Ta-Yuan Cogeneration Company Limited

Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Ta-Yuan Cogeneration Company Limited

Opinion

We have audited the accompanying financial statements of Ta-Yuan Cogeneration Company Limited (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements for the year ended December 31, 2024. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter of the Company's financial statements for the year ended December 31, 2024 is stated as follows:

Revenue Recognition

The Company's revenue from the sale of goods in 2024 accounted for approximately 85% of total revenue. In accordance with Statements on Auditing Standards, there is a presumption of significant risk in revenue recognition due to the impact of revenue recognized on the financial statements. Therefore, the occurrence of sales revenue from specific customers was identified as a key audit matter.

Refer to Note 4(j) for the accounting policy related to revenue recognition and Note 19 for material accounting policy information on revenue.

Our main audit procedures performed with respect to the above key audit matter included the following:

1. We obtained an understanding of the design and implementation of internal controls over revenue recognition from the specific customers.

2. We selected samples and performed tests of details to verify the occurrence of sales transactions from specific customers.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Po-Jen Weng and Li-Huang Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 7, 2025

Notice to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

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

TA-YUAN COGENERATION COMPANY LIMITED

BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 324,972	7	$ 313,431	7
Accounts receivable from unrelated parties (Notes 9 and 19)	208,372	4	191,946	4
Accounts receivable from related parties (Notes 9, 19 and 26)	69,232	1	66,693	1
Inventories (Note 10)	176,938	4	174,700	4
Prepayments (Note 13)	152,094	3	89,915	2
Other current assets	11	-	-	-
Total current assets	931,619	19	836,685	18
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 7)	253,636	5	300,887	7
Financial assets at amortized cost - non-current (Notes 8 and 27)	20,012	-	-	-
Property, plant and equipment (Notes 11, 27 and 28)	2,837,819	58	2,866,529	63
Right-of-use assets (Note 12)	10,092	-	4,818	-
Intangible assets	1,478	-	-	-
Deferred tax assets (Note 21)	4,801	-	1,254	-
Prepayments for equipment (Notes 13 and 28)	840,138	17	522,927	12
Refundable deposits (Note 13)	5,898	-	5,822	-
Prepaid pension cost - non-current (Note 17)	25,514	1	19,820	-
Other non-current assets	3,399	-	9,869	-
Total non-current assets	4,002,787	81	3,731,926	82
TOTAL	$ 4,934,406	100	$ 4,568,611	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 14)	$ 100,000	2	$ 200,000	4
Contract liabilities - current (Note 19)	4,903	-	2,469	-
Notes payable	-	-	21	-
Accounts payable to unrelated parties	53,326	1	49,076	1
Accounts payable to related parties (Note 26)	88	-	64	-
Other payables (Notes 15 and 26)	250,676	5	237,097	5
Current tax liabilities (Note 21)	41,512	1	23,190	1
Lease liabilities - current (Notes 12 and 26)	3,809	-	2,320	-
Current portion of long-term borrowings (Notes 14 and 27)	760,833	16	480,000	11
Other current liabilities	703	-	784	-
Total current liabilities	1,215,850	25	995,021	22
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 14 and 27)	1,616,157	33	1,377,500	30
Liabilities provision - non-current (Note 16)	20,012	-	10,021	-
Deferred tax liabilities (Note 21)	5,103	-	3,964	-
Lease liabilities - non-current (Notes 12 and 26)	6,348	-	2,541	-
Guarantee deposits received	8,200	-	8,200	-
Total non-current liabilities	1,655,820	33	1,402,226	30
Total liabilities	2,871,670	58	2,397,247	52
EQUITY (Note 18)				
Share capital				
Ordinary shares	1,222,549	25	1,222,549	27
Retained earnings				
Legal reserve	358,535	7	330,340	7
Unappropriated earnings	573,186	12	570,280	13
Total retained earnings	931,721	19	900,620	20
Other equity	(91,534)	(2)	48,195	1
Total equity	2,062,736	42	2,171,364	48
TOTAL	$ 4,934,406	100	$ 4,568,611	100

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

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 19, 26 and 31)				
Sales	$ 2,140,093	85	$ 2,321,094	85
Service revenue	378,371	15	395,914	15
Total operating revenue	2,518,464	100	2,717,008	100
OPERATING COSTS (Notes 10, 20 and 26)				
Cost of sales	(1,647,391)	(65)	(1,851,204)	(68)
Service costs	(320,020)	(13)	(328,895)	(12)
Total operating costs	(1,967,411)	(78)	(2,180,099)	(80)
GROSS PROFIT	551,053	22	536,909	20
OPERATING EXPENSES (Notes 20 and 26)				
Selling and marketing expenses	(5,102)	-	(5,808)	-
General and administrative expenses	(141,091)	(6)	(140,413)	(5)
Research and development expenses	(25,262)	(1)	(22,046)	(1)
Total operating expenses	(171,455)	(7)	(168,267)	(6)
PROFIT FROM OPERATIONS	379,598	15	368,642	14
NON-OPERATING INCOME AND EXPENSES (Notes 20 and 26)				
Interest income	2,814	-	2,422	-
Other income	8,778	-	13,024	-
Other gains and losses	(8,244)	-	(32)	-
Finance costs	(29,482)	(1)	(31,404)	(1)
Total non-operating income and expenses	(26,134)	(1)	(15,990)	(1)
PROFIT BEFORE INCOME TAX	353,464	14	352,652	13
INCOME TAX EXPENSE (Note 21)	(69,634)	(3)	(69,312)	(3)
NET PROFIT	283,830	11	283,340	10

(Continued)

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 17)	$ 5,007	-	$ (1,741)	-
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income (Note 18)	(139,729)	(5)	17,929	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 21)	(1,001)	-	348	-
Other comprehensive income (loss), net of income tax	(135,723)	(5)	16,536	1
TOTAL COMPREHENSIVE INCOME	$ 148,107	6	$ 299,876	11
EARNINGS PER SHARE (Note 22)				
Basic	$ 2.32		$ 2.32	
Diluted	$ 2.32		$ 2.32	

