.91 (EUR: NTD) | 2,096,079 |
| JPY | 300,000 | 0.0484 (JPY: RMB) | 64,834 |
| RMB | 29,592 | 4.4959 (RMB: NTD) | 133,043 |
| <u>Non-monetary items</u> | | | |
| <u>Derivatives</u> | | | |
| EUR | 48 | 7.5849 (EUR: RMB) | 1,617 |

For the Three Months Ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, realized and unrealized net foreign exchange gains

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(losses) were 22,975 thousand, (53,697) thousand, (70,810) thousand and (13,851) thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

31. Disclosed Items

(I) Information about significant transactions:

1. Loans provided to other parties (Table 1)
2. Endorsements/guarantees given to other parties (Table 2)
3. Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities) (Table 3)
4. Purchases or sales of the same marketable securities amounting to at least NT\$300 million or 20% of the paid-in capital. (None)
5. Acquisition of real estate at costs of at least NT \$300 million or 20% of the paid-in capital (None)
6. Disposal of real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
7. Purchases or sales with related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
9. Derivative transactions (Note 7 “Financial Instruments at Fair Value through Profit or Loss”)
10. Intercompany relationships and significant intercompany transactions (Table 8)

(II) Information on investees (Table 6)

(III) Information for investments in Mainland China

1. Information for any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, and limit on the amount of investment in the mainland China area (Table 7)

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2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Tables 1 to 8)

- (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
- (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
- (3) The amount of property transactions and the amount of the resultant gains or losses.
- (4) The balance of negotiable instrument endorsements/guarantees or pledges of collateral at the end of the period and the purposes.
- (5) The highest balance, the ending balance, the interest rate range, and the total of current interest with respect to loans provided.
- (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

(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 9)

32. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Departments shall be reported by the Group are casting processing and other.

Segment revenues and results

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

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| | Department Income | | Department Loss | |
|---|--|--|--|--|
| | For the Nine Months Ended September 30, 2024 | For the Nine Months Ended September 30, 2023 | For the Nine Months Ended September 30, 2024 | For the Nine Months Ended September 30, 2023 |
| Total amounts of continuing operations | <u>\$ 6,498,608</u> | <u>\$ 6,498,608</u> | \$ 587,612 | \$ 587,612 |
| Interest revenue | | | 22,322 | 23,995 |
| Other Profit and Loss | | | 960,193 | 17,736 |
| Financial Product Net Profit at Fair Value through Profit and Loss | | | 390 | (1,580) |
| Net exchange loss | | | (70,810) | (13,851) |
| Finance costs | | | (324,838) | (171,712) |
| Management and Administration Expense | | | (<u>388,177</u>) | (<u>481,095</u>) |
| Loss before income tax | | | (<u>\$ 393,517</u>) | (<u>\$ 38,895</u>) |

The segment revenues were accounted for the transactions with external customers. No inter-segment sales occurred for the nine months ended September 31, 2024 and 2023.

Segment profit represented the profit before tax earned by each segment without interest income, other gain or loss, net gain on financial assets and liabilities at fair value through profit and loss, exchange gain or loss, finance costs, allocation of central administration costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

(2) Segment Total Assets

Measurement of consolidated company's assets is not provided to operating decision makers, and therefore measurement amount for assets is zero.

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Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
LOANS PROVIDED TO OTHER PARTIES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

