TSEC Corporation and Subsidiaries

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

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 do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

TSEC CORPORATION

By

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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 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:

Occurrence of Sales Revenue from 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 considered high. Thus, we identified the risk of revenue recognition as a key audit matter. For the related accounting policies, 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 whether 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 accounted for $552,725 thousand and $549,725 thousand, respectively, representing 5.4% and 4.6% of the total consolidated assets, respectively. 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 matter 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	
ASSETS	**Amount**	**%**	**Amount**	**%**
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	3,238,937	31	4,325,178	36
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	7,083,781	69	7,741,493	64
TOTAL	$ 10,322,718	100	$ 12,066,671	100
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	1,310,943	13	2,028,364	17
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	2,178,194	21	2,389,284	20
Total liabilities	3,489,137	34	4,417,648	37
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Share capital	5,127,967	50	5,127,967	42
Capital surplus	1,965,641	19	1,965,635	16
(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	(170,510)	(2)	(170,900)	(1)
Total equity attributable to owners of the Company	6,830,700	66	7,646,034	63
NON-CONTROLLING INTERESTS	2,881	-	2,989	-
Total equity	6,833,581	66	7,649,023	63
TOTAL	$ 10,322,718	100	$ 12,066,671	100

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)	4,195,036	93	6,986,706	84
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	940	-	155	-
REALIZED GROSS PROFIT	321,087	7	1,279,725	16
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)	(15,858)	-	1,669	-
Total operating expenses	332,241	7	481,955	6
OTHER OPERATING INCOME AND EXPENSES (Note 25)	(570,254)	(13)	(325,143)	(4)
(LOSS) PROFIT FROM OPERATIONS	(581,408)	(13)	472,627	6
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)	(77,648)	(2)	(72,170)	(1)
Share of profit or loss of associates (Note 13)	10,159	-	46,851	-
Interest income (Note 25)	17,305	1	23,331	-
Total non-operating income and expenses	(16,867)	-	49,279	-
(LOSS) INCOME BEFORE INCOME TAX	(598,275)	(13)	521,906	6
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 26)	(1,996)	-	5,356	-
NET (LOSS) PROFIT FOR THE YEAR	(600,271)	(13)	527,262	6

(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	$ (599,885)	(13)	$ 527,312	6
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ (600,253)	(13)	$ 527,268	6
Non-controlling interests	(18)	-	(6)	-
	$ (600,271)	(13)	$ 527,262	6
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ (599,867)	(13)	$ 527,318	6
Non-controlling interests	(18)	-	(6)	-
	$ (599,885)	(13)	$ 527,312	6

(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	$ (1.17)		$ 1.07	
Diluted	$ (1.17)		$ 1.04	

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)											
	Share Capital			Retained Earnings (Accumulated deficit)			Other Equity					
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings (Accumulated deficit)	Exchange Differences on 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	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 special 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	5,638	10,283
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	(1,247)	(1,895)
Net cash generated from operating activities	712,253	1,370,696

(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
CASH FLOWS FROM INVESTING ACTIVITIES		
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	12,697	28,828
Net cash used in investing activities	(628,506)	(1,527,421)
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 disgorgement	6	-
Net cash (used in) generated from financing activities	(656,633)	516,268
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	714	(2,993)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(572,172)	356,550
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,194,354	837,804
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 622,182	$ 1,194,354

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

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

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

TSEC Corporation (the "Company") was incorporated on June 24, 2010. The Company is mainly engaged in the design, manufacture, construction and sale of solar cells, modules and power plants.

The Company's shares have been listed on the Taiwan Stock Exchange since October 1, 2015.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the Group, are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 5, 2025.

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

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

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of the above standards and interpretations will not have a material impact on the Group's financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

<u>IFRS 18 "Presentation and Disclosure in Financial Statements"</u>

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

See Note 12 and Table 3 of Note 37 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Noncontrolling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value.

f. Foreign currencies

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the consolidated financial statements, the financial statements of the Company's foreign operations (including subsidiaries and associates in other countries or those that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

g. Inventories

Inventories consist of raw materials, finished goods, work in process and construction in process are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

h. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

j. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

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

k. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

l. Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets

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

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

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

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at amortized cost

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

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

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

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

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

ii) Breach of contract, such as a default;

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

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

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

ii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets at amortized cost (including accounts receivable) and lease receivables.

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

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

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

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

ii. The financial asset is more than 120 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

The repurchase of the Company’s own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

n. Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

o. Provisions

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group’s obligations.

p. Revenue recognition

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

Revenue from the sale of goods

Revenue from the sale of goods comes from sales of solar modules. Sales of solar modules are recognized as revenue when the goods are delivered to the customer’s specific location or when the terms of the delivery have been fulfilled because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently. Any amounts previously recognized as contract assets are reclassified to trade receivables when the remaining obligations are performed. When the goods are delivered to the customer’s specific location or the goods have been delivered to the customer, the transaction price received is recognized as a contract liability.

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

Power plant sales

When the power plant is accepted, the customer already has the right to use it and the control of ownership of the power plant has been transferred. Therefore, the Group recognizes revenue and accounts receivable at that point in time and obtains confirmation documents signed by customers.

Sale of electricity

Sales of electricity are recognized when the electricity generated is transmitted to a substation of Taiwan Power Company.

q. Leases

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

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2) The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

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

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

r. Borrowing costs

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

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

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

s. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the consolidated financial statements and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

t. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

u. Share-based payment arrangements - employee share options

Equity-settled share-based payments granted to employees are measured at the fair value of the equity instruments at the grant date.

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately.

v. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes for the year

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of inflation and interest rate fluctuations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

Property, plant and equipment

The board resolution considered that the introduction of advanced production lines for large-size products could replace some of the machinery and equipment of the Group, and after the assessment of the economic benefits and status of the machinery and equipment to be replaced, it is proposed to change the estimated service life of those machinery and equipment to reflect the actual service life and reasonably amortize costs to facilitate the provision of reliable and more relevant information. Therefore, the service life of some of the machinery and equipment is shortened starting May 1, 2023. The change in estimate increases the depreciation expenses in 2023 by $167,653 thousand, which has been fully reflected in the Group's 2023 consolidated financial statements.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	**2023**
Cash on hand	$ 609	$ 609
Checking accounts and demand deposits	491,623	734,023
Cash equivalents		
Time deposits with original maturities of 3 months or less	129,950	459,722
	$ 622,182	$ 1,194,354

The market interest rate intervals of demand deposits and time deposits with maturities of 3 months or less at the end of reporting period were as follows:

	December 31	
	2024	**2023**
Demand deposits	0%-2.17%	0.001%-1.45%
Time deposits with original maturities of 3 months or less	1.45%-4.67%	0.55%-5.65%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	**2023**
Financial liabilities - held for trading		
Derivative financial instruments (not under hedge accounting)		
Foreign exchange forward contracts	$ -	$ 724

At the end of the year, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	**Maturity Date**	**Notional Amount (In Thousands)**
December 31, 2023			
Buy	RMB/NTD	2024.01.10	RMB1,120/NTD4,923
	RMB/NTD	2024.01.10	RMB585/NTD2,572
	RMB/NTD	2024.01.10	RMB1,258/NTD5,520
	RMB/NTD	2024.01.10	RMB2,000/NTD8,759
	RMB/NTD	2024.01.10	RMB7,345/NTD32,245

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. The purpose of its financial hedging strategy is to hedge against most of the market price risk.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	**2023**
Current		
Time deposits with original maturities of more than 3 months	$ 85,302	$ 85,344
Restricted assets - bank deposits	42,785	53,776
	$ 128,087	$ 139,120
Non-current		
Restricted assets-bank deposits	$ 65,717	$ 63,698

As of December 31, 2024 and 2023, the interest rate range was 0.66%-4.55% and 0.53%-5.65%, respectively.

The financial assets at amortized cost - restricted assets of Groups were used as pledged deposits and reserve accounts for secured borrowings from banks, performance guarantee and borrowings for purchases. Refer to Note 33 for the details.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2024	2023
Notes receivable		
At amortized cost		
Gross carrying amount	$ 507,276	$ 83,894
Less: Allowance for impairment loss	-	-
	$ 507,276	$ 83,894
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 789,609	$ 1,507,068
Less: Allowance for impairment loss	(4,202)	(20,060)
	$ 785,407	$ 1,487,008
Accounts receivable from related parties		
At amortized cost		
Gross carrying amount	$ 8	$ 42,437
Less: Allowance for impairment loss	-	-
	$ 8	$ 42,437
Other receivables		
Interest receivable	$ 1,311	$ 2,149
Others	64	491
	$ 1,375	$ 2,640

a. Notes receivable

The average credit period of notes receivable is 45-90 days.

The Group recognizes the loss allowance for notes receivable based on the lifetime ECLs. The existing period ECLs are based on the past default records of customers and the economic situation of the industry. As of December 31, 2024 and 2023, the Group assessed that the notes receivable are not required to be recognized as ECLs.

