

Stock Code: 6443



TSEC Corporation AGM Agenda

Handbook, 2025

Time of AGM: 9:00 am, May 23 (Friday), 2025

Venue of AGM: No. 335-12, Daxi Road, Pingdong City, Pingdong
County (Pingdong Plant of the Company)



TSEC Corporation

2025 Annual General Meeting Minutes

Convening method: Physical Shareholders' Meeting

Time: 9:00 AM on May 23 (Friday), 2025

Place: No. 335-12, Daxi Road, Pingdong City, Pingdong County (Pingdong Plant of the Company)

Attendance: The total number of shares represented by the shareholders and proxies present was 288,759,778 shares (Including special shares) , This represents 53.604% of the Company's total issued shares of 538,691,466.

Directors present: Wei Jen Investment Co Ltd. Representative : Kuo-Ron, Liao
An Chuang Industrial Corporation Representative : Wei-Jan, Liao
Yu Sheng Energy Corporation Representative : Weng-Cheng, Liu
independent directors : Gu-Tong, Lin
independent directors : Xian-Zhi, Zheng
independent directors : Qian-Ru, Shen

Attendees: President : Chen-Ren, Hung

Manager Taian-Assistant, Chen

Principal Accounting Officer : Wei-Che, Chang

CPA : Meng-Kuei, Yu

Chairman: Wei Jen Investment Co Ltd.

Record: Johnson ,Cheng.

Representative: Kuo-Ron, Liao.

I. Announcement of Meeting: The chairman explained that the number of shareholder representatives present had met the requirements of the Company Law and announced the commencement of the meeting.

II. Chairperson Takes Chair: (Omitted)

III. Matters to Be Reported

Proposal 1

Subject: 2024 Business Report.

Description : Please refer to Attachment 1 of the handbook for the business report, 2024.

Proposal 2

Subject: Audit Committee's Review of the 2024 Year-End Report.

Description : Please refer to Attachment 2 of the handbook for the Audit Committee report.



Proposal 3

Subject: 2024 Director Remuneration Report.

Description : The director remuneration policy is in accordance with the Company's Articles of Incorporation. For relevant policies, individual remuneration content and amounts, please refer to Attachment 3.

IV. Matters to Be Ratification

Proposal 1 (Proposed by the Board of Directors)

Subject: Please ratify the business report of 2024 and each financial statement.

Description:

- I The business report, parent company-only and consolidated financial statements of 2024 have been audited and certified by Deloitte's Accountant Cheng-Chuan Yu and Meng-Kuei Yu; along with the business report, such reports are audited by the Audit Committee.
- II Please refer to Attachment 1 and Attachment 4 of the handbook for the business report, auditor's report, and financial statements.

Resolution: The voting results for this proposal are as follows: This proposal is passed as stated.

project	In favor (including electronic voting)	Oppose (including electronic voting)	Invalid vote (including electronic voting)	abstain (including electronic voting)
Voting power	142, 555, 615	65, 722	0	5, 629, 009
% of voting rights.	96.159%	0.044%	0%	3.797%

Proposal 2 (Proposed by the Board of Directors)

Subject: Ratifying the 2024 Profit and Loss Appropriation for approval.

Description:

- I The beginning undistributed earnings for this year were NT\$260,856,565. After deducting the 2024 net loss after tax of NT\$600,253,264 and reversing the rotary special reserve of NT\$389,705 in accordance with the law, the loss to be covered is NT\$339,006,994. It is proposed, in accordance with Article 239 of the Company Act, to offset the loss with a legal reserve of NT\$76,099,640 and capital surplus from common share premium of NT\$262,907,354, resulting in an ending undistributed earnings

balance of NT\$0.

II Please refer to Attachment 5 (Page44) of the handbook for the 2024 Profit and Loss Appropriation Table.

Resolution: The voting results for this proposal are as follows: This proposal is passed as stated.

project	In favor (including electronic voting)	Oppose (including electronic voting)	Invalid vote (including electronic voting)	abstain (including electronic voting)
Voting power	142, 518, 538	101, 079	0	5, 630, 729
% of voting rights.	96. 134%	0. 068%	0%	3. 798%

V. Matters to Be Discussions

Proposal 1 (Proposed by the Board of Directors)

Subject: Propose amendments to certain provisions of The Company's

"Procedures for Acquiring or Disposing of Assets" for deliberation.

Description : In response to the amendment of the regulations by the competent authority and The Company's operational needs, it is proposed to amend certain provisions of The Company's "Procedures for Acquiring or Disposing of Assets." Please refer to Attachment 6 of the handbook for the comparative table of the amendments.

Resolution: The voting results for this proposal are as follows: This proposal is passed as stated.

project	In favor (including electronic voting)	Oppose (including electronic voting)	Invalid vote (including electronic voting)	abstain (including electronic voting)
Voting power	112, 821, 587	29, 777, 491	0	5, 651, 268
% of voting rights.	76.102%	20.086%	0%	3. 812%

Proposal 2 (Proposed by the Board of Directors)

Subject: Propose amendments to The Company's Articles of Incorporation for deliberation.

Description : In response to the amendment of the regulations by the competent authority, it is proposed to amend certain provisions of The Company's Articles of Incorporation. Please refer to Attachment 7 of the handbook for the comparative table of the amendments.

Resolution: The voting results for this proposal are as follows: This proposal is

passed as stated.

project	In favor (including electronic voting)	Oppose (including electronic voting)	Invalid vote (including electronic voting)	abstain (including electronic voting)
Voting power	142, 526, 178	73, 635	0	5, 650, 533
% of voting rights.	96.139%	0.050%	0%	3.812%

VI. Matters to Be Election Matters

Proposal 1. (Proposed by the Board of Directors)

Subject: Proposal for the re-election of The Company's directors, submitted for election.

Description:

- I The term of the current Board of Directors of the Company will expire on June 8, 2025, and a re-election shall be conducted in accordance with the law.
- II According to Article 16 of the Company's Articles of Incorporation, the Company has seven to eleven directors and adopts a candidate nomination system. The term of service is three years, and they can be re-elected. In this re-election, eight directors, including three independent directors, should be elected. For relevant candidates, please refer to Attachment 8 of this handbook.
- III The professional qualifications and other compliance matters regarding the aforementioned independent directors shall be handled in accordance with the Company Act and the relevant regulations of the securities authority.
- IV The new directors will assume office immediately after the conclusion of the 2025 Shareholder Meeting, with their term beginning on May 23, 2025, and ending on May 23, 2028. The current directors will be dismissed immediately after the conclusion of the 2025 Shareholder Meeting.
- V The list of candidates for Directors and Independent Directors has been reviewed and approved by the Company's Board of Directors. For their education, experience, and other relevant information, please refer to Attachment 8 of this handbook.

Election Results : The voting results and the list of elected officials for this

proposal are as follows.

Title	Shareholder Name	Votes Received
Director	Wei Jen Investment Co Ltd.	175,624,163
Director	An Chuang Industrial Corporation Representative: Wei-Jan, Liao	136,350,379
Director	Cheng Hsi Investment Corporation Representative: Cheng-Ji, Hsu	136,347,566
Director	Yu Sheng Energy Corporation Representative: Weng-Cheng, Liu	136,347,711
Director	National Development Fund Management Committee of the Executive Yuan Representative: Ming-Hsin Kung	136,348,574
Independent Director	Gu-Tong, Lin	135,713,360
Independent Director	Xian-Zhi, Zheng	135,452,091
Independent Director	Qian-Ru, Shen	135,565,877

VII. Matters to Be Other Matters

Proposal 1 (Proposed by the Board of Directors)

Subject: Propose the lifting of restrictions on the non-compete clause of the Company's board of directors for deliberation.

Description :

- I In accordance with Article 209 of the Company Act, a director who acts for himself or on behalf of another person within the Company's scope of business shall explain to shareholders the essential content of the act and obtain their permission.
- II Shall the Company's directors invest or operate any company within or similar to the Company's business scope, and also act as directors of such companies, it is proposed to approve relieving the newly-elected directors from such non-competition restrictions pursuant to Article 209, the Company Act if their acts do not harm the Company's interests.
- III Please refer to Attachment 7 for the content of relieving directors from the non-competition restrictions.

Resolution: The voting results for this proposal are as follows: This proposal is passed as stated.

project	In favor (including electronic voting)	Oppose (including electronic voting)	Invalid vote (including electronic voting)	abstain (including electronic voting)
Voting power	142, 009, 131	369, 521	0	5, 871, 694
% of voting rights.	95.790%	0.249%	0%	3.961%

VIII. Extraordinary Motions :

No other temporary motions were proposed after inquiry.

IX. Dismissal : The Chairman adjourned the meeting (May 23, 2025, 9:27 AM).

No shareholders asked questions at this shareholders' meeting.