Table 1

Unit: NTD in thousands unless otherwise prescribed

| Serial No | Financing Company | Borrower | Financial Statement Account | Related Party | Maximum Balance for the Period | Ending Balance | Balance Used | Interest Rate | Type of Financing | Transaction Amount | Reason for Short-term Financing | Bad Debt Allowance | Collateral | | Financing limit for each borrowing company | Financing Amount Limits | Note |
|-----------|---|--|--|---------------|------------------------------------|------------------------------------|------------------------------------|---------------|------------------------------|--------------------|---------------------------------|--------------------|------------|-------|--|-------------------------|------|
| | | | | | | | | | | | | | Item | Value | | | |
| 0 | Yeong Guan Energy Technology Group Co., Ltd | Yeong Guan Holdings Co., Limited | Other Account Receivable—Related Party | Yes | \$ 800,000 | \$ 678,000 | \$ - | - | Short Term Financing Capital | \$ - | Business Turnover | \$ - | — | — | \$ 2,511,624 | \$ 3,348,832 | |
| 1 | Yeong Shang Casting Iron Company | Shanghai No. 1 Machine Tool Foundry Company | Other Account Receivable—Related Party | Yes | 587,351 (RMB 130,000 thousand) | 587,351 (RMB 130,000 thousand) | 542,170 (RMB 120,000 thousand) | 3.40-3.4 | Short Term Financing Capital | - | Business Turnover | - | — | — | 932,312 | 1,252,416 | |
| 1 | Yeong Shang Casting Iron Company | Yeong Guan Energy Technology Group Co., Ltd | Other Account Receivable—Related Party | Yes | 141,447 (EUR 4,000 thousand) | 141,447 (EUR 4,000 thousand) | 141,447 (EUR 4,000 thousand) | 3.00 | Short Term Financing Capital | - | Business Turnover | - | — | — | 6,262,078 | 6,262,078 | |
| 2 | Lu Lin Machine Tool Foundry Company | Shanghai No. 1 Machine Tool Foundry Company | Other Account Receivable—Related Party | Yes | 429,218 (RMB 95,000 thousand) | 406,627 (RMB 90,000 thousand) | 406,627 (RMB 90,000 thousand) | 3.35-3.4 | Short Term Financing Capital | - | Business Turnover | - | — | — | 463,068 | 617,424 | |
| 2 | Lu Lin Machine Tool Foundry Company | Dongguan Yeong Guan Casting Iron Factory Company | Other Account Receivable—Related Party | Yes | 271,085 (RMB 60,000 thousand) | 225,904 (RMB 50,000 thousand) | 225,904 (RMB 50,000 thousand) | 3.40 | Short Term Financing Capital | - | Business Turnover | - | — | — | 3,087,122 | 3,087,122 | |
| 3 | Bright Steel Fine Machinery Company | Shanghai No. 1 Machine Tool Foundry Company | Other Account Receivable—Related Party | Yes | 790,664 (RMB 175,000 thousand) | 790,664 (RMB 175,000 thousand) | 542,170 (RMB 120,000 thousand) | 3.35-3.45 | Short Term Financing Capital | - | Business Turnover | - | — | — | 1,557,385 | 2,076,513 | |
| 4 | Yeong Chen Asia Pacific Company | Yeong Guan Holdings Co., Limited | Other Account Receivable—Related Party | Yes | 245,000 | 245,000 | 245,000 | 2.867-3.119 | Purchases | - | Business Turnover | - | — | — | 189,014 | 252,018 | |

Note 1: Maximum balance and ending balance for this year are calculated based on exchange rate on September 30, 2024.

Note 2: All intercompany transactions have been eliminated upon consolidation.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

Table 2Unit: NTD in thousands unless otherwise prescribed

| Serial No. | Endorsement / Guarantee Provider | Guaranteed Party | | Endorsement /guarantee amount limit to each company | Maximum endorsement /guarantee balance for this period | Ending Endorsement /guarantee balance | Balance Used | Endorsement /guarantee amount collateralized by property | Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements | Endorsement /guarantee amount limit | Parent company's endorsement /guarantee for subsidiary | Subsidiary's endorsement /guarantee for Parent company | endorsement /guarantee for China region | Note |
|------------|--|--|----------------------------------|---|---|--|---|--|---|---|--|--|--|------|
| | | Name | Relationship | | | | | | | | | | | |
| 0 | Yeong Guan Energy Technology Group Co., Ltd | Shanghai No. 1 Machine Tool Foundry Company | Subsidiary of Sub- subsidiary | \$ 837,208 | \$ 225,904 | \$ 225,904 | \$ - | \$ - | 2.70% | \$ 12,558,120 | Y | N | Y | |
| | | Yeong Guan Holdings Co., Limited | Subsidiary | 12,88-,120 | (RMB 50,000 thousand) 10,227,350 | (RMB 50,000 thousand) 9,775,390 | (RMB - thousand) 7,256,406 | | 116,76% | 12,558,120 | Y | N | N | |
| | | Yeong Chen Asia Pacific Company | Sub-subsidiary | 12,558,120 | (NTD 9,747,600 thousand) (USD 14,000 thousand) (EUR 12,130 thousand) 70,664 | (NTD8,907,600 thousand) (USD 14,000 thousand) (EUR 12,130 thousand) 70,664 | (NTD 6,929,957 thousand) (USD 10,311 thousand) (EUR - thousand) - | - | 0.84% | 12,558,120 | Y | N | N | |
| 1 | Yeong Guan Energy Technology Group Co., Ltd | Shanghai No. 1 Machine Tool Foundry Company | Subsidiary of Sub- subsidiary | \$ 910,782 | 108,434 (RMB 24,000 thousand) | 108,434 (RMB 24,000 thousand) | 4,518 (RMB 1,000 thousand) | \$ 108,434 | 1.30% | \$ 15,435,610 | Y | N | Y | |