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

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Share Capital		Retained Earnings		Other Equity	
	Shares (In Thousands)	Amount	Legal Reserve	Unappropriated Earnings	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
BALANCE, JANUARY 1, 2023	122,254.9	$ 1,222,549	$ 292,902	$ 631,408	$ 30,266	$ 2,177,125
Appropriation of 2022 earnings						
Legal reserve	-	-	37,438	(37,438)	-	-
Cash dividends	-	-	-	(305,637)	-	(305,637)
Net profit for the year ended December 31, 2023	-	-	-	283,340	-	283,340
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	(1,393)	17,929	16,536
Total comprehensive income for the year ended December 31, 2023	-	-	-	281,947	17,929	299,876
BALANCE, DECEMBER 31, 2023	122,254.9	1,222,549	330,340	570,280	48,195	2,171,364
Appropriation of 2023 earnings						
Legal reserve	-	-	28,195	(28,195)	-	-
Cash dividends	-	-	-	(256,735)	-	(256,735)
Net profit for the year ended December 31, 2024	-	-	-	283,830	-	283,830
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	4,006	(139,729)	(135,723)
Total comprehensive income for the year ended December 31, 2024	-	-	-	287,836	(139,729)	148,107
BALANCE, DECEMBER 31, 2024	122,254.9	$ 1,222,549	$ 358,535	$ 573,186	$ (91,534)	$ 2,062,736

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

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 353,464	$ 352,652
Adjustments for:		
Depreciation expense	246,179	237,218
Amortization expense	3,274	3,616
Finance costs	29,482	31,404
Interest income	(2,814)	(2,422)
Dividend income	(6,310)	(9,667)
Reversal of write-down of inventories	(834)	(39,809)
Gain on disposal of property, plant and equipment	(139)	-
Impairment loss recognized on property, plant and equipment	8,367	-
Changes in operating assets and liabilities		
Accounts receivable	(18,965)	93,087
Inventories	(1,404)	150,739
Prepaid pension cost	(687)	(508)
Prepayments	(62,179)	32,276
Other current assets	(11)	-
Contract liability	2,434	(7,290)
Notes payable	(21)	21
Accounts payable	4,274	(2,977)
Other payables	10,444	3,692
Liabilities provision	9,991	10,021
Other current liabilities	(81)	(135)
Cash generated from operations	574,464	851,918
Interest paid	(40,512)	(34,062)
Income tax paid	(54,721)	(103,984)
Net cash generated from operating activities	479,231	713,872
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(92,478)	(65,318)
Purchase of financial assets at amortized cost	(20,012)	-
Payments for property, plant and equipment	(117,572)	(21,434)
(Increase) decrease in refundable deposits	(76)	584
Payments for intangible assets	(685)	(500)
Decrease (increase) in other non-current assets	4,065	(7,765)
Proceeds from disposal of property, plant and equipment	139	-
Increase in prepayments for equipment	(409,152)	(488,984)
Interest received	2,814	2,422
Dividend received	6,310	9,667
Net cash used in investing activities	(626,647)	(571,328)

(Continued)

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	$ 1,000,000	$ 700,000
Decrease in short-term borrowings	(1,100,000)	(600,000)
Increase in short-term bills payable	300,000	100,000
Decrease in short-term bills payable	(300,000)	(100,000)
Proceeds from long-term borrowings	949,490	400,000
Repayments of long-term borrowings	(430,000)	(369,166)
Increase in guarantee deposits received	-	500
Repayment of the principal portion of lease liabilities	(3,798)	(3,569)
Dividends paid to owners of the Company	(256,735)	(305,637)
Net cash generated from (used in) financing activities	158,957	(177,872)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,541	(35,328)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	313,431	348,759
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 324,972	$ 313,431

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

TA-YUAN COGENERATION COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Ta-Yuan Cogeneration Company Limited (the "Company") was incorporated in August 1993. The Company engages mainly in operating the cogeneration business, operating and repairing equipment, processing waste disposal, managing incinerators and processing refuse derived fuel. In June 1994, registration of the Company's shares was approved for public offering by Securities and Futures Bureau. Besides, the Company's shares have been listed for trading on the Taipei Exchange since May 10, 2001.

The financial statements of the Company are presented in the Company's functional currency, the New Taiwan dollar (NT$).

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors on March 7, 2025.

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

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

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies:

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the "2020 amendments") and "Non-current Liabilities with Covenants"(referred to as the "2022 amendments")

The 2020 amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial statements to understand the risk of the Company, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

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
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Company 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.

Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Company shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
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 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	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: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) 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 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.

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

2) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments mainly amend the requirements for the classification of financial assets, including if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

  The amendments also stipulate that, when settling a financial liability in cash using an electronic payment system, an entity can choose to derecognize the financial liability before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;

- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- The settlement risk associated with the electronic payment system being insignificant.

The Company shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable, is described as follows:

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

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

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

c. 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, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- Liabilities for which the Company 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.

d. Foreign currencies

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

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

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

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

For the purpose of presenting financial statements, the financial statements of the Company and its foreign operations (including subsidiaries, associates, joint ventures and branches in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company’s entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, including coal and heavy oil, and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date except for coal which is recorded using the first-in first-out (FIFO) method.

f. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those goods and the cost of those goods are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

g. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.
The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

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

i. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at amortized cost

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

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

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

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

ii) Breach of contract, such as a default;

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

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

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

ii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

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

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

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 180 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on the weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

j. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from sale of goods

Revenue from the sale of goods comes from sales of electricity and steam. Revenue from electricity generation is recognized when the electricity generated is transmitted to clients' substations. Revenue from steam generation is recognized when steam generated is distributed to clients' steam pipelines.

2) Service revenue

Service revenue comes from the subcontracted operation of incinerators and the processing of waste. Revenue from subcontracted operation of incinerators is calculated based on the contracts, of which revenue is recognized by adding 5% to the total cost from the incinerator operation department. Revenue from the processing of waste, which assists in processing recycled waste from electric factories, is recognized by rates determined by each contract.

k. Leases

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

The Company as lessee

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

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

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

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate will be used.

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

l. Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

m. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

n. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused tax credits for purchases of machinery, equipment and technology expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Company considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Company's management, the accounting policies, estimates, and assumptions adopted by the Company have not been subject to material accounting judgments, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31 2024	December 31 2023
Cash on hand	$ 100	$ 226
Checking accounts and demand deposits	316,813	313,205
Cash equivalents (investments with original maturities of 3 months or less)	8,059	-
	$ 324,972	$ 313,431

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI

	December 31 2024	December 31 2023
Non-current		
Domestic investments		
Publicly traded shares	$ 253,636	$ 300,887

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

Dividends of $6,310 thousand and $9,667 thousand were recognized during 2024 and 2023, respectively.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31 2024	December 31 2023
Non-current		
Domestic investment		
Demand deposit - reserve account	$ 20,012	$ -

As of December 31, 2024, the demand deposit - reserve account has an effective interest rate of 0.705%.

Refer to Note 27 for information relating to investments in financial assets at amortized cost pledged as security.

