

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

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

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

Notice to Readers

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

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

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders

YEONG GUAN ENERGY TECHNOLOGY GROUP CO., LTD.

### **Introduction**

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

### **Scope of Review**

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

### **Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries, joint operations, and associates as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, and its consolidated financial performance and its cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations

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Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte and Touche

CPA Huang Yao-Lin

CPA Lee, Tung-Feng

Financial Supervisory Commission

Executive Yuan

Approval Document No.

Gin-Guan-Zheng-Shen-Tze

No. 106004806

Securities and Futures Bureau

Approval Document No.

Tai-Cai-Zheng-Six-Tze

No. 0930128050

November 7, 2024

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

Unit: in thousands of NTD

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

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

Chairman: Chang, Hsien-Ming

General Manager: Li, Rong

Chief Accountant: Tsai, Ching-Wu

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

Consolidated Income Statement

(Reviewed, Not Audited)

Unit: in thousands of NTD,  
Except Earnings Per Share

Code		For the Three Months Ended September 30, 2024		For the Three Months Ended September 30, 2023		For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	OPERATING REVENUE (Notes 22)	\$ 1,847,224	100	\$ 1,938,525	100	\$ 5,005,980	100	\$ 6,498,608	100
5000	OPERATING COSTS (Notes 11 and 23)	1,818,859	99	1,672,798	86	5,174,903	104	5,355,637	83
5900	GROSS PROFIT	28,365	1	265,727	14	(168,923)	(4)	1,142,971	17
	OPERATING EXPENSES (Notes 10 and 23)								
6100	Marketing expenses	101,730	5	101,526	5	252,870	5	284,631	4
6200	General and administrative expenses	136,705	7	164,714	9	388,177	8	481,095	7
6300	Research and development expenses	51,926	3	75,653	4	157,030	3	242,962	4
6450	Expected credit loss (gain)	11,459	1	24,119	1	13,774	-	27,766	1
6000	Total operating expenses	301,820	16	366,012	19	811,851	16	1,036,454	16
6900	PROFIT (LOSS) FROM OPERATIONS	(273,455)	(15)	(100,285)	(5)	(980,774)	(20)	106,517	1
	NON-OPERATING INCOME AND EXPENSES								
7100	Interest income (Notes 23)	5,827	-	7,374	-	22,322	-	23,995	1
7190	Other income and loss (Notes 12, 23 and 28)	878,939	48	9,167	1	960,193	19	17,736	-
7235	Financial product net (loss) profit at fair value through profit and loss (Notes 7 and 18)	8,926	1	(40,506)	(2)	390	-	(1,580)	-
7630	Foreign currency exchange net loss (Notes 30)	22,975	1	(53,697)	(3)	(70,810)	(1)	(13,851)	-
7510	Finance costs (Notes 18 and 23)	(113,503)	(6)	(62,024)	(3)	(324,838)	(6)	(171,712)	(3)
7000	Total non-operating income and expenses	803,164	44	(139,686)	(7)	587,257	12	(145,412)	(2)
7900	PROFIT (LOSS) BEFORE INCOME TAX	529,709	29	(239,971)	(12)	(393,517)	(8)	(38,895)	(1)
7950	INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 24)	192,043	11	(19,211)	(1)	212,981	4	32,769	-
8200	NET PROFIT (LOSS) FOR THE PERIOD	337,666	18	(220,760)	(11)	(606,498)	(12)	(71,664)	(1)
	OTHER COMPREHENSIVE INCOME (LOSS)								
	Items that may not be reclassified subsequently to profit or loss:								
8316	Unrealized gain on financial assets at fair value through other comprehensive income	23,157	1	-	-	(11,250)	-	58,286	1
	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences arising on translation of foreign operations	41,874	3	398,389	20	453,581	9	165,838	2
8300	OTHER COMPREHENSIVE INCOME	65,031	4	398,389	20	442,331	9	224,124	3
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 402,697	22	\$ 177,629	9	\$ 164,167	(3)	\$ 152,460	2
	NET PROFIT (LOSS) ATTRIBUTABLE TO:								
8610	Shareholders of the parent	\$ 333,585	18	(\$ 218,355)	(11)	(\$ 605,708)	(12)	(\$ 68,097)	(1)
8620	Non-controlling interests	4,081	-	(2,405)	-	(790)	-	(3,567)	-
8600		\$ 337,666	18	(\$ 220,760)	(11)	(\$ 606,498)	(12)	(\$ 71,664)	(1)
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
8710	Shareholders of the parent	\$ 374,588	20	\$ 179,608	9	(\$ 184,070)	(3)	\$ 158,372	2
8720	Non-controlling interests	28,109	2	(1,979)	-	19,903	-	(5,912)	-
8700		\$ 402,697	22	\$ 177,629	9	(\$ 164,167)	(3)	\$ 152,460	2
	(LOSS) EARNINGS PER SHARE (Note 25)								
9750	Basic	\$ 2.82		(\$ 1.85)		(\$ 5.13)		(\$ 0.60)	
9850	Diluted	\$ 2.82		(\$ 1.85)		(\$ 5.13)		(\$ 0.60)	