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2024

Table 3Unit: thousand shares / NTD thousand

| Holding Company | Types and Names of Securities | Relationship with Securities Issuer | Recognized Account | End of Period | | | | Note |
|-------------------------------------|---|-------------------------------------|---|------------------|-----------------------------------|--------------------|-----------------------------------|------|
| | | | | Number of Shares | Book Amount | Holding Percentage | Fair Value | |
| Yeong Chia Mei Trade Company | Bank of Ningbo - No 7 Daily Financial product | Not related party | Financial asset measured at fair value through profit and loss | - | 13,554 (RMB 3,000 thousand) | - | 13,554 (RMB 3,000 thousand) | |
| Yeong Chen Asia Pacific Company | Formosa 5 International Investment Co., Ltd., | Not related party | Financial asset measured at fair value through comprehensive income | 1,512,420 | - | 9.75% | - | |
| Yeong Guan Holdings Co., Limited | Asia Renewable Energy (Cayman) Ltd. | Not related party | Financial asset measured at fair value through comprehensive income | 399,972 | - | 0.39% | - | |
| Yeong Guan Holdings Co., Limited | KOP Investment Limited Company | Not related party | Financial asset measured at fair value through comprehensive income | 40,000 | - | 4% | - | |
| Bright Steel Fine Machinery Company | Jiuquan One heavy wind power Group Company | Not related party | Financial asset measured at fair value through comprehensive income | - | 192,002 (RMB 42,496 thousand) | 15% | 192,002 (RMB 42,496 thousand) | |

Note 1: Amounts at the end of this period are calculated based on exchange rates dated September 30, 2024.

Note 2: Please refer to table 6 and table 7 for related information on invested subsidiaries.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries

ACQUISITION OF REAL ESTATE AT COSTS OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2024

Table 4Unit: NTD in thousands unless otherwise prescribed

| Acquiring company | Title of property | Transaction date or occurrence date | Transaction amount | Payment | Counterparty | Relationship | Where the counterparty is a related party, the previous transfer information | | | | Pricing reference and basis | Purpose of acquisition and use | Other agreements |
|--|-------------------|-------------------------------------|----------------------|--|------------------------------|---------------|--|--------------------------|------------------|----------------------|-----------------------------|--------------------------------|------------------|
| | | | | | | | Owner | Relationship with issuer | Date of transfer | Amount | | | |
| Yeong Guan Heavy Industry (Thailand) Company | Machine | 2024.04.23 | \$ 676,817 NOTE 1 | Based on the terms in the purchase order | Yeong Chia Mei Trade Company | Related party | Baodingville Casting Machinery Co., LTD., Zhucheng Wantong casting, Manufacturing equipment Engineering Co., LTD., Henan Weihua heavy machinery shares, Suzhou Deno Environmental Protection Technology Co., LTD., Qingdao,Beno magnetoelectric Technology Co., LTD., Ying Da Industrial (Shanghai) Co., LTD | Non related party | 2023.11.10 | \$ 774,127 NOTE 2 | Market price | Machine for new factory | NONE |
| | | | | | | | | | | | | | |

NOTE: The transaction amount is RMB 153,439 thousand, which is equivalent to Taiwan dollars NT 676,817 thousand at the exchange rate of 4.411.