9. ACCOUNTS RECEIVABLE

	December 31 2024	December 31 2023
Accounts receivable from unrelated parties		
At amortized cost		
Gross carrying amount	$ 208,372	$ 191,946
Less: Allowance for impairment loss	-	-
	$ 208,372	$ 191,946
Accounts receivable from related parties		
At amortized cost		
Gross carrying amount	$ 69,232	$ 66,693
Less: Allowance for impairment loss	-	-
	$ 69,232	$ 66,693

The average credit period of sales of goods is 30 to 120 days. No interest was charged on accounts receivable. The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates and the industry outlook. As the Company'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 Company's different customer base.

The following table details the loss allowance of accounts receivable based on the Company's provision matrix:

December 31, 2024

	Not Past Due	1 to 60 Days	61 to 120 Days	121 to 180 Days	Over 180 Days	Total
Expected credit loss rate	-	-	-	-	-	
Gross carrying amount	$ 277,604	$ -	$ -	$ -	$ -	$ 277,604
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 277,604	$ -	$ -	$ -	$ -	$ 277,604

December 31, 2023

	Not Past Due	1 to 60 Days	61 to 120 Days	121 to 180 Days	Over 180 Days	Total
Expected credit loss rate	-	-	-	-	-	
Gross carrying amount	$ 258,388	$ 198	$ 53	$ -	$ -	$ 258,639
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 258,388	$ 198	$ 53	$ -	$ -	$ 258,639

10. INVENTORIES

	December 31	
	2024	2023
Raw materials	$ 176,938	$ 174,700

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

	For the Year Ended December 31	
	2024	2023
Cost of inventories sold	$ 1,648,225	$ 1,891,013
Inventory reversed	(834)	(39,809)
	$ 1,647,391	$ 1,851,204

The Company did not pledge inventories as collateral for bank borrowings.

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Transportation Equipment	Other Equipment	Property under Construction	Total
Cost							
Balance at January 1, 2024	$ 328,984	$ 1,258,694	$ 4,332,716	$ 5,923	$ 31,265	$ 10,819	$ 5,968,401
Additions	-	20,814	73,842	-	-	26,457	121,113
Disposals	-	(12,568)	(11,713)	(676)	-	-	(24,957)
Reclassification	-	14,505	78,617	-	-	7,901	101,023
Balance at December 31, 2024	$ 328,984	$ 1,281,445	$ 4,473,462	$ 5,247	$ 31,265	$ 45,177	$ 6,165,580
Accumulated depreciation							
Balance at January 1, 2024	$ -	$ 491,584	$ 2,579,233	$ 2,385	$ 28,670	$ -	$ 3,101,872
Disposals	-	(12,568)	(11,713)	(676)	-	-	(24,957)
Impairment losses	-	2,396	5,971	-	-	-	8,367
Depreciation expenses	-	48,494	191,059	883	2,043	-	242,479
Balance at December 31, 2024	$ -	$ 529,906	$ 2,764,550	$ 2,592	$ 30,713	$ -	$ 3,327,761
Carrying amounts at December 31, 2024	$ 328,984	$ 751,539	$ 1,708,912	$ 2,655	$ 552	$ 45,177	$ 2,837,819
Cost							
Balance at January 1, 2023	$ 328,984	$ 1,256,928	$ 4,258,005	$ 4,893	$ 31,265	$ 96	$ 5,880,171
Additions	-	1,766	36,544	1,030	-	10,819	50,159
Reclassification	-	-	38,167	-	-	(96)	38,071
Balance at December 31, 2023	$ 328,984	$ 1,258,694	$ 4,332,716	$ 5,923	$ 31,265	$ 10,819	$ 5,968,401
Accumulated depreciation							
Balance at January 1, 2023	$ -	$ 443,838	$ 2,396,095	$ 1,588	$ 26,628	$ -	$ 2,868,149
Depreciation expenses	-	47,746	183,138	797	2,042	-	233,723
Balance at December 31, 2023	$ -	$ 491,584	$ 2,579,233	$ 2,385	$ 28,670	$ -	$ 3,101,872
Carrying amounts at December 31, 2023	$ 328,984	$ 767,110	$ 1,753,483	$ 3,538	$ 2,595	$ 10,819	$ 2,866,529

Due to the impact of climate change and related government policies and regulations, the carbon reduction effect of the production equipment in the main plant did not meet expectations. The estimated future cash flows expected to arise from the related plant and machinery equipment used to manufacture the product decreased. The Company carried out a review of the recoverable amount of the related plant and machinery equipment and determined that the carrying amount exceeded the recoverable. The review led to the recognition of impairment losses of $8,367 thousand, which was recognized in other gains and losses on the consolidated statement of comprehensive income for the year ended December 31, 2024.

No impairment assessment was performed for the year ended December 31, 2023 as there was no indication of impairment.

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

Buildings	
Main buildings	14-40 years
Power plants	8-10 years
Engineering systems	3-10 years
Others	5-20 years
Machinery equipment	1-29 years
Transportation equipment	4-5 years
Other equipment	3-15 years

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings are set out in Note 27.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	**2023**
Carrying amount		
Land	$ 4,677	$ 478
Buildings	2,791	2,781
Transportation equipment	2,624	1,559
	$ 10,092	$ 4,818

	For the Year Ended December 31	
	2024	**2023**
Additions to right-of-use assets	$ 8,974	$ 1,000
Depreciation charge for right-of-use assets		
Land	$ 946	$ 956
Buildings	1,617	1,546
Transportation equipment	1,137	993
	$ 3,700	$ 3,495

Except for the recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31	
	2024	**2023**
Carrying amounts		
Current	$ 3,809	$ 2,320
Non-current	$ 6,348	$ 2,541

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Land	1.831%	1.015%
Buildings	1.055%-1.750%	1.055%-1.060%
Transportation equipment	1.720%-1.780%	1.300%-1.750%

c. Material leasing activities and terms

The Company leases certain land, buildings and transportation equipment as factory and for the use of official transportation with lease terms of 2 to 5 years. These arrangements of lands do not contain the priority right of purchase.

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 3,256	$ 5,354
Total cash outflow for leases	$ (7,054)	$ (8,923)

The Company leases certain transportation equipment which qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. OTHER ASSETS

	December 31	
	2024	2023
Current		
Prepayments		
Prepaid expense	$ 5,493	$ 3,661
Prepayments for goods	50,771	15,976
Supplies inventory	65,860	70,278
Excess business tax paid	29,970	-
	$ 152,094	$ 89,915
Non-current		
Prepayments for equipment	$ 840,138	$ 522,927
Refundable deposits	5,898	5,822
Other	3,399	9,869
	$ 849,435	$ 538,618

14. BORROWINGS

a. Short-term borrowings

	December 31 2024	December 31 2023
Secured borrowings (Note 27)		
Bank loans	$ -	$ 100,000
Unsecured borrowings		
Line of credit borrowing	100,000	100,000
	$ 100,000	$ 200,000

1) The interest rates of the bank's revolving loan were 1.925% and 1.860% on December 31, 2024 and 2023, respectively.

