

Stock Code: 6443



# **TSEC Corporation The Annual Report, 2024**



**Printed on March 23, 2025**

Inquiry for Annual Report/MOPS: <http://mops.twse.com.tw>

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V. Overseas Listings and Access to the Listing Information: None.

VI. Company Website: <http://www.tsecpv.com/>

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## One. Letter to Shareholders

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### TSEC Corporation **2024 Business Report**

#### I. 2024 Business Results

##### 1. Achievement of business plan

Since the successful transformation in 2018, TSEC's operational strategy has shifted to focus primarily on domestic module sales. The brand recognition and product sales volume of TSEC continue to lead the industry in Taiwan's photovoltaic market. The total module sales volume in 2024 is expected to be 389MW, compared to 656.58MW in 2023, which represents a decline of approximately 40.7%. The main reasons include the transition between governments and the massive dumping of overseas modules, leading to a relatively weak market momentum. About 65% of the current market share is being captured by low-cost overseas products, causing the Company's average market share in Taiwan to decrease from 30% to approximately 24%. In light of the uncertainties in the domestic market, the Company has actively sought to expand export market opportunities since early 2024, extending its presence to the United States, Japan, and parts of Europe. It is hoped that the results will gradually manifest by the end of 2024 to ensure the stable development of the Company's diverse market. In 2024, market momentum has been generally insufficient. However, several large project shipments have provided a foundation for the Company's positive performance in the first three quarters. Nonetheless, the Taiwan market remains weak due to unclear policies and the influx of overseas modules, resulting in a less favorable performance in the fourth quarter compared to the first three quarters. The following is an analysis of the Company's 2024 operational strategy performance:

##### (1) Align with international markets to increase sales volume.

To avoid over-reliance on the domestic market, TSEC began exploring the Japanese market in 2023 and successfully contacted a major Japanese power company. Both parties are currently drafting a module agency contract, with the goal of nationwide sales in Japan, aiming to jointly expand the Japanese market starting in 2025. In addition, since the onset of the US-China trade war, the United States has not only imposed high double anti-dumping and countervailing duties on China, but has also included four Southeast Asian countries. Through the Inflation Reduction Act of 2022 (IRA), the US has subsidized local photovoltaic manufacturing costs to induce and force foreign module manufacturers to relocate and invest in establishing factories in the US. However, due to the higher and more complex production costs of solar cells, the market presents a situation where module capacity exceeds cell capacity. In addition to long-term collaboration with the U.S. company T, we are currently in discussions with several other U.S. module manufacturers, primarily focusing on selling TOPCon cells as the main product. It is hoped that multi-party cooperative transactions will begin in 2025, but the overall effectiveness will depend on the final determination of U.S. tariffs.

- (2) TOPCon will be officially introduced into production in the second half of 2024.

The U.S. client company has been working with YUAN JING for many years. However, due to the long certification testing time and the constant changes in product specifications from the G1 to the M10, as well as the impact of COVID-19, a concrete agreement on the transaction volume between the two parties has not been reached. After the COVID-19 pandemic slowed down, TSEC finally began to have a large number of transactions with the US-based client in 2023. Total sales in 2023 increased 23 times compared with 2022, which is a significant performance result. As global supply exceeds demand, our company has implemented a product efficiency improvement plan, introducing the new TOPCon process to strengthen our competitive advantage in the market. We will obtain domestic VPC cell/module certification in the third quarter of 2024 and begin production and shipment. Although the current market still simultaneously offers both M6 and M10 PERC products, it is estimated that starting in the first quarter of 2025, the global photovoltaic market will fully transition to primarily using TOPCon N-type products. This shift will eliminate half of the outdated production lines in the market, and the new production line layout will better enable our company to secure sales opportunities in both domestic and overseas cell/module markets.

- (3) Effectiveness of financial improvement strategy execution

- (I) Reduce borrowing costs.

Under the global trend of rising interest rates, as of 2024, the interest rate for the New Taiwan Dollar has increased by 0.25%, with a rediscount rate of 2%. Although the U.S. Federal Reserve has slightly reduced interest rates, the base rate remains around 5.00%. Due to the interest rate differential between domestic and foreign currency borrowings reaching approximately 3% or more, to reduce interest costs, loans for importing materials from abroad have been switched to primarily use the New Taiwan Dollar.

In 2024, short-term loan interest rates range between 2.29% and 2.34%, while long-term loan interest rates range between 1.72% and 3.02%. Compared to 2023, where short-term and long-term interest rates were between 2.39% and 2.58% and 1.60% and 3.09% respectively, the efforts to control borrowing costs have been effective.

In terms of financial management, the Company adjusts the loan amount based on its operational situation. The debt ratio is approximately 34% in 2024, compared to 37% in 2023, which helps reduce financial risk and alleviate interest burdens.

- (II) Reduce reliance on borrowing and strengthen the financial structure.

Due to the impact of international situations on the renewable energy industry, including the U.S. new government's energy policy emphasizing fossil fuels and withdrawal from the Paris Agreement, China's solar overcapacity, and the lack of momentum in domestic green energy policy, the Company has completed the restructuring of the Hsinchu plant's syndicated loan in December 2024 to stabilize its financial structure and strengthen investor confidence. At the same time, it also demonstrates the syndicate's support for the Company's solar manufacturing business and future investment projects.

(4) Increase the synergy of reinvestment

(I) Solar photovoltaic sites

Due to geopolitical factors or approval delays by domestic developers leading to capital backlog, Solar photovoltaic sites owned by foreign businesses are experiencing a wave of sell-offs. They are evaluating Solar photovoltaic sites and other sites under development, exceeding approximately 100 MW in total. To ensure investment returns and development feasibility, they will conduct a careful evaluation before proceeding.

(II) Obtained an electricity sales license

Hengli Energy Co., Ltd., a wholly-owned subsidiary of the Company, has obtained an electricity sales license in 2024 to operate the green electricity purchase and sale business, moving towards the group's goal of diversified operations.

2. Budget Execution Situation: According to current legal regulations, the Company does not disclose its financial budget figures for 2025.

3. Financial income and expenses and profitability analysis (IFRS)

(1) Financial income

Unit: NT\$ Thousand

Item\Year	2023	2024
Pre-tax net income	521,906	(598,275)
Net cash generated by operating activities	1,370,696	712,253
Net cash used in investing activities	(1,527,421)	(628,506)
Net cash flow from financing activities	516,268	(656,633)
Effect of exchange rate changes on cash and cash equivalents	(2,993)	714
Net cash inflows (outflows) of cash and cash equivalents	356,550	(572,172)
Opening balance of cash and cash equivalents	837,804	1,194,354
Cash and cash equivalents, end of period	1,194,354	622,182



(2) Profitability analysis

Unit: %

Item\Year	2023	2024
Return on Total Assets	4.95	(4.96)
Return on shareholders' equity	7.64	(8.29)
Operating income to paid-in capital ratio	9.22	(11.34)
Net Margin	6.38	(13.30)
After-tax earnings per share (NT\$)	1.07	(1.17)

4. Status of research and development

Since 2013, the Bureau of Energy, Ministry of Economic Affairs has been organizing the High-Quality Solar Photovoltaic Product Awards (Golden Energy Award) selection activity. Our company has won this award for eleven consecutive years (2014-2024). In response to the demand for VPC in the domestic market, we are committed to improving the quality of monocrystalline V-Cell products while enhancing conversion efficiency and production yield, aiming to optimize process conditions and reduce production costs. We are developing Multi-Busbar (MBB) technology to further enhance cell efficiency. Additionally, we are actively developing various niche solar cell products, including introducing large-size N-type cell technology and equipment and developing M10 size cells to increase the total wattage of the cells. For the M10 modules with 108, 120, 132, and 144 cells, we are introducing new materials for modules to optimize the module encapsulation process conditions, thereby increasing the module output wattage, and evaluating the feasibility of OBB module technology. In addition, in response to the demand for low-earth orbit satellites, we are developing solar cell packaging technology for space use, and developing N-type solar cell technology with passivation layer technology that can withstand high radiation for the space environment.

## II. 2025 Operation Plan Overview

### 1. Business Guidelines

Since 2021, to achieve the energy transformation goals, the Executive Yuan has been shaping Taiwan into a safe, clean, and sustainable smart energy island. The "Green Energy Technology Industry Innovation Promotion Program 2.0" has been elevated to focus on four major visions: "Green Energy Promotion," "Industry Development," "Technological Innovation," and "Green Finance." In line with policy guidelines, Taiwan continues to focus on the four main areas of energy saving, energy creation, energy storage, and system integration. The strategy involves active energy saving, diverse energy creation, intelligent energy storage, flexible scheduling, and a sound market, with the aim of establishing Taiwan as the green energy center of the Asia-Pacific region. In response to the government's green energy and carbon reduction policy, as Taiwan's largest photovoltaic manufacturer, TSEC has set six major operational goals for its 2025 strategy, including market, production, procurement, quality, research and development, and finance, to unify the consensus of all colleagues and achieve these objectives.

2. Expected sales volume and its basis: According to current legal regulations, the Company does not disclose its financial budget figures for 2025.

### 3. Key manufacturing and sales policies

(1) Accelerate the phase-out of M6/M10 PERC and introduce the TOPCon process depending on market conditions.

The global combined capacity of solar cells/modules has exceeded 1,600 GW. After excluding 50% of PERC P-type products, TOPCon accounts for approximately 800 GW. Although this is still higher than the required international capacity of 600 GW, as current high-efficiency products mainly utilize monocrystalline N-type processes, and with international photovoltaic manufacturers undergoing closures and consolidations, in the medium to long term, apart from cost-saving measures, our company can secure more orders by investing in advanced TOPCon processes. In addition, investing in TOPCon capacity can increase each cell's wattage by 7%, which also has cost reduction benefits in production.

(2) Continuously improve TOPCon cell conversion efficiency and commercial yield.

Overall, in addition to receiving orders to improve utilization rates, in the context of a stagnant domestic and international market, increasing the commercial yield of cell output from the current 94% to over 96% can enhance the Company's overall profit by nearly 2%. This is the most direct and effective way to reduce costs and increase revenue and profitability. Furthermore, the continuous improvement of TOPCon conversion efficiency is not only a market requirement but also provides a competitive edge in reducing production costs, competing with imported modules, and expanding into overseas markets. When the efficiency of the cells increases from 25% to 25.5%, each cell can increase by 0.17W to reach 8.54W. Calculating one line producing 140,000 cells per day can lead to an increase of 8.7MW annually. Without considering each 5W as a sales tier for modules and at a rate of 28 cents per watt, this could generate an additional \$2.43 million in annual revenue, providing some benefit to the Company's actual profits and cost reduction efforts.

(3) Implement procurement negotiations to reduce production costs.

The Company will continue using the procurement negotiation team introduced in June 2024, led personally by the chairman, to compare the cost-performance ratio of essential material procurements, implementing the three principles of "inquiry, comparison, and negotiation" in procurement. To implement procurement negotiations to reduce production costs, factory and procurement unit supervisors conduct a review of the next quarter's material costs and yield at the end of each quarter. They compare the unit prices and supply quality status of important materials each season, which not only effectively reduces costs but also exerts positive negotiation pressure on excellent suppliers. If the cost per watt can be reduced by 1 cent, calculating with an annual sales of 500MW, it is estimated that expenses can be reduced by 150 million New Taiwan Dollars each year.

(4) Actively develop customers in the U.S. and Japan and grasp opportunities to expand overseas

Although the Company has been established in the overseas markets of the U.S. and Japan for more than two years, it still requires time to yield results. It is hoped that by the third and fourth quarters of 2025, these markets can account for at least one-third of sales volume to compensate for the sales gap caused by insufficient domestic market momentum.

U.S. market

Due to the tariff sanctions imposed by the United States on Southeast Asia, along with the IRA's subsidy of up to 7 cents per watt for domestic module manufacturing, the module manufacturing capacity in the U.S. continues to grow. The existing and planned module capacity has already exceeded 50 GW, but the U.S. has almost no significant cell capacity, thereby creating an opportunity for our company to export cells to the U.S. Currently, discussions are underway with 15 module manufacturers. Several companies have already started sending samples for testing. At the same time, due to the issue of U.S. anti-dumping tariffs, it is necessary to be cautious to avoid touching on U.S. dumping issues and to seek ways to reduce the current 7.89% anti-dumping duty imposed on our company by the U.S.

## Japanese market

The module market in Japan has an annual installation volume of approximately 4 GW. For a long time, large-scale ground power plants have been dominated by imported modules from mainland China, while rooftop modules have been the domain of high-priced Japanese brand products. Our company will enter the Japanese high-quality module market by positioning our products as having a better quality image than mainland Chinese products and being more affordable than Japanese products. The primary target niche markets are set as follows: First, to enter the high-priced rooftop product market appealing to Japanese end consumers by leveraging the superior image of Taiwanese products. Second, to capitalize on the advantages of superior weather resistance and reliability of Yuan Jing products to penetrate the ground markets in challenging environments, such as coastal or even water surface areas. We have been in contact with Japan's major power companies and other downstream distributors for over two years, and continue to reach out to other potential customers. In addition to the support of policies introduced by the local Japanese government requiring the installation of solar modules in newly constructed residential buildings, our company is expected to gradually gain a certain market share in the Kanto region of Japan. If the rooftop-type small module production line retrofit investment is confirmed, the sales target for 2025 is expected to be over 20MW. By December 2024, small batch exports have already begun.

### (5) Strengthen risk control to ensure profitability

The deteriorating relationship between the US and China has made the overall economic environment in Asia even more turbulent. Various industries, including solar power, have also sold their inventories at low prices in exchange for cash to survive. As a result, overseas module inventories have soared. In addition to the need for procurement and financial departments to pay attention to the changes in costs and exchange rates in the supply chain, sales departments must pay attention to changes in the market when placing orders. In particular, the dumping of overseas imported modules at low prices in Taiwan requires consistent countermeasures. The education and training of marketing and sales units must be further strengthened.

## III. Future Development Strategies

TSEC will continue to focus on improving product quality and promoting streamlined management. It will conduct diversified developments in terms of product strategy. From solar power generation, communication applications to energy storage systems, these options will be the key pillars in the Company's medium and long-term product development strategy. As well as product planning, more attention has been paid to ESG and corporate governance internationally than in the past. On the one hand, the Company will continue to implement corporate governance policies to enhance and improve the performance of operational management and to shape and deepen corporate governance culture. The goal is not lower than the second level of corporate governance evaluation. Alongside this, a carbon risk and carbon asset management system will be established to meet the ultimate goal of carbon neutrality. For the carbon footprints generated by related units, products, services and other activities, a system of management will be established for inquiry, carbon reduction and offset, and thus the sustainable development of a low-carbon environment will be promoted.

#### IV. Impact of the Competitive Environment, Regulatory Environment, and Macroeconomic Environment

After the presidential elections in Taiwan and the United States in 2024, the changes in green energy policies have been too significant, leading the overall industry into a winter period. Other major aspects include the aggressive importation of overseas modules and the rapid geopolitical changes affecting Taiwan-made products. The following analysis will cover various aspects:

##### 1. Competition from imports of modules made overseas

Since 2016, the government has introduced the photovoltaic frontrunner VPC plan to provide a protective shield for the photovoltaic module/cell manufacturing industry, effectively preventing overseas manufacturers from entering the Taiwan market with unfair competition methods. However, due to domestic policy loopholes accelerating the import of low-cost modules with varying quality from abroad, even though domestic manufacturing quality and reputation are better, they still cannot compete with the influx of unguaranteed imported products, making the VPC certification weaker than in previous years.

##### 2. The rapid geopolitical changes affecting Taiwan-made products.

Because Taiwan is located in an important region in the Asia Pacific, the tension between China and the United States has many aspects, from politics, military to economics, on Taiwan, and the sales of solar energy products are no exception. In addition to the U.S. conducting anti-circumvention investigations in Southeast Asia, which may benefit Taiwanese companies in selling to the U.S. market, the historical burdens between Japan and mainland China have also come to the forefront. Even Japanese businesses that previously relied on Chinese products are starting to turn to Taiwanese companies for collaboration.

#### V. Conclusion

For 2025, the Company will continue to make every effort to increase its domestic market share of modules and continue to develop project sites to meet domestic demand. It also plans to expand into the overseas market, to meet the expectations of all shareholders.

Our best wishes to all of our valued shareholders.

TSEC Corporation

Chairman: Wei Jen Investment Co Ltd.

Representative: Liao, Kuo-Ron

General Manager: Hung, Chen-Ren

Accounting Manager: Chang, Wei-Che

March 5, 2025

Two. Corporate Governance Report

I. Information on the Company's Directors, Supervisors, President, Assistant Presidents, Deputy Assistant Presidents, and the Supervisors of all the Company's Divisions and Branch Units

(I) Directors and Supervisors

1. Information on Directors and Supervisors

March 25, 2025; Shares; %																						
Title	Nationality or place of registration	Name	Gender/Age	Date of election or inauguration	Term	Date when first elected	Shareholding when elected		Current shareholding		Shareholding of spouses and children of minor age		Shareholding through nominees		Major education and industry background	Concurrent positions in the Company and in subsidiaries	Other department heads, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks		
							Number of preferred stock shares	Shareholding ratio (%)	Number of preferred stock shares	Shareholding ratio (%)	Number of preferred stock shares	Shareholding ratio (%)	Number of preferred stock shares	Shareholding ratio (%)			Title	Name	Relationship			
Chairman	Republic of China	Wei Jen Investment Co Ltd.	-	2022.06.09	3 years	2010.10.12	4,525,538	1.015%	2,816,617	0.549%	-	-	-	-	MBA, University of Tennessee President, Gintech Energy Corporation Chairman, Huxen Corporation. Vice President, CITI and ABN AMRO	Independent Director of AURORA Corporation, Director of Yaskawa Electric Corporation, Director of Wei-Ren Investment Corporation, Chairman of Hoku Energy Development Corporation, Chairman of Hou Chang Energy Corporation, Chairman of Heng Yong Energy Corporation, Chairman of Heng Li Energy Corporation, Chairman of Yong Li Energy Corporation, Chairman of Yun Xing Optoelectronics Corporation, Chairman of Yun Sheng Optoelectronics Corporation, Chairman of Yuan Jin Chuang Neng Corporation.	Director Representative	Liao, Wei-Ran	Father-son	-		
							-	-	-	-	-	-	-	-								
	Republic of China	Representative: Liao, Kuo-Ron	Male 71~80				728,557	0.163%	7,524	0.001%	75,789	0.014%	-	-							-	-
							-	-	-	-	-	-	-	-								
Director	Republic of China	An Chuang Industrial Corporation	-	2022.06.09	3 years	2011.06.30	43,099	0.010%	47,963	0.009%	-	-	-	-	Master's Degree, New York State University Deputy Assistant President, DBS Deputy Assistant President, Standard Charter Deputy Assistant President, ABN AMRO	Director of Wei-Ren Investment Corporation, Chairman of Yaskawa Electric Corporation, Director of Yuan Yu Solar Corporation, Director of Hou Chang Energy Corporation, Director of Heng Li Energy Corporation, Director of Heng Yong Energy Corporation, Director of Yong Li Energy Corporation, Director of Yun Sheng Optoelectronics Corporation, Director of Yun Xing Optoelectronics Corporation, Director of Yuan Jin Chuang Neng Corporation, Fengxin Senyang Solar Energy Corporation. Director of Simultaneous Corporation, Director of Yu Sheng Chuang Neng Co., Ltd., Chairman of Jin Jing Electric Power Co., Ltd.	Director Representative	Liao, Kuo-Ron	Father-son	-		
							-	-	-	-	-	-	-	-								
	Republic of China	Representative: Liao, Wei-Ran	Male 41~50				290,623	0.061%	100,588	0.020%	50,264	0.009%										
							-	-	-	-	-	-	-	-								
Director	Republic of China	Cheng Hsi Investment Corporation	-	2022.06.09	3 years	2013.06.20	1,762,919	0.395%	1,613,338	0.315%	-	-	-	-	EMBA, National Taiwan University	President, Formosan Rubber Group Inc.; Director, Cheng Hsi Investment Corporation; Chairman, Rueifu Development Co., Ltd.; Director Rueifu Investment Co., Ltd.; Director, Shanxiajian Joint Venture Co., Ltd.; Director, Rueifu International Co., Ltd.; Director, Yu Ji Venture Capital Corporation	-	-	-	-		
							-	-	-	-	-	-	-	-								
	Republic of China	Representative: Hsu, Cheng-Ji	Male 61~70				-	-	-	-	-	-	-	-			-	-	-			
							-	-	-	-	-	-	-	-								
Director	Republic of China	Yu Sheng Energy Corporation	-	2022.06.09	3 years	2021.04.07	20,000	0.004%	20,000	0.004%	0	0.00%	-	-	Bachelor from Tamkang University, Production Division Director of Housheng Corporation, Marketing Division Director, Associate Manager of Siwel Corporation, Project Manager, Audit Manager. Advisor, Formosan Rubber Group Inc.	Chairman, Yu Sheng Energy Corporation	-	-	-	-		
							17,684,210	68.293%	17,684,210	68.293%	0	0.00%	-	-								
	Republic of China	Representative: Liu, Weng-Cheng	Male 61~70				-	-	-	-	-	-	-	-			-	-				
							-	-	-	-	-	-	-	-								

Title	Nationality or place of registration	Name	Gender/Age	Date of election or inauguration	Term	Date when first elected	Shareholding when elected		Current shareholding		Shareholding of spouses and children of minor age		Shareholding through nominees		Major education and industry background	Concurrent positions in the Company and in subsidiaries	Other department heads, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks
							Number of preferred stock shares	Shareholding ratio (%)	Number of preferred stock shares	Shareholding ratio (%)	Number of preferred stock shares	Shareholding ratio (%)	Number of preferred stock shares	Shareholding ratio (%)			Title	Name	Relationship	
Director	Republic of China	National Development Fund Management Committee of the Executive Yuan	-	2022.06.09	3 years	2022.06.09	-	-	926,817	0.181%	-	-	-	-	Doctor of Economics, National Chung Hsing University Associate Dean, Taiwan Institute of Economic Research Chairman, National Development Council Deputy Minister, Ministry of Economic Affairs Cabinet Minister, Executive Yuan; Chairman, National Development Committee Convener, National Development Fund Management Committee of the Executive Yuan Representative Director, Taiwan Semiconductor Manufacturing Co., Ltd.	Representative Director of Vanguard International Semiconductor Corporation Secretary-General of the Executive Yuan	-	-	-	-
							8,210,526	31.707%	8,210,526	31.707%	-	-	-	-			-	-	-	-
							-	-	-	-	-	-	-	-			-	-	-	-
							-	-	-	-	-	-	-	-						
	Republic of China	Representative: Kung, Ming-Hsin	Male 51~60				-	-	-	-	-	-								
Independent Director	Republic of China	Lin, Gu-Tong	Male 61~70	2022.06.09	3 years	2019.03.29	-	-	-	-	440,373	0.09%	-	-	MBA, University of Tennessee Chairman, Deloitte Taiwan	Independent Director, TAIRX, INC.; Independent Director, Yi Shin Textile Industrial Co., Ltd.; Independent Director, INNOPHARMAX INC.	-	-	-	-
							-	-	-	-	-	-	-	-						
Independent Director	Republic of China	Cheng, Hsien-Chih	Male 61~70	2022.06.09	3 years	2022.06.09	-	-	-	-	-	-	-	-	National Cheng Kung University; President, YARK TECHNOLOGY CO., LTD.; President for the Greater China Area, Department of Electronics and Communications, Global Business President, Microelectronic Integrated Circuit Department, and Chairman of Taiwan Branch, DuPont	Independent Director of Tunglien Chemical Corporation, Chairman of Y.S. Investments Corporation, Director of Four Dimensions Innovation Company, Fubon Energy Corporation.	-	-	-	-
							-	-	-	-	-	-	-	-						
Independent Director	Republic of China	Shen, Chien-Ju	Female 41~50	2022.06.09	3 years	2022.06.09	-	-	-	-	-	-	-	-	National Taiwan University Business Manager for Southeast Asia and Taiwan at DuPont Taiwan Limited, an American company DuPont, and responsible for the Asia-Pacific region at CHASM Advanced Materials Co. Ltd.	Supervisor of Qingyu International Co., Ltd. Principal, JSS Biotech Co., Ltd.	-	-	-	-
							-	-	-	-	-	-	-	-						
							-	-	-	-	-	-	-	-						

2. Major Shareholders of Juridical Person Shareholders:

March 25, 2025; Shares; %

Name of juridical person shareholder	Major shareholders of juridical person shareholder	Shareholding proportion
Wei Jen Investment Co Ltd.	Liao-Wang, Li-Hui	43%
	Chien, Shu-Yin	0.5%
	Liao, Wei-Ran	23%
	Liao, Wei-Ren	23.5%
	Liao, Pei-Lun	10%
An Chuang Industrial Corporation	Liao, Wei-Ran	99.00%
	Liao, Wei-Ren	1.00%
Yu Sheng Energy Corporation	Holdgood Energy Co., Ltd.	49.64%
	Brave C&H Supply Co., Ltd	19.00%
	Giga Solar Material Corporation	14.25%
	Gigastorage Corporation	11.88%
	Engtown Construction Corporation	2.85%
	Cheng Hsi Investment Corporation	2.38%
Cheng Hsi Investment Corporation	Yang, Hsun-Wen	0.20%
	Hsu Cheng-Chi	99.50%
	Hsu, Ju-I	0.15%
	Hsu, Cheng-Hsi	0.15%
National Development Fund Management Committee of the Executive Yuan	(Not applicable)	



3. Major Shareholders of Corporate Shareholders Whose Major Shareholders are Corporate Shareholders:

March 31, 2025; Shares; %

Name of the juristic person	Major shareholder of corporation
Holdgood Energy Co., Ltd.	Wei Jen Investment Co Ltd. 47.71%; TSEC Corporation 45.49%; Cheng Hsi Investment Corporation 4.26%; Liao-Wang, Li-Hui 1.26%; Deguang Education Investment Co., Ltd. 0.28%; Chien, Shu-Ying 0.22%; Cheng, Chen-Kuo 0.28%; He, Hao 0.18%; Liu, Li-Ping 0.1%
Brave C&H Supply Co., Ltd	Chen Gan-Fu 4.34%, Tsai Fu-Te 4.01%, Chang Yu Industrial Co., Ltd. 2.43%, Yu Bai-Tang 2.21%, Jin Cheng Co., Ltd. 1.89%, Long Bang Co., Ltd. 1.82%, CTBC Bank Custodial Restricted Stock Trust Account with Voting Rights and Dividend Distribution Rights for Employees of Warehouse Co., Ltd. 1.68%, Weihong International Enterprise Co., Ltd. 1.64%, Zhong Rui-Jiao 1.42%, Tsai Chao-Ting 1.35%
Giga Solar Material Corporation	Taiwan Glass Ind. Corp. 38.07%, Hung Yang Venture Capital Co., Ltd. 10.08%, Teng Xi Investment Co., Ltd. 5.1%, Hanxin Investment Co., Ltd. 1.19%, Lin Yu-Ye 0.98%, Tang Hong-De 0.75%, Tzeng Chun-Sheng 0.60%, Standard Chartered International Commercial Bank Business Branch Custodian Mizuho Securities Co., Ltd. Investment Account 0.60%, JPMorgan Chase Bank, Taipei Branch Custodian for Advanced Light Source Fund Company's Series Fund Advanced Global Comprehensive Stock Index Fund Investment Account 0.52%, JPMorgan Chase Bank, Taipei Branch Custodian for Vanguard Group Inc. Manager Vanguard Emerging Markets Stock Index Fund Investment Account 0.52%
Gigastorage Corporation	Chen Ji-Ming 3.96%, Chen Su-Hui 2.58%, Wei Shan Investment Co., Ltd. 2.58%, Li Shu-Hui 1.37%, JPMorgan Chase Bank, Taipei Branch Custodian for Vanguard Group Inc. Manager Vanguard Emerging Markets Stock Index Fund Investment Account 1.28%, Li Shu-Hui 1.27%, JPMorgan Chase Bank, Taipei Branch Custodian for Advanced Light Source Fund Company's Series Fund Advanced Global Comprehensive Stock Index Fund 1.25%, Wu Xi-Kun 1.25%, Gu Dong-Wen 1.09%, Chuang-Yi Energy Technology Co., Ltd. 1.09%, Chen Min-Min 0.95%
Engtown Construction Corporation	Kun-Rong Lin 26%, Jui-Yen Liu 24.5%, Yi-Chen Lin 17.7%, Yi-Ting Liu 15%, Yun-Lan Ding 11%, Man-Tang Lin 0.3%, Pao-Chu Chan 5.5%
Cheng Hsi Investment Corporation	Hsu Cheng-Chi 99.50%; Yang, Hsun-Wen 0.20%; Hsu, Ju-I 0.15%; Hsu, Cheng-Hsi 0.15%

4. Disclosure of Professionalism of Directors and Supervisors and Independence of Independent Directors:

Name \ Conditions		Professional qualifications (Note 1)	Experience	Independence Situation (Note 1)	Number of other companies in which they are also concurrently serving as an independent director.
Chairman	Liao, Kuo-Ron	With more than five years of work experience required for the Company's operations, a Master of Business Administration graduate from The University of Tennessee, currently serving as the Chairman of the Company, and not having any circumstances outlined in Article 30 of the Company Act.	MBA, University of Tennessee President, Gintech Energy Corporation Chairman, Huxen Corporation. Vice President, CITI and ABN AMRO	(3)(4)(5)(6)(7)(8)(9)(11)	1
Director	Liao, Wei-Ran	With more than five years of work experience required for the Company's operations, a Master's graduate from the State University of New York, currently serving as the Senior Vice President of the Company, and not having any circumstances outlined in Article 30 of the Company Act.	Master's Degree, New York State University Deputy Assistant President, DBS Deputy Assistant President, Standard Charter Deputy Assistant President, ABN AMRO	(3)(4)(5)(6)(7)(8)(9)(11)	0
Director	Liu, Weng-Cheng	With more than five years of work experience required for the Company's operations, a graduate from Tamkang University, currently serving as the Chairman of Yu Sheng Chuang Neng Co., Ltd., and not having any circumstances outlined in Article 30 of the Company Act.	Bachelor, Tamkang University Chairman, Yu Sheng Energy Corporation Chief of Production Business Department and Marketing Department, Formosan Rubber Group Inc. Deputy Assistant President, Head of Project, Audit Head, Xiwei Optoelectronics Co., Ltd. Advisor, Formosan Rubber Group Inc.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)	0
Director	Hsu Cheng-Chi	With more than five years of work experience required for the Company's operations, a graduate of Taiwan University's EMBA program, currently serving as the Director and General Manager of Housheng, and not having any circumstances outlined in Article 30 of the Company Act.	EMBA, National Taiwan University Director and President of Formosan Rubber Group Inc. Chairman, Ruifu Development	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)	0

Name \ Conditions		Professional qualifications (Note 1)	Experience	Independence Situation (Note 1)	Number of other companies in which they are also concurrently serving as an independent director.
Independent Director	Lin, Gu- Tong	With more than five years of work experience required for the Company's operations, a Master of Business Administration graduate from The University of Tennessee, holding a CPA license, formerly served as the Chairman at Deloitte Touche Tohmatsu Limited, and not having any circumstances outlined in Article 30 of the Company Act.	MBA, University of Tennessee Bachelor's degree, Department of Accounting, NCCU Chairman, Deloitte Taiwan	(1)(2)(3)(4)(5)(6) (7)(8)(9)(10)(11) (12)	3
Director	Kung, Ming- Hsin	With 5 or more years of experience required for the Company's business; Doctor of Economics, National Chung Hsing University; currently serves as Chairman at the National Development Council; and comes under none of the conditions under Article 30 of the Company Act.	Doctor of Economics, National Chung Hsing University Associate Dean, Taiwan Institute of Economic Research Chairman, National Development Council Deputy Minister, Ministry of Economic Affairs	(1)(2)(3)(4)(5)(6) (7)(8)(9)(10)(11)	0
Independent Director	Cheng, Hsien- Chih	With 5 or more years of experience required for the Company's business; graduated from the National Cheng Kung University; currently serves as Independent Director of Oriental Union Chemical Corp.; and comes under none of the conditions under Article 30 of the Company Act.	National Cheng Kung University President, Yark Technology Co., Ltd. President for the Greater China Area, Department of Electronics and Communications, Global Business President, Microelectronic Integrated Circuit Department, and Chairman of Taiwan Branch, DuPont Independent Director, SCI Pharmtech, Inc. Supervisor of Xiangyi Pharmaceutical Co., Ltd.	(1)(2)(3)(4)(5)(6) (7)(8)(9)(10)(11) (12)	1
Independent Director	Shen, Chien- Ju	With more than five years of work experience required for the Company's operations, a graduate of National Taiwan University Master of Chemical Engineering, currently serving as the Head of Asia-Pacific at CHASM Advanced Materials Co. Ltd., an American company, and not having any circumstances outlined in Article 30 of the Company Act.	Master's in Chemical Engineering, National Taiwan University; Sales Manager for Southeast Asia and Taiwan, DuPont Taiwan	(1)(2)(3)(4)(5)(6) (7)(8)(9)(10)(11) (12)	0

- Note 1: When any of the following conditions is met for each director during the 2 years prior to and during their tenure.
- (1) Not employed by the Company or any of its affiliated companies.
  - (2) Not a director or supervisor of the Company or any of its affiliated companies (this restriction does not apply to concurrent independent director positions in the Company, its parent Company, subsidiary, or another subsidiary of the parent that are compliant with Securities and Exchange Act or local laws).
  - (3) Does not hold more than 1% of the Company's outstanding shares in their own names or under the name of their spouse, underage children, or proxy shareholder; nor is a top-10 natural-person shareholder of the Company.
  - (4) Not a manager listed in (1), or a spouse, second-degree relative or closer or third-degree direct relative or closer to any personnel listed in (2) or (3).
  - (5) Not a director, supervisor, or employee of any corporate shareholder that: 1. holds 5% or more of the Company's outstanding shares; 2. is a top-5 shareholder; or appoints a director/supervisor representative in the Company according to Paragraph 1 or 2, Article 27 of the Company Act. (This excludes concurrent independent director positions held within the Company and its parent/subsidiary, or in other subsidiaries of the parent Company that are compliant with the Act or local laws).
  - (6) Not a director, supervisor or employee of any other Company that controls directorship in the Company or where more than half of total voting rights are controlled by a single party (this excludes concurrent independent director positions held within the Company and its parent/subsidiary, or in other subsidiaries of the parent Company that are compliant with the Act or local laws).
  - (7) Does not assume concurrent duty as Chairman, President or equivalent role, and is not a director, supervisor or employee of another Company or institution owned by spouse. (This excludes concurrent independent director positions held within the Company and its parent/subsidiary, or in other subsidiaries of the parent Company that are compliant with the Act or local laws).
  - (8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any Company or institution that has a financial or business relationship with the Company (however, this excludes concurrent independent director positions held within companies or institutions that hold more than 20% but less than 50% outstanding shares of the Company, or in the Company's parent or subsidiary, or in another subsidiary of the parent that is compliant with the Act or local laws).
  - (9) Not a professional who provides audit services, or commercial, legal, financial, accounting or consultation services for an accumulated sum of less than NT\$500 thousand in the last 2 years, to the Company or its affiliate, nor is an owner, partner, director, supervisors or manager, or the spouse of any of the above, of a sole proprietorship, partnership, Company, or organization that provides such services to the Company or its affiliated companies. This excludes roles as Remuneration Committee, Public Acquisition Review Committee or M&A Special Committee members appointed in accordance with the Securities and Exchange Act or Business Mergers and Acquisitions Act.
  - (10) Not a spouse or relative of second degree or closer to any other directors.
  - (11) Not having any circumstances outlined in Article 30 of the Company Act.
  - (12) Not elected as a government, corporation, or its representative in accordance with the provisions of Article 27 of the Company Act.