NOTE: The transaction amount is RMB 171,040 thousand, which is equivalent to Taiwan dollars NT 774,127 thousand at the exchange rate of 4.526.

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Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
PURCHASES OR SALES WITH RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

Table 5 Unit: in thousands of NTD

| Purchase (Sales) Company | Transaction Counterpart | Relationship | Transaction Details | | | | Cases and Reasons for Transaction Terms Different Those of Average Transactions | | Notes/Accounts Receivable (Payable) | | Note |
|---|---|---------------------|---------------------|-------------|---|-------------------------------|--|-------------------------------|-------------------------------------|--|------|
| | | | Purchase (Sales) | Amounts | Percentage of Total Purchase (Sales) | Credit Extension Period | Unit Price | Credit Extension Period | Balance | Percentage of Total Notes/Accounts Receivables (Payables) | |
| Yeong Shang Casting Iron Company | Lu Lin Machine Tool Foundry Company | Same parent company | Purchase | \$ 234,363 | 24% | (Note 1) | \$ - | - | (\$ 106,675) | 33% | |
| Bright Steel Fine Machinery Company | Shanghai No. 1 Machine Tool Foundry Company | Same parent company | Purchase | 108,063 | 5% | (Note 1) | - | - | (33,233) | 9% | |
| Bright Steel Fine Machinery Company | Yeong Shang Casting Iron Company | Same parent company | Purchase | 125,789 | 6% | (Note 1) | - | - | (57,549) | 16% | |
| Bright Steel Fine Machinery Company | Lu Lin Machine Tool Foundry Company | Same parent company | Purchase | 137,623 | 6% | (Note 1) | - | - | (21,442) | 6% | |
| Yeong Chen Asia Pacific Company | Dongguan Yeong Guan Casting Iron Factory Company | Same parent company | Purchase | 205,496 | 18% | (Note 1) | - | - | (69,001) | 17% | |
| Yeong Chen Asia Pacific Company | Shanghai No. 1 Machine Tool Foundry Company | Same parent company | Purchase | 118,255 | 11% | (Note 1) | - | - | (36,529) | 9% | |
| Yeong Chen Asia Pacific Company | Yeong Shang Casting Iron Company | Same parent company | Purchase | 343,447 | 31% | (Note 1) | - | - | (113,592) | 29% | |
| Yeong Chen Asia Pacific Company | Bright Steel Fine Machinery Company | Same parent company | Purchase | 203,469 | 18% | (Note 1) | - | - | (121,842) | 31% | |
| Yeong Chen Asia Pacific Company | Lu Lin Machine Tool Foundry Company | Same parent company | Purchase | 108,689 | 10% | (Note 1) | - | - | (53,414) | 13% | |
| Yeong Shang Casting Iron Company | Bright Steel Fine Machinery Company | Same parent company | (Sales) | (125,789) | 12% | (Note 1) | - | - | 57,549 | 12% | |
| Yeong Shang Casting Iron Company | Yeong Chen Asia Pacific Company | Same parent company | (Sales) | (343,447) | 33% | (Note 1) | - | - | 113,592 | 23% | |
| Lu Lin Machine Tool Foundry Company | Yeong Shang Casting Iron Company | Same parent company | (Sales) | (234,363) | 31% | (Note 1) | - | - | 106,675 | 23% | |
| Lu Lin Machine Tool Foundry Company | Bright Steel Fine Machinery Company | Same parent company | (Sales) | (137,623) | 18% | (Note 1) | - | - | 21,442 | 5% | |
| Lu Lin Machine Tool Foundry Company | Yeong Chen Asia Pacific Company | Same parent company | (Sales) | (108,689) | 14% | (Note 1) | - | - | 53,414 | 11% | |
| Bright Steel Fine Machinery Company | Yeong Chen Asia Pacific Company | Same parent company | (Sales) | (203,469) | 10% | (Note 1) | - | - | 121,842 | 8% | |
| Dongguan Yeong Guan Casting Iron Factory Company | Yeong Chen Asia Pacific Company | Same parent company | (Sales) | (205,496) | 48% | (Note 1) | - | - | 69,001 | 39% | |
| Shanghai No. 1 Machine Tool Foundry Company | Bright Steel Fine Machinery Company | Same parent company | (Sales) | (108,063) | 10% | (Note 1) | - | - | 33,233 | 4% | |
| Shanghai No. 1 Machine Tool Foundry Company | Yeong Chen Asia Pacific Company | Same parent company | (Sales) | (118,255) | 11% | (Note 1) | - | - | 36,529 | 5% | |