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

Chairman: Chang, Hsien-Ming

General Manager: Li, Rong

Chief Accountant: Tsai, Ching-Wu

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

Unit: in thousands of NTD

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

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

Chairman: Chang, Hsien-Ming

General Manager: Li, Rong

Chief Accountant: Tsai, Ching-Wu

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

Unit: in thousands of NTD

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

(to be continued)

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(brought forward)

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

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

Chairman: Chang, Hsien-Ming

General Manager: Li, Rong

Chief Accountant: Tsai, Ching-Wu

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

**1. GENERAL**

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

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

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

**2. APPROVAL OF FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB</b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 -Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be

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classified into the operating, investing, financing, income taxes and discontinued operations categories.

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

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### (1) Statement of Compliance

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

##### (2) Basis of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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

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

(3) Basis of Consolidation

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

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

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

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

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

(4) Other significant accounting policies

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

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#### Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

#### Taxation

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

### **5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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## 6. Cash and Cash Equivalents

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

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Bank Deposit	0.0001%~5.25%	0.0001%~5.30%	0.0001%~5.25%

## 7. Financial Instruments at Fair Value through Profit or Loss

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

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

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

December 31, 2023

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

September 30, 2023

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

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

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**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

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

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

**9. Financial Assets Measured at Amortized Cost**

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

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

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**10. Account Receivables**

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

At amortized cost

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

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group’s different customer base.

The following table details the loss allowance of trade receivables based on the Group’s provision matrix.

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### September 30, 2024

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

### December 31, 2023

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

### September 30, 2023

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

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

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

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## 11. Inventories

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

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

## 12. Subsidiaries

### Subsidiaries included in this consolidated financial statement

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

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

### 13. Property, Plant and Equipment

#### Assets used by the Group

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

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

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

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

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

#### **14. Lease Arrangements**

##### (1) Right-of-Use Assets

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

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

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Depreciation of right-of-use assets				
Land	\$ 5,371	\$ 5,575	\$ 16,852	\$ 17,206
Buildings	4,306	2,824	12,765	9,818
Transportation Equipment	<u>117</u>	<u>116</u>	<u>357</u>	<u>402</u>
	<u>\$ 10,154</u>	<u>\$ 8,515</u>	<u>\$ 29,974</u>	<u>\$ 27,426</u>

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

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

(2) Lease Liabilities

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

Range of discount rate for lease liabilities was as follows:

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

(3) Material leasing activities and terms

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

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(4) Other Lease Information

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Expenses relating to short-term leases	<u>\$9,982</u>	<u>\$10,488</u>	<u>\$29,291</u>	<u>\$23,161</u>
Expenses relating to low-value asset leases	<u>\$ 453</u>	<u>\$ 313</u>	<u>\$ 748</u>	<u>\$ 2,046</u>
Total cash outflow for leases			<u>(\$60,238)</u>	<u>(\$50,321)</u>