5. Diversity and independence of the board of directors:

(1) Diversity of the board of directors:

In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company revised the "Corporate Governance Practice Principles" Article 22, Paragraph 3, in 2020 to adjust the "Board Member Diversity Policy." The policy states that the composition of the Board of Directors should consider various needs such as the Company's operational structure, business development direction, and future development trends, and should evaluate various aspects of diversity, such as basic qualifications and values (e.g., Gender, nationality, age, and culture), professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience, and generally possess the necessary knowledge, skills, and qualities to perform their duties to achieve the ideal goals of corporate governance.

● Implementation of board diversity:

Areas of Diversification Core Item  Name of Director	Basic conditions									Professional knowledge and skills						
	Nationality	Gender	Concurrently serves as the Company's employee	Age				Independent director tenure			Industry	Commerce	Accounting	Finance	Law	Marketing
				Under 50	51 - 60	61 - 70	71 above	Under 3 years	4 to 6 years	7-9 years						
Liao, Kuo-Ron	Republic of China	Male	✓				✓				✓	✓		✓		✓
Liao, Wei-Ran	Republic of China	Male	✓	✓							✓	✓		✓		✓
Hsu Cheng-Chi	Republic of China	Male				✓						✓				✓
Liu, Weng-Cheng	Republic of China	Male				✓						✓				✓
Kung, Ming-Hsin	Republic of China	Male			✓						✓	✓		✓		
Cheng, Hsien-Chih	Republic of China	Male				✓		✓			✓	✓				✓
Shen, Chien-Ju	Republic of China	Female		✓				✓			✓	✓				✓
Lin, Gu-Tong	Republic of China	Male				✓			✓			✓	✓	✓		

(2) Independence of the Board of Directors:

The current board of directors consists of 8 directors, including 3 independent directors; the board members possess abundant experience and expertise in the industry, commerce, accounting, finance, law and marketing. In addition, to maintain the independence of the board of directors, the Company aims for independent directors to constitute at least one-third of all board seats (currently 37.5%). The consecutive terms of all independent directors should not exceed three terms (currently one is serving a second term, and the other two are serving their first term), and the number of directors with spousal or second-degree kinship should not exceed one-fourth (currently 25%). Additionally, to promote gender equality in the composition of the board of directors, there should be at least one female director (one serving as an independent director).

(II) President, assistant presidents, deputy assistant presidents, and the supervisors of all the Company's divisions and branch units:

March 25, 2025; Shares; %

Title	Nationality	Name	Gender	Date inaugurated	Shareholding		Shareholding of spouses and children of minor age		Shareholding through nominees		Major education and industry background	Concurrent positions in the Company and in subsidiaries	Spouse or relatives within the second degree of kinship or closer			Remarks
					Number of preferred stock shares	Shareholding ratio	Number of preferred stock shares	Shareholding ratio	Number of preferred stock shares	Shareholding ratio			Title	Name	Relationship	
President	Republic of China	Hung, Chen-Ren	Male	July 5, 2012	934	0.000%	934	0.0001%	-	-	Ph.D. in Chemistry, University of Missouri-Rolla Vice President, Powertec Energy Deputy Assistant President, Resources and Materials, Gintech Energy Corporation	-	-	-	-	-
					-	-	-	-	-	-						
Senior Executive Vice President	Republic of China	Liao, Wei-Ran	Male	2010.11.01	100,588	0.021%	50,264	0.001%	-	-	Master's Degree, New York State University Deputy Assistant President, DBS Deputy Assistant President, Standard Charter Deputy Assistant President, ABN AMRO	Director of Wei-Ren Investment Corporation, Chairman of Yaskawa Electric Corporation, Director of Yuan Yu Solar Corporation, Director of Hou Chang Energy Corporation, Director of Heng Li Energy Corporation, Director of Heng Yong Energy Corporation, Director of Yong Li Energy Corporation, Director of Yun Sheng Optoelectronics Corporation, Director of Yun Xing Optoelectronics Corporation, Director of Yuan Jin Chuang Neng Corporation, Fengxin Senyang Solar Energy Corporation.	Chairman	Liao, Kuo-Ron	Father-son	-
					-	-	-	-	-	-						

Title	Nationality	Name	Gender	Date inaugurated	Shareholding		Shareholding of spouses and children of minor age		Shareholding through nominees		Major education and industry background	Concurrent positions in the Company and in subsidiaries	Spouse or relatives within the second degree of kinship or closer			Remarks
					Number of preferred stock shares	Shareholding ratio	Number of preferred stock shares	Shareholding ratio	Number of preferred stock shares	Shareholding ratio			Title	Name	Relationship	
Vice President	Republic of China	Chiang, Chih Hao	Male	2017.11.01	43,460	0.008%	-	-	-	-	Master's degree, National Chiao Tung University Head of Technology Information Department, Gintech Energy Corporation Manufacturing Department, SMIC Automation Department, TSMC	-	-	-	-	-
					-	-	-	-	-	-						
Vice President	Republic of China	Wang, Liang Kai	Male	2010.08.02	2,372	0.000%	35,269	0.0006%	-	-	Master's degree, National Taiwan University of Science and Technology Deputy Director, Technology, Gintech Energy Corporation Manager of Product Marketing, KLA Tencor Corp. Manager of Quality Assurance, Sheng Bao Electronic Chemical Technology Corporate	-	-	-	-	-
					-	-	-	-	-	-						
Vice President	Republic of China	Wu, Chuan-Chieh	Male	2010.07.21	53,686	0.010%	-	-	-	-	Master's degree, Tamkang University Head of Technology and Production Department, Resources, Gintech Energy Corporation Manager of Administration Department, Aiko International Deputy Manager, IE Department, TSMC	-	-	-	-	-
					-	-	-	-	-	-						

Title	Nationality	Name	Gender	Date inaugurated	Shareholding		Shareholding of spouses and children of minor age		Shareholding through nominees		Major education and industry background	Concurrent positions in the Company and in subsidiaries	Spouse or relatives within the second degree of kinship or closer			Remarks
					Number of preferred stock shares	Shareholding ratio	Number of preferred stock shares	Shareholding ratio	Number of preferred stock shares	Shareholding ratio			Title	Name	Relationship	
Deputy Assistant President (Note 1)	Republic of China	Cheng, Chen-Kuo	Male	2010.07.26	165,495	0.032%	-	-	-	-	Law and Business School, National Chung Hsing University Head of Legal Department, Gintech Energy Corporation Director, Legal Office, Aurora Group	Supervisor, Holdgood Energy Co., Ltd.	-	-	-	-
					-	-	-	-	-	-			-	-	-	-
Vice President	Republic of China	Yu, Cheng-Yeh	Male	2017.09.18	15,000	0.003%	-	-	-	-	PhD, Graduate Institute of Electronic, National Taiwan University Chief Engineer, R&D Department, TSMC Manager, Technology Research and Development Department, Gintech Energy Corporation	Director, Hou Chang Energy Corporation	-		-	-
					-	-	-	-	-	-			-		-	-
Deputy Assistant President	Republic of China	Chen, Tai-An	Male	2018.08.13	-	-	-	-	-	-	Master's in Accounting, Fu Jen Catholic University Head of Accounting Section, Chimei Communications Deputy Head, Deloitte Taiwan	Director, Holdgood Energy Co., Ltd.; Director, Hou Chang Energy Corporation; Supervisor, Heng Li Energy Corporation; Supervisor, Hengyoung Energy Co., Ltd.; Supervisor, Youngli Energy Co., Ltd.; Supervisor, Zangyang Optoelectronics Corporation; Supervisor, Yunsheng Optoelectronics Corporation, Ltd.; Supervisor, Yunxing Optoelectronics Corporation; Yu Shen Chuang Neng Co., Ltd.; Director, Yuanjin Energy Co., Ltd.; Director, Gin Gin Power Company	-	-	-	-
					-	-	-	-	-	-			-	-	-	-

Note 1: Retirement on March 5, 2025



Title	Nationality	Name	Gender	Date inaugurated	Shareholding		Shareholding of spouses and children of minor age		Shareholding through nominees		Major education and industry background	Concurrent positions in the Company and in subsidiaries	Spouse or relatives within the second degree of kinship or closer			Remarks
					Number of preferred stock shares	Shareholding ratio	Number of preferred stock shares	Shareholding ratio	Number of preferred stock shares	Shareholding ratio			Title	Name	Relationship	
Deputy Assistant President	Republic of China	Kang, Jen-He	Male	2022.05.01	-	-	-	-	-	-	Master's in Chemistry, National Tsing Hua University Vice Director, R&D Department, Gintech Energy Corporation Assistant Manager, R&D Department, Gigastorage Corporation	-	-	-	-	-
					-	-	-	-	-	-						
Deputy Assistant President	Republic of China	Hsiao, Chao-Ming	Male	2022.05.01	-	-	-	-	-	-	Master's in Industrial Engineering and Administration, Yuan Ze University Deputy Manager, Department of Resources and Materials, Gintech Energy Corporation Deputy Manager, Procurement Department, ProMOS Technologies, Inc.	-	-	-	-	-
					-	-	-	-	-	-						
Deputy Assistant President	Republic of China	Kuo, Chun-Hung	Male	2022.05.01	5,893	0.001%	329	0.00006%	-	-	Master's in Information Management, National Central University Vice Director, Factory Integration and Automation Office, Gintech Energy Corporation Manager, Department of Customer Information Service, United Microelectronics Corporation	-	-	-	-	-
					-	-	-	-	-	-						

Title	Nationality	Name	Gender	Date inaugurated	Shareholding		Shareholding of spouses and children of minor age		Shareholding through nominees		Major education and industry background	Concurrent positions in the Company and in subsidiaries	Spouse or relatives within the second degree of kinship or closer			Remarks
					Number of preferred stock shares	Shareholding ratio	Number of preferred stock shares	Shareholding ratio	Number of preferred stock shares	Shareholding ratio			Title	Name	Relationship	
Deputy Assistant President	Japan	Yaskawa Electric Corporation	Male	November 6, 2024												
Deputy Assistant President	Republic of China	Wang, Chi-Che	Male	2023.05.29	5,094	0.0009%	192	0.000%	-	-	MSc, Feng Chia University Manager, Information Department, Want Want Group Head of Technology Information Department, EVERSOL CORPORATION	-	-	-	-	-
					-	-	-	-	-	-						
Head of Finance	Republic of China	Li, Ming-Hua	Female	2019.12.27	-	-	-	-	-	-	Bachelor of Economics, National Chung Hsing University Deputy Manager, Finance Section, An-Shin Food Services Co., Ltd.	-	-	-	-	-
					-	-	-	-	-	-						
Head of Accounting	Republic of China	Chang, Wei-Che	Male	2022.03.08	-	-	-	-	-	-	Bachelor's in Accounting, Tamkang University Manager, Deloitte Taiwan	-	-	-	-	-
					-	-	-	-	-	-						

## II. Remuneration given to directors, the audit committee, the general manager, and deputy general managers in the most recent year (2024).

### 1. Remuneration to directors and independent directors (the name and how the remuneration is paid shall be disclosed separately)

Unit: NT\$ Thousand; %

Title	Name	Directors' Remuneration								Sum of A, B, C, and D as percentage of net income after tax		Remuneration from concurrently serving as employees								Sum of A, B, C, D, E, F, and G as a percentage of net income after tax		Remuneration from investees other than subsidiaries
		Compensation (A)		Retirement pension (B)		Director's Remuneration (C)		Business Execution Expenses (D)				Salaries, bonuses, and special allowances, etc. (E)		Retirement pension (F)		Employee Remuneration (G)						
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		The Company	Companies included in the financial statements	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman	Wei Jen Investment Co Ltd. Representative : Liao, Kuo-Ron	1,080	1,080	-	-	-	-	-	-	1,080	1,080	6,823	-	-	-	480	-	-	-	8,383	8,383	None
Director	An Chuang Industrial Corporation Representative : Liao, Wei-Ran	1,080	1,080	-	-	-	-	-	-	1,080	1,080	4,283	-	108	108	380	-	-	-	5,851	5,851	None
Director	Cheng Hsi Investment Corporation Representative : Hsu, Cheng-Ji	1,080	1,080	-	-	-	-	-	-	1,080	1,080	-	-	-	-	-	-	-	-	1,080	1,080	None
Director	Yu Sheng Energy Corporation Representative : Liu, Weng-Cheng	1,080	1,080	-	-	-	-	-	-	1,080	1,080	-	-	-	-	-	-	-	-	1,080	1,080	None
Director	National Development Fund Management Committee of the Executive Yuan	994	994	-	-	-	-	-	-	994	994	-	-	-	-	-	-	-	-	994	994	None
Director	Kung Ming-hsin, Representative of the Executive Yuan National Development Fund Management Committee	86	86	-	-	-	-	-	-	86	86	-	-	-	-	-	-	-	-	86	86	None

Title	Name	Directors' Remuneration								Sum of A, B, C, and D as percentage of net income after tax		Remuneration from concurrently serving as employees								Sum of A, B, C, D, E, F, and G as a percentage of net income after tax		Remuneration from investees other than subsidiaries
		Compensation (A)		Retirement pension (B)		Director's Remuneration (C)		Business Execution Expenses (D)				Salaries, bonuses, and special allowances, etc. (E)		Retirement pension (F)		Employee Remuneration (G)						
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		The Company	Companies included in the financial statements	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Independent Director	Cheng, Hsien-Chih	1,200	1,200	-	-	-	-	-	-	1,200	1,200	-	-	-	-	-	-	-	-	1,200	1,200	None
Independent Director	Shen, Chien-Ju	1,200	1,200	-	-	-	-	-	-	1,200	1,200	-	-	-	-	-	-	-	-	1,200	1,200	None
Independent Director	Lin, Gu-Tong	1,200	1,200	-	-	-	-	-	-	1,200	1,200	-	-	-	-	-	-	-	-	1,200	1,200	None
1. Please state the remuneration policies, systems, standards and packages for independent directors, and the connection of factors such as responsibilities, risk and hours spent, with the amount of remuneration: The Company's independent directors receive fixed monthly remuneration based on the "Procedures for Management of Remuneration and Compensations to Directors and Managerial Officers."																						
2. In addition to the disclosures in the above table, remuneration received by the Company's directors in the most recent year for providing services to all companies in the financial report (e.g., serving as non-employee consultants) is as follows: 0																						

# Compensation Bracket Table

Unit: NT\$ Thousand; Thousand Shares

Range of remuneration paid to each director of the Company	Name of Director			
	The total of the first four compensations (A+B+C+D)		The total of the first seven compensations (A+B+C+D+E+F+G)	
	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements
Below NT\$1,000,000	-	-	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Wei Jen Investment Co Ltd. Representative: Liao, Kuo-Ron An Chuang Industrial Corporation Representative: Liao, Wei-Ran Cheng Hsi Investment Corporation Representative: Hsu Cheng-yi, Yu Sheng Chuang Neng Co., Ltd. Representative: Liu Wen-cheng, Executive Yuan National Development Fund Committee Representative: Kung Ming-hsin, Lin Gu-tung, Shen Chien-ju, Cheng Hsien-chih	Wei Jen Investment Co Ltd. Representative: Liao, Kuo-Ron An Chuang Industrial Corporation Representative: Liao, Wei-Ran Cheng Hsi Investment Corporation Representative: Hsu Cheng-yi, Yu Sheng Chuang Neng Co., Ltd. Representative: Liu Wen-cheng, Executive Yuan National Development Fund Committee Representative: Kung Ming-hsin, Lin Gu-tung, Shen Chien-ju, Cheng Hsien-chih	Cheng Hsi Investment Corporation Representative: Hsu Cheng-yi, Yu Sheng Chuang Neng Co., Ltd. Representative: Liu Wen-cheng, Executive Yuan National Development Fund Committee Representative: Kung Ming-hsin, Lin Gu-tung, Shen Chien-ju, Cheng Hsien-chih	Cheng Hsi Investment Corporation Representative: Hsu Cheng-yi, Yu Sheng Chuang Neng Co., Ltd. Representative: Liu Wen-cheng, Executive Yuan National Development Fund Committee Representative: Kung Ming-hsin, Lin Gu-tung, Shen Chien-ju, Cheng Hsien-chih
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	-	-	Wei Jen Investment Co Ltd. Representative: Liao, Kuo-Ron An Chuang Industrial Corporation Representative: Liao, Wei-Ran	Wei Jen Investment Co Ltd. Representative: Liao, Kuo-Ron An Chuang Industrial Corporation Representative: Liao, Wei-Ran
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-
Over 100,000,000 (inclusive)	-	-	-	-
Total	8 persons	8 persons	8 persons	8 persons

2. Remuneration to supervisors: The Company has established the Audit Committee and hence this is not applicable.

### 3. Remuneration to President and Vice Presidents

#### (1) Approach to disclose name individually

Unit: NT\$ Thousand; Share; %

Title	Name	Compensation (A)		Retirement pension (B)		Bonuses and special allowances, etc. (C)		Employee remuneration amount (D)				The total amount of the four items, A, B, C, and D, and their proportion of net income after tax (%).		Compensation paid to directors from the parent company or an invested company other than the Company's subsidiary
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		The Company	Companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Hung, Chen-Ren	4,891	4,891	108	108	-	-	430	-	430	-	5,429	5,429	-
Executive Deputy General Manager	Liao, Wei-Ran	4,663	4,663	108	108	-	-	40	-	40	-	5,151	5,151	-
Senior Vice President	Chiang, Chih Hao	3,881	3,881	108	108	-	-	380	-	380	-	4,349	4,349	-
Senior Vice President	Wang, Liang Kai	3,410	3,410	108	108	-	-	40	-	40	-	3,878	3,878	-
Vice President	Yu, Cheng-Yeh	2,974	2,974	108	108	-	-	360	-	360	-	3,442	3,442	-
Vice President	Wu, Chuan-Chieh	3,433	3,433	108	108	-	-	40	-	40	-	3,901	3,901	-

### Range of Remuneration

Range of remuneration range of remuneration paid to president and vice presidents	Names of President and Vice Presidents	
	The Company	Companies included in the financial statements
Below NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Yu, Cheng-Yeh	Yu, Cheng-Yeh
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Jiang Zhihao, Wang Liangkai, Wu Chuanjie	Jiang Zhihao, Wang Liangkai, Wu Chuanjie
5,000,000 (inclusive) - 10,000,000 (exclusive)	Hong Zhenren, Liao Weiran	Hong Zhenren, Liao Weiran
10,000,000 (inclusive) - 15,000,000 (exclusive)	-	-
15,000,000 (inclusive) - 30,000,000 (exclusive)	-	-
30,000,000 (inclusive) - 50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000 (inclusive)	-	-
Total	6 persons	6 persons

The compensation content disclosed in this table differs from the income concept of the Income Tax Act. Therefore, the purpose of this table is for information disclosure only and not for taxation purposes.

(2) Top 5 Executives with the Highest Remunerations

December 31, 2024; Unit: NT\$ Thousand

Title	Name	Compensation (A)		Retirement pension (B)		Bonuses and special allowances, etc. (C)		Employee remuneration amount (D)				The total amount of the four items, A, B, C, and D, and their proportion of net income after tax (%).		Remuneration from investees other than subsidiaries
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		The Company	Companies included in the financial statements	
								Cash Amount	Stock amount	cash amount	Stock amount			
President	Hung, Chen-Ren	4,891	4,891	108	108	-	-	430	-	430	-	5,429	5,429	-
Executive Deputy General Manager	Liao, Wei-Ran	4,663	4,663	108	108	-	-	380	-	380	-	5,151	5,151	-
Senior Vice President	Chiang, Chih Hao	3,881	3,881	108	108	-	-	360	-	360	-	4,349	4,349	-
Senior Vice President	Wang, Liang Kai	3,410	3,410	108	108	-	-	360	-	360	-	3,878	3,878	-
Vice President	Wu, Chuan-Chieh	3,433	3,433	108	108	-	-	360	-	360	-	3,901	3,901	-



4. Names of managers responsible for distributing employee bonuses, and distribution details:

December 31, 2024; Unit: NT\$ Thousand

Title	Name	Stock amount	Cash amount	Total	The total amount as a percentage of net income after tax (%)
President	Hung, Chen-Ren	0	4,191	4,191	0.97%
Senior Vice President	Liao, Wei-Ran				
Vice President	Chiang, Chih Hao				
Vice President	Wang, Liang Kai				
Vice President	Wu, Chuan-Chieh				
Vice President	Yu, Cheng-Yeh				
Deputy Assistant President	Cheng, Chen-Kuo				
Deputy Assistant President	Chen, Tai-An				
Deputy Assistant President	Kang, Jen-He				
Deputy Assistant President	Hsiao, Chao-Ming				
Deputy Assistant President	Wang, Chi-Che				
Deputy Assistant President	Kuo, Chun-Hung				
Head of Finance	Li, Ming-Hua				
Head of Accounting	Chang, Wei-Che				

(IV) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years, to directors, supervisors, presidents, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Analysis of the proportion of total remuneration paid to the Company's directors, Audit Committee, President and Vice President by the Company and all the companies listed in the consolidated financial statements in the most recent 2 years to the Net Income After Tax in the Parent Company-only or Standalone Financial Statements

Unit: NT\$ Thousand

Item  Title	2023 (Net income after tax \$527,262)				2024 (Net loss after tax \$600,271)			
	Total		Proportion of net income after tax (%)		Total		Proportion of net income after tax (%)	
	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements
Director	27,000	27,000	5.1%	5.1%	9,000	9,000	-	-
Audit Committee	9,600	9,600	1.8%	1.8%	3,600	3,600	-	-
President and Vice Presidents	22,661	22,661	4.3%	4.3%	22,708	22,661	-	-

2. Remuneration payment policies, standards and packages for the directors, the Audit Committee, the President, and Vice Presidents, remuneration establishment procedures, and the correlation with management efficacy and risks in the future

- (1) Remuneration policies, standards and packages

The remuneration of the directors of the Company is handled in accordance with the provisions of the "Articles of Incorporation" and the "Regulations Governing the Remuneration of Directors and Managers". The remuneration for directors performing their duties is determined by referring to the usual levels within the industry, and by assessing the level of involvement and contribution of individual directors to the Company's operations. Reports are submitted to the Remuneration Committee to evaluate the Company's financial and operational performance, and the committee's deliberations are presented to the Board of Directors for approval and disbursement. The reasonableness of this remuneration is regularly evaluated in accordance with the "Remuneration Committee Charter." Additionally, if the Company is profitable in a fiscal year, up to 5% of the profit is allocated for director remuneration as stipulated in Article 24-1 of the Articles of Incorporation. The distribution and disbursement of director remuneration are conducted in accordance with the principles specified in the "Regulations Governing the Remuneration of Directors and Managers". Key distribution principles include the weight of fulfilling annual performance goals (80%), adherence to corporate governance by attending meetings (15%), and hours spent on director training courses (5%). The distribution results are reviewed by the Remuneration Committee and approved by the Board of Directors before disbursement, with reports provided to the shareholders' meeting.

The remuneration of Company executives is determined in accordance with the "Remuneration Management Regulations" and the "Regulations Governing the Remuneration of Directors and Managers", specifying various salary components (including base salary, allowances, subsidies, and bonuses) to recognize and reward employees' efforts in their work. Additionally, if the Company is profitable in a fiscal year, at least 5% of the profit is allocated for employee remuneration as stipulated in Article 24-1 of the Articles of Incorporation. The performance evaluation results conducted under the "Performance Appraisal Method" serve as a reference for the disbursement of executive bonuses. The evaluation of executives is based on the achievement of their annual performance goals, with their operational performance bonuses calculated accordingly. The remuneration system is subject to periodic review based on actual operating conditions and relevant laws and regulations.

The combination of remuneration provided by the Company is determined in accordance with the "Regulations on the Organization of the Remuneration Committee", includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope is consistent with the remuneration to directors and managers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

## (2) Remuneration Establishment Procedure

To periodically evaluate the remuneration of directors and executives, assessments are conducted based on the "Board of Directors Performance Evaluation Method" and the performance appraisal methods applicable to executives and employees. These assessments are linked to the Company's operational performance indicators and submitted to the Board of Directors for review to fully demonstrate the achievement of operational performance indicators.

The performance assessments and the reasonableness of remuneration for directors and executives are reviewed and audited annually by the Remuneration Committee and the Board of Directors. In addition to considering individual performance achievement rates and contributions to the Company, overall operational performance, industry risks, and future development trends are taken into account. The remuneration system is regularly reviewed based on actual operating conditions, relevant laws and regulations, and current trends in corporate governance to provide fair compensation while ensuring sustainable operations and risk management. The actual disbursement of director and executive remuneration is determined after review by the Remuneration Committee and approval by the Board of Directors.

(3) Correlation with business performance and risks in the future

The review of the Company's remuneration policy, related payment standards, and systems primarily considers the overall operational condition of the Company. Payment standards are determined based on performance achievement rates and contributions to enhance the overall organizational effectiveness of the Board of Directors and management departments. In addition, with reference to the compensation and remuneration criteria in the industry, it is ensured that the compensation and remuneration to the management of the Company are competitive so that outstanding management talent may be retained.

All of the Company's manager performance goals are combined with "risk control" in order to ensure that possible risks within the scope of responsibility can be managed and mitigated against and respective human resources and related compensation and remuneration policies are combined according to ratings given on the basis of actual performance. Important decisions are made by the management of the Company after respective risk factors are weighed. The related decision-making performance is reflected in the Company's profitability. The compensation and remuneration of the management has to do with the performance in risk control.

### III. Status of corporate governance

(I) Operation of the Board of Directors

During the current year (2023) and 2024 up to the publication date of annual report, 6 (A) meetings were held; the attendance of the directors is as following:

Title	Name	Actual attendance count [B]	Attendance by proxy	Actual attendance rate [B/A]	Remarks
Chairman	Wei Jen Investment Co Ltd. Representative: Liao, Kuo-Ron	6	0	100%	
Director	An Chuang Industrial Corporation Representative: Liao, Wei-Ran	5	1	83.33%	
Director	National Development Fund Management Committee of the Executive Yuan Representative: Kung, Ming-Hsin	5	1	83.33%	
Director	Yu Sheng Energy Corporation Representative: Liu, Weng-Cheng	6	0	100%	
Director	Cheng Hsi Investment Corporation Representative: Hsu, Cheng-Ji	6	0	100%	
Independent Director	Lin, Gu-Tong	6	0	100%	
Independent Director	Cheng, Hsien-Chih	6	0	100%	
Independent Director	Shen, Chien-Ju	6	0	100%	

**Other items to be stated:**

I. Where the operation of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors, and the Company's resolution of said opinions:

(I) Items listed in Article 14-3 of the Securities and Exchange Act.

<b>Board of Directors Term/Date</b>	<b>Content of Proposal</b>	<b>Independent Director Opinion</b>	<b>The Company's Treatment of Opinions of Independent Directors</b>
13th meeting of the 5th term 2024/3/6	<ol style="list-style-type: none"> <li>1. Proposal to appropriate the 2023 employees' and directors' remunerations.</li> <li>2. For the Company's 2023 individual financial statements and consolidated financial statements proposal</li> <li>3. For the Company's 2023 earnings distribution proposal.</li> <li>4. Proposal to evaluate the independence and suitability for hiring of the CPAs</li> <li>5. For the CPA's audit service fee for 2024</li> <li>6. For the banking credit requirements of Jinjing Power Co., Ltd., our company proposes to provide an endorsement guarantee.</li> <li>7. Intended revisions of the "Rules of Procedure for Board of Directors' Meetings" and the "Audit Committee Organization Regulations"</li> <li>8. Proposal to release the Company's managers from non-compete restrictions.</li> <li>9. Proposal for relieving directors from non-competition restrictions</li> </ol>	None	None
The 14th meeting of the 5th session 2024/5/6	<ol style="list-style-type: none"> <li>1. For the Company's 2024 first quarter consolidated financial statements proposal.</li> <li>2. Whether the Company's accounts receivable for the first quarter of 2024 involve any disguised financing activities.</li> <li>3. The Company has engaged in derivative transactions that have been settled.</li> <li>4. The Company's 2024 pre-approved non-assurance services by the accounting firm proposal.</li> <li>5. The director's remuneration distribution proposal for the Company's 2023 earnings distribution proposal.</li> <li>6. The manager and employee remuneration distribution proposal for the Company's 2023 earnings distribution proposal.</li> <li>7. For the promotion of the Accounting Department Manager, Zhang Wei-Zhe, to Deputy Director.</li> </ol>	None	None
The 15th meeting of the 5th session 2024/8/7	<ol style="list-style-type: none"> <li>1. For the Company's 2024 second quarter consolidated financial statements proposal.</li> <li>2. The Company has engaged in derivative transactions that have been settled.</li> <li>3. To set the ex-dividend date for the issuance of dividends on the Company's 2023 Class A preferred shares.</li> <li>4. Partial amendment of internal control system.</li> <li>5. For the Company's 2023 Sustainability Report approval proposal.</li> </ol>	None	None

The 16th meeting of the 5th session 2024/11/6	<ol style="list-style-type: none"> <li>1. Proposal for changing the accountant firm certifying the Company's financial statements.</li> <li>2. For the Company's 2024 third quarter consolidated financial statements proposal.</li> <li>3. For the promotion of the Director of International Business Department, Yaskawa Electric Corporation, to Assistant Manager.</li> <li>4. For the addition of certain operations to the Company's internal control system.</li> </ol>	None	None
The 17th meeting of the 5th session 2024/12/16	<ol style="list-style-type: none"> <li>1. Draft the Company's 2025 business plan (including financial budget).</li> <li>2. Partial amendment of internal control system.</li> <li>3. Drafting of the 2025 audit plan</li> </ol>	None	None
The 18th meeting of the 5th session 2025/3/5	<ol style="list-style-type: none"> <li>1. For the Company's 2024 individual financial statements and consolidated financial statements proposal</li> <li>2. For the Company's 2024 profit and loss appropriation proposal.</li> <li>3. Proposal to evaluate the independence and suitability for hiring of the CPAs</li> <li>4. The proposal for audit certification fees by the accountants for the Company's financial year 2025.</li> <li>5. The Company's accounts receivable for the first quarter of 2025, which have not been recovered for more than three months beyond the normal credit period and involve significant amounts, do not constitute disguised lending activities.</li> <li>6. The Company proposes to amend the "Procedures for Acquisition or Disposal of Assets."</li> <li>7. It is proposed to change the custodian of the Company's seal registered with the Ministry of Economic Affairs.</li> <li>8. For the approval of the Company's 2024 "Statement of Internal Control System".</li> <li>9. For the Company's board of directors re-election proposal.</li> <li>10. For the amendment of the Company's "Articles of Incorporation."</li> <li>11. Proposal for relieving directors from non-competition restrictions</li> <li>12. Draft the proposal for matters related to convening the Company's 2025 annual general shareholders' meeting.</li> </ol>	None	None

(II) Other than the abovementioned matters, any resolution of the Board meeting to which a independent director has a dissenting or qualified opinion which is on record or stated in a written statement: disclosed in the key resolutions of AGM and Board meetings in the Annual Reports:

II. Implementation of directors' recusals to proposals with personal interests; name of director, proposal description, reason for recusal and voting participation shall be specified.

Board of Directors Term/Date	Content of Proposal	Implementation
13th meeting of the 5th term 2024/3/6	<ol style="list-style-type: none"> <li>1. Implementation results of the incentive solution for Q4 of 2023 and submission of the reward proposal; brought forth for review and discussion.</li> <li>2. Intended preparation of the incentive proposal for the first half of 2024; brought forth for review and discussion.</li> <li>3. Proposal for relieving directors from non-competition restrictions</li> </ol>	<ol style="list-style-type: none"> <li>1. Due to conflicts of interest with Chairman Liao, Kuo-Ron, Director Liao, Wei-Ran, and attending managers including General Manager Hung, Chen-Ren and Associate Manager Cheng, Cheng-Kuo, they have abstained. Therefore, Director Hsu, Cheng-Ji temporarily assumes the chairmanship. After consulting Director Hsu, Cheng-Ji for the opinions of the remaining directors present, all agreed to approve the matter without objection.</li> <li>2. Due to conflicts of interest with Chairman Liao, Kuo-Ron, Director Liao, Wei-Ran, and attending managers including General Manager Hung, Chen-Ren and Associate Manager Cheng, Cheng-Kuo, they have abstained. Therefore, Director Hsu, Cheng-Ji temporarily assumes the chairmanship. After consulting Director Hsu, Cheng-Ji for the opinions of the remaining directors present, all agreed to approve the matter without objection.</li> <li>3. In consideration of the conflict of interest between this case and Director Kung, Ming-Hsin. The chair inquired the opinions of present directors; the proposal was unanimously approved.</li> </ol>

### III. Implementation of Board Appraisal

Evaluation Period	Evaluation Period (Note)	Scope of Evaluation	Evaluation Method	Evaluation Content
Implemented annually	2024/01/01~2024/12/31	Individual board member	Self-assessment of director	Performance appraisal for individual board member: 1. Keeping track of corporate goals and missions 2. Awareness of the duties of a director 3. Participation in the operation of the Company 4. Management of internal relations and communication 5. Internal control over professionalism and continuing education of directors
Implemented annually	2024/01/01~2024/12/31	Functional committees	Internal self-assessments of functional committees	Performance appraisal of functional committees: 1. Participation in the operation of the Company 2. Awareness of the duties of functional committees 3. Improvement of decision quality of functional committees 4. Internal control over the composition and election of members to functional committees
Implemented every three years	2022/01/01~2022/12/31	Board of Directors	External Evaluation Framework	Performance appraisal for individual board member: 1. Composition and Professional Development of the Board of Directors 2. Quality of Board Decision-Making 3. Efficiency of Board Operations 4. Internal Control and Risk Management 5. Degree of Board Engagement in Corporate Social Responsibility

Note: Since 2023 coincides with the re-election of the board of directors, the evaluation period for the current board is conducted from the date the new directors take office.

### IV. Objective of enhancing the Board's functions in the current and recent years

Enhancing the functions of the Board of Directors	Implementation Evaluation
Establishing independent directors	Enhancing the objectivity and independence of independent directors to supervise the Board's operation
Establishing the Remuneration Committee	Facilitating the Board to implement and assess the overall remuneration and benefit system, and regularly reviewing the appropriateness of compensation to directors and managers.
Establishing the Audit Committee	Exercise the duties set forth in the Securities and Exchange Act, the Company Act, and other laws and regulations.
Continuously improving information transparency	The Company has assigned a dedicated unit for disclosing information and updating information on the Company's website.
Actively establishing communications with stakeholders	The Company has established a spokesperson and a deputy spokesperson, which stakeholders can use as a communication channel. Each year, the shareholders' meeting accepts shareholder proposals according to the schedule. Shareholders with proposal rights may submit applications to the Company during the acceptance period, and the Company will convene a Board of Directors meeting to review them in accordance with relevant regulations.
Improving the operational efficiency and decision-making ability of the Board	The Company has established the "Board of Directors Meeting Protocol" to enhance the effective implementation of the Board's functions and promote the positive development of the Board's participation in decision-making.