Note 1: Price and payment terms for transactions with related party are determined in accordance with the parties’ agreement.
Note 2: Aforementioned transactions have all been cancelled during preparation of consolidated financial statement.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2024

Table 6 Unit: in thousands of NTD

| Name | Related Party | Relationship | Ending Balance | Turnover Rate | Overdue | | Amounts Received in Subsequent Period | Allowance for Impairment Loss |
|-------------------------------------|--|------------------------------|------------------|---------------|---------|---------------|---------------------------------------|-------------------------------|
| | | | | | Amount | Actions Taken | | |
| Yeong Shang Casting Iron Company | Yeong Chen Asia Pacific Company | Same ultimate parent company | \$ 113,592 | - | \$ - | — | \$ 29,274 | \$ - |
| Yeong Shang Casting Iron Company | Yeong Guan Energy Technology Group Co., Ltd. | Subsidiaries | 141,789 (Note1) | - | - | — | - | - |
| Yeong Shang Casting Iron Company | Shanghai No. 1 Machine Tool Foundry Company | Same ultimate parent company | 549,266 (Note2) | - | - | — | 534 | - |
| Lu Lin Machine Tool Foundry Company | Dongguan Yeong Guan Casting Iron Factory Company | Same ultimate parent company | 229,345 (Note 3) | - | - | — | 138,487 | - |
| Lu Lin Machine Tool Foundry Company | Yeong Shang Casting Iron Company | Same ultimate parent company | 106,675 | - | - | — | 1,512 | - |
| Lu Lin Machine Tool Foundry Company | Shanghai No. 1 Machine Tool Foundry Company | Same ultimate parent company | 466,313 (Note 4) | - | - | — | 190,814 | - |
| Bright Steel Fine Machinery Company | Yeong Chen Asia Pacific Company | Same ultimate parent company | 121,842 | - | - | — | 39,631 | - |
| Bright Steel Fine Machinery Company | Shanghai No. 1 Machine Tool Foundry Company | Same ultimate parent company | 545,426 (Note 5) | - | - | — | 2,024 | - |
| Yeong Chen Asia Pacific Company | Yeong Guan Holdings Co., Limited | Subsidiaries | 250,114 (Note 6) | - | - | — | 169,277 | - |

Note 1: This includes financing amount NT\$141,447 thousand and interest receivable of NT\$342 thousand.

Note 2: This includes financing amount NT\$542,170 thousand and interest receivable of NT\$7,096 thousand.

Note 3: This includes financing amount NT\$225,904 thousand and interest receivable of NT\$3,441 thousand.

Note 4: This includes financing amount NT\$406,627 thousand and interest receivable of NT\$5,700 thousand.

Note 5: This includes financing amount NT\$542,170 thousand and interest receivable of NT\$3,256 thousand.

Note 6: This includes financing amount NT\$245,000 thousand and interest receivable of NT\$4,614 thousand.