The aging analysis of notes receivable based on the account journal date is as follows:

	December 31	
	2024	2023
1-60 days	$ 312,017	$ 75,100
61-90 days	195,259	8,794
	$ 507,276	$ 83,894

b. Accounts receivable/accounts receivable from related parties

The average credit period of accounts receivable is 30-75 days. No interest is charged on accounts receivable. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecast and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables (including related parties) based on the Group's provision matrix:

December 31, 2024

	Not Past Due	1 to 60 Days	61 to 120 Days	Over 121 Days	Individual Evaluation	Total
Expected credit loss rate	0.02%	3.71%	4.55%	-		
Gross carrying amount	$ 216,334	$ 12,403	$ 81,297	$ -	$ 479,583	$ 789,617
Loss allowance (Lifetime ECLs)	(43)	(460)	(3,699)	-	-	(4,202)
Amortized cost	$ 216,291	$ 11,943	$ 77,598	$ -	$ 479,583	$ 785,415

December 31, 2023

	Not Past Due	1 to 60 Days	61 to 120 Days	Over 121 Days	Individual Evaluation	Total
Expected credit loss rate	0.06%	4.27%	-	-		
Gross carrying amount	$ 1,527,554	$ 2,928	$ -	$ -	$ 19,023	$ 1,549,505
Loss allowance (Lifetime ECLs)	(911)	(126)	-	-	(19,023)	(20,060)
Amortized cost	$ 1,526,643	$ 2,802	$ -	$ -	$ -	$ 1,529,445

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31	
	2024	2023
Balance, beginning of year	$ 20,060	$ 18,391
Add: Net remeasurement of loss allowance	-	1,669
Less: Net remeasurement of loss allowance	(15,858)	-
Balance, end of year	$ 4,202	$ 20,060

c. Other receivables

The Group's other receivables are mainly comprised of interest receivable. The Group adopted a policy of dealing only with creditworthy counterparties. The Group determines whether credit risk has increased significantly since initial recognition and measures the loss allowance for other receivables by continuous monitoring of the debtor, with reference to the past default experience of the debtor and an analysis of the debtor's current financial position. As of December 31, 2024 and 2023, the Group assessed that the expected credit loss rate of other receivables was 0%.

10. INVENTORIES

	December 31	
	2024	2023
Raw materials	$ 953,812	$ 461,124
Finished goods	196,138	701,846
Construction in progress	8,554	55,794
Work in process	6,868	56,102
	$ 1,165,372	$ 1,274,866

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

	For the Year Ended December 31	
	2024	2023
Cost of inventories sold	$ 4,132,369	$ 6,892,804
Inventory write-downs	16,140	69,196
Others	46,527	24,706
	$ 4,195,036	$ 6,986,706

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2024	2023
Non-current		
Domestic investments		
Unlisted shares		
Ordinary shares - Eversol Corporation	$ -	$ -

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2024	Proportion of Ownership (%) December 31 2023	Remark
TSEC Corporation	TSEC America, Inc.	Sales of solar related products; main operating risk is exchange rate	100.00	100.00	a
	Houchang Energy Corporation	Energy storage system of regulation reserve; main operating risks are government regulations and natural disasters	100.00	100.00	f
	Changyang Optoelectronics Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	-	80.00	g
	Yunsheng Optoelectronics Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	
	Yunxing Optoelectronics Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	
	TSECPV (HK) LIMITED	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	-	100.00	c
	Hengli Energy Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	e

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2024	2023	Remark
	Yuan-Jin Energy Co., Ltd.	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	90.00	90.00	b
Hou Chang Energy Corporation	Hengyong Energy Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	
	Yongli Energy Corporation	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	
Yuan Jin Energy Co., Ltd.	Jinjing Electric Power Co., Ltd.	Rental of solar power generating equipment, sale of self-generated electricity, and provision of energy technology services; main operating risks are government regulations and natural disasters	100.00	100.00	d

(Concluded)

Note a: On September 11, 2018, the Group resolved to liquidate and dissolve its subsidiary TSEC America, Inc. As of March 5, 2025, TSEC America, Inc. has yet to execute the liquidation process.

Note b: In February 2023, the Company established Yuan-Jin Energy Co., Ltd. with a cash investment of $26,100 thousand, acquiring a 90% shareholding. The Company is engaged in the development, operation and sales of solar power generation systems, and the business registration has been completed.

Note c: In November 2023, the Company increased the capital of its subsidiary TSECPV (HK) LIMITED in the amount of $50 thousand, and the Company's shareholding percentage remained unchanged. TSECPV (HK) LIMITED completed the liquidation process in August 2024.

Note d: In December 2023, Yuan-Jin Energy Co., Ltd. purchased the entire equity of Jinjing Electric Power Co., Ltd. from KWE Corporation with cash of $24 thousand, and the Company's shareholding became 100% after the acquisition. The Company increased its capital in the subsidiary Jinjing Electric Power Co., Ltd. in the amount of $28,000 thousand in December 2023, and the Company's shareholding percentage remained unchanged.

Note e: In May 2024, the Company increased its investment in its subsidiary, W ENERGY INVESTMENT CORPORATION, in the amount of NT$4,900 thousand, with the ownership ratio remaining unchanged

Note f: In July 2024, the Company increased its investment in its subsidiary, Hou Chang Energy Corporation, in the amount of NT$40,000 thousand, with the shareholding ratio remaining unchanged.

Note g: Changyang Optoelectronics completed the liquidation process in September 2024.

Refer to Table 3 of Note 37 for the nature of activities, principal places of business and countries of incorporation of the subsidiaries.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31	
	2024	**2023**
Material associates		
Holdgood Energy Development Corporation (Holdgood)	$ 227,896	$ 231,380
Yuan-Yu Solar Energy Co., Ltd. (Yuan-Yu)	131,472	122,175
NFC III Renewable Power Co., Ltd. (NFC III)	421,253	427,550
	$ 780,621	$ 781,105

Material Associate

	Proportion of Ownership and Voting Rights December 31	
Name of Associate	**2024**	**2023**
Holdgood	45.49%	45.49%
Yuan-Yu	20%	20%
NFC III	24%	24%

For the nature, principal place of business and country information of Company registration of the above-mentioned associates, please refer to Table 3 of Note 37.

The Company using equity method to evaluate associate above-mentioned.

In July 2023, the Group acquired 43,200 thousand ordinary shares of NFC III for $432,000 thousand in cash, representing a 24% shareholding.

The summarized financial information below was based on the financial statements of the associates prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

Holdgood

	December 31	
	2024	**2023**
Current assets	$ 31,177	$ 63,214
Non-current assets	736,968	709,277
Current liabilities	(28,539)	(67,248)
Non-current liabilities	(256,171)	(212,530)
Equity	$ 483,435	$ 492,713
Proportion of the Group's ownership	45.49%	45.49%

(Continued)

	December 31	
	2024	2023
Equity attributable to the Company	$ 219,916	$ 224,135
Unrealized gains and losses on downstream transactions	7,980	7,245
Carrying amount	$ 227,896	$ 231,380

(Concluded)

	For the Year Ended December 31	
	2024	2023
Operating revenue	$ 63,300	$ 90,421
Net profit for the year	$ 7,756	$ 17,138
Other comprehensive loss	(114)	(52)
Total comprehensive income for the year	$ 7,642	$ 17,086
Dividends received from Holdgood	$ 7,697	$ 12,828

Yuan-Yu

	December 31	
	2024	2023
Current assets	$ 166,546	$ 191,432
Non-current assets	1,636,238	1,717,821
Current liabilities	(123,492)	(151,720)
Non-current liabilities	(1,021,932)	(1,139,810)
Equity	$ 657,360	$ 617,723
Proportion of the Group's ownership	20%	20%
Equity attributable to the Company	$ 131,472	$ 123,545
Unrealized gains and losses on downstream transactions	-	(1,370)
Carrying amount	$ 131,472	$ 122,175

	For the Year Ended December 31	
	2024	2023
Operating revenue	$ 238,494	$ 528,182
Net profit for the year	$ 58,159	$ 209,318
Other comprehensive income	-	-
Total comprehensive income for the year	$ 58,159	$ 209,318
Dividends received from Yuan-Yu	$ 5,000	$ 16,000

	December 31	
	2024	2023
Current assets	$ 258,444	$ 203,725
Non-current assets	1,877,473	1,577,843
Current liabilities	(210)	(110)
Non-current liabilities	(380,486)	-
Equity	$ 1,755,221	$ 1,781,458
Proportion of the Group's ownership	24%	24%
Equity attributable to the Company	$ 421,253	$ 427,550
Unrealized gains and losses on downstream transactions	-	-
Carrying amount	$ 421,253	$ 427,550

	For the Year Ended December 31	
	2024	2023
Operating revenue	$ -	$ -
Net loss for the year	$ (26,237)	$ (18,510)
Other comprehensive income	-	-
Total comprehensive loss for the year	$ (26,237)	$ (18,510)

Refer to Note 33 for the merged company issued the equity of Yuan-Yu to the financial bank as collateral for Yuan-Yu financing.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were based on the associates' financial statements audited by the auditors for the same years.