Improving professional knowledge	The directors shall participate in continuing education for the hours required by the competent authorities every year. The board members are also encouraged to attend professional courses, with promotion of related laws and regulations in the Board, to meet the legal requirements.
Establishing the corporate governance officer	To implement corporate governance and enhance the effectiveness of the Board of Directors, on August 8, 2019, the Board approved the establishment of a corporate governance officer to assist directors with the necessary information and other required support in the execution of their duties.
Establish a sustainable development committee	To implement sustainable development, on July 5, 2022, the Board of Directors approved the establishment of a Sustainability Committee to formulate the Company's sustainable development, including the development of goals, strategies, and execution plans for sustainable governance, integrity management, and environmental and social aspects.

(II) Operation of the Audit Committee, or its engagement with the operation of the board of directors:

In the most recent year (2024) and up to the date of the printing of the annual report, the audit committee of the Company held 6 meetings [A], with the attendance of independent directors as follows:

Title	Name	Actual attendance count [B]	Attendance by proxy	Actual attendance rate (%) [B/A] (Note)	Remarks
Independent Director	Lin, Gu-Tong	6	0	100%	
Independent Director	Cheng, Hsien-Chih	6	0	100%	
Independent Director	Shen, Chien-Ju	6	0	100%	

Other items to be stated:

- I. If the Audit Committee meets one of the following conditions in its operations, the date and session number of the meeting of the Audit Committee, proposal contents, independent directors' dissenting opinions, reservation, or major recommendations, the resolution made by the Audit Committee's reactions towards the Audit Committee's opinions shall be specified:
- (I) Items listed in Article 14-5 of the Securities and Exchange Act.

Audit Committee Term/Date	Content of Proposal	Resolutions and follow-up	The Company's treatment of the opinions of the Audit Committee
12th meeting of the 2nd term 2024/3/6	<ol style="list-style-type: none"> <li>2023 parent-only and consolidated financial statements</li> <li>For the CPA's audit service fee for 2024</li> <li>Partial amendment of internal control system.</li> <li>Approval of the Company's "Statement of Internal Control System," 2023</li> <li>Intended revisions of the "Rules of Procedure for Board of Directors' Meetings" and the "Audit Committee Organization Regulations"</li> </ol>	Approved by all members unanimously	None
The 13th meeting of the 2nd session 2024/5/6	For the Company's 2024 first quarter consolidated financial statements proposal.	Approved by all members unanimously	None



The 14th meeting of the 2nd session 2024/8/9	<ol style="list-style-type: none"> <li>1. For the Company's 2024 second quarter consolidated financial statements proposal.</li> <li>2. Partial amendment of internal control system.</li> </ol>	Approved by all members unanimously	None
The 15th meeting of the 2nd session 2024/11/6	<ol style="list-style-type: none"> <li>1. For the Company's 2024 third quarter consolidated financial statements proposal.</li> <li>2. For the amendment of certain operations in the Company's internal control system.</li> </ol>	Approved by all members unanimously	None
The 16th meeting of the 2nd session 2024/12/26	<ol style="list-style-type: none"> <li>1. To prepare the business plan (financial budget included) for 2024.</li> <li>2. Partial amendment of internal control system.</li> <li>3. Formulating the 2024 audit plan</li> </ol>	Approved by all members unanimously	None
The 17th meeting of the 2nd session 2025/3/5	<ol style="list-style-type: none"> <li>1. For the Company's 2024 individual financial statements and consolidated financial statements proposal</li> <li>2. The proposal for audit certification fees by the accountants for the Company's financial year 2025.</li> <li>3. The Company proposes to amend the "Procedures for Acquisition or Disposal of Assets."</li> <li>4. For the approval of the Company's 2024 "Statement of Internal Control System".</li> </ol>	Approved by all members unanimously	None

(II) Besides those mentioned in the foregoing, other resolutions with approval by two-thirds or more of all directors, despite not being approved by the Audit Committee: Did not occur.

II. An independent director recused themselves due to a conflict of interest: There has been no such recusal of an independent director due to a conflict of interest.

III. Communication among independent directors, internal audit supervisors and accountants (including important matters, methods, and results of the Company's finance and operations):

(I) In normal times, the audit officer and the CPA may contact independent directors directly as needed; this communication has been smooth.

(II) Besides receiving the audit report on a monthly basis, the audit officer in the Company reports separately to the independent directors during workshops that take place on at least a quarterly basis, which also cover important business operations of the Company and its subsidiaries. Communication regarding the implementation and efficacy of audits has been smooth and effective.

(III) The CPA reports to the independent director in at least 2 workshops a year plans about audits of financial statements, results, and findings.

- The Company's audit committee is composed of three independent directors. The audit committee aims to assist the Board of Directors in fulfilling its oversight responsibilities for the quality and integrity of the Company's accounting, auditing, financial reporting processes, and financial controls.

The audit committee held 6 meetings in 2024, with the main items for review including:

1. Auditing of financial statements and accounting policies and procedures
2. Internal control system and related policies and procedures
3. Material transactions of assets or derivatives
4. Material loaning of funds, endorsements, and guarantees
5. Placement or issuance of negotiable securities
6. Status of derivatives or cash investments
7. Compliance

8. Whether there are any transactions between managers and directors with related parties, and potential conflicts of interest
9. Appealing report
10. Corruption prevention programs and investigation of reports of corruption
11. Information security
12. Risk management
13. Assessment of CPA's qualifications, independence, and performance
14. Assignment, discharge, or compensation of CPA
15. Assignment and discharge of finance, accounting, and internal audit officers
16. Performance of the Audit Committee's duties
17. Self-assessment questionnaires for Audit Committee's performance

- Reviewing financial reports

The board of directors has prepared the Company's 2024 Business Report, financial statements, and earnings distribution proposal. The financial statements have been audited by Deloitte Touche Tohmatsu, which has issued an audit report. Said business report, financial statements, and proposals for offsetting losses have been audited by the Audit Committee, and have been deemed to have no inconsistencies.

- Assessing the effectiveness of the internal control system

The Audit Committee assesses the policies and procedures under the internal control system (including control measures in terms of finance, operation, risk management, information security, outsourcing, compliance), while reviewing the audit function of the Company and CPAs, as well as the regular reports from management on matters such as risk management and compliance. Referring to the 2013 release by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control – Integrated Framework, the Audit Committee believes that the Company's risk management and internal control systems are effective, and that the Company has implemented the necessary control mechanisms to monitor and correct any violations.

- Assigning CPAs

The Audit Committee is empowered to monitor the independence of the certifying accounting firm to ensure the objectivity of financial statements. Generally, other than taxation related services or items otherwise approved, the certifying accountant firm must not provide other services to the Company. All services provided by the certifying accountant firm must be approved by the Audit Committee.

To ensure the independence and suitability of the accountant firm certifying the Company's financial statements, the audit committee refers to Article 47 of the Certified Public Accountant Act and the content of Bulletin No. 10 "Integrity, Fairness, Objectivity, and Independence" of the Guidelines on Professional Ethics for Accountants to formulate an independence assessment form. This form evaluates the independence, professionalism, and suitability of the accountants, assessing whether there are any related parties or business or financial interests with the Company. In addition, as is required by Article 29, Paragraph 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies, review of the 2021 Audit Quality Indicator Report (AQI Report) prepared by Deloitte Taiwan (June 1, 2023 through May 31, 2024) revealed that the audit experience and training hours completed by the firm and the audit team both exceed the industrial average level and that the audit quality meets the requirements and needs of the Company. On March 5, 2025, at the 17th meeting of the second session of the audit committee and the 18th meeting of the fifth session of the board of directors, it was resolved and approved that Accountant Cheng-Chuan Yu and Accountant Meng-Kuei Yu of Deloitte Touche Tohmatsu were in compliance with the standards for independence and suitability assessment, and are fully qualified to serve as the Company's financial and tax certifying accountants.

2. Supervisors' Engagement in the Board of Directors' Operations: Not applicable, as the Company has an Audit Committee in place.

(III) The state of the Company's implementation of corporate governance, any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance

Assessment Item	Implementation Status			Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance best-practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies?	✓		The Company has established its own "Corporate Governance Best Practice Principles" pursuant to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," while disclosing such on the MOPS and the Company's website.	No significant variance
II. Shareholding Structure & Shareholders' Rights				
(I) Has the Company established internal procedures to handle shareholder proposals, inquiries, disputes, and litigation matters, and are these procedures being implemented?	✓		The Company has established a spokesperson, stock affairs personnel, and legal personnel to properly handle shareholder proposals or disputes. If legal issues are involved, legal personnel and professional lawyers will be consulted for assistance.	No significant variance
(II) Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		The Company tracks the shareholding status of directors, managers, and Top 10 primary shareholders, and reports the related information pursuant to the regulations.	No significant variance
(III) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	✓		The Company has established the "Guidelines for Transactions with Specific Companies, Related Parties, and Group Enterprises" and manages these in accordance with the Company's internal control system, effectively implementing risk management and firewall mechanisms.	No significant variance
(IV) Has the Company established internal rules prohibiting insider trading based on undisclosed information?	✓		The Company has established the "Operational Procedures for Handling Material Inside Information and Preventing Insider Trading" pursuant to the related laws and regulations, to regulate insiders and parties subject to the insider trading and thereby prevent such incidents.	No significant variance
III. Composition and Responsibilities of the Board of Directors:				
(I) Has the board of directors formulated a diversity policy and concrete management targets, and implemented them accordingly?	✓		Refer to "5 Diversification and Independence of Board of Directors" of this Annual Report. (Page 17).	No significant variance

Assessment Item	Implementation Status			Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Summary	
(II) Other than the establishment of Remuneration Committee and Audit Committee which are required by law, does the Company plan to set up other functional committees?	✓		<p>To practice corporate social responsibility, align with international trends, and actively respond to stakeholders' risk assessments and countermeasures regarding environmental, social, and corporate governance aspects to achieve sustainable operation goals, the Company established a "Sustainability Committee" in July 2022 to coordinate the formulation of corporate social responsibility, sustainable development directions and goals, or related management guidelines, as well as the proposal and execution of concrete promotion plans.</p> <p>The Company's "Sustainability Committee" is appointed by the Board of Directors and composed of at least three members, of which more than half should be independent directors, including one selected as the chairperson who acts as the convener and regularly reports on execution results and future work plans to the board.</p>	No significant variance
(III) Does the Company stipulate performance assessment regulations and assessment methods for the board of directors and conduct performance evaluation periodically each year?	✓		<p>The Company, approved by the Board of Directors, has established the "Board Performance Evaluation Method," conducting performance evaluations of the board and functional committees (including the Remuneration Committee, Audit Committee, and Sustainability Committee) at least once a year, with the evaluation results reported to the Board of Directors. At the end of each year, the agenda working group of the board of directors is responsible for conducting and organizing the evaluation procedure. Internal questionnaires are adopted for internal self-assessment, self-assessment of the members of the board of directors and those of the functional committees. The scope of evaluation covers the whole board of directors, individual directors, the Remuneration Committee, the Audit Committee, and the Sustainable Development Committee. The criteria of the performance appraisals of the board of directors and functional committees mainly consist of degree of participation in the Company's operations, upgrading the quality of the board of directors' and functional committees' decision making, formation and structure of the board of directors and functional committees, election and continuing education of board and committee members, and internal controls. The appraisal outcomes are reported to the board, and serve as reference for determining remuneration to individual directors, as well as election and nomination of directors. The 2024 performance evaluation results are still considered satisfactory and were reported to the Board of Directors and disclosed on the Company's website on March 5, 2025.</p>	No significant variance

Assessment Item	Implementation Status			Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Summary	
(IV) Does the Company regularly evaluate its external auditors' independence?	✓		The Audit Committee evaluates the independence and competency of the CPAs every year. In addition to providing the "Independence Statement of Auditor" by the CPAs, the evaluation is conducted pursuant to the standards set forth in Article 47 of the Accountant Act and No. 10 of the Norms of Professional Ethics for Certified Public Accountants in the Republic of China (Note 2). Additionally, in accordance with Article 29, Paragraph 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Audit Quality Indicators Report (AQI Report) prepared by Deloitte Touche Tohmatsu for the period from June 1, 2023, to May 31, 2024, was reviewed to confirm that the experience and training hours of the accountants and the firm were both above the industry average. After confirming that the accountants have no other financial interests or business relationships with the Company aside from certification and financial and tax cases, and that the accountants' family members do not violate independence requirements, the results of the most recent annual assessment were discussed and approved by the audit committee on March 5, 2025, and then reported to the Board of Directors for approval of the independence assessment of the accountants on March 5, 2025.	No significant variance

Assessment Item	Implementation Status			Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Summary	
IV. Does the Company have an appropriate number of suitable corporate governance people and appoint a corporate governance officer to be in charge of corporate governance matters (including, without limitation, providing directors with required information for business execution, assisting directors in following laws and regulations, handling matters in relation to board meetings and shareholders' meetings, and producing the minutes of the board of directors and shareholders' meetings according to law)?	✓		<p>By the resolution of the board on August 8, 2019, Liao, Wei-Ran, Senior Vice President of the Chairman's office was assigned as the corporate governance officer to take charge of corporate governance-related affairs, protect shareholder equity and reinforce the functions of the board of directors. Liao, Wei-Ran, S.V.P served as a vice president in a financial institution for more than three years and thus is qualified.</p> <p>The key functions of a corporate governance officer include handling matters relating to board meetings and shareholders' meetings according to laws; producing minutes of board meetings and shareholders' meetings; assisting in on-boarding and continuing education of directors; furnishing information required for business execution by directors; and assisting directors with legal compliance; reporting to the board of directors findings from reviews regarding compliance of independent directors' eligibility according to applicable regulatory requirements during nomination, appointment, and inauguration; and taking care of matters concerning changes to the board of directors.</p> <p>2024 Business Execution Highlights:</p> <p>(I) Assisting the independent and general directors to perform duties, furnishing information required, and arranging continuing educations for directors:</p> <ol style="list-style-type: none"> <li>(1) Furnishing the latest amendments and developments regarding the businesses the Company operates and corporate governance to directors, and updating them promptly.</li> <li>(2) Reviewing the classification of information, and providing the information required to directors, to maintain smooth communication and interaction among directors and heads of departments.</li> <li>(3) Pursuant to the Corporate Governance Best Practice Principles, the independent directors meet the internal audit officer and CPAs individually, to understand the Company's financial position, and assist the arrangement of such meetings if required.</li> </ol>	No significant variance

Assessment Item	Implementation Status			Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Summary	
			<p>(4) Assist in the arrangement of annual continuing education for the independent and general directors.</p> <p>(II) Assisting in the agenda-setting process of board meetings and compliance with resolutions:</p> <p>(1) Reporting the implementation of corporate governance to the board, independent directors, and the Audit Committee, and confirming that the convention of board meetings complies with the requirements set forth in related laws and regulations and the Corporate Governance Best Practice Principles.</p> <p>(2) Assisting and reminding directors to comply with laws and regulations while performing their duties or making official resolutions in Board meetings; should there be any resolution that violates laws, advice shall be provided.</p> <p>(3) In charge of the verification and disclosure of material information related to the key resolutions made in Board meetings, to ensure the legitimacy and correctness of material information for the equal investment information received by investors.</p> <p>(III) Formulating the agenda of Board meetings, and informing directors 7 days in advance to convene the meeting and provide information. If any director may have to recuse themselves from any proposal due to conflict of interest, they shall be reminded in advance. The minutes shall be prepared and distributed to each director 20 days after the meeting.</p> <p>(IV) Register the date of the shareholders' meeting in advance according to the law, prepare the meeting notice, agenda handbook, and minutes within the statutory deadline, and handle registration changes for amendments to the articles or board re-elections.</p>	

Assessment Item	Implementation Status					Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance																														
	Yes	No	Summary																																	
			<div>Continuing Education for the Year</div> <table><tr><th colspan="2">Date of Session</th><th rowspan="2">Sponsor Name of Session</th><th rowspan="2">Sponsor Name of Session</th><th rowspan="2">Hours of Education</th><th rowspan="2">Total Hours of Further Education</th></tr><tr><th>From</th><th>To</th></tr><tr><td>2024/11/6</td><td>2024/11/6</td><td>Taiwan Investor Relations Institute</td><td>The current development of the international voluntary carbon market and offset standards and the application of carbon credits.</td><td>3.0</td><td rowspan="4">12.0</td></tr><tr><td>2024/8/7</td><td>2024/8/7</td><td>Taiwan Investor Relations Institute</td><td>Development trends in international carbon management</td><td>3.0</td></tr><tr><td>2024/7/26</td><td>2024/7/26</td><td>Taiwan Investor Relations Institute</td><td>Current Global Industry Trends and Political and Economic Outlook</td><td>3.0</td></tr><tr><td>2024/3/22</td><td>2024/3/22</td><td>Taiwan Investor Relations Institute</td><td>The current status and trends of Taiwan's renewable energy market and green finance.</td><td>3.0</td></tr></table>				Date of Session		Sponsor Name of Session	Sponsor Name of Session	Hours of Education	Total Hours of Further Education	From	To	2024/11/6	2024/11/6	Taiwan Investor Relations Institute	The current development of the international voluntary carbon market and offset standards and the application of carbon credits.	3.0	12.0	2024/8/7	2024/8/7	Taiwan Investor Relations Institute	Development trends in international carbon management	3.0	2024/7/26	2024/7/26	Taiwan Investor Relations Institute	Current Global Industry Trends and Political and Economic Outlook	3.0	2024/3/22	2024/3/22	Taiwan Investor Relations Institute	The current status and trends of Taiwan's renewable energy market and green finance.	3.0	
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2024/7/26	2024/7/26	Taiwan Investor Relations Institute	Current Global Industry Trends and Political and Economic Outlook	3.0																																
2024/3/22	2024/3/22	Taiwan Investor Relations Institute	The current status and trends of Taiwan's renewable energy market and green finance.	3.0																																
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers, etc.) and created an area for stakeholders on the Company's website. Does it appropriately respond to the important corporate social responsibility subjects concerns raised by stakeholders?	✓		1. The Company has assigned a spokesperson, shareholder affairs staff, and staff in charge of various businesses to establish smooth communication channels, and respect and protect the legal rights of each stakeholder. 2. The Company website has a dedicated section for corporate responsibility and stakeholders, and has established contact phone numbers and email addresses for business personnel, investor relations, supplier relations, and employee benefits. Stakeholders can communicate via phone or email when needed. Issues concerning stakeholders and communication access are also disclosed in the CSR and Stakeholder sections.				No significant variance																													
VI. Has the Company appointed a professional registrar for its Shareholders' Meetings?	✓		The Company handles shareholder meeting affairs through the professional stock agency department of First Securities Inc.				No significant variance																													
VII. Information Disclosure (I) Has the Company established a website for the disclosure of information on its financial position and operations, as well as on corporate governance?	✓		The Company has established a website and disclosed information related to financial operations and corporate governance as required. Updates are made regularly for all investors to use as a reference. The Company's website is: <a href="http://www.tsecpv.com">http://www.tsecpv.com</a> . The stock code of the Company is 6443; Company information related to finance, business, and corporate governance is also provided via MOPS.				No significant variance																													



Assessment Item	Implementation Status			Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Summary	
(II) Does the Company adopt other methods of information disclosure (such as setting up an English website, assigning dedicated personnel for the collection and disclosure of company information, implementing a spokesperson system, placing the process of institutional investor conferences on the Company's website, etc.)?	✓		The Company's website is multi-lingual for information disclosure. Dedicated staff are assigned to collect information related to the Company from printed media and over the internet. Material information is disclosed on the Company's website and MOPS as required by laws. For the implementation of the spokesperson system, Vice President Chiang, Chih-Hao is assigned as the spokesperson to represent the Company in its external communications.	No significant variance
(III) Does the Company announce and report annual financial statements within 2 months of the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month, before the prescribed deadline?		✓	The Company had announced and reported early the quarterly financial statements for Q1, Q2, and Q3, as well as monthly operational status. However, the annual financial report has not yet been announced within 2 months after the end of the fiscal year. This report is expected to be completed early, within the period required by laws.	Except for the annual financial report, other reports conform to this requirement.
VIII. Does the Company have other important information that helps to understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors, etc.)?	✓		<p>(I) Employee rights and employee care: Refer to "5. Operational Overview/V. Labor-management Relations" (Pages 89 to 91) of this Annual Report.</p> <p>(II) Investor relations: As required by laws, the Company's finance and business information is disclosed on MOPS and the official website. The Stakeholder section and contact person have also been established to protect the rights of investors and stakeholders. Other than the AGM and the Stakeholder section on the website, the contact details of the Spokesperson and related business units are also provided by way of offering diversified channels for investor communication.</p>	No significant variance

Assessment Item	Implementation Status			Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	
			<p>(III) Supplier relations: Good interactions with suppliers are maintained. For the goal of joint enhancement of CSR, the Company requires suppliers to observe laws and regulations related to labor, human rights, environment, safety, or health, while encouraging continuous improvement. The Company has established "Procedures of Supplier Management" and "Regulations for Auditing Supplier Quality." These procedures carefully define the quality, service level, green products, environmental risks, health and safety, ethical codes, and social responsibility requirements regarding suppliers, and enable selection qualified suppliers. The "Ethical Corporate Management Best Practice Principles" are followed in interactions with suppliers. Good relationships are maintained, while audits are conducted from time to time in order to ensure suppliers' quality.</p> <p>(IV) Rights of stakeholders: The Company has established a spokesperson and a deputy spokesperson. Contact phone numbers and email addresses for business personnel, investor relations, supplier relations, and employee benefits are available for direct communication with stakeholders. The Company has also set up a website (<a href="http://www.tsecpv.com">http://www.tsecpv.com</a>) to disclose information on financial operations, business, corporate governance, and stock affairs agencies.</p> <p>(V) Continuing education of directors: Professional continuing education at external institutions is arranged for directors to attend from time to time. Alternatively, directors arrange their own external continuing education. The number of continuing education hours completed by directors generally meets regulatory requirements.</p>	

Assessment Item	Implementation Status			Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Summary	
			<p>(VI) Risk management policies and risk evaluation: The Company has established the "Risk Management Policies and Procedures" in accordance with the law to conduct various risk management and assessments. Refer to the descriptions under "Seven. Review and Analysis of Financial Position and Operational Performance, and risk management/ VI. Risk Management and Assessment"(Pages 258-262) of this Annual Report.</p> <p>(VII) Implementation of customer policies: The Company maintains effective communication channels with clients. The Company also strictly fulfills contracts entered with clients and related agreements to ensure clients' rights.</p> <p>(VIII) Liability Insurance Bought for Directors: The Company has purchased the "Liability Insurance for Directors, Supervisors, and Key Employees" from Shinkong Insurance Co., Ltd. for USD 5 million.</p>	
IX. Please explain the improvement status of the corporate governance assessment results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year and propose improvement measures for those matters that have not yet been improved. (Not applicable for companies not under evaluation)	✓		<p>The Company's results for the tenth (2023) corporate governance evaluation As a result, the improvement directions for each aspect are proposed as follows:</p> <ol style="list-style-type: none"> <li>1. Improve information transparency Improve the completeness of information disclosure, such as annual shareholder meetings and company reports Information related to the Company's official website.</li> <li>2. Strengthen the internationalization of company information Upload the English version of the sustainability report to the Company website and enhance the English version of the official website Education level.</li> </ol>	No significant variance

Evaluation Form for the Independence of the Delegated CPAs		Fulfillment of independence	
		Yes	No
1.	No absence of replacement for 7 years has occurred as of the latest certification.	V	
2.	There is no material financial interest relationship with the authorizer.	V	
3.	Any inappropriate relationship with the Company is avoided.	V	
4.	The CPA shall have his/her assistants precisely adhere to the principles of honesty, fairness, and independence.	V	
5.	No audits and certification may be done on the financial statements of clients for the 2 years prior to practice.	V	
6.	The name of the CPA may not be used by any other person.	V	
7.	The CPA does not hold shares of the Company or its affiliates.	V	
8.	There are no money borrowings with the Company and its affiliates.	V	
9.	There are no joint investments or sharing of interests with the Company or its affiliates.	V	
10.	The CPA is not working part-time on a regular basis for the Company or its affiliates, or receiving a fixed salary.	V	
11.	The CPA is not involved in managerial functions such as decision-making of the Company or its affiliates.	V	
12.	The CPA is not concurrently running other businesses that may result in loss of independence.	V	
13.	The CPA is not a spouse, lineal relative, relative by marriage, or relative by blood within the second degree of kinship of the management of the Company.	V	
14.	The CPA is not collecting any commission that has to do with business operations.	V	
15.	There have been no disciplines or conditions that undermine the principle of independence so far.	V	

Note: Referencing Article 47 of the Certified Public Accountant Act and Bulletin No. 10 "Integrity, Fairness, Objectivity, and Independence" of the Republic of China's Guidelines on Professional Ethics for Accountants, the evaluation items are formulated to assess the independence of the certifying accountants appointed by the Company.

(IV) If a remuneration committee is established, its composition, duties, and operation shall be disclosed.

1. Membership of Remuneration Committee

March 31, 2024

<div>Condition</div> <div>Name</div> <div>Designation</div>		Professional qualifications	Experience	Independence status conformity	Number of positions as a Remuneration Committee member in other publicly listed companies
Independent Director	Cheng, Hsien-Chih	With more than five years of work experience required for the Company's operations, a graduate of National Cheng Kung University, currently concurrently serving as the Independent Director of Tunglien Chemical Corporation, and not having any circumstances outlined in Article 30 of the Company Act. One of the circumstances.	President, Yark Technology Co., Ltd. President for the Greater China Area, department of Electronics and Communications, DuPont Global Business President, Microelectronic Integrated Circuit Department (Chairman of Taiwan Branch) Independent Director of ScinoPharm Taiwan, Ltd. Supervisor of Xiangyi Pharmaceutical Co., Ltd.	(1)(2)(3)(4)(5) (6)(7)(8)(9) (10)(11)(12)	1
Independent Director	Shen, Chien-Ju (Convener)	With more than five years of work experience required for the Company's operations, a Master of Chemical Engineering graduate from National Taiwan University, and not having any circumstances outlined in Article 30 of the Company Act.	DuPont Taiwan Limited, an American company DuPont Business Manager for Southeast Asia and Taiwan	(1)(2)(3)(4)(5) (6)(7)(8)(9) (10)(11)(12)	0
Independent Director	Lin, Gu-Tong	With more than five years of work experience required for the Company's operations, a Master of Business Administration graduate from The University of Tennessee, holding a CPA license, formerly served as the Chairman at Deloitte Touche Tohmatsu Limited, and not having any circumstances outlined in Article 30 of the Company Act.	MBA, University of Tennessee Bachelor’s degree, Department of Accounting, NCCU Chairman, Deloitte Taiwan	(1)(2)(3)(4)(5) (6)(7)(8)(9) (10)(11)(12)	3

Note: Each director meets the following Conditions for two years prior to their election and during their term of office.

- (1) Not employed by the Company or any of its affiliated companies.
- (2) Not a director or supervisor of the Company or any of its affiliated companies (this restriction does not apply to concurrent independent director positions in the Company, its parent Company, subsidiary, or another subsidiary of the parent that are compliant with Securities and Exchange Act or local laws).
- (3) Does not hold more than 1% of the Company's outstanding shares in their own names or under the name of their spouse, underage children, or proxy shareholder; nor is a top-10 natural-person shareholder of the Company.
- (4) Not a manager listed in (1), or a spouse, second-degree relative or closer or third-degree direct relative or closer to any personnel listed in (2) or (3).
- (5) Not a director, supervisor, or employee of any corporate shareholder that: 1. holds 5% or more of the Company's outstanding shares; 2. is a top-5 shareholder; or appoints a director/supervisor representative in the Company according to Paragraph 1 or 2, Article 27 of the Company Act. (This excludes concurrent independent director positions held within the Company and its parent/subsidiary, or in other subsidiaries of the parent Company that are compliant with the Act or local laws).
- (6) Not a director, supervisor or employee of any other Company that controls directorship in the Company or where more than half of total voting rights are controlled by a single party (this excludes concurrent independent director positions held within the Company and its parent/subsidiary, or in other subsidiaries of the parent Company that are compliant with the Act or local laws).
- (7) Does not assume concurrent duty as Chairman, President or equivalent role, and is not a director, supervisor or employee of another Company or institution owned by spouse. (This excludes concurrent independent director positions held within the Company and its parent/subsidiary, or in other subsidiaries of the parent Company that are compliant with the Act or local laws).
- (8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any Company or institution that has a financial or business relationship with the Company (however, this excludes concurrent independent director positions held within companies or institutions that hold more than 20% but less than 50% outstanding shares of the Company, or in the Company's parent or subsidiary, or in another subsidiary of the parent that is compliant with the Act or local laws).
- (9) Not a professional who provides audit services, or commercial, legal, financial, accounting or consultation services for an accumulated sum of less than NT\$500 thousand in the last 2 years, to the Company or its affiliate, nor is an owner, partner, director, supervisors or manager, or the spouse of any of the above, of a sole proprietorship, partnership, Company, or organization that provides such services to the Company or its affiliated companies. This excludes roles as Remuneration Committee, Public Acquisition Review Committee or M&A Special Committee members appointed in accordance with the Securities and Exchange Act or Business Mergers and Acquisitions Act.
- (10) Not a spouse or relative of second degree or closer to any other directors.
- (11) Not having any circumstances outlined in Article 30 of the Company Act.
- (12) Not elected as a government, corporation, or its representative in accordance with the provisions of Article 27 of the Company Act.

## 2. Responsibilities

- (1) Determine and periodically review the performance appraisal on the Company's directors and managers, and remuneration policy, system, standards and structure.
- (2) Periodically evaluate and determine the Company's remuneration to directors and managers. When performing the duties above, the following principles shall be applied:
  - A. The performance evaluation and remuneration to directors, supervisors, and managers shall be given with reference to the prevailing standards of the industry and take into account the reasonableness of the correlation between the Company's business performance and future risks.
  - B. Directors and managers should not be guided to overstep the Company's appetite for risk in pursuit of compensation.

- C. The proportion of remuneration for the short-term performance of Directors and senior managers, as well as the time of payment of partial changed remuneration, shall be determined in consideration of industry characteristics and the nature of the Company's business.
- D. No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual remuneration.
- E. The remuneration referred to in the preceding two items includes cash compensation, stock options, bonus shares, retirement benefits or severance payments, various allowances, and other measures with substantial incentives; its scope should be consistent with the guidelines for the matters that should be stated in the annual report of publicly issued companies concerning the remuneration of directors, supervisors, and managers.

3. Operation of the Remuneration Committee:

- (1) There are 3 members in the Company's Remuneration Committee.
- (2) Term of office for the current members: June 9, 2022, to June 8, 2025. In the most recent year (2024) and up to the date of the printing of the annual report, the Remuneration Committee held 4 meetings. The qualifications and attendance of the members, as well as their operational status, are as follows:

Title	Name	Actual attendance count [B]	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Member	Lin, Gu-Tong	4	0	100%	
Convener	Shen, Chien-Ju	4	0	100%	
Member	Cheng, Hsien-Chih	4	0	100%	

Other items to be stated:

- I. If the Board of Directors decline to adopt, or intends to modify, a recommendation of the Remuneration Committee, state the meeting date, term, contents of motions, resolution of the Board meeting, and the Company's treatment of the opinions of the Remuneration Committee (e.g. where the remuneration passed by the Board exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.
- II. For resolutions adopted by the Remuneration Committee, to which a member has a dissenting or qualified opinion which is on record or stated in a written statement, state the meeting date, term, contents of motions, opinion of each member, and the treatment of such opinions: None.

The operational status of the Company's Remuneration Committee in 2024 up to the date of the printing of the annual report:

Date	Implementation Status
9th meeting of 4th term 2024/03/06	<ul style="list-style-type: none"> <li>1. Subject: :For the execution results of the 2023 fourth quarter incentive plan and the proposal for the rewards plan. Resolution: Approved after discussion by all attending members.</li> <li>2. Subject: To draft the 2024 first half-year incentive plan for the management team. Resolution: Approved after discussion by all attending members.</li> </ul>

Date	Implementation Status
The 10th meeting of the 4th session 2024/05/06	<ol style="list-style-type: none"> <li>1. Proposal: The director's remuneration distribution proposal for the Company's 2023 earnings distribution proposal, submitted for review. Resolution: The proposal has been approved following the chairman's consultation with all attending members and their agreement to follow the chairman's suggested plan.</li> <li>2. Proposal: The manager and employee remuneration distribution proposal for the Company's 2023 earnings distribution proposal, submitted for review. Resolution: The proposal has been approved following the chairman's consultation with all attending members and their agreement to approve the proposal as presented.</li> <li>3. Proposal: For the promotion of the Accounting Department Manager, Zhang Wei-Zhe, to Deputy Director, submitted for review. Resolution: The proposal has been approved following the chairman's consultation with all attending members and their agreement to approve the proposal as presented.</li> </ol>
The 11th meeting of the 4th session 2024/11/06	<ol style="list-style-type: none"> <li>1. Proposal: For the promotion of the Director of International Business Department, Yaskawa Electric Corporation, to Assistant Manager, submitted for ratification. Resolution: The proposal has been approved and ratified following the chairman's consultation with all attending members and their agreement to approve the proposal as presented.</li> </ol>
The 12th meeting of the 4th session 2024/12/17	<ol style="list-style-type: none"> <li>1. Proposal: The work plan for the Remuneration Committee for the year 2025, submitted for review. Resolution: The proposal has been approved following the chairman's consultation with all attending members and their agreement to approve the proposal as presented.</li> </ol>



(V) If the Sustainable Development Committee is established, its composition, duties, and operation shall be disclosed

1. Information on members of Sustainable Development Committee

March 31, 2024

Designation	Name	Conditions	Experience	Professional qualifications
Member	Cheng, Hsien-Chih (Convener)		President, Yark Technology Co., Ltd. President for the Greater China Area, department of Electronics and Communications, DuPont Global Business President, Microelectronic Integrated Circuit Department (Chairman of Taiwan Branch) Independent Director of ScinoPharm Taiwan, Ltd. Supervisor of Xiangyi Pharmaceutical Co., Ltd.	Business management, industry knowledge
Member	Shen, Chien-Ju		DuPont Taiwan Limited, an American company DuPont Business Manager for Southeast Asia and Taiwan	Market marketing, industry knowledge
Member	Lin, Gu-Tong		MBA, University of Tennessee Bachelor's degree, Department of Accounting, NCCU Chairman, Deloitte Taiwan	Business management, financial accounting.
Member	Hung, Chen-Ren		Ph.D. in Chemistry, University of Missouri-Rolla Vice President, Powertec Energy Deputy Assistant President, Resources and Materials, Gintech Energy Corporation General Manager of JASolar Technology Co., Ltd.	Business management, leadership decision-making.
Member	Liao, Wei-Ran		Master's Degree, New York State University Deputy Assistant President, DBS Deputy Assistant President, Standard Charter Deputy Assistant President, ABN AMRO Senior Executive Deputy General Manager of JASolar Technology Co., Ltd.	Business management, market marketing.
Member	Chen, Cheng-Cong		Bachelor's in Accounting, Tamkang University Auditor at KPMG Huazhen LLP Audit Manager of JASolar Technology Co., Ltd.	Internal Audit and Internal Control

2. Responsibilities

When performing the duties above, the following principles shall be applied:

- (1) Drafting the Company's sustainable development policy.
- (2) Development of sustainable development goals, strategies, and implementation plans, including sustainable governance, ethical operation, and environmental and social aspects.
- (3) Review, tracking, and revision of the Company's sustainable development implementation and its effectiveness, with regular reporting to the board of directors.
- (4) Addressing concerns and supervising communication plans related to various stakeholders, including shareholders, customers, suppliers, employees, government, non-profit organizations, communities, and media.