Note 4: Aforementioned transactions have all been cancelled during preparation of consolidated financial statement.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

Table 7 Unit: in thousands of NTD

| Name of Investing Company | Name of Invested Company | Location | Major Business Items | Original Investment Amount | | Quarter End Ownership | | | Current (Loss) Profit for Invested Company | Recognized Current Investment (Loss) Profit | Note |
|---|--|------------------------|---|----------------------------|-------------------|-----------------------|----------------|---------------|--|---|--------|
| | | | | September 30, 2024 | December 31, 2023 | Number of Shares | Percentage (%) | Book Value | | | |
| Yeong Guan Energy Technology Group Co., Ltd | Yeong Guan Holdings Co., Limited | British Virgin Islands | Investment Holding Business | \$ 5,924,658 | \$ 5,924,658 | 194,000,000 | 100.00 | \$ 11,469,003 | (\$ 331,542) | (\$ 331,542) | Note 1 |
| | Yeong Guan Heavy Industry (Thailand) Company | Thailand | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 679,613 | 546,015 | 150,000,000 | 75.00 | 714,107 | 9,628 | 7,221 | Note 1 |
| Yeong Guan Holdings Co., Limited | Yeong Guan International Co. , Limited | Hong Kong | Investment Holding Business | 5,238,538 | 5,238,538 | 805,000,000 | 100.00 | 9,089,935 | 315,827 | 316,307 | Note 1 |
| | Yeong Chen Asia Pacific Company | Taiwan | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 95,000 | 95,000 | - | 100.00 | 629,734 | (12,114) | (11,717) | Note 1 |

Note 1: Calculation is based on invested company’s CPA reviewed financial statement in the same period and the Company’s ownership percentage.

Note 2: Investment profit/loss among invested companies, investment company’s long term equity investment and equity net value among invested companies have all been cancelled during preparation of consolidated financial statement.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
INFORMATION FOR INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

Table 8 Unit: in thousands of NTD

| Names of Invested Companies in China | Main Business Items | Paid-In Capital | Investment Methods (Note 1) | Accumulated Investment Amounts Remitted from Taiwan, Beginning of This Year | Current Year Investment Amounts Remitted Out or Retrieved Back | | Current Year End Accumulated Investment Amount Remitted from Taiwan | Invested Company's Profit/Loss for Current Period | The Company's Direct or Indirect Ownership Percentage | Current Investment Profit (Loss) Recognized (note 2) | Year End Investment Book Value | Investment Yield Remitted Back as of Quarter End | Note |
|--|---|-----------------|--------------------------------|---|--|----------------|---|---|---|---|--------------------------------|--|------|
| | | | | | Remitted Out | Retrieved Back | | | | | | | |
| Ningbo Yeong Shang Casting Iron Company | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | \$ 1,364,546 | (3) | \$ - | \$ - | \$ - | \$ - | \$ 581,945 | 100% | \$ 582,992 | \$ 3,162,644 | \$ - | |
| Dongguan Yeong Guan Casting Iron Factory Company | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 126,305 | (3) | - | - | - | - | (22,291) | 100% | (23,045) | 226,292 | - | |
| Ningbo Lu Lin Machine Tool Foundry Company | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 433,900 | (3) | - | - | - | - | 22,806 | 100% | 20,327 | 1,535,424 | - | |
| Jiangsu Bright Steel Fine Machinery Company | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 4,115,800 | (3) | - | - | - | - | (200,649) | 100% | (194,126) | 5,179,295 | - | |
| Ningbo Yeong Chia Mei Trade Company | Transaction of various steel castings and casting molds as well as related import/export businesses | 31,660 | (3) | - | - | - | - | 4,357 | 100% | 1,338 | 41,243 | - | |
| Shanghai No. 1 Machine Tool (Suzhou) Company | Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron | 1,155,590 | (3) | - | - | - | - | (83,354) | 95.1% | (75,277) | (13,846) | - | |

| | | |
|--|--|---|
| Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2024 | Investment Amounts Authorized by Investment Commission, MOEA | Limit on the Amount of Investment Stipulated by Investment Commission, MOEA |
| NA | NA | NA |

Note 1: The ways to invest in companies in Mainland China are classified into three types below. Mark the type of investment:
(1) Direct investment in China.
(2) Investment in China through a company registered in the third region.
(3) Other ways.

Note 2: The amount was calculated based on financial statements reviewed by a multinational accounting firm having a cooperative relationship with an accounting firm in Taiwan.