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

**15. Goodwill**

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

**16. Other Financial Assets**

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

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## 17. Loans

### (1) Short Term Loans

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

### (2) Long Term Loans

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

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

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

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

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

### 18. Corporate Bond Payable

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 19. Other Payables

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

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## 20. **Retirement Benefit Plans**

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

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

## 21. **Equity**

### (1) Share Capital

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

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

### (2) Capital Surplus

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

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

(3) Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, when Company makes profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, and then any remaining profit together with any undistributed retained earnings, distributed, shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and of bonus of shareholders. For the policies on distribution of compensation of employees and remuneration of directors and supervisors before and after amendment, refer to Note 23. compensation of employees and remuneration of directors.

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

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

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

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

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

(4) Special Reserve

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

(5) Non-Controlling Interest

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

**22. Revenue**

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Client Contract Revenue				
Product Sales Revenue	<u>\$ 1,847,224</u>	<u>\$ 1,938,525</u>	<u>\$ 5,005,980</u>	<u>\$ 6,498,608</u>

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Disaggregation of revenue from contracts with customers

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

**23. Net Profit(Loss)**

(1) Interest Income

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Bank deposits	\$ <u>5,827</u>	\$ <u>7,374</u>	\$ <u>22,322</u>	\$ <u>23,995</u>

(2) Other Profits and Losses

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Net Gain from Disposal of Right to use Assets	\$ 394,172	\$ -	\$ 418,711	\$ -
The benefits of government demolition compensation	286,123	-	286,123	-
Net Gain/(Loss) from Disposal and Abandonment of Property, Factory and Equipment	192,968	( 1,617)	239,900	( 8,780)
Subsidized Income	6,563	6,127	8,089	8,424
Net Gain from Disposal of Right-of-use assets	( 35)	-	( 35)	-
Gain on repayment of bonds payable	-	4,942	-	4,942
Others	( <u>852</u> )	( <u>285</u> )	<u>7,405</u>	<u>13,150</u>
	<u>\$ 878,939</u>	<u>\$ 9,167</u>	<u>\$ 960,193</u>	<u>\$ 17,736</u>

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(3) Financial Cost

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Interest on Bank Loans	\$ 116,799	\$ 91,283	\$ 330,114	\$ 236,899
Interest on Lease Liabilities	1,505	1,402	4,527	3,968
Interest on Convertible Bond	<u>3,281</u>	<u>4,436</u>	<u>9,749</u>	<u>14,397</u>
	121,585	97,121	344,390	255,264
Less: Amounts included in the cost of qualifying assets	<u>( 8,082)</u>	<u>( 35,097)</u>	<u>( 19,552)</u>	<u>( 83,552)</u>
	<u>\$ 113,503</u>	<u>\$ 62,024</u>	<u>\$ 324,838</u>	<u>\$ 171,712</u>

Information on capitalized interest is as follows:

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

(4) Depreciation, Amortization and Employee Benefit Expense

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

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

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

(5) Employee Compensation and Director/Supervisor Compensation

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

Amount

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

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

Information on the employees' compensation and remuneration of directors and

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

## 24. Income Tax

### (1) Income tax recognized in profit or loss

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

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

### (2) Income tax assessments

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

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## 25. (Loss) Earnings per Share

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

### Net loss for the period

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

### Number of Shares

Unit: 1,000 shares

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

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

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

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

**26. Capital Risk Management**

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

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

**27. Financial Instruments**

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

September 30, 2024

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

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December 31, 2023

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

September 30, 2023

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

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

1. Fair value hierarchy

September 30, 2024

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

December 31, 2023

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

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September 30, 2023

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

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

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

September 30, 2024

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

September 30, 2023

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

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

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

(III) Categories of Financial Instruments

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

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

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

#### (IV) Financial risk management objectives and policies

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

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

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

##### 1. Market Risk

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

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

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(1) Foreign currency risk

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

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

Sensitivity Analysis

The Group was mainly exposed to the currency USD, EUR and RMB. The following table details the Group’s sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the functional currency strengthen 1% against the relevant foreign currencies. For a 1% weakening of the functional currency against the relevant foreign currencies, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