2024 Business Report

I. 2024 Business results

1. Achievements of business plan

Since the successful transformation in 2018, TSEC's business strategy has been changed to focus on domestic module sales. TSEC brand awareness and product sales continue to lead the peers in Taiwan's optoelectronics market. The total module sales in 2024 are expected to be 389MW, compared to 656.58MW in 2023, representing a decrease of approximately 40.7%. The main reasons include the transition between old and new governments and the massive dumping of overseas modules, resulting in a weaker market momentum, with about 65% of the existing market being occupied by cheap overseas products. The Company's average market share in Taiwan has decreased from 30% to approximately 24%. Amidst the uncertainties in the domestic market, the Company actively expanded its export market opportunities in early 2024, extending its reach to the United States, Japan, and parts of Europe, hoping to gradually see results by the end of 2024 to stabilize the healthy development of the Company's diverse market. Market momentum in 2024 is generally insufficient, but several large-scale project shipments provided a solid foundation, resulting in positive performance for the first three quarters. However, the Taiwanese market continued to be weak due to unclear policies and the invasion of overseas modules, leading to a less favorable performance in the fourth quarter compared to the previous three quarters. Below is an analysis of the Company's 2024 operational strategy performance:

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(1) Connecting to the international market and enhancing sales volume

To avoid over-reliance on the domestic market, TSEC began cultivating the Japanese market as early as 2023 and has successfully engaged with a major Japanese power company. The two parties are drafting a module agency contract aimed at national sales throughout Japan, with hopes to jointly expand the Japanese market starting in 2025. Additionally, since the start of the U.S.-China trade war, the United States has imposed high anti-dumping and countervailing duties on China, which also encompass four Southeast Asian countries. Through the Inflation Reduction Act of 2022 (IRA), the U.S. subsidized local photovoltaic manufacturing costs to induce and compel foreign module manufacturers to relocate and invest in establishing factories in the United States. However, due to the higher and more complex production costs of solar cells, the market is experiencing an excess of module production capacity compared to cell production capacity. Apart from its long-term cooperation with Company T in the U.S., the company is in discussions with several U.S. module manufacturers, focusing primarily on TOPCon cells as the main sales product. We hope to commence multifaceted cooperative transactions in 2025, but the overall outcomes will still depend on the final determination of U.S. tariffs.

TOPCon will be officially introduced into production in the second half of 2024. The US-based company has collaborated with TSEC for many years. Due to the long certification and testing time, coupled with the COVID-19 pandemic and the continuous change in product specifications from G1 to M10, it is impossible to have a specific transaction volume between the two parties. 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. While there is a global oversupply, the Company implemented a product efficiency improvement plan, introducing the new TOPCon process to enhance market competitive advantage, and obtained domestic VPC cell/module certification to start production and shipment in the third quarter of 2024. Although the market still concurrently has both M6 and M10 PERC products, it is estimated that starting from the first quarter of 2025, the global photovoltaic market will fully transition to mainly TOPCon N-type products. This move will eliminate half of the old production lines in the market, and the new production line layout will better enable the Company to capture sales opportunities in both the domestic and overseas cell/module markets.

(3) Performance of Financial Improvement Strategy Execution

(I) Reduce the cost of debt

Under the global interest rate hike trend, as of 2024, the NT dollar has increased by 0.125%, with the rediscount rate at 2%. Although the U.S. Federal Reserve has slightly lowered interest rates, the base rate remains around 5.00%. Due to the interest rate spread between NT dollar and foreign currency loans reaching about 3% or more, borrowing for imported materials abroad has been switched to primarily using NT dollars to reduce interest costs.

The short-term loan interest rates for 2024 range between 2.29% and 2.34%, and the long-term loan interest rates range between 1.72% and 3.02%. Compared to the 2023 short-term and long-term rates of 2.39% to 2.58% and 1.60% to 3.09%, respectively, the control over borrowing costs has been effective.

In terms of financial scheduling, the borrowing amount is adjusted according to the Company's operational condition. The debt ratio for 2024 is approximately 34%, compared to 37% in 2023, which helps to reduce financial risk and alleviate the interest burden.

(II) Reduce dependence on borrowings and strengthen the financial structure.

Due to the impact of international circumstances on the renewable energy industry, including the emphasis on fossil fuels by the new U.S. government energy policy and withdrawal from the "Paris Agreement," China's solar overcapacity, and the lack of recovery momentum in domestic green energy policies, the syndicated loan restructuring for the Hsinchu plant was completed in December 2024 to stabilize the company's financial structure and strengthen investor confidence. At the same time, it also demonstrates the support from the banking group for the company's solar manufacturing business and future investment endeavors.

(4) Enhance Synergy of Reinvestment

(I) Solar photovoltaic project sites

Due to geopolitical reasons affecting foreign-owned solar project sites or domestic developers facing funding backlogs due to approval delays, there is a wave of sell-offs at Solar photovoltaic project sites. The evaluation includes more than 100 MW of solar sites and other development projects. In order to ensure investment returns and feasibility of development, careful evaluation will be conducted before execution.

(II) Obtained an electricity sales license

Hengli Energy Corporation, a wholly-owned subsidiary, obtained an electricity sales license in 2024 to operate the green electricity purchase and sales business, aiming towards the Group's diversification goals.

2. Budget execution: According to the current laws and regulations, the Company does not disclose the 2024 financial budgets.

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 inflow used in 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 assets	4.95	(4.97)
Return on shareholders' equity	7.64	(8.29)
Operating Income to paid-in capital ratio	9.22	(11.34)
Profit margin	6.38	(13.30)
After-tax earnings per share (NT\$)	1.07	(1.17)

4. Status of research and development

The Bureau of Energy of the Ministry of Economic Affairs has organized the nomination of high-quality solar products (Taiwan Excellent PV Awards) since 2013, and the Company has won awards for eleven consecutive years (2014 to 2023). In response to the domestic VPC demand, we are committed to improving the production quality of monocrystalline V-cells, while taking into account the improvements in conversion efficiency and yield, in order to optimize the manufacturing process and reduce production costs. We have developed multi-busbar (MBB) technology, thereby improving battery efficiency. Additionally, we have actively developed various niche solar cell products, including the introduction of large-sized N-type battery technology equipment and the development of M10 size batteries to increase the total battery wattage. For the 108-cell, 120-cell, 132-cell, and 144-cell M10 modules, we have introduced new materials to optimize the module packaging, further increasing the output wattage of modules, and evaluating the feasibility of 0BB module technology. Moreover, in response to the needs of low-orbit satellites, we have developed solar cell packaging technology for space applications, and also developed N-type solar cell technology with a passivation layer that can withstand high radiation for space environments.

II. Summary of 2025 Business Plan

1. Business Guidelines

In order to achieve the goals of energy transition and build Taiwan into a safe, clean and sustainable smart energy island, Executive Yuan launched the Green Energy Technology Industry Innovation Promotion Plan 2.0. in 2021. The plan has four major visions, "Green energy promotion," "Industry development," "Technological innovation," and "Green finance." The relevant policies under the four topics of energy conservation, energy creation, energy storage, and system integration adopt strategies to further coordinate energy use and develop market resilience in order to make Taiwan the Asia-Pacific Green Energy Center. In response to the government's policy on green energy and carbon reduction, TSEC, as the largest photovoltaic manufacturer in Taiwan, has formulated six operating goals for 2025, including market, production, procurement, quality, R&D, and finance, to build cohesion of employees for the achievement of the goals.

2. Expected sales and its basis: The Company has does not disclose the 2025 financial forecasts.
3. Important manufacturing and sales policies

(1) Accelerate the elimination of M6/M10 PERC and introduce the TOPCon process based on market conditions.

The global solar cell/module production capacity has exceeded 1,600 GW. After excluding 50% PERC P-type products, TOPCon occupies approximately 800 GW. Although this is still higher than the international demand of 600 GW, at this stage, high-efficiency products are mainly based on monocrystalline N-type process. Coupled with the current state of closures and consolidation among international photovoltaic manufacturers, for the medium to long-term market, in addition to cost savings, the Company can secure more orders by investing in advanced TOPCon processes. Moreover, by investing in TOPCon capacity, each cell's wattage can increase by 7%, leading to cost-saving benefits in production.

(2) Continuously improve the conversion efficiency and commercial yield of TOPCon cells.

Overall, besides increasing capacity through order intake, amid the frozen state of the domestic and international markets, improving the commercial yield of battery output from the current 94% to over 96% can enhance the overall company profit by nearly 2%. This is the most direct and effective way to reduce costs and increase revenue and profits. Furthermore, the continuous improvement of TOPCon conversion efficiency not only meets market needs but also offers an advantage in reducing production costs to compete with imported modules and expand the overseas market. When battery efficiency increases from 25% to 25.5%, each battery can increase by 0.17W to 8.54W, calculated with a daily output of 140,000 pieces per line, resulting in an annual increase of 8.7MW. Assuming no consideration of modules in 5W sales increments and a calculation of \$0.28 per watt, this could add \$2.43 million in annual revenue, providing a noticeable benefit to the company's real earnings and cost reduction efforts.

(3) Implement procurement bargaining to reduce production costs.

The Company will continue to utilize the procurement negotiation team introduced in June 2024, personally led by the Chair, to conduct a cost-performance (CP) value comparison for the procurement of critical materials, implementing the three principles of "inquiry, comparison, negotiation" for procurement. To implement cost reduction through procurement negotiation, the factory and procurement unit supervisors will review the cost and yield of procurement materials for the next quarter at the end of each quarter, comparing the unit prices and supply quality of key materials each season. Besides effectively reducing costs, this places positive negotiating pressure on excellent suppliers. If a cost saving of 1 cent per watt can be achieved, with an annual sales volume of 500 MW, it is estimated that NT\$150 million of expenses can be saved annually.

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

Although The Company has been operating in the US and Japanese markets for more than two years, it takes time to yield results. It is hoped that by the third and fourth quarters of 2025, at least one-third of the sales volume can be captured to compensate for the sales gap caused by insufficient market momentum domestically.