- (5) Handling other matters instructed by the board of directors for the committee's responsibility.

3. Operation of the Sustainable Development Committee:

- (1) There are 3 members in the Company's Sustainable Development Committee.
- (2) Term of office for the current members: June 9, 2022, to June 8, 2025. In the most recent year and up to the date of the printing of the annual report, the Remuneration Committee held 2 meetings. The qualifications and attendance of the members, as well as their operational status, are as follows:

Title	Name	Actual attendance count [B]	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Member	Lin, Gu-Tong	2	0	100%	
Member	Shen, Chien-Ju	2	0	100%	
Convener	Cheng, Hsien-Chih	2	0	100%	
Member	Hung, Chen-Ren	2	0	100%	
Member	Liao, Wei-Ran	2	0	100%	
Member	Chen, Cheng-Cong	2	0	100%	

Other items to be stated:

- If the Board of Directors does not adopt or alters the recommendations of the Sustainability Committee, it should specify the date, session number, content of the proposal, resolution outcome of the Board of Directors, and the Company's handling of the opinions from the Sustainability Committee (if the compensation passed by the Board exceeds the recommendations of the Sustainability Committee, the differences and reasons should be stated): None.
- For the resolutions adopted by the Sustainable Development Committee, to which a member has a dissenting or qualified opinion which is on record or stated in a written statement, state the meeting date, term, contents of motions, opinion of each member, and the treatment of such opinions: None.

The operational status of the Company's Sustainability Committee in 2024 up to the date of the printing of the annual report:

Date	Implementation Status
The 4th meeting of the 1st session 2024/6/21	<ol style="list-style-type: none"> <li>Subject: Proposal for the formulation of the Company's 2024 sustainability development goals, submitted for review. Resolution: The proposal has been unanimously approved following the chairman's consultation with all attending directors and their agreement to approve the proposal as presented. To implement and execute sustainable development goals, cultivate the habit of applying them in work, and track progress monthly or quarterly instead of waiting for biannual meetings to make adjustments.</li> <li>Subject: For the Company's 2023 Sustainability Report approval proposal, submitted for review. Resolution: The proposal has been unanimously approved following the chairman's consultation with all attending directors and their agreement to approve the proposal as presented.</li> </ol>
The 5th meeting of the 1st session 2024/12/17	There are no matters for discussion at this meeting, only matters for reporting

(V) Implementation status of sustainable development and deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such variance

Assessment Item	Implementation Status			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for any such variance
	Yes	No	Summary	
I. Has the Company established an exclusively (or concurrently) dedicated unit to promote sustainable development and have executives been appointed by the board of directors to handle the promotion of such under the board's supervision?	✓		<p>The Company has defined its "Corporate Governance Best Practice Principles" and "Sustainable Development Best Practice Principles" to govern the promotion of sustainable developments throughout the Company. The Sustainable Development Committee was formed in 2022 to be the exclusive unit for the promotion of sustainable development. It consists of 6 members in total (including 3 independent directors and 3 high-ranking managers from inside the Company, and one of the independent directors has been elected as Chairman</p> <p>On the basis of its sustainable development strategy, the Company has had the Sustainable Development Committee set up working groups on "corporate governance", "ethical corporate management", "risk management", "environmental protection", and "social relations" in order to consolidate corporate governance, develop a sustainable environment, protect the public interest in society, and reinforce disclosure of information on corporate sustainable development.</p> <p>Article 9 of the Company's "Sustainable Development Practice Guidelines" stipulates that regular reports should be made to the Board of Directors. In 2024, a total of 2 meetings were held, which included agenda items such as amendments to the "Risk Management Policies and Procedures." Besides listening to the presentation provided by the Sustainable Development Committee on accomplishments in the implementation of ESG, the board of directors gave guidance on corrective actions that shall be reinforced in the promotion of sustainable development, which will serve as reference for the operation of the Sustainable Development Committee.</p>	No significant variance.
II. Does the Company follow the materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operations, and establish risk management related policy and strategy?	✓		<p>The Company has put in place the "Risk Management Policy and Procedures," as approved by the board, and the "Risk Management Task Force" has been set up under the Sustainable Development Committee. The President is responsible for coordinating the promotion and operation of risk management plans, and the accountable unit in each department is in charge of undertaking risk management in their respective department. The risks are, in honor of the materiality principle, assessed annually and are reported to the Board.</p> <p>The scope of risk management includes hazard risk, operational risk, financial risk, strategic risk, compliance/contractual risk, and other risks. Effective implementation of the risk management process—which includes risk identification, risk measurement, risk monitoring, risk reporting and disclosure, and risk response—ensures the execution of the Company's risk management strategy.</p>	No significant variance.

Assessment Item	Implementation Status			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for any such variance									
	Yes	No	Summary										
			<p>According to the assessment based on the principle of materiality, the corporate-level risk assessment items and related risks in 2023 concerning environmental, social, and corporate governance issues related to the Company's operations.</p> <p>The management strategy is as follows:</p> <table> <tr> <th>Material Issues</th> <th>Risk Assessment Items</th> <th>Risk management policies or strategies.</th> </tr> <tr> <td>Environment</td> <td>Environmental protection and ecological conservation</td> <td> <p>Our company is a professional manufacturer of solar cells and modules. While aiming for corporate growth, we emphasize pollution prevention, are committed to energy conservation and carbon reduction, climate change mitigation and adaptation, biodiversity and ecosystem protection, and promoting renewable energy and sustainable resource use to enhance environmental performance.</p> <p>Through the systematic PDCA management cycle of ISO14001, pollution control equipment is properly utilized to effectively control pollution emissions.</p> <p>Additionally, we formulate waste reduction and energy conservation and carbon reduction environmental protection plans and programs annually according to the management system and regularly track and review them to ensure the effectiveness of the execution of these environmental protection plans and programs.</p> </td> </tr> <tr> <td>Society</td> <td>Occupational safety</td> <td> <p>When the plant was established, it obtained certification for the Occupational Safety and Health Management System and the Taiwan Occupational Safety and Health Management System. The validity of the certificates is maintained through annual external verifications. Through the systematic PDCA management cycle of ISO45001, hazard identification, risk assessment, and control are managed to prevent accidents, reduce employee risk, and enhance the safety environment through systematic operations.</p> </td> </tr> </table>	Material Issues	Risk Assessment Items	Risk management policies or strategies.	Environment	Environmental protection and ecological conservation	<p>Our company is a professional manufacturer of solar cells and modules. While aiming for corporate growth, we emphasize pollution prevention, are committed to energy conservation and carbon reduction, climate change mitigation and adaptation, biodiversity and ecosystem protection, and promoting renewable energy and sustainable resource use to enhance environmental performance.</p> <p>Through the systematic PDCA management cycle of ISO14001, pollution control equipment is properly utilized to effectively control pollution emissions.</p> <p>Additionally, we formulate waste reduction and energy conservation and carbon reduction environmental protection plans and programs annually according to the management system and regularly track and review them to ensure the effectiveness of the execution of these environmental protection plans and programs.</p>	Society	Occupational safety	<p>When the plant was established, it obtained certification for the Occupational Safety and Health Management System and the Taiwan Occupational Safety and Health Management System. The validity of the certificates is maintained through annual external verifications. Through the systematic PDCA management cycle of ISO45001, hazard identification, risk assessment, and control are managed to prevent accidents, reduce employee risk, and enhance the safety environment through systematic operations.</p>	
Material Issues	Risk Assessment Items	Risk management policies or strategies.											
Environment	Environmental protection and ecological conservation	<p>Our company is a professional manufacturer of solar cells and modules. While aiming for corporate growth, we emphasize pollution prevention, are committed to energy conservation and carbon reduction, climate change mitigation and adaptation, biodiversity and ecosystem protection, and promoting renewable energy and sustainable resource use to enhance environmental performance.</p> <p>Through the systematic PDCA management cycle of ISO14001, pollution control equipment is properly utilized to effectively control pollution emissions.</p> <p>Additionally, we formulate waste reduction and energy conservation and carbon reduction environmental protection plans and programs annually according to the management system and regularly track and review them to ensure the effectiveness of the execution of these environmental protection plans and programs.</p>											
Society	Occupational safety	<p>When the plant was established, it obtained certification for the Occupational Safety and Health Management System and the Taiwan Occupational Safety and Health Management System. The validity of the certificates is maintained through annual external verifications. Through the systematic PDCA management cycle of ISO45001, hazard identification, risk assessment, and control are managed to prevent accidents, reduce employee risk, and enhance the safety environment through systematic operations.</p>											

Assessment Item	Implementation Status					Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for any such variance
	Yes	No	Summary			
				Product safety	The Company's products comply with government certification regulations and, through rigorous quality system management, provide customers with stable product quality. To ensure customer service quality and enhance customer satisfaction, a customer service hotline and communication website have been established. Customer service satisfaction surveys are conducted regularly every year to strengthen the cooperative relationship with customers. This mutually beneficial relationship with customers serves as the cornerstone of the Company's sustainable development.	
			Corporate governance	Socioeconomic and Legal Compliance	By establishing a governance organization and implementing internal control mechanisms, the Company ensures that all employees and operations comply with relevant laws and regulations.	
III. Environmental Topic						
(I) Has the Company set up an environmental management system designed to develop industry characteristics?	✓		The Company is a professional solar cell and module manufacturer. While pursuing corporate growth, we promote renewable energy and apply resources properly to reduce environmental pollution, for the sustainable development of the environment. Therefore, high standards of environmental specifications and pollution prevention facilities were referenced when designing the plant. Once the plant was completed, an ISO 14001 environment management system was also developed. The plants in Hsinchu and Pingtung were certified as ISO14001 environment management systems in 2011 and in 2018, and this certification is still valid. Continual improvements are made based on P.D.C.A system management and pollution prevention facilities are tested by qualified testing institutions regularly while establishing relevant operational regulations and monitoring to maintain their normal operation. No significant variance.			No significant variance.

Assessment Item	Implementation Status			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for any such variance
	Yes	No	Summary	
(II) Is the Company committed to improving energy utilization efficiency and to the use of renewable materials with low environmental impacts?	✓		Since 2012, United Renewable Energy Co., Ltd. has annually confirmed the greenhouse gas emissions of its Hsinchu plant as the first step towards its own energy conservation and carbon reduction. In 2023, it was designated as a subject for reporting and registration, so the baseline year for the Hsinchu plant was adjusted to 2022. The Pingtung plant conducted its first inspection in 2022, setting its baseline year as 2021. Both plants continue to promote various energy-saving measures, aiming to reduce carbon emission intensity by more than 1% annually starting in 2024, and will disclose this information on the Company's website.	No significant variance.
(III) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to such topics?	✓		The Company has formulated the "Procedures and Policy of Risk Management," and regularly holds meetings of its risk management task force, which also proposes responses to severe weather events resulting from climate change.	No significant variance.
(IV) Has the Company collected data on greenhouse gas emissions, water usage and waste quantities in the past 2 years, and set policies regarding energy conservation, greenhouse gas emissions reduction, water usage reduction and waste management?	✓		<ol style="list-style-type: none"> <li>1. Disclose greenhouse gas emissions, power consumption, water consumption and waste at the Hsinchu plant on the Company's website, and set targets for reduction.</li> <li>2. The plants in Hsinchu and Pingtung maintain ISO14001 Environmental and Management System certification; the Hsinchu plant has been verified every year since being certified with ISO 14064 in 2012 and the Pingtung plant since 2022; this verification continues on an annual basis.</li> </ol>	No significant variance.
<b>IV. Social Topic</b>				
(I) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	✓		To fully fulfill its corporate social responsibility, and protect the basic human rights of all employees, clients and stakeholders, TSEC observes internationally recognized human right standards, such as Universal Declaration of Human Rights, The United Nations Global Compact, and International Labor Convention, as well as the Labor Standards Act of Taiwan, local labor related laws and regulations at the locations where we are present, with related managerial policies and procedures established.	No significant variance.

Assessment Item	Implementation Status			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for any such variance
	Yes	No	Summary	
(II) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salaries and compensation?	✓		Reasonable employee benefits have been formulated and implemented, and employee appraisals have been conducted by complying with national labor laws; business performance is appropriately reflected in employee benefits and remuneration through employee bonuses.	No significant variance.
(III) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		When the Hsinchu plant and Pingtung plant were established, they obtained certification for the ISO 45001 Occupational Safety and Health Management System and the TOSHMS Taiwan Occupational Safety and Health Management System. The validity of the certificates is maintained to this day.  The number of occupational accidents (excluding traffic-related incidents) in 2024 was 6 cases involving 6 people, with a total of 194 days lost due to occupational injuries. In 2024, the overall occupational injury severity index was 0.42 for the Hsinchu plant and 0.23 for the Pingtung plant. Following the occurrence of occupational accidents, investigations and improvements were conducted to prevent recurrence and ensure the safety of employees at work.	No significant variance.
(IV) Has the Company established effective career development training plans?	✓		The "Training Committee" is in place to formulate training policies and plan annual training programs based on the 6 major training pillars of the "Education and Training Management Procedure," for diversified training and excellent on-the-job education.	No significant variance.
(V) Do the Company's products and services comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and policies to protect consumer and customer rights, including relevant appeal procedures?	✓		The Company has put "Procedures of Supplier Management" in place. Before engaging a supplier, its history of environmental and social impacts is assessed. The "Regulations for Auditing Supplier Quality" have also been established to carefully define the quality, service level, green products, environmental risks, health and safety, ethic codes, and social responsibility of suppliers, and select qualified suppliers.	No significant variance.

Assessment Item	Implementation Status			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for any such variance
	Yes	No	Summary	
(VI) Does the Company set supplier management policy and request suppliers to comply with standards related to environmental matters, occupational safety and health, and labor rights, and monitor their implementation status?	✓		The Company has put "Procedures of Supplier Management" in place. Before engaging a supplier, its history of environmental and social impacts is assessed. The "Regulations for Auditing Supplier Quality" have also been established to carefully define the quality, service level, green products, environmental risks, health and safety, ethic codes, and social responsibility of suppliers, and select qualified suppliers. Furthermore, RBA certification was promoted in 2022, further requiring suppliers to implement compliance with labor rights regulations.	No significant variance.
V. Does the Company refer to international reports to prepare standards or guidelines, such as sustainability reports that disclose non-financial related information of the Company? Has said Report acquired any verification or statement of assurance from a third-party validating institution?	✓		The Company plans to complete the preparation of the 2024 ESG report by 2025 and obtain certification from a third-party verification body.	Completed in 2024.
VI. If the Company has established its own Corporate Sustainability Development Best Practice Principles in accordance with the "Corporate Sustainability Development Best Practice Principles for TWSE/GTSM Listed Companies", please describe its implementation and any differences between them: The Company has established its "Corporate Social Responsibility Best Practice Principles." The actual operations do not differ from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" significantly.				
VII. Other important information to help understand implementation status and promotion of sustainable development measures: <ul style="list-style-type: none"> <li>● Green Energy Promotional Tour: As the Company established power stations in Pingtung, it learned about the shortage of green energy education for children living in rural areas. Since 2013, a regular tour promoting green energy has taken place. So far, the tour has been to Chang-Le Elementary School, Lin-Bian Elementary School, Shui-Chunag Elementary School (Longchuan Branch), and Yukuang Elementary School. In addition to classroom sessions, site visits to power stations have been included. The tours have been well received. To promote the concept of energy saving and carbon reduction, and expand renewable energy production, we expect to be a pioneer of green energy in Taiwan as part of our fulfillment of CSR.</li> <li>● Environment, Safety, and Health Policy: TSEC is a professional solar cell and module manufacturer. While pursuing corporate growth, we value the prevention of pollution, devote ourselves to energy conservation and carbon reduction, mitigation of global warming, bio-diversity and protection of the ecosystem, and promote renewable energy and sustainable application of resources in order to improve environmental performance. Also, the Company is committed to enhancing safe and healthy working conditions to prevent injuries and hazards to health, and abides by or exceeds environmental safety and health-related laws, regulations, and obligations. The scope of advice and engagement includes both workers related to the Company and other stakeholders. We also promise to integrate information and resources to execute the following environmental, safety, and health policies so as to fulfill our CSRs and achieve the goal of sustainable development:</li> </ul>				



Assessment Item	Implementation Status			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for any such variance
	Yes	No	Summary	
<p>(1) Fulfill compliance obligations and commit to environmental protection (2) Control environmental safety risks and implement continuous improvement (3) Promote environmental safety education and require full participation (4) Commit to energy saving and carbon reduction, and support green procurement.</p> <ul style="list-style-type: none"><li>December 2022: the Hsinchu plant and Pingtung plant obtained the ISO 14064-1:2018 greenhouse gas inventory certificate.</li><li>December 2020: the Hsinchu plant and Pingtung plant passed the ISO 45001:2018 Occupational Safety and Health Management System certification.</li><li>August 2019: The Hsinchu plant was awarded as an "Excellent Workplace with Friendly Breastfeeding Room" by the Hsinchu County Government.</li><li>December 2018: The Pingtung plant was awarded with the "Certification of Healthy Workplace- Health Promotion Label" by the Health Promotion Administration, MOHW,</li><li>December 2018: the Pingtung plant passed the ISO 14001, OHSAS 18001, and TOSHMS certifications.</li><li>August 2018: The Pingtung plant was certified as a "Workplace with Friendly Breastfeeding Room" by the Pingtung County Government.</li><li>December 2016: The Hsinchu plant was again awarded with "Certification of Healthy Workplace- Health Promotion Label" by Health Promotion Administration, MOHW,</li><li>October 2016: Awarded as "Excellent Specialist in Occupational Health and Safety"</li><li>April 2016: The Hsinchu plant's "Recognition of Industrial Unit Labor Safety and Health Management System Performance" by the Labor Commission, Executive Yuan, was extended for 5 years</li><li>October 2015: Two silicon crystalline solar module products and three silicon crystalline solar cell products were certified with ISO/TS 14067:2013 product carbon footprint validation</li><li>August 2015: The Hsinchu plant was awarded as an "Excellent Unit of Occupational Health and Safety" by the Ministry of Labor</li><li>July 2015: The Hsinchu plant was certified as a "Workplace with Friendly Breastfeeding Room" by the Hsinchu County Government.</li><li>In December 2014, the Hsinchu plant passed the ISO 50001:2011 Energy Management System certification.</li><li>December 2014: Won "Environmental Implementation Award" from the British Standards Institution (BSI)</li><li>January 2014: The Hsinchu plant was awarded "Certification of Health Workplace- Health Promotion Label" by Health Promotion Administration, MOHW,</li><li>November 2013: The Hsinchu plant was awarded as an "Excellent Service Unit of the Collaboration Organization for the National Labor Safety and Health Community" by the Labor Commission, Executive Yuan for 2012.</li><li>June 2013: The Hsinchu plant was received "Recognition of Industrial Unit Labor Safety and Health Management System Performance" from the Labor Commission, Executive Yuan.</li><li>February 2013: Monocrystalline and polycrystalline solar cell series products were certified with PAS 2050:2011 product carbon footprint validation</li><li>October 2012: the Hsinchu plant passed the ISO 14064-1:2006 greenhouse gas verification.</li><li>December 2011: the Hsinchu plant passed the ISO 14001:2004 Environment Management System certification, the TOSHMS Taiwan Occupational Safety and Health Management System certification CNS15506:2011, and the OHSAS 18001:2007 Occupational Safety and Health Management System certification.</li></ul>				

(VI) Fulfillment of Ethical Corporate Management, and variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies , and the reason for any such variance

Item	Implementation Status			Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies , and the reason for any such variance
	Yes	No	Summary	
I. Stipulate ethical management policies and plans				
(I) Does the Board of Directors of the Company stipulate and approve ethical management policies and clearly state the policies and methods of ethical management in the regulations and external documents, and does the Board of Directors and high level executives actively implement the business policies to fulfill the commitment?	✓		(I) The Company has established corporate governance rules and regulations related to integrity management, such as the "Corporate Governance Practice Principles," "Integrity Management Principles," "Integrity Management Operational Procedures and Behavior Guidelines," and "Code of Ethical Conduct for Directors and Managers," all approved by the Board of Directors. These documents explicitly state the policies and practices of integrity management, and all Board members (8) and managers (16) have signed the "Integrity Management Policy Compliance Statement."	No significant variance
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		(II) To implement the integrity management policy and prevent dishonest behavior, the Board of Directors approved the "Integrity Management Operational Procedures and Behavior Guidelines" on April 26, 2022. This established a risk assessment mechanism for dishonest behavior, devised plans to prevent such behavior, and organized educational promotions on integrity and ethical standards. In 2024, no reports of violations of integrity management were received.	No significant variance
(III) Whether the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and appealing procedures, and periodically reviews and revises such policies?	✓		(III) The Company has the "Ethical Corporate Management Best Practice Principles" and the "Procedure for Ethical Corporate Management and Behavioral Guide" in place specifying the unethical behavior prevention proposal, the educational training and evaluation, the whistleblowing system, the disciplinary and complaint-filing systems, and the foregoing proposal is reflected upon and revised periodically reflective of the regulatory requirements of the competent authority.	No significant variance

Item	Implementation Status			Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies , and the reason for any such variance
	Yes	No	Summary	
II. Ethic Management Practice				
(I) Does the Company evaluate business parties' ethical records and include ethics-related clauses in contracts entered into with the partners?	✓		(I) Before the Company trades with a customer, the sales unit must have the customer profile in place and have checked the customer's debt and credit background. They are to be reviewed and approved by the financial authority before business interactions may begin. Some transactions shall be registered along with the conditions according to the Personal Property Secured Transactions Act. Some transactions are taking place according to the loan limit approved by the Loan and Credit Committee. The purchase order or contract entered into between the parties includes confidentiality terms about integrity.	No significant variance
(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation and supervision of the ethical corporate management policies and prevention programs against unethical conduct?	✓		(II) The Company has designated the head of administrative functions under the General Manager's Office to be responsible for the formulation (revision) and implementation of policies such as the Integrity Management Principles, planning and reviewing related procedures, proposing improvements, handling complaints, and conducting related advocacy and educational training on integrity management. The Audit Office is responsible for supervising the implementation to ensure the enforcement of the Integrity Management Principles. A report on the implementation of integrity management for 2024 was presented to the Board of Directors on December 26, 2024, and was disclosed on the Company website and in the annual report as required.	No significant variance

Item	Implementation Status			Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance
	Yes	No	Summary	
(III) Has the Company established policies to prevent against conflicts of interest, provided appropriate channels for filing related complaints and implemented the policies accordingly?	✓		(III) The Company has established a "Code of Ethical Conduct for Directors and Managers" and "Integrity Management Operational Procedures and Behavior Guidelines," approved by the Board of Directors, which explicitly outline the conflict of interest prevention policy and the rules to avoid opportunities for personal gain. The Company has set up a whistleblower and complaint mailbox to handle reporting incidents confidentially. Violations of these regulations will result in appropriate penalties. In 2023, a report was received from a departing employee alleging that someone in the EPC engineering unit was engaged in side work involving dishonest behavior. After investigation, there was no evidence found to prove any illegal activities, and the case was closed.	No significant variance
(IV) To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPAs periodically?	✓		(IV) <ol style="list-style-type: none"> <li>1. In order to enforce the ethical corporate management policy, the Company already has an effective accounting system and internal control system in place. No risk of unethical behavior involving a high-risk coefficient is found according to the risk assessment findings. Therefore, there is no drafting of a specific audit plan. Unethical behavior was not found during audits involving ethical corporate management, either.</li> <li>2. The Company has established the "Procurement Management Procedures," which strictly regulate the processes of procurement requests, bidding, acceptance, and payment claims. For projects exceeding NT\$3 million, audit and administrative supervisors are involved in the bidding process.</li> <li>3. The signing targets of the Integrity Trading Commitment include a total of 708 qualified suppliers established by the materials unit and miscellaneous vendors meeting the conditions, with a return of 708, achieving a completion rate of 100%.</li> </ol>	No significant variance

Item	Implementation Status			Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies , and the reason for any such variance
	Yes	No	Summary	
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓		<ol style="list-style-type: none"> <li>1. Arrange educational promotions on "Integrity and Ethical Standards" for new employees, with a total of 19 sessions and 55 participants, accumulating 5 hours: On 10/23, arrange for Attorney Zhang Zhewei to lecture on "Integrity Management" for company section chiefs and above, as well as procurement and general affairs personnel, with a total of 1 session and 72 participants, accumulating 1.5 hours.</li> <li>2. Simultaneously, micro-courses on "Ethical Business Conduct" were recorded and made available in the Announcement Area/HR Department/Education &amp; Training/TSEC Corporation Lecture for all employees to access.</li> <li>3. For the newly appointed manager, Assistant Manager Yaskawa Electric Corporation, promote the information on "Internal Major Information Handling and Insider Trading Prevention Operations."</li> <li>4. On August 1, 2023, an internal memo was issued to all employees reiterating the zero-tolerance policy on unethical behaviors such as bribery, blackmailing, and corruption, regardless of its form, was issued to all staff. Violators, once found, will be punished according to the management regulations. Those involving severe circumstances will be turned into the prosecution authority. The staff is asked to read carefully and abide by the "Ethical Corporate Management Best Practice Principles" and the "Procedure for Ethical Corporate Management and Behavioral Guide" announced on the Intranet.</li> </ol>	No significant variance

Item	Implementation Status			Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies , and the reason for any such variance
	Yes	No	Summary	
III. Implementation of Complaint Procedures				
(I) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	✓		The Company has the "Procedure for Managing Reports, Complaints, and Suggestions and Employee Engagement" in place and specialists are available to take charge of the reporting system (as is shown below) so that employees, suppliers, and other external stakeholders can report illegal acts or any behavior against human rights, the work rules, the behavioral guide, or the Ethical Corporate Management Best Practice Principles". In addition, there are also employee suggestion boxes, email addresses, and complaint hotlines, as well as options to report to the head of the respective unit or the Company's audit department, providing employees with diverse and unobstructed reporting channels. Reporting system: 6443@tsecpv.com.	No significant variance
(II) Whether the Company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?	✓		The Company has established a "Whistleblowing, Complaints and Suggestions, and Employee Participation Feedback Management Procedure," which includes the protection of the privacy of whistleblowers and involved parties. The management procedures include the protection of the whistleblower's and the involved parties' privacy. and other personal rights and interests regulations.	No significant variance
(III) Does the Company adopt proper measures to prevent a whistleblower from retaliation for his/her whistleblowing?	✓		The Company handles whistleblowing cases with confidentiality, fully protecting whistleblowers, and providing the accused parties with opportunities to appeal, to ensure the legal rights of both whistleblowers and the accused parties.	No significant variance
IV. Information Disclosure Does the Company disclose its ethical corporate management best practice principles as well as information about implementation of such guidelines on its website and Market Observation Post System ("MOPS")?	✓		The Company has disclosed the ethical corporate management best practice principles and the implementation at the Company's website and MOPS.	No significant variance
V. If the Company has established its own Integrity Management Principles based on the "Regulations Governing the Establishment of Integrity Management in Public Companies," please describe its operation and any differences from the prescribed principles. The Company has formulated its "Integrity Management Principles," which clearly regulate the matters that company personnel must comply with, and the procedures for reporting and penalties are also explicitly defined in the relevant measures. There are no significant differences from the "Regulations Governing the Establishment of Integrity Management in Public Companies."				

Item	Implementation Status			Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies , and the reason for any such variance
	Yes	No	Summary	
VI. Other important information that helps understand the implementation of ethical corporate management of the Company:				
1. The Company complies with the Company Act, Securities and Exchange Act, Business Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, and the Public Officials Conflict of Interest Avoidance Act, as well as the related regulations of listed companies or other relevant business conduct laws, as a fundamental premise for implementing integrity management. The Company also spares no effort in adhering to high standards regarding the observance of environmental and quality policies.				
2. The Company's "Board of Directors Meeting Protocol" stipulates a conflict of interest avoidance system for directors. If a board proposal concerns a director's personal interests or those of a represented legal entity, potentially harming the Company's interests, the director may present opinions and answer inquiries but must refrain from discussions and voting. They are also required to recuse themselves during discussions and voting and cannot act as a proxy to vote on behalf of other directors.				
3. The Company has established the "Internal Material Information Consolidation and Insider Trading Prevention Management Procedures" to not only create an effective internal material information handling and disclosure mechanism, preventing improper information leakage, but also ensure the consistency and accuracy of the Company's external information releases. These procedures stipulate that directors, supervisors, managers, and employees must not disclose any internal material information they are privy to or inquire about or collect undisclosed internal material information unrelated to their personal duties from those who are aware of such information. Additionally, there is a confidentiality obligation not to disclose undisclosed internal material information learned incidentally from performing business duties to others. Moreover, it specifies that pursuant to laws, upon actually knowing of any material information, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the insiders, quasi-insiders, and information receivers, shall not sell shares of the Company that are listed or traded at securities dealers, or any other equity-type security of the Company, or sell the non-equity-type corporate bonds of such company that are listed or traded at securities dealers, so that anyone knows material information would not conducting insider trading without knowing it.				
4. The second amendment to the Company's "Ethical Corporate Management Best Practice Principles" was approved by the Board of Directors on March 7, 2022 and was brought forth during the 2022 General Shareholders' Meeting for acknowledgment, with records on file				
5. Contents of the first edition of the Company's "Operating Procedure and Behavioral Guide for the Ethical Corporate Management Best Practice Principles" were approved by the Board of Directors on April 26, 2022, with records on file.				

Implementation Status of Climate-related Information

Project and Implementation Status						
<p>1. <b>Describes the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.</b>  <b>Execution Status:</b> The YGX Solar primarily conducts discussions and evaluations on climate risk management through the Sustainability Committee. The climate change resolution results are then reported by the chairperson to senior management, focusing on execution performance and necessary improvement suggestions. In the fourth quarter of each year, the annual implementation results and work plan for the following year are presented to the board of directors. These are revised based on the board's opinions and included in climate change risk-related issues and their management objectives.</p>						
<p>2. <b>Describes how identified climate risks and opportunities affect the Company's operations, strategies, and finances (short-term, med-term, long-term).</b>  <b>Implementation Status:</b> Climate change, which causes extreme weather and other impacts, may affect the Company's business, strategy, and finances. The Company refers to the Task Force on Climate-related Financial Disclosures (TCFD) for the climate-related framework to identify climate risks and opportunities as shown in the table below:</p>						
Risk	Factor	Climate Change Risk Issue	Potential Business, Strategy, and Financial Impacts	Risk Level		
				Short term	Mid term	Long term
Transition Risks	Policy and Regulation	R1 increasing greenhouse gas emissions pricing	Carbon taxes imposed, increasing operational costs	Low	Low	Medium
		R2 strengthening emissions reporting obligations	Increased reporting costs, increasing operational costs	Low	Low	Medium
		Requirements and regulations for existing products and services.	Compliance with regulatory measures, increasing operational costs	Low	Low	Low
		Facing litigation risk	Cost increases and/or reduced product demand due to fines and judgments	Low	Low	Low
	Technique	R5 replaces existing products and services with low-carbon goods.	Decreased demand for products and services, reducing revenue	Low	Low	Low
		R6 Investment failure in new technologies	Capital investment in the development of new technologies, increasing operational costs	Low	Low	Low
		The cost of R7 transition to low-carbon technologies.	Costs of adopting/implementing new practices and processes, increasing operational costs	Low	Low	Low
	Market	R8 Changes in Customer Behavior	Changes in consumer preferences leading to decreased demand for goods, reducing revenue	Low	Low	Low
		R9 Market Risk	Impacted by competitors, leading to decreased demand for goods, reducing revenue	High	High	High
		R10 Increase in Raw Material Costs	Increases operational costs, decreases profitability.	High	High	High
Physical Risks	Immediate	R11 Changes in Consumer Preferences - Industry Stigmatization	Decreased demand for goods, reducing revenue	Low	Low	Low
		R12 Increasing stakeholder concerns and negative feedback	Decreased demand for goods, reducing revenue	Low	Low	Low
	Long-term	R13 increased severity of extreme weather events such as typhoons and floods	Decreased capacity or interruption (e.g., production stoppage, transportation difficulties, supply chain disruption), increasing operational costs	Low	Low	Low
		R14 changes in precipitation (rainfall) patterns and extreme variations in climate patterns	Impacting workforce management and planning (such as health, safety, absenteeism),	Low	Low	Low
		R15 Rise in Average Temperature	Increased electricity consumption, higher operational costs	Low	Low	Low
		R16 Rise in Sea Level	Write-off and premature scraping of existing assets, higher operational costs	Low	Low	Low



Opportunity	Factor	Climate Change Opportunity Issues	Potential Business, Strategy, and Financial Impacts	Risk Level		
				Short term	Mid term	Long term
Opportunity	Resource Efficiency	O1 adopts more efficient transportation methods.	Reduced operational costs	Low	Low	Low
		O2 uses more efficient production and distribution processes.	Increased capacity, increased revenue	Low	Low	Low
		O3 recycling and reuse	Reduced operational costs	Low	Low	Low
		O4 switches to more efficient buildings.	Reduced operational costs	Low	Low	Low
		O5 reduces water usage and consumption	Reduced operational costs	Low	Low	Low
Opportunity	Energy Source	O6 uses low-carbon energy.	Reduced exposure to future increases in fossil fuel prices	Low	Low	Low
Opportunity	Market	O7 adopts incentive policies	Entry into new markets, increase in demand for goods/services, increased profitability	Low	Medium	Medium
Opportunity	Product/Service	O8 uses new technology.	Improved reputation and increased demand for goods/services, increased profitability	Low	Low	Low
Opportunity	Resilience	O9 participates in the carbon trading market.	Reduced greenhouse gas emission risks, therefore reducing sensitivity to carbon trading price changes	Low	Medium	Medium
Opportunity		O10 transitions to decentralized energy.	Avoidance of risks from a single energy source, increased operational resilience	Low	Low	Low
Note 1: Short-term refers to 1-3 years, medium-term refers to 4-5 years, long-term refers to 6 years and above.						
<b>3. Describes the impact of extreme weather events and transition actions on finances.</b> <b>Implementation Status:</b> The frequency of disaster events caused by abnormal climate leading to extreme weather is increasing, especially with more significant impacts on finances. The immediate and long-term risks arising from extreme weather events, as well as the transition risks generated by transition actions, are clearly stated (see item 2 for details):						
<b>4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.</b> <b>Implementation Status:</b> The identified risk and opportunity scenarios and their incorporation into the management system for control measures are described as follows: I. Transition Risks-Two significant risks identified are market risk and increased raw material costs. (I) Market Risk: In line with government policy guidelines, Taiwan continues to focus on the four main areas of energy saving, energy creation, energy storage, and system integration. The strategy involves active energy saving, diverse energy creation, intelligent energy storage, flexible scheduling, and a sound market, aiming to establish Taiwan as the green energy center of the Asia-Pacific region. Continuously committed to enhancing product quality and promoting streamlined management as a foundation, we engage in diversified development in product strategy, ranging from solar power generation sites and communication applications to energy storage systems. (II) Raw material price increase: Yuanjing Solar will establish partnerships with multiple suppliers to reduce dependence on a single supplier and build a foundation of long-term trust and cooperation to gain suppliers' support and priority treatment. At the same time, it will closely monitor market and industry changes, including raw material price trends and supply conditions. This allows for the anticipation of potential problems, and if necessary, the signing of long-term supply contracts with suppliers to ensure stable supply and pricing. II. Although the following items do not belong to major risk categories, based on risk reduction considerations, items with relatively higher likelihood and impact have been chosen for related improvement operations. (I) Policy and Regulation Risk - Identified two transition risks: R1 increasing greenhouse gas emissions pricing and R2 strengthening emissions reporting obligations: The Climate Change Response Act will levy carbon fees on high-emission products, whether directly or indirectly emitted, starting in the 2024 fiscal year. The impact of this aspect of risk on finances may result in increased operational costs; however, at this stage, our company is not part of a high carbon emission industry, so the overall financial impact on operations is not expected to be significant. In 2023, the Company conducted a comprehensive greenhouse gas inventory and set 2023's data as the baseline year. Considering the requirements of the Company's operations, it established carbon reduction targets.						
<b>5. If resilience to climate change risks is analyzed using scenario analysis, explain the scenarios used, parameters, assumptions, analysis factors, and major financial impacts.</b> <b>Implementation Status:</b> YGX Solar refers to TCFD's climate-related scenario analysis, using both quantitative and qualitative climate-related scenario analysis to adopt corresponding strategies. Simultaneously, the 2°C scenario (2DS) is discussed during the Sustainability Committee meetings, and the tools provided by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) are used as a reference for assessing physical climate risk scenarios, ultimately Opt for the 2DS / RCP2.6 scenario as the Company's physical climate risk scenario, and in accordance with the "ISO 31000 Risk Management System and Guidelines," describe the themes of climate change risks and opportunities concerning transition risks and physical risks in the aforementioned scenario, based on impact and occurrence. The final identification of climate risks and opportunities related to the scope of the Company's operations. Taking into account a decade for the Company's long-term operational development, the short term is defined as 1-3 years, the medium term as 3-5 years, and the long term as 6-10 years. Financial impacts can be found in the analysis charts of Project 2.						