2) Bank loans were secured by the Company's land and buildings (see Note 27). As of December 31, 2023, the range of effective interest rate of the secured borrowings was 1.700%.

b. Long-term borrowings

	December 31 2024	December 31 2023
Secured borrowings (Note 27)		
Bank loans	$ 2,076,990	$ 1,757,500
Unsecured borrowings		
Bank loans	300,000	100,000
Less: Current portion	(760,833)	(480,000)
	$ 1,616,157	$ 1,377,500

1) The interest rates of the bank's revolving loan were 2.025%-2.100% and 1.900% on December 31, 2024 and 2023, respectively.

2) Bank loans secured by the Company's land, buildings and machinery equipment (see Note 27) are due from January 11, 2025 to March 15, 2034. As of December 31, 2024 and 2023, the range of effective interest rates of the secured borrowings was 1.350%-2.025% and 1.710%-1.900%.

15. OTHER CURRENT LIABILITIES

	December 31 2024	December 31 2023
Current		
Other payables		
Payables for purchases of equipment	$ 33,918	$ 31,085
Payables for salaries or bonuses	98,657	95,504
Payables for repair and maintenance	64,528	61,990
Payables for freight	12,004	7,615
Payables for utilities	4,437	4,798
Payables for business tax	-	4,883
Others	37,132	31,222
	$ 250,676	$ 237,097

16. PROVISIONS

	December 31 2024	December 31 2023
Non-current		
Long-term employee benefits	$ 20,012	$ 10,021

The Company has a defined long-term bonus plan encouraged employee to service long in accordance with the Company's remuneration package rules. Long-term bonus was paid based on service years.

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company 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.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the Republic of China (ROC). Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans are as follows:

	December 31 2024	December 31 2023
Present value of defined benefit obligation	$ 38,574	$ 38,990
Fair value of plan assets	(64,088)	(58,810)
Surplus	(25,514)	(19,820)
Net defined benefit assets (classified under prepaid pension cost)	$ (25,514)	$ (19,820)

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	$ 42,288	$ (63,341)	$ (21,053)
Service cost			
Current service cost	427	-	427
Net interest expense (income)	634	(954)	(320)
Recognized in profit or loss	1,061	(954)	107
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(150)	(150)
Actuarial loss (gain)			
Changes in financial assumptions	970	-	970
Experience adjustments	921	-	921
Recognized in other comprehensive income	1,891	(150)	1,741
Contributions from the employer	-	(615)	(615)
Benefits paid	(6,250)	6,250	-
Balance at December 31, 2023	38,990	(58,810)	(19,820)
Service cost			
Current service cost	228	-	228
Net interest expense (income)	487	(739)	(252)
Recognized in profit or loss	715	(739)	(24)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(5,165)	(5,165)
Actuarial loss (gain)			
Changes in financial assumptions	(915)	-	(915)
Experience adjustments	1,073	-	1,073
Recognized in other comprehensive income	158	(5,165)	(5,007)
Contributions from the employer	-	(663)	(663)
Benefits paid	(1,289)	1,289	-
Balance at December 31, 2024	$ 38,574	$ (64,088)	$ (25,514)

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

	For the Year Ended December 31	
	2024	**2023**
Operating costs	$ (10)	$ 42
General and administrative expenses	(14)	65
	$ (24)	$ 107

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

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

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

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

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

	December 31	
	2024	**2023**
Discount rate	1.500%	1.250%
Expected rate of salary increase	3.250%	3.250%

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

	December 31	
	2024	**2023**
Discount rate(s)		
0.25% increase	$ (885)	$ (970)
0.25% decrease	$ 914	$ 1,005
Expected rate(s) of salary increase		
0.25% increase	$ 882	$ 967
0.25% decrease	$ (858)	$ (939)

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

	December 31	
	2024	2023
Expected contributions to the plans for the next year	$ 632	$ 632
Average duration of the defined benefit obligation	9.3 years	10.1 years

18. EQUITY

a. Share capital

Ordinary share

	December 31	
	2024	2023
Number of shares authorized (in thousands of shares)	150,000	150,000
Shares authorized	$ 1,500,000	$ 1,500,000
Number of shares issued and fully paid (in thousands of shares)	122,255	122,255
Shares issued	$ 1,222,549	$ 1,222,549

The holders of issued share capital with a par value of $10 are entitled to the right to vote and to receive dividends.

b. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit until the accumulated legal capital reserve equals the Company's paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved where not less than 50% of distributed retained earnings for the dividends to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors, refer to compensation of employees and remuneration of directors and supervisors in Note 20.g.

The Company's Articles also stipulate that the Company's profit, future development, budget planning and demand of funds should be taken into account when the Company determines the policy about dividends distribution. In Articles, there are two kinds of dividends for shareholders, share dividends and cash dividends. In order to follow the balanced policy about dividends distribution, cash dividends should not be less than 20% of the total dividends distributed. If there is an important investment project without other funds being provided, either by lowering the rate of distributing cash dividends or stopping the distribution of cash dividends should be resolved in the shareholders' meeting.

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

The appropriations of earnings for 2023 and 2022 were approved in the shareholders' meetings on May 29, 2024 and May 31, 2023, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31 2023	2022
Legal reserve	$ 28,195	$ 37,438
Cash dividends	$ 256,735	$ 305,637
Cash dividends per share (NT$)	$ 2.1	$ 2.5

The appropriations of earnings for 2024 had been proposed by the Company's board of directors on March 7, 2025 were as follows:

	For the Year Ended December 31, 2024
Legal reserve	$ 28,783
Special reserve	91,534
Cash dividends	244,510
Cash dividends per share (NT$)	2.0

The appropriation of earnings for 2024 is subject to the resolution of the shareholders in their meeting to be held in May 2025.

c. Other equity items

Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31 2024	2023
Balance at January 1	$ 48,195	$ 30,266
Recognized for the year		
Unrealized profit or loss		
Equity instruments	(139,729)	17,929
Other comprehensive income (loss) recognized for the year	(139,729)	17,929
Balance at December 31	$ (91,534)	$ 48,195

19. REVENUE

	For the Year Ended December 31 2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods		
Revenue from the sale of electricity generation	$ 1,321,400	$ 1,470,849
Revenue from the sale of steam generation	818,693	850,245
	2,140,093	2,321,094

(Continued)

	For the Year Ended December 31	
	2024	2023
Service revenue		
Revenue from subcontracted operation of incinerators	$ 170,265	$ 176,834
Revenue from processing of waste	208,106	219,080
	378,371	395,914
	$ 2,518,464	$ 2,717,008

(Concluded)

a. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Accounts receivable (Note 9)	$ 208,372	$ 191,946	$ 289,512
Accounts receivable from related parties (Note 9)	$ 69,232	$ 66,693	$ 62,214
Contract liabilities - current	$ 4,903	$ 2,469	$ 9,759

b. Disaggregation of revenue

Refer to Note 31 for information about the disaggregation of revenue.

20. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	$ 2,814	$ 2,422

b. Other income

	For the Year Ended December 31	
	2024	2023
Dividends	$ 6,310	$ 9,667
Others	2,468	3,357
	$ 8,778	$ 13,024

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Gain on disposal of property, plant and equipment	$ 139	$ -
Net foreign exchange losses	(16)	(19)
Impairment loss on property, plant and equipment	(8,367)	-
Others	-	(13)
	$ (8,244)	$ (32)

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on bank loans	$ 29,362	$ 31,346
Interest on lease liabilities	120	58
	$ 29,482	$ 31,404

Information about capitalized interests is as follows:

	For the Year Ended December 31	
	2024	2023
Capitalized interest amount	$ 11,452	$ 2,959
Capitalization rate	1.80%	1.75%

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	$ 238,205	$ 229,869
Operating expenses	7,974	7,349
	$ 246,179	$ 237,218
An analysis of amortization by function		
Operating costs	$ 876	$ 876
Operating expenses	2,398	2,740
	$ 3,274	$ 3,616

f. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits (Note 17)		
Defined contribution plan	$ 7,586	$ 7,337
Defined benefit plans	-	107
Other employee benefits	264,061	265,770
Total employee benefits expense	$ 271,647	$ 273,214
An analysis of employee benefits expense by function		
Operating costs	$ 155,024	$ 155,497
Operating expenses	116,623	117,717
	$ 271,647	$ 273,214

g. Compensation of employees and remuneration of directors

The Company accrues compensation of employees at rates of no less than 0.75%, of net profit before income tax and compensation of employees. The compensation of employees and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	1.5%-2.0%	1.5%
Remuneration of directors	-	-

Amount

	For the Year Ended December 31	
	2024	2023
Compensation of employees	$ 7,214	$ 5,370
Remuneration of directors	$ -	$ -

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

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

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

21. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 72,910	$ 62,121
Adjustments for prior year	133	187
	73,043	62,308
Deferred tax		
In respect of the current year	(3,409)	7,004
Income tax expense recognized in profit or loss	$ 69,634	$ 69,312

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

	For the Year Ended December 31	
	2024	2023
Profit before tax from continuing operations	$ 353,464	$ 352,652
Income tax expense calculated at the statutory rate	$ 70,693	$ 70,530
Nondeductible expenses in determining taxable income	70	528
Tax-exempt income	(1,262)	(1,933)
Adjustments for prior years' tax	133	187
Income tax expense recognized in profit	$ 69,634	$ 69,312

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plans	$ (1,001)	$ 348
Total income tax recognized in other comprehensive income	$ (1,001)	$ 348

c. Current tax assets and liabilities

	December 31	
	2024	2023
Current tax liabilities		
Income tax payable	$ 41,512	$ 23,190

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Unrealized loss on inventories	$ 194	$ (167)	$ -	$ 27
Others	1,060	3,714	-	4,774
	$ 1,254	$ 3,547	$ -	$ 4,801
Deferred tax liabilities				
Temporary differences				
Defined benefit obligation	$ 3,964	$ 138	$ 1,001	$ 5,103

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Unrealized loss on inventories	$ 8,157	$ (7,963)	$ -	$ 194
Others	-	1,060	-	1,060
	$ 8,157	$ (6,903)	$ -	$ 1,254
Deferred tax liabilities				
Temporary differences				
Defined benefit obligation	$ 4,211	$ 101	$ (348)	$ 3,964

e. Income tax examination

The tax authorities have examined income tax of the Company through 2022.

22. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	**2023**
Basic earnings per share	$ 2.32	$ 2.32
Diluted earnings per share	$ 2.32	$ 2.32

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

Net Profit for the Year

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	**2023**
Earnings used in the computation of basic earnings per share	$ 283,830	$ 283,340
Earnings used in the computation of diluted earnings per share	$ 283,830	$ 283,340

Number of Shares

Unit: In Thousands of Shares

	For the Year Ended December 31	
	2024	**2023**
Weighted average number of ordinary shares used in the computation of basic earnings per share	122,255	122,255
Effect of potentially dilutive ordinary shares		
Compensation of employees	167	135
Weighted average number of ordinary shares used in the computation of diluted earnings per share	122,422	122,390

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

23. NON-CASH TRANSACTIONS

For the years ended December 31, 2024 and 2023, the Company entered into the following non-cash investing and financing activities which were not reflected in the statements of cash flows:

a. In 2024, the Company acquired property, plant and equipment with an aggregate fair value of $121,113 thousand with a increase in payables for purchases of equipment of $2,833 thousand, an increase in capitalized interest of $708 thousand, and a cash outflow in the amount of $117,572 thousand (see Note 11).

b. In 2023, the Company acquired property, plant and equipment with an aggregate fair value of $50,159 thousand with a increase in payables for purchases of equipment of $28,656 thousand, an increase in capitalized interest of $69 thousand, and a cash outflow in the amount of $21,434 thousand (see Note 11).

24. CAPITAL MANAGEMENT

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

The Company adopts a circumspect capital management and reviews it on a regular basis. The capital structure is determined depending on both the development strategy on business and the operating requirement.

25. FINANCIAL INSTRUMENTS

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

The Company's management believes that the carrying amount of financial assets and financial liabilities without measuring at fair value are either due to the maturity date or close to the fair value (i.e., the carrying amount equals the amount which will be received or paid in the future).

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

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 253,636	$ -	$ -	$ 253,636

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 300,887	$ -	$ -	$ 300,887

There were no transfers between Levels 1 and 2 in the current and prior year.

2) Valuation techniques assumption applied for fair value measurement

The fair value of financial instruments, which were in the standard terms and active in the market was determined by the market price.

c. Categories of financial instruments

		December 31		
		2024		2023
Financial assets				
Financial assets at amortized cost (1)	$	628,486	$	577,892
Financial assets at FVTOCI				
Equity instruments		253,636		300,887
Financial liabilities				
Amortized cost (2)		2,789,280		2,351,958

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowing, notes payable, accounts payable, other payables, guarantee deposits received, current portion of long-term borrowings and long-term borrowings.

d. Financial risk management objectives and policies

The Company seeks to ensure the Company having sufficient and cost-benefit funds for operation. The Company carefully manages risks associated with operating activities, such as foreign currency risk, price risk of equity instrument, credit risk and liquidity risk, to minimize the uncertainty of the market, which brings potential risks for finance of the Company.