14. PROPERTY, PLANT AND EQUIPMENT

Assets Used by the Group

	Land	Buildings	Machinery	Office Equipment	Miscellaneous Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2024	$ 1,071,526	$ 4,533,409	$ 2,576,222	$ 24,738	$ 298,321	$ 27,614	$ 8,531,830
Additions	-	111,944	385,860	-	33,695	169,326	700,825
Disposals	-	-	-	-	(2,017)	-	(2,017)
Reclassification	-	47,883	-	-	-	(87,645)	(39,762)
Balance at December 31, 2024	1,071,526	4,693,236	2,962,082	24,738	329,999	109,295	9,190,876
Accumulated depreciation and impairment							
Balance at January 1, 2024	-	1,555,349	531,597	24,634	190,672	-	2,302,252
Depreciation expense	-	204,315	453,349	40	36,883	-	694,587
Impairment losses recognized	-	321,204	242,302	-	6,362	-	569,868
Disposals	-	-	-	-	(1,970)	-	(1,970)
Reclassification	-	(35,156)	-	-	-	-	(35,156)
Balance at December 31, 2024	-	2,045,712	1,227,248	24,674	231,947	-	3,529,581
Carrying amount at December 31, 2024	$ 1,071,526	$ 2,647,524	$ 1,734,834	$ 64	$ 98,052	$ 109,295	$ 5,661,295

(Continued)

	Land	Buildings	Machinery	Office Equipment	Miscellaneous Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2023	$ 1,071,526	$ 3,477,828	$ 3,192,654	$ 24,917	$ 344,535	$ 530,800	$ 8,642,260
Additions	-	257,303	1,539,926	-	33,049	6,709	1,836,987
Disposals	-	-	(2,163,059)	(179)	(79,263)	-	(2,242,501)
Reclassification	-	798,278	6,701	-	-	(509,895)	295,084
Balance at December 31, 2023	1,071,526	4,533,409	2,576,222	24,738	298,321	27,614	8,531,830
Accumulated depreciation and impairment							
Balance at January 1, 2023	-	1,249,600	1,688,278	24,773	236,887	-	3,199,538
Depreciation expense	-	167,053	672,299	40	31,199	-	870,591
Disposals	-	-	(1,829,056)	(179)	(77,414)	-	(1,906,649)
Reclassification	-	138,696	76	-	-	-	138,772
Balance at December 31, 2023	-	1,555,349	531,597	24,634	190,672	-	2,302,252
Carrying amount at December 31, 2023	$ 1,071,526	$ 2,978,060	$ 2,044,625	$ 104	$ 107,649	$ 27,614	$ 6,229,578

(Concluded)

In accordance with IAS 36 “Impairment of Assets” if any indications of impairment exist for property, plant and equipment, the Group’s management should determine whether the recoverable amount of the asset is lower than the carrying amount. After considering future operation plans and existing capacity planning, the Group assessed that some of the buildings, machinery, and other equipment did not meet production requirements, and expected that these assets would have no future cash inflows. Therefore, the Group recognized impairment losses of $569,868 thousand in 2024. The impairment loss was included in other operating income and expenses in the consolidated statements of comprehensive income.

No impairment loss or reversal of impairment loss was recognized for the year ended December 31, 2023.

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

Buildings	
Main buildings	50 years
Building improvements	5-20 years
Machinery	3-20 years
Office equipment	3 years
Miscellaneous equipment	3-15 years

Refer to Note 34 for the details on the purchases of machines required for production and the significant commitments stated in the construction contracts.

Refer to Note 33 for the property, plant and equipment pledged as collateral for bank borrowings as of December 31, 2024 and 2023.

Refer to Note 25 (k) for capitalized interest for the years ended December 31, 2024 and 2023.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Buildings	$ 5,348	$ 15,266
Transportation equipment	432	950
	$ 5,780	$ 16,216

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 7,810	$ 18,013
Derecognition of right-of-use assets upon lease termination	$ (6,200)	$ (1,059)
Depreciation charge for right-of-use assets		
Buildings	$ 11,528	$ 10,904
Transportation equipment	518	604
	$ 12,046	$ 11,508

b. Lease liabilities

	December 31	
	2024	2023
Carrying amount		
Current	$ 4,781	$ 11,736
Non-current	$ 1,060	$ 4,684

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2024	2023
Buildings	2.13%-3.06%	2.33%-3.06%
Transportation equipment	3.06%	3.06%

c. Material leasing activities and terms

The Group leases certain vehicles and buildings for the use of vehicles, employee dormitories and offices with lease terms of 2-4 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases and low-value asset leases	$ 3,248	$ 4,608
Total cash outflow for leases	$ (15,701)	$ (16,498)

The Group's leases of certain parking space, employee dormitories qualify as short-term leases and leases of certain photocopiers qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Buildings
Cost	
Balance at January 1, 2024	$ -
Reclassification (Note 1)	39,762
Balance at December 31, 2024	39,762
Accumulated depreciation	
Balance at January 1, 2024	-
Depreciation expenses	153
Reclassification (Note 1)	35,156
Balance at December 31, 2024	35,309
Carrying amount at December 31, 2024	$ 4,453
Cost	
Balance at January 1, 2023	$ 295,084
Reclassification (Note 2)	(295,084)
Balance at December 31, 2023	-
Accumulated depreciation	
Balance at January 1, 2023	131,925
Depreciation expenses	6,847
Reclassification (Note 2)	(138,772)
Balance at December 31, 2023	-
Carrying amount at December 31, 2023	$ -

Note 1: Reclassified property, plant, and equipment to investment property.

Note 2: Reclassified to property, plant and equipment.

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	
Main buildings	50 years
Building improvements	3-20 years

The investment properties are leased out for 4 years, and the lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	December 31	
	2024	2023
Year 1	$ 6,480	$ -
Year 2	2,160	-
	$ 8,640	$ -

The fair value of the investment properties was evaluated by the independent appraisal company, Jingrui Real Estate Appraisers & Associates, using Level 3 inputs as of the balance sheet date. The valuation was conducted using the cost approach and comparison approach. The fair value appraised was as follows:

	December 31	
	2024	2023
Fair value	$ 58,417	$ -

There was no capitalized interest for the investment properties for the years ended December 31, 2024 and 2023.

17. OTHER INTANGIBLE ASSETS

	December 31	
	2024	2023
Computer software	$ 8,760	$ 7,800

	For the Year Ended December 31	
	2024	2023
Cost		
Balance at January 1	$ 60,591	$ 54,004
Additions	5,898	6,587
Balance at December 31	66,489	60,591
Accumulated amortization		
Balance at January 1	52,791	49,296
Amortization expense	4,938	3,495
Balance at December 31	57,729	52,791
Carrying amount at December 31	$ 8,760	$ 7,800

Computer software is amortized on a straight-line basis over 1-4 years.

Summary of amortization by function

	For the Year Ended December 31	
	2024	2023
Operating cost	$ 2,535	$ 1,878
Selling and marketing expenses	1,960	1,291
General and administrative expenses	397	300
Research and development expenses	46	26
	$ 4,938	$ 3,495

18. OTHER ASSETS - CURRENT AND NON-CURRENT

	December 31	
	2024	2023
Current		
Prepayments	$ 18,451	$ 53,200
Prepayments expenses	3,822	28,711
Others	3,275	15,223
	$ 25,548	$ 97,134
Non-current		
Prepayments for equipment (including capitalized interest)	$ 135,639	$ 222,898
Refundable deposits	175,056	175,386
	$ 310,695	$ 398,284

19. BORROWINGS

a. Short-term borrowings

	December 31	
	2024	2023
Secured borrowings		
Bank secured loans	$ 60,000	$ 163,475
Unsecured borrowings		
Line of credit borrowings	90,204	178,361
	$ 150,204	$ 341,836
Interest rate intervals	2.29%-2.34%	2.39%-2.58%

For the guarantees provided by the Group for the above-mentioned short-term borrowings, please refer to Note 33.

b. Short-term bills payable

Outstanding short-term bills payable were as follows:

December 31, 2024

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
Mega Bills Finance Co., Ltd.	$ 30,000	$ 39	$ 29,961	2.268%	None
Taiwan Cooperative Bills Finance Corporation	30,000	39	29,961	2.268%	None
China Bills Finance Corporation	60,000	78	59,922	2.248%	None
International Bills Finance Corporation	10,000	2	9,998	2.248%	None
	$ 130,000	$ 158	$ 129,842		

December 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
Mega Bills Finance Co., Ltd.	$ 30,000	$ 34	$ 29,966	2.168%	None
Taiwan Cooperative Bills Finance Corporation	30,000	34	29,966	2.168%	None
China Bills Finance Corporation	20,000	28	19,972	2.168%	None
	$ 80,000	$ 96	$ 79,904		

c. Long-term borrowings

	December 31	
	2024	2023
Secured borrowings		
Syndicated loans (administration fee for syndicated loans)	$ 1,023,890	$ 1,539,600
Bank mortgage loans	512,978	646,315
Unsecured borrowings		
Bank borrowings	761,930	401,302
	2,298,798	2,587,217
Less: Current portion	(446,345)	(518,933)
Long-term borrowings	$ 1,852,453	$ 2,068,284
Interest rate (%)	1.72%-3.02%	1.60%-3.09%

1) Syndicated loans

a) In December 2024, the Group signed a syndicated loan agreement with a bank syndicate, with Taiwan Cooperative Bank as the lead bank. The credit line is $2,400,000 thousand (including $500,000 thousand for the Type A loan, $1,500,000 thousand for the Type B loan and $400,000 thousand for the Type C loan). The loan period is five years from the first drawdown date. The first installment shall be paid upon three months after the first drawdown, and the Group shall pay the following installments every three months in a total of 20 installments to repay the principal of the loan. The Group shall repay 4% of the principal from the 1st to the 16th installment, 8% of the principal from the 17th to the 19th installments, and the remaining principal in the final installment. As of December 31, 2024, the outstanding balance of the Type A loan was $500,000 thousand.