<p>6. <b>If there are transformation plans to manage climate-related risks, explain the content of the plan, indicators and goals used to identify and manage physical and transition risks.</b>  <b>Implementation Status:</b> YGX Solar, based on the indicators established by TCFD for climate risks and opportunities, further sets targets:</p> <p>I. Achieve an average annual energy-saving rate of 1% or more.  II. Reduce carbon emissions by more than 1% annually.  Implementation measures:</p> <p>a. Compared the energy utilization efficiency for the process, identified the optimal operation mode, and applied it on-site to improve energy utilization efficiency.  b. In terms of load management, FAB lighting management was implemented by removing old fixtures and replacing them with LED lights to achieve energy-saving effects.  c. In terms of energy-saving measures, the pressure of the air compressor was adjusted to reduce the number of starts and stops, thereby reducing electricity consumption.  d. When replacing old facilities with new ones, priority will be given to purchasing energy-saving and electricity-efficient facilities to reduce electricity consumption.</p> <p>III. Implement greenhouse gas management in accordance with ISO 14064-1, and conduct annual verification to maintain validity, ensuring the effective operation of the management mechanism.</p>
<p>7. <b>If internal carbon pricing is used as a planning tool, explain the basis for price determination.</b>  <b>Implementation Status:</b> The Company has not yet used internal carbon pricing as a planning tool.</p>
<p>8. <b>If climate-related targets are set, the covered activities, greenhouse gas emission scopes, planning timeline, and yearly progress should be explained. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, the sources and amounts of carbon offsets or the number of RECs should be specified.</b>  <b>Implementation Status:</b> Please refer to Project 6.</p>
<p>9. <b>Greenhouse Gas Inventory and Assurance Status, Reduction Targets, Strategies, and Specific Action Plans (to be filled in Sections 1-1 and 1-2).</b></p>

**1-1. Greenhouse Gas Inventory and Assurance Status for the Past Two Years**

**1-1-1 Greenhouse Gas Inventory Information**

**Explain the greenhouse gas emissions for the most recent two years (tons CO<sub>2</sub>e), intensity (tons CO<sub>2</sub>e/MW capacity), and the data coverage scope.**

Data coverage scope: Taiwan (Taipei Company, Hsinchu Plant, Pingtung Plant)

Year	2023			2024		
	Taipei Company	Hsinchu Plant	Pingtung Plant	Taipei Company	Hsinchu Plant	Pingtung Plant
Scope 1 (tonCO <sub>2</sub> e)	66.9379	7025.9439	173.5993	6.2644	4882.6146	39.3958
Scope 2	49.7301	36364.2972	15520.0242	46.1153	32972.7634	14623.7753
Scope 1 + Scope 2 Total	116.6680	43390.2411	15693.6235	52.3797	37855.3780	14663.1711
Carbon emission intensity (ton/MW capacity)	-	58.85	26.14	-	82.98	37.72

Note: The 2024 greenhouse gas inventory data has not yet been verified by a third party.

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., emissions resulting from imported electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions generated by company activities, not energy indirect emissions, but emissions from sources owned or controlled by other companies).

Note 2: The scope of direct emissions and energy indirect emissions should be processed according to the schedule set forth in Article 10, Paragraph 2 of this Regulation, and information on other indirect emissions may be voluntarily disclosed.

Note 3: Greenhouse Gas Inventory Standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 released by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least data calculated based on revenue (in million New Taiwan dollars) should be provided.

#### **1-1-2 Greenhouse Gas Assurance Verification Information**

**Describe the verification status for the past two years up to the date of printing of the annual report, including verification scope, verification agency, verification criteria, and verification opinions.**

Certificate signing date in the past two years:

The 2024 greenhouse gas inventory data has not yet been verified by a third party.

Greenhouse gas inventory certificate signing date for 2023: Taipei Company/Hsinchu Plant on November 13, 2023, Pingtung Plant on January 5, 2024.

Check Scope: Taiwan (Taipei Company, Hsinchu Plant, Pingtung Plant)

Check Institution: TÜV Rheinland Taiwan Ltd.

Check Criteria: ISO 14064-3:2019

Verify the detailed certificate on the Company's website, and regularly update disclosed information: (<https://www.tsecpv.com/download/>).

Note 1: Processing should be conducted according to the schedule set forth in Article 10, Paragraph 2 of this Regulation. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it should be noted that "Complete assurance information will be disclosed in the sustainability report". If the Company has not prepared a sustainability report, it should be noted that "Complete assurance information will be disclosed on MOPS", and complete assurance information should be disclosed in the next year's annual report.

Note 2: Assurance agencies should comply with the relevant provisions of the Taiwan Stock Exchange Corporation and Taipei Exchange regarding assurance agencies for sustainability reports.

Note 3: Disclosure content can refer to the best practice reference examples on the Taiwan Stock Exchange Corporate Governance Center website.

#### **1-2. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans**

**Describe the baseline year and data, reduction targets, strategies, specific action plans, and progress towards reduction targets.**

TSEC Corporation sets goals based on indicators established by the TCFD for climate risks and opportunities:

- Achieve an average annual energy-saving rate of 1% or more.
- Implement greenhouse gas management according to ISO 14064-1, conducting annual verifications to maintain effectiveness and ensure the effective operation of the management mechanism.
- Reduce carbon emissions by over 1% annually.

Note 1: Processing should be conducted according to the schedule set forth in Article 10, Paragraph 2 of this Regulation.

Note 2: The baseline year should be the fiscal year in which the greenhouse gas inventory within the scope of the consolidated financial statements is completed. For example, according to the regulations set forth in Article 10, Paragraph 2 of this Regulation, companies with a capital of over 10 billion NT dollars should complete the inventory of 2024 in 2025. Therefore, the baseline year is 2024, but if the Company has completed the inventory of the consolidated financial statements in advance, it can use the earlier fiscal year as the baseline year. Additionally, the data for the baseline year can be calculated based on a single year or the average of several years.

Note 3: Disclosure content can refer to the best practice reference examples on the Taiwan Stock Exchange Corporate Governance Center website.

(VII) Other information to facilitate better understanding of the Company's operation of corporate governance may be disclosed altogether: The related information is disclosed at MOPS <http://mops.twse.com.tw>

(VIII) Implementation of the internal control system shall disclose the following:

Please refer to the announcement of the Company's internal control statement on the Market Observation Post System.

2. The entrusted CPA project to review the internal control system should disclose the CPA review report: None.

(IX) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. The Company convened the 2024 annual general shareholders' meeting on May 24, 2024. The resolutions of the present shareholders and the implementation of the resolutions are as following:

Key proposals to be resolved by AGM	Resolutions and implementation
2023 Business Report and financial statements approval proposal.	Resolved.
Approval of the 2023 earnings distribution.	The resolution has been approved and will be implemented following the shareholders' meeting resolution. Ex-dividend date: 2024/08/19 Cash dividend distribution date: 2024/09/10
Proposal for relieving directors from the non-competition restrictions Resolved.	The resolution has been approved and will be implemented following the shareholders' meeting resolution.

2. The summary of significant resolutions passed by the Company's board of directors from January 1, 2024, to the date of the printing of the annual report is as follows:

Date of Meeting	Key proposals to be resolved by Board meetings	Implementation
13th meeting of the 5th term 2024/3/6	Proposal to appropriate the 2023 employees' and directors' remunerations.	Executed according to the resolution.
	2023 parent-only and consolidated financial statements	Executed according to the resolution.
	For the Company's 2023 earnings distribution proposal.	Executed according to the resolution.
	Proposal to evaluate the independence and suitability for hiring of the CPAs	Executed according to the resolution.
	For the CPA's audit service fee for 2024	Executed according to the resolution.
	For the banking credit requirements of Jinjing Power Co., Ltd., our company proposes to provide an endorsement guarantee.	Executed according to the resolution.
	Partial amendment of internal control system.	Executed according to the resolution.
	Approval of the Company's "Statement of Internal Control System," 2023	Executed according to the resolution.
	Intended revisions of the "Rules of Procedure for Board of Directors' Meetings" and the "Audit Committee Organization Regulations"	Executed according to the resolution.
	Proposal for relieving directors from non-competition restrictions	Executed according to the resolution.
The 14th meeting of the 5th session 2024/5/6	For the Company's 2024 first quarter consolidated financial statements proposal.	Executed according to the resolution.
	Whether the Company's accounts receivable for the first quarter of 2024 involve any disguised financing activities.	Executed according to the resolution.
	The Company has engaged in derivative transactions that have been settled.	Executed according to the resolution.
	The Company's 2024 pre-approved non-assurance services by the accounting firm proposal.	Executed according to the resolution.
	The director's remuneration distribution proposal for the Company's 2023 earnings distribution proposal.	Executed according to the resolution.
	The manager and employee remuneration distribution proposal for the Company's 2023 earnings distribution proposal.	Executed according to the resolution.

Date of Meeting	Key proposals to be resolved by Board meetings	Implementation
	For the promotion of the Accounting Department Manager, Zhang Wei-Zhe, to Deputy Director.	Executed according to the resolution.
The 15th meeting of the 5th session 2024/8/7	For the Company's 2024 second quarter consolidated financial statements proposal.	Executed according to the resolution.
	The Company has engaged in derivative transactions that have been settled.	Executed according to the resolution.
	To set the ex-dividend date for the issuance of dividends on the Company's 2023 Class A preferred shares.	Executed according to the resolution.
	Partial amendment of internal control system.	Executed according to the resolution.
	For the Company's 2023 Sustainability Report approval proposal.	Executed according to the resolution.
The 16th meeting of the 5th session 2024/11/6	Proposal for changing the accountant firm certifying the Company's financial statements.	Executed according to the resolution.
	For the Company's 2024 third quarter consolidated financial statements proposal.	Executed according to the resolution.
	For the promotion of the Director of International Business Department, Yaskawa Electric Corporation, to Assistant Manager.	Executed according to the resolution.
	For the addition of certain operations to the Company's internal control system.	Executed according to the resolution.
The 17th meeting of the 5th session 2024/12/16	Draft the Company's 2025 business plan (including financial budget).	Executed according to the resolution.
	Partial amendment of internal control system.	Executed according to the resolution.
	Drafting of the 2025 audit plan	Executed according to the resolution.
The 18th meeting of the 5th session 2025/3/5	For the Company's 2024 individual financial statements and consolidated financial statements proposal	Executed according to the resolution.
	For the Company's 2024 profit and loss appropriation proposal.	Executed according to the resolution.
	Proposal to evaluate the independence and suitability for hiring of the CPAs	Executed according to the resolution.
	The proposal for audit certification fees by the accountants for the Company's financial year 2025.	Executed according to the resolution.
	The Company's accounts receivable for the first quarter of 2025, which have not been recovered for more than three months beyond the normal credit period and involve significant amounts, do not constitute disguised lending activities.	Executed according to the resolution.
	The Company proposes to amend the "Procedures for Acquisition or Disposal of Assets."	Executed according to the resolution.
	It is proposed to change the custodian of the Company's seal registered with the Ministry of Economic Affairs.	Executed according to the resolution.
	For the approval of the Company's 2024 "Statement of Internal Control System".	Executed according to the resolution.
	For the Company's board of directors re-election proposal.	Executed according to the resolution.
	For the amendment of the Company's "Articles of Incorporation."	Executed according to the resolution.
	Proposal for relieving directors from non-competition restrictions	Executed according to the resolution.
	Draft the proposal for matters related to convening the Company's 2025 annual general shareholders' meeting.	Executed according to the resolution.

(X) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

#### IV. Information on CPA professional fees

##### (I) 2024 certification accountant fees.

Unit: In NT\$ in thousand

Name of accounting firm	Name of accountants	Audit period	Audit Fee	Non-Audit Fees					Total
				System design	Commercial/ industrial registration	human Resources	Others	Subtotal	
Deloitte Taiwan	Yu, Cheng-Chuan	2024/01/01~2024/06/30	2,675	0	0	0	50	50	2,725
	Connie Chen								
	Yu, Cheng-Chuan	2024/07/01~2024/12/31							
	Meng-Kuei Yu								

Unit: In NT\$ in thousand

Amount Range		Fee Items	Audit Fee	Non-Audit Fees	Total
1	Below NT\$2,000 thousand		-	-	-
2	NT\$2,000 thousand (inclusive) ~ NT\$4,000 thousand		2,675	50	2,725
3	NT\$4,000 thousand (inclusive) ~ NT\$6,000 thousand		-	-	-
4	NT\$6,000 thousand (inclusive) ~ NT\$8,000 thousand		-	-	-
5	NT\$8,000 thousand (inclusive) ~ NT\$10,000 thousand		-	-	-
6	Above NT\$10,000 thousand (inclusive)		-	-	-

(II) Independent auditing firms, their subordinate offices, and their affiliates to which non-audit fees paid by the Company exceed one-fourth of audit fees: None.

(III) Replacement of independent auditing firm and reduction in audit fees paid during the year of replacement compared with the previous year: None.

(IV) Reduction in audit fees by more than 10% compared with the previous year: None.

## V. Information about replacement of CPAs:

### (I) About the former CPA

### (II) About the successor CPA

Date of replacement	Approved by the Board of Directors on November 6, 2024.		
Cause and Notes	In line with the necessary internal adjustments and rotations of the accounting firm, starting from the third quarter of 2024, the certifying accountants for the Company will change from Accountant Cheng-Chuan Yu and Accountant Chaung-Hsun Chen to Accountant Cheng-Chuan Yu and Accountant Meng-Kuei Yu.		
To specify whether the client or CPA terminates or rejects the appointment	Counterpart	Certified Public Accountant	Client
	Status		
	Terminate the appointment voluntarily	N/A	N/A
	The appointment is not accepted (continue)	N/A	N/A
Issuance of the audit report other than the audit report containing unqualified opinions in the most recent two years, and cause thereof	None of such cases		
Disagree with the Company	Yes		Accounting principles or practices
			Disclosure of financial report
			Scope or steps of audit
			Others
	No	V	
	Description		
Other disclosures (Items four to seven of subsection 1, section 6 of Article 10 of these guidelines should be disclosed)	None		
Name of Accounting Firm		Deloitte Taiwan	
Name of Accountants		Accountant Cheng-Chuan Yu and Accountant Meng-Kuei Yu	
Date of Appointment		Approved by the Board of Directors on November 6, 2024.	
Pre-appointment consultation on specific transactional accounting methods or accounting principles, and opinions that may be issued on financial statements. Consultation Matters and outcomes.		None	
Written opinion of the successor CPA regarding discrepancies with the predecessor CPA .		None	

(III) The former accountant's response to items one and two, subsection three, section six of Article 10 of these guidelines: N/A

VI. Name of Auditing Firm or Its Affiliates at Which the Company's Chairman, President, or Managers Responsible for Financial or Accounting Matters Was an Employee over the Past Year, His/Her Position and Employment Period: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, manager, or shareholder with a stake of more than 10%, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

(I) Changes in equity of directors, supervisors, managers and major shareholders holding 10% or more stake:

Title	Name	2024				Up to March 25, 2025, in the current year.			
		Common shares (Note 1)		Preferred shares		Common stock shares		Preferred shares	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Wei Jen Investment Co Ltd.	(190,000)	0	0	0	0	0	0	0
	Representative: Liao, Kuo-Ron	0	0	0	0	0	0	0	0
Director	An Chuang Industrial Corporation	0	0	0	0	0	0	0	0
	Representative: Liao, Wei-Ran	0	0	0	0	0	0	0	0
Director	Cheng Hsi Investment Corporation	(39,000)	0	0	0	0	0	0	0
	Representative: Hsu, Cheng-Ji	0	0	0	0	0	0	0	0
Director	Yu Sheng Energy Corporation	0	0	0	0	0	0	0	0
	Representative: Liu, Weng-Cheng	0	0	0	0	0	0	0	0
Independent Director	National Development Fund Management Committee of the Executive Yuan	0	0	0	0	0	0	0	0
	Representative: Kung, Ming-Hsin	0	0	0	0	0	0	0	0
	Lin, Gu-Tong	0	0	0	0	0	0	0	0
Independent Director	Cheng, Hsien-Chih	0	0	0	0	0	0	0	0
Independent Director	Shen, Chien-Ju	0	0	0	0	0	0	0	0
President	Hung, Chen-Ren	0	0	0	0	0	0	0	0
Vice President	Liao, Wei-Ran	0	0	0	0	0	0	0	0
Vice President	Chiang, Chih Hao	0	0	0	0	0	0	0	0
Vice President	Wang, Liang Kai	0	0	0	0	0	0	0	0
Vice President	Wu, Chuan-Chieh	0	0	0	0	0	0	0	0
Vice President	Yu, Cheng-Yeh	0	0	0	0	0	0	0	0
Deputy Assistant President (Note 1)	Yaskawa Electric Corporation	0	0	0	0	0	0	0	0
Deputy Assistant President (Note 2)	Cheng, Chen-Kuo	(56,000)	0	0	0	0	0	0	0
Deputy Assistant President	Chen, Tai-An	0	0	0	0	0	0	0	0
Deputy Assistant President	Kang, Jen-He	(37,796)	0	0	0	(5,204)	0	0	0
Deputy Assistant President	Hsiao, Chao-Ming	0	0	0	0	0	0	0	0
Deputy Assistant President	Kuo, Chun-Hung	0	0	0	0	0	0	0	0
Deputy Assistant President	Wang, Chi-Che	(45,000)	0	0	0	0	0	0	0
Head of Finance	Li, Ming-Hua	0	0	0	0	0	0	0	0
Head of Accounting	Chang, Wei-Che	0	0	0	0	0	0	0	0

Note 1: New appointment on November 6, 2024.

Note 2: Dismissal on March 11, 2025.



(II) Equity transfer information

Name (Note 1)	Reason of the Transfer (Note 2)	Date of Transaction	Counterparty of the Transaction	Relationship between the counterparty and the Company, directors, supervisors, managers and major shareholders holding 10% or more stake	Shares	Transaction price
None						

Note 1: Fill in the names of directors, supervisors, managers and major shareholders holding 10% or more stake

Note 2: Fill in "Acquisition" or "Disposal"

(III) Equity pledge information:

Name (Note 1)	Reason of Pledge (Note 2)	Date of Change	Counterparty of the Transaction	Relationship between the transaction counterparties and the Company, directors, supervisors, and shareholders holding more than ten percent of the shares.	Shares	Shareholding ratio	Pledge Ratio	Pledged (Redeemed) Amount
None								

Note 1: Fill in the names of directors, supervisors, managers and major shareholders holding 10% or more stake

Note 2: Fill in "Pledge" or "Redemption"

VIII. Relationship information, if among the Company's top ten shareholders, any one is a related party or a relative within the second degree of kinship of another

March 25, 2025; Unit: Shares; %

Name	Shareholdings by oneself		Shareholding of spouses and children of minor age		Shareholding through nominees		Disclosure of information on related parties, defined as IAS 6, or spousal relationship or relations within second degree of kinship, among top ten shareholders, including their names and relationships		Remarks
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	Relationship	
Invesco Solar ETF held in custody by the HSBC	20,316,000	3.77%	-	0.00%	-	-	-	-	-
Yu Sheng Energy Corporation	17,704,210	3.29%	-	0.00%	-	-	-	-	-
National Development Fund Management Committee of the Executive Yuan	9,137,343	1.70%	-	0.00%	-	-	-	-	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	6,832,803	1.27%	-	0.00%	-	-	-	-	-
Standard Chartered Trust iShares II Limited	6,045,523	1.12%	-	0.00%	-	-	-	-	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	5,730,908	1.06%	-	0.00%	-	-	-	-	-
iShares Global Clean Energy Index, trusted to Standard Charter	4,017,235	0.75%	-	0.00%	-	-	-	-	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, Trust Stock Index II Investment Fund.	3,615,785	0.67%	-	0.00%	-	-	-	-	-
Unisuper pension fund trustee U under custody of HSBC	3,382,813	0.63%	-	0.00%	-	-	-	-	-
Wei Jen Investment Co Ltd.	2,816,817	0.52%	-	0.00%	-	-	-	-	-

Note 1: the shareholders disclosed in the table are the top ten shareholders after adding the number of preferred shares

Note 2: the shareholding percentage is calculated based on the total issued shares 538,691,466 shares.

IX. The number of shares held by the Company, the Company's directors, supervisors and managers as well as the businesses directly or indirectly controlled by the Company in the same one investment business, and the consolidated comprehensive shareholding ratio: None.

### Three. Fundraising Situation

#### I. Capital and shares

##### (I) Source of Share Capital

##### 1. Formation of capital stock

March 25, 2025 Unit: Thousand Shares; NT\$ Thousand

Month and Date	Issuance Price (NT\$)	Approved Share Capital		Paid-in Share Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Shares paid with properties other than cash	Others
June 2010	10	360,000	3,600,000	60,000	600,000	Share capital for establishment	-	Note 1
October 2010	10	360,000	3,600,000	305,000	3,050,000	Cash capital increase 2,450,000 thousand	-	Note 2
March 2011	10.5	360,000	3,600,000	360,000	3,600,000	Cash capital increase 550,000 thousand	-	Note 3
August 2012	10.5	500,000	5,000,000	390,000	3,900,000	Cash capital increase 300,000 thousand	-	Note 4
June 2014	10	500,000	5,000,000	300,300	3,003,000	Reduce capital 897,000 thousand	-	Note 5
August 2014	11	500,000	5,000,000	315,315	3,153,150	Cash capital increase 150,150 thousand	-	Note 6
August 2015	13.5	500,000	5,000,000	351,855	3,518,550	Cash capital increase 365,400 thousand	-	Note 7
June 2016	12	500,000	5,000,000	426,855	4,268,550	Cash capital increase 750,000 thousand	-	Note 8
December 2017	10.5	500,000	5,000,000	476,855	4,768,550	Cash capital increase 500,000 thousand	-	Note 9
May 2019	10	700,000	7,000,000	314,017	3,140,167	Reduce capital 1,628,383 thousand	-	Note 10
October 2019	7	700,000	7,000,000	379,017	3,790,167	Cash capital increase 650,000 thousand	-	Note 11
December 2020	25.8	700,000	7,000,000	445,796	4,457,967	Cash capital increase 667,800 thousand	-	Note 12
January 2022	23.75	700,000	7,000,000	471,691	4,716,914	Issued the preferred shares for NT\$258,947 thousand	-	Note 13
July 2022	26.5	700,000	7,000,000	502,191	5,021,914	Cash capital increase 305,000thousand	-	Note 14
August 2023	27.1	700,000	7,000,000	538,691	5,386,914	Cash capital increase 365,000thousand	-	Note 15

- Note 1: June 24, 2010 was approved by letter no. 09901129020.  
 Note 2: October 6, 2010 was approved by letter no. 09901220130.  
 Note 3: March 4, 2011 was approved by letter no. 10001038270.  
 Note 4: August 28, 2012 was approved by letter no. 10101177960.  
 Note 5: June 30, 2014 was approved by letter no. 10301126840.  
 Note 6: August 4, 2014 was approved by letter no. 10301159440.  
 Note 7: October 16, 2015 was approved by letter no. 10401220380.  
 Note 8: July 20, 2016 was approved by letter no. 10501168750.  
 Note 9: December 18, 2017 was approved by letter no. 10601169400.  
 Note 10: May 29, 2019 was approved by letter no. 10801062100.  
 Note 11: October 23, 2019 was approved by letter no. 10801145800.  
 Note 12: December 22, 2020 was approved by letter no. 10901241590.  
 Note 13: January 4, 2022 was approved by letter no. 11001236160.  
 Note 14: Approved by Letter Jing-Shou-Shang-Zi No. 11101145960, dated August 4, 2022  
 Note 15: Approved by Letter Jing-Shou-Shang-Zi No. 11230171520, dated August 31, 2023

## 2. Types of Shares

March 25, 2025; Unit: Shares

Types of Shares	Approved Share Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Common stock shares	512,796,730	161,308,534	700,000,000	Listed Shares
Preferred shares	25,894,736			Not listed (TWSE/TPEX)

3. Information on shelf registration: None.

## (II) List of Major Shareholders

Name, shares held, and percentage of the shareholders with 5% or more stake, or the top ten shareholders with the highest shareholding

March 25, 2025/Unit: Shares

Name of major shareholder	Shares	Shares Held	Shareholding proportion
Invesco Solar ETF held in custody by the HSBC		20,316,000	3.77%
Yu Sheng Energy Corporation		17,704,210	3.29%
National Development Fund Management Committee of the Executive Yuan		9,137,343	1.70%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		6,832,803	1.27%
Standard Chartered Trust iShares II Limited		6,045,523	1.12%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds		5,730,908	1.06%
iShares Global Clean Energy Index, trusted to Standard Charter		4,017,235	0.75%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, Trust Stock Index II Investment Fund.		3,615,785	0.67%
Unisuper pension fund trustee U under custody of HSBC		3,382,813	0.63%
Wei Jen Investment Co Ltd.		2,816,817	0.52%

Note 1: the shareholders disclosed in the table are the top ten shareholders after adding the number of preferred shares

Note 2: the shareholding percentage is calculated based on the total issued shares 538,691,466 shares.

### (III) Company's Dividend Policy and Implementation Status

#### 1. The dividend policy set forth in the Articles of Incorporation

According to Articles of Incorporation 24 of the Company, earnings of the Company after the annual final accounts, if any, are distributed in the sequential order as shown below:

- (1) Complete tax payments in accordance with the law;
- (2) Make up for past losses;
- (3) Allocate 10% as legal reserve;
- (4) Special reserve is allocated or reversed by law when necessary;
- (5) If there are still earnings, the accumulated undistributed earnings from the previous year are added and the total will be the earnings available for distribution. the Board of Directors is to prepare a surplus distribution proposal that is to be brought forth during the shareholders meeting for a resolution.

Based on the Company's operational needs and the consideration of maximizing shareholder interests, the Company's dividend policy appropriately allocates dividends according to the future capital expenditure budget and funding requirements. The dividends to shareholders are not lower than 20% of the distributable earnings of the year. Dividends can be distributed in cash or stocks. The cash dividend shall not be less than 10% of the total shareholders' dividends. However, if there is a major capital expenditure plan in the future, it may be distributed entirely as stock dividends upon approval by the shareholders' meeting.

#### 2. Proposed dividend distribution for this shareholders' meeting:

The Company's board of directors resolved on March 5, 2025, not to distribute shareholders' dividends due to the absence of accumulated earnings at the end of the period.

#### 3. If a material change in dividend policy is expected, provide an explanation: none

### (IV) The effects of stock grants proposed at this shareholders' meeting on business performance and EPS: Not applicable.

### (V) Remuneration to employees, directors, and supervisors

#### 1. Amount or scope of remuneration to employees, directors and supervisors as stated in the Articles of Association:

If the Company is profitable in the fiscal year, it shall allocate no less than 5% of the profit as employee remuneration in the form of stocks or cash as resolved by the board. Employees of controlled or affiliated companies are also entitled to receive remuneration, provided that they meet the criteria specified by the Company. The Company may contribute maximum 5% from the abovementioned profit as the directors and supervisors' remunerations Employee's, director's, and supervisor's remuneration proposals are to be raised for resolution during the shareholders' meetings. Profits must first be taken to offset against cumulative losses, if any, before the remainder can be distributed as employee/director/supervisor remuneration in the above percentages.

2. The basis for estimating the amount of employee, director, and supervisor remuneration, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
  - (1) The estimation basis for the remuneration amount for employees, directors, and supervisors for this period is based on the Company's pre-tax profit for the current year before the distribution of employee and director/supervisor remuneration, after deducting the accumulated losses.
  - (2) The basis for calculating the number of shares to be distributed as employee remuneration: shall there be shares distributed as employee remuneration, the shares to be distributed will be based on the closing price of the day before the date of the Board's resolution.
  - (3) The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure: shall there be a material change to the distribution amount resolved by the Board before the date of approval and announcement of the given year's financial statements, such change will adjust the originally appropriated amount. Shall there be changes after the date of approval and announcement of the given year's financial statements, such changes will be treated as changes of accounting estimates, and the adjustment will be reflected in the account for next year.
3. Remuneration distribution as approved by the Board of Directors:
  - (1) Amount of remuneration to employees and that to directors assigned in cash or shares:  
  
The Company's board of directors resolved on March 5, 2025, not to distribute employee and director remuneration due to a net loss after tax in 2024.
  - (2) Ratio of employee bonus in shares to Net Profit After Tax in current individual financial statements and total employee bonus: Not applicable.
4. If there is any discrepancy between the actual amount of remuneration distributed to employees and Directors (including number and dollar amount of shares distributed, as well as share price) and the recognized amount of remuneration of employees and Directors in the previous fiscal year, the amount, causes and treatment of such discrepancies should be stated:
  - (1) Employee remuneration: NT\$31,800 thousand, the actual allocation is consistent with the original board proposal.
  - (2) Directors' remuneration: NT\$18,000 thousand, the actual allocation is consistent with the original board proposal.

(VI) Status of a company repurchasing its own shares: None.

## II. Issuance of Corporate Bonds: None.

### III. Issuance of Preferred Shares:

March 31, 2025

Item		Date of issue (Note 1)	2022.01.17 Privately placed series a preferred shares (Note 3)
Par value			10
Issuance Price			NT\$23.75 per share
Shares			25,894,736 shares
Total amount			NT\$614,999,980
Rights and obligations	Distribution of dividend and bonus		Annual interest rate of 2% (cumulative)
	Distribution of remaining properties		The distribution order of the Company's remaining assets for Class A preferred shares takes precedence over common stock, but is limited to the issue price plus any unpaid dividends per share.
	Exercise of voting right		Ordinary shareholders have voting rights and can elect directors (including Independent Directors).
	Others		None
Outstanding preferred shares	Amount of collected or converted		0
	Balance of uncollected or unconverted		25,894,736 shares
	Terms of collection or conversion		1. The A-Preferred Shares are entitled to be converted to common shares from the next day of the third anniversary of holding. 2. The issuance period of A-Preferred Shares is infinite. The holders of Preferred A-Shares are not entitled to request the Company to reacquire the A-Preferred Shares held by them early. However, the Company may reacquire all or part of the A-Preferred Shares from the next day of the third anniversary since issuance, with the actual issuance price in cash, or other method permitted by laws and regulations. The rights and obligations of the remaining Preferred Shares-A follow the issuances condition until being reacquired.
Market price per share	2021	Highest	N/A
		The lowest	N/A
		Average	N/A
	Up to March 25, 2025, in the current year. 2022.04.30(Note 4)	The highest	N/A
		The lowest	N/A
		Average	N/A
With other rights	Amount of collected or converted as of the publication date of the annual report		Years yet lapsed to conversion
	Procedures for issuance, conversion, or subscription		Same as the description for the terms of collection or conversion
Effects of the issuance terms on the rights of holders of preferred shares, possible dilution to the equity, and effects on the rights of current shareholders			The pricing of privately placed preferred shares is determined based on the "Directions for Public Companies Conducting Private Placements of Securities" and takes into account the Company's future development, as well as limitations on the timing, parties, and quantity of privately placed securities transfers. Additionally, these shares cannot be listed on the stock exchange, leading to lower liquidity. Therefore, the pricing method is considered reasonable and does not have a significant impact on shareholders' equity.

- Note 1: Preferred stock shares include public offerings and private placements that are ongoing. Public special shares in process refer to those that have already been effected (approved) by the commission; private special shares in process refer to those that have been approved by the Board of Directors.
- Note 2: The number of fields may be adjusted reflective of the actual number of occurrences.
- Note 3: Private placement ones shall be indicated in a readily visible way.
- Note 4: Annual data of the current year up to the date the Annual Report was printed shall be provided.
- Note 5: For preferred stock shares with share subscription warrants, the following table shall also be completed.

#### IV. Global Depositary Receipts: None.

#### V. Employee Share Option Certification: None.

#### VI. New Restricted Employee Shares: None.

#### VII. New shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None.

#### VIII. Implementation of the Capital Allocation Plans:

Up to now, among all the programs related to fundraising or negotiable securities placement, these programs whose actual completion dates are within three years from the filing, the 2017 Cash Capital Increase Program, the 2020 Cash Capital Increase Program, the 2021 Private Placement of Class A Preferred Stock Shares Program, the 2022 Cash Capital Increase Program, and the 2023 Cash Capital Increase Program, related contents and implementation status of securities issuance plans are described as follows:

##### (I) Capital increase in cash program in 2017

##### 1. Plan description and expected effect

- (1) Approval by the competent authorities and Letter No.: approved by Financial Supervisory Commission on August 25, 2017, with Letter Jin-Guan-Zheng-Fa-Zi No. 1060029897.
- (2) Total fund needed for the program: NT\$1,109,987 thousand.
- (3) Source of fund
  - ① Handling the issuance of new common shares for domestic cash capital increase, with 50,000 thousand shares, each with a par value of NT\$10, and an issue price of NT\$10.5 per share, raising a total amount of NT\$525,000 thousand.
  - ② The remaining NT\$584,987 thousand would be paid through self-owned fund, bank loans, or other means.