U.S. market

Due to the U.S. tariffs on Southeast Asia and the IRA's subsidy of up to 7¢/W for domestic module manufacturing in the United States, the domestic module manufacturing capacity in the U.S. continues to increase, with existing and planned module capacity exceeding 50 GW. However, there is almost no significant cell capacity in the U.S., thus providing an opportunity for the company to export cells to the U.S. Currently, 15 module manufacturers are in contact for discussions, and several have already begun sample testing. At the same time, due to the anti-dumping tariff issues in the U.S., it is necessary to avoid triggering U.S. dumping issues and seek to reduce the current 7.89% anti-dumping tax imposed on the company by the U.S.

Japanese market

The Japanese module market sees an installation volume of around 4GW annually. Large-scale ground power plants have long been dominated by imported modules from mainland China, while high-priced Japanese brand products occupy the rooftop module market. The company aims to enter the high-quality Japanese module market with a quality image superior to Chinese products and pricing more competitive than Japanese products. There are two main target niche markets: the first is to leverage the superior image of Taiwanese products to penetrate the high-priced rooftop product market that appeals to Japanese end consumers; the second is to use TSEC's products' advantages in weather resistance and reliability to enter the ground market in challenging environments such as coastal and even water areas. We have been in contact with Japanese large power companies and other downstream distributors for over two years and continue to reach out to other potential customers. Additionally, with the support of local Japanese government policies mandating the installation of solar modules in new residential buildings, the company is poised to establish a foothold in the Kanto region of Japan and gradually achieve a certain market share. If investment in modifying the production line for small rooftop modules is confirmed, the sales target for 2025 is set to exceed 20MW. There has already been a record of small-volume exports starting in December 2024.

(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 the solar power have also sold their inventories at low prices in exchange for cash to survive. As a result, the overseas module inventories have soared. In addition to that the procurement and financial departments need to pay attention to the changes in costs and exchange rates of the supply chain, the sales departments must pay attention to the 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. Other than product planning, more attention was paid to ESG and corporate governance internationally than in the past. On the one hand, the Company will continue to implement corporate governance policies, enhance and improve the performance of operation management, to shape and deepen corporate governance culture. The goal is not lower than the second level of corporate governance evaluation; on the other hand, 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, the management will be established for inquiry, carbon reduction and offset, and thus the sustainable development of a low-carbon environment is 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 entire industry into a downturn. Other major aspects include the aggressive influx of overseas module imports and the impact of rapid political and geopolitical changes on Taiwan-made products. The relevant analysis is carried out as follows:

1. Competition from imports of modules made overseas

The government launched the optoelectronic pioneer VPC program in 2016, providing a protective umbrella for photovoltaic and batteries, effectively preventing overseas manufacturers from entering the Taiwanese market through unfair competition. However, due to the gaps in domestic policies that accelerated the opening for the import of low-price modules with inconsistent quality, even though domestic manufacturing quality and reputation are better, they are still unable to compete with the inferior and unguaranteed imported products, making this VPC certification weaker than in previous years.

2. Transition from old to new products

Because Taiwan is located in an important region in the Asia Pacific, the war 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. anti-circumvention investigations in Southeast Asia, which is conducive to giving Taiwanese manufacturers an opportunity to sell to the U.S. market, Japan's uneasy tie in history with China has also surfaced. Even Japanese businesses that used to rely on Chinese products are turning to Taiwanese manufacturers for cooperation.

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 the domestic demand, and then expand into the overseas market to live up to the expectation of all shareholders.

Best wishes to all valued shareholders.

TSEC Corporation

Chair: Wei Jen Investment Co Ltd.

Representative: Kuo-Ron, Liao

President: Hung, Chen-Ren

Principal Accounting Officer: Chang Wei-Che

March 5, 2025

Audit Committee Report

The board of directors has produced the Company's 2024 business report, financial statements and annual profit distribution table, and the financial statements (both consolidated and standalone) have been audited by certified accountants Cheng-Chuan Yu and Meng-Kuei Yu of Deloitte Taiwan, with the auditing report attached. The abovementioned documents have been audited and determined to be correct and accurate by the audit committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for review.

Sincerely,

The 2025 Annual General Meeting of The Company

Convener of the Audit Committee: Gu-Tong, Lin
March 5, 2025

Director Remuneration Policy Report

The Company's policy, system, standards and structure of remuneration payments to directors and independent directors, and the relationship between the responsibility, risk, time committed to the organization and other factors and the amount of remuneration to them are described as follows:

- I. In accordance with the provisions of the Articles of Incorporation, the remuneration of directors, regardless of the Company's profitability, shall be assessed by the salary and remuneration committee based on the extent of their participation in and contribution to the Company's operations. The board then makes a resolution based on the assessment conducted by the salary and remuneration committee and the standard among industry peers. The Company may offer a salary and remuneration standard for independent directors that is different from that for regular directors.
- II. The Company's Articles of Incorporation also clearly stipulated that no more than 5% of the annual profit shall be distributed as director remuneration. According to the Management Measures for Director and Managerial Officer Remuneration, the rules for the remuneration payment is as follows:
 - (I) The salary of directors is determined based on the standard of industry peers and each director's participation in and contribution to the Company's operations. The Office of the Chairman proposes to have the Remuneration Committee evaluate the Company's financial position and operating performance, which submits the deliberation results to the board meeting for payment.
 - (II) For general directors who concurrently work as employees, the amount of the director's salary is adjusted in consideration of the employee salary received.
 - (III) In addition to the abovementioned director salary, the achievement of the set business performance goals and special contribution to the Company's operation may be eligible for bonus distribution. The Salary and Remuneration Committee evaluates the rationality of the set business performance goals and the special contribution to the Company's operations, and takes into account the annual financials and operating performance, before submitting the evaluation results to the board for approval.

I. The breakdown of 2024 remuneration to each director is detailed in the following table.

Unit: NT\$ thousand; %

Designation	Name	Remunerations to directors										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 or the parent company	
		Wages (A)	Pension upon retirement (B)	Compensation for director (C)	Service Expense (D)	Sum of A, B, C, and D as a percentage of net income after tax	Wages, bonuses, special allowances, etc. (E)	Pension upon retirement (F)	Employee Compensation (G)		Companies included in the financial statements	Share Amount	Cash Amount (Note 1)				
									The Company	The Company	The Company	The Company	The Company	The Company	The Company		
Chair	Wei Jen Investment Co Ltd. Representative: Kuo-Ron, Liao	1,080	1,080	—	—	1,080	1,080	6,823	—	—	—	—	480	—	—	8,383	8,383
Director	Representative: Wei-Jan, Liao of An Chuang Industrial Corporation	1,080	1,080	—	—	1,080	1,080	4,283	—	108	108	380	—	—	—	5,851	5,851
Director	Representative: Cheng-Ji, Hsu of Cheng Hsi Investment Corporation	1,080	1,080	—	—	1,080	1,080	—	—	—	—	—	—	—	—	1,080	1,080
Director	Representative: Weng-Cheng, Liu of Yu Sheng Energy Corporation	1,080	1,080	—	—	1,080	1,080	—	—	—	—	—	—	—	—	1,080	1,080
Director	National Development Fund Management Committee of the Executive Yuan	994	994	—	—	—	—	994	994	—	—	—	—	—	—	994	994

Direct or	Representative: Yang Shu-Ling	86	86	—	—	—	—	—	—	86	86	—	—	—	—	—	—	—	—	86	86	—
Independent Director	Xian-Zhi, Zheng	1,200	1,200	—	—	—	—	—	—	1,200	1,200	—	—	—	—	—	—	—	—	1,200	1,200	—
Independent Director	Qian-Ru, Shen	1,200	1,200	—	—	—	—	—	—	1,200	1,200	—	—	—	—	—	—	—	—	1,200	1,200	—
Independent Director	Gu-Tong, Lin	1,200	1,200	—	—	—	—	—	—	1,200	1,200	—	—	—	—	—	—	—	—	1,200	1,200	—

1. Please state the remuneration policies, systems, standards and packages for independent directors, and the connection of the factors, such as responsibilities, risk and spent hours, with the amount of remuneration: The remuneration to the Company's independent directors receive fixed monthly remunerations based on the "Procedures for Management of Remunerations and Compensations to Directors and Managerial Officers."

2. Other than the remuneration disclosed in said table, the remuneration received by any of the Company's directors for providing services to any companies included in the financial statement, e.g., as an advisor other than an employee in the most recent year: _0_

Note 1: The 2023 Employee Compensation will be actually distributed in 2024.

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, TSEC Corporation and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

TSEC CORPORATION

By

ELLICK LIAO
Chairman

March 5, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
TSEC Corporation

Opinion

We have audited the accompanying consolidated financial statements of TSEC Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph) the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Validity of Sales revenue to Newly Added Major Customers

The sales revenue from newly added major customers for the year ended December 31, 2024 was \$2,073,246 thousand, which accounted for 45.93% of the Group's operating revenue and is material to the Group's consolidated financial statements. Since management may be under pressure to achieve financial goals, the inherent risk of fraud in revenue recognition is high. Thus, we identified the risk of revenue recognition as a key audit matter. For the related accounting policies, please refer to Note 4 of the consolidated financial statements.

We obtained an understanding of the Group's internal controls over sales transactions with newly added major customers and designed the corresponding audit procedures to confirm and assess the operating effectiveness of the related controls. We also performed substantive testing by selecting samples of the transactions with newly added major customers and inspected third-party shipping documents, the customers' receipts of delivery, cash payments and material sales returns after the reporting period. We confirmed that sales revenue from newly added major customers is free from material misstatements.