During the course of the duration of the above-mentioned borrowings, the Group's financial statements are required to be in compliance with certain financial ratios. In the event of a non-conformity with any of the financial ratios, the Group shall conduct capital increase in cash or make improvements by other means while paying compensation to the Group of banks in a lump sum at 0.20% of the outstanding balance of the loan drawn down. Also, the Group shall make improvements to meet the requirements of the agreement between the provision of the financial statements to the provision of the next first-half or annual financial statements. If the Group completes the improvement within said improvement period and meets the requirements of the agreement, the non-conformity shall not be deemed as a breach of the Group's financial commitment.

b) In March 2023, the Group signed a syndicated loan agreement with a bank syndicate with Mega International Commercial Bank as the lead bank. The credit line is $1,909,600 thousand (including $1,573,600 thousand for the limit of Type A loan and $336,000 thousand for Type B loan), and the loan period is five years from the date the loan is first utilized. The principal of Type A loan should be paid off before the date the credit period expires. As for Type B loans, the 12-month period after the loan is first utilized is considered period 1, and the subsequent period is one month; the principal is divided into 48 installments, with the remaining principal being paid off in the last period. As of December 31, 2024 and 2023, the balance of Type A loan was $250,000 thousand; as of December 31, 2024 and 2023, the balance of Type B loan was $287,000 thousand and $336,000 thousand, respectively.

During the course of above-mentioned borrowings, the Group's financial statements are required to be in compliance with certain financial ratios. If any non-conformity with the agreed financial ratios occurs, the Group should make improvements to the agreement through cash capital increase or other means. Financial commitments are not deemed to have been breached if completed within the specified time period.

c) In November 2020, the Group signed a syndicated loan agreement with a bank syndicate with Taiwan Cooperative Bank as the lead bank. The credit line is $2,000,000 thousand (including $1,600,000 thousand for the limit of Type A loan and $400,000 thousand for the Type B loan), and the loan period is up to November 2025. The first installment shall be paid upon three months after the first drawdown, and the Group shall pay the following installments every three months in a total of 20 installments to pay off the principal of the loan. The Group shall repay 2% of the principal from the 1st to the 12th installments, 4% of the principal from the 13th to the 19th installments, and the remaining principal in the last installment. As of December 31, 2023, the balances of the Type A loan was $966,000 thousand. These syndicated loans were repaid in full in advance in December 2024.

During the course of the duration of the above-mentioned borrowings, the Group's financial statements are required to be in compliance with certain financial ratios. In the event of a non-conformity with any of the financial ratios, the Group shall conduct capital increase in cash or make improvements by other means while paying compensation to the Group of banks in a lump sum at 0.20% of the outstanding balance of the loan drawn down. Also, the Group shall make improvements to meet the requirements of the agreement between the provision of the financial statements to the provision of the next first-half or annual financial statements. If the Group completes the improvement within said improvement period and meets the requirements of the agreement, the non-conformity shall not be deemed as a breach of the Group's financial commitment.

2) The contract period of the bank unsecured and secured borrowings is from 5 years to 7 years and the principal and interest are repaid monthly.

   For guarantees provided by the Group for the above-mentioned long-term borrowings, please refer to Note 33.

20. NOTES AND ACCOUNTS PAYABLE

	December 31	
	2024	2023
Notes payable - operating	$ 10	$ 23
Accounts payable - operating	$ 213,989	$ 525,327

The average credit period for purchases was 36 to 116 days. The Group has established financial risk management policies to ensure that all payables are repaid within the pre-agreed credit periods.

21. OTHER PAYABLES

	December 31	
	2024	2023
Current		
Other payables		
Payables for salaries or bonuses	$ 107,718	$ 172,225
Payables for purchases of equipment	53,822	97,292
Payables for transportation and customs clearance	61,876	42,931
Payables for labor and health insurance	14,664	20,491
Payables for value-added tax	10,026	21,705
Payables for environmental cost	4,514	6,302
Others	42,070	81,066
	$ 294,690	$ 442,012
Other liabilities		
Deferred revenue-government grants	$ 14,000	$ 10,000
Others	9,500	7,862
	$ 23,500	$ 17,862
Non-current		
Other liabilities		
Guarantee deposits received	$ 1,080	$ -

22. RETIREMENT BENEFIT PLANS

Defined Contribution Plan

The Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Pension expenses for these defined contribution plans are classified under the following accounts:

	For the Year Ended December 31	
	2024	**2023**
Operating costs	$ 32,361	$ 35,611
Operating expenses	5,815	5,862
	$ 38,176	$ 41,473

23. CONVERTIBLE PREFERRED STOCK

On April 7, 2021, the Group's shareholders approved to issue 75,000 thousand shares of convertible preferred stock (Preferred A) with par value of $10 through private placement. On November 18, 2021, the Company's board of directors approved the issuance of 25,895 thousand shares of the Preferred A stock at a price of $23.75 per share. The Company collected the total amount of $615,000 thousand on December 2, 2021, and completed the registration of the share issuance. Subject to the conditions of the issuance, the preferred shares were split into preferred stock liability of $287,949 thousand (included in non-current liabilities) and conversion options of $327,051 thousand (included in capital surplus). The rights and obligations of the preferred stock in this issuance are as follows:

a. The distribution of earnings was based on the Group's Articles of Incorporation, current year or current quarter and accumulated unappropriated dividend shall be appropriated to class A preferred shares in the first priority. If there were no earnings or earnings that were not sufficient to be appropriated to class A preferred shares, the distributable earnings shall be appropriated to class A preferred shares. The dividend deficiency shall be made up in a profitable year or quarter subsequently in the first priority.

b. The annual dividend rate of class A preferred shares was 2% which was calculated at the issuance price per share and paid in cash, the ex-dividend date of the preferred dividend was authorized to be determined by the board of directors. The issuance number in issuance year or quarter and recovered year or quarter were calculated at the actual issuance number of days.

c. If the expected dividend distribution amount of common shares exceeds the dividend amount of class A preferred shares in the current year, the shareholders of class A preferred shares can participate in the distribution.

d. Except for the aforementioned dividend, the shareholders of class A preferred shares can participate in the appropriation of earnings and reserves to shareholders of common shares of preference shares

e. Class A preferred shares were promised to be transferred to common shares on the day following the third anniversary of the issue.

f. Class A preferred stock is non-voting, except during the preferred shareholders' meetings and on matters regarding the shareholders' rights and obligations.

g. When it comes to appropriate over common shares residual assets of the Group, class A preferred shares have priority preferred shares. However, the amount was limited to the issuance price plus the total amount of unpaid dividends.

h. The issuance period of class A preferred shares was no period, the shareholders of class A preferred shares did not have the right to demand the Group call back class A preferred shares. However, on the date after years of the issuance date, the Group can call back all or some of class A preferred shares at the actual issuance price in cash or other ways which were permitted by regulations. The rights and obligations of class A preferred shares which have not been called will continue until the Group calls back. In the current year of calling back the class A preferred shares, if the Group's shareholders resolve to appropriate dividends, the amounts of dividends which have to be the number of actual distribute d as of the date of call back will be calculated according to issuance days in the current year.

i. The preemptive rights for stockholders of class A preferred stocks are the same as those of common stocks when the Group increases its capital by issuing shares.

j. When class A preferred shares meet the condition of call back or mature in the issuance period, if the Group cannot call back all or some class A preferred shares due to force majeure or inscrutable fault of the Group, the rights of class A preferred shares which have not been called back will continue according to aforementioned issuance conditions until the Group calls back all the class A preferred shares. The dividends will be calculated according to the original annual rate and actual extension period, and the rights of class A preferred shares shall not be diminished according to the Group's articles of incorporation.

On March 7, 2022, the Group's board of directors resolved that the offering of the remaining 49,105 thousand shares will not be continued.

24. EQUITY

a. Share capital - ordinary shares

	December 31	
	2024	2023
Shares authorized (in thousands of shares)	700,000	700,000
Shares authorized	$ 7,000,000	$ 7,000,000
Shares issued and fully paid (in thousands of shares)	512,797	512,797
Shares issued and fully paid	$ 5,127,967	$ 5,127,967

The par value of the issued ordinary shares is NT$10. Each share entitles its holder to the right to vote and to receive dividends. In addition, 25,895 thousand shares of The par value of the issued class A preferred share were issued. Please refer to Note 23.

The Company issued 36,500 thousand ordinary shares with a par value of $10, for a consideration of $27.10 per share which increased the share capital issued and fully paid to $989,150 thousand and release shares increased to 512,797 thousand on August 2, 2023. The Group completed its registration on August 31, 2023.

Of the authorized capital, a total of 5,000 thousand shares should be reserved for employee share option certificates, which should be issued in batches in accordance with the resolution of the board of directors.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Premium from issuance of ordinary shares	$ 1,624,201	$ 1,624,201
Expired employee share options	14,372	14,372
May only be used to offset a deficit		
Changes in percentage of ownership interests in invested company accounted for using the equity method	11	11
Gain on exercise of vesting rights	6	-
May not be used for any purpose		
Preferred stock share options (Note 23)	327,051	327,051
	$ 1,965,641	$ 1,965,635

The capital surplus from shares issued in excess of par and donations could be used to offset deficits; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

The movements in capital surplus for the years ended December 31, 2024 and 2023 are as follows:

	Premium from Issuance of Ordinary Shares	Expired Employee Share Options	Preferred Stock Share Options	Others	Total
Balance at January 1, 2023	$ 991,729	$ 6,233	$ 327,051	$ 11	$ 1,325,024
Issuance of ordinary shares	624,150	-	-	-	624,150
Recognized as cost of employee share options	20,877	8,139	-	-	29,016
Cash dividends from capital surplus	(12,555)	-	-	-	(12,555)
Balance at December 31, 2023	1,624,201	14,372	327,051	11	1,965,635
Exercise of vesting rights	-	-	-	6	6
Balance at December 31, 2024	$ 1,624,201	$ 14,372	$ 327,051	$ 17	$ 1,965,641

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's amended Articles of Incorporation (the "Articles"), where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors and supervisors in Note 25(i).