1) Market risk

a) Foreign currency risk

The major types of business of the Company are operating cogeneration business, operating and repairing equipment, processing waste disposal and managing incinerators and processing refuse derived fuel (RDF). The foreign currency risk is not significant to the Company as less foreign currency is held and no derivative financial instruments are used.

b) Interest rate risk

Interest rate risk is the risk that appears when the fair value of financial instruments changes due to the variation of market rate. The Company is mainly exposed to interest rate risk because of bank loans. Therefore, the change in interest rate does not affect the cash flow in the future.

The carrying amounts of the Company’s financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

		December 31		
		2024		2023
Fair value interest rate risk				
Financial assets	$	324,972	$	313,431
Cash flow interest rate risk				
Financial assets		20,012		-
Financial liabilities		2,476,990		2,057,500

Sensitivity analysis

The sensitivity analysis below was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. If interest rates had been 100 basis points higher and all other variables were held constant, The changes in the Company's net profit after tax are as follows:

	December 31	
	2024	2023
Decrease net profit after tax	$ 19,815	$ 16,460

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, could be equal to the total of the following the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Company only makes transaction with companies with good credits based on the policy. Collaterals held as security are required in some necessary situations to lower the risk of financial loss. In order to lower the credit risk, the controls about determining and approving the line of credit have been made to ensure accounts receivable overdue being received. Furthermore, the Company reviews the recoverable amount of accounts receivable at the balance sheet date to make sure that proper credit loss has been taken into consideration for those unrecoverable accounts receivable. Therefore, the Company considers credit risk has decreased significantly.

The Company's concentration of credit risk was attributable to the Company's five largest customers. Other credit concentration risks are not relatively significant.
Accounts receivable from the aforementioned customers are as follows:

	December 31	
	2024	2023
The accounts receivable ratio of the top five customers	55.51%	60.60%

3) Liquidity risk

With stable profitability, the Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The Company relies on bank loans as a significant source of liquidity. The available unutilized short-term bank loan facilities as follows:

	December 31	
	2024	2023
Available unutilized short-term bank loan facilities	$ 400,000	$ 400,000

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

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes 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 upon repayment dates.

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

December 31, 2024

	Effective Interest Rate	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Short-term borrowings	2.072%	$ 102,072	$ -	$ -	$ -	$ 102,072
Accounts payable	-	53,414	-	-	-	53,414
Other payables	-	250,676	-	-	-	250,676
Lease liabilities	1.055%-1.831%	3,944	3,204	3,300	-	10,448
Long-term borrowings	1.770%	774,301	402,544	899,932	400,879	2,477,656

December 31, 2023

	Effective Interest Rate	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Short-term borrowings	1.638%	$ 203,275	$ -	$ -	$ -	$ 203,275
Notes payable	-	21	-	-	-	21
Accounts payable	-	49,140	-	-	-	49,140
Other payables	-	237,097	-	-	-	237,097
Lease liabilities	1.015%-1.750%	2,363	1,182	1,392	-	4,937
Long-term borrowings	1.755%	488,423	731,685	706,772	-	1,926,880

26. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follow:

a. Related party name and category

Related Party Name	Related Party Category
Cheng Loong Corporation	Investor with significant influence over the Company
Taiwan Cogeneration Corporation	Investor with significant influence over the Company
Cheng Loong Children's Care Foundation	Other related party

b. Operating revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	2023
Sales of goods	Investor with significant influence over the Company		
	Cheng Loong Corporation	$ 655,467	$ 628,778

The sales of goods to Cheng Loong Corporation were made at the Company's usual unit prices less an average discount of 10% when the percentage of the purchase amount to the total production is no more than the percentage of shares held by Cheng Loong Corporation. Other purchase amounts were made at the usual unit prices. Besides, other terms of transaction between the Company and its related parties were not different from others.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31 2024	2023
Investor with significant influence over the Company	$ 1,326	$ 1,033

Purchases were made at the prices determined by each contract.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2024	2023
Accounts receivable from related parties	Investor with significant influence over the Company		
	Cheng Loong Corporation	$ 69,232	$ 66,693

The outstanding accounts receivable from related parties are unsecured. There is no allowance of accounts receivable listed in 2024 and 2023.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31 2024	2023
Accounts payable to related parties	Investor with significant influence over the Company	$ 88	$ 64
Other payables	Investor with significant influence over the Company		
	Cheng Loong Corporation	$ 441	$ 468
	Taiwan Cogeneration Corporation	1,110	1,149
		$ 1,551	$ 1,617

The outstanding accounts payable to related parties are unsecured and will be paid by cash.

f. Lease arrangements

Line Item	Related Party Category/Name	December 31 2024	December 31 2023
Lease liabilities	Investor with significant influence over the Company		
	Cheng Loong Corporation	$ 4,698	$ 490

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Interest expense	Investor with significant influence over the Company		
	Cheng Loong Corporation	$ 46	$ 10

The Company leases land from investors with significant influence. The content of the lease is determined by agreement between the two parties, and the rent is paid monthly.

g. Other transactions with related parties

Line Item	Related Party Category/Name	December 31 2024	December 31 2023
Manufacturing expense	Investor with significant influence over the Company		
	Cheng Loong Corporation	$ 1,746	$ 1,746
Operating expense	Investor with significant influence over the Company		
	Cheng Loong Corporation	$ 2,639	$ 1,939
	Taiwan Cogeneration Corporation	5,330	5,518
		$ 7,969	$ 7,457
	Others related party		
	Cheng Loong Children's Care Foundation	$ 100	$ 100
Other income	Investor with significant influence over the Company		
	Cheng Loong Corporation	$ 69	$ 283

h. Remuneration of key management personnel

	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Short-term employee benefits	$ 23,630	$ 20,345

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

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2024	2023
Land	$ 300,115	$ 300,115
Buildings, net	214,224	235,688
Machinery equipment, net	805,640	875,537
Reserve account (recognized under financial assets measured at amortized cost - non-current)	20,012	-
	$ 1,339,991	$ 1,411,340

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments of the Company on December 31, 2024 and 2023 were as follows:

	December 31	
	2024	2023
Acquisition of property, plant and equipment	$ 148,559	$ 82,338
Prepayments for equipment	$ 163,740	$ 357,828

29. OTHER ITEMS

On February 15, 2023, the president of the ROC announced the amendments to the "Climate Change Response Act", which added the provision of carbon fee collection. Subsequently, the Ministry of Environment announced the "Regulations Governing the Collection of Carbon Fees", "Regulations for Administration of Voluntary Reduction Plans" and "Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees" on August 29, 2024 and the carbon fee rate on October 21, 2024. The fees will be levied starting from January 1, 2025. Based on the emissions of the Company in 2024, the Company expects that it will be the entity subject to carbon fees. The Company will recognize the provision of the carbon fees based on its actual emissions in 2025 and will pay them in May 2026.

30. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 1)

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 2)

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

9) Trading in derivative instruments (None)

10) Intercompany relationships and significant intercompany transactions (None)

b. Information on investees (None)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (None)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year (None)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year (None)

c) The amount of property transactions and the amount of the resultant gains or losses (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes (None)

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds (None)

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services (None)

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 3)

31. 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 delivered. Specifically, the Company's reportable segments were plant of cogeneration segment and plant of renewable energy segment.

a. Segment revenue and results

The following was an analysis of the Company's revenue and results from continuing operations by reportable segments:

	Plant of Cogeneration	Plant of Renewable Energy	Total
For the year ended 2024			
Revenue from external customers	$ 2,310,358	$ 208,106	$ 2,518,464
Inter-segment revenue	-	-	-
Segment revenue	$ 2,310,358	$ 208,106	$ 2,518,464
Segment income	$ 348,793	$ 30,805	$ 379,598
Interest income			2,814
Finance costs			(29,482)
Other income			8,917
Other expense and losses			(8,383)
Profit before tax			$ 353,464
For the year ended 2023			
Revenue from external customers	$ 2,497,928	$ 219,080	$ 2,717,008
Inter-segment revenue	-	-	-
Segment revenue	$ 2,497,928	$ 219,080	$ 2,717,008
Segment income	$ 335,206	$ 33,436	$ 368,642
Interest income			2,422
Finance costs			(31,404)
Other income			13,024
Other expense and losses			(32)
Profit before tax			$ 352,652

b. Revenue from major products and services

The Company's revenue from continuing operations from its major products and services is disclosed in Note 19.

c. Geographical information

The Company operates only in Taiwan.

TABLE 1

TA-YUAN COGENERATION COMPANY LIMITED

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Shares							
	Cheng Loong Corporation	Investment company that evaluates the Company using the equity method	Financial assets at fair value through other comprehensive income - non-current	13,270,000	$ 252,130	1.20	$ 252,130	
	Taiwan Cogeneration Corporation	〃	〃	36,113	1,506	-	1,506	
					$ 253,636		$ 253,636	

TABLE 2

TA-YUAN COGENERATION COMPANY LIMITED

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Cheng Loong Corporation	Investment company that evaluates the Company using the equity method	Sale	$ 655,467	26.03	Monthly	Note	Note	Accounts receivable $ 69,232	24.94	

Note: The sales of goods to Cheng Loong Corporation were made at the Company's usual unit prices less an average discount of 10% when the percentage of the purchase amount to the total production is no more than the percentage of shares held by Cheng Loong Corporation. Other purchase amounts were made at the usual unit prices. Besides, other terms of transaction between the Company and its related parties were not different from others.

TABLE 3

TA-YUAN COGENERATION COMPANY LIMITED

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Cheng Loong Corporation	50,201,180	41.06
Taiwan Cogeneration Corporation	35,833,827	29.31

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference 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 financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

TA-YUAN COGENERATION COMPANY LIMITED

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Petty cash		$ 100
Cash in banks		
Checking accounts		480
Demand deposits		316,333
		316,813
Cash equivalents (investments with original maturities of less than 3 months)		8,059
		$ 324,972

STATEMENT 2

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount
Non-related parties		
Company A	Trade receivables	$ 61,121
Others (Note)	〃	147,251
		208,372
Less: Allowance for impairment loss		-
		208,372
Related parties		
Cheng Loong Corporation	Trade receivables	69,232
Less: Allowance for impairment loss		-
		69,232
		$ 277,604

Note: The amount of individual client included in others does not exceed 5% of the account balance.

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF INVENTORIES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

		Amount				
			Lower of Cost or Net Realizable Value			
Item	Description	Cost	Cost	Net Realizable Value	Premium	Discount
Raw materials	Coal, heavy oil and others	$ 177,073	$ 177,073	$ 176,938	$ -	$ (135)
Less: Allowance for write-downs		(135)	(135)	-	-	-
		$ 176,938	$ 176,938	$ 176,938	$ -	$ (135)

STATEMENT 4

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF PREPAYMENTS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Prepaid expense	Prepaid insurance	$ 1,458
	Prepaid rental expense	1,877
	Others	2,158
		5,493
Excess business tax paid		29,970
Supplies inventory		65,860
Prepayments for goods		50,771
		$ 152,094

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Securities	Balance, January 1, 2024		Additions		Unrealized Gains Losses on Investments in Equity Instruments at Fair Value Through Other Comprehensive	Deductions		Balance, December 31, 2024		Collateral	Note
	Shares	Fair Value	Shares	Amount (Note)	Income	Shares	Amount	Shares	Fair Value		
Shares											
Cheng Loong Corporation	10,065,000	$ 299,434	3,205,000	$ 92,425	$ (139,729)	-	$ -	13,270,000	$ 252,130	None	
Taiwan Cogeneration Corporation	36,113	1,453	-	53	-	-	-	36,113	1,506	None	
		$ 300,887		$ 92,478	$ (139,729)		$ -		$ 253,636		

Note: The increased amount resulted from acquiring financial assets at FVTOCI of $92,478 thousand and recognizing valuation loss on financial assets at FVTOCI of $139,729 thousand.