Other Matter

Among the investments accounted for using the equity method, the financial statements of Yuan-Yu Solar Energy Co., Ltd. and NFC III Renewable Power Co., Ltd. were audited by other auditors. Therefore, the conclusions made regarding the amounts presented in the financial statements of investee companies in the aforementioned consolidated financial statements are based on the audit results of the other auditors. As of December 31, 2024 and 2023, the investment balance in investee companies in the aforementioned accounted for \$552,725 thousand and \$549,725 thousand, respectively, representing 5.4% and 4.6% of the total consolidated assets. The share of profit or loss recognized under the equity method for associated enterprises for the years ended December 31, 2024 and 2023, amounted to \$6,630 thousand and \$39,055 thousand, respectively, accounting for (1.1%) and 7.4% of the total consolidated comprehensive income.

We have also audited the parent company only financial statements of TSEC Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion with other matters paragraph.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Cheng-Chuan Yu and Meng-Kuei Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 5, 2025

Notice to Readers

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

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

TSEC CORPORATION AND SUBSIDIARIES

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

	2024		2023	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 622,182	6	\$ 1,194,354	10
Financial assets at amortized cost - current (Notes 4, 8 and 33)	128,087	1	139,120	1
Notes receivable (Notes 4, 9 and 25)	507,276	5	83,894	1
Accounts receivable (Notes 4, 9 and 25)	785,407	8	1,487,008	12
Accounts receivable from related parties (Notes 4, 9, 25 and 32)	8	-	42,437	-
Other receivables (Notes 4 and 9)	1,375	-	2,640	-
Other receivables from related parties (Notes 4 and 32)	147	-	1,385	-
Current tax assets (Notes 4 and 26)	3,535	-	2,340	-
Inventories (Notes 4 and 10)	1,165,372	11	1,274,866	11
Other current assets (Note 18)	25,548	-	97,134	-1
Total current assets	<u>3,238,937</u>	<u>31</u>	<u>4,325,178</u>	<u>36</u>
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 8 and 33)	65,717	1	63,698	1
Investments accounted for using the equity method (Notes 4, 13 and 33)	780,621	8	781,105	6
Property, plant and equipment (Notes 4, 5, 14 and 33)	5,661,295	55	6,229,578	52
Right-of-use assets (Notes 4 and 15)	5,780	-	16,216	-
Investment properties (Notes 4, 16 and 33)	4,453	-	-	-
Other intangible assets (Notes 4 and 17)	8,760	-	7,800	-
Deferred tax assets (Notes 4 and 26)	246,460	2	244,812	2
Other non-current assets (Notes 18 and 32)	310,695	3	398,284	3
Total non-current assets	<u>7,083,781</u>	<u>69</u>	<u>7,741,493</u>	<u>64</u>
TOTAL	<u><u>\$ 10,322,718</u></u>	<u><u>100</u></u>	<u><u>\$ 12,066,671</u></u>	<u><u>100</u></u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 33)	\$ 150,204	2	\$ 341,836	3
Short-term bills payable (Note 19)	129,842	1	79,904	1
Financial liabilities at fair value through profit or loss (Notes 4 and 7)	-	-	724	-
Contract liabilities (Notes 4, 25 and 32)	47,582	1	90,007	1
Notes payable (Note 20)	10	-	23	-
Accounts payable (Note 20)	213,989	2	525,327	4
Other payables (Note 21)	294,690	3	442,012	4
Lease liabilities - current (Notes 4 and 15)	4,781	-	11,736	-
Current portion of long-term borrowings (Notes 19 and 33)	446,345	4	518,933	4
Other current liabilities (Note 21)	23,500	-	17,862	-
Total current liabilities	<u>1,310,943</u>	<u>13</u>	<u>2,028,364</u>	<u>17</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 19 and 33)	1,852,453	18	2,068,284	17
Provisions (Note 4)	28,604	-	25,021	-
Deferred tax liabilities (Notes 4 and 26)	7,048	-	3,346	-
Lease liabilities - non-current (Notes 4 and 15)	1,060	-	4,684	-
Preferred stock liabilities - non-current (Notes 4 and 23)	287,949	3	287,949	3
Other non-current liabilities (Note 21)	1,080	-	-	-
Total non-current liabilities	<u>2,178,194</u>	<u>21</u>	<u>2,389,284</u>	<u>20</u>
Total liabilities	<u><u>3,489,137</u></u>	<u><u>34</u></u>	<u><u>4,417,648</u></u>	<u><u>37</u></u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Share capital	<u>5,127,967</u>	<u>50</u>	<u>5,127,967</u>	<u>42</u>
Capital surplus	<u>1,965,641</u>	<u>19</u>	<u>1,965,635</u>	<u>16</u>
(Accumulated deficit) Retained earnings				
Legal reserve	76,100	1	23,373	-
Special reserve	170,900	1	171,049	2
(Accumulated deficit) Unappropriated earnings	(339,398)	(3)	528,910	4
Total (accumulated deficit) retained earnings	(92,398)	(1)	723,332	6
Other equity	<u>(170,510)</u>	<u>(2)</u>	<u>(170,900)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	<u>6,830,700</u>	<u>66</u>	<u>7,646,034</u>	<u>63</u>
NON-CONTROLLING INTERESTS				
Total equity	<u><u>2,881</u></u>	<u><u>-</u></u>	<u><u>2,989</u></u>	<u><u>-</u></u>
TOTAL	<u><u>\$ 10,322,718</u></u>	<u><u>100</u></u>	<u><u>\$ 12,066,671</u></u>	<u><u>100</u></u>

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

(With Deloitte & Touche auditors' report dated March 5, 2025)

TSEC CORPORATION AND SUBSIDIARIES

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

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25, 32 and 38)	\$ 4,514,018	100	\$ 8,260,947	100
OPERATING COSTS (Notes 10 and 25)	<u>4,195,036</u>	<u>93</u>	<u>6,986,706</u>	<u>84</u>
GROSS PROFIT	318,982	7	1,274,241	16
UNREALIZED LOSS ON TRANSACTIONS WITH ASSOCIATES	1,165	-	5,329	-
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	<u>940</u>	<u>-</u>	<u>155</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>321,087</u>	<u>7</u>	<u>1,279,725</u>	<u>16</u>
OPERATING EXPENSES (Notes 25 and 32)				
Selling and marketing	79,274	2	110,181	1
General and administrative	196,600	4	302,002	4
Research and development	72,225	1	68,103	1
Expected credit loss (reversed) (Note 9)	<u>(15,858)</u>	<u>-</u>	<u>1,669</u>	<u>-</u>
Total operating expenses	<u>332,241</u>	<u>7</u>	<u>481,955</u>	<u>6</u>
OTHER OPERATING INCOME AND EXPENSES (Note 25)	<u>(570,254)</u>	<u>(13)</u>	<u>(325,143)</u>	<u>(4)</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(581,408)</u>	<u>(13)</u>	<u>472,627</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 25 and 32)	26,312	1	49,256	1
Other gains and losses (Note 25)	7,005	-	2,011	-
Finance costs (Note 25)	<u>(77,648)</u>	<u>(2)</u>	<u>(72,170)</u>	<u>(1)</u>
Share of profit or loss of associates (Note 13)	10,159	-	46,851	-
Interest income (Note 25)	<u>17,305</u>	<u>1</u>	<u>23,331</u>	<u>-</u>
Total non-operating income and expenses	<u>(16,867)</u>	<u>-</u>	<u>49,279</u>	<u>-</u>
(LOSS) INCOME BEFORE INCOME TAX	<u>(598,275)</u>	<u>(13)</u>	<u>521,906</u>	<u>6</u>
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 26)	<u>(1,996)</u>	<u>-</u>	<u>5,356</u>	<u>-</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(600,271)</u>	<u>(13)</u>	<u>527,262</u>	<u>6</u>

(Continued)

TSEC CORPORATION AND SUBSIDIARIES

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

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Gain on hedging instruments subject to basis adjustment (Note 24)	-	-	119	-
Income tax relating to items that will not be reclassified to profit or loss (Note 26)	-	-	(44)	-
Share of other comprehensive loss of associates accounted for using the equity method	(51)	-	(24)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations (Note 24)	547	-	(2)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 26)	(110)	-	1	-
Other comprehensive income for the year, net of income tax	386	-	50	-
TOTAL COMPREHENSIVE (LOSS) INCOME	<u>\$ (599,885)</u>	<u>(13)</u>	<u>\$ 527,312</u>	<u>6</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ (600,253)	(13)	\$ 527,268	6
Non-controlling interests	(18)	-	(6)	-
	<u>\$ (600,271)</u>	<u>(13)</u>	<u>\$ 527,262</u>	<u>6</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ (599,867)	(13)	\$ 527,318	6
Non-controlling interests	(18)	-	(6)	-
	<u>\$ (599,885)</u>	<u>(13)</u>	<u>\$ 527,312</u>	<u>6</u>

(Continued)

TSEC CORPORATION AND SUBSIDIARIES

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

	2024		2023	
	Amount	%	Amount	%
(LOSS) EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ (1.17)</u>		<u>\$ 1.07</u>	
Diluted	<u>\$ (1.17)</u>		<u>\$ 1.04</u>	

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

(With Deloitte & Touche auditors' report dated March 5, 2025)