(4) Projects and progress of fund application

Unit: NT\$ Thousand

Project	Expected date of completion	Total capital required	Plan of the expected application				
			2017		2018		
			Q3	Q4	Q1	Q2	Q3
Plant construction	2018.8.31	789,987	155,496	227,648	312,744	32,200	61,899
Purchasing machines and equipment	2018.9.30	320,000	96,000	48,000	144,000	-	32,000
Total		1,109,987	251,496	275,648	456,744	32,200	93,899

2. Implementation

Unit: NT\$ Thousand

Project	Execution as of June 30, 2021			Description of execution
Plant construction	Amount used	Expectation	789,987	(1) Construction of the plant: Completed in the first quarter of 2019, with no significant differences. (2) Purchase of machinery and equipment: The plan was completed on June 30, 2021. However, due to exchange rate differences and some equipment not meeting the specifications promised by suppliers, the actual expenditure was lower than anticipated.
		Actual	789,987	
	Actual progress	Expectation	100.00%	
		Actual	100.00%	
Purchasing machines and equipment	Amount used	Expected	320,000	(2) Purchase of machinery and equipment: The plan was completed on June 30, 2021. However, due to exchange rate differences and some equipment not meeting the specifications promised by suppliers, the actual expenditure was lower than anticipated.
		Actual	288,673	
	Implementation progress	Expected	100.00%	
		Actual	90.21%	
Total	Amount used	Expectation	1,109,987	
		Actual	1,078,660	
	Actual progress	Expectation	100.00%	
		Actual	97.18%	

Note: On June 30, 2021, the Company resolved by the Board of Directors to adjust the project amount, reducing the machinery and equipment project amount to 288,673 thousand, and adjusting the overall project amount to 1,078,660 thousand.

3. Effect evaluation

Unit: kW; NT\$ in thousands

Year		Production Volume	Sales Volume	Sales Value	Operating Gross Income	Profit from operations
2019~2022	Expectation	1,879,517	1,885,381	20,937,939	2,330,399	899,873
	Actual	1,694,529	1,689,439	18,830,131	1,846,175	900,403
	% of achievement	90.16%	89.61%	89.93%	79.22%	100.06%

The 2017 cash capital increase program of the Company was meant for construction of workshops and purchase of machines and equipment. The fulfillment status is shown in the table above and is fairly good.

(II) Capital increase in cash program in 2020

1. Program description and expected effect

- (1) Date and document number of approval by the competent authority: Filing took effect as indicated in the letter from the Financial Supervisory Commission (Jin-Guan-Zheng-Fa-Zi No. 1090359325) dated October 21, 2020.
- (2) Total fund needed for the program: NT\$1,342,430 thousand.
- (3) Source of Funds: Handling the issuance of new common shares for domestic cash capital increase, with 66,780 thousand shares, each with a par value of NT\$10, and an issue price of NT\$25.80 per share, raising a total amount of NT\$1,722,924 thousand. The funds exceeding the original project will be used to bolster operating funds, and this portion of the funds is expected to be fully utilized by the second quarter of 2021.
- (4) Projects and progress of fund application

Unit: NT\$ Thousand

Project	Expected date of completion	Total capital required	Plan of the expected application					
			2020	2021				2022
			Q4	Q1	Q2	Q3	Q4	Q1
Purchasing machines and equipment (factory service included)	2022 Q1	526,290	370,878	83,976	18,807	-	-	52,629
Repayment of loans	2021 Q4	816,140	253,405	377,583	42,811	86,137	56,204	-
Total		1,342,430	624,283	461,559	61,618	86,137	56,204	52,629

2. Implementation

Unit: NT\$ Thousand

Project	Execution as of March 31, 2022			Description of execution
Purchasing machines and equipment	Amount used	Expectation	526,290	(1) Purchasing machines and equipment: The capital utilization plan was completed as scheduled in the first quarter of 2022, with no significant anomalies.
		Actual	526,290	
	Actual progress	Expectation	100.00%	
		Actual	100.00%	
Repayment of loans	Amount used	Expected	816,140	(2) Repayment to bank loans The capital utilization plan was completed as scheduled in the fourth quarter of 2021, with no significant anomalies.
		Actual	816,140	
	Implementation progress	Expected	100.00%	
		Actual	100.00%	
Supplement to the operating funds	Amount used	Expected	380,494	(3) Supplement to the operating funds: Due to the strong orders received and the rising price of raw materials, the execution has been completed ahead of schedule in Q1 2021, and there was no major irregularity.
		Actual	380,494	
	Implementation progress	Expected	100.00%	
		Actual	100.00%	
Total	Amount used	Expectation	1,722,924	
		Actual	1,722,924	
	Actual progress	Expectation	100.00%	
		Actual	100.00%	

### 3. Effect evaluation

#### (1) Purchasing machines and equipment

Unit: kW; NT\$ in thousands

Year		Production Volume	Sales Volume	Sales Value	Operating Gross Income	Profit from operations
2022	Expected	121,111	102,945	733,356	61,462	28,623
	Actual	181,175	150,379	2,125,708	396,056	298,466
	% of achievement	149.59%	146.08%	289.86%	644.39%	1,042.75%

As is shown in the table above, the actual fulfillment rates of the Company in terms of production volume, sales volume, sales value, operating gross profit, and net operating profit as a whole for the construction of the M6 production line all exceeded expectations a lot; therefore, the efficacy shall have been demonstrated.

#### (2) Repayment of loans

Unit: NT\$ Thousand

Year	2019	2020	2021
Interest expense	119,059	90,643	83,319

Source: The Standalone Financial Statement audited and certified by the CPAs of the Company

The interest expenses incurred by the Company for the years 2019 to 2021 due to loans were 119,059 thousand, 90,643 thousand, and 83,319 thousand, respectively. It is evident that interest expenses have effectively decreased as bank loans have been repaid. Overall, the benefits of using funds to repay these loans should have been realized.

Unit: NT\$ Thousand

Item \ Year	Before capital increase in cash	After capital increase in cash
	Second quarter of 2020	End of 2021
Current asset	1,476,798	3,719,656
Current liabilities	3,193,619	2,650,468
Property, Plant and Equipment	5,283,956	4,873,104
Total liabilities	4,875,719	5,100,377
Total Equity	2,821,948	5,129,452
Ratio of debts to total assets	63.34%	49.86%
Long-Term Fund to Property, Plant and Equipment Ratio	85.24%	155.53%
Current Ratio	46.24%	140.34%
Quick Ratio	24.52%	81.02%

(3) Supplement to the operating funds

The Company raised NT\$380,494 thousand from the issuance of new shares for cash capital increase in 2020, and the funds were used to replenish the working capital. The Company's parent-only operating income in 2021 was NT\$6,253,966 thousand, which increased by 32.98% from 2020, so the benefits of replenishing working capital should have already been demonstrated.

Unit: NT\$ Thousand

Item \ Year		2020 (Before fundraising)	2021 (After fundraising)
Financial profile	Current asset	3,509,202	3,719,656
	Current liabilities	2,080,665	2,650,468
	Total liabilities	4,613,866	5,100,377
	Operating Revenue	4,702,866	6,253,966
	Profit from operations	(298,598)	48,790
	Earnings Per Share (NT\$)	(0.74)	0.10
Financial structure	Debt Ratio (%)	49.24%	49.86%
	The ratio of long-term capital to real estate, plant, and equipment (%)	150.25%	155.53%
Solvency	Current Ratio (%)	168.66%	140.34%
	Quick Ratio (%)	123.37%	81.02%

(III) Program for Private Placement of Class A Preferred Stock Shares

1. Program description and expected effect

- (1) Date of decision by the Board of Directors: February 25, 2021; Date of presentation in the Shareholders' Meeting: April 7, 2021.
- (2) Total amount of funds required for the project: NT\$615,000 thousand.
- (3) Source of Funds: Conducting a private placement cash capital increase by issuing 25,894,736 Class A preferred shares, each with a par value of NT\$10, and an issue price of NT\$23.75 per share, raising a total amount of NT\$615,000 thousand.
- (4) Projects and progress of fund application

Unit: NT\$ Thousand

Project	Expected date of completion	Total capital required	Plan of the expected application		
			2021	2022	
			Q4	Q1	Q2
Capital expenditure on addition of production lines and construction of warehousing facilities for batteries of the first generation and modules	Second quarter of 2022	615,000	66,999	464,920	83,081

## 2. Implementation

Unit: NT\$ Thousand

Project	Execution as of June 30, 2022			Description of execution
Capital expenditure on addition of production lines and construction of warehousing facilities for batteries of the first generation and modules	Amount used	Expectation	615,000	Completed as scheduled in the second quarter of 2022, with no significant anomalies.
		Actual	615,000	
	Actual progress	Expectation	100.00%	
		Actual	100.00%	

## 3. Effect evaluation

Unit: kW; NT\$ in thousands

Year	Item	Production volume	Sales volume	Sales value	Operating gross income	Profit from operations
2022	Expectation	-	-	-	-	-
	Actual	-	23,805	346,314	77,032	61,590
	% of achievement	-	-	-	-	-

As is shown in the table above, the M10 production line of the Company was devoted to mass production and sale early at the end of 2022 and the efficacy is expected to gradually surface.

## (IV) 2022 Cash Capital Increase Program

### 1. Program description and expected effect

- (1) Date and document number of approval by the competent authority: Filing took effect as indicated in the letter from the Financial Supervisory Commission (Jin-Guan-Zheng-Fa-Zi No. 1110342913) dated May 26, 2022.
- (2) Total fund needed for the program: NT\$808,250 thousand.
- (3) Source of Funds: Handling the issuance of new common shares for domestic cash capital increase, with 30,500 thousand shares, each with a par value of NT\$10, and an issue price set at NT\$26.5 per share, with an estimated total amount of NT\$808,250 thousand to be raised.
- (4) Projects and progress of fund application

Unit: NT\$ Thousand

Project	Expected date of completion	Total capital required	Progress of expected application	
			2022 Q3	2022 Q4
Repayment of loans	2022 Q4	537,091	213,489	323,602
Supplement to the operating funds	2022 Q4	271,159	271,159	0
Total		808,250	484,648	323,602

## 2. Implementation

Unit: NT\$ Thousand

Project	Status of implementation		As of Q4 of 2022	Cause of progress ahead of or behind schedule and corrective plan
Repayment of loans	Amount used	Expectation	537,091	Completed as planned.
		Actual	537,091	
	Execution Progress (%)	Expectation	100.00%	
		Actual	100.00%	
Supplement to the operating funds	Amount used	Expectation	271,159	Completed as planned.
		Actual	271,159	
	Execution Progress (%)	Expectation	100.00%	
		Actual	100.00%	
Total	Amount used	Expectation	808,250	Completed as planned.
		Actual	808,250	
	Execution Progress (%)	Expectation	100.00%	
		Actual	100.00%	

## 3. Effect evaluation

Unit: NT\$ Thousand

Item \ Year	Before capital increase in cash	After capital increase in cash
	2021	2022
Current asset	3,719,656	4,005,069
Current liabilities	2,650,468	2,827,755
Property, Plant and Equipment	4,873,104	5,442,722
Total assets	10,229,829	11,224,589
Total liabilities	5,100,377	5,073,919
Total Equity	5,129,452	6,150,670
Ratio of debts to total assets	49.86%	45.20%
Long-Term Fund to Property, Plant and Equipment Ratio	155.53%	154.28%
Current Ratio	140.34%	141.63%
Quick Ratio	80.10%	80.28%
Operating Revenue	6,253,966	9,005,063
Interest expenditure	83,319	87,031
Earnings Per Share (NT\$)	0.10	0.41

As far as the financial structure is concerned, after the said capital increase, the debts ratio of the Company dropped from 49.86% to 45.20% while the current ratio and the quick ratio climbed from 140.34% and 141.63% to 80.10% and 80.28%. Meanwhile, the operating income and earnings per share in 2022 grew significantly from those in 2021, indicating that the financial structure has improved somewhat.

(V) 2023 Cash Capital Increase Program

1. Program description and expected effect

- (1) Date and reference number of approval by the competent authority: The Financial Supervisory Commission has been notified of the effectiveness as of June 19, 2023 by letter no. 1120345484.
- (2) Total amount of funds required for the project: NT\$9,891,500 thousand.
- (3) Source of Funds: Handling the issuance of new common shares for domestic cash capital increase, with 36,500 thousand shares, each with a par value of NT\$10, and an issue price set at NT\$27.1 per share, with an estimated total amount of NT\$989,150 thousand to be raised.
- (4) Project Items and Utilization Progress

Unit: NT\$ Thousand

Project	Expected date of completion	Total capital required	Progress of expected application	
			2023 Q4	2023 Q4
Repayment of loans	2023 Q4	404,000	372,000	32,000
Supplement to the operating funds	2023 Q4	585,150	300,000	285,150
Total		989,150	672,000	317,150

2. Implementation

Unit: NT\$ Thousand

Project	Status of implementation		2023 Q4	As of Q4 of 2023	Cause of progress ahead of or behind schedule and corrective plan
Repayment of loans	Amount used	Expectation	32,000	404,000	In progress according to schedule.
		Actual	32,000	404,000	
	Execution Progress (%)	Expectation	7.92%	100.00%	
		Actual	7.92%	100.00%	
Supplement to the operating funds	Amount used	Expectation	285,150	585,150	Due to increased demand, the utilization of funds has advanced ahead of schedule.
		Actual	132,879	585,150	
	Execution Progress (%)	Expectation	48.73%	100.00%	
		Actual	22.71%	100.00%	
Total	Amount used	Expectation	317,150	989,150	In progress according to schedule.
		Actual	164,879	989,150	
	Execution Progress (%)	Expectation	32.06%	100.00%	
		Actual	16.67%	100.00%	

### 3. Effect evaluation

Unit: NT\$ Thousand

Item \ Year	Before capital increase in cash	After capital increase in cash
	2022	2023
Current asset	4,005,069	4,325,178
Current liabilities	2,827,755	2,028,364
Property, Plant and Equipment	5,442,722	6,229,578
Total assets	11,224,589	12,066,671
Total liabilities	5,073,919	4,417,648
Total Equity	6,150,670	7,649,023
Ratio of debts to total assets	45.20%	36.61%
Long-Term Fund to Property, Plant and Equipment Ratio	154.28%	161.14%
Current Ratio	141.63%	213.23%
Quick Ratio	80.28%	146.34%
Operating Revenue	9,005,063	8,260,947
Interest expenditure	87,031	80,449
Earnings Per Share (NT\$)	0.41	1.07

As far as the financial structure is concerned, after the said capital increase, the debts ratio of the Company dropped from 45.20% to 36.61% while the current ratio and the quick ratio climbed from 141.63% and 80.28% to 213.23% and 146.34%. Meanwhile, the operating income and earnings per share in 2023 grew significantly from those in 2022, indicating that the financial structure has improved somewhat.



## Four. Operation Overview

### I. Business

#### (I) Scopes

##### 1. Major Businesses of the Company

The major business of the Company is the transaction and manufacturing of solar cells and modules. The Company's business scopes registered are as the following:

I501010	Product design industry
IG03010	Energy technology services industry
F106030	Wholesale of Molds
F113110	Wholesale of Batteries
F119010	Wholesale of Electronic Materials
F113010	Wholesale of Machinery
F113020	Wholesale of Electrical Appliances
F113030	Wholesale of Precision Instruments
F113990	Wholesale of Other Machinery and Tools
F118010	Wholesale of Computer Software
CC01080	Electronics Components Manufacturing
CC01090	Manufacture of Batteries and Accumulators
CC01990	Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
CQ01010	Mold and Die Manufacturing
D401010	Thermal Energy Supply
D101060	Self-Usage Power Generation Equipment Utilizing Renewable Energy Industry
E601010	Electric Appliance Construction

##### 2. Business Operating Proportion of Main Activities (2024)

Unit: NT\$ Thousand

Item \ Year	2024	
	Amount	Percentage (%)
Solar Module	4,227,819	93.66%
Solar cell	139,463	3.09%
Others	146,736	3.25%
Total	4,514,018	100.00%

##### 3. The major products (services) currently sold by the Company

Our company currently has two main products: high-efficiency solar cells (PERC, TOPCon) and high-efficiency solar modules.

(A) High-performance solar PERC cells

V-Cell series of products

Passivated Emitter and Rear Cell (PERC), one of the core technologies of TSEC is applied. Currently the major application is for the production of mono-crystalline batteries. The actual power generation conversion efficiency may greatly improve the threshold of 23.3% for mono-crystalline cells. This technology is a product technology of leading global cell manufacturers for commercialization and mass production currently. V-Cell products have been recognized with "Golden Energy Award" from the Bureau of Energy, Ministry of Economic Affairs for many consecutive years. The Company's product was the first product to pass the PID test, the strictest test provided by UL in the U.S and IRTI in Taiwan. We expect to provide the products with higher performance and quality to the clients.

H-Cell series products

Utilizing the tunnel oxide passivated contact technology (TOPCon) from the core technology of Yuanjing, it is currently primarily used in the production of N-type monocrystalline cells. The actual power conversion efficiency can significantly surpass the 25.2% threshold of monocrystalline cells, making it a commercially viable and mass-producible product technology for the world's leading cell manufacturers at this stage. The H-Cell products were successfully developed in 2024 and have been recognized with the Golden Energy Award from the Bureau of Energy, Ministry of Economic Affairs, with the expectation of providing customers with more efficient and high-quality products.

(B) High-performance solar modules

Since January 2014, TSEC has started entering the production and sales business of solar modules. In response to the increasingly competitive global industry environment, TSEC established a module factory in Pingtung in 2017, expanding downstream into the module production business. The Pingtung module factory has achieved the highest capacity nationwide, and its module products have been recognized by the Bureau of Energy, Ministry of Economic Affairs for several consecutive years, with the expectation of providing customers with more comprehensive and high-quality products. To meet the demands of different geographical environments, Yuanjing introduced differentiated module products by developing the Falcon, Aegis, and Quantum series. The development of the Falcon and Aegis series aimed to enhance module performance and reduce manufacturing costs. In collaboration with the international company DuPont, they jointly developed durable Tedlar modules suitable for island climates characterized by high temperatures, high humidity, and high salinity.

TSEC completed the M10 module wind tunnel test for 17-level winds at the only Ministry of the Interior Architecture and Building Research Institute's wind and rain tunnel laboratory in Taiwan, with the expectation of providing customers with more efficient and high-quality module product options.

#### 4. New products (services) to be developed

##### (A) High-performance solar modules products

To meet the gradually growing domestic market, TSEC completed the establishment of the largest solar module factory in Taiwan in Pingtung on April 30, 2018, with an annual capacity of 1000 to 1500 MW. In 2024, TSEC will set up production lines for larger-sized N-type modules, and its factory and production capacity scale are on par with world-class solar module manufacturers.

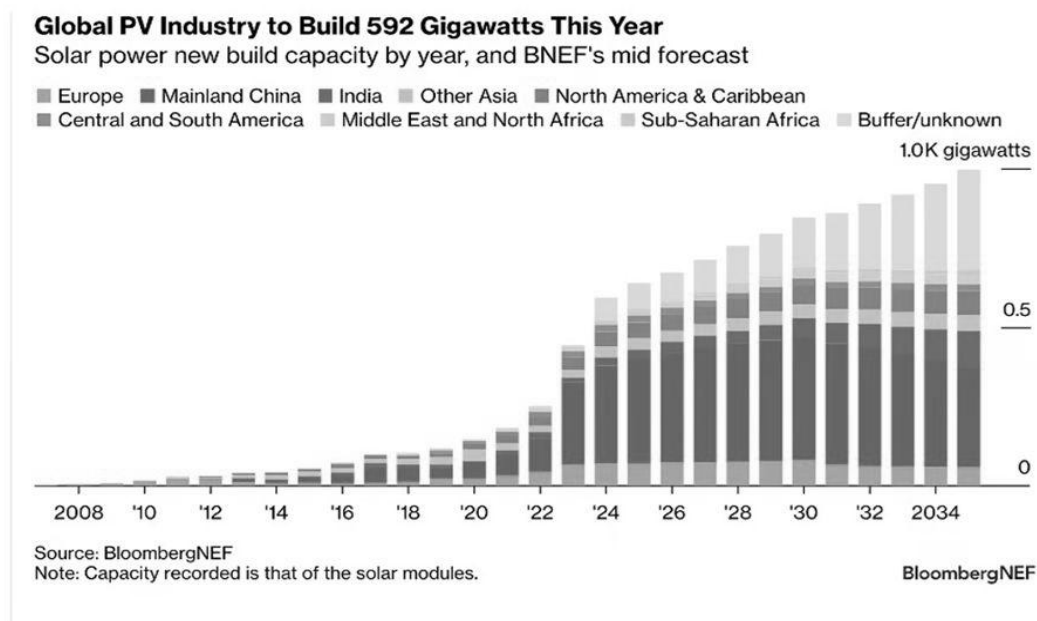
##### (B) Niche Products

Yuanjing is also developing solar products with additional features for special purposes or environments. Besides developing solutions suitable for future electric vehicles or specific environments such as offshore applications, they are also working on solar module materials for the space environment, which will contribute to the Company becoming a leading manufacturer in technology development and cost control for solar cells and modules.

#### (II) Industry Overview

##### **Review of the International Solar Photoelectronic Market in 2024**

The research report by energy think tank Ember indicates that in 2023, eight out of the top ten solar markets showed growth, with only the markets of India and the Japanese market declining. The annual growth rate reached approximately 87%. With the transition between new and old generations of photovoltaic cells/modules and a surge in capacity in 2024, Bloomberg New Energy Finance predicts that the low prices of solar modules may continue to drive the growth of global photovoltaic installations in 2024. However, it could also usher in an unprecedented wave of consolidation in the manufacturing industry. BNEF research anticipates that in 2024, an additional 592 GW of photovoltaic capacity will be installed, representing an increase of approximately 33% from the previous year's 444 GW.

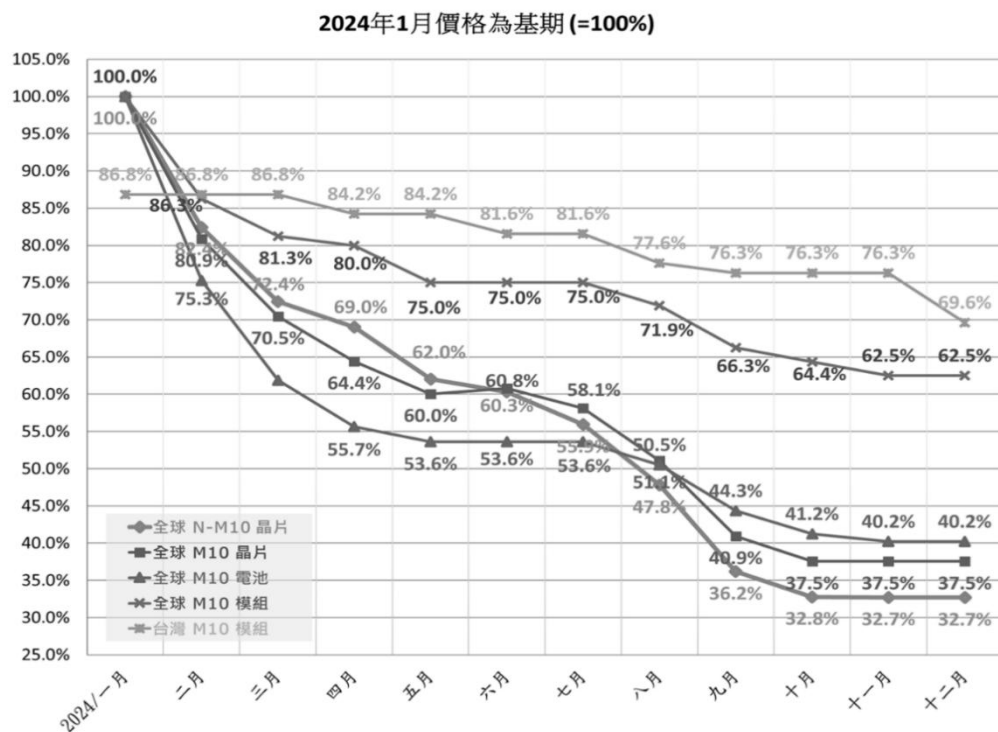


Source: PVInfoLink, TSEC Marketing Department

## Key event in the 2024 industry include the followings:

### 1. Supply and demand imbalance, exchanging materials for cash.

The production capacity at various stages of the industry still exceeds total demand. In 2024, polysilicon production will reach 1.96 million tons, enough to produce 900 GW of modules, which significantly exceeds the demand of nearly 600 GW in 2024. Amid China's recent economic downturn, manufacturers, in order to receive government subsidies, are compelled to continue producing and exporting, selling at below raw material prices to secure cash back home. This has led to international module prices dropping from \$0.245 per watt in Q1 2023 to a historic low of \$0.10 per watt by Q4 2024, which is significantly below the total material cost of \$0.12 per watt for photovoltaic cells/modules. Furthermore, the price of silicon material per kilogram has also fallen below \$5.52, compared to \$10 to \$12 per kilogram last year, which is significantly below cost. The market estimates that there may be a significant wave of bankruptcies among photovoltaic manufacturers from this year to mid-next year. The figure below shows that the prices of chips, batteries, and modules have reached a new low.

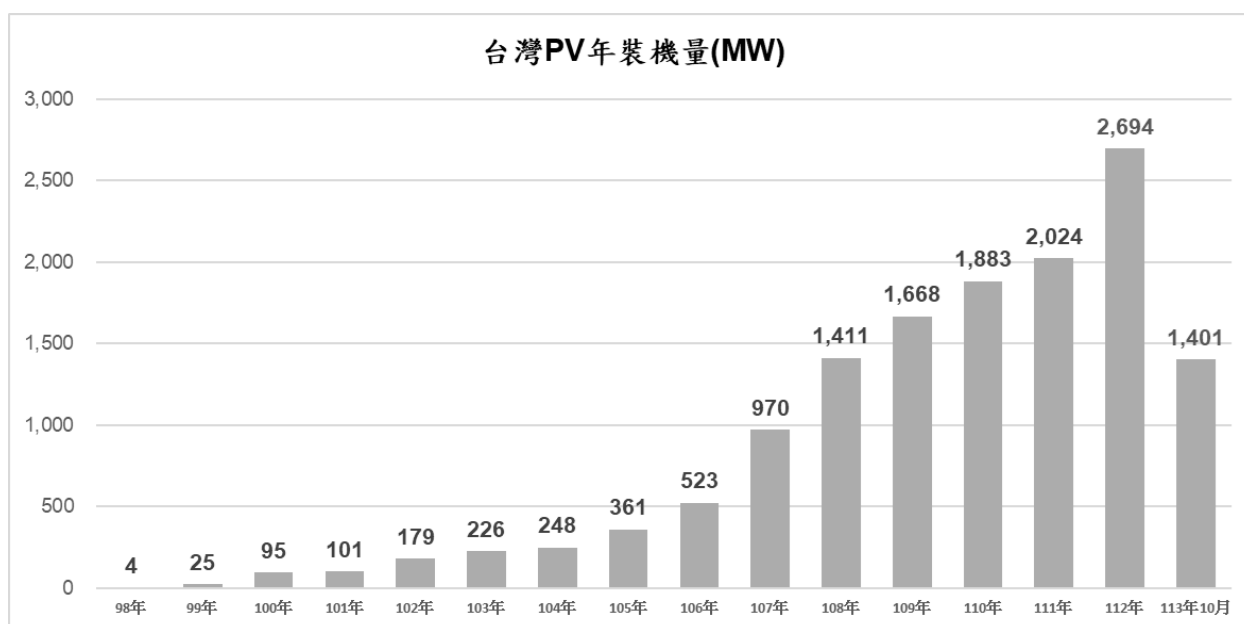


2. The market is entering a phase where PERC is being replaced by TOPCon.

The evolution of solar technology has always revolved around improving conversion efficiency, reducing costs, and meeting policy demands. In recent years, PERC technology has become the mainstream technology in the market due to its high cost-effectiveness. However, the rapid efficiency improvement and cost reduction of N-type technology have led to the fast growth of TOPCon products. Starting in the third quarter of 2024, the market share of N-type products has reached over 80%, and it is estimated that PERC products will be completely phased out beginning in the second quarter of 2025. Comparing the average conversion efficiency of P-type cells at 23.4% versus N-type cells at 25%, there is a difference of nearly 7% in product efficiency.

3. After the Taiwan election, the progress of site installations is lagging behind.

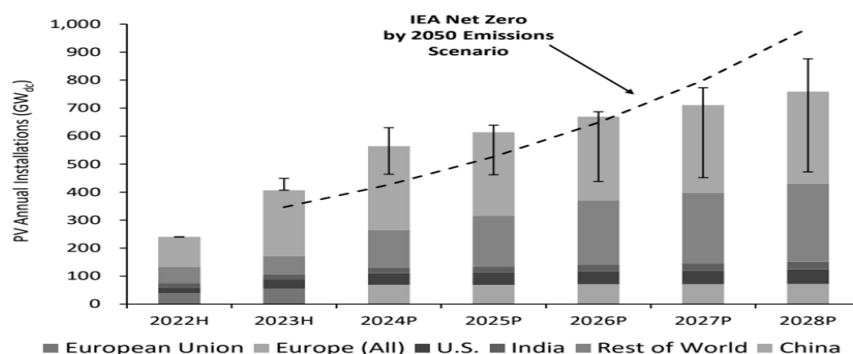
According to the statistics from the Bureau of Energy, the grid-connected capacity in 2023 was 2.7 GW, and the installed capacity from January to October 2024 was 1.401 GW. It is estimated that this year's total installation will significantly lag behind last year's by nearly 0.9 GW. The main reasons include the transition between the old and new governments, internal and external party factions, and the new government's strong push for anti-corruption. In an effort to avoid public criticism and due to the lack of clear annual policies and goals from the central government, the promotion of green energy has become mere rhetoric, and the various ministries are not as vigorous as before in advocating for green energy generation. Therefore, starting from the second quarter of 2024, the overall domestic market momentum has been insufficient, with a conservative estimate of only about 1.8 GW of annual installed capacity, marking a significant decline compared to last year. As of October 2024, the total accumulated solar photovoltaic installed capacity in Taiwan is approximately 13.8 GW. However, there are still 6.2 GW remaining to reach the goal of 20 GW by 2026, making it clear that the policy target proposed by the previous government will not be met on time.



Source: Monthly Report of Energy Statistics, compiled by Yuanjing

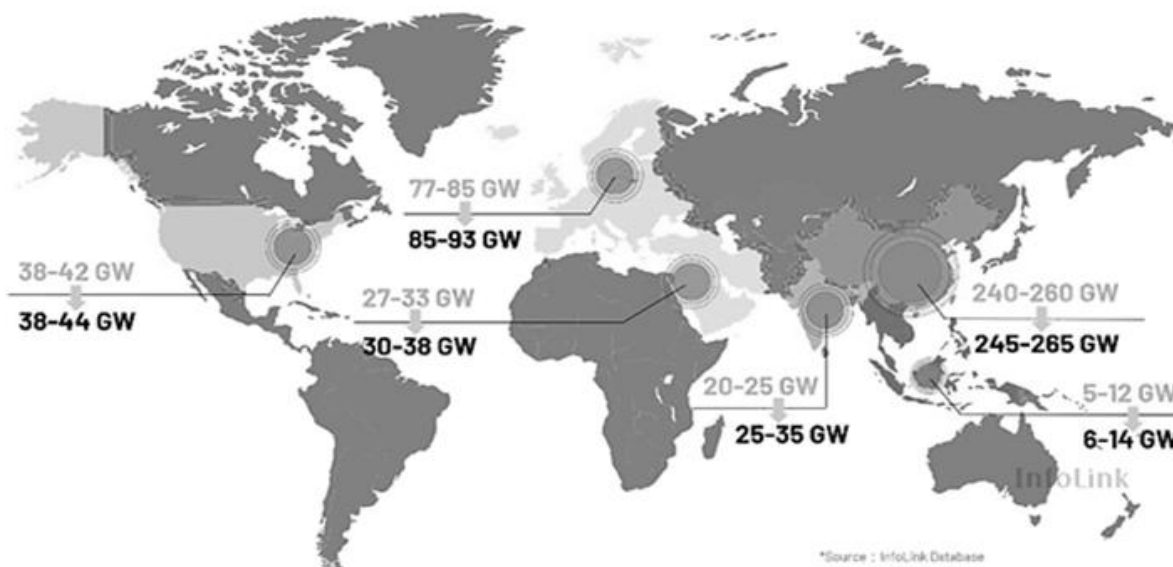
## Outlook for the Solar Photovoltaic Market in 2025

As the global energy transition accelerates, solar photovoltaic applications are receiving significant attention and are being widely utilized. Observing the world's top four markets: China, the United States, Europe, and India, each region is currently facing multiple challenges such as changes in the economic environment, policy uncertainty, and supply-demand imbalances. In the context of the continuous expansion of solar power installations, the improvement of grid conditions may become a key issue, while fluctuations in supply chain prices and the interest rate environment also put pressure on investment returns, further increasing the uncertainty of installation demand. Market growth after 2025 is expected to slow down compared to 2024. The chart below shows the IEA Research Center's forecast for global photovoltaic installations:



Although the demand growth in major installation markets has slowed down, the rise of emerging markets is gradually injecting new growth momentum into the global solar market. In recent years, demand in the Middle Eastern market has risen significantly, particularly in countries such as Saudi Arabia, the United Arab Emirates, and Oman. Supported by government backing and the promotion of multiple utility-scale projects, this will help sustain global demand. In addition, countries such as Thailand, Malaysia, and Vietnam have successively released pro-green energy policies this year, indicating a potential increase in solar photovoltaic demand in Southeast Asia. Looking ahead to 2025, the research institution IEA estimates that global solar demand is expected to reach over 610 GW, but the growth rate compared to 2024 will be only about 3-5%.

2024-2025 年主要太陽能市場與新興市場需求量



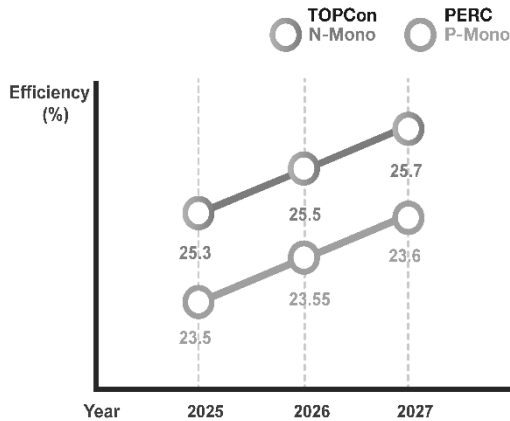
### **Overview of Technologies and R&D:**

The blueprint of technical development set by TSEC is based on the development of advanced process technology. Therefore, there are many technical thresholds to be overcome. Meanwhile, the technical bottleneck must be continuously broken through to maintain a competitive advantage.

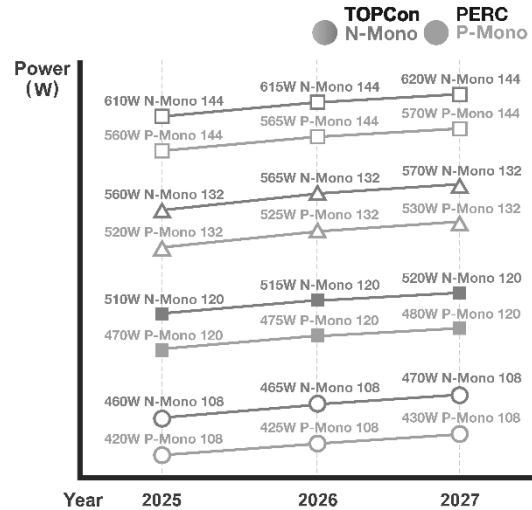
- (A) Core technology innovation: All core technologies have been successfully developed and introduced into mass production to expand the leading edge with competitors.
- (B) Forward-looking technology development: develop the next generation of innovative forward-looking technologies in advance, and simultaneously carry out industry-academia collaborative plans with the academic community, seeking to develop a new generation of manufacturing process technology, while enhancing its own R&D capabilities and patents of advanced technologies.
- (C) Improvement of existing technology: Adjust the improvement of existing manufacturing process technology from time to time based on the latest R&D results, including efficiency improvement, yield improvement, cost reduction, new electrode pattern design, etc., to ensure that the technologies lead.
- (D) Key technology development: the development of the Company's unique equipment or manufacturing process technology. The outcomes include the "electric property testing and classification technology and equipment" jointly developed with domestic equipment vendors, which is a unique and pioneering advanced manufacturing process equipment in the domestic solar energy industry. It eliminates the concern that the key technologies are held by foreign equipment manufacturers, and also promotes the upgrading of domestic industrial technology.