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF FINANCIAL ASSETS AT AMORTIZED COST - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Name of Securities	Description	Rate (%)	Amount	Note
Non-current				
Taiwan Cooperative Bank	Restricted assets	0.705	$ 20,012	

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Balance, January 1, 2024	Additions	Deductions	Balance, December 31, 2024	Note
Land	$ 5,258	$ 5,145	$ (5,258)	$ 5,145	
Building A	4,093	-	-	4,093	
Building B	1,454	1,627	(1,455)	1,626	
Vehicle C	1,969	-	(1,969)	-	
Vehicle D	1,830	-	(1,830)	-	
Vehicle E	1,000	-	-	1,000	
Vehicle F	-	1,000	-	1,000	
Vehicle G	-	1,202	-	1,202	
	$ 15,604	$ 8,974	$ (10,512)	$ 14,066	

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Balance, January 1, 2024	Additions	Deductions	Balance, December 31, 2024	Note
Land	$ 4,780	$ 946	$ (5,258)	$ 468	
Building A	1,433	819	-	2,252	
Building B	1,333	798	(1,455)	676	
Vehicle C	1,969	-	(1,969)	-	
Vehicle D	1,271	559	(1,830)	-	
Vehicle E	-	333	-	333	
Vehicle F	-	195	-	195	
Vehicle G	-	50	-	50	
	$ 10,786	$ 3,700	$ (10,512)	$ 3,974	

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount
Related parties		
Cheng Loong Corporation		$ 88
Non-related parties		
Company J		8,945
Company G		4,804
Company F		4,264
Company B		3,168
Company R		2,691
Others (Note)	Heavy oil air pollution charges, coal air pollution charges and freight costs, etc.	23,872
		29,454
		$ 53,414

Note: The amount of individual client included in others does not exceed 5% of the account balance.

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Creditor	Description	Amount	Contract Period	Interest Rate (%)	Mortgage or Guarantee
Taiwan Business Bank	Credit loan	$ 100,000	2024.12.09-2025.3.09	1.925	None

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF CURRENT PORTION OF LONG-TERM BORROWINGS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Creditors	Description	Amount	Interest Rates (%)	Collateral
Taiwan Business Bank (1)	Secured loan	$ 53,333	2.025	Note 27
Taiwan Business Bank (2)	Secured loan	23,334	1.835	〃
Mega International Commercial Bank	Secured loan	100,000	2.025	〃
Hua Nan Commercial Bank (1)	Capital loan	230,000	1.880	〃
Hua Nan Commercial Bank (2)	Secured loan	50,000	1.945	〃
Hua Nan Commercial Bank (3)	Secured loan	300,000	1.925	〃
Taiwan Cooperative Bank	Credit loan	4,166	2.100	None
		$ 760,833		

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Creditors	Description	Amount	Contract Period	Interest Rates (%)	Collateral
Hua Nan Commercial Bank (1)	Capital loan	$ 900,833	2021.11.01-2028.11.01	1.880	Note 27
Hua Nan Commercial Bank (2)	Secured loan	50,000	2023.01.11-2025.01.11	1.945	〃
Hua Nan Commercial Bank (3)	Secured loan	300,000	2023.07.19-2025.07.18	1.925	〃
Taiwan Business Bank (1)	Secured loan	53,333	2020.12.10-2025.12.10	2.025	〃
Taiwan Business Bank (2)	Secured loan	23,334	2020.06.24-2025.06.24	1.835	〃
Taiwan Business Bank (3)	Secured loan	591,740	2024.03.29-2034.03.15	1.350	〃
Taiwan Business Bank (4)	Secured loan	57,750	2024.03.29-2031.03.15	1.350	〃
Mega International Commercial Bank	Secured loan	100,000	2022.08.23-2025.08.23	2.025	〃
Chang Hwa Bank	Credit loan	200,000	2024.12.12-2027.12.12	2.025	None
Taiwan Cooperative Bank	Credit loan	100,000	2024.11.26-2027.11.26	2.100	〃
		2,376,990			
Less: Current portion of long-term borrowings		(760,833)			
		$ 1,616,157			

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Description	Lease Term	Discount Rate (%)	Balance, End of Year	Note
Land	Land	2024.07.01-2029.06.30	1.831	$ 4,698	
Building A	Building	2022.04.15-2027.04.14	1.055	1,869	
Building B	Building	2024.03.01-2026.02.28	1.750	956	
Vehicle E	Transportation equipment	2024.01.01-2026.12.31	1.750	672	
Vehicle F	Transportation equipment	2024.06.06-2027.06.05	1.720	809	
Vehicle G	Transportation equipment	2024.11.30-2026.11.29	1.780	1,153	
				10,157	
Less: Lease liabilities - current				(3,809)	
				$ 6,348	

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Cost of goods sold	
Fuel cost	$ 1,056,925
Repair cost	185,209
Depreciation expense	197,294
Labor cost	78,134
Others (Note)	129,829
	1,647,391
Service cost	320,020
	$ 1,967,411

Note: The amount of individual client included in others does not exceed 5% of the account balance.

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF OPERATING EXPENSES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll expense	$ 3,821	$ 91,655	$ 16,344	$ 111,820
Rental expense	-	489	-	489
Postage and phone expense	-	823	-	823
Insurance expense	22	1,556	16	1,594
Entertainment expense	-	8,956	-	8,956
Donation expense	-	1,000	-	1,000
Tax expense	12	4,462	-	4,474
Depreciation expense	75	4,907	2,992	7,974
Amortization expense	-	869	1,529	2,398
Others	1,172	26,374	4,381	31,927
	$ 5,102	$ 141,091	$ 25,262	$ 171,455

TA-YUAN COGENERATION COMPANY LIMITED

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024			2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Labor cost						
Salary	$ 135,051	$ 90,814	$ 225,865	$ 134,925	$ 91,359	$ 226,284
Labor and health insurance	11,092	5,814	16,906	11,516	5,155	16,671
Pension	5,213	2,373	7,586	5,191	2,253	7,444
Remuneration of directors	-	10,920	10,920	-	11,790	11,790
Others	3,668	6,702	10,370	3,865	7,160	11,025
	$ 155,024	$ 116,623	$ 271,647	$ 155,497	$ 117,717	$ 273,214
Depreciation expense	$ 238,205	$ 7,974	$ 246,179	$ 229,869	$ 7,349	$ 237,218
Amortization expense	$ 876	$ 2,398	$ 3,274	$ 876	$ 2,740	$ 3,616

Note 1: On December 31, 2024 and 2023, the number of employees of the Company was 196 and 198 with 5 non-employee directors, respectively, which is consistent with the calculation basis of labor costs.

Note 2: Companies with shares issued in Taiwan Stock Exchange Corporation or Taipei Exchange should disclose the following information.

a. Average labor costs for the years ended December 31, 2024 and 2023 were $1,365 thousand and $1,355 thousand, respectively.

b. Average salaries for the years ended December 31, 2024 and 2023 were $1,183 thousand and $1,172 thousand, respectively.

c. Average salaries increased by 0.94% compared to previous year.

d. There is no supervisor in the Company.

e. Salary and compensation policy of the Company (including directors, independent directors, managers and employees):

Remuneration of directors:

The Company should pay transportation allowance to directors on a monthly basis according to the 31st Item of the Company's Articles and the amount is determined by the board of directors.

Managers and employees:

The distribution of salary, bonus and compensation of employees is based on related management's regulations and the amount depends on the operating situation and individual performance unless specified otherwise.