(Concluded)

TSEC CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company (Notes 24)										Other Equity		
						Retained Earnings (Accumulated deficit)		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Other Equity		
	Share Capital		Retained Earnings (Accumulated deficit)			Retained Earnings (Accumulated deficit)	Unrealized Valuation				Non-controlling Interests (Note 24)		
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	(Accumulated deficit)					Total	Non-controlling Interests (Note 24)	Total Equity
BALANCE AT JANUARY 1, 2023	476,297	\$ 4,762,967	\$ 1,325,024	\$ 4,632	\$ 41,685	\$ 187,411	\$ (234)	\$ (170,641)	\$ (174)	\$ 6,150,670	\$ 95	\$ 6,150,765	
Appropriation of the 2022 earnings													
Legal reserve	-	-	-	18,741	-	(18,741)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	129,364	(129,364)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(37,664)	-	-	-	(37,664)	-	-	(37,664)
Cash dividends from capital surplus	-	-	(12,555)	-	-	-	-	-	-	(12,555)	-	-	(12,555)
Issuance of ordinary shares for cash	36,500	365,000	624,150	-	-	-	-	-	-	989,150	-	-	989,150
Compensation cost of employee share options (Note 28)	-	-	29,016	-	-	-	-	-	-	29,016	-	-	29,016
Increase in non-controlling interests, net	-	-	-	-	-	-	-	-	-	-	2,900	-	2,900
Basis adjustments to gain on hedging instruments	-	-	-	-	-	-	-	-	99	99	-	-	99
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	-	527,268	-	-	-	527,268	(6)	-	527,262
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	(1)	(24)	75	50	-	-	50
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	527,268	(1)	(24)	75	527,318	(6)	-	527,312
BALANCE AT DECEMBER 31, 2023	512,797	5,127,967	1,965,635	23,373	171,049	528,910	(235)	(170,665)	-	7,646,034	2,989	-	7,649,023
Appropriation of the 2023 earnings													
Legal reserve	-	-	-	52,727	-	(52,727)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(215,477)	-	-	-	(215,477)	-	-	(215,477)
Reversal of Sspecial reserve	-	-	-	-	(149)	149	-	-	-	-	-	-	-
Gain from exercising the Company's call rights	-	-	6	-	-	-	-	-	-	6	-	-	6
Disposal of subsidiaries	-	-	-	-	-	-	4	-	-	4	(90)	-	(86)
Net loss for the year ended December 31, 2024	-	-	-	-	-	(600,253)	-	-	-	(600,253)	(18)	-	(600,271)
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	437	(51)	-	386	-	-	386
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	(600,253)	437	(51)	-	(599,867)	(18)	-	(599,885)
BALANCE AT DECEMBER 31, 2024	512,797	\$ 5,127,967	\$ 1,965,641	\$ 76,100	\$ 170,900	\$ (339,398)	\$ 206	\$ (170,716)	\$ -	\$ 6,830,700	\$ 2,881	-	\$ 6,833,581

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

(With Deloitte & Touche auditors' report dated March 5, 2025)

TSEC CORPORATION AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	\$ (598,275)	\$ 521,906
Adjustments for:		
Depreciation	706,786	888,946
Amortization	4,938	3,495
Expected credit loss recognized (reversed)	(15,858)	1,669
Net gain on fair value changes of financial instruments at fair value through profit or loss	(1,706)	(2,667)
Finance costs	77,648	72,170
Interest income	(17,305)	(23,331)
Shared-based payment expenses	-	29,016
Share profit of associates	(10,159)	(46,851)
(Gain) Loss on disposal of property, plant and equipment	(11)	318,921
Impairment loss recognized on non-financial assets	586,008	69,196
Unrealized loss on transactions with associates	(1,165)	(5,329)
Realized gain on transactions with associates	(940)	(155)
Net unrealized loss (gain) on foreign currency exchange	1,003	(3,619)
Loss on disposal of subsidiaries	4	-
Gain on modification of lease	(60)	(13)
Provisions for liabilities	4,256	7,881
Prepayments for equipment transferred to loss	-	4,000
Net changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	1,739	2,754
Notes receivable	(423,382)	(83,894)
Accounts receivable	717,492	(323,764)
Accounts receivable from related parties	42,429	(32,939)
Other receivables	427	13,402
Other receivables from related parties	1,238	31
Inventories	92,681	355,259
Other current assets	71,586	62,466
Financial liabilities held for trading	(757)	-
Contract liabilities	(42,425)	(27,738)
Notes payable	(13)	(1)
Accounts payable	(312,541)	(366,463)
Other payables	(102,629)	7,744
Other current liabilities	<u>5,638</u>	<u>10,283</u>
Cash generated from operations	786,647	1,452,375
Interest received	18,143	22,738
Finance costs paid	(91,290)	(102,522)
Income tax paid	<u>(1,247)</u>	<u>(1,895)</u>
Net cash generated from operating activities	<u>712,253</u>	<u>1,370,696</u>
CASH FLOWS FROM INVESTING ACTIVITIES		

(Continued)

TSEC CORPORATION AND SUBSIDIARIES

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

	2024	2023
Purchase of financial assets at amortized cost	(4,640)	(8,310)
Proceeds from sale of financial assets at amortized cost	14,167	63,328
Proceeds from sale of financial assets for hedging	-	(99)
Acquisition of associates (Note 13)	-	(432,000)
Disposal of subsidiaries	(90)	-
Payments for property, plant and equipment (Note 29)	(645,130)	(1,196,177)
Proceeds from disposal of property, plant and equipment	58	16,931
Decrease in refundable deposits	330	6,665
Payments for other intangible assets	(5,898)	(6,587)
Dividends received from investments accounted for using equity method	<u>12,697</u>	<u>28,828</u>
Net cash used in investing activities	<u>(628,506)</u>	<u>(1,527,421)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(191,632)	(514,777)
Proceeds from short-term bills payable	49,938	-
Repayments of short-term bills payable	-	(249,609)
Proceeds from long-term borrowings	951,750	536,332
Repayments of long-term borrowings	(1,240,169)	(182,414)
Proceeds from guarantee deposits received	1,080	-
Refund of guarantee deposits received	-	(3,705)
Repayments of the principal portion of lease liabilities	(12,129)	(11,390)
Dividends paid to owners of the company	(215,477)	(50,219)
Proceeds from issuance of ordinary shares	-	989,150
Increase in non-controlling interests, net	-	2,900
Exercise of vesting rights	<u>6</u>	<u>-</u>
Net cash (used in) generated from financing activities	<u>(656,633)</u>	<u>516,268</u>
 EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>714</u>	<u>(2,993)</u>
 NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
	<u>(572,172)</u>	<u>356,550</u>
 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>1,194,354</u>	<u>837,804</u>
 CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 622,182</u>	<u>\$ 1,194,354</u>

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

(With Deloitte & Touche auditors' report dated March 5, 2025)

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
TSEC Corporation

Opinion

We have audited the accompanying parent company only financial statements of TSEC Corporation (the “Company”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023 and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph) the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Validity of Sales revenue to Newly Added Major Customers

The sales revenue from newly added major customers for the year ended December 31, 2024 was \$2,073,246 thousand, which accounted for 46.1% of the Company's operating revenue, and is material to the Company's parent company only financial statements. Since management may be under pressure to achieve financial goals, the inherent risk of fraud in revenue recognition is high. Thus, we identified the risk of revenue recognition as a key audit matter. For the related accounting policies, please refer to Note 4 of the parent company only financial statements.

We obtained an understanding of the Company's internal controls over sales transactions with newly added major customers and designed the corresponding audit procedures to confirm and assess the operating effectiveness of the related controls. We also performed substantive testing by selecting samples of the transactions with newly added major customers and inspected third-party shipping documents, the customers' receipts of delivery, cash payments and material sales returns after the reporting period. We confirmed that sales revenue from newly added major customers is free from material misstatements.

Other Matter

Among the investments accounted for using the equity method, the parent company only financial statements of Yuan-Yu Solar Energy Co., Ltd. and NFC III Renewable Power Co., Ltd. were audited by other auditors. Therefore, the conclusions made regarding the amounts presented in the parent company only financial statements of investee companies in the aforementioned consolidated parent company only financial statements are based on the audit results of the other auditors. As of December 31, 2024, and 2023, the investment balance in investee companies in the aforementioned accounted for \$552,725 thousand and \$549,725 thousand, respectively, representing 5.5% and 4.6% of the total assets. The share of profit or loss recognized under the equity method for associated enterprises for the years ended December 31, 2024 and 2023, amounted to \$6,630 thousand and \$39,055 thousand, respectively, accounting for (1.1%) and 7.4% of the total comprehensive income.