In addition, in accordance with the dividends policy as stated in the Company's Articles, dividends shall be distributed in an appropriate manner based on the Company's future capital budget and funding needs. Dividends shall be distributed in the form of cash or shares, with the percentage of cash dividends not less than 10% of the total dividends distributed.

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

The appropriations of earnings for 2023 and 2022, which were approved by the shareholders in their meetings on May 24, 2024 and May 24, 2023, respectively, were as follows:

	For the Year Ended December 31	
	2023	**2022**
Legal reserve	$ 52,727	$ 18,741
(Reversal of) special reserve	$ (149)	$ 129,364
Cash dividends	$ 215,477	$ 37,664
Cash dividends per share (NT$)	$ 0.4	$ 0.075

The board of shareholders held a meeting on May 24, 2023 and proposed the distribution of cash dividends, $0.025 per share, from capital surplus - stock issuance premium of $12,555 thousand.

The offsetting of deficit for 2024, which were proposed by the Company's board of directors on March 5, 2025, was as follows:

	For the Year Ended December 31, 2024
Legal reserve used to offset accumulated deficit	$ 76,100
Capital surplus used to offset accumulated deficit	$ 262,908
Reversal of special reserve	$ (390)

The offsetting of deficit for 2024 will be resolved by the shareholders in their meeting to be held in May 2025.

d. Other equity items

1) Exchange differences on the translation of foreign operations

	For the Year Ended December 31	
	2024	**2023**
Balance at January 1	$ (235)	$ (234)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	547	(2)
Income tax relating to items that may be reclassified subsequently to profit or loss	(110)	1
Reclassification adjustments for the disposal of subsidiary	4	-
Balance at December 31	$ 206	$ (235)

2) Unrealized gain on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ (170,665)	$ (170,641)
Recognized for the year		
Share from associates accounted for using the equity method	(51)	(24)
Balance at December 31	$ (170,716)	$ (170,665)

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ -	$ (174)
Recognized for the year		
Gain (loss) on changes in the fair value of hedging instruments		
Foreign currency risk - foreign exchange forward contracts	-	119
Original carrying amount transferred to the hedged items		
Foreign currency risk - foreign exchange forward contracts	-	99
Related income tax	-	(44)
Balance at December 31	$ -	$ -

e. Non-controlling interests

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 2,989	$ 95
Attributable to non-controlling interests		
Net loss for the year	(18)	(6)
Increase in non-controlling interest by acquiring Yuan-Jin Energy Co., Ltd.	-	2,900
Disposal of subsidiary	(90)	-
Balance at December 31	$ 2,881	$ 2,989

25. NET (LOSS) INCOME

a. Operating revenue

1) Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable (Note 9)	$ 507,276	$ 83,894	$ -
Accounts receivable (Note 9)	$ 785,407	$ 1,487,008	$ 1,164,930
Accounts receivable from related parties (Notes 9 and 32)	$ 8	$ 42,437	$ 9,498
Contract liabilities			
Sale of goods	$ 47,582	$ 90,007	$ 117,745

Refer to Note 9 for the explanation of accounts receivable generated from contracts.

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

Revenue recognized in the current year from the satisfaction of performance obligations of contract liabilities at the beginning of the year was summarized as follows:

	For the Year Ended December 31	
	2024	2023
From contract liabilities at the beginning of the year		
Sale of modules	$ 85,617	$ 109,380

2) Details of revenue from contracts with customers

Refer to Note 38 for further information about the details of revenue.

3) Partially completed contracts

	December 31	
	2024	2023
Sale of modules		
- from January 1 to December 31, 2024	$ -	$ 90,007
- from January 1 to December 31, 2025	47,582	-
	$ 47,582	$ 90,007

b. Interest income

	For the Year Ended December 31	
	2024	2023
Cash in banks	$ 10,617	$ 16,865
Financial assets at amortized cost	4,936	5,251
Others	1,752	1,215
	$ 17,305	$ 23,331

c. Other operating income and expenses

	For the Year Ended December 31	
	2024	2023
Impairment loss on property, plant and equipment	$ (569,868)	$ -
Gain (loss) on disposal of property, plant and equipment, net	11	(318,921)
Others	(397)	(6,222)
	$ (570,254)	$ (325,143)

d. Other income

	For the Year Ended December 31	
	2024	2023
Government grants	$ 18,481	$ 4,567
Rental income	1,548	25,072
Others	6,283	19,617
	$ 26,312	$ 49,256

e. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	$ 1,739	$ 3,769
Financial liabilities held for trading	(33)	(1,102)
Loss on disposal of subsidiaries	(4)	-
Net foreign exchange gains (losses)	5,681	(375)
Others	(378)	(281)
	$ 7,005	$ 2,011

f. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	$ 694,587	$ 870,591
Right-of-use assets	12,046	11,508
Investment properties	153	6,847
Other intangible assets	4,938	3,495
	$ 711,724	$ 892,441
An analysis of depreciation by function		
Operating costs	$ 681,616	$ 861,673
Operating expenses	25,170	27,273
	$ 706,786	$ 888,946
An analysis of amortization by function		
Operating costs	$ 2,535	$ 1,878
Operating expenses	2,403	1,617
	$ 4,938	$ 3,495

Refer to Note 17 for information relating to the line items in which any amortization of intangible assets is included.

g. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2024	2023
Generating rental income		
Depreciation expense	$ 153	$ 6,847
Tax expense	107	234
	$ 260	$ 7,081

h. Employee benefit expenses

	For the Year Ended December 31	
	2024	2023
Post-employment benefits		
Defined contribution plans (Note 22)	$ 38,176	$ 41,473
Share-based payments (Note 28)	-	29,016
Payroll expenses	876,009	1,007,489
Labor and health insurance expenses	98,225	111,288
Remuneration of directors	9,000	33,451
Other employee benefits	87,872	98,471
Total employee benefit expenses	$ 1,109,282	$ 1,321,188

(Continued)

	For the Year Ended December 31	
	2024	2023
An analysis of employee benefit expense by function		
Operating costs	$ 947,632	$ 1,058,979
Operating expenses	161,650	262,209
	$ 1,109,282	$ 1,321,188

(Concluded)

i. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 5% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors, after offsetting accumulated deficits, if any. The Company incurred a net loss before tax in 2024, no provision for employee and director remuneration was made.

The compensation of employees and remuneration of directors for the years ended December 31, 2023, which were approved in the board of directors' meeting held on March 6, 2024 was as follows:

Accrual rate

	For the Year Ended December 31, 2023
Compensation of employees	5.58%
Remuneration of directors	3.16%

Amount

	For the Year Ended December 31, 2023
Compensation of employees	$ 31,800
Remuneration of directors	$ 18,000

If there is a change in the amounts after the annual financial statements are authorized for issue, the difference is recognized as a change in accounting estimate in the following year.

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

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

j. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign currency exchange gains	$ 34,912	$ 54,539
Foreign currency exchange losses	(29,231)	(54,914)
Net gain (loss)	$ 5,681	$ (375)

k. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest expense	$ 66,829	$ 80,449
Interest on preferred stocks liabilities	12,300	13,311
Finance costs	10,408	7,272
Interest on lease liabilities	324	500
Others	206	891
Less: Capitalized interest	(12,419)	(30,253)
	$ 77,648	$ 72,170

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2024	2023
Capitalized interest	$ 12,419	$ 30,253
Capitalization rate	2.48%	2.80%

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense (benefits) are as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
Adjustments for prior years	$ 52	$ (63)
Deferred tax		
In respect of the current year	1,944	(5,293)
Income tax benefit recognized in profit or loss	$ 1,996	$ (5,356)

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

	For the Year Ended December 31	
	2024	2023
(Loss) profit before tax from continuing operations	$ (598,275)	$ 521,906
(Loss) income tax expense calculated at the statutory rate	$ (119,672)	$ 104,422
Non-taxable income and nondeductible expenses in determining taxable income	(417)	(6,440)
Realized loss carryforwards	-	(108,920)
Unrecognized loss carryforwards	122,033	5,645
Adjustments for prior years' tax	52	(63)
Income tax benefit recognized in profit or loss	$ 1,996	$ (5,356)

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 110	$ 1
Cash flow hedges	-	(44)
	$ 110	$ (43)

c. Current tax assets

	December 31	
	2024	2023
Current tax assets		
Tax refund receivable	$ 3,535	$ 2,340