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

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

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

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

## (2) Interest Rate Risk

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

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

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

### Sensitivity Analysis

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

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at the end of the reporting period was outstanding for the whole period. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

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

## (2) Other price risk

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

### Sensitivity analysis

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

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

## 2. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

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

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

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

### 3. Liquidity Risk

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

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

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

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

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

### September 30, 2024

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

Additional information about the maturity analysis for lease liabilities:

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

### December 31, 2023

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

Additional information about the maturity analysis for lease liabilities:

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

### September 30, 2023

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

Additional information about the maturity analysis for lease liabilities:

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

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

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

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

December 31, 2023

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

September 30, 2023

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

(3) Financing Facilities

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

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

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

(V) Information of Financial Asset Transfer

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

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

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

**28. Transactions With Related Party**

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

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

(1) Name and Relation

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

(2) Acquisition of property, plant and equipment

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

(3) Others

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

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

(4) Major Management Remuneration

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

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

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## 29. Assets Pledged as Collateral or for Security

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

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

## 30. Significant Assets and Liabilities Denominated in Foreign Currencies

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

### September 30, 2024

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

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December 31, 2023

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

September 30, 2023

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

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

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

### **31. Disclosed Items**

#### **(I) Information about significant transactions:**

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

#### **(II) Information on investees (Table 6)**

#### **(III) Information for investments in Mainland China**

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

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2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Tables 1 to 8)
  - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - (3) The amount of property transactions and the amount of the resultant gains or losses.
  - (4) The balance of negotiable instrument endorsements/guarantees or pledges of collateral at the end of the period and the purposes.
  - (5) The highest balance, the ending balance, the interest rate range, and the total of current interest with respect to loans provided.
  - (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

(IV) Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 9)

### **32. SEGMENT INFORMATION**

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

Segment revenues and results

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

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

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

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

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

(2) Segment Total Assets

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

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

Table 1

Unit: NTD in thousands unless otherwise prescribed

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

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

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

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

Table 2

Unit: NTD in thousands unless otherwise prescribed

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

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

Table 3

Unit: thousand shares / NTD thousand

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

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

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

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Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries  
ACQUISITION OF REAL ESTATE AT COSTS OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 4

Unit: NTD in thousands unless otherwise prescribed

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

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

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

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

Table 5

Unit: in thousands of NTD

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

Note 1: Price and payment terms for transactions with related party are determined in accordance with the parties' agreement.

Note 2: Aforementioned transactions have all been cancelled during preparation of consolidated financial statement.

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

Table 6 Unit: in thousands of NTD

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

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

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

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

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

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

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

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

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

Table 7

Unit: in thousands of NTD

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

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

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

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

Table 8

Unit: in thousands of NTD

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

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

Note 1: The ways to invest in companies in Mainland China are classified into three types below. Mark the type of investment:

- (1) Direct investment in China.
- (2) Investment in China through a company registered in the third region.
- (3) Other ways.

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

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

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

Table 9

Unit: in thousands of NTD

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

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

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

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Note 2: 1 represents transaction entered by parent company with subsidiary; 2 represents transaction entered by subsidiary with parent company; 3 represents transactions between subsidiaries.

Note 3: With respect to calculation for transaction amount's percentage of consolidated total revenue or total assets, asset/liability items are based on ending balance's percentage of consolidated total assets and liabilities, while income items are based on ending accumulated amount's percentage over consolidated total revenue.

Note 4: All transactions on aforementioned appendix have already been written-off when consolidated financial statements are prepared.

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**Table 10**

**Yeong Guan Energy Technology Group Co., Ltd.**

**INFORMATION OF MAJOR SHAREHOLDERS**

**September 30, 2024**

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

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