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

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

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

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

Auditors' Responsibilities for the Parent Company Only Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Cheng-Chuan Yu and Meng-Kuei Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 5, 2025

Notice to Readers

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

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

TSEC CORPORATION

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

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 558,333	6	\$ 1,151,345	10
Financial assets at amortized cost - current (Notes 4, 8 and 32)	128,087	1	139,120	1
Notes receivable (Notes 4, 9 and 24)	507,276	5	83,894	1
Accounts receivable (Notes 4, 9 and 24)	782,827	8	1,477,993	12
Accounts receivable from related parties (Notes 4, 9, 24 and 31)	8	-	42,437	-
Other receivables (Notes 4 and 9)	1,375	-	2,640	-
Other receivables from related parties (Notes 4 and 31)	147	-	1,385	-
Current tax assets (Notes 4 and 25)	3,535	-	2,340	-
Inventories (Notes 4 and 10)	1,165,372	11	1,274,866	11
Other current assets (Note 17)	20,154	-	81,077	-1
Total current assets	<u>3,167,114</u>	<u>31</u>	<u>4,257,097</u>	<u>36</u>
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 8 and 32)	52,767	1	55,388	1
Investments accounted for using the equity method (Notes 4, 12 and 32)	954,785	9	937,177	8
Property, plant and equipment (Notes 4, 5, 13 and 32)	5,401,208	53	5,943,366	50
Right-of-use assets (Notes 4 and 14)	5,780	-	16,216	-
Investment properties (Notes 4, 15 and 32)	13,465	-	9,012	-
Other intangible assets (Notes 4 and 16)	8,760	-	7,800	-
Deferred tax assets (Notes 4 and 25)	246,460	3	244,812	2
Other non-current assets (Note 17)	292,554	3	396,511	3
Total non-current assets	<u>6,975,779</u>	<u>69</u>	<u>7,610,282</u>	<u>64</u>
TOTAL	<u><u>\$ 10,142,893</u></u>	<u><u>100</u></u>	<u><u>\$ 11,867,379</u></u>	<u><u>100</u></u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 32)	\$ 150,204	2	\$ 341,836	3
Short-term bills payable (Notes 18 and 32)	129,842	1	79,904	1
Financial liabilities at fair value through profit or loss (Notes 4 and 7)	-	-	724	-
Contract liabilities (Notes 4, 24 and 31)	47,582	1	90,007	1
Notes payable (Note 19)	10	-	23	-
Accounts payable (Note 19)	213,989	2	525,327	4
Other payables (Note 20)	289,870	3	441,637	4
Lease liabilities - current (Notes 4 and 14)	4,781	-	11,736	-
Current portion of long-term borrowings (Notes 18 and 32)	418,562	4	491,150	4
Other current liabilities (Note 20)	23,475	-	17,862	-
Total current liabilities	<u>1,278,315</u>	<u>13</u>	<u>2,000,206</u>	<u>17</u>
NON-CURRENT LIABILITIES				
Preferred stock liabilities - non-current (Notes 4 and 22)	287,949	3	287,949	3
Long-term borrowings (Notes 18 and 32)	1,713,538	17	1,901,586	16
Provisions (Note 4)	28,604	-	25,021	-
Deferred tax liabilities (Notes 4 and 25)	1,647	-	1,899	-
Lease liabilities - non-current (Notes 4 and 14)	1,060	-	4,684	-
Other non-current liabilities (Note 20)	1,080	-	-	-
Total non-current liabilities	<u>2,033,878</u>	<u>20</u>	<u>2,221,139</u>	<u>19</u>
Total liabilities	<u><u>3,312,193</u></u>	<u><u>33</u></u>	<u><u>4,221,345</u></u>	<u><u>36</u></u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
Share capital	<u>5,127,967</u>	<u>51</u>	<u>5,127,967</u>	<u>43</u>
Capital surplus	<u>1,965,641</u>	<u>19</u>	<u>1,965,635</u>	<u>17</u>
(Accumulated deficit) retained earnings				
Legal reserve	76,100	1	23,373	-
Special reserve	170,900	2	171,049	1
(Accumulated deficit) unappropriated earnings	(339,398)	(4)	528,910	5
Total (accumulated deficit) retained earnings	(92,398)	(1)	723,332	6
Other equity	(170,510)	(2)	(170,900)	(2)
Total equity attributable to owners of the Company	<u>6,830,700</u>	<u>67</u>	<u>7,646,034</u>	<u>64</u>
TOTAL	<u><u>\$ 10,142,893</u></u>	<u><u>100</u></u>	<u><u>\$ 11,867,379</u></u>	<u><u>100</u></u>

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

(With Deloitte & Touche auditors' report dated March 5, 2025)

TSEC CORPORATION

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

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 31)	\$ 4,496,880	100	\$ 8,242,495	100
OPERATING COSTS (Notes 10 and 24)	<u>4,164,626</u>	<u>92</u>	<u>6,978,100</u>	<u>85</u>
GROSS PROFIT	332,254	8	1,264,395	15
UNREALIZED LOSS ON TRANSACTIONS WITH ASSOCIATES	1,165	-	5,329	-
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	<u>940</u>	<u>-</u>	<u>155</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>334,359</u>	<u>8</u>	<u>1,269,879</u>	<u>15</u>
OPERATING EXPENSES (Note 24)				
Selling and marketing	79,274	2	110,181	1
General and administrative	192,697	4	300,280	4
Research and development	72,225	1	68,103	1
Expected credit loss (reversed) (Note 9)	<u>(15,858)</u>	<u>-</u>	<u>1,669</u>	<u>-</u>
Total operating expenses	<u>328,338</u>	<u>7</u>	<u>480,233</u>	<u>6</u>
OTHER OPERATING INCOME AND EXPENSES (Note 24)	<u>(570,254)</u>	<u>(13)</u>	<u>(325,143)</u>	<u>(4)</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(564,233)</u>	<u>(12)</u>	<u>464,503</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 24 and 31)	27,870	1	50,706	1
Other gains and losses (Note 24)	7,005	-	2,009	-
Finance costs (Note 24)	<u>(72,933)</u>	<u>(2)</u>	<u>(68,190)</u>	<u>(1)</u>
Share of profit or loss of subsidiaries and associates	<u>(16,833)</u>	<u>-</u>	<u>48,343</u>	<u>1</u>
Interest income (Note 24)	<u>16,913</u>	<u>-</u>	<u>23,094</u>	<u>-</u>
Total non-operating income and expenses	<u>(37,978)</u>	<u>(1)</u>	<u>55,962</u>	<u>1</u>
(LOSS) INCOME BEFORE INCOME TAX	<u>(602,211)</u>	<u>(13)</u>	<u>520,465</u>	<u>6</u>
INCOME TAX BENEFIT (Notes 4 and 25)	<u>1,958</u>	<u>-</u>	<u>6,803</u>	<u>-</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(600,253)</u>	<u>(13)</u>	<u>527,268</u>	<u>6</u>

(Continued)

TSEC CORPORATION

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

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Gain on hedging instruments subject to basis adjustment (Note 23)	-	-	119	-
Share of other comprehensive loss of associates accounted for using the equity method	(51)	-	(24)	-
Income tax relating to items that will not be reclassified subsequently to loss or profit (Note 25)	-	-	(44)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations (Note 23)	547	-	(2)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 25)	(110)	-	1	-
Other comprehensive income for the year, net of income tax	386	-	50	-
TOTAL COMPREHENSIVE (LOSS) INCOME	<u>\$ (599,867)</u>	<u>(13)</u>	<u>\$ 527,318</u>	<u>6</u>
(LOSS) EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ (1.17)</u>		<u>\$ 1.07</u>	
Diluted	<u>\$ (1.17)</u>		<u>\$ 1.04</u>	

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

(With Deloitte & Touche auditors' report dated March 5, 2025)

(Concluded)

TSEC CORPORATION

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

	Share Capital						Retained Earnings (Accumulated Deficit)			Other Equity		
	Shares (In Thousands)		Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total Equity	
	BALANCE AT JANUARY 1, 2023	476,297	\$ 4,762,967	\$ 1,325,024	\$ 4,632	\$ 41,685	\$ 187,411	\$ (234)	\$ (170,641)	\$ (174)	\$ 6,150,670	
Appropriation of 2022 earnings												
Legal reserve	-	-	-	-	18,741	-	(18,741)	-	-	-	-	
Special reserve	-	-	-	-	-	129,364	(129,364)	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	-	(37,664)	-	-	-	(37,664)	
Cash dividends from capital surplus	-	-	-	(12,555)	-	-	-	-	-	-	(12,555)	
Issuance of ordinary shares for cash	36,500	365,000	624,150	-	-	-	-	-	-	-	989,150	
Compensation cost of employee share options (Note 27)	-	-	29,016	-	-	-	-	-	-	-	29,016	
Basis adjustments to hedging instruments	-	-	-	-	-	-	-	-	-	99	99	
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	527,268	-	-	-	527,268	
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	-	(1)	(24)	75	50	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	527,268	(1)	(24)	75	527,318	
BALANCE AT DECEMBER 31, 2023	512,797	5,127,967	1,965,635	23,373	171,049	528,910	(235)	(170,665)	-	-	7,646,034	
Appropriation of 2023 earnings												
Legal reserve	-	-	-	52,727	-	(52,727)	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	(215,477)	-	-	-	-	(215,477)	
Reversal of special reserve	-	-	-	-	(149)	149	-	-	-	-	-	
Gain from exercising the Company's call rights	-	-	6	-	-	-	-	-	-	-	6	
Disposal of subsidiary	-	-	-	-	-	-	-	-	4	-	4	
Net loss for the year ended December 31, 2024	-	-	-	-	-	(600,253)	-	-	-	-	(600,253)	
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	437	(51)	-	-	386	
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	(600,253)	437	(51)	-	-	(599,867)	
BALANCE AT DECEMBER 31, 2024	512,797	\$ 5,127,967	\$ 1,965,641	\$ 76,100	\$ 170,900	\$ (339,398)	\$ 206	\$ (170,716)	\$ -	\$ -	\$ 6,830,700	

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

(With Deloitte & Touche auditors' report dated March 5, 2025)

TSEC CORPORATION

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	\$ (602,211)	\$ 520,465
Adjustments for:		
Depreciation	680,661	880,361
Amortization	4,938	3,495
Expected credit loss (reversed)	(15,858)	1,669
Net gain on fair value changes of financial instruments at fair value through profit or loss	(1,706)	(2,667)
Finance costs	72,933	68,190
Interest income	(16,913)	(23,094)
Shared-based payment expenses	-	29,016
Share of profit or loss of subsidiaries and associates	16,833	(48,343)
(Gain) loss on disposal of property, plant and equipment	(11)	318,921
Impairment loss recognized on non-financial assets	586,008	69,196
Unrealized loss on transactions with associates	(1,165)	(5,329)
Realized gain on transactions with associates	(940)	(155)
Net unrealized loss (gain) on foreign currency exchange	1,003	(3,619)
Loss on disposal of subsidiary	4	-
Prepayments for equipment transferred to loss	-	4,000
Provisions for liabilities	4,256	7,881
Gain on modification of lease	(60)	(13)
Net changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	1,739	2,754
Notes receivable	(423,382)	(83,894)
Accounts receivable	711,057	(314,749)
Accounts receivable from related parties	42,429	(32,939)
Other receivables	427	13,402
Other receivables from related parties	1,238	31
Inventories	92,681	355,259
Other current assets	60,923	68,589
Financial liabilities held for trading	(757)	-
Contract liabilities	(42,425)	(27,738)
Notes payable	(13)	(1)
Accounts payable	(312,541)	(366,463)
Other payables	(107,074)	7,376
Other current liabilities	5,613	10,293
Cash generated from operations	757,687	1,451,894
Interest received	17,751	22,501
Finance costs paid	(86,575)	(98,542)
Income tax paid	(1,247)	(1,895)
Net cash generated from operating activities	<u>687,616</u>	<u>1,373,958</u>
CASH FLOWS FROM INVESTING ACTIVITIES		

TSEC CORPORATION**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

	2024	2023
Proceeds from sale of financial assets at amortized cost	14,167	63,328
Proceeds from sale of financial assets for hedging	-	(99)
Acquisition of associates	-	(432,000)
Disposal of subsidiaries	363	-
Payments for property, plant and equipment (Note 28)	(628,762)	(1,100,025)
Proceeds from disposal of property, plant and equipment	58	16,931
Decrease in refundable deposits	330	8,438
Payments for other intangible assets	(5,898)	(6,587)
Dividends received from investments accounted for using equity method	<u>12,697</u>	<u>28,828</u>
Net cash used in investing activities	<u>(607,045)</u>	<u>(1,421,186)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(191,632)	(514,777)
Proceeds from short-term bills payable	49,938	-
Repayments of short-term bills payable	-	(249,609)
Proceeds from long-term borrowings	951,750	425,200
Repayments of long-term borrowings	(1,212,386)	(182,414)
Increase in guarantee deposits received	1,080	-
Refund of guarantee deposits received	-	(3,705)
Repayments of the principal portion of lease liabilities	(12,129)	(11,390)
Dividends paid to owners of the Company	(215,477)	(50,219)
Proceeds from issuance of ordinary shares	-	989,150
Acquisition of additional interests in subsidiaries	(44,900)	(26,150)
Exercise of vesting rights	<u>6</u>	<u>-</u>
Net cash (used in) generated from financing activities	<u>(673,750)</u>	<u>376,086</u>
 EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>167</u>	<u>(2,991)</u>
 NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
	<u>(593,012)</u>	<u>325,867</u>
 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>1,151,345</u>	<u>825,478</u>
 CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 558,333</u>	<u>\$ 1,151,345</u>

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

(With Deloitte & Touche auditors' report dated March 5, 2025)

(Concluded)

TSEC Corporation
2024 Profit and Loss Appropriation Table

Unit: NT\$

Item	Amount
Beginning undistributed earnings	260,856,565
Less: Net loss after tax	(600,253,264)
Add: Rotary special reserve	389,705
Subtotal	(339,006,994)
Add: Legal reserve to make up for losses.	76,099,640
Add: Capital reserve to make up for losses.	262,907,354
Accumulated undistributed earnings at the end of the period	0

Chair: Wei Jen Investment Co Ltd

President: Hung, Chen-Ren

Principal Accounting Officer: Chang Wei-Che

Director Representative: Kuo-Ron, Liao

TSEC Corporation

Comparison of Amendments to the Procedures

for Acquiring or Disposing of Assets

Article	Before Amendment	After Amendment	Description
Article 7	<p>2. The procedure for determining transaction conditions and authorized limits.</p> <p>For the trading of marketable securities conducted on the centralized trading market or at the business premises of a securities firm, the responsible unit should make decisions based on market conditions. If the Amount is ten million New Taiwan Dollars or below, it should be approved by the Chair and reported at the next board of Directors meeting, along with an analysis report on the unrealized gains or losses of long-term and short-term marketable securities. If the Amount exceeds ten million New Taiwan Dollars, it must be submitted for approval by the board of Directors before proceeding. Among them, money market funds, due to their financial operation and low risk, unless timeliness is not pursued, only single investments exceeding five hundred million New Taiwan Dollars need to be submitted for board approval before proceeding.</p> <p>For the trading of marketable securities not conducted on the centralized trading market or at the business premises of a securities firm, one must first obtain the most recent financial statements of the target company, audited or reviewed by an accountant, as a reference for evaluating the transaction price. Factors such as net asset value per share, profitability, and future development potential should be considered. If the Amount is ten million New Taiwan Dollars or below, it should be approved by the Chair and reported at the next board of Directors meeting, along with an analysis report on the unrealized gains or losses of long-term and short-term marketable securities. If the Amount exceeds ten million New Taiwan Dollars, it must be submitted for approval by the board of Directors before proceeding.</p>	<p>2. The procedure for determining transaction conditions and authorized limits.</p> <p>For the trading of marketable securities conducted on the centralized trading market or at the business premises of a securities firm, the responsible unit should make decisions based on market conditions. If the Amount is fifty million New Taiwan Dollars or below, it should be approved by the Chair and reported at the next board of Directors meeting, along with an analysis report on the unrealized gains or losses of long-term and short-term marketable securities. If the Amount exceeds fifty million New Taiwan Dollars, it must be submitted for approval by the board of Directors before proceeding. Among them, money market funds and securities that represent funds (such as ETF stocks), due to their financial operation and low risk, unless timeliness is not pursued, only single investments exceeding five hundred million New Taiwan Dollars need to be submitted for board approval before proceeding.</p> <p>For the trading of marketable securities not conducted on the centralized trading market or at the business premises of a securities firm, one must first obtain the most recent financial statements of the target company, audited or reviewed by an accountant, as a reference for evaluating the transaction price. Factors such as net asset value per share, profitability, and future development potential should be considered. If the Amount is fifty million New Taiwan Dollars or below, it should be approved by the Chair and reported at the next board of Directors meeting, along with an analysis report on the unrealized gains or losses of long-term and short-term marketable securities. If the Amount exceeds fifty million New Taiwan Dollars, it must be submitted for approval by the board of Directors before proceeding.</p>	<p>To adjust the authorized Amount</p>

Article	Before Amendment	After Amendment	Description
Article 27	<p>After being approved by the board of directors, this procedure is submitted to the audit committee and reported to the shareholder meeting for approval. The same applies to any amendments. If any director expresses objections with records or written statements, the Company shall also submit the director's objection information to the audit committee.</p> <p>When submitting the acquisition or disposal of assets procedure to the board of directors for discussion in accordance with the preceding provisions, the opinions of each Independent Director should be fully considered, and their opinions and reasons for agreement or disagreement should be included in the meeting minutes.</p> <p>These procedures were established on October 12, 2010.</p> <p>The 1st amendment was conducted on June 30, 2011.</p> <p>The 2nd amendment was conducted on April 28, 2014.</p> <p>The 3rd amendment was conducted on March 29, 2019.</p>	<p>After being approved by the board of directors, this procedure is submitted to the audit committee and reported to the shareholder meeting for approval. The same applies to any amendments. If any director expresses objections with records or written statements, the Company shall also submit the director's objection information to the audit committee.</p> <p>When submitting the acquisition or disposal of assets procedure to the board of directors for discussion in accordance with the preceding provisions, the opinions of each Independent Director should be fully considered, and their opinions and reasons for agreement or disagreement should be included in the meeting minutes.</p> <p>These procedures were established on October 12, 2010.</p> <p>The 1st amendment was conducted on June 30, 2011.</p> <p>The 2nd amendment was conducted on April 28, 2014.</p> <p>The 3rd amendment was conducted on March 29, 2019.</p> <p><u>The 4th amendment was conducted on March 5, 2025</u></p>	Added revision dates.