The Company's research and development strategy focuses on technological independence, collaborating with domestic and international research units or upstream equipment manufacturers to jointly research and develop high-efficiency, low-cost solar cells and modules. Additionally, we plan and evaluate any potential development of forward-looking technologies. The diagram below illustrates the main technologies of the Company and outlines the roadmap for technology development and efficiency improvement of monocrystalline silicon solar cells and module technology.

太陽能電池技術發展目標



太陽能模組技術發展目標



- Research and development expenses over the most recent year up to the date the Annual Report was printed

Unit: NT\$ Thousand

Item \ Year	2024	
	Individual financial statement	Consolidated financial statement
Net Revenue (A)	4,496,880	4,514,018
Research and Development Expenses (B)	72,225	72,225
The proportion of Research and Development Expenses to Net Revenue (%) (B/A)	1.61%	1.60%

- Technologies or products successfully developed over the past year up to the date when the Annual Report was printed

Yuanjing Solar Technology Co., Ltd. was established in 2010 and officially began mass production of solar cells in 2011. In 2017, they established a module factory in Pingtung, and in 2018, they started mass production of solar modules. They integrated high-efficiency cells produced at the Hsinchu plant to further develop high-quality and high-reliability module products for specific regions of the domestic market in Taiwan, in response to the government's green energy policy.



The Company successfully developed and integrated key equipment, utilizing domestically unique electrical testing and classification equipment. This integration was successfully introduced into mass production, significantly reducing production costs. Our company also passed the Ministry of Economic Affairs Industrial Development Bureau's Leading New Product Development Program in April 2013. The project was titled "High Efficiency Pseudo-Monocrystalline Solar Cell Products," leveraging significant government support. By December 2014, we successfully developed the V-Cell high-efficiency pseudo-monocrystalline solar cell products. Concurrently, we completed the development of V-Cell high-efficiency polycrystalline solar cell products, making the V-Cell product series more comprehensive to meet the needs of all customers. Passed the Bureau of Energy, Ministry of Economic Affairs "Industry Energy Technology Project" in January 2016, once again leveraging significant government support, and by the end of December 2016, completed the development of 21.3% V-Cell high-efficiency monocrystalline solar cells, which can further provide customers with more efficient and high-quality products.

Our company is committed to the research, development, and mass production of high-efficiency silicon solar cells and modules. In response to customer needs, we have developed a variety of silicon solar cell and module series products, including the E-Cell series of six-inch mono and polycrystalline solar cells with 3BB, 4BB, and 5BB, five-inch monocrystalline solar cells, and discontinuous back contact solar cells. We have currently developed V-Cell monocrystalline, polycrystalline, pseudo-monocrystalline solar cells, half-cut solar cells, bifacial solar cells, as well as full and half-cut monocrystalline modules in 6x10 and 6x12 configurations, catering to the actual needs of downstream customers. Pursuing the development of high-efficiency, low-cost solar cell products, our company's solar photovoltaic products (cells, modules) have also been recognized for six consecutive years as high-quality solar photovoltaic products by the Bureau of Energy, Ministry of Economic Affairs. The Company also successfully integrates the key equipment through the unique local electric property testing and classification equipment and successfully introduced mass production. The production costs are likely to be reduced significantly.

The Company places greater emphasis on module technology and product development. In 2017, it became the first in Taiwan's industry to obtain the Voluntary Product Certification (VPC) from the Bureau of Standards, Metrology and Inspection of the Ministry of Economic Affairs for Taiwan High-Performance Photovoltaic Module Certification. In the same year, it was also the first in Taiwan to pass the new European standards IEC 61215:2016 and IEC 61730:2016 certification. The Company's solar modules have also passed third-party verified testing for solar photovoltaic module IEC 60529 (IPX8), simulating the condition factors affecting solar modules in high-humidity environments such as fish farms, ponds, and reservoirs. This proves that the Company's solar module products feature waterproofing, salt damage resistance, and high weather resistance and reliability.

In 2018, the Company developed the Shield series modules. The series is not only certified to be safe and toxic-free, but also developed for the special environment with high-humidity, high-heat, strong wind, and high salinity, like the salt beaches and ponds in Taiwan. The Company is the first Company in Taiwan to conduct a water quality inspection after module immersion by engaging a third-party impartial inspection institution approved by the Environmental Protection Agency to sample and test. Various indicators including toxic substances and heavy metal hazardous substances are significantly lower than the standards of drinking water required by the Environmental Protection Agency. The aluminum frame developed by the Company has been verified by a third-party impartial laboratory to have ultra protection in salt beaches and high-salt coastal environments. This is also why the serial modules are named "Shield."

In 2019, our company developed P-type monocrystalline silicon bifacial solar cells, which are expected to further enhance solar photovoltaic conversion efficiency when used in specific environments. We also began the transformation to G1 size cells, which will further enhance performance, providing customers with more efficient and high-quality products.

In 2020, our company completed the outdoor testing setup for bifacial cell modules and actively developed solar cell technology with Multi-Busbar (MBB) technology, expected to further enhance solar photovoltaic conversion efficiency. We also began evaluating the development of large-size cells, which will provide more product options for customers and further offer more efficient and high-quality products.

In 2021, our company completed the establishment and development of large-size (M6, M10) cells and modules, and actively introduced solar cell etching technology. This is expected to further enhance solar photovoltaic conversion efficiency and solar module output power, providing customers with more efficient and high-quality product options.

In 2022, our company completed the certification of the only large-size M10 cells and modules in Taiwan, and actively enhanced diffusion process technology. It is expected that this will further improve solar photovoltaic conversion efficiency and solar module output power in the future, providing customers with more efficient and high-quality product options.

In 2023 our company completed the only M10 module 17-level wind tunnel test at the Ministry of the Interior's Building Research Institute in Taiwan. We anticipate being able to offer our customers a wider selection of high-efficiency and high-quality module products in the future.

In 2024, our company completed the development of TOPCon cells and modules, which is expected to further enhance solar photovoltaic conversion efficiency and solar module output power, providing customers with more efficient and high-quality module product options. In addition, the R&D department also assisted the Company in obtaining the electricity sales license, enabling it to provide more diversified services to customers.

Year	R&D Accomplishment	
2011	Integration of key equipment	Integration of electrical property testing and classification equipment
	Σ-serial products	6" 2BB polycrystalline solar cells
		6" 3BB polycrystalline solar cells
		6" 2BB monocrystalline solar cells
2012	Σ-serial products	6" 3BB monocrystalline solar cells
		5" 3BB monocrystalline solar cells
	E-Cell serial products	Non-consecutive backside of solar cells
		E-Cell polycrystalline solar cells
2013	Passed the development of new leading product project by IDB, Ministry of Economic Affairs	E-Cell monocrystalline solar cells
	V-Cell serial products	The V-Cell quasi-monocrystalline solar cell with high efficiency, was expected for development
2014	Conclusion of the project for IDB's development of new leading product	V-Cell passivated back monocrystalline solar cell with high efficiency
	V-Cell serial products	V-Cell passivated back polycrystalline solar cell with high efficiency
	V-Cell serial products	Achieved the intended efficiency goal of the project and passed the reliability testing
	V-Cell serial products	V-Cell passivated back quasi-monocrystalline solar cell with high efficiency
	Awarded as outstanding solar optoelectronic products 2014 by the Bureau of Energy, Ministry of Economic Affairs (cells and modules)	V-Cell passivated back quasi-monocrystalline solar cell with high efficiency
2015	E-Cell serial products	6" 4BB E-Cell polycrystalline solar cells
	V-Cell serial products	6" 4BB E-Cell monocrystalline solar cells
		6" 4BB V-Cell polycrystalline solar cells
		6" 4BB V-Cell square monocrystalline solar cells
		6" 4BB V-Cell quasi monocrystalline solar cells
	Awarded as outstanding solar optoelectronic products 2015 by the Bureau of Energy, Ministry of Economic Affairs (cells and modules)	6" 4BB V-Cell monocrystalline solar cells
	Certified with EU IEC 61215:2005 and IEC61730:2004 for solar modules	Solar photoelectric module of 72 pieces 6" monocrystalline solar cells (340W)
	Obtained the Japan Electrical Safety & Environment Technology Laboratories certification for solar modules.	Solar photoelectric module of 60 pieces 6" monocrystalline solar cells (285W)
2016	Passed the "Industrial Energy Technology Project" of the Bureau of Energy, Ministry of Economic Affairs	Solar photoelectric module of 72 pieces 6" monocrystalline solar cells (325W)
	E-Cell serial products	Solar photoelectric module of 60 pieces 6" monocrystalline solar cells (270W)
	V-Cell serial products	6" 5BB E-Cell polycrystalline solar cells
		6" 5BB E-Cell monocrystalline solar cells
	Won the Enterprise Innovation Awards of the 2016 National Innovation Award	6" 5BB V-Cell polycrystalline solar cells
		6" 5BB V-Cell monocrystalline solar cells
	Won the Bureau of Energy, Ministry of Economic Affairs' High-Quality Solar Photovoltaic Product (cells, modules) Award in 2016.	6" 5BB V-Cell quasi monocrystalline solar cells
	Obtained the UL 1703 2002/03/15 Ed:3 certification for solar modules in the Americas.	6" 5BB V-Cell square monocrystalline solar cells
		Solar photoelectric module of 72 pieces 6" monocrystalline solar cells (375W)
		Solar photoelectric module of 60 pieces 6" monocrystalline solar cells (315W)

Year	R&D Accomplishment	
2017	Concluded the "Industrial Energy Technology Project" of the Bureau of Energy, Ministry of Economic Affairs	Achieved the intended efficiency goal of the project and passed the reliability testing
	V-Cell serial products	6" 4BB V-Cell polycrystalline half-cut solar cells
		6" 4BB V-Cell monocrystalline half-cut solar cells
		6" 5BB V-Cell polycrystalline half-cut solar cells
		6" 5BB V-Cell monocrystalline half-cut solar cells
	The first Taiwanese company received the high-performance solar photoelectric module certification under the voluntary product verification program of the Bureau of Standards, Metrology and Inspection (BSMI), MOEA	Solar photoelectric module of 60 pieces 6" monocrystalline solar cells (290W)
	Received the high-performance solar photoelectric module certification under the voluntary product verification program of the Bureau of Standards, Metrology and Inspection (BSMI), MOEA	Solar photoelectric module of 72 pieces 6" monocrystalline solar cells (360W)
		Solar photoelectric module of 60 pieces 6" polycrystalline solar cells (285W)
2018	The first company in Taiwan to obtain the new European standards IEC 61215:2016 and IEC 61730:2016 certification.	Solar photoelectric module of 72 pieces 6" monocrystalline solar cells (370W)
	Simulating the installation of solar photovoltaic modules in high-humidity environments such as fish farms, ponds, and reservoirs, the module passed the IEC 60529 IPX8 test.	Solar photoelectric module of 60 pieces 6" monocrystalline solar cells (310W)
	Awarded as outstanding solar optoelectronic products 2017 by the Bureau of Energy, Ministry of Economic Affairs (cells and modules)	
	The first Taiwanese company received the high-performance solar photoelectric module certification under the voluntary product verification program of the Bureau of Standards, Metrology and Inspection (BSMI), MOEA	Solar photoelectric module of 60 pieces 6" monocrystalline half-cut (120 sub-panes) solar cells (315W)
	Awarded as outstanding solar optoelectronic products 2018 by the Bureau of Energy, Ministry of Economic Affairs (cells and modules)	
	Simulated the impacts from solar photoelectric modules to the ecosystems in dams, and the test was conducted on drinking water where the module was immersed.	
	The aluminum frame passed the 24-day Copper Accelerated Salt Spray Test (CASS Test)	
	Development of modules of Shield Series	Water surface solar photoelectric module of 60 pieces 6" monocrystalline cells
		Salt beach solar photoelectric module of 60 pieces 6" monocrystalline cells
		General solar photoelectric module of 60 pieces 6" monocrystalline
2019	Received the high-performance solar photoelectric module certification under the voluntary product verification program of the Bureau of Standards, Metrology and Inspection (BSMI), MOEA	Solar photoelectric module of 60 pieces 6" monocrystalline solar cells (325W)
	Obtained the MIT Simile Label for products made in Taiwan	Solar photoelectric module of 72 pieces 6" monocrystalline solar cells (380W)
		Solar photoelectric module of 60 pieces 6" monocrystalline half-cut (120 sub-panes) solar cells (330W)
	Awarded as outstanding solar optoelectronic products 2019 by the Bureau of Energy, Ministry of Economic Affairs (cells and modules)	Solar photoelectric module of 72 pieces 6" monocrystalline half-cut (144 sub-panes) solar cells (390W)

Year	R&D Accomplishment	
2020	Received the high-performance solar photoelectric module certification under the voluntary product verification program of the Bureau of Standards, Metrology and Inspection (BSMI), MOEA	Solar photoelectric module of 60 pieces 6" monocrystalline half-cut (120 sub-panes) solar cells (345W)
	Obtained the MIT Simile Label for products made in Taiwan	Bifacial solar photoelectric module of 60 pieces 6" monocrystalline half-cut (120 sub-panes) solar cells (340W)
	Awarded as outstanding solar optoelectronic products 2020 by the Bureau of Energy, Ministry of Economic Affairs (cells and modules)	Solar photoelectric module of 72 pieces 6" monocrystalline half-cut (144 sub-panes) solar cells (410W)
2021	Obtained the MIT Simile Label for products made in Taiwan (M6 Battery)	Development of M6 single crystalline PERC cells Solar photoelectric module of 60 pieces M6 monocrystalline half-cut (120 sub-panes) solar cells (385W) Solar photoelectric module of 72 pieces M6 monocrystalline half-cut (144 sub-panes) solar cells (465W)
	Integration of new key equipment	
	Won the Bureau of Energy, Ministry of Economic Affairs' High-Quality Solar Photovoltaic Product (cells, modules) Award in 2021.	
	M6 Module certified with IEC 61215:2016 and IEC61730:2016	
2022	Received the high-performance solar photoelectric module certification under the voluntary product verification program of the Bureau of Standards, Metrology and Inspection (BSMI), MOEA	Development of M10 single crystalline PERC cells Solar photoelectric module of 54-pane M10 monocrystalline silicon half-cut (120 sub-panes) solar cells (410W) Solar photoelectric module of 60-pane M10 monocrystalline silicon half-cut (144 sub-panes) solar cells (460W) Solar photoelectric module of 66-pane M10 monocrystalline silicon half-cut (120 sub-panes) solar cells (505W) Solar photoelectric module of 72-pane M10 monocrystalline silicon half-cut (144 sub-panes) solar cells (540W)
	Obtained the MIT Simile Label for products made in Taiwan (M10 Battery)	
	M10 Module certified with IEC 61215:2016 and IEC61730:2016	
	M10 Module was UL certified.	
	Awarded as outstanding solar optoelectronic products 2022 by the Bureau of Energy, Ministry of Economic Affairs (cells and modules)	
2023	Received the high-performance solar photoelectric module certification under the voluntary product verification program of the Bureau of Standards, Metrology and Inspection (BSMI), MOEA	Solar photoelectric module of 54-pane M10 monocrystalline silicon half-cut (120 sub-panes) solar cells (420W) Solar photoelectric module of 60-pane M10 monocrystalline silicon half-cut (144 sub-panes) solar cells (465W) Solar photoelectric module of 66-pane M10 monocrystalline silicon half-cut (120 sub-panes) solar cells (515W)
	Completion of wind tunnel testing for Module 17, Level M10, at the Wind and Rain Wind Tunnel Laboratory of the Architecture and Building Research Institute, Ministry of the Interior	
	Passed the Ministry of Industrial Development Administration, Ministry of Economic Affairs Industry's Upgrading and Innovation Platform Guidance Program.	
	Awarded as outstanding solar optoelectronic products 2023 by the Energy Administration, Ministry of Economic Affairs (cells and modules)	
2024	Won the Bureau of Energy, Ministry of Economic Affairs' High-Quality Solar Photovoltaic Product (cells, modules) Award in 2024.	54-cell 7-inch monocrystalline silicon half-cut (108 sub-cells) solar photovoltaic module (455W)
	Obtain the MIT Smile Label for Taiwanese-made products (TOPCon cells).	60-cell 7-inch monocrystalline silicon half-cut (120 sub-cells) solar photovoltaic module (505W)
	Received the high-performance solar photoelectric module certification under the voluntary product verification program of the Bureau of Standards, Metrology and Inspection (BSMI), MOEA	66-cell 7-inch monocrystalline silicon half-cut (132 sub-cells) solar photovoltaic module (550W)
	Obtaining the electricity sales license	72-cell 7-inch monocrystalline silicon half-cut (144 sub-cells) solar photovoltaic module (595W)

### 3. Future R&D Plans

The direction and plans for the future R&D are as following:

- (1) Deepening the Partnerships: providing stable and quality sources of batteries and modules, such as silicon chips, gel materials, back plate, and EVA, to ensure the technology leadership for the Company's product R&D.
- (2) Establishing the self-manufacturing capability of the local equipment vendors: decreasing production costs and secure the self-owned technologies, for improving the overall industry momentum.
- (3) Cultivation of R&D Talent: Collaborate with solar energy scholars from major universities in Taiwan to not only develop innovative process technologies but also cultivate numerous high-tech talents in the solar energy field. It is hoped that these talents can join the Company to further contribute their knowledge, creating an excellent model of industry-academia collaboration.

## II. Overview of market and production/sales

### (I) Market Analysis

#### 1. Sales Regions of Major Products

Unit: NT\$ Thousand; %

Sales Region \ Year	2023		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Asia	8,104,305	98.10	4,380,525	97.04
Europe	150,854	1.83	132,099	2.93
America	4,899	0.06	1,394	0.03
Others	889	0.01	0	0.00
Total	8,260,947	100.00	4,514,018	100.00

### (II) Key Purposes and Production Processes of Major Products

#### 1. Key Purposes of Major Products

Solar cells transform luminous energy directly to electrical energy without consuming fuel, generating no waste or pollution. There is no driving component in cells, so there is no noise. Under normal usage condition, the life span of the products may be as long as 25 years or more. The outer sizes of the solar cells are variable to meet demands, from the small sizes of consumer electronic products like watches, small calculators, battery chargers, Solar powered vehicles, and power supply to residences, up to the standalone power stations. The application is wide-ranged.

#### 2. Production/Preparation Processes of Primary Products

The manufacturing process of solar cells is similar to IC, but the clean room of grade 100 is not required. First the solar chips are washed and etched, to form PN connecting surface via expansion. The reflection film (decreasing reflection of sunshine) is coated, and through screen printing and sintering, the metal contact is completed. A solar cell is completed after the test of (I-V).

(III) Supply Status of Major Materials

Item	Major material	Supplier	Supplying status
1	Silicon chips	LONGi	Good/Stable
		CMC	Good/Stable
2	Conductive gel	Shutter Precision	Good/Stable
		Giga Solar	Good/Stable
3	Module aids	Flat Glass	Good/Stable
		Jiangtai	Good/Stable
		First	Good/Stable
		Gigastorage	Good/Stable

1. Balance the inventory level and the inventory cost depending on the circumstances to stabilize the supply of raw materials and to strike a balance between the inventory level and the inventory cost.
2. Work with mainstream gel materials and module aids suppliers in Taiwan and in Mainland China and proactively introduce other competitive suppliers. Continue to screen and test optimized and weather-resistant conforming materials, and obtain the most competitive prices through open tenders. Ensure steady supply of gel materials and module aids and that they are the best preferred prices.

(IV) Names of customers who accounted for more than ten percent of total purchases (sales) in either of the last two years, along with their purchase (sales) amounts and proportions, and an explanation of the reasons for any increases or decreases.

1. Major supplier in the recent 2 years

Unit: NT\$ Thousand

Item	2023				2024			
	Name	Amount	Ratio of net purchases to total annual purchases (%)	Relation with the issuer	Name	Amount	Ratio of net purchases to total annual purchases (%)	Relation with the issuer
1	Company A	957,345	22.52	None	-	-	-	None
2	Company B	437,089	10.28	None	-	-	-	None
	Others	2,857,161	67.20	-	Others	1,858,755	100.00	-
Net purchase		4,251,595	100.00		Net purchase	1,858,755	100.00	

Reason of changes to purchase: mainly due to business growth and procurement planning

## 2. Major clients in the recent 2 years

Unit: NT\$ Thousand

Item	2023				2024			
	Name	Amount	Ratio of net purchases to total annual purchases (%)	Relation with the issuer	Name	Amount	Ratio of net purchases to total annual purchases (%)	Relation with the issuer
1	Company L	1,401,053	16.96	None	Company Y	1,555,155	34.45	None
2	Company U	1,099,587	13.31	None	Company Z	471,537	10.45	None
3	Company Z	880,115	10.66		-	-	-	
4	Company S	826,303	10.00		-	-	-	
	Others	4,053,889	49.07	-	Others	2,487,326	55.10	-
Net sales		8,260,947	100.00		Net sales	4,514,018	100.00	

Reason of changes to purchase: mainly due to market demands and business planning

## III. For the most recent 2 fiscal years up to the annual report publication date, the number of employees, average years of service, average age, and academic background distribution

Unit: person/year/year-old

Item		2022	2023	2024
Number of employee (persons)	Manager	12	15	15
	Direct employees	203	195	213
	Indirect employees	1671	1423	1157
	Total	1886	1633	1385
Mean age (year old)		33.3	33.75	35.31
Mean number of years in service		3.73	3.68	5.5
Educational Distribution Ratio %	Ph D.	0.37	0.43	0.51
	Master	5.57	5.88	7
	Junior college	68.61	58.73	61.81
	Senior high school	23.59	33.37	29.31
	Junior high and lower	1.86	1.59	1.37
	Total	100.00%	100.00%	100.00%



#### IV. Disbursements for environmental protection

**(I) Information on the application, payment, or setup status of those that should apply for a permit for setting up polluting facilities or discharging pollutants or pay pollution control and prevention fees or set up exclusive units or staff to take charge of environmental protection as required by law:**

1. Application of pollution discharge permits

March 31, 2025

A. Hsinchu Plant:

Item	Name and description of the permit
Operation Permit of Stationary Pollution Source	On May 30, 2012, the Hsinchu plant was approved by the Hsinchu County Government to hold a "Solar Cell Manufacturing Process" (M01) stationary pollution source operating permit (Hsinchu County Environmental Control Operating Certificate No. J0922-00). On June 5, 2024, the Hsinchu plant was approved by the Hsinchu County Government to amend the holding of a "Solar Cell Manufacturing Process" (M01) stationary pollution source operating permit (Hsinchu County Environmental Control Operating Certificate No. J0922-07).
Permit of Water Pollution Prevention Measure Program	On September 26, 2011, the Hsinchu plant was approved by the Hsinchu County Government to hold a water pollution prevention permit (Permit No. Hsinchu County Environmental Discharge Permit No. 00814-00). On October 29, 2021, Hsinchu County Government approved the extension and change to the permit document of water pollution prevention (Approved with Letter Chu-Xian-Huan-Pai-Hsu-Zi No. 00814-04)
Waste Disposal Plan	On September 15, 2011, the Hsinchu plant was approved by the Hsinchu County Government for the submitted business waste disposal plan (Permit No. Hsinchu County Environmental Business Word No. 1000107925). On February 1, 2024, the Hsinchu plant was approved by the Hsinchu County Government to amend the business waste disposal plan (Permit No. Hsinchu County Environmental Business Word No. 1138650891).
Toxicity and Hazardous Chemicals Authorization Documentation	On April 13, 2021, the Hsinchu plant was approved by the Hsinchu County Government for the submitted controlled chemical substance approval document (Approval No. Hsinchu County Environmental Business Word No. 1108652752). On February 1, 2023, the Hsinchu County Government approved the amended controlled chemical substance approval document (Approval No. Hsinchu County Environmental Business Word No. 1128650902). On January 9, 2024, the Hsinchu plant was approved by the Hsinchu County Government for the submitted toxic chemical substance approval document (Approval No. Hsinchu County Environmental Business Word No. 1138650046).

B. Pingtung Plant:

Item	Name and description of the Permit
Operation Permit of Stationary Pollution Source	<p>On March 14, 2019, the Pingtung plant was approved by the Pingtung County Government to hold a "Solar Cell Manufacturing Process" (M01) stationary pollution source operating permit (Permit No.: Environmental Control Operating Certificate No. T0875-00. On October 7, 2021, Pingtung County Government approved the changes of the operation permit of stationary pollution source under the "Manufacturing Procedures of Solar Cell Manufacturing" (M01) (Ping-Fu-Huan-Kong-Tsao-Zheng-Zi No. T0875-02) On September 3, 2024, the Pingtung County Government approved the extension of the "Solar Cell Manufacturing Process" (M01) stationary pollution source operating permit (Permit No. Environmental Control Operating Certificate No. T0875-03).</p> <p>On May 26, 2022, the Pingtung Plant was approved by Pingtung County Government for the operation permit of stationary pollution source under the "Manufacturing Procedures of Solar Cell Manufacturing" (M02) (Ping-Fu-Huan-Kong-Tsao-Zheng-Zi No. T0932-00)</p> <p>On January 5, 2024, the Pingtung plant has been approved by Pingtung County Government for the operation permit of stationary pollution source under the "Manufacturing Procedures of Solar Cell Manufacturing" (M01) (Ping-Fu-Huan-Kong-Tsao-Zheng-Zi No. T0954-00)</p>
Permit of Water Pollution Prevention Measure Program	<p>On March 20, 2018, the Pingtung plant has been approved by Pingtung County Government for the permit document of water pollution prevention (Approved with Letter Ping-Xian-Huan-Shui-Hsu-Zi No. 02405-00)</p>
Permit of Water Pollution discharge Measure Program	<p>On November 21, 2018, the Pingtung plant was approved by the Pingtung County Government to hold a wastewater discharge surface water body permit (Permit No. Environmental Water Permit No. 02405-00). On February 4, 2023, the Pingtung County Government approved the amendment to hold a wastewater discharge surface water body permit (Permit No. Environmental Water Permit No. 02405-02.</p> <p>On September 19, 2023, the Pingtung County Government approved the extension to hold a wastewater discharge surface water body permit (Permit No. Environmental Water Permit No. 00126-00.</p>
Waste Disposal Plan	<p>On June 29, 2018, the Pingtung plant has been approved by Pingtung County Government for the industrial waste disposal plan (Approved with Letter Ping-Fu-Huan-Fei-Zi No. 10732516100) On March 2, 2022, Pingtung County Government has approved the industrial waste disposal plan (Approved with Letter Ping-Fu-Huan-Fei-Zi No. 11130941100) On June 20, 2022, Pingtung County Government has approved the industrial waste disposal plan (Approved with Letter Ping-Fu-Huan-Fei-Zi No. 11232897100)</p>

2. Pollution prevention fee payables and the payment

Unit: NT\$ Thousand

Category	2022	2023	2024
Hsinchu plant-treatment expenses for polluted water	8,042	6,290	5,159
Hsinchu plant-air pollution prevention expenses	509	348	130
Hsinchu plant-soil pollution prevention expenses	23	20	24
Pingtung plant-water pollution prevention expenses	23	16	7
Pingtung plant-air pollution prevention expenses	1,217	988	562
Pingtung plant-soil pollution prevention expenses	1	1	1

3. If dedicated staff and unit for environmental affairs are required, the implementation:

A. Hsinchu Plant:

- (1) Dedicated Air Pollution Control Specialist (Class A): Wang, Tsung-Yuan (105) Huan-Shou-Shum-Zheng-Zi No. FA230127
- (2) Dedicated Wastewater And Sewage Treatment Specialists (Class B): Wang, Tsung-Yuan (104) Huan-Shou-Shum-Zheng-Zi No. GA010581
- (3) Waste Disposal Technician (Class B): Wang, Tsung-Yuan (105) Huan-Shou-Shum-Zheng-Zi No. HA041013

B. Pingtung Plant:

- (1) Dedicated Wastewater And Sewage Treatment Specialists (Class B): Lin, Man-Ting (110) Huan-Shou-Shum-Zheng-Zi No. GA180539
- (2) Waste Disposal Technician (Class B): Lin, Man-Ting (108) Huan-Shou-Shum-Zheng-Zi No. HB440385

**(II) In the most recent fiscal years and up to the annual report publication date, the process of the Company to improve the environmental pollutions. Shall there be any pollution disputes, the dealing process shall be explained.**

The Company is a professional solar cell and module manufacturer. While pursuing corporate growth, we promote renewable energy and apply resources properly to reduce environmental pollution, for the sustainable development of the environment. Therefore, high standards of environmental specifications were referred for the pollution prevention facilities when designing the plant. Once the plant was completed, the ISO 14001 environment management system was also built. The Hsinchu Plant in 2011 and the Pingtung Plant in 2018 were certified for their environmental management system (ISO 14001) and external certifications have occurred thereafter each year to keep the ISO 14001 Certificate valid. The continual improvements are made based on P.D.C.A system management and pollution prevention facilities are tested by qualified testing institutions regularly to ensure their preventive performance. Related operating specifications are created and monitored to keep pollution prevention facilities functioning normally.

The Hsinchu Plant obtained the SGS ISO 14064-1 Greenhouse Gas Inventory Validation Declaration based on the "ISO 14064-1" standards in October 2012, and subsequent declarations are obtained through continuous spontaneous inventory checks. By referring the international carbon footprint standards e.g. "PAS 2050" and "ISO 14067", the SGS PAS 2050 Product Carbon Footprint Verification Declaration was obtained in February 2013, and BSI ISO/TS 14067 Product Carbon Footprint Verification Declaration was obtained in October 2015.

The Pingtung Plant obtained the TUV ISO 14064-1 Greenhouse Gas Inventory Validation Declaration based on the ISO 14064-1 standards in January 2023, and subsequent declarations are obtained through continuous spontaneous inventory checks.

**(III) In the most recent fiscal years and up to the annual report publication date, losses and penalties suffered by the Company due to environmental pollution incidents (including any compensation), and disclosing corresponding measures being or to be taken (including corrective measures and possible expenditure (including the estimated amounts of possible losses, penalties, and compensation if the corresponding measures are not taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.): None.**

**(IV) Describe the current pollutions, effects of improving such on the Company's earnings, competitive position, and capital expenditure, as well as the expected key environmental capital expenditure in the next 2 year: None.**

**(V) Disclose the protective measures taken in employees' working environment and for their safety, and the implementation**

1. Establishment of occupational health and safety management system: Once the plant was completed, the environment, safety, and health management system was created based on OHSAS 18001, and TOSHMS standards. The Hsinchu Plant in 2011 and the Pingtung Plant in 2018 were certified for their Environmental and Occupation Health and Safety Management System and Taiwan Occupational Safety and Health Management System (OHSAS 18001 & TOSHMS) and external certification has occurred thereafter each year to keep the OHSAS 18001 (ISO 45001 since 2020) and TOSHMS certificates valid. The occupational health and safety management system is conducted via identification the hazardous factors, risk assessment, and control. The systematic operations are applied to prevent incidents and lower the hazardous risk to employees for safer environment.
2. Safety trainings: The safety trainings are the means to communicate the safety concept and knowledge to the employees. Annual safety training plans are established every year. Not only the newly recruited shall complete the statutory trainings such as general health and safety and hazard knowledge, the fire drills are conducted every year. Through the practices of using fire extinguishers, operating fire hydrants, and the simulations of evacuation from indoor smoke, the fire drills for all are executed. Also for the contingency skills, the employees assigned with firefighting duties are trained for contingency training, including wearing fire fighting suit, A-class protective suits, SCBA, and operating wireless communication, fire fighting towers, and devices for handling disasters.

3. Preparedness for emergencies on the premises: To keep the premises safe and to prevent emergency disasters from occurring and spreading, sufficient equipment to prevent disasters and deter damages needs to be available. The following equipment needs to be available reflective of the characteristics on the premises in order to fulfill damage prevention and control goals:
  - (1) ERC is established as the command center for disaster.
  - (2) Medical room is in place; dedicated medical staff provide health advice to employees and the first-aids to injured persons.
  - (3) Equipped with over 300 CCTV cameras, the site can be directly monitored and commanded by the ERC and central control room.
  - (4) The detectors and alerts for toxic gases are in place, to achieve the safety objective of the operation sites.
  - (5) Diesel power generators and EUPS are in place for uninterrupted power supply to the key equipment in plants.
  - (6) Earthquake monitors are in place to monitor the impacts from earthquakes to the plants, and switch off the supply of special gases if required.
  - (7) Equipped with chemical spill handling equipment, SCOTT self-contained breathing apparatus (SCBA), level A protection suits, firefighting gear, and other disaster handling equipment to achieve disaster control objectives.
4. Promotion of health: to enhance employee's health, the regular health checks and special health checks are conducted, for employees to understand their health status. The Medical Room also conduct the health classification management and analyze abnormalities found in health check, to establish the annual health promotion plans. The Company values the health of employees and the prevention of occupational diseases. Plans are added based on the Occupational Safety and Health Act, such as the prevention of diseases resulting from abnormal workloads, prevention of ergonomic hazards, health protection for mothers, and prevention of illegal harassment when performing duties. These plans are in place for implementation, so that employees are provided with good working place and thus the occurrence of occupational disease reduced. Our company's efforts in promoting employee health have been recognized by relevant authorities. We have received awards such as the "Outstanding Healthy Workplace - Health Management Award" and the "Healthy Workplace Certification - Health Promotion Mark" and "Health Activation Mark" from the Health Promotion Administration, Ministry of Health and Welfare. Additionally, we have been certified as a "Breastfeeding-Friendly Workplace" by the Hsinchu County Government and the Pingtung County Government.

## V. Labor Relations

- (I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

1. Employee benefit measures:

- (1) The managerial systems are based on the governmental laws and regulations, and the working regulations, management rules, and notices are established accordingly. Amendments may be made to accommodate the changes of laws and announced to all employees

(2) Employee benefit implementations

- 2-1 Other than reasonable wages, Dragon Boat Festival, Mid-Autumn, and Yearend bonuses are distributed based on the Company's and personal performance. The production bonuses are distributed to production staff based on the monthly production performance.
- 2-2 Dormitories, canteens, and parking lot are provided to employees, as well as the meal subsidies.
- 2-3 The labor insurance, national health insurance, group insurance for employees and their immediate families are provided pursuant to laws. The labor pensions are contributed monthly as well.
- 2-4 The Employee Benefits Committee is established to distribute the bonus for birthdays and three key festivals, subsidies for marriage/funerals and other compensation, as well as sponsoring events, and dining, to complete the benefits system.
- 2-5 Habit groups are formed by employees voluntarily with subsidies from the Company. Events are held regularly to enhance mental and physical health.
- 2-6 The Company partners with many companies to provide discounts for employees' consumptions.