Note 3: Investment profit/loss among invested companies, investment company's long term equity investment and equity net value among invested companies have all been cancelled during preparation of consolidated financial statement.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

Table 9

Unit: in thousands of NTD

| Serial No. (Note 1) | Company Name | Counter Party | Nature of Relationship (Note 2) | Details of Transactions | | % of Consolidated Sales or Assets (Note 3) |
|------------------------|-------------------------------------|---|------------------------------------|---|---|--|
| | | | | Financial Statement Account | Amounts Payment Terms | |
| 1 | Yeong Shang Casting Iron Company | Bright Steel Fine Machinery Company | 3 | Account Receivable — Related Party | \$ 57,549 Based on the parties’ agreement | - |
| 1 | Yeong Shang Casting Iron Company | Yeong Chen Asia Pacific Company | 3 | Account Receivable — Related Party | 113,592 Based on the parties’ agreement | - |
| 1 | Yeong Shang Casting Iron Company | Yeong Guan Energy Technology Group Co., Ltd | 2 | Other Account Receivable — Related Party | 141,789 Based on the parties’ agreement | 1% |
| 1 | Yeong Shang Casting Iron Company | Shanghai No. 1 Machine Tool Foundry Company | 3 | Other Account Receivable — Related Party | 549,266 Based on the parties’ agreement | 2% |
| 1 | Yeong Shang Casting Iron Company | Bright Steel Fine Machinery Company | 3 | Operating Revenue | 125,789 Based on the parties’ agreement | 3% |
| 1 | Yeong Shang Casting Iron Company | Yeong Chen Asia Pacific Company | 3 | Operating Revenue | 343,447 Based on the parties’ agreement | 7% |
| 2 | Lu Lin Machine Tool Foundry Company | Yeong Shang Casting Iron Company | 3 | Account Receivable — Related Party | 106,675 Based on the parties’ agreement | - |
| 2 | Lu Lin Machine Tool Foundry Company | Bright Steel Fine Machinery Company | 3 | Account Receivable — Related Party | 21,442 Based on the parties’ agreement | - |
| 2 | Lu Lin Machine Tool Foundry Company | Yeong Chen Asia Pacific Company | 3 | Account Receivable — Related Party | 53,414 Based on the parties’ agreement | - |
| 2 | Lu Lin Machine Tool Foundry Company | Shanghai No. 1 Machine Tool Foundry Company | 3 | Account Receivable — Related Party | 53,986 Based on the parties’ agreement | - |
| 2 | Lu Lin Machine Tool Foundry Company | Dongguan Yeong Guan Mould Factory Company | 3 | Other Account Receivable — Related Party | 229,345 Based on the parties’ agreement | 1% |
| 2 | Lu Lin Machine Tool Foundry Company | Shanghai No. 1 Machine Tool Foundry Company | 3 | Other Account Receivable — Related Party | 412,327 Based on the parties’ agreement | 2% |
| 2 | Lu Lin Machine Tool Foundry Company | Shanghai No. 1 Machine Tool Foundry Company | 3 | Operating Revenue | 73,115 Based on the parties’ agreement | 1% |
| 2 | Lu Lin Machine Tool Foundry Company | Yeong Shang Casting Iron Company | 3 | Operating Revenue | \$ 234,363 Based on the parties’ agreement | 5% |
| 2 | Lu Lin Machine Tool Foundry Company | Bright Steel Fine Machinery Company | 3 | Operating Revenue | 137,623 Based on the parties’ agreement | 3% |

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

| Serial No. (Note 1) | Company Name | Counter Party | Nature of Relationship (Note 2) | Details of Transactions | | | |
|------------------------|---|---|------------------------------------|--|------------|---------------------------------|---------------|
| | | | | Financial Statement Account | Amounts | Payment Terms | Payment Terms |
| 2 | Lu Lin Machine Tool Foundry Company | Yeong Chen Asia Pacific Company | 3 | Operating Revenue | \$ 108,689 | Based on the parties' agreement | 2% |
| 3 | Bright Steel Fine Machinery Company | Yeong Chen Asia Pacific Company | 3 | Account Receivable — Related Party | 121,842 | Based on the parties' agreement | 1% |
| 3 | Bright Steel Fine Machinery Company | Shanghai No. 1 Machine Tool Foundry Company | 3 | Other Account Receivable — Related Party | 545,426 | Based on the parties' agreement | 2% |
| 3 | Bright Steel Fine Machinery Company | Shanghai No. 1 Machine Tool Foundry Company | 3 | Operating Revenue | 15,290 | Based on the parties' agreement | - |
| 3 | Bright Steel Fine Machinery Company | Yeong Chen Asia Pacific Company | 3 | Operating Revenue | 203,469 | Based on the parties' agreement | 4% |
| 4 | Dongguan Yeong Guan Mould Factory Company | Yeong Shang Casting Iron Company | 3 | Account Receivable — Related Party | 16,153 | Based on the parties' agreement | - |
| 4 | Dongguan Yeong Guan Mould Factory Company | Yeong Chen Asia Pacific Company | 3 | Account Receivable — Related Party | 69,001 | Based on the parties' agreement | - |
| 4 | Dongguan Yeong Guan Mould Factory Company | Shanghai No. 1 Machine Tool Foundry Company | 3 | Operating Revenue | 14,444 | Based on the parties' agreement | - |
| 4 | Dongguan Yeong Guan Mould Factory Company | Yeong Shang Casting Iron Company | 3 | Operating Revenue | 46,996 | Based on the parties' agreement | 1% |
| 4 | Dongguan Yeong Guan Mould Factory Company | Yeong Chen Asia Pacific Company | 3 | Operating Revenue | 205,469 | Based on the parties' agreement | 4% |
| 6 | Yeong Chen Asia Pacific Company | Yeong Guan Energy Technology Group Co., Ltd | 2 | Other Account Receivable — Related Party | 14,180 | Based on the parties' agreement | - |
| 6 | Yeong Chen Asia Pacific Company | Yeong Guan Holdings Co., Limited | 3 | Other Account Receivable — Related Party | 250,114 | Based on the parties' agreement | 1% |
| 7 | Shanghai No. 1 Machine Tool Foundry Company | Yeong Shang Casting Iron Company | 3 | Account Receivable — Related Party | 38,905 | Based on the parties' agreement | - |
| 7 | Shanghai No. 1 Machine Tool Foundry Company | Bright Steel Fine Machinery Company | 3 | Account Receivable — Related Party | 33,233 | Based on the parties' agreement | - |
| 7 | Shanghai No. 1 Machine Tool Foundry Company | Yeong Chen Asia Pacific Company | 3 | Account Receivable — Related Party | 36,529 | Based on the parties' agreement | - |
| 7 | Shanghai No. 1 Machine Tool Foundry Company | Yeong Shang Casting Iron Company | 3 | Operating Revenue | 63,837 | Based on the parties' agreement | 1% |
| 7 | Shanghai No. 1 Machine Tool Foundry Company | Bright Steel Fine Machinery Company | 3 | Operating Revenue | 108,063 | Based on the parties' agreement | 2% |
| 7 | Shanghai No. 1 Machine Tool Foundry Company | Yeong Chen Asia Pacific Company | 3 | Operating Revenue | 118,255 | Based on the parties' agreement | 2% |

Note 1: 0 represents parent company, while serial numbers for subsidiaries start from 1 based on respective company categories.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

- Note 2: 1 represents transaction entered by parent company with subsidiary; 2 represents transaction entered by subsidiary with parent company; 3 represents transactions between subsidiaries.
- Note 3: With respect to calculation for transaction amount’s percentage of consolidated total revenue or total assets, asset/liability items are based on ending balance’s percentage of consolidated total assets and liabilities, while income items are based on ending accumulated amount’s percentage over consolidated total revenue.
- Note 4: All transactions on aforementioned appendix have already been written-off when consolidated financial statements are prepared.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Table 10

Yeong Guan Energy Technology Group Co., Ltd.

INFORMATION OF MAJOR SHAREHOLDERS

September 30, 2024

| Name of Major Shareholder | Shares | |
|------------------------------|------------------|-----------------------------|
| | Number of Shares | Percentage of Ownership (%) |
| Chang Hsien-Ming | 11,093,540 | 9.39% |
| Jiayuan Investment Co., Ltd. | 8,111,000 | 6.86% |

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.