TSEC Corporation

Comparison of Amendments to the Articles of Incorporation

Article	Before Amendment	After Amendment	Description:
Article 24-1	<p>Shall there be profit for the year, a minimum of 5% of it shall be contributed as the employees' remunerations. The Board of Directors shall resolve to pay such remunerations in cash or shares to these employees of the companies controlled by the Company or its subsidiaries who meet certain conditions. These criteria are determined by the board of directors. The Company may contribute a maximum of 5% from the abovementioned profit as the directors' remunerations.</p> <p>Employee's and director's remuneration proposals are to be raised for resolution during the shareholders' meetings.</p> <p>Profits must first be taken to offset against cumulative losses, if any, before the remainder can be distributed as employee/director remuneration in the above percentages.</p> <p>The transfer of treasury stocks to employees, the issuance of employee stock options, restricted employee shares and new shares through cash capital increase available for subscription by employees may include employees of controlling or affiliated companies that meet certain criteria. These criteria are determined by the board of directors.</p>	<p>Shall there be profit for the year, a minimum of 5% of it shall be contributed as the employees' remunerations. The Board of Directors shall resolve to pay such remunerations in cash or shares to these employees of the companies controlled by the Company or its subsidiaries who meet certain conditions. These criteria are determined by the board of directors.</p> <p>The Company may contribute a maximum of 5% from the abovementioned profit as the directors' remunerations.</p> <p>Employee's and director's remuneration proposals are to be raised for resolution during the shareholders' meetings.</p> <p>Profits must first be taken to offset against cumulative losses, if any, before the remainder can be distributed as employee/director remuneration in the above percentages.</p> <p><u>If there is a profit for the year, no less than 1% shall be allocated for salary adjustments or distribution of remuneration for grassroots employees.</u></p> <p><u>However, profits must first be taken to offset against cumulative losses, if any.</u></p> <p>The transfer of treasury stocks to employees, the issuance of employee stock options, restricted employee shares and new shares through cash capital increase available for subscription by employees may include employees of controlling or affiliated companies that meet certain criteria. These criteria are determined by the board of directors.</p>	<p>The Company in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act.7</p>
Article 27	<p>The Articles of Incorporation were established in June 17, 2010.</p> <p>The 1st revision was conducted on June 30, 2011.</p> <p>The 2nd amendment was conducted on June 15, 2012.</p> <p>The 3rd amendment was conducted on June 20, 2013.</p> <p>The 4th amendment was conducted on April 28, 2014.</p> <p>The 5th amendment was conducted on May 20, 2015.</p> <p>The 6th amendment was conducted on May 9, 2016.</p>	<p>The Articles of Incorporation were established on June 17, 2010.</p> <p>The 1st amendment was conducted on June 30, 2011.</p> <p>The 2nd amendment was conducted on June 15, 2012.</p> <p>The 3rd amendment was conducted on June 20, 2013.</p> <p>The 4th amendment was conducted on April 28, 2014.</p> <p>The 5th amendment was conducted on May 25, 2015.</p> <p>The 6th amendment was conducted on May 9, 2016.</p>	<p>Coordinate with the article revision dates.</p>

Article	Before Amendment	After Amendment	Description:
	<p>The 7th amendment was conducted on June 15, 2017.</p> <p>The 8th amendment was conducted on March 20, 2019.</p> <p>The 9th amendment was conducted on June 12, 2020.</p> <p>The 10th amendment is conducted on April 7, 2021.</p> <p>The 11th amendment was conducted on June 9, 2022.</p>	<p>The 7th amendment was conducted on June 15, 2017.</p> <p>The 8th amendment was conducted on March 29, 2019.</p> <p>The 9th amendment was conducted on June 12, 2020.</p> <p>The 10th amendment is conducted on April 7, 2021.</p> <p>The 11th amendment was conducted on June 9, 2022.</p> <p><u>The 12th amendment was conducted on May 23, 2025.</u></p>	

TSEC Corporation

List of Candidates for Directors

Serial Number	Name	Highest Education	Experience	Current Designation
1	Wei Jen Investment Co Ltd.			Director and Chair of TSEC Corporation
2	An Chuang Industrial Corporation Representative: Wei-Jan, Liao	Master's degree from New York State, USA.	DBS Associate Director Standard Chartered Associate Director ABN AMRO Associate Director	Director of Wei Jen Investment Co Ltd, Chair of An Chuang Industrial Corporation, director of Yuan Yu Solar Power Co., Ltd., director of Hou Chang Energy Co., Ltd., director of Heng Li Energy Co., Ltd., director of Heng Yong Energy Co., Ltd., director of Yong Li Energy Co., Ltd., director of Yun Sheng Optoelectronics Co., Ltd., director of Yun Xing Optoelectronics Co., Ltd., director of Yuan Jin Chuang Neng Co., Ltd., director of Feng Xin Sen Sunshine Energy Co., Ltd., director of Yu Sheng Energy Corporation, Chair of Jin Jing Power Co., Ltd.
3	Cheng Hsi Investment Corporation Representative: Cheng-Ji, Hsu	National Taiwan University EMBA	Director of Hou Sheng Corporation	Director and General Manager of Hou Sheng Corporation, Director of Cheng Hsi Investment Corporation, Chair of Rui Fu Development Corporation, Director of Rui Fu Investment Corporation, Director of Yamasita Gain Collaboration Corporation, Director of Rui Fu International Corporation, Director of Yu Ji Venture Capital Corporation
4	Yu Sheng Energy Corporation Representative: Weng-Cheng, Liu	Bachelor's degree from Tamkang University.	Director of Production Business Unit and Director of Marketing Department at Hou Sheng Corporation, Associate Manager and Project Supervisor of Silergy Corp, Audit Supervisor. Consultant of Hou Sheng Corporation	Chair of Yu Sheng Energy Corporation

Serial Number	Name	Highest Education	Experience	Current Designation
5	National Development Fund Management Committee of the Executive Yuan Representative: Ming-Hsin Kung	Ph.D. from the Institute of Economics at National Chung Hsing University.	Deputy Director of the Taiwan Institute of Economic Research. Deputy Minister of the National Development Council Deputy Minister of Economic Affairs Minister without Portfolio of the Executive Yuan and Minister of the National Development Council Convener of the National Development Fund Management Committee of the Executive Yuan Corporate Director Representative of Taiwan Semiconductor Manufacturing Co., Ltd.	Corporate Director Representative of Vanguard International Semiconductor Corporation Secretary-General of the Executive Yuan

TSEC Corporation

List of Candidates for Independent Directors

Serial Number	Name	Highest Education	Experience	Current Designation
1	Gu-Tong, Lin	Master's degree in Business Administration from the University of Tennessee, USA.	Chair of Deloitte Taiwan	Independent Director of Tai Ray Biotech Corporation, Independent Director of Yi Xin Industrial Corporation, Independent Director of Inhwa Biotech & Pharmaceutical Corporation
2	Xian-Zhi, Zheng	National Cheng Kung University	President of Aratek Co., Ltd., Greater China President of DuPont Electronics & Communications, Global Business President of the Microcircuit Materials Division, Chair of the Taiwan Branch	Independent Director of Tunglien Chemical Corporation, Chair of Yangsheng Investment Company, Director of Si-Wei InnoTech, Fubon Energy Corporation
3	Qian-Ru, Shen	Master's degree in Chemical Engineering from National Taiwan University.	Business Manager for Southeast Asia and Taiwan at DuPont Taiwan, Ownership, and APAC Head of CHASM Advanced Materials, Inc.	Supervisor of Qingyu International Co., Ltd. Person in Charge of Jiu Xing Xiu Biotechnology Co., Ltd.

TSEC Corporation
Proposal to Relieve the Company's Directors
(Including Independent Directors)
from the Non-Competition Restrictions.

Name of Corporate Director/Corporate Director Representative/Independent Director	Other Companies in Which Concurrent Positions are Held	Positions
An Chuang Industrial Corporation Representative: Wei-Jan, Liao	Wei Jen Investment Co Ltd.	Director
	An Chuang Industrial Corporation	Chair
	Hou Chang Energy Co., Ltd.	Director
	Yuan Yu Solar Power Co., Ltd.	Director
	Feng Xin Sen Sunshine Energy Co., Ltd.	Director
	Heng Li Energy Co., Ltd.	Director
	Heng Yong Energy Co., Ltd.	Director
	Yong Li Energy Co., Ltd.	Director
	Yuan Jin Chuang Neng Co., Ltd.	Director
	Yun Sheng Optoelectronics Co., Ltd.	Director
Cheng Hsi Investment Corporation Representative: Cheng-Ji, Hsu	Yun Xing Optoelectronics Co., Ltd.	Director
	Hou Sheng Corporation	Director and General Manager
	Cheng Hsi Investment Corporation	Director
	Rui Fu Development Corporation	Chair
	Rui Fu Investment Corporation	Director
	Yamasita Gain Collaboration Corporation	Director
	Rui Fu International Corporation	Director
Yu Sheng Energy Corporation Representative: Weng-Cheng, Liu	Director of Yu Ji Venture Capital Corporation	Director
	Yu Sheng Energy Corporation	Chair
National Development Fund Management Committee of the Executive Yuan: Ming-Hsin Kung	Vanguard International Semiconductor Corporation	Director
National Development Fund Management Committee of the Executive Yuan	United Renewable Energy Co., Ltd.	Director
	Shi Feng Electric Power Co., Ltd.	Director
Gu-Tong, Lin	Tai Ray Biotech Corporation	Independent Director
	Yi Xin Industrial Corporation	Independent Director
	Independent Director of Inhwa Biotech & Pharmaceutical Corporation	Independent Director
Xian-Zhi, Zheng	Fubon Energy Corporation	Director
	Yangsheng Investment Company	Chair
	Si-Wei InnoTech	Director
	Tunglien Chemical Corporation	Independent Director
Qian-Ru, Shen	Jiu Xing Xiu Biotechnology Co., Ltd.	Person in Charge
	Qingyu International Co., Ltd.	Supervisor