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Loss carryforwards	$ 183,158	$ (101,007)	$ -	$ 82,151
Inventory write-downs	50,988	(11,219)	-	39,769
Impairment loss of property, plant and equipment	94	113,974	-	114,068
Loss on investments in subsidiaries and associates accounted for using the equity method	4,600	(49)	-	4,551
Allowance for losses	764	(764)	-	-
Provisions for liabilities	5,004	716	-	5,720
Unrealized foreign exchange loss	-	201	-	201
Exchange differences on the translation of the financial statements of foreign operations	59	-	(59)	-
Unrealized loss on financial instruments	145	(145)	-	-
	$ 244,812	$ 1,707	$ (59)	$ 246,460
Deferred tax liabilities				
Temporary differences				
Unrealized foreign exchange gains	$ 724	$ (724)	$ -	$ -
Unrealized loss on transactions with associates	1,175	421	-	1,596
Exchange differences on the translation of the financial statements of foreign operations	-	-	51	51
Property, plant and accelerated depreciation of equipment	1,447	3,954	-	5,401
	$ 3,346	$ 3,651	$ 51	$ 7,048

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Loss carryforwards	$ 188,009	$ (4,851)	$ -	$ 183,158
Inventory write-downs	37,149	13,839	-	50,988
Impairment loss of property, plant and equipment	2,031	(1,937)	-	94
Loss on investments in subsidiaries and associates accounted for using the equity method	4,574	26	-	4,600
Allowance for losses	1,294	(530)	-	764
Provisions for liabilities	3,428	1,576	-	5,004
Unrealized gain on transactions with associates	130	(130)	-	-
Exchange differences on the translation of the financial statements of foreign operations	58	-	1	59
Unrealized loss on financial instruments	127	18	-	145
Loss on hedge instrument	44	-	$ (44)	-
	$ 236,844	$ 8,011	$ (43)	$ 244,812
Deferred tax liabilities				
Temporary differences				
Unrealized foreign exchange gains	$ 628	$ 96	$ -	$ 724
Unrealized loss on transactions with associates	-	1,175	-	1,175
Property, plant and accelerated depreciation of equipment	-	1,447	-	1,447
	$ 628	$ 2,718	$ -	$ 3,346

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2024	2023
Loss carryforwards	$ 2,095,403	$ 1,487,108
Deductible temporary differences		
Impairment loss of financial assets	$ 1,705	$ 1,705

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2024 comprised:

Unused Amount	Expiry Year
$ 121,163	2027
1,191,451	2028
448,043	2029
634,800	2030
1,598	2032
3,971	2033
105,132	2034
$ 2,506,158	

g. Income tax assessments

The income tax returns of the Company through 2022 has been assessed by the tax authorities, and there is no significant difference between the number of cases assessed and declared.

The income tax returns of the Changyang Optoelectronics Corporation, Yunsheng Optoelectronics Corporation, Yunxing Optoelectronics Corporation, Houchang Energy Corporation, Hengyong Energy Corporation, Hengli Energy Corporation, Yongli Energy Corporation, Jinjing Co., Ltd. and through 2022 have been assessed by the tax authorities, and there is no significant difference between the number of cases assessed and declared. Yuan-Jin Energy was establishment in 2023, and its income tax return for 2023 has not yet been approved by the tax authorities.

27. EARNINGS (LOSS) PER SHARE

The earnings (loss) and weighted average number of ordinary shares outstanding used in the computation of earnings (loss) per share were as follows:

Net Earnings (Loss) for the Year

	For the Year Ended December 31	
	2024	2023
(Loss) earnings used in the computation of basic earnings per share	$ (600,253)	$ 527,268
Effect of potentially dilutive ordinary shares:		
Interest on convertible preferred stocks, after tax		9,840
Earnings used in the computation of diluted earnings per share		$ 537,108

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	512,797	491,497
Effect of potentially dilutive ordinary shares		
Convertible preferred stocks		25,895
Compensation of employee		1,131
Weighted average number of ordinary shares used in the computation of diluted earnings per share		518,523

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. For the year ended December 31, 2024, the Company incurred a net loss. Employees' compensation was excluded from the calculation of diluted earnings per share due to its anti-dilutive effect.

28. SHARE-BASED PAYMENT ARRANGEMENTS

The Company issued ordinary shares for a capital increase in cash in July 2023, in which a portion of the shares is reserved for employees' subscription, and shared-based payment expenses calculated according to the Black-Scholes model amounted to $29,016 thousand. An increase in the same amount was recognized for capital surplus.

Information on employee share options was as follows:

	Grant Date
	July 5, 2023
Fair value of options	$7.95 per share
Exercise price	$27.1 per share
Expected life	11 days
Share price volatility rate	40.00%
Risk-free interest rate	0.9920%

29. CASH FLOW INFORMATION

a. Non-cash transactions

For the years ended December 31, 2024 and 2023, the Group entered into the following non-cash investing and financing activities:

	For the Year Ended December 31	
	2024	2023
Cash paid for part of the cost of acquisition of property, plant and equipment		
Acquisition of property, plant and equipment	$ 700,825	$ 1,836,987
Net changes in prepayments for equipment	(99,678)	(599,017)
Net changes in payables for purchase of equipment	43,470	(41,715)
Effect of exchange differences	513	(78)
Cash paid	$ 645,130	$ 1,196,177

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2024

	Balance as of January 1, 2024	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Long-term Borrowings - Current Portion	Non-cash Changes: Amortization of Interest Expenses	Others	Balance as of December 31, 2024
Short-term borrowings	$ 341,836	$ (191,632)	$ -	$ -	$ -	$ -	$ 150,204
Short-term bills payable	79,904	49,938	-	-	2,162	(2,162)	129,842
Long-term borrowings - current portion	518,933	(1,240,169)	-	1,167,581	-	-	446,345
Long-term borrowings	2,068,284	951,750	-	(1,167,581)	-	-	1,852,453
Guarantee deposits received	-	1,080	-	-	-	-	1,080
Lease liabilities	16,420	(12,129)	7,810	-	324	(6,584)	5,841
Preferred stock liabilities	287,949	-	-	-	-	-	287,949
	$ 3,313,326	$ (441,162)	$ 7,810	$ -	$ 2,486	$ (8,746)	$ 2,873,714

For the year ended December 31, 2023

	Balance as of January 1, 2023	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Long-term Borrowings - Current Portion	Non-cash Changes: Amortization of Interest Expenses	Others	Balance as of December 31, 2023
Short-term borrowings	$ 939,962	$ (514,777)	$ -	$ -	$ -	$ (83,349)	$ 341,836
Short-term bills payable	329,513	(249,609)	-	-	4,441	(4,441)	79,904
Long-term borrowings - current portion	218,604	(182,414)	-	482,743	-	-	518,933
Long-term borrowings	1,931,346	536,332	-	(482,743)	-	83,349	2,068,284
Guarantee deposits received	3,705	(3,705)	-	-	-	-	-
Lease liabilities	10,869	(11,390)	18,013	-	500	(1,572)	16,420
Preferred stock liabilities	287,949	-	-	-	-	-	287,949
	$ 3,721,948	$ (425,563)	$ 18,013	$ -	$ 4,941	$ (6,013)	$ 3,313,326

30. CAPITAL MANAGEMENT

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

The Group will review the capital structure periodically according to the economic environment and business considerations. Based on the recommendations of the management, the Group will adjust the number of new shares issued or the amount of new debt issued in order to balance the overall capital structure.

31. FINANCIAL INSTRUMENTS

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

The management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values (or their fair values cannot be reliably measured).

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivatives	$ -	$ 724	$ -	$ 724

There were no transfers between Levels 1 and 2 in 2024 and 2023.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

c. Categories of financial instruments

	December 31	
	2024	2023
Financial assets		
Financial assets at amortized cost (1)	$ 2,285,255	$ 3,189,922
Financial liabilities		
Financial liabilities at FVTPL	-	724
Financial liabilities at amortized cost (2)	3,238,199	4,042,586

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, accounts receivable - related parties, other accounts receivable, other accounts receivable - related parties and refundable deposits (recognized as other non-current assets).

2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans (including current portion), short-term bills payable, notes payable, trade and other payables (excluding wage payable, labor and medical insurance, pension and value-added tax), preferred stocks liabilities and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include financial assets or liabilities measured at FVTPL, financial assets measured at FVTOCI, accounts receivable, accounts payable, short-term, long-term debt and lease liabilities etc. The Group's corporate treasury function coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

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

a) Foreign currency risk

For the carrying amounts of monetary assets and monetary liabilities denominated in the non-functional currency at the balance sheet date (including monetary items denominated in non-functional currencies in the consolidated financial statements), refer to Note 36.

Sensitivity analysis

The Group is mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges and their adjusted translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit (loss) associated with the functional currency strengthening 5% against the U.S. dollar. For a 5% weakening of the functional currency against the foreign currency, there would be an equal and opposite impact on pre-tax profit (loss) and the balances below would be negative.

	U.S. Dollar	
	USD:NTD	
	For the Year Ended December 31	
	2024	**2023**
(Loss) profit	$ (6,457)	$ (1,122)

This was mainly attributable to the exposure on outstanding bank deposits, financial assets measured at amortized cost, receivables and payables denominated in U.S. dollars which were not hedged at the end of the reporting period.

The sensitivity of the Group to the U.S. dollar increased during the current year, mainly due to the increase in net assets in U.S. dollars during the current year.

Hedge accounting

The Group's hedging strategy is to enter into forward foreign exchange contracts to hedge the risk of exchange rate changes on foreign currency machine purchase contracts that are expected to occur in the future and are designated as cash flow hedges. When the forecasted purchases actually occur, a basis adjustment is made to the initial carrying amount of the hedged item.