(3) Health and Safety

- 3-1 The Medical Room is established and medical staff are hired to keep the employees' health in check, with health advices from time to time.
- 3-2 The Company partners with major hospitals. Physicians provides medical consultancy in the working places monthly, and the health of employees are tracked regularly.
- 3-3 Annual health-promoting events are held, such as a weight-loss contest, or health seminars talking about blood pressure.
- 3-4 To ensure occupational safety and promote awareness of disaster prevention, the occupational safety unit should regularly conduct fire escape drills and evacuation drills for the entire plant and establishes an emergency operation center to keep abreast of the safety situation of the plants.

## 2. Employee education and training

- (1) To improve the quality of employee training, the "Training Committee" is in place to formulate the training policies and plan the annual training programs, for diversified training
- (2) Six training systems, including new-recruited training system, quality training system, environment safety training system, professional training system, management training system, and self-motivation training system, are covered by the Company's training framework.
- (3) Via internal training related to duty performance, and training in domestic and foreign institutions, it is expected to enhance employee quality, cultivate professional talents, develop human resources, and improve training quality and environment, as the preliminary goals.
- (4) The outcomes of our training have been recognized by the Workforce Development Agency, Ministry of Labor with the TTQS Bronze Medal, Enterprise Version on November 1, 2018.

## 3. Retirement system and implementation

- (1) The new system of labor pension is applicable to all employees.
- (2) To enable employees to work with peace of mind, and provide stable retirement life. In accordance with the Labor Pension Act, the Company makes a monthly contribution of 6% of an individual's insured salary to the individual labor pension accounts at the Bureau of Labor Insurance. The contribution details for 2024 are as follows:

Pension Scheme	Old system	New system
Laws applicable	Labor Standards Act	Labor Pension Act
Contribution method	A contribution of 2% of the total monthly salary of employees is made in the name of the Company into a special account at Bank of Taiwan (formerly Central Trust of China).	6% of personal insured wage is contributed to the personal pension account at the Labor Insurance Bureau based on the insurance range.
Amount of Contribution	None	NT\$37,946 thousand was allocated in 2024.

- (3) Any voluntary contribution from the workers will be deposited to the same account accordingly.

## 4. Negotiation between Laborer and Employer:

- (1) The Company operates in an industry that is subject to the Labor Standards Act. In addition to holding labor-management meetings and announcing the meeting records as required, the Company has also established an employee mailbox to allow colleagues to fully express their suggestions and ideas. All operations are based on the Labor Standards Act and other relevant regulations.

- (2) The Company values labor-management relations and aims to maintain smooth communication channels between both parties. By regulating fair and reasonable labor conditions, both sides have guidelines to follow, fostering a harmonious and stable labor-management relationship. In addition to regular labor-management consultation meetings, the Company signed a collective agreement with the enterprise union at the New Taipei City Government for the first time on November 13, 2019, and signed another collective agreement with the Pingtung Plant Enterprise Union on June 12, 2020, establishing a milestone for labor-management harmony and incident resolution. The group accord is very productive, and helpful to protect rights of both parties, enhance work performance, and harmonize the labor relation. The protection in the regards of labor health and safety are explicitly specified. The renewal negotiation procedures for the group accord may be promptly activated when laws and regulations change in the future.

5. Implementation of Employee Benefit Protection:

The other employee benefits are handled pursuant to the related laws and regulations, please refer to the description in "5. Operation Overview, IV. Environment Expenditure Information (VI)"

- (II) List the losses as a result of labor-management disputes and disclosure of current and possible future estimates and countermeasures over the most recent year up to the date the Annual Report was printed. If reasonable estimates are impossible, state the facts why they cannot be reasonably estimated:

1. The request to eliminate infringement between the Company and Yuanjing Solar Technology Co., Ltd. Enterprise Union (hereinafter referred to as "Yuanjing Enterprise Union") arose in November 2020 when Yuanjing Enterprise Union claimed that the Company's salary management regulations, specifically the rule of "no shift allowance during vacation leave," infringed upon the rights of its members. The union filed a lawsuit for the elimination of this infringement at the Taiwan Hsinchu District Court. The court's civil judgment No. 26 in the labor litigation of 2021 ruled in favor of the Company. Dissatisfied with this verdict, Yuanjing Enterprise Union appealed the decision. The case was reviewed by the Taiwan High Court and the Supreme Court, with the Supreme Court's 2022 ruling No. 2784 overturning and remanding the original judgment to the Taiwan High Court, where it is currently under review.

The above-said non-major labor - management disputes did not impact the Company's operations and finance significantly.



## VI. Cyber security management:

- (I) Specify the information and communication security risk management framework, the information and communication security policy, the substantial management plans, and resources to be devoted to information and communication security management, etc.:

In order to reinforce information security management, ensure the availability and reliability of data and information, and maintain information security, the Company has prescribed the policies and regulations. The information security policy is the Company's principles for the accountability of the information security management organization, education and training, computer system security management, network security management, information equipment environmental security management, and system access security management.

### (1) Cyber security risk management framework



(2) Cyber security policies

- Comply with legal regulations to establish relevant information security management rules and provide appropriate safeguards for the Company's information assets.
- protective measures to ensure its confidentiality, integrity, availability, and legal compliance.
- Regularly assess the impact of various man-made and natural disasters on the Company's information assets, and formulate disaster prevention measures and disaster recovery plans for important information assets and key businesses, to ensure the continued operation of the Company's business.
- Supervise the employees to implement information security safeguard tasks, and establish the concept that "everyone is responsible for information security," to enhance the awareness of information security of each business department and staff.
- All employees and the vendors who use or link to the Company's computer system are required to strictly observe the Company's information security related regulations. If there is a violation, it will be punished based on the Company's regulations or the contract depending on the circumstances of the violation. In serious cases, they will be sued pursuant to relevant laws.

- (II) List the losses as a result of major information and communication security events, their possible impacts, and countermeasures over the past year up to the date when the Annual Report was printed; if reasonable estimation is impossible, why it is impossible shall be specified: This did not happen.

## VII. Important contracts

March 31, 2025

Contract Type	Counterpart	Starting and End Dates of Contracts Date	Major Content	Restrictive Terms
Syndicated Credit Contract	Mega International Commercial Bank, Cooperative Bank, Land Bank of China, Changhua Bank, Antai Bank, Wing Bank of China and China Trust Bank.	5 years from the date of first use	A loan of NT\$1.996 billion in funds.	The financial statements shall maintain certain financial ratios
Syndicated Credit Contract	Cooperative Bank, Taiwan Business Bank, Entie Commercial Bank, Bank of Panhsin, First Bank, Hua Nan Bank, Kaohsiung Bank, Land Bank, Bank of Taiwan Bills Finance Corporation, Grand Bills Finance Corporation.	5 years from the date of first use	A loan of NT\$2.4 billion in funds.	The financial statements shall maintain certain financial ratios
Technology licensing agreement	Yi-Chen Chen & National Central University	2023/07/18~2025/07/17	Technology licensing agreement	None
Technology licensing agreement	Industrial Technology Research Institute (ITRI)	2024/05/08~2025/05/07	Technology licensing agreement	None
Transaction contract of modules	Company A	2024/01/13~2025/12/31	Module transaction	None
Transaction contract of modules	Company B	2023/07/05~2024/12/31	Module transaction	None
Transaction contract of modules	Company B	2023/07/12~2025/01/31	Module transaction	None
Transaction contract of modules	Company C	2024/01/01~2024/12/31	Module transaction	None
Transaction contract of modules	Company C	2024/09/20~2025/03/31	Module transaction	None
Transaction contract of modules	D Company	2023/06/14~2024/06/30	Module transaction	None

## Five. Review and Analysis of Financial Condition and Performance, and Risk Factors

### I. Financial position - consolidated financial report

Unit: NT\$ Thousand

Year Item	2023	2024	Amount increased (decreased)	Percentage (%)
Current asset	4,325,178	3,238,937	(1,086,241)	(25.11)
Property, Plant and Equipment	6,229,578	5,661,295	(568,283)	(9.12)
Intangible asset	7,800	8,760	960	12.31
Other assets	1,504,115	1,413,726	(90,389)	(6.01)
Total assets	12,066,671	10,322,718	(1,743,953)	(14.45)
Current liabilities	2,028,364	1,310,943	(717,421)	(35.37)
Non-current liabilities	2,389,284	2,178,194	(211,090)	(8.83)
Total liabilities	4,417,648	3,489,137	(928,511)	(21.02)
Share capital	5,127,967	5,127,967	0	0.00
Capital reserve	1,965,635	1,965,641	6	0.00
Retained earnings	723,332	(92,398)	(815,730)	(112.77)
Other equities	(170,900)	(170,510)	390	(0.23)
Non-controlling interests	2,989	2,881	(108)	(3.61)
Total Equity	7,649,023	6,833,581	(815,442)	(10.66)
<p>Change analysis (if the changes are greater than 20% and the amount is NT\$10 million or more)</p> <p>(1) Current assets have decreased compared to the previous period, primarily due to the repayment of long-term loans and the distribution of cash dividends, which led to a reduction in cash.</p> <p>(2) Current liabilities and total liabilities have decreased compared to the previous period, primarily due to a reduction in short-term loans, accounts payable, and long-term loans maturing within one year, which led to a decrease in current liabilities.</p> <p>(3) Retained earnings have decreased compared to the previous period, primarily due to the net loss after tax in 2024.</p>				

## II. Financial performance- consolidated financial report

- (I) Key reasons resulted in material changes to the operating revenue, net operating profit, and net profit before tax

Unit: NT\$ Thousand

Year Item	2023	2024	Amount increased (decreased)	Change Percentage (%)
Operating Revenue	8,260,947	4,514,018	(3,746,929)	(45.36)
Operating cost	6,986,706	4,195,036	(2,791,670)	(39.96)
Operating Gross Income	1,279,725	321,087	(958,638)	(74.91)
Operating expenses	481,955	332,241	(149,714)	(31.06)
Profit from operations	472,627	(581,408)	(1,054,035)	(223.02)
Non-operating income and expense	49,279	(16,867)	(66,146)	(134.23)
Pre-tax net income	521,906	(598,275)	(1,120,181)	(214.63)
Current period net profit	527,262	(600,271)	(1,127,533)	(213.85)
Other comprehensive income recognized for the period	50	386	336	672.00
Total comprehensive income in the current period	527,312	(599,885)	(1,127,197)	(213.76)
<p>1. Analysis of changes (increase/decrease):</p> <p>(1) Operating revenue, operating costs, and operating gross profit: The decrease in operating revenue was due to the slowdown in the photovoltaic installation market.</p> <p>(2) Operating expenses: This was due to expense control measures and the reversal of expected credit impairment benefits.</p> <p>(3) Operating net profit: This was due to the recognition of impairment losses.</p> <p>(4) Non-operating income and expenses: This was primarily due to a decrease in recognized investment income from affiliates.</p> <p>(5) Pre-tax net profit, net profit for the period, total comprehensive income for the period: The combined impact as explained above.</p> <p>2. Expected sales volume and its basis, possible impact on the Company's future financial operations, and response plan: The Company estimates the annual operational targets for 2025 based on industry trends, market demand, and technical production capabilities. However, as there is no announced financial forecast, this is not applicable.</p>				

### III. Cash flow

#### (I) Analysis of Changes to Cash Flows Over the Past Year (2023)

Unit: NT\$ Thousand; %

Item \ Year	2023	2024	Amount increased (decreased)	Change Percentage (%)
Net cash generated/used by operating activities	1,370,696	712,253	(658,443)	(48.0)
Net cash inflow (outflow) from operating activities	(1,527,421)	(628,506)	898,915	58.9
Net cash inflow (outflow) from financing activities	516,268	(656,633)	(1,172,901)	(227.2)
Description of change analysis:				
1. Operating activities: The decrease in net cash inflow was primarily due to delays in domestic solar photovoltaic site projects and insufficient order momentum, leading to a decline in revenue.				
2. Investing activities: The decrease in net cash outflow was primarily due to the phased completion of advanced capacity expansion in 2023.				
3. Financing activities: The increase in net cash outflow was primarily due to the repayment of syndicated loans.				

#### (II) Analysis of Cash Flow for the Next Year (2024)

Unit: NT\$ Thousand

Cash at the beginning of the term Balance (1)	Full-year operating activities net cash flows (2)	Cash inflow (outflow) from investments and financing activities for the whole year (3)	Cash left (deficient) amount (1)+(2)-(3)	Remedial measures for cash shortfall	
				Investment plan	Wealth management plan
622,182	836,428	740,954	717,656	-	-
1. Analysis of Cash Flow for the Next Year					
(1) Operating activities: A net cash inflow is expected to result from operational stability.					
(2) Investing activities: An increase in cash outflows is expected for reinvestment programs such as solar photovoltaic and energy storage sites.					
(3) Financing activities: A cash outflow is expected from the repayment of borrowings from financial institutions.					
2. Expected Cash Shortfall Remedial Measures and Liquidity Analysis: The Company operates stably and does not anticipate any cash shortfall.					

#### (III) Plan for improving insufficient liquidity: N/A

### IV. The effect upon financial operations of any major capital expenditures during the most recent fiscal year (2023):

The Company's capital expenditures are funded by internally generated funds from operations and partially through bank financing. In response to international trends, we have completed the upgrade of TOPCon cell and module production line equipment, enhancing product competitiveness and meeting customer demands, which positively benefits our financial operations.

V. The reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

(I) Reinvestment Policy in the Recent Year

The reinvestments are made by the management based on the Company's operation or strategic objectives. The related units provide and summarize the professional information, and the investee's history, outlook, market condition, and managerial health are evaluated, as the reference for the management's decision-making.

(II) The Key Reasons for Profit of Loss from the Reinvestment in the Recent Year, and the Improvement Plan

December 31, 2024; Unit: NT\$ Thousand

Description Item	Investment income recognized in 2024	Shareholding ratio (%)	Major reasons for profit or loss	Improvement Plan	Other investment plan in the future
Hou Chang Energy Co., Ltd.	(26,812)	100.00	Engaging in the energy storage equipment business, the domestic green energy sector has not yet fully developed. Currently, the domestic energy storage business suffers from imbalanced supply and demand, leading to poor profitability.	Improvements in equipment stability and cost control.	None
Yuan-Jin Energy Co., Ltd.	(115)	90.00	Still in their establishment periods and hence no important income has been generated yet.	Actively developing domestic photovoltaic projects.	None
Holdgood Energy Co., Ltd.	3,529	45.49	Profits gradually surfaced from the devotion to development of solar power plants in Taiwan.	Enhanced deployment and service quality, actively developing domestic customers.	None
NFC III Renewable Power Co., Ltd.	(6,297)	24.00	Still in their establishment periods and hence no important income has been generated yet.	Actively developing domestic photovoltaic projects.	None

(III) Investment in the Next Year: None.

## VI. Risk management and assessment

### (I) The impact of interest rate changes on the Company's profit and loss and future countermeasures:

1. The impact of interest rate changes on the Company's profit and loss and future countermeasures.

In recent years, due to the pandemic and rising raw material prices, countries have initiated interest rate hikes to curb domestic inflation. The Company's operations and profitability have improved year by year, and it continues to accelerate repayments to reduce the debt ratio. Additionally, the Company effectively utilizes financing with government project interest rate subsidies to reduce its interest costs. The impact of future increases in New Taiwan Dollar interest rates on our company and its subsidiaries' long-term operational risks is limited.

2. The effect upon the Company's profits (losses) of exchange rate fluctuations, and response measures to be taken in the future.

Our company and its subsidiaries' future operating strategy will focus on selling solar modules and power plants in the domestic market. Operating revenue is denominated in New Taiwan Dollars and US Dollars. Foreign exchange positions mainly involve purchasing foreign raw materials and equipment, denominated in US Dollars and Chinese Yuan. To mitigate exchange rate risks, we engage in derivative financial instrument transactions for hedging purposes, conducting forward exchange rate hedging to minimize exchange rate risks.

3. The effect upon the Company's profits (losses) of inflation, and response measures to be taken in the future

The Company and its subsidiaries closely monitor international market price fluctuations. If domestic or international inflation leads to increased costs, the Company and its subsidiaries will timely adjust and negotiate sales and purchase prices to mitigate profit and loss risks.

### (II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

1. The operational philosophy of the Company and its subsidiaries is robust and practical, and the focuses are on the major business of the Company and its subsidiaries. No high-risk investment and highly leveraged investment are taken.
2. The Company and the subsidiaries have established the "Regulations Governing Loaning of Funds to Others," for loaning funds to others. As of the annual report publication date, there is no fund loaned to others by the Company and the subsidiaries.



3. The Company and the subsidiaries have established the "Regulations Governing Endorsement and Guarantee," to be referred to when conduct endorsement and guarantee. As of the annual report publication date, there is no endorsement and guarantee by the Company and the subsidiaries.
  4. The financial hedging strategies of the Company and the subsidiaries aim to avoid the risk of exchange rate fluctuation. The derivatives transactions are conducted pursuant to the Company's "Procedures for Acquisition or Disposal of Assets," and fully disclosed in financial statements.
- (III) Research and development work to be carried out in the future, and further expenditures expected for research and development work.
1. In April 2013, our company applied to the Ministry of Economic Affairs Industrial Development Bureau for the "Leading New Product Development Program" and received support from the bureau, successfully passing the "High Efficiency Pseudo-Monocrystalline Solar Cell Products" project. The government subsidy amounted to 10 million, while self-raised funds totaled 16 million. The project's proprietary research and development technology received national recognition and support, and in December 2014, it was commended by the review committee. The project was successfully completed, achieving and surpassing the set goals by increasing the conversion efficiency of high-efficiency pseudo-monocrystalline solar cells to over 19.8%. In January 2016, we applied to the Bureau of Energy, Ministry of Economic Affairs for the "Industry Energy Technology Project" and received support from the bureau, successfully passing the "High Efficiency Monocrystalline Solar Cell Products" project. The government subsidy amounted to 6.45 million, while self-raised funds totaled 8.55 million. This reiterates Yuanjing Solar's proprietary research and development technology and its solid foundation in Taiwan, earning national recognition and support. By the end of December 2016, the project had developed monocrystalline solar cells with a conversion efficiency of over 21.3%. The Company will continue the development of advanced manufacturing process technologies, to pursue the goal of being a world-class solar cell and module manufacturers. In 2023, Yuanjing also applied to the Industrial Development Bureau of the Ministry of Economic Affairs for the "Industrial Upgrading and Innovation Platform Guidance Program" and received support from the bureau, successfully passing the "N-type Large-Size High-Efficiency TOPCon Cells and Bifacial Module Development Project." The government subsidy amounted to 36.9 million, while self-raised funds totaled 53.1 million.
  2. The R&D development plan of the Company may be divided into the near-term, mid-term, and long-term. By deepening the collaboration with the academic institutes, good industry-academia partnerships are established.

(A) Near-term R&D development plan:

In addition to responding to the domestic market and VPC demand, the near-term R&D goals will align with the government's 2050 net-zero carbon emissions policy. We will independently develop high-efficiency N-type tunnel oxide passivated contact (TOPCon) solar cells and continually improve the quality of monocrystalline PERC cell mass production. We aim to enhance conversion efficiency and production yield, optimize process conditions, and reduce production costs. We are developing Super Multi-Busbar (SMBB) bifacial cell technology to further enhance overall cell efficiency.

The Company is actively developing various niche solar cell products, including the introduction of large-size N-type cell technology equipment and the development of M10-size cells to increase total wattage. For the M10 modules with 108, 120, 132, and 144 cells, we are introducing new materials for modules to optimize the module encapsulation process conditions, thereby increasing the module output wattage. In addition to developing solar cells for space use to address the demand for low-orbit satellites, we are also developing solar cells with radiation-resistant passivation layer technology for space environments. We are also conducting research on spectral dispersion to develop solar cell products with low visual stimulus.

Yuanjing is actively investing in the energy storage field, focusing on the development of Automatic Frequency Control (AFC) while also researching other storage functions such as peak shaving, power smoothing, and regional microgrids. This will provide a solid foundation for Yuanjing's future investments in the photovoltaic storage field and the power industry. An estimated NT\$50 million will be invested.

(B) Mid-term R&D development plan:

The mid-term R&D goals focus on the evaluation and introduction of advanced process technologies and materials to effectively increase photovoltaic utilization. This includes the introduction of new machinery, reduction of resistance, and the application of new electrode materials. Evaluate the development of G12 size cell technology to further increase the total wattage. Other innovative technology research includes the development of new cell structures such as heterojunction solar cells (HJT) and back-contact solar cells (IBC), as well as next-generation module encapsulation processes like shingled modules, stacked modules, high-density modules, and 0BB technology, among others.

Development of niche products, Yuanjing is also developing solar products with additional features for special purposes or environments. Besides developing solutions suitable for future electric vehicles or specific environments such as offshore applications, they are also working on solar module materials for the space environment, which will contribute to the Company becoming a leading manufacturer in technology development and cost control for solar cells and modules.

For subsequent power generation and energy storage development, in addition to actively seeking partners in different fields and quickly entering the electricity sales industry, as solar energy only generates electricity during the day, we need to research different types of power generation and energy storage methods, such as small-scale hydroelectric power generation, geothermal power generation, and liquid flow batteries, among others. This will help the Company develop into a more comprehensive power company. An estimated NT\$25 million will be invested.

(C) Long-term R&D development plan:

The long-term R&D goal is the mass production application of new cell Perovskite Tandem structures and modules, which will help the Company become a leading manufacturer in innovative technology development and cost control in the solar cell industry. The Company also focuses on the development and application of module circular economy, which will help the Company assist more customers in carbon trading issues. In addition, the development of the TSEC Smart Photovoltaic Platform will transform traditional PV operation and maintenance procedures into automated, flexible, simple, data-oriented solar array monitoring mechanisms and systems, ensuring maximum power generation efficiency for power plants. Combined with integrated energy storage system development, this will help the Company improve operational efficiency and reduce labor costs in future power operations, assisting the Company in becoming a new type of power operation company model for green energy creation, storage, development, and application. Leveraging upstream, midstream, and downstream integration capabilities, we will develop small-scale regional power dispatch planning systems and energy management systems. NT\$15 million is expected to be input.

(D) Academic-industrial collaboration plans

From 2012 to 2021, our company has collaborated with National Cheng Kung University, National Central University, and National Taiwan University of Science and Technology to successfully apply for and pass eight industry-academia collaboration projects with the Ministry of Science and Technology. The projects include: developing localized laser doping technology combined with spin coating diffusion sources, developing diamond-like carbon film passivation layer technology for high-efficiency silicon solar cells, applying spin coating doping diffusion processes to the fabrication of N-type PERT silicon solar cells, using micro/nano composite patterned substrates to enhance the photoelectric conversion efficiency of silicon-based solar cells, developing screen printing polymer slurry and applying it to the production of localized emitter and back passivated silicon solar cells, developing plasma-enhanced chemical vapor deposition multilayer SiOxNy:H/SiNx:H anti-reflection films for solar cells, developing low-reflection silicon nanostructure fabrication technology for application in polycrystalline silicon solar cells, conducting application research on the use of atomic layer deposition systems for passivation layer growth to improve the conversion efficiency of heterojunction solar cells, and developing sputtered film passivated contact technology for silicon solar cell fabrication. The Company is committed to establishing good relationships for industry-academia collaboration. The early R&D may firstly be conducted in the academic field for advanced manufacturing processes and forward-looking technologies based on the demands of companies, with the expectation of successfully introducing the product line into mass production. Meanwhile, professional talents in the solar energy area may be cultivated in academic research units, expecting them to join the Company in the future to contribute what they have learned.

School	Name
National Cheng Kung University	<ul style="list-style-type: none"><li>● Applied Study of the Conversion Efficiency of Heterojunction Solar Cells Improved through the Growth Passivation Layer of the Atomic Layer Sedimentation System</li></ul>
National Central University	<ul style="list-style-type: none"><li>● Development of Laser Doping Combing the Spin-on Dopant</li><li>● Applying spin coating doping diffusion processes to the fabrication of N-type PERT silicon solar cells.</li><li>● Development of Screen Printing Coating Polymer Paste for the Application to the Production of Local Emitter and Back Passivation Silicon Crystalline Solar Cells</li><li>● Developing plasma-enhanced chemical vapor deposition multilayer SiOxNy:H/SiNx:H anti-reflection films for solar cells.</li><li>● Development of Sputtering Thin Film Passivation Contact Technologies to Be Applied to the Production of Crystalline Silicon Solar Cells</li></ul>
National Taiwan University of Science and Technology	<ul style="list-style-type: none"><li>● Development of Diamond-like Carbon Film Passivation Layer Technology for the High-efficiency Silicon Crystalline Solar Energy</li><li>● Utilization of Micro/Nano Composite Patterned Substrates to Improve the Photoelectric Conversion Efficiency of Silicon-based Solar Cells</li></ul>

3. Estimated R&D expenses: It is expected to invest 78,112 thousand in 2025, and adjustments will be made based on the actual amount used. The R&D expenses for the past two years are as follows:

Unit: NT\$ Thousand

Item	2023	2024
R&D Expense	68,103	72,225
Amount of Revenue	8,242,495	4,514,018

- (IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.

The Company's operations comply with the domestic and foreign law regulations, while the development trends and changes of the domestic and foreign policies are closely monitored. The related information is collected as the reference for decision-making by the management, in order to adjust the operational strategies. As of the annual report publication date, the Company's finance business has not been affected by the changes to domestic/foreign key policies and legislations.

- (V) Impacts of changes in technology (including information and communication security risks) and industry on the Company's finance and business and countermeasures

As the technologies in the solar photoelectric industry are relatively mature, there is significant room for the development of basic materials and manufacturing processes. The most possible development direction is replacing P-type chips with N-type chips as the major upstream material for solar cells. Meanwhile the new-generation cell manufacturing process, e.g. TOPCon or HJT, may become mainstream in 2 to 3 years. These new technologies will greatly enhance the power generation efficiency of solar cells and lower the generation costs. On the other hand, the current production methods will be replaced gradually. To respond to the evolution of future production structure, the Company has taken corresponding strategies. In addition to the R&D Department mastering the relevant technological development thoroughly, and conducting development for the new process, the Company also cooperates with Japanese and the U.S. supply chain partners, as well as Russian equipment vendors to jointly develop new products. The Company's core specialty has always been technologies and quality. We firmly believe that the industrial structure evolutions are operation risks but also opportunities for development. The new generation solar photovoltaic manufacturing process technology will provide the Company with excellent opportunities to lead the peers, and create new competitive advantages.

The Company and its subsidiaries continuously monitor industry changes and market trends, as well as pay attention to related technological developments and changes. There were no major technological changes (including information and communication safety risks) and industrial changes whose consequences are sufficient to impact the financial operations of the Company and its subsidiaries significantly over the past year and up to the date of publication.

- (VI) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response.

Since its establishment, the Company has been committed to maintaining its corporate image and strictly adhering to all legal regulations. Up to the date of the printing of the annual report, there have been no incidents where changes in corporate image have caused an operational crisis for the Company.

- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken.

The Company and its subsidiaries did not have a plan to merge with or acquire other companies over the past year up to the date of publication. Shall there be any merger and acquisition in the future, cautious assessment will be conducted, and the synergies of merger will be considered to ensure the interests of the original shareholders.

- (VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken.

Driven by domestic renewable energy policies and in response to the domestic solar industry's demand for high-efficiency solar cells and modules, the board of directors approved the TOPCon capital expenditure for upgrading the battery production line on June 26, 2023, which will help enhance the Company's competitiveness. This case has been carefully evaluated by the market, so the possible risk of expanding the factory is extremely low.

- (IX) Risks associated with focused purchases or sales and countermeasures

1. Evaluation of the concentration risk with purchases

All major raw materials purchased by the Company and the subsidiaries are sourced from 2 or more suppliers to keep deliveries stable. The Company and the subsidiaries maintain good relations with suppliers, while diversifying risks. Therefore, since the foundation of the Company and the subsidiaries, there has been no interruption of supplies due to product shortage.

2. Assessment to the consolidation of sales

To actively expand the domestic sales of modules, the Company and its subsidiaries established module sales offices and power plant service teams in New Taipei City, Hsinchu, Changhua, Tainan, Pingtung and other places to achieve the goal of achieving the highest market share in Taiwan's module market. The share between large field customers and small-to-mid-size customers is half and half. Therefore, there shall be no risk of client consolidation. However, the Company and the subsidiaries keep on monitoring and assessing the regional markets and the clients' credit risks for timely responses.

- (X) Effect upon and risk to the Company in the event that a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

The transfer of shares by representatives of corporate directors and managers are part of the personal plan for wealth management, with no impacts on the Company.

- (XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

As of the annual report publication date, there has been no change in managerial control of the Company.

- (XII) Litigious and non-litigious matters

1. Major lawsuits, non-lawsuits, or administrative disputes with a finalized verdict or ongoing proceedings that involve the Company over the past year up to the date when the Annual Report was printed whose results may , have significant impacts on the shareholders' equity or prices of securities; the facts, target amount, start date of the lawsuit/dispute, main parties involved, and current status shall be disclosed: None.
2. Major lawsuits and non-lawsuits or administrative disputes with a finalized verdict or ongoing proceedings that involve the Company, the Company's directors, supervisors, the President, the actual person in charge, and shareholders holding more than 10% of all shares, and the associated companies over the past 2 years and up to the date when the Annual Report was printed with a confirmed verdict or ongoing ones whose results may have significant impacts on the shareholders' equity or prices of securities: None.

- (XIII) Other important risks, and mitigation measures being or to be taken

In the most recent fiscal year and up to the annual report publication date, there has been no other material risks to the Company.

## VII. Other important matters:

Information is as essential as other operating assets to the Company; therefore proper safeguard shall be provided. Information security protect information from various threats, so that the Company's operation is not interrupted and the risk of operational losses is minimized. Informa security aims to protect information and the supporting processing devices and systems, confidentiality, completeness and availability of the network are under no threat of whatever format, so that the sustainable operation is secured.

The most essential section in the information security risk control is personnel. The information security related information are promoted to employees from time to time, to enhance their sensitivity to the information security. The access restrictions are applied to the machine rooms of information devices to control employee's access from being accessed by unauthorized persons. In daily operations, aside from using firewalls and antivirus software to prevent malicious virus attacks and leaks of important confidential information, regular backup and redundancy operations are conducted for host data and the ERP system.

## Six. Special Items for Notation

### I. Information related to the Company's affiliates

#### (I) Consolidated Business Report of Affiliated Enterprises:

Please refer to the announcement of the Company's three statements of affiliated enterprises on the Market Observation Post System.

### II. Management of Private Placement Securities of the Past Year up to the Date the Annual Report Was Printed:

Item	The 1st private placement in 2021 (Note 1) Issuance Date: January 7, 2022				
Types of privately placed securities (Note 2)	A-Preferred shares				
Date of Shareholders' Meeting Approval and Amount (Note 3)	Approved in the Shareholders' Meeting on April 7, 2021. The intended total issuance amount of Class A preferred stock shares is NT\$750 million at maximum, with a maximum of 75,000 thousand shares. The par value per share is NT\$10.				
Basis for and legitimacy of pricing	A price no less than 80% of the theoretical price is the criterion.				
Method of selection for specific persons (Note 4)	The target for this private placement of preferred shares is limited to specific individuals who meet the requirements of Article 43-6 of the Securities and Exchange Act and the provisions set forth by the Financial Supervisory Commission in Order No. 0910003455 on June 13, 2002. Those who may directly or indirectly improve the operating performance for the Company's future operation may be prioritized in the selection of qualified persons.				
Rationale for organizing private placements	Considering the capital market conditions, the timeliness and feasibility of raising capital, issuance costs, and the potential introduction of strategic investors to facilitate the Company's development, the restrictions on the transfer of privately placed securities can ensure a long-term cooperative relationship between the Company and strategic investors, enhancing the stability of the Company's operations. Therefore, fundraising is conducted through private placements. Also via the authorization to the Board of Directors, the placement is conducted depending on the actual demands of the Company's operation; thus the flexibility and agility of the fundraising is enhanced effectively. Consequently, it is necessary to conduct the cash capital increase via the private placement of new shares.				
Date of completion of payment	2021.12.2				
Subscriber profile	Target of private placement (Note 5)	Eligibility (Note 6)	Quantity subscribed (shares)	Relationship with the Company	<u>Involvement in Corporate Operation</u>
	National Development Fund Management Committee of the Executive Yuan	Meeting the requirement in Article 43-6 Paragraph 1 Sub-paragraph 2 of the Securities and Exchange Act.	8,210,526	None	None
	Yu Sheng Energy Corporation		17,684,210	Corporate director of the Company	
Actual subscription (or conversion) price (Note 7)	NT\$23.75 per share.				
Difference between actual subscription (or conversion) price and reference price (Note 7)	The actual issue price per share for this private placement was set based on no less than 80% of the theoretical price of 29.06, as resolved by the Board of Directors, and was determined to be NT\$23.75 per share.				
Impact of private placement on shareholders' equity (e.g., causing an increase in accumulated losses...)	The pricing of privately placed preferred shares is determined based on the "Directions for Public Companies Conducting Private Placements of Securities" and takes into account the Company's future development, as well as limitations on the timing, parties, and quantity of privately placed securities transfers. Additionally, these shares cannot be listed on the stock exchange, leading to lower liquidity. Therefore, the pricing method is considered reasonable and does not have a significant impact on shareholders' equity.				
Utilization of Privately Placed Funds and Project Implementation Status	They are expected to support the addition of production lines for new-generation batteries and modules and to meet the demand for funds in the future long-term development of power stations and overseas operations of the Company. All were used up in the second quarter of 2022.				
Demonstration of Private Placement Efficacy	It is expected that other than continuously improving the financial structure, by introducing strategic investors, they will assist the Company with market development and technical cooperation, and thus the Company's profit is enhanced. This is actually conducive to shareholders' equity.				



- Note 1: The number of fields may be adjusted reflective of the actual number of occurrences. If the private placement of securities takes place in separate efforts, they shall be listed separately.
- Note 2: Provide the type of security included in the private placement, such as common stock, preferred stock, convertible preferred stock, preferred stock with subscription warrants, common corporate bond, convertible corporate bond, a corporate bond with subscription warrants, overseas convertible corporate bond, global depository receipt, and employee share subscription warrant, among others.
- Note 3: When no approval through the shareholders' meeting is required in the case of private placement corporate bonds, the date and amount approved by the Board of Directors shall be provided.
- Note 4: For ongoing private placements, if subscribers have been approached and determined, the names of subscribers and their relationship with the Company shall be specified.
- Note 5: The number of fields may be adjusted reflective of the actual number.
- Note 6: Provide what is indicated in Article 43-6 Paragraph 1 Sub-paragraph 1, Sub-paragraph 2, or Sub-paragraph 3 of the Securities and Exchange Act.
- Note 7: The actual subscription (or conversion price) refers to that set when private placement securities are actually issued.

III. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: Not applicable.

IV. Other matters that require additional description: None.

Seven. Significant events that occurred in the most recent fiscal year and up to the date of the printing of the annual report as defined by Article 36, Paragraph 3, Item 2 of the Securities and Exchange Act that may have a substantial impact on shareholders' equity or the price of securities: None.



**TSEC Corporation**

**Chairman: Weiren Investment Limited**

**Representative: Liao, Kuo-Ron**