For the hedges of highly probable forecast sales and purchases, as the critical terms (i.e., the notional amount, life and underlying) of the forward foreign exchange contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates. The Group compares changes in the fair value of forward foreign exchange contracts with changes in purchase costs to assess the effectiveness of the hedge.

The main source of hedge ineffectiveness in these hedging relationships is the effect of credit risks of the Group and the counterparty on the fair value of the forward exchange contracts. Such credit risks do not impact the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness emerged from these hedging relationships.

The Group's exchange rate risk hedge information is summarized as follows:

December 31, 2023

Hedging Instruments	Currency	Notional Amount (In Thousand)	Maturity	Forward Rate (NTD1:USD)	Line Item in Balance Sheet	Carrying Amount Liabilities
Cash flow hedge						
Forecast sales - forward exchange contracts	USD/NTD	USD867/NTD26,795	January 18, 2023	$ 30.905	Financial liabilities for hedging	$ -
Forecast sales - forward exchange contracts	USD/NTD	USD289/NTD8,817	April 25, 2023	30.507	Financial liabilities for hedging	-
Forecast sales - forward exchange contracts	RMB/NTD	RMB6,690/NTD29,712	April 25, 2023	4.441	Financial liabilities for hedging	-

For the year ended December 31, 2023

Comprehensive Income	Hedging Gains Recognized in OCI
Cash flow hedge	
Forecast sales (i)(ii)	$ 75

(i) The Group has entered into a forward exchange contract for the purchase of machinery and equipment to hedge the risk of exchange rate fluctuations from anticipated future purchase transactions, at which time the amount previously deferred in equity will be included in the carrying amount of machinery and equipment.

(ii) Refer to Note 24 for a reconciliation of hedge-related other equity.

b) Interest rate risk

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

	December 31	
	2024	**2023**
Fair value interest rate risk		
Financial liabilities	$ 423,632	$ 384,273
Cash flow interest rate risk		
Financial assets	814,812	1,395,830
Financial liabilities	2,449,002	2,929,053

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. A 25 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Had interest rates been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit (loss) for the years ended December 31, 2024 and 2023 would have decreased/increased by $4,085 thousand and $3,833 thousand, respectively, which was mainly attributable to the Group's exposure to interest rate risk on its long-term borrowings.

The Group's sensitivity to interest rates increased during the current year, mainly due to the increase in net liabilities at variable interest rates.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, is primarily equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group uses available financial information and mutual transaction records to rate major customers. The Group continues to monitor the credit risk exposures and the credit ratings of their counterparties.

The Group's concentration of credit risk of 94.87% and 93.42% in total trade receivables as of December 31, 2024 and 2023, respectively, was related to the Group's ten largest customers.

3) Liquidity risk

The Group managed and maintained sufficient cash and cash equivalents to support the operations of the Group and mitigate the impact of fluctuations in cash flows with long-term borrowings. The Group's management supervised the use of bank financing quotas and ensures compliance with the terms of the loan contract.

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

The following tables detail the Group's remaining contractual maturities for its borrowings with agreed-upon repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

December 31, 2024

	On Demand or Less than 1 Month	1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year
Non-derivative financial liabilities				
Variable interest rate liabilities	$ 71,068	$ 181,814	$ 393,877	$ 2,019,804
Fixed interest rate liabilities	129,842	-	-	287,949
Non-interest bearing liabilities	236,833	103,225	31,348	-
Lease liabilities	728	1,457	2,670	1,072
	$ 438,471	$ 286,496	$ 427,895	$ 2,308,825

Additional information about maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Lease liabilities	$ 4,855	$ 1,072	$ -	$ -	$ -

December 31, 2023

	On Demand or Less than 1 Month	1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year
Non-derivative financial liabilities				
Variable interest rate liabilities	$ 66,725	$ 314,400	$ 541,908	$ 2,194,842
Fixed interest rate liabilities	79,904	-	-	287,949
Non-interest bearing liabilities	383,863	273,751	88,066	-
Lease liabilities	1,003	2,006	9,029	4,756
	$ 531,495	$ 590,157	$ 639,003	$ 2,487,547

Additional information about maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Lease liabilities	$ 12,038	$ 4,756	$ -	$ -	$ -

b) Liquidity and interest rate risk for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Year
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 54,021	$ -	$ -	$ -
Outflows	(54,745)	-	-	-
	$ (724)	$ -	$ -	$ -

c) Financing facilities

	December 31 2024	December 31 2023
Unsecured bank loan facilities:		
Amount used	$ 697,677	$ 822,868
Amount unused	1,880,240	1,563,214
	$ 2,577,917	$ 2,386,082
Secured bank overdraft facilities:		
Amount used	$ 2,274,387	$ 2,973,184
Amount unused	3,762,081	2,030,880
	$ 6,036,468	$ 5,004,064

32. TRANSACTIONS WITH RELATED PARTIES

The terms of the transactions and the prices are negotiated separately, details of the transactions are disclosed below:

a. The Group's related parties

Related Party	Relationship with the Group
Holdgood	Associate
Yuan-Yu	Associate
KWE Corporation	Related party in substance

b. Operating revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	2023
Sales	Associate	$ 58,866	$ 121,837

The prices and collection period of sales transactions are based on the contract, which are similar to those of other companies in general.

c. Rent revenue

Related Party Category/Name	For the Year Ended December 31 2024	2023
Associate/Holdgood	$ 467	$ 1,367

The rent is based on the general market rate of the contract signed, and the rent is charged on a monthly basis.

d. Other revenue

Related Party Category/Name	For the Year Ended December 31 2024	2023
Associate	$ 1,993	$ 1,648

Other revenue refers to amounts charged to associates and power plant maintenance cleaning costs. The prices and payment terms of these transactions are subject to the terms outlined in the contracts.

e. Accounts receivable - associates

Line Item	Related Party Category/Name	December 31 2024	2023
Accounts receivable	Associate/Holdgood	$ 8	$ 42,437

No collateral was received for outstanding accounts receivable - related parties. No allowance for bad debt was required for accounts receivable - related parties as of December 31, 2024 and 2023.

f. Other receivables - associates

Line Item	Related Party Category/Name	December 31 2024	2023
Other receivables	Associate/Holdgood	$ 147	$ 1,385

Receivables for power plant maintenance fees and rent.

g. Endorsements and guarantees

Endorsements and guarantees provided by the groups.

Related Party Category/Name	December 31 2024	December 31 2023
Associate/Yuan-Yu	$ 120,000	$ 120,000

On December 31, 2024, and 2023, the amount of the Group's collateral provided for the above endorsements and guarantees was $131,472 thousand and $122,175 thousand, respectively.

h. Contract liabilities

Line Item	Related Party Category/Name	December 31 2024	December 31 2023
Contract liabilities	Associate	$ -	$ 2,101

i. Operating expenses

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Operating expenses	Related party in substance	$ 1	$ 6

j. Prepayments for equipment

Line Item	Related Party Category/Name	December 31 2024	December 31 2023
Prepayments for equipment	Related party in substance	$ 14,327	$ -

The prepayments for equipment under the engineering contract for the acquisition of solar photovoltaic power generation system equipment were calculated based on materials and construction costs, with reference to market return rates to determine the equipment price. This was approved by the board of directors of Jinjing Co., Ltd.

k. Remuneration of key management personnel

	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Short-term employee benefits	$ 37,057	$ 61,841
Post-employment benefits	648	648
	$ 37,705	$ 62,489

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for import duties, bank borrowings, borrowings for the purchase of material, power plant business and other credit facilities:

	December 31	
	2024	2023
Land	$ 1,071,526	$ 1,071,526
Buildings	1,762,090	1,835,015
Machinery	628,664	634,672
Other equipment	762	-
Investments accounted for using equity method	131,472	122,175
Financial assets at amortized cost	108,502	117,474
	$ 3,703,016	$ 3,780,862

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2024 and 2023, significant commitments of the Group were as follows:

a. Commitments for construction contracts

	December 31	
	2024	2023
Purchased	$ 105,836	$ 93,873
To be purchased in the future	52,376	218,345
Total contract amount	$ 158,212	$ 312,218

b. Commitments for material purchasing contracts

	December 31	
	2024	2023
Purchased	$ 258,279	$ 393,553
To be purchased in the future	349,459	706,260
Total contract amount	$ 607,738	$ 1,099,813

c. Commitments for equipment purchasing contracts

	December 31	
	2024	2023
Purchased	$ 76,883	$ 510,942
To be purchased in the future	23,556	213,001
Total contract amount	$ 100,439	$ 723,943

35. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies (including monetary items that have been written off in a non-functional currency in the consolidated financial statements) and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 7,726	32.785 (USD:NTD)	$ 253,297
Non-monetary items			
USD	263	32.785 (USD:NTD)	8,631
Financial liabilities			
Monetary items			
USD	3,787	32.785 (USD:NTD)	124,157

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 11,465	30.705 (USD:NTD)	$ 352,033
Non-monetary items			
USD	263	30.705 (USD:NTD)	8,077
Financial liabilities			
Monetary items			
USD	10,734	30.705 (USD:NTD)	329,587

The significant unrealized foreign exchange (losses) gains were as follows:

	For the Year Ended December 31			
	2024		2023	
Foreign Currency	Exchange Rate	Unrealized Foreign Exchange Losses	Exchange Rate	Unrealized Foreign Exchange Gains
USD	32.112 (USD:NTD)	$ (268)	31.155 (USD:NTD)	$ 4,017

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others: None

2) Endorsements/guarantees provided: Table 1 (attached)

3) Marketable securities held (excluding investments in subsidiaries): Table 2 (attached)

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

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

9) Trading in derivative instruments: Notes 7 and 31

10) Intercompany relationships and significant intercompany transactions: None

c. Information on investees (excluding investees in mainland China): Table 3 (attached)

d. Information on investments in mainland China: None

e. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder Table 4 (attached)

38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the type of products delivered or services provided. The reportable segments of the Group are the solar module segment and other segments.

Solar module segment: Provides manufacturing and after-sales services of solar module products.

a. Segment revenue and results

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

	Solar Module	Others	Eliminations	Total
For the year ended December 31, 2024				
Revenue from external customers	$ 4,374,730	$ 139,288	$ -	$ 4,514,018
Segment (loss) income	$ (545,901)	$ (37,065)	$ 1,558	$ (581,408)
For the year ended December 31, 2023				
Revenue from external customers	$ 8,100,021	$ 160,926	$ -	$ 8,260,947
Segment (loss) income	$ 476,487	$ (5,306)	$ 1,446	$ 472,627

Segment profit (loss) represented the profit before tax earned by each segment without non-operating income and expenses and income tax expense (benefit). This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

	December 31	
	2024	2023
Segment assets		
Solar modules	$ 9,867,049	$ 11,575,683
Others	455,669	490,988
Consolidated total assets	$ 10,322,718	$ 12,066,671
Segment liabilities		
Solar modules	$ 3,312,193	$ 4,221,345
Others	176,944	196,303
Consolidated total liabilities	$ 3,489,137	$ 4,417,648

c. Geographical information

The Group operates principally in Asia in 2024 and 2023.

The Group's revenue from external customers by location of operations is detailed below:

	Revenue from External Customers	
	For the Year Ended December 31	
	2024	2023
Asia	$ 4,380,525	$ 8,104,305
Europe	132,099	150,854
Others	1,394	5,788
	$ 4,514,018	$ 8,260,947

d. Information about major customers

Customers that individually accounted for at least 10% of the Group's revenue and their respective sales revenues were as follows:

	For the Year Ended December 31	
	2024	2023
Customer A	$ 1,555,155	NA (Note)
Customer X	471,537	$ 880,115
Customer N	NA (Note)	1,099,587
Customer V	NA (Note)	1,401,053
Customer Z	NA (Note)	826,303

Note: The amount of income did not reach 10% of the total income of the Group.

TSEC CORPORATION AND SUBSIDIARIES

GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Guarantor	Guarantee		Limit on Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Guaranteed During the Year (Note 4)	Outstanding Guarantee at the End of the Year (Note 4)	Actual Amount Borrowed	Amount Guaranteed by Collateral	Ratio of Accumulated Guarantee to Net Equity in Latest Financial Statements (%) (Note 3)	Aggregate Guarantee Limit (Note 2)	Guarantee Given by Parent on Behalf of Subsidiaries (Note 5)	Guarantee Given by Subsidiaries on Behalf of Parent (Note 5)	Guarantee Given on Behalf of Companies in Mainland China (Note 5)	Note
		Name	Relationship (Note 1)											
0	TSEC Corporation	Yuan-Yu	e.	$ 1,366,140	$ 120,000	$ 120,000	$ 120,000	$ 131,472	1.76	$ 3,073,815	N	N	N	
0	TSEC Corporation	Houchang Energy Corporation	b.	1,366,140	245,000	245,000	194,481	-	3.59	3,073,815	Y	N	N	
0	TSEC Corporation	Jinjing Electric Power Co., Ltd.	b.	1,366,140	80,000	80,000	-	-	1.17	3,073,815	Y	N	N	

Note 1: The relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following five categories; fill in the number of categories each case belongs to:

a. A company with which it has business dealings.

b. The Company directly or indirectly holds more than 50% of the voting shares of the other company.

c. The other company directly or indirectly holds more than 50% of the voting shares of the Company.

d. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company. However, the restriction does not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

e. The company provides mutual guarantees with other companies in the same industry or joint contractors as required by contract for construction projects.

f. The company provides guarantees for the investee company based on a joint investment relationship, with all contributing shareholders endorsing the guarantee in proportion to their respective shareholdings.

Note 2: The total amount of the Group’s external endorsement guarantees shall not exceed 45% of the current net worth. The ceiling amount of endorsement guarantees to a single company is no more than 20% of the Company’s net worth, and no more than 30% of the Company’s net worth if it is to a single overseas affiliated company. The net value is based on the financial statements recently verified or audited by independent auditors.

Note 3: It is calculated according to the financial data of the company providing the endorsements/guarantees.

Note 4: The maximum balance of endorsements/guarantees for the current period and the balance of endorsement/guarantee, end of period, are the amounts approved by the board of directors.

Note 5: “Y” shall be entered only in the cases of endorsement/guarantee by the publicly listed parent to subsidiary; endorsement/guarantee by subsidiary to the publicly listed parent; endorsement/guarantee to entity in mainland China.

TSEC CORPORATION AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
TSEC Corporation (the "Company")	Domestic unlisted ordinary shares Eversol Corporation	-	Financial assets at fair value through other comprehensive income (FVTOCI)	62,591	$ -	2.23	$ -	-

Note: None of the marketable securities held at the end of the period listed in the table above were pledged as collateral.

TSEC CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Business and Products	Investment Amount		December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Less)	Other Items
				December 31, 2024	December 31, 2023	Number of Shares (Thousand Shares)	%	Carrying Amount			
TSEC Corporation	TSEC America, Inc.	1235 N Harbor Blvd Ste 240, Fullerton, CA 92832, U.S.A.	Sales of power generation equipment and solar energy related products	$ 31,129 (US$ 1,000,000)	$ 31,129 (US$ 1,000,000)	100	100.00	$ 8,631	$ 7	$ 7	(Notes 1, 4 and 6)
	Houchang Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Energy storage system of regulation reserve	160,500	120,500	16,050	100.00	133,718	(26,812)	(26,812)	(Notes 1 and 6)
	Changyang Optoelectronics Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	-	400	-	-	-	(28)	(22)	(Notes 1, 6 and 8)
	Yunsheng Optoelectronics Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	500	500	50	100.00	484	3	3	(Notes 1 and 6)
	Yunxing Optoelectronics Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	500	500	50	100.00	484	3	3	(Notes 1 and 6)
	TSECPV (HK) LIMITED	806-807, 8/F, One Pacific Place, 88 Queensway, Hong Kong	Sales of power generation equipment and solar energy related products	- (US$ -)	250 (US$ 8,038)	-	-	-	-	-	(Notes 1, 6 and 9)
	Hengli Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	4,989	89	500	100.00	4,924	(56)	(56)	(Notes 1 and 6)
	Yuan Jin Energy Co., Ltd.	8F., No. 225, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	26,100.00	26,100.00	2,610	90.00	25,923	(127)	(115)	(Notes 1 and 6)
	Holdgood Energy Development Corporation	8F., No. 225, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	213,804	213,804	21,380	45.49	227,896	7,756	3,529	(Notes 2 and 5)
	Yuan-Yu Solar Energy Co., Ltd.	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	120,000	120,000	12,000	20.00	131,472	58,159	12,927	(Notes 3 and 7)
	NFC III Renewable Power Co., Ltd.	12F-4, No. 89, Songren Road, Xinyi District, Taipei City 110413, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	432,000	432,000	43,200	24.00	421,253	(26,237)	(6,297)	(Note 3)
Hou Chang Energy Corporation	Hengyong Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	100.00	100.00	10	100.00	90	1	1	(Notes 1 and 6)
	Yongli Energy Corporation	No. 335-12, Daxi Rd., Pingtung City, Pingtung County 900053, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	100.00	100.00	10	100.00	90	1	1	(Notes 1 and 6)
Yuan Jin Energy Co., Ltd.	Jinjing Electric Power Co., Ltd.	No. 85, Guangfu N. Rd., Hukou Township, Hsinchu County 303036, Taiwan (R.O.C.)	Self-usage power generation equipment utilizing renewable energy industry	28,024	28,024	2,810	100.00	27,784	(89)	(89)	(Notes 1 and 6)

Note 1: The investment gains and losses of the subsidiaries accounted for using the equity method are calculated based on the financial statements that have been audited.

Note 2: The investment gains and losses of the associates accounted for using the equity method are calculated based on the financial statements that have been audited.

Note 3: The investment gains and losses of the associates accounted for using the equity method are calculated based on the financial statements that have been audited by the other CPAs.

Note 4: The board of directors resolved to liquidate and dissolve the subsidiary TSEC America, Inc. on September 11, 2018. As of March 5, 2025, TSEC America, Inc. has not completed the liquidation procedures.

Note 5: Carrying amount includes unrealized gross loss.

Note 6: Eliminated from the consolidated financial statements.

Note 7: The Group has issued the equity of Yuan Yu Solar Energy Co., Ltd. to a financial institution as collateral for Yuan Yu Solar Energy Co., Ltd financing. Refer to Note 33 for mortgage information.

Note 8: Changyang Optoelectronics completed the liquidation process in September 2024.

Note 9: TSECPV (HK) LIMITED completed the liquidation process in August 2024.

TABLE 4

TSEC CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
None		

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter.