

Stock Code: 6477



Anji Technology Co., Ltd.

2022 Annual Report

Annual Report Inquiry Website: Market Observation Post System

<http://mops.twse.com.tw>

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IV. Certified Public Accountants who Duly Audited the Annual Financial Report for the Most Recent Fiscal Year

Names of the CPAs: Li, Chi-Chen, Wang, Teng-Wei

Name of the Accounting Firm: Deloitte Taiwan

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V. Name of Any Exchanges Where the Company's Securities are Traded Offshore, and the Method by Which to Access Information on Said Offshore Securities: N/A.

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

Anji Technology Co., Ltd.
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I. A Report to the Shareholders

Dear Shareholders,

First of all, we would like to welcome all shareholders to attend this year's shareholders' meeting. We would also like to express our deepest gratitude to all shareholders for their support and encouragement.

The Company's consolidated revenue and consolidated net income for 2022 were NT\$3,268,549 thousand and NT\$228,366 thousand, representing increases of 111.85% and 72.92%, respectively, over FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability. In addition, the construction of the power plant division is still in progress, and the revenue from electricity sales is also increasing, so the overall operation is growing compared with FY2022.

Looking ahead to 2023, clients will continue building power plants. In addition to adding new module production lines in response to customer demand, the Company will continue to optimize its plant equipment and improve the manufacturing process to meet diversified market demand with flexible production advantages and increased production capacity, as well as accelerating plant construction. In addition to the steady development of the solar energy segment, the Company also aims to accelerate the development of metal products by 3D printing to create diversified revenue streams and enhance competitiveness. The operating results for 2021 and a summary of the business plan for 2022 are presented below:

I. 2022 Operating Results

(I) Business Plan Implementation

Consolidated net sales for 2022 were NT\$3,268,549 thousand, a increase of NT\$1,725,706 thousand, or 111.85%, from NT\$1,542,843 thousand in 2021. Consolidated gross profit for 2022 was NT\$474,895 thousand, a increase of NT\$194,434 thousand, or 69.33%, from NT\$280,461 thousand in 2021. Consolidated operating income for 2022 was NT\$361,164 thousand, a increase of NT\$179,764 thousand, or 99.10%, from NT\$181,400 thousand in 2021. Consolidated net income for 2022 was NT\$228,366 thousand, a increase of NT\$96,301 thousand, or 72.92%, from NT\$132,065 thousand in 2021. The overall operation in 2022 the solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability. On the other hand, power plant construction is still in progress, and the revenue and profit from power sales continue to grow steadily.

Unit: Thousand NTD; %

Item	2022	2021	Increase (Decrease)	Percentage Change
Operating Revenue	3,268,549	1,542,843	1,725,706	111.85
Operating Gross Profit	474,895	280,461	194,434	69.33
Operating Income	361,164	181,400	179,764	99.10
Net Income Before Tax	286,586	144,258	142,328	98.66
Net Income for the Current Period	228,366	132,065	96,301	72.92

(II) Budget Implementation

Not applicable, as the Company did not make its 2021 financial forecast available.

(III) Analysis of Receipts, Expenditures, and Profitability

1. Receipts and Expenditures

Unit: Thousand NTD

Item and Year	2022	2021
Cashflow From Operating Activities	145,819	(41,674)
Cashflow From Investing Activities	(972,418)	(729,235)
Cashflow From Financing Activities	1,340,395	843,771

2. Profitability Analysis

Analysis Item	2022	2021
Return on Assets (%)	3.74	2.89
Return On Equity (%)	7.52	5.12
Operating Income to Paid-In Capital (%)	29.80	15.84
Ratio of income before tax to paid-in capital (%)	23.64	12.59
Net Profit Margin (%)	6.99	8.56
Earnings Per Share (NT\$)	1.93	1.16

(IV) Research and Development:

The research and development of solar modules is now focused on improving the conversion efficiency of solar modules, reducing cost, developing and designing high performance modules and facilitating subsequent module maintenance, as well as strengthening collaboration with clients to develop new products. In the metal 3D printing business, in addition to the AS9100 aerospace certification, the Company also obtained the medical device quality management system (QMS) manufacturing license from the Ministry of Health and Welfare in December 2021. In the short term, the Company will continue to actively develop various applications in addition to the development of consumer products, and industrial, aerospace and medical devices in line with its customers' development schedules.

II. 2022 Business Plan Summary

(I) Business policy and important production and sales policies:

The Company specializes in module manufacturing. Based on solar cell modules, the Company continues expanding product applications, continuously improving, developing and innovating, as well as enhancing product quality, providing satisfactory service to its customers, and establishing long-term partnerships. In addition, the Company owns an operating power plant, which not only brings stable profits to the Company, but also more than 80% of the power plants rent spaces from the roofs of public buildings. Income from power generation can be used to contribute to schools and government agencies. In this way, the Company contributes to society and green energy. Moreover, the Company continues developing into different applications based on the metal powders of its investee company, Circle Metal Powder Co., Ltd., integrating upstream and downstream to provide a complete solution for metal 3D printing products, which will not only increase future revenue and profit diversification, but also diversify the risk of fluctuation in a single industry.

In terms of important production and marketing policies, in the field of solar energy, the Company fully utilizes its advantages of cooperation with equipment manufacturers to jointly participate in the research and development and design of production equipment, and implement customized production lines in order to

maximize production efficiency and increase product competitiveness. The Company maintains good cooperative relationships with its clients, develops new products to meet customer needs, and collaborates with research institutions to develop new products. The Company also continues to invest in power plants based on its capital position and good financing channels, in order to pursue a stable source of profit. For metal 3D printing, the Company conducts product development trial according to customers' demand and product development schedule.

(II) Sales volume forecast and the basis thereof:

In the solar business, in 2021, the Company will continue its product sales policy and focus on the sale of its own brands, and continue to develop the Taiwan market in line with government policy. Meanwhile, the Company will continue to invest in the construction of power plants depending on the status of capital. The Company had accumulated 86MW of installed capacity by the end of 2021, and will continue to move toward 100MW installed capacity in 2022. The metal 3D printing development is in progress based on clients' product development schedule.

III. The Company's Future Development Strategy

In addition to solar cell module production, the Company has invested in solar power plants. In the solar cell module segment, the Company has continuously focused on sales to the domestic market, benefiting from the government's promotion of green energy policy. In the power plant construction segment, the Company will develop and build competitive plants depending on its capital position, in order to increase its long-term stable revenue and profitability. The Company will also actively and continuously deepen the application of module and plant products from its experience with power plants to lay foundation for its overall operation. In addition to the steady development of the solar energy segment, the Company also aims to accelerate the development of metal products by 3D printing this year to create diversified revenue streams and enhance competitiveness.

IV. The Effect of External Competition, the Legal Environment, and the Overall Business Environment

In recent years, carbon neutrality, net-zero emissions and ESG have been gaining attention. Industries have been faced with issues related to energy saving and carbon reduction. Various governments have different incentives for solar power generation, such a trend is beneficial to the Company's business. The government has been vigorously promoting green energy policies to achieve the goal of a "non-nuclear homeland", and the demand for green power is increasing from major corporations. With a readily-established solid foundation, the Company will continue to improve its capabilities and work for the shareholders' rights by working with its upstream and downstream partners.

The Company pays close attention to any external changes that may affect its business and operations. There has been no significant external competition that may affect the Company's business and operation development. The Company's operations have all been carried out in accordance with the relevant rules and procedures that have been established and in compliance with relevant domestic and international laws and regulations. In recent years, the Company's operations have not been significantly affected by changes in domestic and foreign policies and laws.

Looking back to 2022, the COVID-19 the impact on the global economic order is gradually slowing down., the economy is expected to recover gradually. The Company's management will adopt a pragmatic and steady approach in response to the various changes that may occur in the future. The management and all employees deeply understand the high expectations of shareholders for the Company. In the future, the Company will actively improve operational performance and strengthen internal management in order to repay shareholders' support. Last but not least, we wish you all good health and all the best!

Chairman: Huang, Kuo-Tung

President: Huang, Kuo-Tung

Chief Accounting Officer: Sun, Mei-Hsiang

II. Company Profile

I. Date of Incorporation

February 13, 2007

II. History of the Company

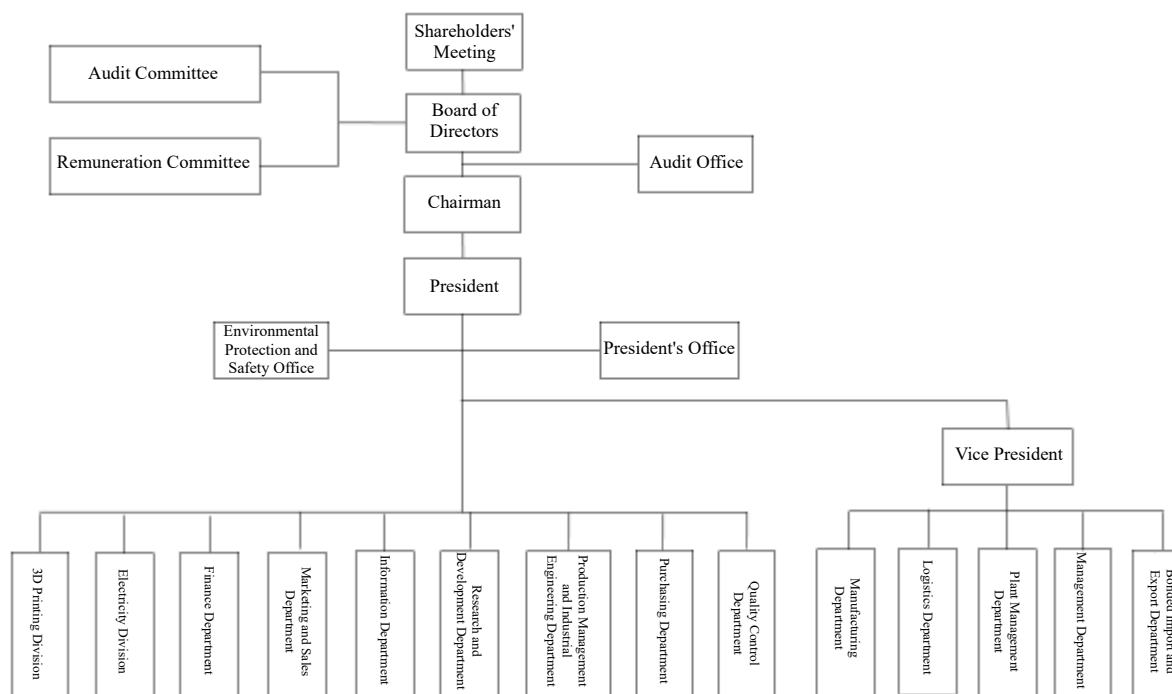
Year	Significant Matters
2007	<ol style="list-style-type: none"> 1. The Company was incorporated with a paid-in capital of NT\$52,000 thousand, the main business being solar cell module production. 2. Cash capital increase of NT\$52,000 thousand brought the paid-in capital to NT\$104,000 thousand.
2008	<ol style="list-style-type: none"> 1. Cash capital increase of NT\$26,000 thousand brought the paid-in capital to NT\$130,000 thousand. 2. Cash capital increase of NT\$70,000 thousand brought the paid-in capital to NT\$200,000 thousand. 3. Certified by the Korea Energy Agency as the first module manufacturer in Taiwan to be certified by the Korean government.
2009	<ol style="list-style-type: none"> 1. Certified by TUV for IEC61215 and IEC61730 (polysilicon). 2. Cash capital increase of NT\$62,000 thousand brought the paid-in capital to NT\$262,000 thousand. 3. Certified by TUV for IEC61646 and IEC61730 (thin film).
2010	<ol style="list-style-type: none"> 1. Certified by CSA for UL1703 (Canada). 2. Listed as an Australian Clean Energy Council (CEC) certified company. 3. Cash capital increase of NT\$100,000 thousand brought the paid-in capital to NT\$362,000 thousand.
2011	<ol style="list-style-type: none"> 1. Completed the installation of the first solar power plant with 140.4KW capacity. 2. Greenhouse modules passed the IEC61215/IEC61730 test and obtained INTERTEK IEC certificate. 3. The power plant was metered at 140.42KW.
2012	<ol style="list-style-type: none"> 1. Obtained INTERTEK IEC certification. 2. Obtained TUV ammonia test certification. 3. Passed the PID test and obtained the INTERTEK certification. (Potential Induced Degradation). 4. Cash capital increase of NT\$88,000 thousand brought the paid-in capital to NT\$450,000 thousand. 5. The power plant was metered at 228.6KW.
2013	<ol style="list-style-type: none"> 1. Established the Electricity Division to engage in the energy technical services industry. 2. Obtained JET certification in Japan. 3. ACPV (Micro-inverter) obtained the INTERTEK (UL1741) certification. 4. Awarded a lease contract from the Chiayi County Government for the installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings. 5. Cash capital increase of NT\$106,800 thousand brought the paid-in capital to NT\$556,800 thousand. 6. Completed the product carbon footprint verification principles and procedures. 7. The power plant was metered at 9MW.
2014	<ol style="list-style-type: none"> 1. Obtained the MCS certification in the UK. 2. Passed the ammonia test and the salt spray test, and obtained INTERTEK certification. 3. Double-glass solar cell module obtained IEC61215 and IEC61730 certification. 4. Awarded a lease contract for the installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings in Shanhua District, Tainan City. 5. Awarded a lease contract for the installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings in South District, Tainan City. 6. Awarded a lease contract for the installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings in seven districts of Tainan City. 7. Established an Anji subsidiary in Japan. 8. Cash capital increase of NT\$70,000 thousand brought the paid-in capital to NT\$626,800 thousand. 9. Conducted a public offering of stocks. 10. Registered the Company's shares on the emerging stock market. 11. The new operation building of the plant was built in May, and the relocation was completed in December. 12. The power plant was metered at 15MW.
2015	<ol style="list-style-type: none"> 1. Established a 50MW solar cell module automated production line. 2. Awarded a lease contract from the Chiayi City Government for the installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings. 3. Awarded a lease contract from Taoyuan City for the installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings. 4. Cash capital increase of NT\$45,000 thousand brought the paid-in capital to NT\$671,800 thousand. 5. Awarded a lease contract from Changhua County for the installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings. 6. Cash capital increase of NT\$65,000 thousand brought the paid-in capital to NT\$736,800 thousand.

Year	Significant Matters
	7. The power plant was metered at 24MW.
2016	<ol style="list-style-type: none"> 1. Listed on the Taiwan Stock Exchange. 2. Cash capital increase of NT\$75,580 thousand brought the paid-in capital to NT\$812,380 thousand. 3. Capital increase out of earnings of NT\$12,186 thousand brought the paid-in capital to NT\$824,566 thousand. 4. The Company and the Industrial Technology Research Institute (ITRI) jointly obtained the patent of "Power Generation and Thermal Storage Device" in Taiwan and China. 5. The power plant was metered at 47MW.
2017	<ol style="list-style-type: none"> 1. Standard module passed the voluntary product certification (VPC) by Taiwan Bureau of Standards. 2. Double-glass module passed the voluntary product certification (VPC) by Taiwan Bureau of Standards. 3. Passed the 5th Quality Solar Photovoltaic Products (Golden Energy Award) evaluation. 4. The power plant was metered at 55.8MW.
2018	<ol style="list-style-type: none"> 1. Cash capital increase of NT\$120,000 thousand brought the paid-in capital to NT\$944,566 thousand. 2. Established a 3D printing division. 3. The power plant was metered at 58.4 MW.
2019	<ol style="list-style-type: none"> 1. High-performance standard module passed the voluntary product certification (VPC) by Taiwan Bureau of Standards. 2. High-performance double-glass module passed the voluntary product certification (VPC) by Taiwan Bureau of Standards. 3. Awarded a lease contract from Tongsiao Township Office, Miaoli County, for the installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings. 4. Awarded a lease contract from Taitung County for the installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings. 5. Issued the first domestic unsecured convertible bonds. 6. The power plant was metered at 58.8MW.
2020	<ol style="list-style-type: none"> 1. High-performance standard module passed the voluntary product certification (VPC) by Taiwan Bureau of Standards. 2. High-performance double-glass module passed the voluntary product certification (VPC) by Taiwan Bureau of Standards. 3. Awarded a public lease by tender for a solar power system on a public facility site at the Loung Te (with Letzer) Industrial Park Service Center, Industrial Development Bureau, Ministry of Economic Affairs. 4. Awarded a lease for the installation of solar power generation equipment at Yilan Prison from the Agency of Corrections, Ministry of Justice. 5. Awarded a lease for rooftop and ground-mounted solar power equipment from Tunghai Junior High School in Taitung County. 6. Issued the second domestic unsecured convertible bonds. 7. The power plant was metered at 68MW.
2021	<ol style="list-style-type: none"> 1. High-performance standard module passed the voluntary product certification (VPC) by Taiwan Bureau of Standards. 2. High-performance double-glass module passed the voluntary product certification (VPC) by Taiwan Bureau of Standards. 3. Obtained a patent for a frame (A-side-free module) used for framed solar panels 4. Awarded a lease for the installation of solar power generation equipment at Taipei Prison ground parking lot from the Agency of Corrections, Ministry of Justice. 5. Licensed by the Ministry of Health and Welfare's Medical Device Quality Management System (QMS) for manufacturing (3D metal printing). 6. Issued the third domestic unsecured convertible bonds. 7. The power plant was metered at 86MW.
2022	<ol style="list-style-type: none"> 1. High-performance standard module passed the voluntary product certification (VPC) by Taiwan Bureau of Standards. 2. High-performance double-glass module passed the voluntary product certification (VPC) by Taiwan Bureau of Standards. 3. Awarded a lease for the installation of solar power equipment on state-owned real estate in the Marine Corps' Taoziyuan Camp. 4. The power plant was metered at 86MW as of the annual report publication date.
2023	<ol style="list-style-type: none"> 1. High-performance standard module passed the voluntary product certification (VPC) by Taiwan Bureau of Standards. 2. High-performance double-glass module passed the voluntary product certification (VPC) by Taiwan Bureau of Standards. 3. The power plant was metered at 94MW as of the annual report publication date.

III. Corporate Governance Report

I. Organizational System

(I) Structure



(II) Tasks of Principal Divisions

Division	Main Duties
Audit Office	<ol style="list-style-type: none"> 1. Evaluate the soundness, reasonableness and effectiveness of the implementation of internal control systems in each department. 2. Implementation of annual audit plan. 3. Audit report preparation and internal control system self-inspection. 4. Other matters in accordance with the laws. 5. Implementation of internal control and internal audit for investee companies.
President's Office	<ol style="list-style-type: none"> 1. Handle matters assigned by the President and facilitate project planning. 2. Review the annual budget and monthly operating reports prepared by the finance and accounting departments. 3. Planning and execution of the Board of Directors' resolutions. 4. Maintenance of directors, supervisors, shareholders and corporate relations. 5. Plan and organize shareholders' meetings and other stock affairs. 6. Plan and manage the company's legal risks; provide internal legal consultation and external contract review.
Environmental Protection and Safety Office	<ol style="list-style-type: none"> 1. Develop workplace safety specifications. 2. Planning, implementation, management and supervision of labor safety and health, environmental pollution prevention and control, and fire safety. 3. Regularly report work safety information.
3D Printing Division	<ol style="list-style-type: none"> 1. Provide comprehensive 3D printing solutions. 2. Production and sales of high-precision products.
Electricity Division	<ol style="list-style-type: none"> 1. Evaluate suitable sites for the installation of solar photovoltaic power generation systems. 2. Apply to Taipower, the Energy Bureau and the competent authorities for system installation-related matters. 3. Supervise system vendors' construction and conduct acceptance. 4. Maintenance and monitoring of assets after a system is established.
Finance Department	<ol style="list-style-type: none"> 1. The Company's annual budget preparation, variance analysis and control of execution results. 2. Establishment and operation of finance and accounting systems.

Division	Main Duties
	<ul style="list-style-type: none"> 3. Accounting operations, financial operations and tax operations planning and execution. 4. Management of investee companies. 5. Execute reporting and announcement required by the competent authorities.
Marketing and Sales Department	<ul style="list-style-type: none"> 1. Product sales and marketing. 2. Plan and execute various marketing projects and campaigns. 3. Customer credit investigation, profiling and sales record organization, statistics and analysis. 4. Customer accounts receivable management and customer complaint handling and service.
Information Department	<ul style="list-style-type: none"> 1. Management and maintenance of computer software and hardware 2. Backup and security management of information systems
Research and Development Department	<ul style="list-style-type: none"> 1. Planning, management and implementation of new technologies and new product research, development, and introduction to manufacturing processes. 2. R&D experiment database establishment and management. 3. Evaluation of items with special specifications.
Production Management and Industrial Engineering Department	<ul style="list-style-type: none"> 1. Production scheduling and management. 2. Manufacturing process improvement. 3. Control and improvement of process yield and quality yield.
Purchasing Department	<ul style="list-style-type: none"> 1. Coordinate the purchasing of raw materials and general utility products. 2. Supplier management.
Quality Control Department	<ul style="list-style-type: none"> 1. Establishment and maintenance of quality system. 2. Process quality control. 3. Compliance with safety regulations and systems.
Manufacturing Department	<ul style="list-style-type: none"> 1. Production and manufacturing of products. 2. Plan and supervise productivity gains and reduce manufacturing costs.
Logistics Department	<ul style="list-style-type: none"> 1. Inventory management and purchase/shipment control.
Plant Management Department	<ul style="list-style-type: none"> 1. Plant equipment maintenance and repair.
Management Department	<ul style="list-style-type: none"> 1. Human resource arrangement, recruitment and performance assessment management. 2. Employee training and development. 3. General affairs and external document receipt/issuance management. 4. Control of import and export bonding accounts. 5. Export release control and export declaration registration.

II. Information on the Company's directors, supervisors, president, vice presidents, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

(I) Directors and Supervisors

1. Information on Directors and Supervisors

April 1, 2022

Job title	Nationality or place of registration	Name	Gender	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)			Job title	Name	Relationship	
Chairman	Republic of China	Huang, Kuo-Tung	Male 65	May 28, 2020	3 Years	January 30, 2007	1,026,825	1.09	1,090,825	0.90	-	-	161,320	0.13	Department of Mechanical Engineering, Chung Yuan Christian University	Note 1	-	-	-	Note 4
Director	Republic of China	CHINUP TECHNOLOGY CO., LTD.	-	May 28, 2020	3 Years	December 18, 2010	15,948,678	16.88	16,597,678	13.76	-	-	-	-	-	-	-	-	-	
	Republic of China	Representative Su, Tsung-Chin	Male 58	May 28, 2020	3 Years	June 27, 2014	275,274	0.29	275,724	0.23	24,475	0.02	-	-	Department of Mechanical Engineering, Kun Shan Institute of Technology	Note 2	-	-	-	
Director	Republic of China	Hung Ju Investment Co., Ltd.	-	May 28, 2020	3 Years	June 27, 2014	2,102,967	2.23	Note 3	-	-	-	-	-	-	-	-	-	-	
	Republic of China	Representative Tsai, Tsung-Jung	Male 56	May 28, 2020	3 Years	June 27, 2014	115,982	0.12	Note 3	-	-	-	-	-	Department of Electrical Engineering, National Cheng Kung University	Note 3	-	-	-	
Director	Republic of China	SUNEDGE PV TECHNOLOGY CO., LTD.	-	May 28, 2020	3 Years	May 28, 2020	20,000	0.02	20,000	0.02	-	-	-	-	-	-	-	-	-	
	Republic of China	Representative Cheng, Po-Wen	Male 54	May 28, 2020	3 Years	May 28, 2020	72,617	0.08	72,617	0.06	-	-	-	-	Graduate Institute of Information Management, Nanhua University Director, ROC Solar PV Generation System Association	Director, SUNEDGE TECHNOLOGY CO., LTD. Director, SUNEDGE PV TECHNOLOGY CO., LTD.	-	-	-	
Director	Republic of China	Yang, Ching-Wen	Male 71	May 28, 2020	3 Years	December 26, 2014	1,533,000	1.62	1,533,000	1.30	-	-	-	-	Shan-Hua Junior High School Director, Hong Sheng Steel Co.	Director, Hong Sheng Steel Co.	-	-	-	
Director	Republic of China	Chuang, Chia-Ping	Female 41	May 28, 2020	3 Years	June 13, 2017	-	-	-	-	-	-	-	-	Master of Accounting, University of Illinois Urbana-Champaign Passed the National Senior Accountant Examination Passed the US	CPA, Da Hua Accounting Firm Director, Yu Chia Investment Co., Ltd.	Manager	Chuang, Yu-Lun	Brother and Sister	

															CPA Examination KPMG — Audit Department — Tax and Investment Department					
Independent Director	Republic of China	Huang, Hsiao- Hsin	Male 74	May 28, 2020	3 Years	December 26, 2014	-	-	-	-	-	-	-	-	Master in Public Health, Columbia University Head of Sustainability Development, Industrial Development Bureau, MOEA Secretary-General, Taiwan Steel & Iron Industries Association	Independent Director, Sheh Fung Screws Co., Ltd. Director, The Formosa Association of Resource Recycling Consultant, Taiwan Steel & Iron Industries Association Director, ESGBOOSTER Co., Ltd. Independent Director, Taiwan steel union co., Ltd. Independent Director, Lianyou metals Co., Ltd.	-	-	-	
Independent Director	Republic of China	Yen, Yi-Wen	Male 62	May 28, 2020	3 Years	December 26, 2014	-	-	-	-	-	-	-	-	PhD in Business, University of Santo Tomas Dean of Academic Affairs / Dean of General Affairs, Chang Jung Christian University	Assistant Professor, Department of Accounting and Information Technology	-	-	-	
Independent Director	Republic of China	Cheng, Chun- Jen	Male 61	May 28, 2020	3 Years	June 13, 2017	-	-	-	-	-	-	-	-	Master of Business, National Taiwan University Department of Accounting, Tamkang University Deputy Head of Division, Taiwan Stock Exchange	Director and President, Sentelic Corporation Independent Director, Keding Enterprises Co., Ltd. Independent Director, Buima Group Inc.	-	-	-	

Note 1: President of the Company, Chairman of CHINUP TECHNOLOGY CO., LTD., Chairman of Liu He Optoelectronics Co., Ltd., Chairman of Yao Kuang Energy Co., Ltd., Chairman of Ching Yang Agricultural Technology Co., Ltd., Chairman of An Tai Energy Co., Ltd., Director of Chin Chi Investment Co., Ltd., Director of Yung Chi Investment Co., Ltd., Chairman of Circle Metal Powder Co., Ltd., Director of Hong Ding Holdings Co., Ltd., Chairman of Anders Technology Co., Ltd., Director of Chia Yi Energy Co., Ltd. .

Note 2: Director and President of CHINUP TECHNOLOGY CO., LTD., Director of An Tai Energy Co., Chairman of TAICIS SOLAR ENERGY CO., LTD., Chairman of Chiang Tai Investment Co., Ltd., Director of Kuan Ming Investment Co., Ltd., Director of Kuan Long Investment Co., Ltd., Director and President of Circle Metal Powder Co., Ltd., Supervisor of Anders Technology Co., Ltd.

Note 3: Director Tsai, Tsung-Jung resigned on July 12, 2022.

2. Major Shareholders of Corporate Shareholders

March 31, 2023

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
CHINUP TECHNOLOGY CO., LTD.	Huang, Kuo-Tung 14.54%, Su, Chien-Hung 9.26%, Su, Tsung-Chin 8.26%, Hsu, Wen-Tien 5.77%, Hsu, Chia-Jung 4.67%, Yung Chi Investment Co., Ltd. 4.37%, Kuan Long Investment Co., Ltd. 3.51%, Wang, Hao-Hsuan 3.39%, PACKY PODA INC. 3.31%, Yang, Ching-Wen 2.56%
SUNEDGE PV TECHNOLOGY CO., LTD.	Cheng, Po-Wen 34.88%, Ho, Hsueh-Hua 20.98%, Wen Min Investment Co., Ltd. 15.27%, Ho, Min-Hsuan 7.84%, Ho, Hsueh-Yi 6.68%, Cheng-Chen, Hsiu-Chin 4.13%, Chen, Wen-Yen 0.70%, He, Yi-Rou 3.64%, Cheng, Hao-Min 2.11%, Fong, Yi-Min 1.95%, Gu, Ya-Ting 0.6%

Note 1: If a director or supervisor is a representative of a corporate shareholder, fill in the name of that corporate shareholder.

Note 2: Fill in the names of the corporate shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios. If any of the major shareholders is a corporate/juristic person, also complete the form below.

3. If any Major Shareholder is a Corporate/Juristic Person, List its Major Shareholders here

March 31, 2023

Name of corporate/juristic person (Note 1)	Major shareholders of the corporate/juristic person (Note 2)
PACKY PODA INC.	Lu, Ping-Hua 17.83%, Wang, Li-Hua 12.50%, Yang, Ching-Wen 10.00%, Wang, Tien-Wang 8.87%, Tsao, Jui-Ming 6.67%, Lin-Fang, Li-Hsiang 5.27%, Li, Mei-Man 5.00%, Chen, Chin-Pi 4.17%, Huang, Hsiang-Lan 3.33%, Lin, Ying-Hung 3.06%
Yung Chi Investment Co., Ltd.	Huang, Kuo-Tung 100%
Kuan Long Investment Co., Ltd.	Su, Tsung-Chin 77.74%, Su, Pin-Tzu 7.42%, Su, Kuan-Ming 7.42%, Su, Kuan-Lin 7.42%
Wen Min Investment Co., Ltd.	Cheng, Po-Wen 62.50%, Cheng, Hao-Min 16.67%, Fong, Yi-Min 16.67%, Chen, Wen-Yan 4.16%

Note 1: If any major shareholder in the form above is a corporate/juristic person, fill in the name of that corporate/juristic person.

Note 2: Fill in the names of the corporate/juristic person's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios.

4. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

March 31, 2021

Qualification Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Huang, Kuo-Tung	Has at least five years of business and work experience required by the business of the Company, and does not meet any of the circumstances described in Article 30 of the Company Act.	<ul style="list-style-type: none"> (1) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (2) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse thereof. (3) Not a spouse or relative within the second degree of kinship of other directors. (4) Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act. 	—
Su, Tsung-Chin	Has at least five years of business and work experience required by the business of the Company, and does not meet any of the circumstances described in Article 30 of the Company Act	<ul style="list-style-type: none"> (1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (2) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (3) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse thereof. (4) Not a spouse or relative within the second degree of kinship of other directors. (5) Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act. 	—
Tsai, Tsung-Jung	Has at least five years of business and work experience required by the business of the Company, and does not meet any of the circumstances described in Article 30 of the Company Act	<ul style="list-style-type: none"> (1) Not an employee of the company or any of its affiliates. (2) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (3) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. 	—
Cheng, Po-Wen	Has at least five years of business and work experience required by the business of the Company, and does not meet any of the circumstances described in Article 30 of the Company Act.	<ul style="list-style-type: none"> (4) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (5) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse thereof. (6) Not a spouse or relative within the second degree of kinship of other directors. (7) Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act. 	—
Yang, Ching-Wen	Has at least five years of business and work experience required by the business of the Company, and does not meet any of the circumstances described in Article 30 of the Company Act.	<ul style="list-style-type: none"> (1) Not an employee of the company or any of its affiliates. (2) Not a director or supervisor of the company or any of its affiliates. (3) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph (1) or any of the persons under subparagraph (2). (4) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. 	—

<div>Qualification</div> <div>Name</div>	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
		(5) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (6) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (7) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (8) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse thereof. (9) Not a spouse or relative within the second degree of kinship of other directors. (10) Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided by Article 27 of the Company Act.	
Chuang, Chia-Ping	Has at least five years of business, finance, accounting and work experience required by the business of the Company, and does not meet any of the circumstances described in Article 30 of the Company Act	(1) Not an employee of the company or any of its affiliates. (2) Not a director or supervisor of the company or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph (1) or any of the persons under subparagraphs (2) and (3). (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (9) Not a spouse or relative within the second degree of kinship of other directors. (10) Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided by Article 27 of the Company Act.	—
Huang, Hsiao-Hsin	Has at least five years of business and work experience required by the business of the Company, and does not meet any of the circumstances described in Article 30 of the Company Act.	(1) Not an employee of the company or any of its affiliates. (2) Not a director or supervisor of the company or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph (1) or any of the persons under subparagraphs (2) and (3).	1
Yen, Yi-Wen	Has at least five years of business, finance, accounting and work experience required by the business of the Company, and does not meet any of the circumstances described in Article 30 of the Company Act	(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company.	—
Cheng,	Has at least five years of	(7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution	2

Qualification Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Chun-Jen	business, finance, accounting and work experience required by the business of the Company, and does not meet any of the circumstances described in Article 30 of the Company Act	are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse thereof. (10) Not a spouse or relative within the second degree of kinship of other directors.	

5. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors:

In accordance with the Company's diversification policy and to strengthen corporate governance and promote the development of a sound composition and structure of the Board of Directors, the Company adopts a candidate nomination system for the director candidates in accordance with the Company's Articles of Incorporation, evaluates each candidate's professional experience and academic qualifications, measures professional background, integrity and relevant professional qualifications, etc., and submits the results to the shareholders' meeting for election after approval by the Board meeting. Directors concurrently serving as company officers shall not exceed one-third of the total number of the board members, and an appropriate policy on diversity based on the company's business operations, operating dynamics, and development has been formulated and include, without being limited to, the following general standards:

A. Basic requirements and values: Gender, age, nationality, and culture.

B. Professional knowledge and skills: Operational judgment, accounting and financial analysis, management administration, crisis management, knowledge of the industry, international market perspective, leadership and decision-making skills.

The current board of directors of the Company consists of nine directors, and the specific management objectives and status of implementation of its board of directors' diversity policy are as follows:

Management Objectives	Status
Directors concurrently serving as company officers shall not exceed one-third of the total number of the board members	Achieved
At least one female board member	Achieved

The implementation status of the board member diversity policy is as follows:

Diversity Core Item Names of Directors	Basic Composition								Operational judgment	Accounting and financial analysis	Management Administration	Crisis management	Knowledge of the industry	International market perspective	Leadership	Decision-making
	Nationality	Gender	Concurrently serving as company	Age			Seniority as an independent director									
				50 and below	51-60	61-70	Under 3 years	3-9 years								
Huang, Kuo-Tung	Republic of China	Male	V	—	—	V	—	—	V	—	V	V	V	V	V	V
Su, Tsung-Chin	Republic of China	Male	—	—	V	—	—	—	V	—	V	V	—	—	V	V
Tsai, Tsung-Jung	Republic of China	Male	—	—	V	—	—	—	V	—	V	V	V	V	V	V
Cheng, Po-Wen	Republic of China	Male	—	—	V	—	—	—	V	—	V	V	V	V	V	V
Chuang, Chia-Ping	Republic of China	Female	—	V	—	—	—	—	—	V	—	—	—	—	—	—
Yang, Ching-Wen	Republic of China	Male	—	—	—	V	—	—	V	—	V	V	—	—	—	V
Huang, Hsiao-Hsin	Republic of China	Male	—	—	—	V	—	V	—	—	—	—	V	V	—	—
Yen, Yi-Wen	Republic of China	Male	—	—	V	—	—	V	—	V	—	—	—	—	—	—
Cheng, Chun-Jen	Republic of China	Male	—	—	V	—	—	V	V	—	V	V	—	—	V	V

- (2) Independence of the board of directors: Specify the number of independent directors on the board and their ratio to the total number of directors. Describe the status of independence of the board of directors and give a statement of reasons as to whether the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act are complied with, including a description of any spousal relationship or familial relationship within the second degree of kinship that may exist between any directors, between any supervisors, or between any director(s) and supervisor(s).

The Company's current board of directors consists of 9 members, including 3 independent directors (33.33% of the total number of directors). As of the end of 2021, all of the independent directors are in compliance with the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission regarding independent directors, and there are no circumstances described in Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act between each of the directors and independent directors. The Company's Board of Directors is independent (refer to 4. Information on Professional Qualifications of Directors and Independence of Independent Directors on page 13 of this annual report).

(II) President, vice presidents, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

March 28, 2022

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Note
					No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)			Job title	Name	Relationship	
President(Note)	Republic of China	Huang, Kuo-Tung	Male	February 13, 2007	1,090,825	0.90	-	-	161,320	0.13	Department of Mechanical Engineering, Chung Yuan Christian University	Chairman, CHINUP TECHNOLOGY CO., LTD. Chairman, Liu He Optoelectronics Co., Ltd. Chairman, Yao Kuang Energy Co., Ltd. Chairman of Ching Yang Agricultural Technology Co., Ltd. Chairman, Circle Metal Powder Co., Ltd. Chairman, An Tai Energy Co., Ltd. Director, Chin Chi Investment Co., Ltd. Director, Yung Chi Investment Co., Ltd. Director, Hong Ding Holdings Co., Ltd. Chairman, Anders Technology Co., Ltd. Director, Chia Yi Energy Co., Ltd.	-	-	-	Note
President(Note)	Republic of China	Hsu, Chia-Jung	Male	September 1, 2022	27,880	0.02	-	-	-	-	Department of Industrial Engineering and Management, Chin-Yi Technical Vocational Junior College Factory Director, CHINUP TECHNOLOGY CO., LTD.	Director, CHINUP TECHNOLOGY CO., LTD. Director, Circle Metal Powder Co., Ltd. Director, Anders Technology Co., Ltd.	-	-	-	-
Special Assistant and Spokesperson	Republic of China	Lin, Wan-Ling	Female	April 01, 2014	112,000	0.10	-	-	-	-	Department of Accounting, Tunghai University Passed the National Senior Accountant Examination Underwriting Manager, Hua Nan Securities	Director, JUN ZHI Biomedical Co., Ltd.	-	-	-	-
Finance Manager	Republic of China	Chang, Yu-Ching	Female	April 28, 2017	6,000	-	-	-	-	-	Department of Accounting, National Cheng Kung University Assistant Manager, Deloitte Taiwan Ernst & Young	Supervisor, Hung Lo Energy Co., Ltd. Supervisor, Hung Ching Energy Co., Ltd. Supervisor, Hung Kung Energy Co., Ltd.	-	-	-	-
Chief Accounting Officer	Republic of China	Sun, Mei-Hsiang	Female	November 10, 2017	6,372	-	-	-	-	-	Department of Finance, National Chung Cheng University Assistant Manager of Finance Department, Anji Technology Co., Ltd.	Supervisor, Hong Ding Holdings Co., Ltd.	-	-	-	-

Note: President Huang, Kuo-Tung dismissed on August 31, 2022, and Hsu, Chia-Jung assumed the position on September 1, 2022.

III. Remuneration paid to directors, independent directors, supervisors, the president, and vice presidents

(I) Remuneration to Ordinary Directors and Independent Directors (Individual Disclosure of Names and Remuneration Items)

December 31, 2022; Unit: Thousand NTD

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (%)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+ G and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit- sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consoli dated entities	The Company	All consoli dated entities	The Company	All consolid ated entities	The Company	All consolid ated entities	The Company	All consolid ated entities	The Company	All consolid ated entities	The Compan y	All consolid ated entities	The Company		All consolidated entities		The Company	All consoli dated entities	
		Amount in cash	Amount in stock	Amount in cash	Amount in stock																	
Chairman	Huang, Kuo-Tung	1,000	1,000	0	0	1,378	1,378	35	35	1.05	1.05	2,253	2,253	0	0	0	0	0	0	2.04	2.04	0
Director	CHINUP TECHNOLOGY CO., LTD. Representative: Su, Tsung-Chin	0	0	0	0	350	350	35	35	0.17	0.17	0	0	0	0	0	0	0	0	0.17	0.17	0
Director (Note)	Hung Ju Investment Co., Ltd. Representative: Tsai, Tsung-Jung	0	0	0	0	175	175	15	15	0.08	0.08	0	0	0	0	0	0	0	0	0.08	0.08	0
Director	SUNEDGE TECHNOLOGY CO., LTD. Representative Cheng, Po-Wen	0	0	0	0	350	350	31	31	0.16	0.16	0	0	0	0	0	0	0	0	0.16	0.16	0
Director	Yang, Ching-Wen	0	0	0	0	350	350	28	28	0.17	0.17	0	0	0	0	0	0	0	0	0.17	0.17	0
Director	Chuang, Chia-Ping	0	0	0	0	350	350	24	24	0.16	0.16	0	0	0	0	0	0	0	0	0.16	0.16	0
Independ ent Director	Huang, Hsiao-Hsin	300	300	0	0	0	0	40	40	0.15	0.15	0	0	0	0	0	0	0	0	0.15	0.15	0
Independ ent Director	Yen, Yi-Wen	300	300	0	0	0	0	33	33	0.15	0.15	0	0	0	0	0	0	0	0	0.15	0.15	0
Independ ent Director	Cheng, Chun-Jen	300	300	0	0	0	0	35	35	0.15	0.15	0	0	0	0	0	0	0	0	0.15	0.15	0

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid: The remuneration of the Company's independent directors is evaluated in accordance with the Company's "Articles of Incorporation", "Board of Directors' Self-Evaluation or Peer Review Program" and the "Rules Governing the Responsibilities of Independent Directors", and is based on their participation in and contribution to the Company's operations and the value of their contributions, taking into account industry standards. The remuneration of the Company's independent directors is fixed monthly and is not included in the Company's earnings distribution.

2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities /invested enterprises): N/A.

Note : Director Tsai, Tsung-Jung resigned on July 12, 2022

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Names of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities H	The Company	All consolidated entities I
Less than NT\$1,000,000	CHINUP TECHNOLOGY CO., LTD. Representative: Su, Tsung-Chin Hung Ju Investment Co., Ltd. Representative: Tsai, Tsung-Jung SUNEDGE PV TECHNOLOGY CO., LTD. Representative Cheng, Po-Wen Yang, Ching-Wen, Chuang, Chia-Ping, Huang, Hsiao-Hsin, Yen, Yi-Wen, Cheng, Chun-Jen	CHINUP TECHNOLOGY CO., LTD. Representative: Su, Tsung-Chin Hung Ju Investment Co., Ltd. Representative: Tsai, Tsung-Jung SUNEDGE PV TECHNOLOGY CO., LTD. Representative Cheng, Po-Wen Yang, Ching-Wen, Chuang, Chia-Ping, Huang, Hsiao-Hsin, Yen, Yi-Wen, Cheng, Chun-Jen	CHINUP TECHNOLOGY CO., LTD. Representative: Su, Tsung-Chin Hung Ju Investment Co., Ltd. Representative: Tsai, Tsung-Jung SUNEDGE PV TECHNOLOGY CO., LTD. Representative Cheng, Po-Wen Yang, Ching-Wen, Chuang, Chia-Ping, Huang, Hsiao-Hsin, Yen, Yi-Wen, Cheng, Chun-Jen	CHINUP TECHNOLOGY CO., LTD. Representative: Su, Tsung-Chin Hung Ju Investment Co., Ltd. Representative: Tsai, Tsung-Jung SUNEDGE PV TECHNOLOGY CO., LTD. Representative Cheng, Po-Wen Yang, Ching-Wen, Chuang, Chia-Ping, Huang, Hsiao-Hsin, Yen, Yi-Wen, Cheng, Chun-Jen
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	N/A	N/A	N/A	N/A
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	Huang, Kuo-Tung	Huang, Kuo-Tung	N/A	N/A
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	N/A	N/A	Huang, Kuo-Tung	Huang, Kuo-Tung
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	N/A	N/A	N/A	N/A
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	N/A	N/A	N/A	N/A
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	N/A	N/A	N/A	N/A
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)	N/A	N/A	N/A	N/A
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)	N/A	N/A	N/A	N/A
NT\$100,000,000 or above	N/A	N/A	N/A	N/A
Total	9	9	9	9

Note : Director Tsai, Tsung-Jung resigned on July 12, 2022

(II) Remuneration to Supervisors: N/A

(III) Remuneration to the President and Vice President(s) (Individual Disclosure of Names and Remuneration Items)

December 31, 2022; Unit: Thousand NTD

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Huang, Kuo-Tung	2,250	2,250	0	0	3	3	0	0	0	0	0.98	0.98	0
President	Hsu, Chia-Jung	1,629	1,629	73	73	239	239	181	0	181	0	0.93	0.93	0

Note: President Huang, Kuo-Tung dismissed on August 31, 2022, and Hsu, Chia-Jung assumed the position on September 1, 2022

Remuneration Range Table

Ranges of remuneration paid to each of the Company's president and vice president	Names of president and vice president	
	The Company	All consolidated entities
Less than NT\$1,000,000	N/A	N/A
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (excl.)	N/A	N/A
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (excl.)	Huang, Kuo-Tung, Hsu, Chia-Jung	Huang, Kuo-Tung, Hsu, Chia-Jung
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (excl.)	N/A	N/A
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (excl.)	N/A	N/A
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (excl.)	N/A	N/A
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (excl.)	N/A	N/A
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (excl.)	N/A	N/A
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (excl.)	N/A	N/A
NT\$100,000,000 or above	N/A	N/A
Total	2	2

Note: President Huang, Kuo-Tung dismissed on August 31, 2022, and Hsu, Chia-Jung assumed the position on September 1, 2022

(IV) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

Unit: Thousand NTD

	Job title	Name	Amount in stock	Amount in cash	Total	As a % of net profit
Managerial officers	President	Huang, Kuo-Tung	0	417	417	0.18%
	President	Hsu, Chia-Jung				
	Finance Manager	Chang, Yu-Ching				
	Chief Accounting Officer	Sun, Mei-Hsiang				

Note: President Huang, Kuo-Tung dismissed on August 31, 2022, and Hsu, Chia-Jung assumed the position on September 1, 2022

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

1. Total remuneration, as a percentage of net income stated in the parent company's financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers

Unit: Thousand NTD; %

Item \ Year	2020		2021	
	The Company	The Company	The Company	Consolidated entities
Total remuneration to directors	2,639	2,639	5,129	5,129
Total remuneration to directors as a percentage of net income	2.00	2.00	2.24	2.24
Total remuneration to supervisors	—	—	—	—
Total remuneration to supervisors as a percentage of net income	—	—	—	—
Total remuneration to the president and vice president	5,783	5,783	4,375	4,375
Total remuneration to the president and vice president as a percentage of net income	4.38	4.38	1.91	1.91

Note: The total amount paid by all companies in the financial statements.

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

Item/Description	Remuneration to directors	Remuneration to the president and vice president
Remuneration policies	In accordance with Article 19 of the Company's Articles of Incorporation, the Company shall pay remuneration to the directors of the Company for the performance of their duties, regardless of the Company's profit or loss. The remuneration shall be determined by the Board of Directors in accordance with the value of their participation in and contribution to the Company's operations and with reference to industry standards. The Company may also purchase liability insurance during the term of office of the directors for the scope of business they perform. In accordance with Article 22 of the Company's Articles of Incorporation, if the Company makes a profit in a year, the Board of Directors shall resolve to set aside not more than 2% as remuneration for the directors. Remuneration to independent directors includes executive compensation and travel subsidies. The Company	Article 22 of the Company's Articles of Incorporation stipulates that if the Company makes a profit in the year, the Board of Directors shall resolve to set aside not less than one percent of the annual profit as employee compensation, and that the Company shall follow the Salary Management Regulations and the Performance Management Regulations. Managerial officers' performance appraisal is conducted every six months, where the managerial officers' salary is adjusted upon consideration of the Company's operational performance and personal performance. Bonuses shall be based on the evaluation of manager performance, which includes financial indicators (such as the achievement rate of the company's operational goals) and non-financial indicators (such as the achievement rate of the company's

	shall pay a fixed amount of compensation to the independent directors for performing their duties for the Company, regardless of the Company's profit or loss. The compensation shall be based on the value of their participation in and contribution to the Company's operations and with reference to industry standards. Remuneration to ordinary directors includes executive compensation and travel subsidies. The executive compensation shall be based on the Company's profitability and future operating needs, and are determined based on the value of their participation in and contribution to the Company's operations and with reference to industry standards.	operational policies, compliance with laws and regulations, and significant deficiencies in operational risk issues).
Standards and packages	Based on the level of participation and value of contribution to the company, and with reference to industry standards.	Principal salary, duty increment, professional increment, meal subsidies, etc.
Procedure for determining remuneration	The distribution shall be resolved by the Board of Directors in accordance with the Company's Articles of Incorporation and reported to the shareholders' meeting.	Based on grade and rank.
Linkage of remuneration to operating performance and future risk exposure	Depending on the Company's profitability, the compensation paid by the Company is based on the Company's prudent internal evaluation (performance evaluation such as the occurrence of ethical risk events or other events that may adversely affect the Company's image or goodwill, the status of continuing education or participation in sustainable management, etc.), the Company's profitability and future operating needs, and the consideration of industry standards, which will not affect the Company's future operating risks.	Compensation is based on performance (performance evaluation including internal mismanagement, personnel misconduct and other risk events of the manager, implementation of the company's core values, financial and operational performance and general management indicators, etc.).

IV. Implementation of Corporate Governance

(I) Operations of the Board of Directors

A total of 8 meetings of the Board of Directors were held in the previous period. The attendance of director and supervisor were as follows:

Job title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Note
Chairman	Huang, Kuo-Tung	7	0	100	
Director	CHINUP TECHNOLOGY CO., LTD. Representative: Su, Tsung-Chin	7	0	100	
Director	Hung Ju Investment Co., Ltd. Representative: Tsai, Tsung-Jung	3	0	100	Resigned on July 12, 2022
Director	SUNEDGE PV TECHNOLOGY CO., LTD. Representative: Cheng, Po-Wen	6	1	86	
Director	Yang, Ching-Wen	6	1	86	
Director	Chuang, Chia-Ping	6	1	86	
Independent Director	Huang, Hsiao-Hsin	7	0	100	
Independent Director	Yen, Yi-Wen	7	0	100	
Independent Director	Cheng, Chun-Jen	6	1	86	

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(1) Any matter under Article 14-3 of the Securities and Exchange Act

Date	Meeting Session Number	Content of the Motion(s)	Independent Directors' Opinions	Measures Taken by the Company Based on the Opinions
February 25, 2022	6th Term 12th Meeting	Statement of the Company's internal control system for 2021	Passed without objection	N/A
		Evaluation of the independence and appointment of the Company's CPA for 2022	Passed without objection	N/A

		Motion related to the Company's audit office	Passed without objection	N/A
		Motion on the Company's awarded bid for a lease for the installation of solar power equipment on state-owned real estate in the Marine Corps' Taoziyuan Camp	Passed without objection	N/A
		Motion on short-term financing with related parties for capital planning purposes	Passed without objection	N/A
		Construction of a new plant	Passed without objection	N/A
April 15, 2022	6th Term 13th Meeting	Replenishing operating capital of the third domestic unsecured convertible bond	Passed without objection	N/A
May 6, 2022	6th Term 14th Meeting	Distribution of directors' remuneration for the year 2021	Passed without objection	N/A
		Motion on the Company's awarded bid for a lease for the installation of solar power equipment on state-owned real estate in the 234 Mechanized Infantry Brigade.	Passed without objection	N/A
		Motion to issue the forth domestic unsecured convertible bonds	Passed without objection	N/A
November 10, 2022	6th Term 17th Meeting	Motion related to the Company's audit office	Passed without objection	N/A
		Review of Remuneration Committee resolutions	Passed without objection	N/A
February 23, 2023	6th Term 18th Meeting	Turning surplus into capital increase and issuing new shares for 2022	Passed without objection	N/A
		Statement of the Company's internal control system for 2022	Passed without objection	N/A
		Evaluation of the independence and appointment of the Company's CPA for 2023	Passed without objection	N/A
		Motion related to the Company's audit office	Passed without objection	N/A
		Lending of the Company's funds to others	Passed without objection	N/A

(2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: N/A.

(3) The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted

Date	Names of Directors	Content of the Motion(s)	Cause for Recusal	Voting Status
February 25, 2022	Huang, Kuo-Tung	Short-term financing with related parties	Self-interest involved	After excluding the directors who should be recused, the remaining directors present passed the motion without objection.
February 25, 2022	Su, Tsung-Chin	Short-term financing with related parties	Self-interest involved	After excluding the directors who should be recused, the remaining directors present passed the motion without objection.
May 6, 2022	Huang, Kuo-Tung	Employee bonus distribution	Self-interest involved	After excluding the directors who should be recused, the remaining directors present passed the motion without objection.
November 10, 2022	Huang, Kuo-Tung	Distribution of year-end bonuses and employee bonuses	Self-interest involved	After excluding the directors who should be recused, the remaining directors present passed the motion without objection.
February 23, 2023	Huang, Kuo-Tung	Lending of the Company's funds to others	Self-interest involved	After excluding the directors who should be recused, the remaining directors present passed the motion without objection.
February 23, 2023	Su, Tsung-Chin	Lending of the Company's funds to others	Self-interest involved	After excluding the directors who should be recused, the remaining directors present passed the motion without objection.

(II) The state of operations of the audit committee or the state of participation in board meetings by the supervisors

A total of 8 Audit Committee meetings were held during the most recent fiscal year and up to the date of publication of the annual report. The attendance was as follows:

Job title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Note
Independent Director	Huang, Hsiao-Hsin	6	0	100	
Independent Director	Yen, Yi-Wen	6	0	100	
Independent Director	Cheng, Chun-Jen	5		83	

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

(1) Any matter under Article 14-5 of the Securities and Exchange Act

Date	Meeting Session Number	Content of the Motion(s)	Audit Committee Resolution	Measures Taken by the Company Based on the Opinions
February 25, 2022	3rd Term 10th Meeting	The Company's individual and consolidated financial statements for 2021	Passed without objection	N/A
		Statement of the Company's internal control system for 2021	Passed without objection	N/A
		Evaluation of the independence and appointment of the Company's CPA for 2022	Passed without objection	N/A
		Motion related to the Company's audit office	Passed without objection	N/A
		Motion on the Company's awarded bid for a lease for the installation of solar power equipment on state-owned real estate in the Marine Corps' Taoziyuan Camp	Passed without objection	N/A
		Motion on short-term financing with related parties for capital planning purposes	Passed without objection	N/A
		Construction of a new plant	Passed without objection	N/A
April 15, 2022	3rd Term 11th Meeting	Replenishing operating capital of the third domestic unsecured convertible bond	Passed without objection	N/A
May 6, 2022	3rd Term 12th Meeting	Consolidated financial statements for the first quarter of 2022	Passed without objection	N/A
		Distribution of directors' remuneration for the year 2021	Passed without objection	N/A
		Motion on the Company's awarded bid for a lease for the installation of solar power equipment on state-owned real estate in the 234 Mechanized Infantry Brigade.	Passed without objection	N/A
		Motion to issue the forth unsecured convertible bonds	Passed without objection	N/A
August 10, 2022	3rd Term 13th Meeting	Consolidated financial statements for the second quarter of 2022	Passed without objection	N/A
November 10, 2022	3rd Term 14th Meeting	Consolidated financial statements for the third quarter of 2022	Passed without objection	N/A
		Motion related to the Company's audit office	Passed without objection	N/A
February 23, 2023	3rd Term 15th Meeting	The Company's individual and consolidated financial statements for 2021	Passed without objection	N/A
		Turning surplus into capital increase and issuing new shares for 2022		
		Statement of the Company's internal control system for 2022	Passed without objection	N/A
		Evaluation of the independence and appointment of the Company's CPA for 2023	Passed without objection	N/A
		Motion related to the Company's audit office	Passed without objection	N/A
		Lending of the Company's funds to others	Passed without objection	N/A

(2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: No such situations.

2. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: No such situations.
3. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.)

Job title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Note
<p>(1) The independent directors of the Company can communicate and understand directly with the department heads, chief internal audit officer and CPAs regarding the financial and business status of the Company. The communication between the Company's department heads and the independent directors is good.</p> <p>(2) In accordance with the audit plans, the chief audit officer shall submit audit reports to the independent directors on time upon completion of audit as required by law, and shall attend the audit committee and regular board meetings to report on the execution of the audit. The independent directors had no objection.</p> <p>(3) The Company's CPAs attend the Audit Committee meetings from time to time. For fiscal year 2022, the CPAs attended the Audit Committee meetings held on November 10, 2022 and February 23, 2023 in person and by video conferencing, respectively, to report to the Audit Committee on the planned and actual results of the audit of the financial statements and other communication matters required by relevant laws and regulations. The CPAs also report to the Audit Committee immediately if there are special circumstances. The communication between the Audit Committee and the CPAs is good.</p> <p>(4) Communications between the independent directors and the chief internal audit officer for the year 2021 and up to the publication date of the annual report in 2023:</p>					
Meeting Date		Subject of Communication			
By the 10th of each month		Provide the audit report completed in the previous month to each independent director, and update the current status of each audit plan and items for improvement in a timely manner			
February 25, 2022		Review the "2021 Statement of Internal Control System" and explain the implementation status to the independent directors present.			
February 25, 2022		Audit office's motion on "Self-Assessment of Internal Control System in 2021".			
November 10, 2022		Audit office's motion on "Procedures, Methods and Timetable for Implementation of Self-Assessment of Internal Control System for 2022" and the "Audit Plan for 2023", explaining the basis for preparing the audit plan and the compliance with laws and regulations to the independent directors present.			
February 23, 2023		Review the "2022 Statement of Internal Control System" and explain the implementation status to the independent directors present.			
February 23, 2023		Audit office's motion on "Self-Assessment of Internal Control System in 2022".			
<p>4. Annual work highlights and operation of the Company's Audit Committee:</p> <p>The Company's Audit Committee held six meetings in fiscal year 2022 and up to the date of publication of the annual report in 2023; matters considered included:</p> <p>(1) Financial statement audit and accounting policies and procedures</p> <p>(2) Internal control system and related policies and procedures</p> <p>(3) Significant asset or derivative transactions</p> <p>(4) Major capital loans and endorsements or guarantees</p> <p>(5) Offering and issuance of securities</p> <p>(6) Derivative financial instruments and cash investments</p> <p>(7) Regulatory compliance</p> <p>(8) Whether the managerial officers and the directors have related party transactions and possible conflicts of interest</p> <p>(9) Corporate risk management</p> <p>(10) Qualifications, independence and performance evaluation of certified public accountants</p> <p>(11) Appointment, dismissal or compensation of certified public accountants</p> <p>(12) Audit Committee performance of duties and responsibilities</p> <p>(13) Audit Committee performance self-assessment questionnaire</p> <p>Annual work highlights:</p> <p>(1) Review of financial statements</p> <p>The review includes the Company's business report, financial statements, and the proposal for distribution of earnings for the year 2021. The financial statements have been audited, and an audit report has been issued by Deloitte Taiwan. The above-mentioned business report, financial statements and proposal for distribution of earnings were examined by the Audit Committee and were found to be consistent.</p> <p>(2) Appointment of certified public accountants</p> <p>As considered and approved by the fifth Audit Committee meeting of the third term on February 23, 2023 and the eighteenth Board of Directors' meeting of the sixth term on February 23, 2023, Li, Chi-Chen, CPA and Wang, Teng-Wei, CPA, of Deloitte Taiwan, were appointed as the financial and tax CPAs of the Company.</p> <p>5. The Company has established the "Board of Directors' Self-Evaluation or Peer Review Program". The evaluation for 2021 and 2022 was conducted by the convener of the Audit Committee through questionnaires and was presented and discussed at the Board of Directors' meetings on February 25, 2022 and February 23, 2023, respectively, in order to fulfill corporate governance and strengthen the functions of the Audit Committee.</p>					

(III) Corporate Governance Implementation Status and Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the Reasons

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established various corporate governance standards based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”. Please refer to the Investors area of the Company’s website and the Market Observation Post System.	No significant difference
2. Shareholding Structure and Shareholders’ Rights				No significant difference
(1) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(1) The Company has a spokesperson and proxy spokesperson system, and has appointed a professional stock affairs agent to handle shareholder-related issues. In addition, the Company has established the “Regulations for the Management of Stock Affairs”. If legal issues are involved, the Company shall engage a law firm to assist in handling them.	
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		(2) The Company's day-to-day shareholder business is handled by a professional stock agent, and a person is assigned to handle the related affairs, so that the Company knows the identity of its major shareholders and the parties with ultimate control of the major shareholders.	
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		(3) The Company has established the “Regulations Governing Transactions with Related Parties, Specified Companies and Group Companies” and the “Regulations Governing Intercompany Financial Operations of Affiliated Companies” as the basis for transactions with affiliated companies, which should effectively achieve the purpose of risk control.	
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		(4) The Company has established “Procedures for Prevention of Insider Trading” to regulate the trading of marketable securities by insiders using undisclosed information in the market.	
3. Composition and responsibilities of the board of directors	✓			No significant difference
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?			(1) The Company has clearly defined the policy of diversity in the composition of the Board of Directors in Article 20 of the “Corporate Governance Best-Practice Principles”. The composition of the Company's Board of Directors is based on the scale of the Company's business development and the shareholdings of its major shareholders, taking into account practical needs. In considering and selecting candidates for the Board of Directors, the Company evaluates the professional background, education, experience, integrity or relevant professional qualifications based on the policy of diversity. At present, all directors and independent directors of the Company have completed and extensive educational and professional backgrounds and form a diversified	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?</p> <p>(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</p> <p>(4) Does the Company regularly evaluate its external auditors' independence?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>Board. There are 9 directors, including 3 independent directors, representing 33.33% of the directors, with 11.11% being female directors. The specific management objectives of “no more than one-third of the directors concurrently work as managers” and “at least one female board member” have been achieved, enabling the Company to exercise its operational decision-making and supervisory functions. Refer to pages 11-12 for details of the implementation of board diversity. The proposed diversity policy on the composition of the Board has been disclosed on the Company's website and on the Market Observation Post System.</p> <p>(2) In addition to the Remuneration Committee and the Audit Committee, the Company will establish other functional committees in the future depending on actual operational needs.</p> <p>(3) On May 4, 2015, the Company's Board of Directors approved the “Board of Directors' Self-Evaluation or Peer Review Program”, regularly evaluating the performance of the Board of Directors. The Company's Board of Directors' self-evaluation for the year 2021 was reported by the Board of Directors on February 25, 2022. The results of the Board of Directors' performance evaluation for the year 2021 were positive.</p> <p>(4) The Company has established the “Regulations Governing the Selection and Review of Certified Public Accountants” and regularly (once a year, most recently on February 23, 2023) evaluates and obtains a statement of independence from the accounting firm and submits it to the Audit Committee and the Board of Directors for evaluation. All evaluation results have been in accordance with the Company's independence evaluation standards.</p> <p>The evaluation mechanism is as follows:</p> <ol style="list-style-type: none"> 1. Confirm that the Company's attesting CPA is not a related party to the Company and its directors. 2. Comply with the requirements of the Code of Corporate Governance Practices for the rotation of the attesting CPA. 3. In accordance with the International Code of Ethics for Professional Accountants, the Attesting CPA Firm is required to obtain prior approval from the Audit Committee prior to the appointment of annual attesting and other non-confirming services. 	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>4. Obtain the independent statement issued by the accountants on a regular basis.</p> <p>5. Obtain information on the 13 audit quality indicators (AQIs) provided by the CPA firm and evaluate the audit quality of the CPA firm and the audit team in accordance with the "Audit Quality Indicators (AQI) Guidelines for Audit Committee Interpretations" issued by the competent authority.</p> <p>The results of the evaluation are as follows:</p> <p>1. The independence between the attesting CPA and the Company is in accordance with the Republic of China Certified Public Accountant Act and the Code of Ethics for Accountants.</p> <p>2. The Company has not appointed the same attesting CPA for five consecutive years.</p> <p>3. The majority of the AQI indicators are the same or better than the peers.</p>	
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		The Company's Board of Directors resolved on April 9, 2021 to designate Manager Chang, Yu-Ching as the chief corporate governance officer to protect shareholders' rights and interests and to strengthen the functions of the Board of Directors. Chang has over three years of experience as a finance executive in a public company. The chief corporate governance officer is responsible for handling matters related to board of directors and shareholders' meetings in accordance with the laws, preparing minutes of board of directors and shareholders' meetings, assisting directors and supervisors in their appointment and continuing education, providing information necessary for directors to perform their business, and assisting directors and supervisors in legal compliance. As of the publication date of the annual report, a new board of directors has yet to conduct the business of the chief corporate governance officer and conduct the required training of the chief corporate governance officer, which will be updated on the Company's website in the future.	No significant difference
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		<p>The Company has a spokesperson and an acting spokesperson to serve as a channel of communication with stakeholders.</p> <p>The Company has established an investor area on its website, providing contact numbers and email addresses for stakeholders to use and properly responding to their concerns.</p>	No significant difference
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has appointed Grand Fortune Securities Stock Agency Department as a professional shareholder services agent to handle matters related to its shareholder meetings.	No significant difference

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>7. Information Disclosure</p> <p>(1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?</p> <p>(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?</p> <p>(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?</p>	✓		<p>The Company has established a website (in Chinese, English and Japanese) and an investor area for shareholders and investors to inquire about the Company's financial operations and corporate governance. The Company has also designated a person responsible for reporting relevant information to the Public Information Observation Post System in accordance with the regulations. A spokesperson and an acting spokesperson have been appointed to externally explain the Company's financial and business situation, in order to enhance transparency.</p> <p>The Company reports its financial statements and monthly operating results on the dates specified in "Business Matters for Listed Securities Issuers".</p>	No significant difference
<p>8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?</p>	✓		<p>(1) Employee rights and wellness: The Company attaches great importance to the rights and interests of employees, and is in compliance with the Labor Standards Act and related laws and regulations. In addition to providing welfare systems, the Company holds regular labor-management meetings to establish good interaction and communication.</p> <p>(2) Investor relations: The Company discloses relevant information through the Market Observation Post System and the company's website for investors to fully understand the company's operation. The Company also communicates with investors through shareholders' meetings and spokespersons.</p> <p>(3) Supplier relations: The Company has established and maintained good cooperative relationships with its suppliers in order to create a win-win situation with mutual trust and benefit.</p> <p>(4) Rights of stakeholders: The Company provides sufficient information to financial institutions and creditors, and employees have smooth communication channels. Stakeholders can communicate with the Company, make suggestions, and disclose relevant information in accordance with regulations to protect their legitimate rights and interests.</p> <p>(5) Directors' and supervisors' continuing education: All directors of the Company have professional knowledge and have taken courses related to securities regulations and corporate governance in accordance with the relevant laws and regulations (Note 2), meeting the requirements for continuing</p>	No significant difference

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>education hours.</p> <p>(6) Implementation of risk management policies and risk evaluation standards: The Company has established an internal control system and related internal regulations in accordance with the laws to conduct various risk management and evaluation. The internal audit unit regularly and irregularly inspects the implementation of the internal control system.</p> <p>(7) Implementation of customer relations policies: The Company is committed to improving technology and product quality, providing customers with the best service quality, and maintaining a good relationship with customers.</p> <p>(8) Purchasing liability insurance for directors and supervisors: The Board of Directors has authorized the Chairman to engage insurance companies based on the Company's needs.</p>	

9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.

Based on the 8th Corporate Governance Evaluation results, the Company's unscored items and prioritized improvement measures are as follows:

No.	Item	Improvement Measure
1.11	Does the company upload the English version of the annual report 7 days prior to the shareholders' meeting?	The English version of the annual report will be prepared in 2022.
1.15	Has the Company established and disclosed on the Company's website an internal regulation prohibiting directors or employees from trading securities using unpublished information in the market, including (but not limited to) the closed period of 30 days before the announcement of annual financial reports and 15 days before the announcement of quarterly financial reports, as well as the implementation of the regulation?	The relevant regulations have been established in FY2022 and are described on the Company's website.
2.24	Has the company established an information security risk management framework, formulated information security policies and specific management plans, and disclosed them on its website or in its annual report?	In subsequent years, policies and management plans will be formulated and disclosed in the annual report or on the Company's website.
4.11	Does the company disclose the annual greenhouse gas emissions, water consumption and total weight of waste for the past two years? [If the annual greenhouse gas emissions, water consumption or total weight of waste for the past two years are externally verified, an additional point will be added to the total score.]	Currently, only water consumption and total weight of waste are disclosed. In subsequent years, the Company will increase the staffing to calculate the annual greenhouse gas emissions and set reduction targets.

Note 1: Directors' training records:

Job title	Name	Date of training	Organizer	Course	Number of hours
Independent Director	Yen, Yi-Wen	11/10	Association for Corporate Governance and Sustainable Development of the Republic of China	Corporate Governance and Securities Regulations - Legal Regulations of Internal Trading and Practical Case Studies	6
		8/10		Taiwan Corporate Management and M&A Strategies from Global Political and Economic Situation	
Independent Director	Cheng, Chun-Jen	11/10	Association for Corporate Governance and Sustainable Development of the Republic of China	Corporate Governance and Securities Regulations - Legal Regulations of Internal Trading and Practical Case Studies	9
		8/10		Taiwan Corporate Management and M&A Strategies from Global Political and Economic Situation	
		1/14	Taiwan corporate governance association	Competitiveness vs Viability, ESG Trends and Strategies	
Independent Director	Huang, Hsiao-Hsin	11/10	Association for Corporate Governance and Sustainable Development of the Republic of China	Corporate Governance and Securities Regulations - Legal Regulations of Internal Trading and Practical Case Studies	9
		8/10		Taiwan Corporate Management and M&A Strategies from Global Political and Economic Situation	
		7/25	Taiwan corporate governance association	Trends and Challenges of Information Security Governance	
Director	Chuang, Chia-Ping	11/10	Association for Corporate Governance and Sustainable Development of the Republic of China	Corporate Governance and Securities Regulations - Legal Regulations of Internal Trading and Practical Case Studies	6
		8/10		Taiwan Corporate Management and M&A Strategies from Global Political and Economic Situation	
Corporate Director Representative	Cheng, Po-Wen	11/10	Association for Corporate Governance and Sustainable Development of the Republic of China	Corporate Governance and Securities Regulations - Legal Regulations of Internal Trading and Practical Case Studies	6
		8/10		Taiwan Corporate Management and M&A Strategies from Global Political and Economic Situation	
Director	Yang, Ching-Wen	11/10	Association for Corporate Governance and Sustainable Development of the Republic of China	Corporate Governance and Securities Regulations - Legal Regulations of Internal Trading and Practical Case Studies	6
		8/10		Taiwan Corporate Management and M&A Strategies from Global Political and Economic Situation	
Director	Huang, Kuo-Tung	11/10	Association for Corporate Governance and Sustainable Development of the Republic of China	Corporate Governance and Securities Regulations - Legal Regulations of Internal Trading and Practical Case Studies	6
		8/10		Taiwan Corporate Management and M&A Strategies from Global Political and Economic Situation	
Corporate Director Representative	Su, Tsung-Chin	11/10	Association for Corporate Governance and Sustainable Development of the Republic of China	Corporate Governance and Securities Regulations - Legal Regulations of Internal Trading and Practical Case Studies	6
		8/10		Taiwan Corporate Management and M&A Strategies from Global Political and Economic Situation	
Corporate Director Representative	Tsai, Tsung-Jung	11/10	Association for Corporate Governance and Sustainable Development of the Republic of China	Corporate Governance and Securities Regulations - Legal Regulations of Internal Trading and Practical Case Studies	6
		8/10		Taiwan Corporate Management and M&A Strategies from Global Political and Economic Situation	

Note 2: Managerial officers' training records:

Job title	Name	Date of training	Organizer	Course	Number of hours
Finance Manager	Chang, Yu-Ching	November 24, 2022 - November 25, 2022	Accounting Research and Development Foundation	Continuing Education Course for Accounting Supervisors of Securities Issuers, Dealers and Stock Exchanges	12
Chief Corporate Governance Officer	Chang, Yu-Ching	March 25, 2022	Accounting Research and Development Foundation	Task Force on Climate-Related Financial Disclosures (TCFD) and New Low Carbon and Green Paradigm	3
		March 29, 2022	Accounting Research and Development Foundation	Analysis of the Latest Corporate Governance Policies and Corporate Governance Assessment Practices	3
		June 10, 2022	Securities & Futures Institute	FY2022 Internal Trading Prevention Seminar	3
		August 10, 2022	Association for Corporate Governance and Sustainable Development of the Republic of China	Taiwan Corporate Management and M&A Strategies from Global Political and Economic Situation	3
Accounting Manager	Sun, Mei-Hsiang	September 26, 2022 - September 27, 2022	Accounting Research and Development Foundation	Continuing Education Course for Accounting Supervisors of Securities Issuers, Dealers and Stock Exchanges	12

(IV) If the company has a compensation committee or nomination committee in place, the composition and operation of such committee shall be disclosed

1. Information on Remuneration Committee Members

Qualification Name	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
Convener and Independent Director Huang, Hsiao-Hsin	Refer to 4. Information on Professional Qualifications of Directors and Independence of Independent Directors on page 11 of this annual report	(1) Not an employee of the company or any of its affiliates. (2) Not a director or supervisor of the company or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph (1) or any of the persons under subparagraphs (2) and (3). (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse thereof. (10) Not a spouse or relative within the second degree of kinship of other directors.	2
Independent Director Yen, Yi-Wen			—
Independent Director Cheng, Chun-Jen			2

2. Operation of the Remuneration Committee

(1) The Company's remuneration committee has a total of 3 members.

(2) The term of the current members is from July 6, 2020 to May 27, 2023. The number of remuneration committee meetings held in the most recent fiscal year was: 4 (A). The attendance by the members was as follows:

Job title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A) (Note)	Note
Convener	Huang, Hsiao-Hsin		0	100	
Committee Member	Yen, Yi-Wen		0	100	
Committee Member	Cheng, Chun-Jen	4	0	80	

Other information required to be disclosed:

- I. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): No such situations.
- II. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: No such situations.

Date	Meeting Session Number	Content of the Motion(s)	Remuneration Committee Resolution	Measures Taken by the Company Based on the Opinions
February 25, 2022	3rd Term 7th Meeting	2021 employee and director remuneration distribution	Passed without objection	N/A
		Salary adjustment for managerial officers		
May 6, 2022	3rd Term 8th Meeting	Distribution of directors' remuneration for the year 2021	Passed without objection	N/A
		2021 bonus distribution for managerial officers and employees	Passed without objection	N/A
August 10, 2022	3rd Term 9th Meeting	Salary adjustment for managerial officers	Passed without objection	N/A
November 10, 2022	3rd Term 10th Meeting	Proposed remuneration programs for 2023	Passed without objection	N/A
		Proposed remuneration programs for 2023	Passed without objection	N/A
		2023 year-end bonus for managers	Passed without objection	N/A
		2021 actual amount of managers' year-end bonuses and employee bonuses	Passed without objection	N/A
February 23, 2023	3rd Term 11th Meeting	2022 employee and director remuneration distribution	Passed without objection	N/A

(3)The Company has established the “Board of Directors' Self-Evaluation or Peer Review Program”. The self-evaluation for 2022 was conducted by the convenor of the Remuneration Committee through questionnaires and was presented and discussed at the Board of Directors' meetings on February 23, 2023, in order to fulfill corporate governance and strengthen the functions of the Remuneration Committee.

(V) Fulfillment of social responsibility: The company's systems and measures for environmental protection, community participation, social contribution, social services, social welfare, consumer rights, human rights, safety and health, and other social responsibility activities and their fulfillment.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		<p>The company has established a sustainable development task force, which is coordinated by the Special Assistant to the President (manager level). Under the task force, the company has established the corporate governance team, the labor and management committee, the labor safety and health committee, the supplier management team, the risk management team, and the social welfare promotion team, with senior executives reporting to the Board of Directors on a regular basis.</p> <p>The main tasks of the sustainable development task force include identifying sustainability issues of concern to the company's operations and stakeholders, formulating strategies and working guidelines, planning and implementing annual plans, and tracking the effectiveness of implementation, to ensure that sustainability strategies are fully implemented in the company's day-to-day operations.</p> <p>The 2022 work progress was reported to the Board of Directors on November 10, 2022.</p> <p>The Board receives regular reports from the sustainable development task force, reviews and tracks the progress of the task force's proposed sustainability strategy, and urges the task force to make adjustments as necessary.</p>	No significant difference
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>The Company has established "Risk Management Regulations" based on the materiality principle. The risk assessment boundary is based on the Company itself. By combining business management and risk management, the Company aims to qualify and quantify risks and establish relevant risk management policies. As of the end of 2021, the Company has introduced the following management systems: ISO 9001 Quality Management System, ISO 14001 Environmental Management System (validity period: 12.31.2022-12.31.2025), and ISO 45001 Occupational Health and Safety Management System (validity period: 12.27.2022-12.27.2025). Through the above management systems, the Company has been able to understand the environmental, social and corporate governance risks in its operation activities and adjust and review them regularly in accordance with the actual situation. The relevant risk areas, risk items, and risk response measures are detailed in the table on page 36.</p>	No significant difference

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
3. Environmental Issues				No significant difference
(1) Has the Company set an environmental management system designed to industry characteristics?	✓		(1) As a green energy company, the Company cherishes resources. In addition to following renewable energy generation policies, the Company continues to promote energy saving measures internally, such as recycling and paper reduction, in order to achieve the purpose of waste reduction and resource recovery. The Company has also obtained management system and ISO 14001 environmental management system certifications.	
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		(2) The Company cares about energy saving, carbon reduction and greenhouse gas reduction, and continuously promotes energy saving and carbon reduction policies, urging employees to make a habit of switching off lights and air-conditioning when leaving, and encouraging employees to recycle reusable items.	
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		(3) The Company has established the “Environmental Safety and Health Risk Management Procedures” to take measures to address the current and potential future risks of the company in response to climate change and extreme climate events. Currently, the Company has taken measures such as replacing old equipment or changing process equipment; designating dedicated personnel in the management and industrial safety departments to monitor energy usage; and working with the sales and warehousing departments to improve recycling of packaging materials, in order to reduce energy consumption. In addition to continuing to reduce energy consumption, the Company will also pay attention to global dynamics and strive to improve the power efficiency of solar modules and increase the proportion of renewable energy generation, aiming to help slow down global warming.	
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		(4) In addition to the aforementioned energy consumption reduction measures, the Company's energy saving and carbon reduction policy includes increasing the frequency of the recycling room inspection to achieve waste reduction, as the amount of waste generated in the plant has become stable. Detailed information is available on the Company's website.	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
4. Social Issues				No significant difference
(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(1) The Company has established “Work Rules” in accordance with the Labor Standards Act, the Act of Gender Equality in Employment, the Sexual Harassment Prevention Act, and other relevant laws and regulations.	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		(2) The Company provides leaves and pension contributions in accordance with relevant laws and regulations, and has established the “Performance Management Regulations” for annual performance evaluations, which are the basis for salary adjustments and promotions. In addition, the Company's Articles of Incorporation provide for employee bonuses based on the Company's operating conditions.	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		(3) The Company provides a comfortable, safe and healthy workplace for its employees, implementing necessary access control measures, labor safety education and training, a comprehensive rule prohibiting smoking indoors, and providing an employee lounge and breastfeeding room, as well as in-house nurses and free consultation services by resident doctors. The Company also emphasizes employee safety and health, and provides employee safety and health information from time to time, as well as annual employee health checks. The Company also conducts monthly inspections of fire-fighting and escape equipment, as well as emergency response drills for various disasters every six months to prevent accidents.	
(4) Has the Company established effective career development training programs for employees?	✓		(4) The Company evaluates employees' education level and experience, expertise, interest and performance, and communicates with them to establish effective training programs.	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		(5) The Company complies with ISO9001 and related laws and regulations, and has implemented consumer protection policies from receiving orders to handling customer complaints.	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant	✓		(6) The Company has established a supplier management policy in accordance with ISO9001 and requires suppliers to comply with relevant regulations on issues such as	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?			environmental protection, occupational safety and health, and labor and human rights. If a supplier fails to comply with relevant regulations, it will be included in the annual supplier evaluation program to decide whether to continue the partnership depending on the situation.	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	✓		The Company has disclosed CSR-related information in the shareholders' meeting annual report submitted to the Market Observation Post System and in the "CSR Report" area on the Company's website.	No significant difference
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: The Company has established its "Sustainable Development Best Practice Principles". With regard to the regulations in the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", the Company has been implementing them in a gradual manner, taking into consideration the current status of the Company and legal regulations, and has been promoting the fulfillment of corporate social responsibility by strengthening corporate ethics education, training and promotion.				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development: The Company cares for and is involved in fulfilling social responsibility, regularly donating to Kiwanis (NT\$424,132 in 2022), a global volunteer organization dedicated to helping children and communities to transform the world. In addition to helping the disadvantaged through charity, as the Company is in the green energy industry, the roof rent of its power plant has been donated to 514 schools since 2014 until the end of 2022, with an amount of \$389,807 thousand as subsidies for school operation or lunch, aiming to fulfill the corporate social responsibility for environmental protection.				

Communication with Stakeholders in FY2022

Stakeholders	Priority Issues	Communication Channels	Communication Frequency	Performance for the year Up to this Board Meeting
Shareholders /Investors	<ol style="list-style-type: none"> Operating Performance Information Transparency Market Trends 	Shareholders' Meeting Spokesperson Channels Public Information Observatory Company Website Telephone, fax, e-mail	<ol style="list-style-type: none"> Hold annual Shareholders' Meetings and prepare annual financial reports as required. Publish financial information about the Company's operations on the Public Information Observatory and the Company's official website. Respond to shareholders' and investors' questions by telephone or e-mail through a spokesperson channel for information that is not required to be announced, such as corporate culture and product strategy. 	A total of 38 major news and announcements. Regularly hold one corporate presentation in Taiwan. Receive 60-70 domestic and international corporate analysts' visits and conference calls.
Supplier	<ol style="list-style-type: none"> Information Transparency Ethical management 	Company Website Regular or irregular meetings Telephone, fax, e-mail	<ol style="list-style-type: none"> Publish financial information about the Company's operations on the Public Information Observatory and the Company's official website. The company has established "Supplier Management Procedures" and "Purchasing Control Procedures". Practice ethical management rules. 	The Company publishes financial data on a quarterly basis and has issued 38 material information and announcements in accordance with the regulations.
Government authorities	<ol style="list-style-type: none"> Regulatory compliance Corporate Governance Communication with Authorities 	Stakeholder Area on the Company's website Correspondence Meeting Participation External Communication Box Training courses and seminars on various policies and regulations	<ol style="list-style-type: none"> We regularly update the stakeholder area on our website. We regularly participate in relevant meetings and training. 	We have attended 10 training courses and seminars for the competent authorities. We have responded to 24 questionnaires from competent authorities this year.
Customer	<ol style="list-style-type: none"> Information Transparency Product Technology Service Quality 	Company Website Regular or irregular meetings Telephone, fax, e-mail	<ol style="list-style-type: none"> Publish financial information about the Company's operations on the Public Information Observatory and the Company's official website. Our products have been certified to ensure technical and quality integrity. We have established "Business Order Management Procedure." We have established "Customer Satisfaction Management Procedure." We have established "Customer Complaint Management Procedure." 	The Company publishes financial data on a quarterly basis and has issued 38 material information and announcements in accordance with the regulations. We have obtained 4 product certifications. Overall average satisfaction rate of 97% in customer satisfaction survey
Employee	Labor relations Employee Benefits	Internal website and announcements Welfare Committee Regular or irregular meetings Telephone, fax, e-mail	<ol style="list-style-type: none"> Set up relevant management rules Hold labor-management meetings regularly. Fire drills in the factory. Year-end annual party and occasional employee gatherings. Provide employees with group meals and uniforms. Travel allowance subsidy (according to seniority). Regular employee health checkups. Provide medical consultation. Promote and send health information. Organize employee education training. 	We have held 3 labor-management meetings. We have provided 2 employee gatherings or meal coupons We have provided 204 employee travel subsidies. Regular employee health checkups once a year. A total of 13 people consulted with visiting doctors. We have provided 3 health information promotion sessions. We have conducted 1,023 employee education and training sessions.

We have developed the following risk management policies or strategies based on the assessed risks:

Major Issues	Evaluation item	Description
Environmental	Environmental Protection	<ol style="list-style-type: none"> 1. The Company upholds the concept of sustainable management and maintenance of limited resources, and in order to fulfill its responsibility as a global citizen, it has obtained ISO14001 environmental management certification and will continue to obtain certification on a regular basis. 2. Review the company's operations and environmental protection practices, including regular noise testing twice a year, 100% product non-toxicity testing, waste management mechanism, energy conservation promotion, and pallet recycling.
Social	Occupational Health and Safety	<ol style="list-style-type: none"> 1. The Company has obtained "ISO 45001 Occupational Health and Safety Management System" certification and will be certified regularly. 2. We hold regular fire drills and industrial safety education training every year to cultivate employees' ability for emergency response and self-safety management. 3. We provide group health insurance, resident nurses and regular medical consultations, and regular annual employee health checks to take care of employees' health and to implement workplace safety management policies.
	Product Safety	<ol style="list-style-type: none"> 1. Our products comply with all government regulations and are free of hazardous substances. In order to ensure the quality of customer service, we conduct regular customer satisfaction surveys every year to strengthen the cooperative relationship with customers, maintain good and close relationships with customers, to understand the market dynamics to meet the needs of customers, and to maintain a long-term partnerships. 2. Our products have passed many certifications to ensure the technical and quality integrity of our products, to gain the recognition of our customers for the quality and performance of our products, to increase customer dependency, and to reduce the risk of customers switching suppliers.
Corporate Governance	Socio-Economic and Legal Compliance	<ol style="list-style-type: none"> 1. By establishing a corporate governance organization and implementing internal control mechanisms, we ensure that all of our employees and operations comply with relevant laws and regulations. 2. We apply for patents for the products we develop to protect our company's rights. 3. We maintain or improve the quality of our services by conducting customer service management in accordance with ISO 9001 and related company regulations. 4. We conduct regular internal and external audits each year in accordance with the Company's "Ethical Management Code" and the "Procedures and Conduct Guidelines for Ethical Management of the Company" to ensure that the Company's operations comply with regulatory requirements. 5. We hold regular management meetings and take necessary management measures to create economic value for our shareholders and to protect their interests.
	Enhance the functions of Directors	<ol style="list-style-type: none"> 1. We plan relevant training programs for our directors and provide annual training courses on the latest regulations and systems for directors. 2. We provide directors' liability insurance to protect them from lawsuits and claims.
	Stakeholder Communication	<ol style="list-style-type: none"> 1. The Company identifies important stakeholders and establishes communication channels and understands the important issues of stakeholders through regular communication in order to avoid misunderstandings between stakeholders and the Company's position, which may lead to operational or litigation risks.

(VI) Fulfillment of ethical corporate management and measures taken

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has established the “Code of Conduct for Ethical Management” and the “Procedures and Conduct Guidelines for Corporate Ethical Management”, which shall be implemented and monitored by a dedicated units and reported to the Board of Directors on a regular basis. The Company's internal regulations prohibit employees from accepting, directly or indirectly, any improper benefits while engaging in business practices and reinforces the importance of integrity in the training of new employees. The Company also strengthens its control points in the design and implementation of systems to prevent breaches of integrity.</p> <p>(2) The Company has established an effective internal control system and follows the “Code of Conduct for Ethical Management” and “Procedures and Conduct Guidelines for Corporate Ethical Management”. Internal auditors regularly check the compliance of the system to ensure the implementation of ethical management.</p> <p>(3) The Company's “Code of Conduct for Ethical Management” and “Procedures and Conduct Guidelines for Corporate Ethical Management” include plans for preventing dishonest conduct, procedures, guidelines for conduct, and a disciplinary and grievance system for non-compliance, which are imposed.</p>	No significant difference
<p>2. Ethical Management Practice</p> <p>(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</p>	<p>✓</p>		<p>(1) Before establishing business relationships, the Company evaluates the legitimacy of the parties with whom it deals and whether there is a record of unethical behavior to ensure fair and transparent transactions. When signing a contract with a counterparty, the Company specifies the rights and obligations of both parties, and progressively facilitates the inclusion of ethics clauses in the contract with its counterparty.</p>	No significant difference, except the Company does not conduct regular internal and external training programs on ethical management.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		<p>(2) The Company has designated the President's Office as a dedicated unit to promote corporate ethical management, with Special Assistant to the President, Lin, Wan-Ling, as the convener who reports to the Board of Directors in the third or fourth quarter of each year. To implement the Code of Conduct for Ethical Management, the convener assists the board of directors and management in formulating and overseeing the implementation of ethical management policies and preventive programs in accordance with the job descriptions of each department.</p> <p>The Company implements ethical management policies. The 2021 status of implementation is as follows:</p> <p>1. Education and training The staff of the relevant departments schedule annual education and training courses related to ethical management, including legal regulations, auditing, and money laundering prevention, etc., to integrate the ethical management policies with general legal knowledge and work contents, so that relevant staff can properly follow the policies.</p> <p>2. Report system and whistleblower protection To encourage internal and external personnel to report unethical behavior or misconduct, the Company's official website provides effective communication channels for employees, shareholders, stakeholders and outsiders, and has established a whistleblower protection system. In 2021, there were no incidents involving unethical practices. Violations were mainly related to operational processes, for which the Company has identified the reasons and taken appropriate improvement measures to implement ethical management policies.</p> <p>3. Reported to the Board of Directors on November 10, 2022.</p>	
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		<p>(3) The Company's "Code of Conduct for Ethical Management" and "Procedures and Conduct Guidelines for Corporate Ethical Management" contain policies to prevent conflict of interest and provide appropriate report channels, which shall be implemented.</p>	
(4) Does the company have effective accounting and internal control systems in place to enforce ethical	✓		<p>(4) The Company has not established audit plans or hired outside accountants to perform the audits for</p>	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?</p>	✓		<p>unethical conduct risk assessments. However, the Company has established work rules applicable to all employees and has made necessary amendments to various systems in accordance with changes in various laws and regulations. The work rules have specified that both employees and employers shall negotiate based on the principle of harmony and honesty, and that employees at all levels shall not use their authority to benefit themselves or others, in order to ensure corporate and professional ethics. The Company also conducts annual self-evaluation of various systems to ensure the effectiveness of the system.</p> <p>(5) In addition to promoting ethical management policies in departmental meetings, the Company also sends its staff members to external education and training, covering legal security, financial security and information security. In 2022, the Company sent 30 people to receive a total of 189 hours of external training .</p>	
<p>3. Implementation of Complaint Procedures</p> <p>(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?</p> <p>(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>(3) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company's "Procedures and Conduct Guidelines for Corporate Ethical Management" include a reporting and reward system, reporting channels, assignment of appropriate personnel to the subject of the report, standard operating procedures for the investigation of reported matters and related confidentiality mechanisms, and measures to protect whistleblowers.</p> <p>(2) The Company's "Procedures and Conduct Guidelines for Corporate Ethical Management" specify the standard operating procedures for the investigation of reported matters, the follow-up measures to be taken upon completion, and that the personnel handling reported matters shall provide written declaration of confidentiality of whistleblowers' identity and report contents.</p> <p>(3) The company has adopted proper measures to protect whistleblowers from retaliation for filing complaints.</p>	No significant difference
<p>4. Strengthening Information Disclosure</p>	✓		In addition to the Company's website, the Company also discloses financial and	No significant difference

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?			business information on the Market Observation Post System for investors' reference, as required by law, and discloses the Company's ethical management practices in the annual report for shareholders' meeting.	
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: No significant difference.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): The Company keeps up with the development of domestic and international regulations related to ethical management, and encourages directors, managers and employees to make suggestions for the review and improvement of the Company's established ethical management policies and measures, in order to enhance the effectiveness of the Company's ethical management.				

(VII) If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched

The Company has established the “Corporate Governance Best-Practice Principles”, “Rules of Procedures for Shareholders' Meetings”, “Rules Governing the Conduct of Board Meetings”, “Rules Governing the Election of Directors”, “Rules Governing the Organization of the Remuneration Committee”, “Rules Governing the Organization of the Audit Committee”, “Code of Ethical Conduct”, “Code of Conduct for Ethical Management”, “Board of Directors' Self-Evaluation or Peer Review Program”, “Procedures and Conduct Guidelines for Corporate Ethical Management” and “Code of Practice on Corporate Social Responsibility”, which are available on the Market Observation Post System.

(VIII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed: N/A.

(IX) State of implementation of the company's internal control system

1. Statement on Internal Control (as detailed in Appendix I, page 96)

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: N/A.

(X) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: N/A.

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

1. Material resolutions of shareholders meeting and implementation status

Date of meeting	Material resolutions	Implementation status
May 26, 2022	Acknowledgements I. The Company's 2021 business report, financial statements and statement of earnings distribution.	1. Announced and reported in accordance with relevant regulations. 2. Ex-dividend date to be June 29, 2022; cash dividend payout date to be July 18, 2022. (Cash dividends of NT\$0.51029255 per share to be distributed)
	II. Change in the Company's 2021 third domestic unsecured convertible bond capital utilization plan.	Execute according to the plan after the change
	Discussions I. Amendments to the Company's "Articles of Incorporation".	Handled in accordance with the amended contents.
	II. Amendments to the Company's "Rules of Procedures for Shareholders' Meetings".	Handled in accordance with the amended contents.
	III. Amendments to the Company's "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."	Handled in accordance with the amended contents.

2. Material resolutions of board meetings

Date of meeting	Term	Content of the Motion(s)
February 25, 2022	6 (12)	1. 2021 employee and director remuneration distribution. 2. The Company's individual and consolidated financial statements for 2021. 3. The Company's 2021 Business Report. 4. 2021 earnings distribution. 5. Statement of the Company's internal control system for 2021. 6. Evaluation of the independence and appointment of the Company's CPA for 2021. 7. Motion related to the Company's audit office. 8. Amendments to the Company's "Articles of Incorporation". 9. Amendments to the Company's "Rules of Procedures for Shareholders' Meetings". 10. Amendments to the Company's "Procedures for Acquisition or Disposal of Assets". 11. Amendments to the Company's "Code of Practice on Corporate Social Responsibility". 12. Self-evaluation report on the operation of the Board of Directors for 2021. 13. Motion on the Company's awarded bid for a lease for the installation of solar power equipment on state-owned real estate in the Marine Corps' Taoziyuan Camp. 14. Review of Remuneration Committee resolutions. 15. Proposed application for bank financing lines and derivative financial instrument lines. 16. Motion on short-term financing with related parties for capital planning purposes. 17. Construction of a new plant. 18. Time, place and subject matter for the Company's 2022 Annual General Meeting of Shareholders.
April 15, 2022	6 (13)	1. Change in the Company's 2021 third domestic unsecured convertible bond capital utilization plan. 2. Set a base date for the third domestic unsecured convertible bonds to be converted into new shares of common stock in the first quarter of 2022. 3. Proposed application for bank financing lines and derivative financial instrument lines. 4. Addition of proposal for the Company's 2022 Annual General Meeting of Shareholders.
May 6, 2022	6 (14)	1. Consolidated financial statements for the first quarter of 2022. 2. Distribution of directors' remuneration for the year 2021. 3. 2021 bonus distribution for managerial officers and employees. 4. Amendments to the Company's "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies". 5. Motion on the Company's awarded bid for a lease for the installation of solar power equipment on state-owned real estate in the 234 Mechanized Infantry Brigade. 6. Motion to investment in chai yi energy Co., Ltd. 7. Motion to issue the forth domestic unsecured convertible bonds. 8. Proposed application for a bank financing line.
August 10, 2022	6 (15)	1. Consolidated financial statements for the second quarter of 2022. 2. Salary adjustment for managerial officers 3. Cooperate with the manager's promotion and the company's organizational adjustment plan 4. Release of the Company's manager from the non-compete agreement. 5. Proposed application for bank financing lines and derivative financial instrument

Date of meeting	Term	Content of the Motion(s)
		lines.
September 12, 2022	6 (16)	<ol style="list-style-type: none"> 1. Motion on the Company's awarded bid for a lease for the installation of solar power equipment on Taiwan sugar corp. 2. Amendments to the company's "Verification Authority Form" 3. Proposed application for bank financing lines and derivative financial instrument lines.
November 10, 2022	6 (17)	<ol style="list-style-type: none"> 1. Consolidated financial statements for the third quarter of 2022. 2. Motion related to the Company's audit office. 3. The Company's business plan for 2023. 4. Liability insurances for directors and managerial officers. 5. Set a base date for the third domestic unsecured convertible bonds to be converted into new shares of common stock in the third quarter of 2022. 6. Review of Remuneration Committee resolutions. 7. Proposed application for bank financing lines and derivative financial instrument lines.
February 23, 2023	6 (18)	<ol style="list-style-type: none"> 1. 2022 employee and director remuneration distribution. 2. The Company's individual and consolidated financial statements for 2022. 3. The Company's 2022 Business Report. 4. 2022 earnings distribution. 5. 2022 surplus distribution cash dividend 6. 2022 turning surplus into capital increase and issuing new shares 7. Statement of the Company's internal control system for 2022. 8. Evaluation of the independence and appointment of the Company's CPA for 2023. 9. Motion related to the Company's audit office. 10. Self-evaluation report on the operation of the Board of Directors for 2021. 11. Amendments to the Company's Management Measures 12. Lending of the Company's funds to others. 13. Endorsement and guarantee for other parties by a subsidiary. 14. Motion on investment Wei- Man technology co., Ltd. 15. Proposed application for bank financing lines and derivative financial instrument lines. 16. Time, place and subject matter for the Company's 2022 Annual General Meeting of Shareholders. 17. A full re-election of the company's directors 18. Nominate and review the list of candidates for directors (including independent directors) 19. Release of the Company's directors from the non-compete agreement.
April 15, 2022	6 (13)	<ol style="list-style-type: none"> 1. Change in the Company's 2021 third domestic unsecured convertible bond capital utilization plan. 2. Set a base date for the third domestic unsecured convertible bonds to be converted into new shares of common stock in the first quarter of 2022. 3. Proposed application for bank financing lines and derivative financial instrument lines. 4. Addition of proposal for the Company's 2022 Annual General Meeting of Shareholders.

- (XII) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: N/A.
- (XIII) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer: N/A.

V. Information on CPA (External Auditor) Professional Fees

Name of accounting firm	Names of CPAs	Period covered by the CPA audit (Note)	Audit fees	Non-audit fees	Total	Note
Deloitte Taiwan	Wang, Teng-Wei	January 1, 2022 - December 31, 2022	2,480	173	2,653	Non-audit fees include services such as business registration, and tax consultation.
	Li, Chi-Chen					

Note: The change of CPAs is due to internal adjustment of the accounting firm.

- (I) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: N/A.
- (II) Evaluation of CPAs' Independence:
- In accordance with the "Corporate Governance Best-Practice Principles" and the "Regulations Governing the Selection and Review of Certified Public Accountants", the Audit Committee has established specific review criteria to evaluate the independence of certified public accountants on a regular basis, and reports the results of the evaluation to the Board of Directors.
 - The Audit Committee makes reference to current laws or relevant regulations of the competent authorities on the practice of accounting or professional ethics, and establishes positive and negative qualifications for evaluation. Evaluation of negative qualifications is substituted with written statements by CPAs.

VI. Information on replacement of certified public accountant: N/A.

VII. Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: N/A.

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

- (I) Changes in Shareholding

Unit: Shares

Job title	Name	2022		For the year ended March 31, 2023	
		Number of shares held Increase (or decrease)	Number of pledged shares held Increase (or decrease)	Number of shares held Increase (or decrease)	Number of pledged shares held Increase (or decrease)
Chairman / President	Huang, Kuo-Tung	8,000	—	12,000	—
Director	Chinup Technology Co., Ltd. Representative: Su, Tsung-Chin	39,000	—	40,000	—
Director	Hung Ju Investment Co., Ltd. Representative: Tsai, Tsung-Jung	—	—	—	—
Director	Sunedge Pv Technology Co., Ltd. Representative: Cheng, Po-Wen	—	—	—	—
Director	Yang, Ching-Wen	—	—	—	—
Director	Chuang, Chia-Ping	—	—	—	—
Independent Director	Huang, Hsiao-Hsin	—	—	—	—

Job title	Name	2022		For the year ended March 31, 2023	
		Number of shares held Increase (or decrease)	Number of pledged shares held Increase (or decrease)	Number of shares held Increase (or decrease)	Number of pledged shares held Increase (or decrease)
Independent Director	Yen, Yi-Wen	—	—	—	—
Independent Director	Cheng, Chun-Jen	—	—	—	—
Major shareholder with 10% shareholding	Chinup Technology Co., Ltd.	39,000	—	40,000	—
Vice President	Hsu, Chia-Jung	—	—	—	—
Finance Manager	Chang, Yu-Ching	—	—	—	—
Chief Accounting Officer	Sun, Mei-Hsiang	—	—	—	—
Chief Corporate Governance Officer	Chang, Yu-Ching	—	—	—	—

Note : Director Tsai, Tsung-Jung resigned on July 12, 2022

(II) Where the counterparty in any such transfer or pledge of equity interests is a related party: N/A.

IX. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

April 1, 2023

Name	Shareholding		Shares held by spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or is a spouse or a relative within the 2nd degree		Note
	No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)	Name	Relationship	
CHINUP TECHNOLOGY CO., LTD.	16,676,678	13.76%	—	—	—	—	—	—	—
Representative: Huang, Kuo-Tung	1,090,825	0.90%	—	—	161,320	0.13%	—	—	—
PACKY PODA INC.	7,236,000	5.97%	—	—	—	—	—	—	—
Representative: Wang, Tien-Wang	550,000	0.46%	450,000	0.37%	—	—	—	—	—
Wang, Li-Hua	4,231,000	3.49%	—	—	—	—	Lu, Ping-Hua	Mather and son	—
Chiang Tai Investment Co., Ltd.	2,412,015	1.99%	—	—	—	—	—	—	—
Representative: Su, Tsung-Chin	275,724	0.23%	24,475	0.02%	—	—	—	—	—
Lu, Ping-Hua	1,995,000	1.65%	—	—	—	—	Wang, Li-Hua	Mather and son	—
Cheng, Ya-Ping	1,990,000	1.64%	—	—	—	—	—	—	—
Tseng, Rui-Ming	1,806,000	1.49%	—	—	—	—	—	—	—
Chen, Chin-Pi	1,566,000	1.29%	—	—	—	—	—	—	—
Yang, Ching-Wen	1,533,000	1.26%	—	—	—	—	Yang, Shu-Chen	Father and daughter	—
Lin Fang, Li-Hsiang	1,500,000	1.24%	—	—	—	—	—	—	—

- X. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company

March 31, 2023; Unit: Thousand Shares; %

Investee enterprise	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio
Liu He Optoelectronics Co., Ltd.	6,700	100%	—	—	6,700	100%
Yao Kuang Energy Co., Ltd.	2,900	100%	—	—	2,900	100%
Ching Yang Agricultural Technology Co., Ltd.	3,220	100%	—	—	3,220	100%
Anders Technology Co., Ltd.	2,000	50%	—	—	2,000	50%
An-Tai Energy Co., Ltd.	9,960	51%			9,960	51%

IV. Information on capital raising activities

I. Capital and shares

(I) Source of capital stock

1. Capital stock formation

Types of shares issued by the company during the preceding fiscal year and in the current fiscal year up to the date of the publication of the report

Unit: Thousand Shares; Thousand NTD

Month / Year	Issued price (NTD)	Authorized capital		Paid-in capital		Note		
		No. of shares	Amount	No. of shares	Amount	Source of capital stock	Capital paid in by assets other than cash	Other
February 2018	20	120,000	1,200,000	94,456	944,566	Cash capital increase	N/A	Note 1
December 2020	10	200,000	2,000,000	106,971	1,069,714	Domestic convertible bonds converted to 12,515 thousand shares of common stock	N/A	Note 2
March 2021	10	200,000	2,000,000	107,449	1,074,490	Domestic convertible bonds converted to 478 thousand shares of common stock	N/A	Note 3
April 2021	10	200,000	2,000,000	114,182	1,141,821	Domestic convertible bonds converted to 6,733 thousand shares of common stock	N/A	Note 4
September 2021	10	200,000	2,000,000	114,218	1,142,177	Domestic convertible bonds converted to 36 thousand shares of common stock	N/A	Note 5
December 2021	10	200,000	2,000,000	114,538	1,145,376	Domestic convertible bonds converted to 320 thousand shares of common stock	N/A	Note 6
May 2022	10	200,000	2,000,000	117,580	1,175,796	Domestic convertible bonds converted to 3,042 thousand shares of common stock	N/A	Note 7
December 2022	10	200,000	2,000,000	121,213	1,212,135	Domestic convertible bonds converted to 3,633 thousand shares of common stock	N/A	Note 8

Note 1: Approved on March 14, 2018 with letter Ching-Shou-Shang No. 10701019480.

Note 2: Approved on December 7, 2020 with letter Ching-Shou-Shang No. 10901223410.

Note 3: Approved on March 10, 2021 with letter Ching-Shou-Shang No. 11001042010.

Note 4: Approved on April 27, 2021 with letter Ching-Shou-Shang No. 11001069870.

Note 5: Approved on September 7, 2021 with letter Ching-Shou-Shang No. 11001150260.

Note 6: Approved on December 22, 2021 with letter Ching-Shou-Shang No. 11001222230.

Note 7: Approved on May 12, 2022 with letter Ching-Shou-Shang No. 11101073080.

Note 8: Approved on December 7, 2021 with letter Ching-Shou-Shang No. 11101228820.

2. Type of stock

April 1, 2023; Unit: Shares

Type of stock	Authorized capital			Note
	Outstanding shares	Unissued shares	Total	
Common stock	121,213,490	78,786,510	200,000,000	The Company's shares are listed on the Taiwan Stock Exchange.

3. Information relating to the shelf registration system: N/A.

(II) Shareholder composition

April 1, 2023

Shareholder composition	Government agencies	Financial institutions	Other legal entities	Foreign institutions and foreign individuals	Individuals	Total
Quantity						
No. of shareholders	—	8	51	42	20,656	20,757
Number of shares held (shares)	—	1,809,000	29,354,213	1,578,265	88,472,012	121,213,490
Shareholding ratio (%)	—	1.49	24.22	1.30	72.99	100.00

Note: The above shareholder composition does not include Mainland Chinese investors.

(III) Distribution of shareholding

April 1, 2023

Range of no. of shares held	No. of shareholders	Number of shares held (shares)	Shareholding ratio (%)
1 to 999	5,627	294,834	0.24
1,000 to 5,000	12,782	24,333,896	20.08
5,001 to 10,000	1,351	10,894,950	8.99
10,001 to 15,000	321	4,198,938	3.47
15,001 to 20,000	240	4,452,393	3.67
20,001 to 30,000	174	4,544,042	3.75
30,001 to 40,000	72	2,597,083	2.14
40,001 to 50,000	41	1,930,463	1.59
50,001 to 100,000	76	5,415,060	4.47
100,001 to 200,000	25	3,502,724	2.89
200,001 to 400,000	21	5,912,269	4.88
400,001 to 600,000	9	4,155,491	3.43
600,001 to 800,000	3	2,027,787	1.67
800,001 to 1,000,000	1	829,148	0.68
1,000,001 or above	14	46,124,412	38.05
Total	20,757	121,213,490	100.00

Note: The Company has not issued preferred shares.

(IV) List of major shareholders

All shareholders with a stake of 5 percent or greater, and all shareholders who rank in the top 10 in shareholding percentage, and the number of shares and stake held by each shareholder on the list.

April 1, 2023

Names of major shareholders	Shares	Number of shares held (shares)	Shareholding ratio (%)
CHINUP TECHNOLOGY CO., LTD.		16,676,678	13.76
PACKY PODA INC.		7,236,000	5.97
Wang, Li-Hua		4,231,000	3.49
Chiang Tai Investment Co., Ltd.		2,412,015	1.99
Lu, Ping-Hua		1,995,000	1.65
Cheng, Ya-Ping		1,990,000	1.64
Tseng, Rui-Ming		1,806,000	1.49
Chen, Chin-Pi		1,566,000	1.29
Yang, Ching-Wen		1,533,000	1.26
Lin Fang, Li-Hsiang		1,500,000	1.24

(V) Share prices, the company's net worth per share, earnings per share, dividends per share, and related information for the past 2 fiscal years

Unit: NTD; Thousand Shares

Item			Year	2021 (Note 1)	2022 (Note 1)
Market price per share	Highest			73.8	67.1
	Lowest			30.15	40.2
	Average			49.61	51.71
Net worth per share	Before distribution			24.12	27.13
	After distribution			23.62	27.13
Earnings per share	Weighted average shares (thousand shares)			113,557	118,386
	Earnings per share			1.16	1.93
Dividends per share	Cash dividends			0.52363301	0.8
	Stock dividends	Dividends from retained earnings		—	0.2
		Dividends from capital reserve		—	—
	Accumulated undistributed dividends			—	—
Return on investment analysis	Price/earnings ratio			42.77	26.79
	Price/dividend ratio			94.74	51.71
	Cash dividend yield			0.01	0.02

Note 1: The financial statements have been audited and certified by CPAs.

(VI) Company's dividend policy and implementation thereof

1. Dividend policy

According to Article 22 of the Company's Articles of Incorporation:

1. The Company shall set aside not less than 1% of the Company's annual profits for employee compensation, which shall be distributed in stock or cash by resolution of the Board of Directors, to employees including those of subordinate companies who meet certain criteria. The Company may set aside not more than 2% of the above-mentioned profits as remuneration to directors by resolution of the board of directors. The remuneration to employees and remuneration to directors and supervisors shall be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the amount of compensation shall be retained in advance, and the compensation to employees and directors and supervisors shall be provided in proportion to the aforementioned amount.
2. If there is any surplus in the Company's annual final accounts, the Company shall first pay taxes and cover past losses, and then set aside 10% as the legal reserve, except when the legal reserve has reached the Company's paid-in capital. In addition, depending on the Company's operating needs and the laws and regulations, the Company shall set aside or reverse the special reserve. The remaining balance shall be appropriated as distributable earnings to shareholders. The Board of Directors shall prepare a proposal for distribution to the shareholders after incorporating the undistributed earnings from previous years and retaining a portion of the earnings.

The Company's dividend payout policy takes into account the Company's industry and growth, its future capital requirements and long-term financial planning, as well as the shareholders' need for cash inflows. The distribution rate is determined based on the earnings status, overall development and financial planning of the year, and may be distributed in the form of cash or stock dividends as approved by the shareholders' meeting. However, the total amount of dividends to shareholders shall not be less than 10% of the net income after tax for the year, less any reserve provided by law, and the percentage of cash dividends shall not be less than 10% of the total amount of dividends distributed for the year.

2. The Company's procedures for evaluating directors' remuneration are based on the Company's "Board of Directors' Self-Evaluation or Peer Review Program". In addition to the Company's overall operating performance, future operating risks and development trends of the industry, the Company also makes reference to the individuals' performance achievement rate and contribution to the Company's performance in order to provide reasonable compensation. The performance appraisal and the reasonableness of the remuneration are reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system is reviewed from time to time in accordance with the actual operating conditions and relevant laws and regulations, in order to strike a balance between sustainable operation and risk control of the Company.
3. Cash dividend distribution resolved by the Board of Directors meeting

The appropriation of the Company's 2022 earnings has been resolved by the Board of Directors on February 23, 2023 as follows:

The Board of Directors of the Company resolved on February 23, 2023 to distribute cash dividends of NT\$0.8 per share to shareholders. Another NT\$24,242,700 was appropriated as stock dividends to shareholders and 2,424,270 shares were issued as additional capital, to be recognized at the shareholders' meeting in 2023.

4. Explanation of expected material change in dividend policy: Considering the development of the Company, no material change in dividend policy is expected.

(VII) Effect upon business performance and earnings per share of any stock dividend distribution proposed or

adopted at the most recent shareholders' meeting: N/A. (In accordance with the “Regulations Governing the Publication of Financial Forecasts of Public Companies”, the Company is not required to disclose financial forecast information for 2022.)

(VIII) Compensation of employees and directors

1. The percentages or ranges with respect to employee and director compensation, as set forth in the company's articles of incorporation.

Refer to “(6) Company's dividend policy and implementation thereof” above.

2. The basis for estimating the amount of employee, and director compensation, for calculating the number of shares to be distributed as stock dividends, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period

The estimated amount of employees' and directors' remuneration is based on the range of percentages set forth in the Articles of Incorporation, taking into account the legal reserve and other factors, as explained in (96) Chi-Mi Letter No. 052. If there is a significant change in the amount of distribution resolved by the board of directors at the end of the year, the original annual expense will be adjusted. If there is still a change in the amount as of the date of the shareholders' meeting, the change in accounting estimate is treated as an adjustment to the accounts in the year in which the shareholders' meeting resolves.

3. Information on any approval by the board of directors of distribution of compensation:

(1) On February 23, 2023, the Board of Directors approved a cash distribution of NT\$8,859 thousand for employees and NT\$2,953 thousand for directors' remuneration for 2021, which did not differ from the amount recognized in the accounts.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income for the current period and total employee compensation: N/A.

4. The actual distribution of employee and director compensation for the previous fiscal year and, if there is any discrepancy between the actual distribution and the recognized employee or director compensation, additionally the discrepancy, cause, and how it is treated:

On February 25, 2022, the Board of Directors approved a cash distribution of NT\$4,374 thousand for employees and NT\$1,458 thousand for directors' remuneration for 2021, which did not differ from the amount recognized in the accounts.

(IX) Status of the company repurchasing its own shares

April 1, 2023

Repurchase no.	First
Purpose of repurchase	To be transferred to employees
Repurchase period	January 11, 2013
Repurchase price range	NT\$ 9.5 - 10
Types and numbers of shares bought back	Common stock, 640,000 shares
Amount of shares bought back	NT\$ 6,080 thousand
Ratio of the number of shares already repurchased to the number of shares intended to be repurchased (%)	100%
The number of repurchased shares that have been cancelled or transferred	640,000 shares
Accumulated number of the Company's shares held by the Company	0 shares
Ratio of the accumulated number of the Company's shares held by the Company to the total number of issued shares (%)	0

II. Information on the company's issuance of corporate bonds:

(I) Issuance of corporate bonds

1. The third domestic unsecured convertible bonds

Type of corporate bonds	The third domestic unsecured convertible bonds
Issue (transaction) date	August 4, 2021
Face value	NT\$100,000
Issued price	Issued at 106.99% of face value
Total amount	NT\$500,000,000
Coupon rate	Coupon rate 0% per annum
Term	5 year Maturity date: August 4, 2026
Guarantor	N/A
Trustee	Trust Department, Bank SinoPac
Underwriter	Grand Fortune Securities
Attesting lawyer	N/A
Attesting CPA	N/A
Redemption method	Holders of the convertible bonds (hereinafter referred to as the "Bondholders") shall be repaid in cash at 102.53% of the face value of the bonds upon maturity, except for the conversion of the bonds into the Company's common stock in accordance with Article 10 of terms of issuance and conversion or early redemption by the Company in accordance with Article 18 of the terms, or the exercise of the right of sale by the Bondholders in accordance with Article 19 of the terms, or the cancellation of the bonds by the Company's securities dealer's office.
Unredeemed balance	NT\$199,700 thousand
Conditions for redemption or early redemption	<p><u>Redemption by the Company:</u></p> <p>(1) If the closing price of the Company's common stock exceeds the then prevailing conversion price by at least 30% for 30 consecutive business days from the day following the date on which the Bonds are issued for three months (November 5, 2021) until 40 days prior to the expiration of the issuance period (June 25, 2026), the Company may, within 30 business days thereafter, send a "Notice of Bond Call" by registered mail with a 30-day expiration date (The period shall be counted from the date of mailing of the Company's letter, and the expiration date of such period shall be the date of recovery of the Bonds; the aforementioned period shall not be the period of cessation of conversion as described in Article 9) to the holders of the bonds (whichever is stated in the Register of Bondholders on the fifth business day prior to the date of mailing of the "Notice of Bond Call", or by way of announcement for the holders of the bonds who subsequently acquire the bonds through trading or other reasons). The redemption price is set at the face value of the bonds. The bonds will be redeemed in cash, and a letter will be sent to Taipei Exchange for announcement. To execute the redemption request, the Company shall redeem the outstanding convertible bonds at their face value in cash within five business days after the redemption date.</p> <p>(2) If the outstanding balance of the convertible bonds is less than 10% of the original issue amount from the day following the date on which the Bonds are issued for three months (November 5, 2021) until 40 days prior to the expiration of the issuance period (June 25, 2026), the Company may send a "Notice of Bond Call" at any time by registered mail with a 30-day expiration date (The period shall be counted from the date of mailing of the Company's letter, and the expiration date of such period shall be the date of recovery of the Bonds; the aforementioned period shall not be the period of cessation of conversion as described in Article 9) to the holders of the bonds (whichever is stated in the Register of Bondholders on the fifth</p>

		<p>business day prior to the date of mailing of the “Notice of Bond Call”, or by way of announcement for the holders of the bonds who subsequently acquire the bonds through trading or other reasons). The redemption price is set at the face value of the bonds. The bonds will be redeemed in cash, and a letter will be sent to Taipei Exchange for announcement. To execute the redemption request, the Company shall redeem the outstanding convertible bonds at their face value in cash within five business days after the redemption date.</p> <p>(3) If the bondholder does not reply to the Company's stock agent in writing (effective upon delivery, based on the postmark if mailed) before the base date of bond recovery specified in the “Notice of Bond Call”, the Company may redeem the convertible bonds held by the bondholder at their face value in cash within five business days after the base date of bond recovery.</p> <p><u>Put option for bondholders:</u></p> <p>The put option of the convertible corporate bond is exercisable on August 4, 2024, the date when the bond has been issued for three years. The Company shall send a “Notice of Right to Exercise the Put Option” to the bondholders (whichever is stated in the Register of Bondholders on the fifth business day prior to the date of mailing of the “Notice of Right to Exercise the Put Option”, or by way of announcement for the holders of the bonds who subsequently acquire the bonds through trading or other reasons) by registered mail 40 days prior to the base date of repurchase (June 25, 2024), and shall request Taipei Exchange to announce the bondholders’ right to exercise the put option. The bondholders may request the Company to redeem the bonds held by them at 101.51% of the face value of the bonds (with an annual yield rate of 0.5% on repurchase) by written notice to the Company's stock transfer agent (effective upon delivery, based on postmark if sent by mail) within 40 days prior to the base day of repurchase. The Company shall redeem the convertible bonds in cash within five business days from the date of the request for repurchase. If the aforementioned date falls on a day when the centralized securities trading market is closed, it shall be postponed to the next business day.</p>
Restrictive covenants		N/A
Name of rating agency, date and result of rating		N/A
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	6,675,882 shares have been converted to the Company’s common stock.
	The issuance and conversion, exchange, or subscription rules	Please refer to the issuance and conversion terms of the Company’s third domestic unsecured convertible bonds.
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance		Based on the current conversion price, 4,458 thousand shares of common stock will be added upon full conversion of the bonds into common stock, representing 3.7% of the total number of issued shares, which shall be converted gradually with limited impact on shareholders' rights.
Name of the custodian institution of the exchangeable underlyings		N/A

2. The forth domestic unsecured convertible bonds

Type of corporate bonds	The forth domestic unsecured convertible bonds
Issue (transaction) date	July 21, 2022
Face value	NT\$100,000
Issued price	Issued at 100.91% of face value
Total amount	NT\$1,000,000,000
Coupon rate	Coupon rate 0% per annum
Term	5 year Maturity date: July 21, 2027
Guarantor	N/A
Trustee	Trust Department, Bank SinoPac
Underwriter	Cathay Securities Corporation
Attesting lawyer	N/A
Attesting CPA	N/A
Redemption method	Holders of the convertible bonds (hereinafter referred to as the "Bondholders") shall be repaid in cash at 101.26% of the face value of the bonds upon maturity, except for the conversion of the bonds into the Company's common stock in accordance with Article 10 of terms of issuance and conversion or early redemption by the Company in accordance with Article 18 of the terms, or the exercise of the right of sale by the Bondholders in accordance with Article 19 of the terms, or the cancellation of the bonds by the Company's securities dealer's office.
Unredeemed balance	NT\$ 0
Conditions for redemption or early redemption	<p><u>Redemption by the Company:</u></p> <p>(1) If the closing price of the Company's common stock exceeds the then prevailing conversion price by at least 30% for 30 consecutive business days from the day following the date on which the Bonds are issued for three months (October 22, 2022) until 40 days prior to the expiration of the issuance period (June 11, 2027), the Company may, within 30 business days thereafter, send a "Notice of Bond Call" by registered mail with a 30-day expiration date (The period shall be counted from the date of mailing of the Company's letter, and the expiration date of such period shall be the date of recovery of the Bonds; the aforementioned period shall not be the period of cessation of conversion as described in Article 9) to the holders of the bonds (whichever is stated in the Register of Bondholders on the fifth business day prior to the date of mailing of the "Notice of Bond Call", or by way of announcement for the holders of the bonds who subsequently acquire the bonds through trading or other reasons). The redemption price is set at the face value of the bonds. The bonds will be redeemed in cash, and a letter will be sent to Taipei Exchange for announcement. To execute the redemption request, the Company shall redeem the outstanding convertible bonds at their face value in cash within five business days after the redemption date.</p> <p>(2) If the outstanding balance of the convertible bonds is less than 10% of the original issue amount from the day following the date on which the Bonds are issued for three months (October 22, 2022) until 40 days prior to the expiration of the issuance period (June 11, 2027), the Company may send a "Notice of Bond Call" at any time by registered mail with a 30-day expiration date (The period shall be counted from the date of mailing of the Company's letter, and the expiration date of such period shall be the date of recovery of the Bonds; the aforementioned period shall not be the period of cessation of conversion as described in Article 9) to the holders of the bonds (whichever is stated in the Register of Bondholders on the fifth business day prior to the date of mailing of the "Notice of Bond Call", or by way of announcement for the holders of the bonds who subsequently acquire the bonds through trading or other reasons). The redemption price is set at the face value of the bonds. The bonds will be redeemed in cash, and a letter will be sent to Taipei Exchange for announcement. To execute the redemption request, the</p>

		<p>Company shall redeem the outstanding convertible bonds at their face value in cash within five business days after the redemption date.</p> <p>(3) If the bondholder does not reply to the Company's stock agent in writing (effective upon delivery, based on the postmark if mailed) before the base date of bond recovery specified in the "Notice of Bond Call", the Company may redeem the convertible bonds held by the bondholder at their face value in cash within five business days after the base date of bond recovery.</p> <p><u>Put option for bondholders:</u></p> <p>The put option of the convertible corporate bond is exercisable on July 21, 2025, the date when the bond has been issued for three years. The Company shall send a "Notice of Right to Exercise the Put Option" to the bondholders (whichever is stated in the Register of Bondholders on the fifth business day prior to the date of mailing of the "Notice of Right to Exercise the Put Option", or by way of announcement for the holders of the bonds who subsequently acquire the bonds through trading or other reasons) by registered mail 40 days prior to the base date of repurchase (June 11, 2027), and shall request Taipei Exchange to announce the bondholders' right to exercise the put option. The bondholders may request the Company to redeem the bonds held by them at 100.75% of the face value of the bonds (with an annual yield rate of 0.25% on repurchase) by written notice to the Company's stock transfer agent (effective upon delivery, based on postmark if sent by mail) within 40 days prior to the base day of repurchase. The Company shall redeem the convertible bonds in cash within five business days from the date of the request for repurchase. If the aforementioned date falls on a day when the centralized securities trading market is closed, it shall be postponed to the next business day.</p>
Restrictive covenants		N/A
Name of rating agency, date and result of rating		N/A
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	0 shares have been converted to the Company's common stock.
	The issuance and conversion, exchange, or subscription rules	Please refer to the issuance and conversion terms of the Company's second domestic unsecured convertible bonds.
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance		Based on the current conversion price, 18,553 thousand shares of common stock will be added upon full conversion of the bonds into common stock, representing 15% of the total number of issued shares, which shall be converted gradually with limited impact on shareholders' rights.
Name of the custodian institution of the exchangeable underlyings		N/A

(II) Convertible corporate bonds

Type of corporate bonds Fiscal Year and Item		The third domestic unsecured convertible bonds			The forth domestic unsecured convertible bonds	
		2021	2022	Current year as of April 1, 2023	2022	Current year as of April 1, 2023
Market price of convertible corporate bonds	Highest	144.00	147.00	115.00	112.50	105.50
	Lowest	112.90	102.60	106.00	96.35	100.15
	Average	125.84	124.06	110.80	103.87	103.24
Conversion price		NT\$45.2	NT\$45.2 NT\$44.8	NT\$44.8	NT\$53.9	NT\$53.9
Issue (transaction) date and conversion price at issuance		Issue date: August 4, 2021 Conversion price at issuance: NT\$45.2			Issue date: July 21, 2022 Conversion price at issuance: NT\$53.9	
Method for performance of conversion obligations		New share issuance			New share issuance	

- III. Preferred shares: N/A.
- IV. Global depository receipts: N/A.
- V. Employee share subscription warrants: N/A.
- VI. New restricted employee shares: N/A.
- VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: N/A.

VIII. Implementation of the company's capital allocation plans

(I) The August 2021 third domestic unsecured convertible bond project:

1. Project content

(1) Approval date and document number of the competent authority: Approved with Chin-Kuan-Cheng-Fa letter No. 1100347915 dated July 7, 2021.

(2) Total capital required for the project: NT\$707,952 thousand.

(3) Source of funding:

A. Self-owned capital: NT\$207,952 thousand.

B. The Company issued 5,000 of the third domestic unsecured convertible bonds, each with a face value of NT\$100 thousand, for a total face value of NT\$500,000 thousand, with a maturity of 5 years and a 0% interest rate at 106.99% of the face value. The total amount raised was NT\$534,946 thousand, which exceeded the estimated amount of NT\$500,000 thousand by NT\$34,946 thousand. The fund will be used to replenish working capital and is expected to be fully expensed in the third quarter of 2021.

(4) Project, progress of utilization and expected benefits

Unit: Thousand NTD

Project Item	Scheduled Completion Date	Total Funds Required	Projected Capital Utilization Schedule					
			2021			2022		
			Q2 and before	Q3	Q4	Q1	Q2	Q3
Building or purchasing power plants	Q3 2022	707,952	197,794 (Note)	282,960	170,582	13,238	35,109	8,269
Replenishing operating capital	Q3 2021	34,946	34,946	-	-	-	-	-

Note: The Company has paid \$197,794 thousand with its own funds by the second quarter of 2021.

A. Power plant construction

The proceeds from the issuance of the third domestic unsecured convertible bonds are planned to be used for constructing or purchasing domestic solar power plants. Upon completion of the construction, the Company will enjoy long-term stable revenue and cash flow from electricity sales. The Company expects to recognize revenue of \$1,325,069 thousand from electricity sales and generate net operating income of \$409,617 thousand from 2021 to 2042. The proceeds will be invested in phases depending on the progress of the development and construction of the power plant, which will reduce the expenditure of own capital required for power plant construction or purchases and reduce the pressure of financing, so as to enhance financial adjustment capabilities, strengthen the financial structure and reduce operating risks.

B. Other investment plans (replenishing operating capital)

The actual amount raised from the issuance of the third domestic unsecured convertible bonds was higher than the amount scheduled, and the additional capital amounted to \$34,946 thousand, which is to be used to replenish the operating capital and to finance the operations. In addition to providing stable

support for business development and increasing the flexibility of capital deployment, by doing so, the Company can also avoid profitability erosion caused by the increase in interest expenses due to the issuance of bonds, and in turn enhance competitiveness and reduce business risks.

- (5) Changes to the plan, the source of funds and the manner of their utilization, the reason(s) for any changes to the plan, the benefits yielded by the funds before and after any change to the plan, the date on which the change to the plan was reported at a shareholders' meeting, and the date on which such information was uploaded to the information disclosure website specified by the FSC:

Regarding the Company's third domestic unsecured convertible corporate bonds in accordance with the Financial Supervisory Commission's Chin-Kuan-Cheng-Fa letter No. 1100347915 dated July 7, 2021, in the first quarter of 2022, the Company considered the operational needs and approved a change of plan upon signature by the Chairman of the Board of Directors, where the Company reallocated the total capital of NT\$52,571 thousand, or 9.83% of the total raised funds of NT\$534,946 thousand, from the An-Tai project Chiayi Budai - White Shrimp Farm - Rooftop power plant, to the Marine Corps Taoziyuan Camp area A power plant project. Later, due to the demand of the power plant project in the area B of Taiziyuan Camp, the Company proposed to invest NT\$86,614 thousand in the aforementioned project for the Chiayi Budai - White Shrimp Farm - Rooftop power plant. Since the total amount of fund to be changed amounted to NT\$139,185 thousand, accounting for 26.02% of the total amount of funds raised, which is more than 20%, the Company applied for a change in the project and progress of the capital utilization plan on April 15, 2022, and submitted it to the Board of Directors for approval, and also announced it on the same day on the Market Observation Post System, and intended to submit it to the shareholders' meeting on May 26, 2022 for recognition.

The contents, progress and estimated benefits of the third domestic unsecured convertible bond issuance project before and after the change are described as follows:

A. Content, progress and expected benefits of the original fundraising project

(a) Content of the original fundraising project

1. Total capital required for the project: NT\$707,952 thousand.

2. Source of funding

(1) Self-owned capital: NT\$207,952 thousand.

(2) The Company issued 5,000 of the third domestic unsecured convertible bonds, each with a face value of NT\$100 thousand, for a total face value of NT\$500,000 thousand, with a maturity of 5 years and a 0% interest rate at 106.99% of the face value. The total amount raised was NT\$534,946 thousand, which exceeded the estimated amount of NT\$500,000 thousand by NT\$34,946 thousand. The fund will be used to replenish working capital and is expected to be fully expensed in the third quarter of 2021.

3. Project Items and Projected Capital Utilization Schedule

Unit: Thousand NTD

Project Item	Scheduled Completion Date	Total Funds Required	Projected Capital Utilization Schedule					
			2021			2022		
			Q2 and before	Q3	Q4	Q1	Q2	Q3
Building or purchasing power plants	Q3 2022	707,952	197,794 (Note)	282,960	170,582	13,238	35,109	8,269
Replenishing operating capital	Q3 2021	34,946	-	34,946	-	-	-	-
Total		742,898	197,794	317,906	170,582	13,238	35,109	8,269

Note: The Company has paid \$197,794 thousand with its own funds by the second quarter of 2021.

(b) Progress of fund utilization of the original fund raising plan

Unit: Thousand NTD

Project Item	Implementation status		Q3 2021	Q4 2021	Q1 2022	As of Q1 2022
Building or purchasing power plants	Amount of expenditure	Expected	282,960	170,582	13,238	664,574
		Actual	84,028	127,267	41,818	450,907
	Implementation progress (%)	Expected	39.97	24.10	1.87	93.87
		Actual	11.87	17.98	5.91	63.69
Replenishing operating capital	Amount of expenditure	Expected	34,946	—	—	34,946
		Actual	34,946	—	—	34,946
	Implementation progress (%)	Expected	100.00	—	—	100.00
		Actual	100.00	—	—	100.00
Total	Amount of expenditure	Expected	317,906	170,582	13,238	699,520
		Actual	118,974	127,267	41,818	485,853
	Implementation progress (%)	Expected	42.79	22.96	1.78	94.16
		Actual	16.01	17.13	5.63	65.40

(c) Achievement of the benefits of the original fundraising project

1. Building or purchasing power plants

As of the end of the first quarter of 2023, the actual benefits of the Company's current plans for the power plant construction are as follows:

Unit: kWh; Thousand NTD

Year	Item	Production Volume (Electricity generation in kWh)	Sales Volume (Electricity sales in kWh)	Sales Revenue	Operating Gross Profit	Operating Income
As of the end of Q4 2021	Estimated increase in electricity generation	2,660,680	2,660,680	11,961	3,891	3,457
	Actual increase	611,699	611,699	3,627	1,399	1,243
	Achievement rate	22.99%	22.99%	30.32%	35.95%	35.96%
As of the end of Q1 2022	Estimated increase in electricity generation	3,651,737	3,651,737	16,282	7,660	7,057
	Actual increase	1,337,442	1,337,442	5,119	1,984	1,909
	Achievement rate	36.62%	36.62%	31.44%	25.90%	27.06%

2. Replenishing operating capital

The Company's third domestic unsecured convertible bond issue was completed on August 2, 2021, with total proceeds of NT\$534,946 thousand. The actual amount raised was higher than the expected amount of NT\$34,946 thousand, and the funds were to be used to replenish the operating capital and to finance the operating cycle, increase the flexibility of capital deployment, and strengthen the financial structure. A comparison of the financial ratios before and after the Company's financing activity is as follows:

Unit: %

Item \ Year		Q2 2021 (Before financing)	Unaudited figures at the end of August 2021 (After financing)
Financial Structure	Debt ratio	53.41	57.43
	Ratio of long-term capital to property, plant and equipment	336.89	342.29
Solvency	Current ratio	109.76	230.15
	Quick ratio	64.12	145.30

B. A proposed change of plan application for funds raised under the financing project

(a) Reason for change of plan

The Company's original fund raising plan was to build or purchase power plants with a total amount of NT\$707,952 thousand, which was to be used to build 11 plants. The original plan included investment in the construction of Chiayi Budai - White Shrimp Farm - Rooftop (hereinafter referred to as the Budai project) and the An Tai project Chiayi Budai - White Shrimp Farm - Rooftop (hereinafter referred to as the An Tai project). Since the aforementioned two projects are symbiotic, the solar power plant construction on the roof requires the traditional outdoor fish farms to be backfilled and converted into indoor aquaculture plants. The preliminary construction works and the government operation process are very complicated, plus the construction industry has been faced with labor shortage from the end of 2021, which has added uncertainty to the construction progress. Due to the delay in the construction of the farm, the Company has invested NT\$20,673 thousand of its own capital in the project so far, and has not yet invested the capital from the issuance of the third domestic unsecured convertible bonds. The progress of the project continues to be delayed. On March 1, 2022, the Company signed a lease agreement with the Marine Corps to build a rooftop solar power plant in the Taoziyuan camp. The nature of the project is that the existing rooftop plant can be directly transformed to a solar power plant, whereas the original Budai project and the An-Tai project required investment in preliminary construction. Considering the efficiency of capital utilization, the Company intends to make a change in the plan and invest the funds from the issuance of the third domestic unsecured convertible bonds, which have not been invested in the original projects, totaling NT\$139,185 thousand, plus the Company's own capital of NT\$2,478 thousand, for a total of NT\$141,663 thousand, in the construction of the power plant at the Marine Corps' Taoziyuan Camp. The Company intends to use its own funds to finance the construction of the original Budai and An Tai projects.

(b) Project Items and Projected Capital Utilization Schedule After the Change

Unit: Thousand NTD

Project Item	Scheduled Completion Date	Total Funds Required	Projected Capital Utilization Schedule								
			2021			2022				2023	
			Q2 and before	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Building or purchasing power plants	Q2 2023	710,430	197,794 (Note)	84,028	127,267	41,818	57,007	59,055	90,492	49,551	3,418
Replenishing operating capital	Q3 2021	34,946	-	34,946	-	-	-	-			
Total		745,376	197,794	118,974	127,267	41,818	57,007	59,055	90,492	49,551	3,418

Note: The Company has paid \$197,794 thousand with its own funds by the second quarter of 2021.

(c) Projected benefits after the change

The Company's third unsecured domestic convertible bonds are to be used for the construction or acquisition of domestic solar power plants before and after the change of plan. By issuing corporate bonds instead of taking out bank loans, the Company is able to reduce its reliance on bank loans and increase the flexibility of capital utilization. Based on the power plant construction progress of the original financing plan and the actual power generation experience of the plants that are already in operation, the Company considers operating data such as the number of kilowatt hours (daylight volume) that can be generated by the plants and the decay rate of power generation modules as the basis for estimating the number of kilowatt hours. The estimated benefits after the change of the plan are as follows:

	Year	Product Item	Production Volume (Electricity generation in kWh)	Sales Volume (Electricity sales in kWh)	Operating Revenue	Operating Gross Profit	Operating Income
Actual Benefits Generated	September - December 2021	Power plant revenues	611,699	611,699	3,627	1,399	1,243
	January - March 2022	Power plant revenues	1,337,442	1,337,442	5,119	1,984	1,909
Estimated Benefits	April - December 2022	Power plant revenues	5,583,016	5,583,016	25,402	9,715	8,617
	2023	Power plant revenues	16,632,280	16,632,280	74,531	36,771	34,060
	2024	Power plant revenues	16,465,957	16,465,957	73,785	36,055	33,345
	2025	Power plant revenues	16,301,298	16,301,298	73,048	35,347	32,637
	2026	Power plant revenues	16,138,285	16,138,285	72,317	34,156	30,743
	2027	Power plant revenues	15,976,902	15,976,902	71,594	31,979	27,235
	2028	Power plant revenues	15,817,133	15,817,133	70,878	28,667	23,923
	2029	Power plant revenues	15,658,962	15,658,962	70,169	27,987	23,243
	2030	Power plant revenues	15,502,372	15,502,372	69,467	27,313	22,570
	2031	Power plant revenues	15,347,349	15,347,349	68,773	26,646	21,903
	2032	Power plant revenues	15,193,875	15,193,875	68,085	25,986	21,243
	2033	Power plant revenues	15,041,937	15,041,937	67,404	25,333	20,589
	2034	Power plant revenues	14,891,517	14,891,517	66,730	24,686	19,943
Total			196,500,024	196,500,024	880,929	374,024	323,203

2. Implementation status (original fundraising project)

Project Item	Implementation status		As of Q1 2023	Reasons for over- or under-advancement and improvement plans
Power plant construction	Amount of expenditure	Expected	707,012	As of the end of the first quarter of 2023, the amount spent was NT\$632,754 thousand, which is 89.07% of the total amount to be spent and behind the original schedule of 99.51%, mainly due to government processing and weather conditions. The Company continues to invest in the construction of power plants in accordance with its capital utilization plan. In addition, the actual amount raised was higher than the expected amount by NT\$34,946 thousand, which was used to replenish the operating capital and was fully executed by the end of the third quarter of 2021 at 100%.
		Actual	632,754	
	Implementation progress	Expected	99.51%	
		Actual	89.07%	
Other investment plans (Replenishing operating capital)	Amount of expenditure	Expected	34,946	
		Actual	34,946	
	Implementation progress	Expected	100.00%	
		Actual	100.00%	
Total	Amount of expenditure	Expected	741,958	
		Actual	667,700	
	Implementation progress	Expected	99.54%	
		Actual	89.58%	

3. Benefit Evaluation

(1) Power plant construction

The construction of the Company's power plants was contracted to system providers. As of the end of the first quarter of 2023, a capacity of 6,308.66 KW had been installed, metered and in operation. The rest of the power plants were still under construction. As of the end of the first quarter of 2023, the amount spent was NT\$632,754 thousand, which is 89.07% of the total amount to be spent and behind the original schedule of 99.51%, mainly due to government processing and weather conditions. The Company continues to invest in the construction of power plants in accordance with its capital utilization plan.. In addition, the government provided feed-in tariff incentives for plants that were metered in the fourth quarter of 2022, which caused the market to scramble for materials for power plant construction. Also,

the pandemic led to reduced material supply. As a result, it was reasonable that the actual benefits were less than expected. Taipower collaborates with the government to promote the development of renewable energy, and the Company's power plants have entered a 20-year long-term feed-in-tariff contract with Taipower for renewable energy. Investments in the construction of power plants provide the Company with long-term and stable benefits from the sale of electricity. The funds raised this time are expected reduce own capital expenditure for the construction of power plants and reduce the pressure of financing. The benefits of power plant construction will be realized as the construction is progressively completed and the electricity is metered and sold.

(2) Other investment plans (replenishing operating capital)

The Company's third domestic unsecured convertible bond issue was completed on August 2, 2021, with total proceeds of NT\$534,946 thousand. The actual amount raised was higher than the expected amount of NT\$34,946 thousand, and the funds were to be used to replenish the operating capital and to finance the operating cycle, increase the flexibility of capital deployment, and strengthen the financial structure. A comparison of the financial ratios before and after the Company's financing activity is as follows:

Unit: %

Item \ Year		Q2 2021 (Before financing)	Unaudited figures at the end of August 2021 (After financing)
Financial Structure	Debt ratio	53.41	57.43
	Ratio of long-term capital to property, plant and equipment	336.89	342.29
Solvency	Current ratio	109.76	230.15
	Quick ratio	64.12	145.30

As shown in the above table, in terms of financial structure and solvency, the debt ratio increased slightly due to the issuance of convertible bonds. However, the ratio of long-term capital to property, plant and equipment, current ratio and quick ratio all increased significantly after the financing project. This shows that the Company's financing activity for the purpose of replenishing operating capital has had a significant effect on improving its financial structure. Therefore, the effectiveness of the Company's financing project in improving the financial structure and enhancing the flexibility of capital utilization, as well as improving the Company's operating quality and competitiveness, should be reasonably evident.

4. Effect upon shareholders' equity

The progress of fund utilization being behind schedule was mainly due to the delay in government infrastructure projects and the weather affecting the construction progress. In addition, the government provided feed-In tariff incentives for plants that were metered in the fourth quarter of 2021, which caused the market to scramble for materials for power plant construction. Also, the pandemic led to reduced material supply. Subsequent benefits will be realized with the completed power plant construction and operations. Therefore, the reasons for the delay in the use of funds are reasonable and have no material adverse effect upon shareholders' equity.

5. Plan for corrective action

The construction of the Company's power plants is underway. The benefits of power plant construction will be realized with the completed power plant construction and operations, which will bring positive benefits to the Company's revenue and profitability.

(II) The July 2022 forth domestic unsecured convertible bond project:

1. Project content

(1) Approval date and document number of the competent authority: Approved with Chin-Kuan-Cheng-Fa letter No. 1110346758 dated July 27, 2022.

(2) Total capital required for the project: NT\$1,220,726 thousand.

(3) Source of funding:

A. Self-owned capital: NT\$220,726 thousand.

B. The Company issued 10,000 of the second domestic unsecured convertible bonds, each with a face value of NT\$100 thousand, for a total face value of NT\$1,000,000 thousand, with a maturity of 5 years and a 0% interest rate at 100.91% of the face value. The total amount raised was NT\$1,009,093 thousand, which exceeded the estimated amount of NT\$1,000,000 thousand by NT\$9,093 thousand.

The fund will be used for sufficient working capital in third quarter of 2022.

(4) Project, progress of utilization and expected benefits

Project Item	Scheduled Completion Date	Total Funds Required	Projected Capital Utilization Schedule								
			2022			2023				2024	
			Q2 and before	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Building or purchasing power plants	Q2 2024	1,220,726	144,527 (note)	135,007	131,819	237,502	228,891	99,055	196,883	41,194	5,848
Replenishing operating capital	Q3 2022	9,093	—	9,093	—	—	—	—	—	—	—
Total		1,229,819	144,527	144,100	131,819	237,502	228,891	99,055	196,883	41,194	5,848

Note: The Company has paid \$144,527 thousand with its own funds by the second quarter of 2022.

A. Power plant construction

The proceeds from the issuance of the forth domestic unsecured convertible bonds, will be used for the construction of a domestic solar power plant. Upon completion of the construction, the Company will enjoy long-term stable revenue and cash flow from electricity sales. The Company expects to recognize revenue of \$1,461,486 thousand from electricity sales and generate net operating income of \$438,833 thousand from 2022 to 2036. The proceeds will be invested in phases depending on the progress of the development and construction of the power plant, which will reduce the expenditure of own capital required for the power plant construction and reduce the pressure of financing, so as to enhance financial adjustment capabilities, strengthen the financial structure and reduce operating risks.

B. Other investment plans (replenishing operating capital)

The actual amount raised from the issuance of the third domestic unsecured convertible bonds was higher than the amount scheduled, and the additional capital amounted to \$34,946 thousand, which is to be used to replenish the operating capital and to finance the operations. In addition to providing stable support for business development and increasing the flexibility of capital deployment, by doing so, the Company can also avoid profitability erosion caused by the increase in interest expenses due to the issuance of bonds, and in turn enhance competitiveness and reduce business risks.

(5) Changes to the plan, the source of funds and the manner of their utilization, the reason(s) for any changes to the plan, the benefits yielded by the funds before and after any change to the plan, the date on which the change to the plan was reported at a shareholders' meeting, and the date on which such information was uploaded to the information disclosure website specified by the FSC: N/A.

2. Implementation status (original fundraising project)

Project Item	Implementation status		As of Q1 2023	Reasons for over- or under-advancement and improvement plans
Power plant construction	Amount of expenditure	Expected	504,328	The company plans to issue 1,000,000,000 yuan in the fourth domestic unsecured conversion corporate bond plan, which is expected to be used to build power plants. As of the end of the first quarter of 2012, the company actually paid for the construction of power plants. The actual implementation progress is 56.88%, which is higher than the planned expenditure of 64,504 thousand yuan. The main reason is to consider the progress of solar module supply and adjust the overall site construction progress. Some sites can be constructed in advance after evaluation, so the project is put into operation in advance. Due to the construction funds, the remaining unused funds of 431,168,000 yuan will be gradually invested in the construction of power plants according to the original fund utilization plan, and no major abnormalities have been found. The company issued the fourth unsecured convertible corporate bond in China this time, and the actual raised amount was higher than the predetermined amount of 9,093 thousand yuan to enrich working capital. As of the end of the third quarter of 2011, the company's actual replenishment of working capital amounted to 9,093 thousand yuan, and the actual implementation progress was 100.00%, which was in line with the scheduled implementation progress. No major abnormalities were found.
		Actual	568,832	
	Implementation progress	Expected	50.43%	
		Actual	56.88%	
Other investment plans (Replenishing operating capital)	Amount of expenditure	Expected	9,093	
		Actual	9,093	
	Implementation progress	Expected	100.00%	
		Actual	100.00%	
Total	Amount of expenditure	Expected	513,421	
		Actual	577,925	
	Implementation progress	Expected	50.88%	
		Actual	57.27%	

3. Benefit Evaluation

(1) Power plant construction

Since the company adjusts the construction progress of each project site considering the supply progress of solar modules, some project sites can be constructed ahead of schedule after evaluation, so the project opening funds are invested in advance, which in turn affects the time for each site to be listed, resulting in the original expected completion of the site. The progress of the power plant has been delayed, and some power plants have completed the meter installation ahead of schedule. As of the first quarter of 2012, the estimated installed meter installation capacity is 2,275.5KW, and the actual installed meter installation capacity is 2,456.06KW. , and began to sell electricity to Taipower. After the completion of the above-mentioned case site and the sale of electricity on the meter, it will sign a 20-year long-term contract with Taipower to guarantee the acquisition of renewable energy. With capital expenditure and reduced financing pressure, the benefits of power plant construction will gradually appear as the power plant construction is gradually completed and put into operation.

(2) Other investment plans (replenishing operating capital)

After the company used the actual raised amount of 9,093,thounsand higher than the planned amount to enrich working capital, in terms of financial structure and solvency, although the debt ratio increased slightly due to the conversion of corporate bonds, long-term funds accounted for real estate, The plant and equipment ratio, current ratio and quick ratio have all increased significantly after the fundraising plan, and the company's revenue in July and August 2022 after fundraising was 265,651 thousand yuan and 360,067 thousand respectively, which is higher than the fundraising The revenue in June of the first 2022 years was 110,202 thounsand and gradually increased. It is obvious that the company's use of this fundraising to enrich working capital has a significant effect on revenue performance and improving the financial structure. The benefits of strengthening the financial structure and strengthening the flexibility of capital utilization and improving the company's operating system and competitiveness should have been reasonably manifested.

4. Effect upon shareholders' equity

The progress of fund disbursement is slightly ahead of schedule, mainly due to the consideration of the progress of solar module supply and the adjustment of the overall site construction progress. Some site sites can be constructed in advance after evaluation, so it is due to the early investment in project opening funds, and subsequent benefits As the construction of the power plant is gradually completed and put into operation, it will gradually appear, and there will be no material adverse impact on the shareholders' equity of the Company..

5. Plan for corrective action

The construction of the Company's power plants is underway. The benefits of power plant construction will be realized with the completed power plant construction and operations, which will bring positive benefits to the Company's revenue and profitability.

V. Overview of Operations

I. Description of the Business

(I) Scope of business

1. Major lines of business

- (1) CB01990 Other Machinery Manufacturing
- (2) CC01080 Electronics Components Manufacturing
- (3) I501010 Product Designing
- (4) F113990 Wholesale of Other Machinery and Tools
- (5) IG03010 Energy Technical Services
- (6) F401010 International Trade
- (7) D101060 Self-usage power generation equipment utilizing renewable energy industry
- (8) E601010 Electric Appliance Construction
- (9) CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
- (10) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
- (11) F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
- (12) C901010 Ceramic and Ceramic Products Manufacturing
- (13) CA02990 Other Metal Products Manufacturing
- (14) CA04010 Surface Treatments
- (15) CA05010 Powder Metallurgy
- (16) CG01010 Jewelry and Precious Metals Products Manufacturing
- (17) CQ01010 Mold and Die Manufacturing
- (18) CD01060 Aircraft and Parts Manufacturing
- (19) CF01011 Medical Devices Manufacturing
- (20) A301030 Aquaculture

2. Relative weight of each major line of business

Unit: Thousand NTD; %

Major Product Category	2021		2022	
	Operating Revenue	Relative Weight	Operating Revenue	Relative Weight
Solar Cell Modules	1,121,822	72.71	2,831,428	86.63
Revenue from Electricity Sales	408,927	26.51	423,095	12.94
Others (Note)	12,094	0.78	14,026	0.43
Total	1,542,843	100.00	3,268,549	100.00

Note: Others mainly include the revenue from construction and the purchase and sale of raw materials and products.

3. Current products (services)

- (1) Monocrystalline solar modules
- (2) Customized solar modules
- (3) Double-glass solar modules
- (4) Double-glass double-sided power modules
- (5) Revenue from sales of solar power (interest income from financing and leases)

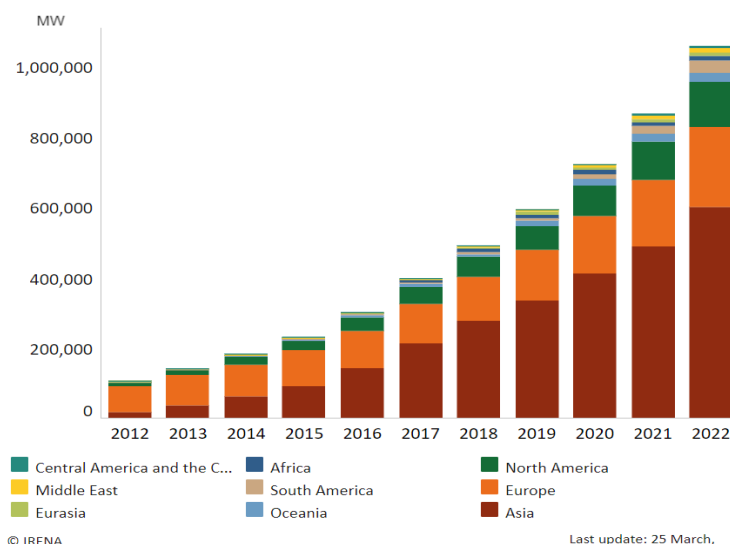
- (6) 3D Metal printing products
- 4. New products (services) planned for development
 - (1) Improving the conversion efficiency of solar cell modules
 - (2) High wattage solar module packaging design and production
 - (3) 3D printing products

(II) Overview of the industry

1. Current status and development of the industry

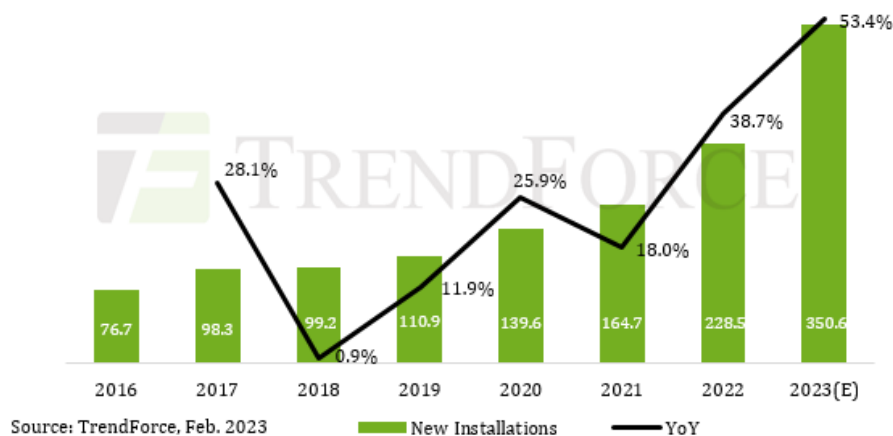
The Company mainly produces solar cell modules, which are used to build solar power systems, and invests in solar power plants. In recent years, climate change and the greenhouse effect have become the most serious environmental issues worldwide, posing a serious threat to humans' living environment. Therefore, countries around the world continue to develop new energy technologies through global agreements and policies, hoping to reduce greenhouse gas emissions while taking into account energy security, economic development and environmental protection, with an aim to maintain energy security and sustainable environmental development.

The COVID-19 pandemic from 2020 onwards has disrupted the supply chain and industries worldwide. Thanks to the implementation of pandemic prevention measures, almost all countries and regions have ended their lockdowns. Although many solar power plants have had delays caused by disruptions in their plans, they can now at least start to proceed according to the schedule. In addition, the rapid rise in global transportation, raw material and labor costs during 2021 has caused a simultaneous increase in the cost of solar-related manufacturing, resulting in a decrease in installation growth compared to the previous year, subject to policy differences among countries. Some of the unmet demands from 2020 to 2022 have been extended to 2023. Due to the significant increase in overall polysilicon production capacity since the beginning of this year, prices have fallen back to the normal range for the entire supply chain. As a result, global solar demand is expected to expand significantly. TrendForce currently estimates that global installed PV capacity will reach 351GW in 2023, up by 53.4% YoY. According to TrendForce's analysis, the Asia Pacific will have the highest installed demand in 2023, followed by Europe, the Americas, and the Middle East and Africa combined. The Asia Pacific region is currently expected to add 202.5GW of new PV installations in 2023, representing a 55.4% YoY growth rate. Countries in the Asia-Pacific region that are expected to achieve high growth rates of more than 40% include China, Malaysia and the Philippines. In these markets, government policy is a key driver of installed capacity growth. Moving to more mature markets such as Japan, Australia and Korea, they will see more stable levels of installed demand in 2023.



<https://www.irena.org/solar>

Figure: New PV Installations Worldwide, 2016~2023 (Unit: GW)



Energytrend

The first major Chinese market is influenced by the “14th Five-Year Plan” policy with many new subsidy programs and bidding programs for 2020 and 2021 installations increasing by 65% and 8% respectively over the previous year due to China in 2020, resulting in a significant increase in 2020 over the previous year; in Europe, the Russia-Ukraine conflict has accelerated the development of renewable energy. In order to completely get rid of the dependence on Russian natural gas supply, European countries are currently improving their ability to use renewable energy to generate electricity. REPowerEU plan clearly, by 2030, the EU renewable energy share will climb from 40% to 45%, solar power generation than at this stage doubled, the cumulative installed capacity reached 740GW, about 70GW more than the same period. New solar installations in Europe are expected to grow by 39.7% YoY to around 68.6GW in 2023. Germany, Spain and the Netherlands are the main sources of demand. Many European governments are providing subsidies and tax credits to promote the installation of solar power systems in order to address the high price of electricity. These incentives, coupled with declining solar module prices, will drive growth in installations across the region this year, particularly related to residential PV projects. In addition, the European Union has relaxed its rules regarding permits and applications for the establishment of PV projects. Lower regulatory barriers will also work in conjunction with lower module prices to encourage the development of large-scale projects. In addition, the U.S. market was previously impacted by the Uyghur Forced Labor Prevention Act and anti-circumvention investigations in several Southeast Asian countries. Growth in new installations related to ground-mounted solar power plants has slowed down, as such projects are highly sensitive to cost fluctuations. However, the

U.S. market is poised for strong growth again in 2023, as the “Inflation Reduction Act” helps increase the number of projects in the pipeline. Installed demand in the U.S. is likely to double in 2023 due to a boom in installations driven by the implementation of a rebate mechanism for installing solar power in the U.S. Finally, with respect to the Middle East and Africa, the region's excellent sunlight resources and policy support provide ample momentum for solar development. In 2023, these two regions will add 14.9GW of new PV installations, an increase of about 49.5% YoY. TrendForce notes that Middle Eastern and African countries are highly dependent on renewable energy tenders for installation growth, with projects involving large ground-mounted solar power plants accounting for most of the demand in these markets. Middle Eastern and African countries are rich in solar resources and provide strong policy incentives for renewable energy development. Therefore, there is a huge growth potential. Since July 8, 2009, when the Renewable Energy Development Act was promulgated, Taiwan has achieved considerable results in promoting renewable energy in the country. Subsequently, in response to the trends of the times and in line with the passage of the amendment to the Electricity Act on January 26, 2017, and the policy direction of national economic development and expansion of renewable energy use, the amendment to the Renewable Energy Development Act was published and implemented on May 1, 2019. It was planned that the total amount of renewable energy generation equipment to be promoted will reach 27GW by 2025, and the government will continue using the renewable energy power purchase mechanism, reward green power technology research and development and citizen participation, simplify application measures and grid connection regulations, and require government agencies and large electricity consumers to install green energy, and strengthen incentives for the general public to install renewable energy, thus reshaping a new milestone for the development and policy promotion of renewable energy in Taiwan. In addition, in July 2020, Taiwan amended the “Guidelines for Examination of Agricultural Land Use Changes to be Approved by Competent Agricultural Authority” to prohibit the installation of solar energy facilities in specific agricultural areas and aquaculture and fishery production areas. For hillside areas and general agricultural land under 2 hectares, except for sporadic agricultural land surrounded by natural terrain or other non-agricultural land, which can be changed, all other changes shall not be approved. Agricultural land between 2 hectares and over 30 hectares will be returned to the central government and will be managed by the Council of Agriculture. The new law will affect the future ground-mounted solar power projects.

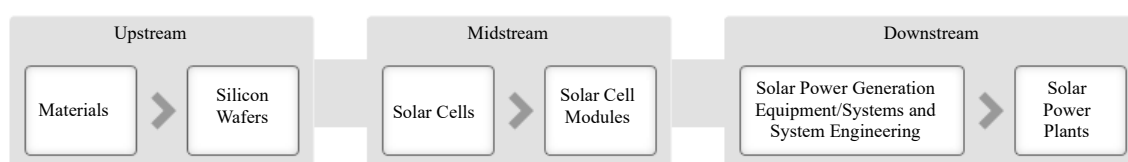
The government's current energy policy aims to achieve a 20% renewable energy share in electricity generation by 2025, with solar power being the most important area. It is estimated that 20GW of solar power will be installed by 2025, of which rooftop and ground-mounted will account for 3GW and 17GW respectively. The first phase of the Executive Yuan's “2-year Solar Power Promotion Program” had achieved 2.8GW by 2018. In September 2019, the second phase of the program was launched. It is estimated that the targets for 2019 and 2020 are 1.5GW and 2.2GW respectively, with a cumulative target of 6.5GW by 2020. The project aims to expand the scope of solar installations in three major directions, namely “central and local promotion”, “industrial park” and “agriculture, fishery and electricity symbiosis”, with an aim to reach the construction target ahead of schedule. With the government's encouragement, many system operators in Taiwan have been actively occupying good rooftop sites, and with the financial support from the financial industry, the cumulative installation of solar power in Taiwan have been growing steadily at a rate of nearly 1GW per year. However, to achieve the 20GW cumulative installed capacity target by 2025, large scale ground-mounted solar installations are needed. Therefore, land use disputes, construction space problems and insufficient feeder lines must be resolved before the bottleneck in Taiwan's installation capacity can be overcome. The Executive Yuan aims to install 20 GW of solar power by 2025, with a projected investment of 1.2 trillion NTD. As of the end

of February 2022, the cumulative installed capacity of solar power announced by the Bureau of Energy was 7.9 GW, which was still far from the target of 20 GW. From 2022 to 2025, the annual installed capacity needs to reach over 3GW, which will become a stable driving force for the domestic industry chain. According to the renewable energy capacity announced by Taipower in recent years, solar is the fastest growing. In order to encourage domestic manufacturers to invest in the construction of module plants, the government has exempted the import tariff of solar module materials. After the decommissioning of unit 1 of Taiwan's second nuclear power plant, the power supply gap is expected to be filled by renewable energy sources such as solar and wind, bringing more possibilities for the development of the domestic solar energy industry.

2. Links between the upstream, midstream, and downstream segments of the industry supply chain

From the perspective of the industry supply chain, the mainstream silicon solar cell industry can be divided into the upstream, including polysilicon materials, ingots/silicon wafers; midstream, including solar cell wafers and modules; and downstream, including system construction. There are also peripheral materials (including glass, flexible substrates, gases, targets, paddle materials, dyes and electrode materials) and equipment, etc. The Company's main business is the production of solar modules and investment in downstream solar power plants. The business is in the mid- and down-stream of the solar energy industry supply chain. The upstream, midstream and downstream correlations of the solar energy industry are as below:

Source: Industry Value Chain Information website



Taiwan's solar industry is mainly located in the cell sector of the midstream, accounting for about 10% of global production capacity, second only to China. However, Taiwan is relatively weak in the upstream and downstream sectors. Taiwan's only upstream producer has withdrawn from the silicon business. Although there are several module manufacturers in the downstream, they only account for less than 3% of the global market. Taiwan's industry structure is gradually changing from mainly export sales. By maintaining the capacity utilization of batteries and modules in the domestic market, Taiwan has an opportunity to start from the domestic market and gradually expand into overseas bid markets.

3. Development trends for the Company's products

Silicon wafer production has been mainly located in China, and since 2021, the supply chain as a whole has not been able to meet the demand due to the impact of the pandemic, the Xinjiang issue, and the energy consumption and intensity dual control system. The first-tier manufacturers with stronger technology and cost advantages and wider global layout still retain strong operating performance. The existing production expansion plans have mostly been able to continue, and thus supply chain manufacturers have a trend of concentration. Long-term development is expected to become stable and healthy.

In terms of product development, cell technology is constantly advancing, and conversion efficiency is constantly improving. The payoff for silicon solar cell system installations has increased, and silicon solar cell systems have become mainstream products generally accepted by the market. Taiwan's long-established technology base in the field of silicon semiconductors also provides strong research and development energy for silicon solar cells. Therefore, the future development will continue to focus on silicon systems.

In terms of the development trend of solar cell module products, the demand for module products varies depending on the economic development, government subsidies and geographical factors of each country. There is still a large potential demand for low-cost solar modules in developing countries or less-developed regions due to the vast expanses of land and the lack of widespread electricity network systems. In developed countries, the market is dominated by high-efficiency modular products, which are designed for better return on investment with limited space. Although there are many companies in the market actively developing various solar technologies, the mainstream market demand is still for silicon products. PERC monocrystalline silicon with better cost-performance ratio has become a key product representing the competitiveness of companies. China's upstream solar wafer makers are driving PERC monocrystalline silicon towards large size M10 and G12 specifications. Mainstream PERC monocrystalline silicon is currently dominated by large size M6-M10; the module wattage will increase to 375-465W, and the output is expected to multiply.

In addition, because of the close relationship between the energy industry and government policies, the frequency of interventions by governments has increased in order to prevent damage to the markets and to maintain the integrity of the industries. Since the U.S. took the lead in imposing anti-dumping duties on China's imports of silicon cell modules, the European Union has also conducted anti-dumping and countervailing investigations on China. In the end, the parties reached an agreement on the minimum price of the products and the quantity of Chinese sales to Europe, defusing a possible trade war between China and Europe. However, irrational fluctuations in product prices and supply and demand levels have raised potential market risks. Therefore, in order to maintain long-term fair trade, manufacturers should find a proper balance between cost and price, and adopt differentiated product quality and marketing strategies, so that they can maintain stable and long-term profitability.

In summary, the solar industry has experienced an economic slump, an industry reorganization, and a re-adjustment of the market demand landscape, but overall industry demand is still growing steadily. With good competitive advantages and flexible production strategies, Taiwan manufacturers are expected to get back on the track of profitability with the recovery of the solar industry.

4. Product competition

The solar cell module industry requires a relatively low threshold of capital investment. Some solar cell manufacturers are focusing on vertical integration and customer demand, and are moving into the downstream module business. Among the larger domestic companies are Neo Solar Power, Motech Industries, TSEC, etc. In addition to the Company, module manufacturers include MEGA Sunergy, Gintung, and AUO. Since the quality of solar cell module packaging technology directly affects the output power and service life of module products, the key to the competitiveness of solar cell module manufacturers lies in process stability and quality control. The Company is mainly engaged in the manufacture and sale of solar module products, and invests in power plants. With excellent production technology and cost control as the main competitive niche, the Company has obtained INTERTEK certification (European and American) from the UK, JET certification from Japan and MCS certification from the UK, been listed in Clean Energy Council (CEC) certification in Australia, Florida Solar Energy Center (FSEC) certification in Florida, Consumer Energy Center (CEC) certification in California, and Voluntary Product Certification (VPC) from Taiwan Bureau of Standards. The Company's products have also passed the INTERTEK ammonia test, PID test and salt spray test. The Company's product quality is competitive.

Since the Company was established, it had shareholders with backgrounds of equipment suppliers. Through cooperation in building production equipment, the Company can effectively and immediately improve production efficiency. Both parties have jointly developed and engaged in evidence-based production to improve the functions and efficiency of relevant production equipment, complementing each other and building their own technical teams from equipment design, introduction to production, process improvement and control, equipment operation and maintenance, as well as enhancing product quality and productivity through automated equipment. In recent years, the passage of the “Renewable Energy Development Act” established government subsidies, and the 2012 “One Million Rooftop Solar” subsidy program brought a lot of momentum into the Taiwan market. In order to increase the export of products and stabilize the source of profit, the Company established the Electricity Division in early 2013, building power plants along with professional system providers. The power generation results of the power plants can be used as a reference for refining and improving the module products, which will help to improve product efficiency and enhance competitiveness. The demonstration of power plant efficiency will be helpful for sales and promotion of module products, which helps to gain recognition from customers and enhance sales results.

The Company is capable of customizing design and processes. In addition to new product development for customers and module performance testing, the Company is the first in the industry to develop ultra-thin double-sided glass solar modules. This product has good durability and weather resistance, and is constructed using frameless embedded method, with a beautiful appearance and can significantly reduce the cost of roof panels. Due to its good transmittance, it not only can integrate BIPV with buildings and solar modules, but also can be used to build greenhouses for planting crops.

Double-glass solar cell modules are stronger than ordinary modules in terms of structural strength and pressure resistance, and have better weather resistance and longer durability. The performance in water resistance, corrosion resistance, fire resistance, wind and sand abrasion resistance, pressure deformation, etc. is greatly improved. The weather resistance is suitable for ground-mounted systems (agriculture, seaside, subsidence area), floating systems (reservoirs, fish ponds) and other areas with bad weather conditions. It also has better transmittance and can be applied to building integration, realizing power generation, aesthetics and lighting.

The Company developed and patented the innovative A-side-free module. It can reduce the hot spot effect of the module caused by dirt, which can lead to the decrease of power generation or destruction of the module. It can also greatly reduce the hard work of cleaning during maintenance for the next 20 years. When it rains, the dirt can be easily washed away without any residue, which is highly appreciated by customers.

(III) Overview of the Company's technologies and its research and development work

1. Research and development expenditures during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Research and development expenses for the most recent fiscal year and the year ended March 31, 2022 were \$15,243 thousand and \$2,722 thousand, respectively.

2. Technologies and/or products successfully developed during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Results	Major technologies and features	Applications or shipment status
Double-glass monocrystalline module obtained European and American standard certification	Available for harsh environments such as salt flats, seashores and lakes	Successful mass production and shipment
Obtained VPC certification from the Bureau of Standards	The first double-glass module certification in Taiwan	Successful mass production and shipment
Special silt-resistant modules	Eliminate the problem of sediment accumulation caused by the aluminum frame of the module and reduce the maintenance cost of the project sites	Successful mass production and shipment
Leak-proof rooftop module	Replacing the tin roof lighting cover and enhancing the drainage function	Successful mass production
Obtained VPC certification from the Bureau of Standards	M4 cell introduced to regular/double-glass modules for higher module wattage	Successful mass production and shipment
Obtained VPC certification from the Bureau of Standards	G1 cell introduced to regular/double-glass modules for higher module wattage	Successful mass production and shipment
Laminated solar modules	Developing lamination technology to improve module conversion efficiency	Installed 10kW at ITRI's Shalun Green Energy Technology demonstration site for testing
A-side-free solar modules	Reduces the hot spot effect from dirt, improves water release function, and lowers the difficulty of subsequent maintenance	Successful mass production and shipment
Obtained VPC certification from the Bureau of Standards	Full M6 cell introduced to regular modules; only manufacturer of full-M6 modules	Successful mass production and shipment
Obtained VPC certification from the Bureau of Standards	Half G1 modules introduced to regular modules, increasing module wattage	Successful mass production and shipment
Obtained VPC certification from the Bureau of Standards	Half M6 modules introduced to regular/double-glass modules, increasing module wattage	Successful mass production and shipment
Obtained VPC certification from the Bureau of Standards	Half M6 modules introduced import transparent backplane to regular modules, increasing module wattage	Successful mass production and shipment

3. The estimated R&D expenses for the whole year of 2023 amount to NT\$19,164 thousand, and the future R&D plans are as follows:

The Company has shareholders with backgrounds of equipment suppliers. Through cooperation in building production equipment, the Company can effectively and immediately enhance production efficiency. Both parties have jointly developed and engaged in evidence-based production to improve the functions and efficiency of relevant production equipment, complementing each other and building their own technical teams from equipment design, introduction to production, process improvement and control, equipment operation and maintenance, as well as enhancing product quality and productivity through automated equipment. Besides, the power generation results of the power plants can be used as a reference for refining and improving the module products, which will help to improve product efficiency and enhance competitiveness. The demonstration of power plant efficiency will be helpful for sales and promotion of module products, which helps to gain recognition from customers and enhance sales results. The Company is involved in all aspects of the operation, from equipment and production to the use of power plant equipment. The future research and

development directions of the Company are as follows:

① Solar modules

Improve the conversion efficiency of solar cell modules, reduce product cost and develop and design high performance modules.

Continue to invest in research on module equipment, packaging materials, and technology through actual plant operation data and customer feedback, in order to improve the conversion efficiency of solar modules and reduce production costs.

② Energy technical services

Continue to develop the integration of power plants with other industries, fully utilize the existing space of power plants, and increase other sources of revenue.

③ 3D metal printing integration service

Enhance professional capabilities, research and develop 3D metal printing production technologies, increase production speed, and create a complete industry supply chain of 3D metal printing service systems to achieve optimal cost, quality, and efficiency. The Company has obtained AS9100 aerospace certification and has been licensed for manufacturing by the Medical Device Quality Management System (QMS) of the Ministry of Health and Welfare.

(IV) Long-term and short-term business development plans

1. Short term development plan

- (1) Fully utilize the Company's advantages of cooperation with equipment manufacturers to jointly participate in the research and development and design of production equipment, and implement customized production lines in order to maximize production efficiency and increase product competitiveness.
- (2) Continue to invest in power plants based on the Company's capital position, along with good financing channels, to pursue a stable source of profitability and enhance the return on investment for shareholders.
- (3) Maintain good cooperative relationships with existing clients; develop new products based on customers' needs, or improve the design of existing products to extend the life cycle and reduce the loss of conversion efficiency during the packaging process of solar cells.
- (4) Establish specification standards for 3D metal printing materials, processes, process systems, and quality, to expand the database of various materials for printing, and actively develop applications and various products.

2. Long term development plan

- (1) Continue to strengthen product quality and implement cost control, raise low-cost capital by entering the capital market to expand the scale of operations and expand the Company's domestic and international market presence.
- (2) Expand the scale of operations, fully utilize the advantages of scale in mass production economy, and form strategic alliances with upstream and downstream industry players (equipment and system vendors) to take advantage of industry integration.
- (3) Continue paying attention to issues related to carbon trading to maximize the effectiveness of solar power plants.
- (4) Enter the manufacturing side of 3D metal printing, increase product applications and provide the integration of materials, equipment and products, creating a complete industry supply chain of 3D metal printing service systems to achieve rapid, personalized, high performance and high quality, upgrade the industry and create high value-added products.

II. Analysis of the market as well as the production and marketing situation

(I) Market analysis

1. Geographic areas where the main products (services) of the Company are provided (supplied)

Unit: Thousand NTD; %				
Sales Areas \ Year	2021		2022	
	Sales Amount	Relative Weight	Sales Amount	Relative Weight
Domestic Sales	1,542,843	100.00	3,266,375	99.93
Export (USA)	—	—	2.174	0.07
Total	1,542,843	100.00	3,268,549	100.00

2. Market share

The Company's main product is solar cell modules. According to Energy Trend, the total global PV installation volume in 2022 was 228.5GW, and the total installation volume in Taiwan was 2.02GW. The Company's module sales volume in 2022 was 211MW, with a global market share of 0.092% and a domestic market share of 10.4%. The Company sold 104,103 kwh of electricity in 2022 accounting for 0.98% of the 10,675,335 kwh of solar power generated in Taiwan in 2021 as announced by the Taiwan Power Company.

3. Demand and supply conditions for the market in the future

According to EnergyTrend's (a division of TrendForce) global market trend analysis, the global solar energy market has been affected by the COVID-19 pandemic from 2020 onward. However, the global solar market remains resilient. In the context of global energy transformation, the development of renewable energy is particularly important. More than 130 countries have announced carbon neutrality targets. Certain countries have adopted legislation to clarify their responsibilities to effectively address the crises and challenges posed by climate change. Renewable energy has relatively low penetration rate and extensive development potential. Besides, solar energy has economic advantages. Its levelized cost of energy (LCOE) is lower than conventional electricity. As a result, the market share of solar energy will continue to grow.

4. Competitive niche

(1) Good technical team and pragmatic entrepreneurial spirit

The Company's technical team has many years of experience in module development and design and process improvement, with a long-term enhancement effect on the maintenance of production line yield and product performance stability. This, coupled with a strict cost management system and sound financial management strategy, has enabled the Company to keep losses within an acceptable range during downturns and to have better profitability when the economy recovers.

(2) Equipment development capabilities and automated production facilities

The Company has shareholders with backgrounds in equipment supply, so the Company is capable of tailoring products from equipment design, process planning to mass production based on customer needs. The Company is capable of product design and development as well as mass production. Beginning from equipment design, the Company can effectively shorten the product development time and increase the success rate. In addition, the Company uses automatic equipment developed by domestic manufacturers, which has the advantages of low cost and high production efficiency, and together with the experienced technical team, the Company ensures the quality and competitive production cost of solar cell modules.

(3) Internationally certified products and well-known-industry-player-acclaimed process technologies

Technological development of solar cell modules is based on the durability of the products and the stability of the power generation efficiency. In order to meet the customers' requirements for product quality, the Company has obtained relevant product certifications from certification bodies with global

credibility. The Company has also mastered the technical parameters related to module production and can provide customized module mass production. The quality and performance of its products are well recognized by well-known solar power companies, which continue to use the Company's OEM services.

(4) Continuous R&D and innovation to expand application fields of modules

The Company has developed a market-leading double-glass module with a life cycle of 30 years instead of 25 years, and with an annual decay rate of only 0.5%, producing more power during the module life cycle. The double-glass module can be combined to form a BIPV, or used to build greenhouses for farming, realizing both green energy and quality agriculture. In addition, the structural strength and pressure resistance of double-glass solar cell modules are stronger than those of ordinary modules. With better weather resistance and longer durability, double-glass modules can be used in coastal areas with high salinity and adverse weather conditions.

The Company developed and patented the innovative A-side free module. It can greatly reduce the hard work of cleaning during maintenance for the next 20 years. When it rains, the dirt can be easily washed away without any residue, which is highly appreciated by customers.

(5) Evidence-based product quality through power plant investment, beneficial to market development

The Company invests in solar power plants. In addition to the stable annual profit contribution, the power generation performance of the solar power plants is better than the average daily generation capacity of the subsidized solar power system set by the Bureau of Energy, Ministry of Economic Affairs. The performance of the modules is proved to be good and better than the industry average. In addition to the better than expected revenue from power sales, the module performance has become a niche for the Company's module sales.

5. Positive and negative factors for future development, and the Company's response to such factors

Positive factors

(1) Environmental protection and green energy are global long-term trends, with potential market demand growth

As countries have formed a consensus to aim to reduce global warming and move toward green energy, solar power has become an industry of long-term stable growth. According to various research reports, the proportion of solar power in the total global electricity supply will increase year by year. Therefore, the long-term demand for solar power is promising and valuable for sustainable operations and long-term development.

(2) Solar companies continue to consolidate, which is conducive to the maintenance of industry order

In recent years, the solar energy industry has been faced with overcapacity and oversupply. The recessionary trend has forced uncompetitive manufacturers out of the market. With the U.S. and the European Union's successive implementation of the anti-dumping and countervailing policies to suppress China's disruptive price strategy, companies are expanding their economies of scale through mergers and acquisitions to focus resources and reduce costs. Looking ahead, solar industry manufacturers can achieve the purpose of expanding economic scale, reducing production costs and maintaining industrial order through consolidation, which will help to maintain normal market prices and enable enterprises with good competitiveness to operate stably.

(3) Continuous innovation in R&D capabilities and product technologies

The Company's management continues to focus on the improvement of cell characteristics, packaging material testing and process development to improve yields, conversion efficiency and reduce production costs, in order to differentiate module products and ensure stable power generation efficiency,

so that a competitive edge can be maintained. The Company also verifies and masters the module performance through its own laboratory to increase product quality stability and reduce the risk of product warranty. In addition to the plants being certified with ISO9001, ISO14001 and OHSAS 18001, the Company has obtained INTERTEK (European and American) certification from the UK, JET certification from Japan and MCS certification from the UK, been listed in Clean Energy Council (CEC) certification in Australia, Florida Solar Energy Center (FSEC) certification in Florida, Consumer Energy Center (CEC) certification in California, and Voluntary Product Certification (VPC) from Taiwan Bureau of Standards. The Company's products have also passed the INTERTEK ammonia test, PID test and salt spray test. The Company's product quality has been competitive and recognized by domestic and international clients.

(4) Good management and administration capabilities

The management has extensive experience in the industry and is well versed in solar energy industry operations, management, and market demand judgment.

Negative factors and the Company's response to such factors

A. Due to the low threshold, solar modules have become a fully competitive industry. As the solar industry is back on the recovery track, the competition has switched from price and quantity to quality and cost control.

Response measures:

- (A) Enhance the added value of our products and provide customized services to customers to help them speed up the implementation of application systems and improve production yields.
- (B) Continuously optimize production efficiency and yields to maintain product competitiveness.
- (C) Prove product quality by building or operating power plants and increase the stability of profitability.

B. Cell prices, the main raw material, are susceptible to fluctuations in the solar energy economy and supply and demand; module prices and profits would be affected by fluctuations in raw material prices.

Response measures:

- (A) Diversify the sources of supply and make purchases according to demand, and strengthen inventory control to avoid inventory loss.
- (B) Appropriately reflect cost in product quotes.
- (C) Strengthen customer service to avoid simply being in price competition.

(II) Usage and manufacturing processes for the Company's main products

1. Usage of the main products

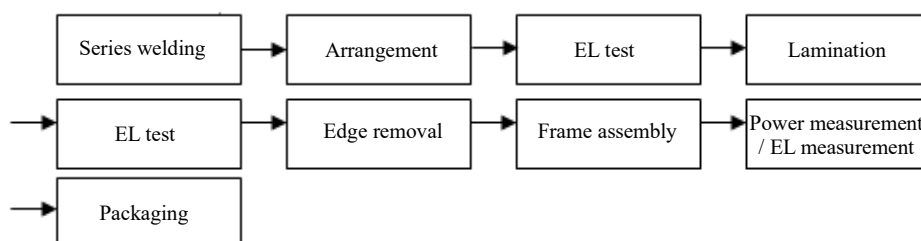
Solar cell modules can be used in all kinds of places that need power. Currently, the majority of demand is for power generation, and the main application areas are as follows:

Product Item	Applications
Solar Cell Modules	Electricity for people's general livelihood, building facades or roofs, disaster relief equipment and power generation devices, greenhouse PV systems, residential power supply systems, emergency power supply systems, emergency lighting systems, curtain walls, sunshades, light covers, etc.

2. Manufacturing processes for the main products

(1) Solar modules

The raw materials used in solar cell modules are mainly solar cells, EVA, glass and aluminum frame film, which must be examined and prepared before putting into production. The production process is shown in the figure below:



(2) Solar power system (revenue from electricity sales)

The installation of solar energy system is mainly developed by the staff of the power plant business department, or the system vendor recommends a suitable site for installation. After actuarial evaluation and approval by the finance department, the system vendor is engaged to carry out the construction and installation. After the construction is completed, the system can be operated after the application is submitted to authority concerned for metering. The Company's power plants are equipped with monitoring systems to monitor the power generation status at all times, so that the Company can dispatch staff to investigate any abnormalities and carry out module cleaning and maintenance based on the power generation status of each power plant to ensure power generation efficiency.

(III) Supply situation for the Company's major raw materials

Major raw materials	Main suppliers	Supply situation
Solar Cells	Companies B3, B5 and B21	Good
Glass	Companies B29 and B33	Good
Aluminum Frame	Companies B27 and B29	Good
Backplane	Companies B30 and B32	Good
Film	Companies B10 and B31	Good

Note: Since the suppliers have a non-disclosure agreement with the Company, codes are used in place of the actual name.

(IV) List of suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years

1. List of major suppliers:

Unit: Thousand NTD; %

Year Item	2021				2022			
Item	Name (Note 1)	Amount	Percentage of annual net purchases	Relationship with the issuer	Name (Note 1)	Amount	Percentage of annual net purchases	Relationship with the issuer
1	B21	609,780	47.58	N/A	B21	1,483,225	58.78	N/A
2	B29	153,978	12.01	N/A	B29	249,638	9.89	N/A
3	B5	137,753	10.75	N/A	B5	54,746	2.17	N/A
	Other	380,081	29.66	—	Other	735,933	29.16	—
	Net purchases	1,281,592	100.00	—	Net purchases	2,523,542	100.00	—

Note 1: Since the suppliers have a non-disclosure agreement with the Company, codes are used in place of the actual name.

Note 2: The financial data have been audited by CPAs.

Explanation of the reason for increases or decreases:

The Company purchased solar cells from suppliers B5 and B21 in 2021 and 2022. As the Company adopts a decentralized strategy for the supply of solar cells, the amount of purchase from each company varies depending on demand specifications, customer specifications or prices. B29 is a glass supplier. It is not easy for the company to stabilize supply under the fluctuation caused by the pandemic, and there is no significant abnormality in the overall supplier situation.

2. List of major customers:

Unit: Thousand NTD; %

Year Item	2021				2022			
Item	Name (Note 1)	Amount	Percentage of annual net sales	Relationship with the issuer	Name (Note 1)	Amount	Percentage of annual net sales	Relationship with the issuer
1.	Taipower	408,927	26.50	N/A	A20	1,400,417	42.85	N/A
2.	A20	311,104	20.16	N/A	Power Master	852,082	26.07	(Note 3)
3	Power Master	212,707	13.79	(Note 2)	Taipower	408,927	12.51	N/A
	Other	610,105	36.55	—	Other	607,123	18.57	—
	Net sales	1,542,843	100.00	—	Net sales	3,268,549	100.00	—

Note 1: Since the customers have a non-disclosure agreement with the Company, codes are used in place of the actual name.

Note 2: A director of the Company is the person in charge of this company.

Note 3: Director Tsai, Tsung-Jung resigned on July 12, 2022.

Note 4: The financial data have been audited by CPAs.

Explanation of the reason for increases or decreases:

Among the Company's customers in 2021 and 2022, A11 and A20 are companies in the solar industry supply chain. The number of production and sales by the Company increased and decreased as a result of the solar energy market fluctuation. Net sales to Taipower have been increasing year by year due to the increase in installed capacity. The sales amount to the Company's major customers for module production and sales fluctuates with market changes. Overall, there was no significant abnormalities with customers.

(V) Production volume and value for the 2 most recent fiscal years

Production Capacity / Volume: kw; mWh Production Value: Thousand NTD

Year	2021			2022		
Production volume and value of the main products (or department)	Production capacity (Note 2)	Production volume	Production value	Production capacity (Note 2)	Production volume	Production value
Solar Cell Modules	190,000	129,917	1,394,078	227,834	191,082	2,619,984
Revenue from Electricity Sales	—	99,291 (Note 3)	147,704	—	104,103 (Note 3)	169,407
Other	—	—	—	—	—	—
Total	—	—	1,541,782	—	—	2,789,391

Note 1: OEM and solar cells share production capacity.

Note 2: The maximum production capacity of the Company's equipment is 190,000kw/year. The above capacity is calculated by taking into account necessary downtime, holidays, and staffing factors.

Note 3: The number of kilowatt hours sold by the Company's solar power plants.

Explanation of the reason for increases or decreases:

In 2022, the overall module production capacity increased due to different product specifications. FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability..

(VI) Sales volume and value for the 2 most recent fiscal years

Sales Volume: kw; mWh Sales Value: Thousand NTD

Year Sales volume and value of the main products (or department)	2021				2022			
	Domestic Sales		Export		Domestic Sales		Export	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Solar Cell Modules	112,200	1,121,822	—	—	210,623	2,829,254	151	2,174
Revenue from Electricity Sales	99,291 (Note 1)	408,927	—	—	104,103 (Note 1)	423,095	—	—
Other	—	12,094	—	—	—	14,026	—	—
Total	—	1,542,843	—	—	—	3,266,375	151	2,174

Note 1: The number of kilowatt hours sold by the Company's solar power plants.

Explanation of the reason for increases or decreases:

FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability..

III. Employees

The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels

March 31, 2023

Year		2021	2022	March 31, 2023
Number of employees (number of people)	Managerial officers	9	10	10
	General staff members	236	223	233
	R&D staff members	5	5	5
	Total	250	238	248
Average age		38.7	38.5	38.8
Average years of service		6.22	6.48	6.72
Education distribution percentage (%)	Ph.D.	—	—	—
	Master's degree	2.81	2.52	2.42
	College	52.49	51.05	50.00
	Senior high school	43.07	43.91	44.76
	Below senior high school	1.63	2.52	2.82
	Total	100.00	100.00	100.00

IV. Disbursements for environmental protection

Disbursements for environmental protection: any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: N/A.

V. Labor relations

- (1) Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

1. Employee benefit plans

The Company's employee benefit plans include those provided by the Company and those provided by the Employee Welfare Committee. The Company provides good employee benefits:

- (1) The company provides the following benefits: labor and health insurance, year-end evaluation bonus, year-end dinner party, employee group insurance, employee meals, and nursing rooms.
- (2) The Employee Welfare Committee provides the following benefits: birthday cash gifts, holiday gift certificates or boxes (Mid-Autumn Festival, Labor Day, and year-end dinner party), wedding and childbirth gifts, funeral subsidies, hospitalization subsidies, employee travel subsidies, occasional employee dinners, etc.
- (3). Pregnancy-friendly content for female employees:

Prenatal	Postnatal
Reduce uncertainty	Encourage breastfeeding
Establish psychological and physical support	Friendly breastfeeding environment with emphasis on privacy and safety
1. Clinicians provide prenatal counseling 2. Reduce the risk of hazards by providing identification wear on the production line 3. Appropriate adjustment of work content according to the situation	1. Provide family care leave and baby care leave 2. Provide access control in breastfeeding room 3. Provide postnatal consultation by clinical doctors

2. Staff education and training status

In order to enhance the work skills and professionalism of its employees, the Company conducts new employee education and training upon onboarding, and occasionally conducts professional knowledge training for all employees. The Company's training programs are described as follows:

New employee training: New employee training is implemented upon onboarding, so that new employees can understand the Company's history, work rules, professional knowledge, products and production processes, etc.

On-the-job training: Internal and external training courses are arranged based on the needs of the job.

3. Retirement systems and the status of their implementation

The retirement systems for the Company's employees are based on the Labor Pension Act, which is a defined contribution plan (new system). The Company contributes 6% of the employees' monthly wages to the employees' individual accounts at the Labor Insurance Bureau in accordance with the wage tiers prescribed by the government. Employees may voluntarily make additional contributions to their pension accounts within 6% of their monthly wages. Before applying for retirement, employees shall contact the Human Resources Division of the Management Department for relevant procedures. To apply for a pension, employees may contact the Bureau of Labor Insurance, Ministry of Labor.

4. Status of labor-management agreements and measures for preserving employees' rights and interests

The rights and obligations of the Company's employees and employers are handled in accordance with the Labor Standards Act and the Company's work regulations. Labor relations are harmonious with no significant disputes or losses.

- (II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: N/A.

VI. Cyber security management:

- (I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Cyber security risk management framework

The Company's dedicated information security unit is the Information Department, which is directly managed by the General Manager. The department has an information officer and information personnel who are responsible for the formulation of internal information security policies, planning and implementation of information security protection, as well as information security policy promotion and implementation. The Company's Audit Office is the internal audit unit for information security monitoring, which regularly checks and tracks the status of internal information security implementation and the effectiveness of improvement in accordance with the internal control system. The accounting firm also conducts annual external audits based on the financial reporting process.

2. Cyber security policies

(1) Objectives

In order to enhance the security and stability of the Company's information and communication operations, to provide reliable information and communication services, to ensure that information assets are protected from the risk of tampering, disclosure, destruction or loss due to external threats or improper management and use by internal personnel, to ensure the confidentiality, integrity and availability of information assets, and to comply with the regulations of the Cyber Security Management Act and its sub laws, the Company has established the Cyber Security Policy (hereinafter referred to as the Policy) as the guideline for the Company's cyber security management.

(2) Scope

The Policy applies to all employees, outsourced vendors, visitors, and the security management of related information assets in all units of the Company.

(3) Concrete management programs

- (a) Network security: Network firewall and UTM management.
- (b) Device security: Anti-hacking, anti-virus and data backup.
- (c) Data security: Access control and regular user password update, as well as regular disaster recovery drills.
- (d) Education and training: Joining TWCERT/CC to collect information security notifications and conduct regular and occasional internal training to enhance the information security awareness of all users. At least three hours of information security education training per year for information security professionals.

(4) Investments in resources for cyber security management

- (a) Network hardware: firewall, email anti-virus and filtering, network management hubs, etc.
- (b) Telecommunications services: Internal services and external access lines are independent.
- (c) Software systems: Anti-virus software, UTM software.
- (b) Manpower input: daily system status check, weekly backup check, information security promotion at least once a year, annual internal audit of information cycle, CPA audit, etc.

- (2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken; if a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: N/A.

VII. Important contracts

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive covenants
Lease agreement	Chiayi County Government	119 months from the date of grid connection and electricity transmission of the solar power generation equipment of individual public housing with Taiwan Power Company. The lease renewal period shall be limited to 119 months. The final contract period shall not exceed the term of the feed-in-tariff contract with Taipower.	The Company, together with Chinup Technology Co., Ltd. and Ciao Sole Core Technology Co., Ltd. signed a lease agreement with the Chiayi County Government for the installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings.	When the average daylight is less than 3.65 kWh, the electricity sales revenue is calculated at 3.65 kWh of average daily solar energy per KW per year.
Lease agreement	Chiayi City Government	119 months from the date of grid connection and electricity transmission of the solar power generation equipment of individual public housing with Taiwan Power Company. The lease renewal period shall be limited to 119 months. The final contract period shall not exceed the term of the feed-in-tariff contract with Taipower.	Contract of installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings.	When the average daylight is less than 3.4 kWh, the electricity sales revenue is calculated at 3.4 kWh of average daily solar energy per KW per year.
Lease agreement	Tainan City Shanhua District	The contract is effective from January 2, 2014 to December 1, 2023 (119 months). The lease renewal period will be 9 years and 11 months from the day after the expiration of the original lease term.	Contract of installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings.	—
Lease agreement	South District, Tainan City	The contract is effective from March 26, 2014 to February 26, 2024 (119 months). The lease renewal period will be 9 years and 11 months from the day after the expiration of the original lease term.	Contract of installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings.	—
Lease agreement	Seven districts in Tainan City	The contract is effective from June 23, 2014 to May 22, 2024 (119 months). The lease renewal period will be 9 years and 11 months from the day after the expiration of the original lease term.	Contract of installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings.	—
Lease agreement	Taoyuan City Government	The contract is effective from March 16, 2015 to February 15, 2025 (119 months). The lease renewal period will be 9 years and 11 months from the day after the expiration of the original lease term.	Contract of installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings.	—
Lease agreement	Changhua County Government	The contract is effective from August 7, 2015 to July 6, 2025 (119 months). The lease renewal period will be 9 years and 11 months from the day after the expiration of the original lease term.	Contract of installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings.	—
Lease agreement	Taitung County Government	The contract is effective from September 25, 2019 to August 24, 2029 (119 months). The lease renewal period will be 9 years and 11 months from the day after the expiration of the original lease term.	Contract of installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings.	—
Lease agreement	Tongsiao Township Office	The contract is effective from September 28, 2019 to August 27, 2029 (119 months). The lease renewal period will be 9 years and 11 months from the day after the expiration of the original lease term.	Contract of installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings.	Failure to complete the installed capacity of the bidding system within the deadline shall result in the calculation of punitive liquidated damages in accordance with the formula set forth in the contract, except for matters not attributable to the Company.
Lease agreement	Ta Chen International, Inc.	The contract is effective from June 23, 2017 until 20 years from the date of commercial operation of the solar power facilities.	A lease agreement for the installation of solar photovoltaic equipment on the roof of the leased building.	—
Lease agreement	Fulltech Industries Corp.	The contract is effective from November 7, 2019; the lease period starts from May 14, 2020 (the date of commercial operation of the solar power facilities and ends in 20 years).	A lease agreement for the installation of solar photovoltaic equipment on the roof of the leased building.	—
Lease agreement	Taiwan Yilan Prison	The contract is effective from May 25, 2020 to May 24, 2030 (10 years). The lease renewal period will be 10 years from the day after the expiration of the original lease term.	Contract of installation of solar photovoltaic power generation equipment on the roofs of publicly owned buildings.	Failure to complete the installed capacity of the bidding system within the deadline shall result in the calculation of punitive

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive covenants
				liquidated damages in accordance with the formula set forth in the contract, except for matters not attributable to the company.
Lease agreement	Loung Te (with Letzer) Industrial Park of the Industrial Development Bureau, MOEA	The effective period of the contract begins on July 13, 2020 and ends on July 12, 2040 (20 years).	Contract of installation of solar photovoltaic power generation equipment on publicly owned land.	—
Lease agreement	Taipei Prison, Agency of Corrections, Ministry of Justice	The effective period of the contract begins on January 19, 2021 and ends on January 18, 2041 (20 years).	Contract of installation of solar photovoltaic power generation equipment on publicly owned land.	—
Lease agreement	Marine Corps Combat Support Brigade	The effective period of the contract begins on March 2, 2022 and ends on March 1, 2042 (20 years).	Contract of installation of solar photovoltaic power generation equipment on publicly owned buildings and land.	Failure to complete the installed capacity of the bidding system within the deadline shall result in the calculation of punitive liquidated damages in accordance with the formula set forth in the contract, except for matters not attributable to the company.
Lease agreement	234 Mechanized Infantry Brigade	The effective period of the contract begins on May 27, 2022 and ends on May 26, 2042 (20 years).	Contract of installation of solar photovoltaic power generation equipment on publicly owned buildings and land.	Failure to complete the installed capacity of the bidding system within the deadline shall result in the calculation of punitive liquidated damages in accordance with the formula set forth in the contract, except for matters not attributable to the company.
Long-term loan	Land Bank of Taiwan	September 24, 2020 - September 23, 2025	Long-term loan	—
Long-term loan	First Commercial Bank	June 21, 2022 - June 20, 2037	Long-term guaranteed loan	Provided plant as collateral
Long-term loan	Bank SinoPac	A total of 10 contracts with drawdowns beginning July 15, 2014 and will expire successively by the end of September 2036.	Long-term guaranteed loan	Provided power plant equipment as collateral
Long-term loan	Cathay United Bank	A total of 6 contracts with drawdowns beginning March 19, 2014 and will expire successively by the end of September 2032.	Long-term guaranteed loan	Provided power plant equipment as collateral
Long-term loan	E.SUN Commercial Bank	A total of 4 contracts with drawdowns beginning October 21, 2015 and will expire successively by the end of July 2036.	Long-term guaranteed loan	Provided power plant equipment as collateral
Long-term loan	Shin Kong Commercial Bank	May 28, 2014 - May 27, 2022	Long-term guaranteed loan	Provided power plant equipment as collateral
Long-term loan	Taipei Fubon Bank	A total of 3 contracts with drawdowns beginning February 5, 2018 and will expire successively by the end of February 2033.	Long-term guaranteed loan	Provided power plant equipment as collateral
Long-term loan	Taishin International Bank	A total of 2 contracts with drawdowns beginning October 30, 2017 and will expire successively by the end of March 2037.	Long-term guaranteed loan	Provided power plant equipment as collateral
Long-term loan	Mega International Commercial Bank	February 19, 2020 - February 18, 2025	Long-term loan	—
Long-term loan	Export-Import Bank of the Republic of China	September 15, 2021 - September 14, 2026	Long-term loan	—
Long-term loan	Chang Hwa Bank	March 24, 2022 - March 23, 2027	Long-term loan	—
Long-term loan	Entie Commercial Bank	August 18, 2020 - August 17, 2023	Long-term guaranteed loan	Credit guarantee fund
Long-term loan	Entie Commercial Bank	August 18, 2020 - August 17, 2023	Long-term loan	—

VI. Financial status Overview

I. Financial information for the past 5 fiscal years

(1) Condensed consolidated balance sheets and consolidated statements of comprehensive income - IFRS

1. Condensed Consolidated Balance Sheets

Unit: Thousand NTD

Item \ Year		Financial Information for Most Recent 5 Fiscal Years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		1,086,357	1,331,718	1,572,777	2,030,867	2,822,083
Property, Plant and Equipment		457,905	259,748	602,341	1,538,344	2,579,396
Intangible assets		1,060	718	786	847	826
Other assets		2,537,093	2,880,525	3,134,786	2,995,250	2,837,866
Total assets		4,082,415	4,472,709	5,310,690	6,565,308	8,240,171
Current liabilities	Before distribution	776,207	692,933	1,021,109	1,522,616	1,653,670
	After distribution	851,773	787,390	1,151,109	1,582,616	1,750,641
Non-current liabilities		1,544,618	1,894,478	1,893,606	2,277,792	3,279,362
Total liabilities	Before distribution	2,320,825	2,587,411	2,914,715	3,800,408	4,933,032
	After distribution	2,396,391	2,681,868	3,044,715	3,860,408	5,030,003
Equity attributable to owners of the parent company		1,761,590	1,885,298	2,395,975	2,762,919	3,287,953
Share capital		944,566	944,566	1,074,490	1,145,376	1,212,135
Capital surplus		543,489	567,013	788,184	1,048,975	1,344,520
Retained earnings	Before distribution	314,115	447,253	616,245	622,645	810,639
	After distribution	238,549	352,796	486,245	562,645	713,668
Other equity		(40,580)	(73,534)	(82,944)	(54,077)	(79,341)
Treasury shares		—	—	—	—	—
Non-controlling interests		—	—	—	1,981	19,186
Total equity	Before distribution	1,761,590	1,885,298	2,395,975	2,764,900	3,307,139
	After distribution	1,686,024	1,790,841	2,265,975	2,704,900	3,210,168

Note 1: The consolidated financial statements have been audited by CPAs.

2. Condensed Consolidated Statement of Comprehensive Income

Unit: Thousand NTD

Item \ Year	Financial Information for Most Recent 5 Fiscal Years (Note)				
	2018	2019	2020	2021	2022
Operating Revenue	1,795,198	1,565,568	2,085,142	1,542,843	3,268,549
Operating Gross Profit	400,110	362,012	448,681	280,461	474,895
Operating Income	311,166	271,228	329,990	181,400	361,164
Non-operating income and expenses	(51,133)	(35,621)	(24,130)	(37,142)	(74,578)
Net income (loss) before tax	260,033	235,607	305,860	144,258	286,586
Net income (loss) for the period from continuing operations	225,953	208,704	263,449	132,065	228,366
Loss from discontinued operations	—	—	—	—	—
Net income (loss) for the period	225,953	208,704	263,449	132,065	228,366
Other comprehensive income (loss) for the period (net of Income Tax)	(37,277)	(32,954)	(9,410)	33,183	(6,427)
Total comprehensive income for the period	188,676	175,750	254,039	165,248	221,939
Net income attributable to owners of parent	225,966	208,704	263,449	132,084	228,903
Net income (loss) attributable to noncontrolling interests	(13)	—	—	(19)	(537)
Total comprehensive income attributable to owners of parent	188,682	175,750	254,039	165,267	222,730
Total comprehensive income, attributable to non-controlling interests	(6)	—	—	(19)	(791)
Earnings (loss) per share	2.42	2.21	2.65	1.16	1.93

Note: The consolidated financial statements have been audited by CPAs.

(2) Condensed individual balance sheets and individual statements of comprehensive income - IFRS

1. Condensed Individual Balance Sheets

Unit: Thousand NTD

Item \ Year		Financial Information for Most Recent 5 Fiscal Years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		1,045,609	1,290,964	1,528,545	1,979,458	2,762,695
Property, Plant and Equipment		443,534	247,397	591,520	1,528,487	2,552,674
Intangible assets		1,060	718	786	847	826
Other assets		2,421,816	2,759,873	3,038,661	2,927,553	2,799,459
Total assets		3,912,019	4,298,952	5,159,512	6,436,345	8,115,654
Current liabilities	Before distribution	726,323	652,473	974,578	1,494,904	1,604,168
	After distribution	801,889	746,930	1,104,578	1,554,904	1,701,139
Non-current liabilities		1,424,106	1,761,181	1,788,959	2,178,522	3,223,533
Total liabilities	Before distribution	2,150,429	2,413,654	2,763,537	3,673,426	4,827,701
	After distribution	2,225,995	2,508,111	2,893,537	3,733,426	4,924,672
Share capital		944,566	944,566	1,074,490	1,145,376	1,212,135
Capital surplus		543,489	567,013	788,184	1,048,975	1,344,520
Retained earnings	Before distribution	314,115	447,253	616,245	622,645	810,639
	After distribution	238,549	352,796	486,245	562,645	713,668
Other equity		(40,580)	(73,534)	(82,944)	(54,077)	(79,341)
Treasury shares		—	—	—	—	—
Total equity	Before distribution	1,761,590	1,885,298	2,395,975	2,762,919	3,287,953
	After distribution	1,686,024	1,790,841	2,265,975	2,702,919	3,190,982

Note 1: The individual financial statements have been audited by CPAs.

2. Condensed Individual Statement of Comprehensive Income

Unit: Thousand NTD

Item \ Year	Financial Information for Most Recent 5 Fiscal Years (Note)				
	2018	2019	2020	2021	2022
Operating Revenue	1,758,970	1,533,675	2,050,568	1,509,717	3,233,540
Operating Gross Profit	373,320	336,860	420,399	254,587	450,151
Operating Income (Loss)	287,877	248,037	303,810	157,036	338,944
Non-operating income and expenses	(31,747)	(16,179)	(2,493)	(17,092)	(55,461)
Net income (loss) before tax	256,130	231,858	301,317	139,944	283,483
Net income (loss) for the period from continuing operations	225,966	208,704	263,449	132,084	228,903
Loss from discontinued operations	—	—	—	—	—
Net income (loss) for the period	225,966	208,704	263,449	132,084	228,903
Other comprehensive income (loss) for the period (net of Income Tax)	(37,284)	(32,954)	(9,410)	33,183	(6,173)
Total comprehensive income for the period	188,682	175,750	254,039	165,267	222,730
Earnings (loss) per share	2.42	2.21	2.65	1.16	1.93

Note: The individual financial statements have been audited by CPAs.

(3) Names and audit opinions of the CPAs for the past five fiscal years

Year	Name of accounting firm	Name of CPA	Audit report opinions
2018	Deloitte Taiwan	Liao, Hung-Ju, CPA Liu, Yu-Hsiang, CPA	Unqualified opinion
2019	Deloitte Taiwan	Li, Chi-Chen, CPA Liu, Yu-Hsiang, CPA	Unqualified opinion
2020	Deloitte Taiwan	Li, Chi-Chen, CPA Liu, Yu-Hsiang, CPA	Unqualified opinion
2021	Deloitte Taiwan	Wang, Teng-Wei, CPA Li, Chi-Chen, CPA	Unqualified opinion
2022	Deloitte Taiwan	Wang, Teng-Wei, CPA Li, Chi-Chen, CPA	Unqualified opinion

II. Financial analyses for the past 5 fiscal years

(1) Consolidate - IFRS

Analysis Item (Note 1)		Financial analyses for the past 5 fiscal years				
		2018	2019	2020	2021	2022
Financial Structure (%)	Debt to assets ratio	56.85	57.85	54.88	57.89	59.87
	Ratio of long-term capital to property, plant and equipment	722.03	1,455.17	712.15	327.8	255.35
Solvency (%)	Current ratio	139.96	192.19	154.03	133.38	170.66
	Quick ratio	103.61	126.42	114.95	100.38	136.41
	Times interest earned	6.18	6.02	7.25	3.93	5.72
Operating performance	Accounts receivable turnover (times)	6.04	5.63	6.93	3.50	5.21
	Average collection days	60	65	53	104	70
	Inventory turnover (times)	5.05	3.26	3.83	2.8	5.23
	Accounts payable turnover (times)	5.11	6.96	11.13	5.41	9.32
	Average days in sales	72	112	95	130	70
	Property, plant and equipment turnover (times)	3.84	4.36	4.84	1.44	1.59
	Total asset turnover (times)	0.44	0.37	0.43	0.26	0.44
Profitability	Return on assets (%)	6.47	5.76	6.19	2.89	3.74
	Return on equity (%)	14.42	11.45	12.31	5.12	7.52
	Ratio of income before tax to paid-in capital (%)	27.53	24.94	28.47	12.59	23.64
	Net profit margin (%)	12.59	13.33	12.63	8.56	6.99
	Earnings per share (NT\$)	2.42	2.21	2.65	1.16	1.93
Cash flow	Cash flow ratio (%)	30.00	12.10	34.92	Note 5	8.82
	Cash flow adequacy ratio (%)	4.63	6.66	23.24	23.79	22.84
	Cash reinvestment ratio (%)	5.33	0.20	5.59	Note 5	1.21
Leverage	Operating leverage	5.41	5.34	5.81	7.78	8.35
	Financial leverage	1.19	1.21	1.17	1.37	1.20
Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)						
1. Financial structure: The ratio of long-term capital to property, plant and equipment decreased compared with that of fiscal 2021, mainly due to the significant increase in power generation equipment in property, plant and equipment in the current period, and the increase of denominator led to a decrease of ratio.						
2. Solvency: The increase in times interest earned compared to 2021 is mainly due to FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability.						
3. Operating performance: The overall operating performance increase compared to 2021, mainly due to FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability.						
4. Profitability: The overall profitability increased compared to 2021, mainly due to FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability.						
5. Cash flow: The overall cash flow increased compared to 2021 mainly due to t FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability.						
6. Leverage: The increase in operating leverage compared to 2021 was mainly due to FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability.						

Source: Consolidated financial statements audited and certified by CPAs.

(2) Individual - IFRS

Analysis Item (Note 1)		Financial analyses for the past 5 fiscal years				
		2018	2019	2020	2021	2022
Financial Structure (%)	Debt to assets ratio	54.97	56.15	53.56	57.07	59.49
	Ratio of long-term capital to property, plant and equipment	718.25	1,473.94	707.49	323.29	255.08
Solvency (%)	Current ratio	143.96	197.86	156.84	132.41	172.22
	Quick ratio	101.79	123.74	111.64	93.19	130.68
	Times interest earned	6.52	6.44	7.62	4.02	5.87
Operating performance	Accounts receivable turnover (times)	5.91	5.52	6.81	3.42	5.17
	Average collection days	62	66	54	107	71
	Inventory turnover (times)	5.06	3.24	3.81	2.79	5.22
	Accounts payable turnover (times)	5.09	6.92	11.09	5.38	9.29
	Average days in sales	72	113	96	131	70
	Property, plant and equipment turnover (times)	3.89	4.44	4.89	1.42	1.58
	Total asset turnover (times)	0.45	0.37	0.43	0.26	0.44
Profitability	Return on assets (%)	6.72	5.95	6.37	2.94	3.81
	Return on equity (%)	14.43	11.45	12.31	5.12	7.57
	Ratio of income before tax to paid-in capital (%)	27.12	24.55	28.04	12.22	23.39
	Net profit margin (%)	12.85	13.61	12.85	8.75	7.08
	Earnings per share (NT\$)	2.42	2.21	2.65	1.16	1.93
Cash flow	Cash flow ratio (%)	29.03	9.16	33.78	Note 5	7.30
	Cash flow adequacy ratio (%)	(Note 5)	1.93	18.26	19.88	19.39
	Cash reinvestment ratio (%)	4.89	(Note 5)	5.13	Note 5	0.82
Leverage	Operating leverage	5.74	5.72	6.24	8.87	8.82
	Financial leverage	1.19	1.21	1.18	1.42	1.21
Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)						
1. Financial structure: The ratio of long-term capital to property, plant and equipment decreased compared with that of fiscal 2021, mainly due to the significant increase in power generation equipment in property, plant and equipment in the current period, and the increase of denominator led to a decrease of ratio.						
2. Solvency: The decrease in times interest earned compared to 2021 is mainly due to the slowdown in industrial development as a result of FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability.						
3. Operating performance: The overall operating performance increase compared to 2021, mainly due to FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability.						
4. Profitability: The overall profitability increased compared to 2021, mainly due to FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability.						
5. Cash flow: The overall cash flow increased compared to 2021 mainly due to FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability.						
6. Leverage: The increase in operating leverage compared to 2021 was mainly due to FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability.						

Source: Individual financial statements audited and certified by CPAs.

Note 1: Formulas for the calculation of the financial ratios are as follows:

1. Financial structure

- (1) Debt to assets ratio = total liabilities / total assets.
- (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

- (1) Current ratio = current assets / current liabilities.
- (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
- (3) Times interest earned = earnings before tax and interest expenses / current interest expenses.

3. Operating performance

- (1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).
- (2) Average collection days = 365 / accounts receivable turnover.
- (3) Inventory turnover = cost of goods sold / average inventory.
- (4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).
- (5) Average days in sales = 365 / inventory turnover.
- (6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.
- (7) Total asset turnover = net sales / average total assets.

4. Profitability

- (1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.
- (2) Return on equity = net income after tax / average total equity.
- (3) Net profit margin = net income after tax / net sales.
- (4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding.

5. Cash flow

- (1) Cash flow ratio = net cash flows from operating activities / current liabilities.
- (2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).
- (3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital).

6. Leverage

- (1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income.
- (2) Financial leverage = operating income / (operating income – interest expenses).

Note 2: Special attention should be paid to the following when calculating earnings per share by the above equation:

- 1. The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.
- 2. If there is any cash capital increase or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
- 3. If there is any capitalization of retained earnings or capital surplus, the annual and semiannual earnings per share of past years shall be retrospectively adjusted pro rata to the size of the capital increase, without considering the issuance period of the capital increase.
- 4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the dividend shall be deducted from the net income

after tax if there is net income after tax and no adjustment is required in case there is loss.

Note 3: Special attention shall be paid to the following when making the calculations for cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refers to the annual cash outflow used in capital investment.
3. Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4. Cash dividends include the cash dividends of common stock and preferred stock.
5. Gross property, plant and equipment refers to the total property, plant and equipment without deduction of accumulated depreciation.

Note 4: The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationally and consistently.

Note 5: Net cash outflow is not shown.

III. Audit committee's report for the most recent year's financial statement

Please refer to Appendix II (page 103) of this annual report.

IV. Consolidated financial statement for the most recent fiscal year

Please refer to Appendix III (pages 104 - 171) of this annual report.

V. Solely the parent company's financial statement for the most recent fiscal year, certified by a CPA, but not including the statements of major accounting items

Please refer to Appendix IV (pages 172- 244) of this annual report.

VI. If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation: N/A.

VII. Review and analysis of the Company's financial position and financial performance, and risk assessment

I. Financial Position - IFRS

Unit: Thousand NTD

Item	Year	2021	2022	Difference	
				Amount	%
Current assets		2,030,867	2,822,083	791,216	38.96
Property, Plant and Equipment		1,538,344	2,579,396	1,041,052	67.67
Other non-current assets		2,996,097	2,838,692	(157,405)	(5.25)
Total assets		6,565,308	8,240,171	1,674,863	25.51
Current liabilities		1,522,616	1,653,670	131,054	8.61
Non-current liabilities		2,277,792	3,279,362	1,001,570	43.97
Total liabilities		3,800,408	4,933,032	1,132,627	29.80
Share capital		1,145,376	1,212,135	66,759	5.83
Capital surplus		1,048,975	1,344,520	295,545	28.17
Retained earnings		622,645	810,639	187,994	30.19
Other equity		(54,077)	(79,341)	(25,264)	46.72
Treasury shares		—	—	—	—
Non-controlling interests		1,981	19,186	17,205	868.50
Total equity		2,764,900	3,307,139	542,239	19.61

Main reasons for any material change (if there is a 20 percent or more variation between periods, and if the absolute amount of change reaches NT\$10 million) in the company's assets, liabilities, or equity during the past 2 fiscal years, the effect thereof, and the measures to be taken in response are described as follows:

1. Explanation of the reason for increases or decreases:

- (1) The increase in current assets was mainly due to issuance of convertible corporate bonds, due to increase in cash.
- (2) The increase in property, plant and equipment was mainly due to the continued addition of power generation equipment during the year to earn stable returns over the next 20 years.
- (3) The increase in total assets was mainly due to the increase in cash from the issuance of convertible corporate bonds in the current period, and the continuous purchase of real estate, plant and equipment for power generation equipment.
- (4) The increase in non-current liabilities and total liabilities was mainly due to the issuance of convertible bonds and the increase in long-term borrowings for the purchase of power plants.
- (5) The increase in capital surplus was mainly due to the issuance of two convertible bonds, which were converted to equity, as well as the recognition of related capital surplus.
- (6) Retained surplus increased, main module overall raw material price fluctuations slowed down, net zero carbon emissions boosted demand for renewable energy, sales momentum increased, overall module revenue and profit increased, resulting in increased retained surplus.
- (7) The decrease in other equity was mainly due to the decrease in the valuation of financial assets measured at fair value through other comprehensive income - non-current.
- (8) The increase of non-controlling interests is due to the cash capital increase of the subsidiary, but the company did not participate in the cash capital increase according to the shareholding ratio.

2. Response measures:

In response to the expansion of business scale, the Company intends to properly plan its capital expenditure budget and the control of operating capital.

II. Financial performance

- (I) The annual report shall list the main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years, provide a sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response

Unit: Thousand NTD

Item	Year	2021	2022	Increase (Decrease)	Percentage Change (%)
Operating Revenue		1,542,843	3,268,549	1,725,706	111.85
Operating Cost		1,262,382	2,793,654	1,531,272	121.30
Operating Gross Profit		280,461	474,895	194,434	69.33
Operating Expenses		99,061	113,731	14,670	14.81
Operating Income		181,400	361,164	179,764	99.10
Non-operating income and expenses		(37,142)	(74,578)	(37,436)	100.79
Net Income Before Tax		144,258	286,586	142,328	98.66
Net Income for the Year		132,065	228,366	96,301	72.92
Other comprehensive income - unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income		33,183	3,607	(29,576)	(89.13)
Other comprehensive income - translation differences on financial statements of foreign institutions		—	(10,034)	(10,034)	100.00
Total comprehensive income for the year		165,248	221,939	56,691	34.31
Main reasons for any material change (if there is a 20 percent or more variation between periods, and if the absolute amount of change reaches NT\$10 million) in operating revenues, operating income, or income before tax during the past 2 fiscal years:					
1. Operating revenues, costs, gross profit, operating profit, net profit before tax, net profit for the year and comprehensive income for the year all increased compared to 2021, mainly due to FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability..					
2. The decrease in non-operating expenses compared to 2021 was mainly due to the impact of the impact of exchange rate changes, there are more foreign currency assets in the account, foreign currency depreciation during the transaction period, and exchange losses increase.					
3. The decrease in “Other comprehensive income - Unrealized valuation gains or losses on investments in equity instruments at fair value through other comprehensive income” compared to 2021 was mainly due to the decrease in unrealized valuation gains on related investment items.					

- (II) Sales volume forecast and the basis therefor, and the effect upon the Company's financial operations as well as measures to be taken in response:

For the sales of battery modules, the Company will continue to improve the quality of solar module products and strive to increase customer coverage and market share. The investment in power plants will continue to be carried out based on the capital situation. With the increase in the number of power plants in operation, the revenue from electricity sales is expected to increase, and the revenue is expected to continue to grow and improve the stability of the Company's profitability.

III. Cash Flow

(I) Description and analysis of cash flow changes during the most recent fiscal year

Unit: Thousand NTD

Item \ Year	2021	2022	Increase or decrease percentage (%)
Operating activities	(43,114)	145,819	438.22
Investing activities	(727,795)	(972,418)	33.61
Financing activities	843,771	1,340,395	58.86
Analysis of changes in the percentage of increase or decrease:			
(1) Operating activities: The cash inflow increased compared to 2021 due to FY2021; The solar module division has seen an increase in sales momentum due to the easing of volatility in raw material prices and the increase in demand for renewable energy driven by net zero carbon emissions, resulting in a significant increase in overall module revenue and profitability, which resulted in an increase in the overall cash inflow from operating activities.			
(2) Investing activities: Net cash outflow increased compared to 2021, mainly due to the continued installation of additional power generation equipment (power plants).			
(3) Financing activities: Net cash inflow was mainly due to the increase in power plants and the issuance of convertible bonds.			

(II) Cash flow analysis for the coming year

Unit: Thousand NTD

Beginning cash balance	Estimated full-year net cash flows from operating activities	Estimated full-year cash outflows to investing activities	Estimated surplus (shortfall) of cash	Measures to address cash balances	
				Investing plans	Financing plans
1,151,546	413,009	651,529	913,026	—	—
1. Analysis of changes in cash flow in the coming year:					
(1) Operating activities: In 2023, the Company expects continued growth in operations resulting in a net cash inflow of NT\$413,009 thousand.					
(2) Investing activities: In 2023, net cash outflow to investing activities is estimated to be NT\$651,529 thousand due to power plant construction.					
2. Remedial measures for insufficient cash and liquidity analysis: None.					

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year

The Company's recent capital expenditures include the continued addition of new power plants, the optimization and addition of certain module equipment to increase production capacity, and the purchase of additional 3D printing department machines, as well as the planning of plant expansion for future operational development. The new plant will provide the Company with stable revenue and profitability in the long run. The expansion, optimization and renewal of equipment will increase production capacity, output, yield and diversified revenue, which will have a positive impact on the Company's financial status.

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

(I) The Company's reinvestment policy:

The Company's decision-making authority makes investments based on factors such as operational needs or future growth of the Company, and the investments are mostly related to the Company's business. In addition to preparing investment plans, the Company evaluates the organization, investment objectives, market conditions, and business development of the investment targets and prepares investment plan analysis sheets for the decision making authority to use as the basis for decision-making. In addition, the Company keeps track of the operating conditions of the invested businesses and analyzes the effectiveness of the investments to facilitate post-investment management tracking and evaluation by the decision-making

authority.

(II) Main reasons for the profits/losses

December 31, 2022 Unit: Thousand NTD

Investee enterprise	Main business	Investment cost	Book value	Investment income or loss	Main reasons for the profits/losses	Improvement plans
Liu He Optoelectronics Co., Ltd.	Energy technical services	46,181	90,666	7,794	The constructed power plants have progressively begun operations	—
Yao Kuang Energy Co., Ltd.	Energy technical services	22,000	43,007	3,874	The constructed power plants have progressively begun operations	—
Ching Yang Agricultural Technology Co., Ltd.	Energy technical services and solar precision agriculture	30,000	44,648	3,920	The constructed power plants have progressively begun operations	—
An Tai Energy Co., Ltd.	Energy technical services	68,600	75,530	2,832	The constructed power plants have progressively begun operations	—
Hong Ding Holdings Co., Ltd.	Self-usage power generation equipment utilizing renewable energy industry	49,000	37,217	(601)	Still in the start-up stage	Profitability should be achieved upon operations of the constructed power plant
Anders Technology Co., Ltd.	Sales and purchases of metal 3D printing products	20,000	19,186	(488)	Still in the start-up stage	Profitability should be achieved when the sale of goods reaches economic scale
Chai-yi Energy Co., Ltd.	Energy technical services	97,500	96,185	(1,315)	Still in the start-up stage	Profitability should be achieved upon operations of the constructed energy storage equipment

(III) Investment plans for the coming year:

In the coming year, the Company will invest additional capital in the investee companies as appropriate to meet their business development needs. In addition, the Company will continue to invest in the construction of power plants that have been contracted but not yet completed, and will continue to evaluate investment plans related to current operations and proceed with prudence after evaluating the capital position and related investment risks.

VI. Analysis and assessment of risks during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

(I) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. The effect upon the company's profits (losses) of interest rate fluctuations and response measures to be taken in the future

Unit: Thousand NTD

Item / Year	2021	2022
Interest expense	49,165	60,698
Net revenue	1,542,843	3,268,549
% of net revenue	3.19	1.86

Source: Financial statements audited and certified by CPAs

Interest expenses for 2021 and 2022 were NT\$49,165 thousand and NT\$60,698 thousand, respectively, representing 3.19% and 1.86% of net operating revenues for the years. The interest expenses were mainly due to the Company's borrowings from financial institutions to finance its operations. Most of the loans were borrowed for the construction of power plants, and there was sufficient revenue from the sale of electricity to cover the repayment of principal and interest on the loans, so the repayment of principal and interest on the loans did not have a significant effect on the Company. In response to changes in interest rates, the Company will maintain good relationships with banks and regularly evaluate the trend of interest rates in order to obtain more favorable interest rates and reduce interest expenses. If necessary, the Company will increase the ratio of its own capital and reduce the amount of financing to reduce the impact of interest rate changes on the Company's profit and loss.

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

Unit: Thousand NTD

Item / Year	2021	2022
Net exchange gain (loss)	2,079	(17,675)
Net revenue	1,542,843	3,268,549
% of net revenue	0.13	(0.54)

Source: Financial statements audited and certified by CPAs

The net exchange gains and losses for 2020 and 2021 were NT\$2,079 thousand and NT\$(17,675) thousand, respectively, representing 0.13% and (0.54)% of net operating revenues for the years. The effect of exchange rate fluctuations on the Company was not significant. The Company maintains a certain foreign exchange receipts and disbursements position for natural hedging. In addition, to reduce the impact of exchange rate fluctuations on profit or loss, the Company also constantly collects information on exchange rate trends and hedges with derivatives by making reference to information provided by banks on exchange rate trends, in order to reduce the impact of exchange rate changes on profit or loss.

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

To date, the Company has not experienced a significant impact on its financial operations due to inflation. In order to maintain stable supply prices, the Company keeps abreast of global political and economic changes and market price fluctuations, and maintains good interaction with suppliers and customers to adjust its purchasing and sales strategies in a timely manner. Therefore, the Company should be able to cope with the impact of future changes in economic conditions such as inflation, so that its operations will not be

significantly affected.

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

The Company focuses on its business based on the principle of conservatism and prudence and does not engage in high-risk, highly leveraged investments. During the most recent fiscal year and in the current fiscal year up to the date of publication of the annual report, for loans to other parties, endorsements and guarantees, and derivative transactions that the Company engages in for operational purposes, the Company has established "Procedures for Loans to Other Parties", "Procedures for Endorsements and Guarantees" and "Procedures for Acquisition or Disposal of Assets" in accordance with the relevant laws and regulations of the competent authorities, and approved by the board of directors and the shareholders' meeting as the basis for relevant transactions. When the Company engages in the above transactions, it follows relevant procedures.

- (III) Research and development work to be carried out in the future, and further expenditures expected for research and development work

In the solar cell module segment, the Company's future research and development direction is to improve the conversion efficiency of solar cell modules, move toward development and design of high-efficiency modules, and strengthen cooperation with customers to develop new products. In energy technical services, the Company will continue to develop products that combine power plants with other industries, and cooperate with system providers to develop ways to reduce the damage rate of solar modules, reduce construction costs, and facilitate subsequent maintenance of modules.

The Company's 3D metal printing division combines its investment in Circle Metal Powder Co., Ltd. and its affiliate, CHINUP TECHNOLOGY CO., LTD., to create a vertically integrated supply chain, customizing the powder from the source to meet end-users' demands and producing customized products with 3D printing machines. The Company has obtained aerospace-related certification (AS9100) and is in the process of applying for GMP certification for medical devices. The Company will develop medical-related fields in the future and continue to invest in R&D to expand the application of its end products.

In recent years, the Company's research and development expenses have accounted for approximately 1-2% of its revenue in each year. As the Company continues to focus on product quality and technology enhancement, and continues to develop products that integrate power plants with other industries, it is expected that R&D expenditures will remain at the same level or increase in future years, in order to ensure competitive advantage.

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

Due to petroleum shortage and environmental pollution, the issue of environmental protection is becoming increasingly important, leading to the rise of demand for alternative energy. Governments are now offering various incentives for the use of solar power, which is positive for the Company's industry outlook. The Company's operations have all been carried out in accordance with the relevant rules and procedures that have been established and in compliance with relevant domestic and international laws and regulations. In recent years, the Company's operations have not been significantly affected by changes in domestic and foreign policies and laws. However, the Company still pays attention to the development of relevant domestic and overseas policies and closely monitors the changes of relevant regulations, so that it can take early measures in response.

- (V) Effect on the company's financial operations of developments in science and technology as well as industrial

change, and measures to be taken in response

The Company keeps abreast of the development of related industries and changes in the environment, collects relevant market surveys and understands market trends, and adjusts its business strategies and product portfolio in a timely manner to ensure its competitive advantage in the market. For the most recent year and up to the publication date of the annual report, there were no developments in science and technology or the industries that affected the Company's financial operations.

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

Since its founding, the Company has focused on its business operations, complied with relevant laws and regulations, and actively strengthened internal management and improved management quality and performance in order to maintain an excellent corporate image and enhance customers' trust in the Company. For the most recent fiscal year and up to the date of publication of the annual report, there was no significant impact due to changes in the Company's corporate image. The Company will continue to fulfill various corporate governance requirements to reduce the occurrence of corporate risks and their impact on the Company.

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

The Company has no plans to acquire other companies in the most recent year and as of the publication date of the annual report. In the event of future mergers and acquisitions, the Company will operate in accordance with the laws and regulations and conduct benefit evaluations and risk controls in order to achieve the goal of maximizing benefits and minimizing risks to the Company.

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

For future development, the Company has purchased land in the same science and industrial area in 2020 for plant expansion, which is expected to be completed by the end of 2023.

- (IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

1. Purchases

The Company has established long-term cooperative relationships with raw material suppliers, and has obtained market information from various sources, so that the Company can obtain material supplies at reasonable prices. The supply of materials is diversified and flexible, and there are more than two sources of supply for each raw material. The supply situation of each supplier is good, and there has been no interruption of supply that affects production. The Company's largest single supplier accounted for 47.58% and 58.78% of net purchases in 2021 and 2022, respectively, and the Company continues to seek other suppliers to reduce the risk of concentration of purchases.

2. Sales

The largest single customer accounted for 26.50% and 42.85% of net sales in 2021 and 2022 respectively. In 2020, the largest single customer was in the solar industry, where the supply chain was affected by the fluctuation of the solar energy market, and thus the number of production and sales by the Company fluctuated. The 2021 figure was mainly power plant revenue from Taipower, which is a long-term stable revenue. In addition to maintaining a good relationship with its current customers, the Company will continue to actively explore other new customers and new business opportunities to reduce the risk of concentration of sales.

- (X) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor,

or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken

For the most recent fiscal year and up to the date of publication of the annual report, there was no significant transfer of ownership by the directors, supervisors or substantial shareholders holding more than 10% of the shares of the Company.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: No such events.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: No such events.

(XIII) Effect on the company's financial operations of information risks and measures to be taken in response

Policy on information security and related measures:

1. Employees shall be appropriately segregated in their job duties and authorized only with necessary access and information to complete their jobs. Employees should change their computer passwords every three months.
 2. New hires shall sign relevant codes of practice and understand that information security is the obligation of every employee.
 3. Establish the security of information assets and network firewall, mail security system, etc., and prohibit the use of non-authorized software.
 4. The information department regularly performs backup and restoration drills, updates anti-virus software, and publishes information security and data confidentiality campaigns from time to time.
- Continually review and evaluate cybersecurity to ensure its appropriateness and effectiveness. While there is no guarantee that the Company will be immune to emerging risks and attacks in the face of ever-changing cybersecurity threats, the Company continues to strengthen its cybersecurity systems and educate the colleagues on Internet usage to reduce risks.

(XIV) Other important risks, and mitigation measures being or to be taken: N/A.

VII. Other important matters: N/A.

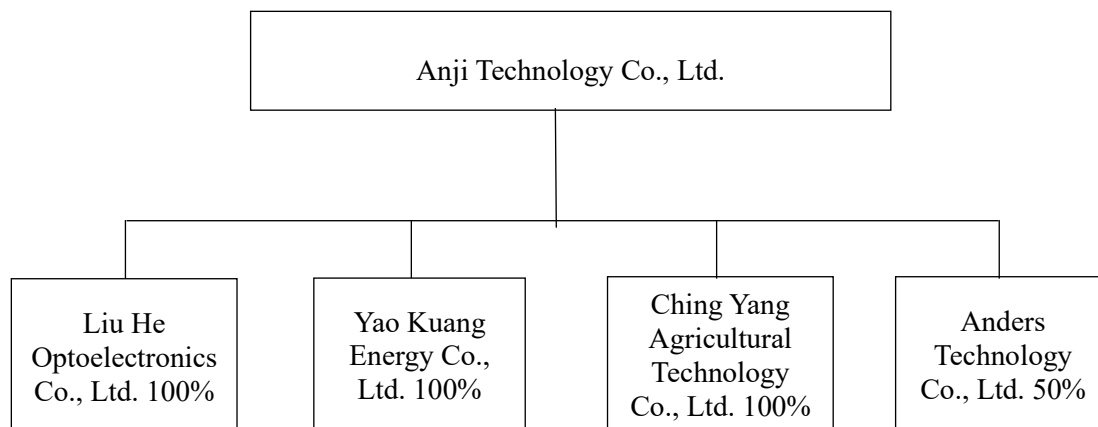
VIII. Special Items

I. Information related to the company's affiliates

(I) Consolidated Business Report Covering Affiliated Enterprises

1. Overview of Affiliate Organizations

(1) Affiliate Organization Chart



(2) Affiliate Profiles

Unit: Thousand NTD

Company Name	Date of Incorporation	Address	Paid-In Capital	Main Business or Production Items
Liu He Optoelectronics	June 24, 2011	No. 19, Keji 5th Rd., Annan District, Tainan City	67,000	Energy technical services
Yao Kuang Energy	January 29, 2013	No. 19, Keji 5th Rd., Annan District, Tainan City	29,000	Energy technical services
Ching Yang Agriculture	February 26, 2013	No. 19, Keji 5th Rd., Annan District, Tainan City	32,200	Energy technical services and solar precision agriculture
Anders Technology	February 23, 2021	No. 19, Keji 5th Rd., Annan District, Tainan City	40,000	Sales and purchases of metal 3D printing products

(3) Affiliates concluded as the existence of the controlling and subordinate relation: N/A.

(4) Industries covered by the business operated by the affiliates overall and a description of the division of work among affiliates

Company Name	Business	Division of Work
Liu He Optoelectronics Co., Ltd.	Energy technical services	Building power plants using Anji's own modules
Yao Kuang Energy Co., Ltd.	Energy technical services	Building power plants using Anji's own modules
Ching Yang Agricultural Technology Co., Ltd.	Energy technical services and solar precision agriculture	Building power plants using Anji's own modules and planning the use of agricultural land under power plants
Anders Technology Co., Ltd.	Sales and purchases of metal 3D printing products	Product trading using Anji's own 3D printing products

(5) Information on the directors, supervisors, and general manager of each affiliate

Unit: Shares; %

Company Name	Job Title	Name or Representative	Shares held	
			No. of shares	Shareholding ratio
Liu He Optoelectronics	Chairman and President	Anji Technology Co., Ltd. (Representative: Huang, Kuo-Tung)	6,700,000	100%
Yao Kuang Energy	Chairman and President	Anji Technology Co., Ltd. (Representative: Huang, Kuo-Tung)	2,900,000	100%
Ching Yang Agriculture	Chairman and President	Anji Technology Co., Ltd. (Representative: Huang, Kuo-Tung)	3,220,000	100%
Anders Technology	Chairman and President	Anji Technology Co., Ltd. (Representative: Huang, Kuo-Tung)	2,000,000	50%

2. Overview of Affiliate Operations

Financial position and operation performance of affiliates:

December 31, 2022

Unit: Thousand NTD

Company Name	Capital Amount	Total assets	Total liabilities	Net value	Operating Revenue	Operating Income	Profit or loss for the period (after tax)	Earnings per share (NT\$) (after tax)
Liu He Optoelectronics Co., Ltd.	67,000	144,223	48,065	96,158	15,365	10,804	7,794	1.16
Yao Kuang Energy Co., Ltd.	29,000	76,086	31,992	44,094	7,142	5,588	3,874	1.34
Ching Yang Agricultural Technology Co., Ltd.	32,200	70,136	24,975	45,161	7,879	5,594	3,920	1.22
Anders Technology Co., Ltd.	40,000	39,395	889	38,506	4,623	(870)	(1,025)	(0.26)

(II) Consolidated financial statements of affiliates

For the year 2021 (from January 1, 2021 to December 31, 2021), the companies that shall be included in the consolidated financial statements covering affiliated enterprises in accordance with the “Regulations Governing Preparation of Consolidated Business Reports Covering Affiliated Enterprises, Consolidated Financial Statements Covering Affiliated Enterprises, and Reports on Affiliations” are consistent with those that should be included in the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10, and the information required to be disclosed in the consolidated financial statements covering affiliated enterprises has been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. Therefore, the Company has not prepared a separate consolidated financial statements covering affiliated enterprises.

- II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: N/A.
- III. Holding or Disposal of the Company's Shares by Subsidiaries of the Company in the Most Recent Fiscal Year and Up to the Publication Date of the Annual Report: No such situations.
- IV. Other matters that require additional description: N/A.

IX. Other Disclosures

If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: No such situations.

Appendices

Appendix I. Statement on Internal Control

Anji Technology Co., Ltd.
Statement on Internal Control

Date: February 23, 2023

Based on the results of self-evaluation, the Company's internal control system for fiscal year 2022 is stated as follows:

- I. The Company recognizes that the establishment, implementation and maintenance of an internal control system is the responsibility of the Board of Directors and the managerial officers of the Company. The Company has established such a system. The purpose is to provide reasonable assurance of the effectiveness and efficiency of operations (including profitability, performance and safety of assets), reliability, timeliness, and transparency of reporting, as well as compliance with relevant laws and regulations.
- II. Internal control systems have inherent limitations. No matter how well designed, an effective internal control system can only provide reasonable assurance that the above three objectives will be achieved. Moreover, the effectiveness of the internal control system may change due to changes in circumstances and conditions. Nevertheless, the Company's internal control system has a self-monitoring mechanism. Once deficiencies are identified, the Company will take corrective action.
- III. The Company determines the effectiveness of the design and implementation of the internal control system based on the criteria of the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the Regulations). The criteria of internal control systems adopted in the Regulations are based on the process of management control, and a company's internal control system shall comprise the following five constituent elements: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communications, and 5. monitoring activities. Each constituent element includes several items. Refer to the Regulations for such items.
- IV. The Company has adopted the above criteria to evaluate the effectiveness of the design and implementation of its internal control system.
- V. Based on the results of the preceding evaluation, the Company believes that its internal control system (including the supervision and management of subsidiaries) as of December 31, 2022, including the understanding of the extent to which operational effectiveness and efficiency objectives have been achieved, the design and implementation of the internal control system that is reliable, timely, transparent and in compliance with relevant regulations and relevant laws and regulations, is effective, and that it can reasonably ensure the achievement of the aforementioned objectives.
- VI. This statement will be a major component of the Company's annual report and public statement, and will be made available to the public. If the contents of the above-mentioned disclosures are false or concealed, legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be incurred.
- VII. This statement was approved by the Board of Directors at the Company's meeting held on February 23, 2023. Of the 8 directors present, 0 held an opposing view. The remaining directors agree to the contents of this statement. The statement is hereby made.

Anji Technology Co., Ltd.

Chairman: Huang, Kuo-Tung signature

President: Hsu, Chia-Jung signature

Anji Technology Co., Ltd.
Audit Committee Review Report

The Board of Directors has resolved on the Company's 2022 business report, financial statements and appropriation of earnings. The financial statements (balance sheet, consolidated statement of income, statement of changes in equity, and statement of cash flows) and the consolidated financial statements have been audited and certified by CPAs Li, Chi-Chen and Wang, Teng-Wei of Deloitte Taiwan, who was appointed by the Board of Directors, and a report has been issued.

The Audit Committee is responsible for overseeing the financial reporting process of the Company.

While certifying the Company's financial statements for fiscal year 2022, the CPAs communicated with the Audit Committee, among others, on the following matters:

1. The scope and timing of the audit planned by the CPAs have not yet resulted in significant audit findings.
2. The CPAs have provided to the Audit Committee and others that the personnel of the firms to which the CPAs belong are subject to independence regulations and have complied with the statement of independence in the Code of Ethics for Accountants. No other relationships or other matters have been identified that could be considered to affect the accountants' independence.
3. The CPAs have communicated with the Audit Committee on critical audit issues. The critical audit issues that are required to be communicated in the audit report have been included in the audit report.

The financial statements, business report and proposal for distribution of earnings for the year 2022 resolved by the Board of Directors have been examined by the Audit Committee and found to be in compliance with the relevant laws and regulations. The Committee hereby prepares a report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Please review

To

2023 Anji Technology Co., Ltd. Annual Meeting of Shareholders

Audit Committee Convener: Huang, Hsiao-Hsin

February 23, 2023.

Appendix III. The most recent year's financial statement

**DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF
AFFILIATES**

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the years ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

ANJI TECHNOLOGY CO., LTD.

By

KUO-TUENG HUANG
Chairman
February 23, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Anji Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Anji Technology Co., Ltd. (the Company) and its subsidiaries (collectively, the Group), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies. (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, 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 Taiwan, the Republic of China (ROC).

Basis for Opinion

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

Key Audit 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, 2022. 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 matters of the consolidated financial statements for the year ended December 31, 2022 is described as follows:

The company's main revenue from the sale of solar modules. Based on the importance and auditing standards, the recognition of revenue is a significant risk. Therefore, the accountant believes that the Group recognizes the sales revenue of solar modules for specific customers. Whether or not it happens will have a significant impact on the financial statements, so the authenticity of the recognition of solar module sales revenue for specific customers is listed as a key issue for this year's inspection. Refer to Notes 4 (13) to the Corporation's standalone financial statements for the related accounting policies and disclosures on sales revenue.

Our main audit procedures performed in regard of this key audit matter include:

- We understood the design and implementation of the procedures regarding approval of sales revenue of solar modules for specific customers.
- We verified the occurrence and validity of the specific goods and customers by confirming the customer information.
- We obtained subsequent details of the abovementioned specific goods and customers and checked whether there were any material and unusual sales returns and allowances and confirmed the appropriateness of accounting treatment and presentation.

Other Matter

We have also audited the parent company only financial statements of Anji Technology Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by FSC of Taiwan, the ROC, 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

auditing standards generally accepted in 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 auditing standards generally accepted in the ROC, 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 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, 2022 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 audit resulting in this independent auditors' report are Teng-Wei Wang and Chi-Chen Li.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2023.

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 accepted and applied in the Republic of China.

For the convenience of readers, the 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.

ANJI TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 6)	\$ 1,151,546	14	\$ 637,750	10
Financial assets at fair value through profit or loss - current (Notes 7 and 19)	5,093	-	4,230	-
Financial assets at amortized cost – current (Notes 9 and 33)	120,299	2	107,339	2
Contract assets – current (Notes 25)	970	-	5,730	-
Notes receivable (Notes 10 and 25)	14,973	-	4,404	-
Accounts receivable (Notes 10 and 25)	675,508	8	320,767	5
Accounts receivables from related parties (Note 10, 25 and 32)	27,085	-	211,231	3
Finance lease receivables (Note 11 and 33)	156,436	2	151,625	2
Inventories (Notes 12)	566,235	7	502,397	8
Other current assets (Note 17, 27 and 32)	103,938	1	85,394	1
Total current assets	<u>2,822,083</u>	<u>34</u>	<u>2,030,867</u>	<u>31</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 8 and 32)	110,678	1	122,644	2
Financial assets at amortized cost - non-current (Note 9, 16 and 33)	139,770	2	143,944	2
Investments accounted for using the equity method (Note 14 and 32)	208,932	3	95,986	2
Property, plant and equipment (Note 15, 32, 33 and 34)	2,579,396	31	1,538,344	23
Right-of-use assets (Note 16)	240,862	3	251,910	4
Other intangible assets	826	-	847	-
Deferred tax assets (Note 4 and 27)	38,432	-	30,168	-
Finance lease receivables - non-current (Note 11 and 33)	1,977,547	24	2,079,351	32
Other non-current assets (Note 12, 16, 17 and 32)	121,645	2	271,247	4
Total non-current assets	<u>5,418,088</u>	<u>66</u>	<u>4,534,441</u>	<u>69</u>
TOTAL	<u>\$ 8,240,171</u>	<u>100</u>	<u>\$ 6,565,308</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18 and 33)	\$ 543,090	7	\$ 473,808	7
Short-term bills payable (Note 18)	159,694	2	59,970	1
Financial liabilities at fair value through profit or loss - current (Notes 7 and 19)	3,800	-	-	-
Contract liabilities – current (Note 25)	42,302	-	24,490	-
Notes payable (Note 20)	5	-	-	-
Accounts payable (Note 20)	304,281	4	294,088	5
Accounts payables to related parties (Notes 20 and 32)	219	-	800	-
Other payables (Note 21)	185,656	2	164,468	3
Other payables to related parties (Note 32)	8,428	-	28,426	-
Current tax liabilities (Notes 4 and 27)	65,441	1	13,301	-
Lease liabilities – current (Note 16)	14,269	-	13,731	-
Current portion of long-term borrowings (Notes 18 and 33)	321,141	4	442,680	7
Other current liabilities (Note 21 and 22)	5,344	-	5,854	-
Total current liabilities	<u>1,653,670</u>	<u>20</u>	<u>1,522,616</u>	<u>23</u>

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
NON-CURRENT LIABILITIES				
Bonds payable (Note 19)	\$ 1,124,391	14	\$ 471,479	7
Long-term borrowings (Note 18 and 33)	1,782,936	21	1,443,626	22
Provisions - non-current (Note 22)	70,788	1	55,021	1
Deferred tax liabilities (Notes 4 and 27)	7,745	-	7,174	-
Finance lease payables - non-current (Notes 16)	234,172	3	243,448	4
Other non-current liabilities (Note 21)	<u>59,330</u>	<u>1</u>	<u>57,044</u>	<u>1</u>
Total non-current liabilities	<u>3,279,362</u>	<u>40</u>	<u>2,277,792</u>	<u>35</u>
 Total liabilities	 <u>4,933,032</u>	 <u>60</u>	 <u>3,800,408</u>	 <u>58</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19 and 24)				
Share capital - ordinary shares	<u>1,212,135</u>	<u>15</u>	<u>1,145,376</u>	<u>17</u>
Capital surplus	<u>1,344,520</u>	<u>16</u>	<u>1,048,975</u>	<u>16</u>
Retained earnings				
Legal reserve	109,992	1	96,351	2
Special reserve	54,076	1	82,944	1
Unappropriated earnings	<u>646,571</u>	<u>8</u>	<u>443,350</u>	<u>7</u>
Total retained earnings	<u>810,639</u>	<u>10</u>	<u>622,645</u>	<u>10</u>
Other equity	<u>(79,341)</u>	<u>(1)</u>	<u>(54,077)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	<u>3,287,953</u>	<u>40</u>	<u>2,762,919</u>	<u>42</u>
 NON-CONTROLLING INTERESTS	 <u>19,186</u>	 <u>-</u>	 <u>1,981</u>	 <u>-</u>
 Total equity	 <u>3,307,139</u>	 <u>40</u>	 <u>2,764,900</u>	 <u>42</u>
 TOTAL	 <u>\$ 8,240,171</u>	 <u>100</u>	 <u>\$ 6,565,308</u>	 <u>100</u>

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

(With Deloitte & Touche auditors' report dated February 23, 2023)

ANJI TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2022</u>		<u>2021</u>	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 32)	\$ 3,268,549	100	\$ 1,542,843	100
OPERATING COSTS (Notes 12, 26 and 32)	<u>2,793,654</u>	<u>85</u>	<u>1,262,382</u>	<u>82</u>
GROSS PROFIT	<u>474,895</u>	<u>15</u>	<u>280,461</u>	<u>18</u>
OPERATING EXPENSES (Notes 10 and 26)				
Selling and marketing expenses	17,660	1	8,905	-
General and administrative expenses	80,882	3	75,051	5
Research and development expenses	15,189	-	15,243	1
Reversal of impairment loss determined in accordance with IFRS 9	<u>-</u>	<u>-</u>	<u>(138)</u>	<u>-</u>
Total operating expenses	<u>113,731</u>	<u>4</u>	<u>99,061</u>	<u>6</u>
PROFIT/(LOSS) FROM OPERATIONS	<u>361,164</u>	<u>11</u>	<u>181,400</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Note 14, 26 and 32)				
Interest income	3,304	-	972	-
Other income	4,753	-	6,273	1
Other gains and losses	(22,853)	-	2,532	-
Share of profit or loss of associates and joint ventures	916	-	2,246	-
Finance costs	<u>(60,698)</u>	<u>(2)</u>	<u>(49,165)</u>	<u>(3)</u>
Total non-operating income and expenses	<u>(74,578)</u>	<u>(2)</u>	<u>(37,142)</u>	<u>(2)</u>
PROFIT/(LOSS) BEFORE INCOME TAX	286,586	9	144,258	10
INCOME TAX EXPENSE (Notes 4 and 27)	<u>58,220</u>	<u>2</u>	<u>12,193</u>	<u>1</u>
NET PROFIT/(LOSS) FOR THE PERIOD	<u>228,366</u>	<u>7</u>	<u>132,065</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	3,607	-	33,183	2
Share of the other comprehensive income/(loss) of associates and joint ventures accounted for using the equity method	<u>(10,034)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income/(loss) for the period, net of income tax	<u>(6,427)</u>	<u>-</u>	<u>33,183</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>\$ 221,939</u>	<u>7</u>	<u>\$ 165,248</u>	<u>11</u>
NET PROFIT/(LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 228,903	7	\$ 132,084	9
Non-controlling interests	<u>(537)</u>	<u>-</u>	<u>(19)</u>	<u>-</u>
	<u>\$ 228,366</u>	<u>7</u>	<u>\$ 132,065</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 222,730	7	\$ 165,267	11
Non-controlling interests	<u>(791)</u>	<u>-</u>	<u>(19)</u>	<u>-</u>
	<u>\$ 221,939</u>	<u>7</u>	<u>\$ 165,248</u>	<u>11</u>
EARNINGS PER SHARE (Note 28)				
Basic	\$ 1.93		\$ 1.16	
Diluted	1.89		1.16	

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

(Concluded)

ANJI TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Capital		Equity Attributable to Owners of the Company				Other Equity Unrealized gain/(loss) on financial assets at FVOCI	Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Collected In Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE, JANUARY 1, 2021	\$ 1,069,714	\$ 4,776	\$ 788,184	\$ 70,006	\$ 73,534	\$ 472,705	(\$ 82,944)	\$ 2,395,975	\$ -	\$ 2,395,975
Appropriation of 2022 earnings										
Legal reserve	-	-	-	26,345	-	(26,345)	-	-	-	-
Special reserve	-	-	-	-	9,410	(9,410)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(130,000)	-	(130,000)	-	(130,000)
Equity component of convertible bonds issued by the Company	-	-	62,789	-	-	-	-	62,789	-	62,789
Net profit/(loss) for the year ended December 30, 2021	-	-	-	-	-	132,084	-	132,084	(19)	132,065
Other comprehensive income/(loss) for the year ended December 31, 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,183</u>	<u>33,183</u>	<u>-</u>	<u>33,183</u>
Total comprehensive income/(loss) for the year ended December 31, 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,084</u>	<u>33,183</u>	<u>165,267</u>	<u>(19)</u>	<u>165,248</u>
Convertible bonds converted to ordinary shares	75,662	(4,776)	198,730	-	-	-	-	269,616	-	269,616
Non-controlling interests	-	-	-	-	-	-	-	-	2,000	2,000
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	4,316	(4,316)	-	-	-
Buy-back of convertible bonds	<u>-</u>	<u>-</u>	<u>(728)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(728)</u>	<u>-</u>	<u>(728)</u>
BALANCE, DECEMBER 31, 2021	1,145,376	-	1,048,975	96,351	82,944	443,350	(54,077)	2,762,919	1,981	2,764,900
Appropriation of 2021 earnings										
Legal reserve	-	-	-	13,640	-	(13,640)	-	-	-	-
Special reserve	-	-	-	-	(28,867)	28,867	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(60,000)	-	(60,000)	-	(60,000)
Equity component of convertible bonds issued by the Company	-	-	78,194	-	-	-	-	78,194	-	78,194
Net profit/(loss) for the year ended December 30, 2022	-	-	-	-	-	228,903	-	228,903	(537)	228,366
Other comprehensive income/(loss) for the year ended December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,173)</u>	<u>(6,173)</u>	<u>(254)</u>	<u>(6,427)</u>
Total comprehensive income/(loss) for the year ended December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>228,903</u>	<u>(6,173)</u>	<u>222,730</u>	<u>(791)</u>	<u>221,939</u>
Convertible bonds converted to ordinary shares	66,759	-	217,347	-	-	-	-	284,106	-	284,106
From share of changes in equities of subsidiaries	-	-	4	-	-	-	-	4	(4)	-
Non-controlling interests	-	-	-	-	-	-	-	-	18,000	18,000
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,091</u>	<u>(19,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, DECEMBER 31, 2022	<u>\$ 1,212,135</u>	<u>\$ -</u>	<u>\$ 1,344,520</u>	<u>\$ 1099,991</u>	<u>\$ 54,077</u>	<u>\$ 646,571</u>	<u>(\$ 79,341)</u>	<u>\$ 3,287,953</u>	<u>\$ 19,186</u>	<u>\$ 3,307,139</u>

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

(With Deloitte & Touche audit report dated February 23, 2023)

ANJI TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 286,586	\$ 144,258
Adjustments for:		
Depreciation expenses	113,757	100,026
Amortization expenses	260	291
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	-	(138)
Net loss(gain) on financial assets and liabilities at fair value through profit or loss	2,110	(580)
Interest expenses	60,698	49,165
Interest income (Included interests revenue of finance lease)	(191,014)	(205,028)
Dividend income	(3,900)	(1,440)
Share of (profit)/loss of associates and joint ventures	(916)	(2,246)
Write-down of inventories	10,349	16,220
Net loss of Buy-back of convertible bonds	-	127
Recognition of provisions	16,305	24,589
Other	(65)	407
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	467	1,163
Contract assets	4,760	(5,730)
Notes receivable	(10,569)	6,875
Accounts receivable	(354,741)	(58,521)
Accounts receivables from related parties	184,146	(138,573)
Inventories	(208,304)	(272,632)
Other current assets	(27,809)	(33,476)
Finance lease receivables	96,993	97,418
Contract payable	16,812	20,529
Notes receivable	5	(38)
Accounts payable	10,193	125,844
Accounts payable from related parties	(581)	(2,382)
Other payables	21,656	(6,910)
Other payable from related parties	(14,443)	(1,363)
Provisions	-	(480)
Other current liabilities	(719)	1,037
Other non-current liabilities	2,286	3,532
Cash generated/(used) from operations	14,322	(138,056)
Interest received	191,014	205,028
Interest paid	(45,744)	(44,078)
Income tax paid	(13,773)	(66,008)
Net cash generated from operating activities	(145,819)	(43,114)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(12,781)	(36,020)
Disposal of financial assets at fair value through other comprehensive income	28,355	-

(Continued)

ANJI TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Purchase of financial assets at fair value through profit or loss	(2,825)	(4,956)
Dispos of financial assets at fair value through profit or loss	-	1,935
Purchase of financial assets at amortized cost	(8,786)	(42,518)
Purchase of financial assets for using the equity method	(122,000)	(9,800)
Payments for property, plant and equipment	(862,871)	(623,055)
Increase in refundable deposits	(36,235)	(44,412)
Decrease in refundable deposits	31,064	39,943
Increase in other receivable from related parties	-	(10,000)
Decrease in other receivable from related parties	10,000	-
Purchase of intangible assets	(239)	(352)
Dividends received	3,900	1,440
Net cash used in investing activities	(<u>972,418</u>)	(<u>727,795</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,303,856	996,095
Repayments of short-term borrowings	(1,234,574)	(692,917)
Increase of short-term notes	910,000	200,000
Decrease of short-term notes	(810,000)	(140,000)
Issuance of bonds payable	1,009,091	534,946
Repayments of bond payables	-	(13,900)
Proceeds from long-term borrowings	593,190	498,930
Repayments of long-term borrowings	(375,419)	(250,020)
Repayment of the principal portion of lease liabilities	(13,749)	(161,363)
Cash dividends	(60,000)	(130,000)
Increase in non-controlling interests	18,000	2,000
Net cash generated from/(used in) financing activities	<u>1,340,395</u>	<u>843,771</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	513,796	72,862
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>637,750</u>	<u>564,888</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$1,151,546</u>	<u>\$ 637,750</u>

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

(With Deloitte & Touche auditors' report dated February 23, 2023)

(Concluded)

ANJI TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Anji Technology Co., Ltd. (the Company) was incorporated in February 2007 under the laws of the Republic of China (ROC). The Company mainly research, develops, manufactures and sells solar molds. It also provides energy services.

The Company's shares have been listed on the Taipei Exchange ("TPEX") Emerging Stock Board ("ESB") from October 2014 until June 2016, when the Company listed its shares on the Taiwan Stock Exchange (TWSE).

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 published after being approved by the Company's board of directors on February 23, 2023

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

- 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 "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)
Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies:
- b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"□	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
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
Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"□	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for

financial instruments 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.

Classification of Current and Noncurrent Assets and Liabilities Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within 12 months after the reporting period; and
- c. 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:

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

Assets and liabilities that are not classified as current are classified as noncurrent.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, including structured entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

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

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

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration

received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of [financial assets at fair value through other comprehensive income/financial assets at fair value through profit or loss] or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

See Note 13 and Table 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

Foreign Currencies

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

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

Nonmonetary 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 nonmonetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of nonmonetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Nonmonetary items denominated in a foreign currency and measured at historical cost are not retranslated.

Inventories

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

Investments in Associates

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

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

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

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

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.

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 method 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.

Intangible Assets

a. 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. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

b. 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.

Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets

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

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

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or incremental costs of obtaining a contract 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 for the asset, cash-generating unit or incremental costs of obtaining a contract in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

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

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

a. Financial assets

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

1) Measurement category

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

a) Financial assets at FVTPL

Financial assets is classified as at FVTPL when the financial asset is mandatorily classified as at FVTPL.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 30: Financial Instruments.

b) 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.
- 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(include related party), note receivable, other receivable(include related party) (recognized in other current assets) at amortized cost, other financial assets(include current and non-current), and Refundable deposits (recognized in other non-current assets) 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 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 assets that are not credit impaired on purchase or origination but have 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.

c) Investments in equity instruments at FVTOCI

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

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

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

2) Impairment of financial assets and contract assets

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

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

equal to 12-month ECLs.

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

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

- a) Internal or external information show that the debtor is unlikely to pay its creditors.
- b) Failure of the debtors to discharge their obligation within their credit periods, unless the

Company has reasonable and corroborative information to support a more lagged default criterion. The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

3) Derecognition of financial assets

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

On derecognition of 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.

b. Equity instruments

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

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

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, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

1) Subsequent measurement

Except the financial liabilities at fair value through profit or loss, all financial liabilities are measured at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

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

d. Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

e. 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, interest rate swaps.

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; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. 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.

Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

a. Warranties

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the Company's best estimate of the expenditure required to settle the Company's obligation.

b. Levies

Levies imposed by a government are accrued as other liabilities when the transactions or activities that trigger the payment of such levies occur. If the obligating event occurs over a period of time, the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

Revenue Recognition

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of solar module. Sales of solar module are recognized as revenue when the goods trade terms are reached or when shipments are made 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. Account receivables are recognized concurrently. The transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

The company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the processing

Revenue from the processing from solar module OEM, which is recognized based on the completion of solar cell module processing. Advance receipts are recognized as contract liabilities before shipment

3) Revenue of Electricity sales

Revenue from electricity sales is calculated based on the actual electricity sales and the agreed rate, and is recognized when the electricity is transmitted to the substation at Taipower.

4) Construction contract revenue

While the construction is in progress; thus, the company recognizes revenue over time. The company measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. Contract assets are recognized during the construction and are reclassified to account receivables at the point at which the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the company recognizes contract liabilities

Leasing

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

a. The Company 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. Under finance leases, the lease payments comprise fixed payments and in-substance fixed payments.

The net investment in a lease is measured at the present value of the sum of the lease payments receivable by a lessor and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the company's net investment outstanding in respect of leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

b. The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for an estimate of costs needed to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company 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 resulting in a change in future lease payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

Borrowing Costs

Borrowing costs directly attributable to the 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 stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government Grants

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

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

Employee Benefits

a. 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 service.

b. Retirement benefits

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

Taxation

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

a. Current tax

Current taxes include tax payables and tax deduction receivables on taxable gains (losses), as well as tax adjustments of prior years' tax liabilities.

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

b. Deferred tax

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

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

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

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

c. Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates, 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.

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

6. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand	\$ 185	\$ 185
Checking accounts and demand deposits	1,074,711	637,565
Cash equivalents (investments with original maturities of less than three months)	76,650	-
	<u>\$ 1,151,546</u>	<u>\$ 637,750</u>

Cash equivalents year's rate is 4.88%~5.1% at December 31,2022.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS – CURRENT

	December 31, 2022	December 31, 2021
<u>Financial assets mandatorily classified as at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	\$ 300	\$ 1,350
Non-derivative financial assets		
Domestic listed shares	2,985	2,790
Domestic unlisted shares	18,808	90
	<u>\$ 5,093</u>	<u>\$ 4,230</u>
<u>Financial liabilities held for trading</u>		
Derivative financial assets (not under hedge accounting)		
Convertible options(Note 19)	<u>\$ 3,800</u>	<u>\$ -</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NON CURRENT

	December 31, 2022	December 31, 2021
Domestic investments		
Listed shares	\$ 35,013	\$ 50,725
Unlisted shares	75,509	71,720
Foreign investments		
Anji Technosolution Co., Ltd.	156	199
	<u>\$ 110,678</u>	<u>\$ 122,644</u>

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

In 2011 and 2011, the company adjusted its investment positions to diversify risks, and sold some domestic investment stocks. The related other interests - financial assets measured at fair value through other comprehensive gains and losses, unrealized evaluation gains and losses of 19,091 and 4,316, were transferred into retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2022	December 31, 2021
<u>Current</u>		
Domestic investments		
Reserve Account	<u>\$ 120,299</u>	<u>\$ 107,339</u>
<u>Non-current</u>		
Domestic investments		
Time deposits with pledged as security (a)	<u>\$ 139,770</u>	<u>\$ 143,944</u>

The market interest rates of the time deposits with pledged as security were 0.43%-1.45% and 0.04%-0.84%, respectively, as of December 31, 2022 and 2021

b. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND RECEIVABLES FROM RELATED PARTIES

	December 31, 2022	December 31, 2021
<u>Notes receivable</u>		
Notes receivable - operating	<u>\$ 14,973</u>	<u>\$ 4,404</u>
<u>Accounts receivables</u>		
Accounts receivable - operating	\$ 702,593	\$ 531,998
Less: Allowance for impairment loss	-	-
	<u>\$ 702,593</u>	<u>\$ 531,998</u>

The average credit period on sales of goods was 30 to 120 days. The allowance for doubtful receivables is assessed by reference to the collectability of receivables by historical experience, current financial condition of customers and any significant change in credit quality.

For the accounts receivable balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss because there was no significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements for these balances.

The aging analysis based on the past due date of receivables and receivables from the related parties were as follows:

December 31, 2022

	Not Past Due	Less than 30 Days	Total
Expected credit loss rate	0%	0%	
Gross carrying amount	\$ 717,566	\$ -	\$ 717,566
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 717,566</u>	<u>\$ -</u>	<u>\$ 717,566</u>

December 31, 2021

	Not Past Due	Less than 30 Days	Total
Expected credit loss rate	0%	0%	
Gross carrying amount	\$ 515,136	\$ 21,266	\$ 536,402
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 515,136</u>	<u>\$ 21,266</u>	<u>\$ 536,402</u>

The movements of the allowance for doubtful accounts receivable were as follows:

	2021
Balance, beginning of period	\$ 70,629
Add: Impairment loss for current period	(73,530)
Less: Reversal of impairment loss for current period	138
Foreign exchange gains and losses	<u>3,039</u>
Balance, end of period	<u>\$ -</u>

11. FINANCE LEASE RECEIVABLES

	December 31, 2022	December 31, 2021
Gross investment in leases		
Not later than 1 year	\$ 324,490	\$ 329,434
Later than 1 year and not later than 2 years	272,767	276,095
Later than 2 year and not later than 3 years	269,862	273,129
Later than 3 year and not later than 4 years	266,997	270,220

Later than 4 year and not later than 5 years	264,160	267,351
Later than 5 years	<u>2,039,495</u>	<u>2,306,976</u>
	3,437,771	3,722,725
Less: Unearned finance income	<u>1,303,788</u>	<u>1,491,749</u>
Present value of minimum lease payments	<u>\$ 2,133,983</u>	<u>\$ 2,230,976</u>
Finance lease receivables-current	\$ 156,436	\$ 151,625
Finance lease receivables-non-current	<u>2,977,547</u>	<u>2,079,351</u>
Finance lease receivables	<u>\$ 2,133,983</u>	<u>\$ 2,230,976</u>

The Company entered into a finance lease agreement with a client to lease out its data center equipment as part of the project business services provided to the client. The term of the finance lease entered into was 5 years. The interest rate inherent in the lease was 3.0%, which was determined at the contract date and was fixed for the entire term of the lease.

The interest rate inherent in the leases was fixed at the contract date for the entire lease term. The interest rate inherent in the finance lease was approximately 4.67%-18.12% per annum as of December 31, 2021 and 2022, respectively.

The Company measures the loss allowance for Finance lease receivable at an amount equal to lifetime ECLs. The respective leased equipment served as collateral for the finance lease receivables. As of December 31, 2022 and 2021, no finance lease receivable was past due. The Company has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

Refer to Note 33 for information relating to Finance lease receivables pledged as security.

12. INVENTORIES

	December 31, 2022	December 31, 2021
Merchandise	\$ 5	\$ 1,039
Finished goods	243,077	284,934
Work-in-process	20,915	72,956
Semi-finished goods	7,244	10,137
Raw materials	277,325	123,665
Supplies	<u>17,669</u>	<u>9,666</u>
	<u>\$ 566,235</u>	<u>\$ 502,397</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was NT\$2,616,082 thousand and NT\$1,044,138 thousand, respectively.

The cost of goods sold for the years ended December 31, 2022 and 2021 included inventory write-downs of NT\$10,349 thousand and NT\$16,220 thousand, respectively.

The prepayments for facilities of the years ended December 31, 2022 and 2021 included inventory transfer of NT\$133,788 thousand and NT\$152,995 thousand, respectively.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

Investor	Investee	Main Business	% of Ownership	
			December 31, 2022	December 31, 2021
Anji Technology Co., Ltd.	Liu Ho energy technology Co., Ltd.	Energy technology service industry	100	100
	Yao Guang Power Co., Ltd.	Energy technology service industry	100	100
	Qing Yang Agricultural technology Co., Ltd.	Energy technology service industry and solar agriculture	100	100
	Anders Technology Co., Ltd.	Sales and purchases of metal 3D printing products	50	80

The company did not participate in the cash capital increase of 7,000 thousands in March 2011 according to the shareholding ratio, resulting in a decrease in the shareholding ratio. Since it does not affect the company's control over the subsidiary, the company treats it as an equity transaction and increases the capital reserve 4 thousands. In addition, in December 2011, according to the shareholding ratio, the capital of Anders Company was increased by 5,000 thousands in cash

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31, 2022	December 31, 2021
Investments in associates		
Associates that are not individually material	<u>\$ 208,932</u>	<u>\$ 95,986</u>

Associates that are not individually material

	2022	2021
The Group's share of:		
Total comprehensive income for the year	<u>(\$ 9,118)</u>	<u>\$ 2,246</u>

- The company reinvested 24,500 thousand and 9,800 thousand in Antai Energy in August 2011 and September 2011, respectively.
- The company increased the capital of Jiayi Energy Company by 30,000 thousand, 38,750 thousand and 28,750 thousand in March, May and August 2011, respectively.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Hydropower Equipment	Transportation Equipment	Office equipment	Other Facilities	Equipment under Installation and Construction in Progress	Total
<u>Cost</u>									
Balance at January 1, 2021	\$ 69,786	\$ 163,665	\$ 327,683	\$ 340,005	\$ 5,018	\$ 7,983	\$ 89,983	\$ -	\$1,004,123
Additions	-	380	42,377	878,618	3,896	-	2,619	93,901	1,021,791
Disposals	-	-	(60,739)	-	-	(71)	-	-	(60,810)
Balance at December 31, 2021	<u>\$ 69,786</u>	<u>\$ 164,045</u>	<u>\$ 309,321</u>	<u>\$1,218,623</u>	<u>\$ 8,914</u>	<u>\$ 7,912</u>	<u>\$ 92,602</u>	<u>\$ 93,901</u>	<u>\$1,965,104</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2021	\$ -	\$ 43,604	\$ 259,420	\$ 11,039	\$ 3,346	\$ 7,907	\$ 76,466	\$ -	\$ 401,782
Depreciation	-	5,759	28,984	45,180	1,163	30	4,672	-	85,788
Disposals	-	-	(60,739)	-	-	(71)	-	-	(60,810)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 49,363</u>	<u>\$ 227,665</u>	<u>\$ 56,219</u>	<u>\$ 4,509</u>	<u>\$ 7,866</u>	<u>\$ 81,138</u>	<u>\$ -</u>	<u>\$ 426,760</u>
Carrying amounts at December 31, 2021	<u>\$ 69,786</u>	<u>\$ 114,682</u>	<u>\$ 81,656</u>	<u>\$1,162,404</u>	<u>\$ 4,405</u>	<u>\$ 46</u>	<u>\$ 11,464</u>	<u>\$ 93,901</u>	<u>\$1,538,344</u>
<u>Cost</u>									
Balance at January 1, 2022	\$ 69,786	\$ 164,045	\$ 309,321	\$1,218,623	\$ 8,914	\$ 7,912	\$ 92,602	\$ 93,901	\$1,965,104
Additions	188,336	300	67,429	95,361	800	92	4,537	781,895	1,138,750
Disposal	-	-	(40,144)	-	-	(592)	(13)	-	(40,749)
Balance at December 31, 2022	<u>\$ 258,122</u>	<u>\$ 164,345</u>	<u>\$ 336,606</u>	<u>\$1,313,984</u>	<u>\$ 9,714</u>	<u>\$ 7,412</u>	<u>\$ 97,126</u>	<u>\$ 875,796</u>	<u>\$3,063,105</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2022	\$ -	\$ 49,363	\$ 227,665	\$ 56,219	\$ 4,509	\$ 7,866	\$ 81,138	\$ -	\$ 426,760
Depreciation	-	5,817	23,020	62,279	1,285	43	5,254	-	97,698
Disposal	-	-	(40,144)	-	-	(592)	(13)	-	(40,749)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 55,180</u>	<u>\$ 210,541</u>	<u>\$ 118,498</u>	<u>\$ 5,794</u>	<u>\$ 7,317</u>	<u>\$ 86,379</u>	<u>\$ -</u>	<u>\$ 483,709</u>
Carrying amounts at December 31, 2022	<u>\$ 258,122</u>	<u>\$ 109,165</u>	<u>\$ 126,065</u>	<u>\$1,195,486</u>	<u>\$ 3,920</u>	<u>\$ 95</u>	<u>\$ 10,747</u>	<u>\$ 875,796</u>	<u>\$2,579,396</u>

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

Buildings	
Main buildings	35 years
Engineering systems	3-15 years
Machinery and Equipment	4-8 years
Hydropower Equipment	20 years
Transportation Equipment	5 years
Office equipment	3-5 years
Other Facilities	3-20 years

Property, plant and equipment leased under operating leases and pledged as collateral for bank borrowings are set out in Note 33.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2022	December 31, 2021
Carrying amounts		
Land	\$ 108,866	\$ 109,571
Buildings	<u>131,996</u>	<u>142,339</u>
	<u>\$ 240,862</u>	<u>\$ 251,910</u>

The company implemented land lease sub-acquisition in 2021,. For related instructions, please refer to (3) Important lease activities and terms.

	December 31, 2022	December 31, 2021
Additions to right-of-use assets	<u>\$ 5,011</u>	<u>\$ 131,761</u>

	For the years ended December 31 2022	2021
Depreciation of right-of-use assets		
Land	\$ 5,716	\$ 4,056
Buildings	<u>10,343</u>	<u>10,182</u>
	<u>\$ 16,059</u>	<u>\$ 14,238</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2022 and 2021.

b. Lease liabilities

	December 31, 2022	December 31, 2021
<u>Carrying amounts</u>		
Current	<u>\$ 14,269</u>	<u>\$ 13,731</u>
Non-current	<u>\$ 234,172</u>	<u>\$ 243,448</u>

Range of discount rate for lease liabilities was as follows:

	December 31, 2022	December 31, 2021
Land	1.847%~2.359%	2.025%~2.359%
Buildings	2.025%~2.494%	2.025%~2.556%

The Group leased two pieces of industrial land from Tainan industrial zones of the

Industrial Development Bureau of the Ministry of Economic Affairs in November 2009 and November 2029. Rental was calculated on the basis of the annual rental ratio of the market price of each square meter when the Group contracted with local government, adjusted for changes in long-term loan interest rates announced by the Executive Yuan on January 1 and July 1 of each year and changes in the consumer price index. According to the lease terms, the rental cost was zero in the first and second years. The actual rentals paid in the third and fourth years would be calculated as 60% of the above rental amount. The rentals paid in the fifth and sixth years would be calculated as 80% of the above rental amount. Rentals in the seventh year would revert to the amount determined at the inception of the lease. Lease terms specified that the minimum rental period is 6 years and the maximum rental period is 20 years.

According to the provisions of the lease, the lessee has the option to purchase the land at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable. If the application is approved in the lease period, the rental and deposits paid could offset the purchase price of the land without interest. The maximum offsetting amount is limited to 100% of the sale price at the point of application.

The board of directors of the company decided to apply for land purchase according to the lease agreement when the lease period expires. In order to consider the impact of the preferential purchase right, the company judged that the land in the above-mentioned industrial zone was a financial lease on the lease commencement date. deal with.

Interest rates underlying all obligations under finance leases were fixed at respective contract dates ranging from 1.74% per annum at December 31, 2021 and 2022, respectively.

c. Other lease information

	For the years ended December 31	
	2022	2021
Expenses relating to short-term leases	\$ 8,048	\$ 8,220
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 71,775	\$ 74,000
Total cash outflow for leases	\$ 97,262	\$ 250,025

The company leases of certain qualify as short-term leases and leases of certain qualify as low-value asset leases. The company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. OTHER ASSETS

	December 31, 2022	December 31, 2021
<u>Current</u>		
Tax Overpaid Retained for Offsetting the Future Tax Payable	\$ 15,728	\$ 880
Input tax	34,359	25,162
Other accounts receivables	5,339	6,023
Other accounts receivables from related parties (Note 32)	153	12,458
Prepayment for purchases	33,436	30,000
Income tax refund receivable	5,019	-
Others	9,904	10,871
	<u>\$ 103,938</u>	<u>\$ 85,394</u>
<u>Non-current</u>		
Prepayments for Business Facilities	\$ 65,911	\$ 31,613
Refundable deposits	51,092	45,921
Long-term prepaid expenses	4,642	5,377
Prepayment for land (Note 16)	-	188,336
	<u>\$ 121,645</u>	<u>\$ 271,247</u>

18. BORROWINGS

a. Short-term borrowings

	December 31, 2022	December 31, 2021
Bank secured loans (Note 33)	\$ -	\$ 35,616
Unsecured loans	543,090	438,192
	<u>\$ 543,090</u>	<u>\$ 473,808</u>

The range of interest rates of short-term borrowings was as follows:

	December 31, 2022	December 31, 2021
Bank secured loans	-	1.96%
Unsecured loans	1.65%~2.60%	1.15%~1.60%

b. Short-term bills payable

	<u>December 31, 2022</u>				
Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
<u>Commercial paper</u>					
China Bills Finance Corporation	\$ 45,000	\$ 61	\$ 44,939	1.30~1.34	None
International Bills Finance Corporation	30,000	90	29,910	2.06	None
Mega Bills Finance Co. Ltd.	50,000	96	49,904	1.76	None
Taiwan Cooperative Bills Finance Co. Ltd.	35,000	59	34,941	1.51~1.54	None
	<u>\$ 160,000</u>	<u>\$ 306</u>	<u>\$ 159,694</u>		

December 31, 2021

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
<u>Commercial paper</u>					
China Bills Finance Corporation	\$ 20,000	\$ 7	\$ 19,993	0.45	None
International Bills Finance Corporation	20,000	18	19,982	0.70	None
Mega Bills Finance Co. Ltd.	<u>20,000</u>	<u>5</u>	<u>19,995</u>	0.90	None
	<u>\$ 60,000</u>	<u>\$ 30</u>	<u>\$ 59,970</u>		

c. Long-term borrowings

	December 31, 2022	December 31, 2021
Bank secured loans (Note 32)	\$ 1,885,091	\$ 1,769,780
Bank unsecured loans	<u>218,986</u>	<u>116,526</u>
	2,104,077	1,886,306
Less: current portion	<u>321,141</u>	<u>442,680</u>
	<u>\$ 1,782,936</u>	<u>\$ 1,443,626</u>

1. Bank secured and unsecured loans

- The bank borrowings secured by the Company's finance lease receivables, property, plant and equipment and financial assets at amortized cost.
 - As of December 31, 2023 and 2022, the range of weighted average effective interest rates of the bank borrowings was 1.3%-3.12% and 1.2%-2.4% per annum, respectively.
2. Among them, the company signed a credit contract with Taipei Fubon Bank with an amount of 440,190 thousand. It is stipulated that during the duration of the credit contract, according to the annual and semi-annual consolidated financial statements reviewed by the accountant, the relevant financial commitments should be maintained (every six months) check).

The company's 2022 and 2021 consolidated financial statements are in line with the aforementioned financial ratios and have not violated the aforementioned financial commitments.

19. BONDS PAYABLE

	December 31, 2022	December 31, 2021
Unsecured domestic convertible bonds	\$ 1,217,353	\$ 512,650
Less: Discounts on bonds payable	<u>92,962</u>	<u>41,171</u>
	<u>\$ 1,124,391</u>	<u>\$ 471,479</u>

- I. At December 20, 2019, the Anji Technology Co., Ltd. issued 100 thousand, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of \$300,000 thousand.

Each bond entitles the holder to convert it into ordinary shares of the Anji Technology Co., Ltd. at a conversion price of \$23. Conversion may occur at any time between March 21, 2019 and December 20, 2024. If the bonds have not been converted, they will be redeemed on December 20, 2024 at \$102,500 each. An interest rate of 0.5% per annum will be paid quarterly until the bonds are converted or redeemed.

The convertible bonds contain both liability and equity components. The equity component was

presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.7451% per annum on initial recognition.

The first unsecured convertible corporate bonds have been fully converted as of September 30, 2011.

Liability component

The movements of the liability component were as follows:

The first unsecured domestic bonds

	For the years ended December 31, 2021
Balance at beginning and date of issue	\$ 5,999
Interest expenses	70
Convertible bonds converted into ordinary shares	(6,069)
Ending balance	<u>\$ -</u>

The movements of the financial liabilities at FVTPL - current were as follows:

	For the years ended December 31, 2021
Balance at beginning and date of issue	(\$ 60)
Adjustments for change in value	(6)
Convertible bonds converted into ordinary shares	66
Ending balance	<u>\$ -</u>

Equity component (Presented in equity under the heading of capital surplus – options, Note 24)

The movements of the equity component were as follows:

	For the years ended December 31, 2021
Balance at beginning and date of issue	(\$ 503)
Convertible bonds converted into ordinary shares	503
Ending balance	<u>\$ -</u>

II. At October 30, 2020, the Anji Technology Co., Ltd. issued 100 thousand, 0% NTD second domestic unsecured convertible bond in Taiwan, with an aggregate principal amount of \$300,000 thousand issued at 120.18% of par value. Each bond entitles the holder to convert it into ordinary shares of the Anji Technology Co., Ltd. Conversion may occur at any time between October 30, 2020 and October 30, 2025.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.8624% per annum on initial recognition.

The second unsecured convertible corporate bonds has redeemed the corporate bonds in advance in September 2011

Liability component

The second unsecured domestic bonds

	For the years ended December 31, 2021
Balance at beginning and date of issue	\$ 277,291
Interest expenses	1,280
Convertible bonds converted into ordinary shares	(265,513)
Redeemed convertible bonds	(13,058)
Ending balance	<u>\$ -</u>

	For the years ended December 31, 2021
Balance at beginning and date of issue	(\$ 2,861)
Adjustments for change in value	948
Convertible bonds converted into ordinary shares	1,900
Redeemed convertible bonds	13
Ending balance	<u>\$ -</u>

	For the years ended December 31, 2021
Balance at beginning and date of issue	(\$ 80,122)
Convertible bonds converted into ordinary shares	(76,410)
Redeemed convertible bonds	(3,712)
Ending balance	<u>\$ -</u>

III. At August 4, 2021, the Anji Technology Co., Ltd. issued 100 thousand, 0% NTD third domestic unsecured convertible bond in Taiwan, with an aggregate principal amount of \$500,000 thousand issued at 106.99% of par value. Each bond entitles the holder to convert it into ordinary shares of the Anji Technology Co., Ltd. Conversion may occur at any time between August 4, 2021 and August 4, 2026.

Conversion rights of bondholders

For bondholders, starting from November 5, 2021 (the day following the 3-month expiration of the bond issuance), to August 4, 2026 (the maturity date), except for (1) the suspension period of common stock transfer according to law, (2)) The period from the 15th business day before the closing date of the company's free allotment of shares, the closing date of cash dividends, or the closing date of cash capital increase subscriptions to the base date of rights distribution; (3) Outside the period from the day before the trading start date of stock exchange for stock exchange (4) to the day before the trading start date of stock exchange for new shares, it may be notified to Taiwan at any time through the original trading brokerage Taiwan Depository & Clearing Corporation. requests the stock affairs agency of the company to convert the converted corporate bonds it holds into ordinary shares of the company in accordance with the regulations. The conversion price of the converted corporate bonds is 45.2 per share, and thereafter Adjust according to the conversion price adjustment formula. From June 29, 2022, the conversion price will be adjusted to 44.8.

Put option for bondholders

The put option of the convertible corporate bond is exercisable on August 4, 2024, the date when the bond has been issued for three years. The Company shall send a "Notice of Right to Exercise the Put Option" to the bondholders by registered mail 40 days prior to the base date of repurchase (June 25, 2024), and shall request Taipei Exchange to announce the bondholders' right to exercise the put option. The bondholders may request the Company to redeem the bonds held by them at 101.51% of the face value of the bonds (with an annual yield rate of 0.5% on repurchase). The Company shall redeem the convertible bonds in cash within five business days from the date of the request for repurchase.

Redemption by the Company

(1) If the closing price of the Company's common stock exceeds the then prevailing conversion price by at least 30% for 30 consecutive business days from the day following the date on which the Bonds are issued for three months (November 5, 2021) until 40 days prior to the expiration of the issuance period (June 25, 2026), the Company may, within 30 business days. To execute the redemption request, the Company shall

redeem the outstanding convertible bonds at their face value in cash.

(2) If the outstanding balance of the convertible bonds is less than 10% of the original issue amount from the day following the date on which the Bonds are issued for three months (November 5, 2021) until 40 days prior to the expiration of the issuance period (June 25, 2026). To execute the redemption request, the Company shall redeem the outstanding convertible bonds at their face value in cash.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.6365% per annum on initial recognition.

Liability component

The third unsecured domestic bonds

	For the years ended December 31	
	2022	2021
Balance at beginning and date of issue	\$ 471,479	\$ 467,887
Interest expenses	5,914	3,592
Convertible bonds converted into ordinary shares	(285,600)	-
Ending balance	<u>\$ 191,793</u>	<u>\$ 471,479</u>

	For the years ended December 31	
	2022	2021
Balance at beginning and date of issue	(\$ 1,350)	(\$ 850)
Adjustments for change in value	(444)	(500)
Convertible bonds converted into ordinary shares	1,494	-
Ending balance	<u>(\$ 300)</u>	<u>(\$ 1,350)</u>

	For the years ended December 31	
	2022	2021
Balance at beginning and date of issue	\$ 62,789	\$ 62,789
Convertible bonds converted into ordinary shares	(37,771)	-
Ending balance	<u>\$ 25,018</u>	<u>\$ 62,789</u>

IV. At July 21, 2022, the Anji Technology Co., Ltd. issued 100 thousand, 0% NTD fourth domestic unsecured convertible bond in Taiwan, with an aggregate principal amount of \$1,000,000 thousand issued at 100.91% of par value. Each bond entitles the holder to convert it into ordinary shares of the Anji Technology Co., Ltd. Conversion may occur at any time between July 21, 2022 and July 21, 2027.

Conversion rights of bondholders

For bondholders, starting from October 22, 2012 (the day following the 3-month expiration of the bond issuance), to July 21, 2027 (the maturity date), except for (1) the suspension period of common stock transfer according to law, (2)) The period from the 15th business day before the closing date of the company's free allotment of shares, the closing date of cash dividends, or the closing date of cash capital increase subscriptions to the base date of rights distribution; (3) Outside the period from the day before the trading start date of stock exchange for stock exchange (4) to the day before the trading start date of stock exchange for new shares, it may be notified to Taiwan at any time through the original trading brokerage Taiwan Depository & Clearing Corporation. requests the stock affairs agency of the company to convert the converted corporate bonds it holds into ordinary shares of the company in accordance with the regulations. The conversion price of the converted corporate bonds is 53.9 per share, and thereafter Adjust according to the conversion price adjustment formula.

Put option for bondholders

The put option of the convertible corporate bond is exercisable on July 21, 2025, the date when the bond has been issued for three years. The Company shall send a "Notice of Right to Exercise the Put Option" to the bondholders by registered mail 40 days prior to the base date of repurchase (June 11, 2025), and shall request Taipei Exchange to announce the bondholders' right to exercise the put option. The bondholders may request

the Company to redeem the bonds held by them at 100.75% of the face value of the bonds (with an annual yield rate of 0.25% on repurchase). The Company shall redeem the convertible bonds in cash within five business days from the date of the request for repurchase.

Redemption by the Company

(1) If the closing price of the Company's common stock exceeds the then prevailing conversion price by at least 30% for 30 consecutive business days from the day following the date on which the Bonds are issued for three months (October 22, 2022) until 40 days prior to the expiration of the issuance period (June 11, 2027), the Company may, within 30 business days. To execute the redemption request, the Company shall redeem the outstanding convertible bonds at their face value in cash.

(2) If the outstanding balance of the convertible bonds is less than 10% of the original issue amount from the day following the date on which the Bonds are issued for three months (October 22, 2022) until 40 days prior to the expiration of the issuance period (June 11, 2027). To execute the redemption request, the Company shall redeem the outstanding convertible bonds at their face value in cash.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.7289% per annum on initial recognition.

Liability component

The fourth unsecured domestic bonds

	For the years ended December 31, 2022
Issuance	\$ 924,087
Interest expenses	<u>8,511</u>
Ending balance	<u>\$ 932,598</u>
	For the years ended December 31, 2022
Issuance	\$ 1,691
Adjustments for change in value	<u>2,109</u>
Ending balance	<u>\$ 3,800</u>
	For the years ended December 31, 20219
Issuance and date of issue	<u>\$ 78,194</u>

20. Accounts payable (Included Accounts payables to related parties)

All of the accounts payable (Included Accounts payables to related parties) of Anji Technology Co., Ltd. and Subsidiaries are generated by operating activities.

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

21. OTHER LIABILITIES

	December 31, 2022	December 31, 2021
<u>Current</u>		
Other payables		
Payables for rental	\$ 48,832	\$ 48,394
Payables for salaries or bonuses	13,500	13,949
Payables for purchases of equipment	57,165	63,557
Payables for compensation	8,871	4,385
Others	<u>57,288</u>	<u>34,183</u>
	<u>\$ 185,656</u>	<u>\$ 164,468</u>
Other liabilities		
Temporary receipts	\$ -	\$ 10
Provisions (Note 22)	3,827	3,618
Others	<u>1,517</u>	<u>2,226</u>
	<u>\$ 5,344</u>	<u>\$ 5,854</u>
<u>Non-current</u>		
Other liabilities		
Deferred revenue	<u>\$ 59,330</u>	<u>\$ 57,044</u>

Deferred revenue is provided for the maintenance of solar power equipment and realized to profit or loss when maintenance actually occurs.

22. PROVISIONS

	December 31, 2022	December 31, 2021
Warranties- current (Included in other liabilities – current)	\$ 1,000	\$ 1,000
Warranties- non-current	45,820	31,941
Levies - current (Included in other liabilities – current)	2,827	2,618
Levies - non-current	<u>24,968</u>	<u>23,080</u>
	<u>\$ 74,615</u>	<u>\$ 58,639</u>
Provisions - current	\$ 3,827	\$ 3,618
Provisions - non-current	<u>70,788</u>	<u>55,021</u>
	<u>\$ 74,615</u>	<u>\$ 58,639</u>

	Warranties	Levies	Total
Balance at January 1, 2021	\$ 27,277	\$ 7,316	\$ 34,593
Additional provisions recognized	5,727	18,862	24,589
Usage	(<u>63</u>)	(<u>480</u>)	(<u>543</u>)
Balance at December 31, 2021	32,941	25,698	58,639
Additional provisions recognized	14,208	2,097	16,305
Usage	(<u>329</u>)	(<u>-</u>)	(<u>329</u>)
Balance at December 31, 2022	<u>\$ 46,820</u>	<u>\$ 27,795</u>	<u>\$ 74,615</u>

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate had been made on the basis of

historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

Payables for levies according to Taiwan regulations, which estimate payment of solar module recycling fees in the future.

23. RETIREMENT BENEFIT PLANS

The Group adopted a pension plan under the Labor Pension Act (the 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.

24. EQUITY

a. Ordinary shares

	December 31, 2022	December 31, 2021
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>
Shares authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>121,214</u>	<u>114,538</u>
Shares issued	<u>\$ 1,212,135</u>	<u>\$ 1,145,376</u>

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

b. Capital surplus

	Arising from issuance of ordinary shares (note 1)	Treasury share transactions (note 1)	The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (note 1)	From share of changes in equities of subsidiaries (note 2)	Stock options of convertible bonds (note 3)	Total
Balance at January 1, 2021	\$ 703,064	\$ 4,387	\$ 108	\$ -	\$ 80,625	\$ 788,184
Issuance	-	-	-	-	62,789	62,789
Converted into ordinary shares	275,643	-	-	-	(76,913)	198,730
Redeemed convertible bonds	-	2,948	-	-	(3,712)	(728)
Balance at December 31, 2021	978,707	7,371	108	-	62,789	1,048,975
Issuance	-	-	-	-	78,194	78,194
Converted into ordinary shares	255,058	-	-	-	(,37,711)	217,347
From share of changes in equities of subsidiaries	-	-	-	4	-	4
Balance at December 31, 2022	<u>\$ 1,233,765</u>	<u>\$ 7,371</u>	<u>\$ 108</u>	<u>\$ 4</u>	<u>\$ 103,272</u>	<u>\$ 1,344,520</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method. Such capital only be used to offset deficits
- 3) Such capital surplus from convertible bonds may be adjusted after convert or invalid.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then any remaining profit together with any undistributed retained earnings, after the distribution of special stock dividends in accordance with Article 7-1 of the Articles. The cash dividends shall be used by the Company's board of directors as the basis for proposing a distribution plan. And the stock dividends which should be resolved in the shareholders' meeting for the distribution of stock dividends and bonuses to shareholders.

It is authorized the distributable dividends and bonuses or legal capital reserve and capital reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 25(g).

The Company is still in the growing stage and is continuing to expand its operating scale in consideration of the viability of the economic situation. The board of directors shall focus on growing dividends stably when proposing the appropriation of annual earnings. However, cash dividends shall not be less than 10% of the total dividends.

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 and dividends per share were as follows:

	2021	2021
Legal reserve	\$ <u>13,640</u>	\$ <u>26,345</u>
Special reserve	(\$ <u>28,867</u>)	\$ <u>9,410</u>
Cash dividends	\$ <u>60,000</u>	\$ <u>130,000</u>
Stock dividends	\$ <u>0.52</u>	\$ <u>1.14</u>

On February 23, 2023, the Board of Directors resolved to appropriate the 2022 earnings. The earnings were appropriated as follows:

	2022
Legal reserve	\$ <u>22,799</u>
Special reserve	\$ <u>25,264</u>

Cash dividends	\$ 96,971
Stock dividends	\$ 24,243
Cash dividends	\$ 0.8
Stock dividends	\$ 0.2

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting.

d. Unrealized valuation gain/(loss) on financial assets at FVTOCI

	2022	2021
Balance at January 1		
Recognized for the year	(\$ 54,077)	(\$ 82,944)
Unrealized gain/(loss) - equity instruments	3,861	33,183
Share from associates and joint ventures accounted for using the equity method	(10,034)	-
Cumulative unrealized gain/(loss) of equity instruments transferred to retained earnings due to disposal	(19,091)	(4,316)
Balance at December 31	(\$ 79,341)	(\$ 54,077)

e. Non-controlling interests

	2022	2021
Balance at January 1	\$ 1,981	\$ -
Net profit/(loss)	(537)	(19)
Unrealized gain/(loss) on financial assets at FVTOCI	(254)	-
Non-controlling interests arising from acquisition of subsidiaries	(17,996)	-
Acquisition of non-controlling interests in subsidiaries	-	2,000
Balance at December 31	\$ 19,186	\$ 1,981

25. REVENUE

	For the years ended December 31	
	2022	2021
The solar module department		
Revenue from the solar module	\$ 2,828,947	\$ 1,048,738
Revenue from processing fees income	2,481	73,084
Subtotal	2,831,428	1,121,822
The electronic department		
Finance lease contingent interest	187,710	204,056
Rent revenue	88,133	87,149
Retail income	137,010	108,619
Warranty revenue	\$ 10,242	\$ 9,103
Subtotal	423,095	408,927
Other department		
Other operating revenue	14,026	12,094
Total	\$ 3,268,549	\$ 1,542,843

Contract balances

December 31, December 31, January 1,

	<u>2022</u>	<u>2021</u>	<u>2021</u>
Notes receivable (Note 10)	\$ 14,973	\$ 4,404	\$ 11,279
Accounts receivable (Included related parties) (Note 10)	\$ 702,593	\$ 531,998	\$ 334,766
Contract liabilities - current			
Construction in Progress	\$ 970	\$ 5,730	\$ -
Contract liabilities - current			
Sale of goods	\$ 42,302	\$ 25,205	\$ 4,961
Construction in Progress	\$ -	\$ 285	\$ -
	<u>\$ 42,302</u>	<u>\$ 25,490</u>	<u>\$ 4,961</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Company's satisfaction of performance obligations and the respective customer's payment; other significant changes are as follows:

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Contract liabilities from beginning of the year		
Sale of goods	\$ 24,209	\$ 4,957
Construction in Progress	\$ 285	\$ -
	<u>\$ 24,494</u>	<u>\$ 4,957</u>

26. NET PROFIT

a. Interest income

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Interest income	\$ 3,238	\$ 936
Others	\$ 66	\$ 36
	<u>\$ 3,304</u>	<u>\$ 972</u>
Interest income	\$ 3,304	\$ 972
Finance lease contingent interest (Note 25)	\$ 187,710	\$ 204,056
	<u>\$ 191,014</u>	<u>\$ 205,028</u>

b. Other income

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Government subsidy income	\$ -	\$ 835
Dividend income	\$ 3,900	\$ 1,440
Others	\$ 853	\$ 3,998
	<u>\$ 4,753</u>	<u>\$ 6,273</u>

c. Other gains and losses

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>

Net foreign exchange profit (loss)	(\$ 17,675)	\$ 2,079
Net gain/(loss) arising on financial liabilities designated as at FVTPL	(2,110)	580
Other	(3,068)	(\$ 127)
	(\$ 22,853)	\$ 2,532

d. Interest expense

	For the years ended December 31	
	2022	2021
Interest on bank loans	\$ 51,609	\$ 39,896
Interest on convertible bonds	14,425	4,492
Interest on obligations under finance leases	6,126	8,691
Less: Amounts included in the cost of qualifying assets	11,462	4,364
	<u>\$ 60,698</u>	<u>\$ 49,165</u>

Information about capitalized interest was as follows:

	For the years ended December 31	
	2022	2021
Capitalized interest	\$ 11,462	\$ 4,364
Capitalization rate	1.736%~2.418%	1.890%~2.055%

e. Depreciation and amortization

	For the years ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	\$ 110,168	\$ 92,591
Operating expenses	3,589	7,435
	<u>\$ 113,757</u>	<u>\$ 100,026</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 260</u>	<u>\$ 291</u>

f. Employee benefits expense

	For the years ended December 31	
	2022	2021
Short-term employee benefits		
Salaries	\$ 133,214	\$ 119,709
Labor and health insurance	14,526	14,394
Others	12,140	8,490
	<u>159,880</u>	<u>142,593</u>
Post-employment benefits		
Defined contribution plans	<u>\$ 5,661</u>	<u>\$ 5,749</u>
	<u>\$ 165,541</u>	<u>\$ 148,342</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 123,786	\$ 111,839
Operating expenses	41,755	36,503
	<u>\$ 165,541</u>	<u>\$ 148,342</u>

g. Compensation of employees and remuneration of directors

The Company accrued the compensation of employees

and remuneration of directors at the rates of no less than 1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. For the years ended December 31, 2022 and 2021, the employees' compensation and the remuneration of directors and supervisors are as follows:

Accrual rate

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Compensation of employees	3%	3%
Remuneration of directors	1%	1%

Amount

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>Cash</u>	<u>Cash</u>
Compensation of employees	\$ 8,859	\$ 4,374
Remuneration of directors	2,953	1,458

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

The appropriations of employees' compensation and remuneration of directors and supervisors for 2021 and 2018 that were resolved by the board of directors on February 26, 2022 and February 25, 2021, respectively, are as shown below:

There is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2018.

h. Gain or loss on foreign currency exchange

	For the years ended December 31	
	2022	2021
Foreign exchange gains	\$ 28,292	\$ 13,238
Foreign exchange losses	(45,967)	(11,159)
Net gains (losses)	<u>(\$ 17,675)</u>	<u>\$ 2,079</u>

27. INCOME TAXES

a. Income tax expense (benefit)

The major components of income tax expense (benefit) recognized in profit or loss were as follows:

	For the years ended December 31	
	2022	2021
Current tax		
In respect of the current period	\$ 67,309	\$ 10,213
Adjustment for prior years	(1,396)	86
	65,913	15,299
Deferred tax		
In respect of the current period	(7,693)	(3,106)
	<u>\$ 58,220</u>	<u>\$ 12,193</u>

b. Income tax expense recognized in other comprehensive income

	For the years ended December 31	
	2022	2021
Profit (loss) before tax	<u>\$ 286,586</u>	<u>\$ 144,258</u>
Income tax expense calculated at the statutory rate	\$ 57,317	\$ 28,851
Non-deductible expenses (income) in determining taxable income	2,961	988
Tax-exempt income	(780)	(3,346)
Unrecognized loss carryforwards and deductible temporary differences	118	(14,386)
Adjustments for prior years	(1,396)	86
Income tax expense recognized in profit or loss	<u>\$ 58,220</u>	<u>\$ 14,193</u>

c. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax liabilities		
Income tax payable	<u>\$ 65,441</u>	<u>\$ 13,301</u>

d. Deferred tax assets and liabilities

For the year ended December 31, 2022

<u>Deferred Tax Assets</u>	<u>Opening Balance</u>	<u>Recognized in</u> <u>Profit or Loss</u>	<u>Closing Balance</u>
Temporary differences			
Inventory write-downs	\$ 7,947	\$ 1,936	\$ 9,883
Warranties	6,588	2,776	9,364
Unrealized gain on transactions with subsidiary	4,359	(333)	4,026
deferred revenue	10,287	432	10,719
Other	987	3,453	4,440
	<u>\$ 30,168</u>	<u>\$ 8,264</u>	<u>\$ 38,432</u>
<u>Deferred Tax Liabilities</u>			
Temporary differences			
Finance Lease	\$ 7,169	\$ 576	\$ 7,745
Other	5	(5)	-
	<u>\$ 7,174</u>	<u>\$ 571</u>	<u>\$ 7,745</u>

For the year ended December 31, 2021

<u>Deferred Tax Assets</u>	<u>Opening Balance</u>	<u>Recognized in</u> <u>Profit or Loss</u>	<u>Closing Balance</u>
Temporary differences			
Inventory write-downs	\$ 5,244	\$ 2,703	\$ 7,947
Warranties	5,455	1,133	6,588
Unrealized gain on transactions with subsidiary	4,597	(238)	4,359
deferred revenue	9,608	679	10,287
Other	1,442	(455)	987
	<u>\$ 26,346</u>	<u>\$ 3,822</u>	<u>\$ 30,168</u>
<u>Deferred Tax Liabilities</u>			
Temporary differences			
Finance Lease	\$ 6,458	\$ 711	\$ 7,169
Other	-	5	5
	<u>\$ 6,458</u>	<u>\$ 716</u>	<u>\$ 7,174</u>

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

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Deductible temporary differences		
Foreign investment loss	<u>\$ 1,197</u>	<u>\$ 1,197</u>

f. Income tax assessments

The income tax returns through 2020, have been assessed by the tax authorities.

28. EARNINGS PER SHARE

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

Net profit (loss) for the period

	For the years ended December 31	
	2022	2021
Profit for the year attributable to owners of the Company	\$ 228,903	\$ 132,084
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds	14,222	70
Valuation of derivative financial convertible bonds	1,665	(5)
Earnings used in the computation of diluted earnings per share	<u>\$ 244,790</u>	<u>\$ 132,149</u>

Weighted average number of ordinary shares outstanding (in thousand shares)

	For the years ended December 31	
	2022	2021
Weighted average number of ordinary shares in computation of basic earnings per share	118,386	113,557
Effect of potentially dilutive ordinary shares:		
Convertible bonds	10,807	156
Compensation of employees	<u>209</u>	<u>111</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>129,402</u>	<u>113,824</u>

Since the Group offered to settle compensation paid to employees in cash, the Group assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, 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.

If the outstanding convertible bonds issued by the Company are converted to ordinary shares, they are anti-dilutive and excluded from the computation of diluted earnings per share.

29. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	For the years ended December 31	
	2022	2021
Investing activities affecting both cash and non-cash items		
Acquisition of property, plant and equipment	\$ 1,138,750	\$ 1,021,791
Decrease in inventories	(133,788)	(152,995)
Increase (decrease) in prepayments for business facilities	34,298	(240,425)
Increase (decrease) in prepayments for land	(188,336)	-
Decrease in other payables to related parties	5,555	19,194
Decrease (increase) in payables to equipment suppliers	(6,392)	(24,510)
Total	<u>\$ 862,871</u>	<u>\$ 623,055</u>

30. CAPITAL MANAGEMENT

The Group requires significant amounts of capital to build and expand its production facilities and equipment. The Group manages its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases, research and development activities, dividends payments, debt service requirements and other business requirements associated with its existing operations over the next 12 months.

31. FINANCIAL INSTRUMENTS

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

The carrying amounts of financial instruments that are not measured at fair value approximate their fair value recognized in the consolidated financial statements; these financial instruments include cash and cash equivalents, debt investments with no active market, accounts receivable, other receivables, refundable deposits, short-term loans, accounts payable, long-term borrowings, other payables, and guarantee deposits received.

December 31, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Convertible bonds	<u>\$1,124,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,125,751</u>	<u>\$1,125,751</u>

December 31, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Convertible bonds	<u>\$ 471,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,800</u>	<u>\$ 470,800</u>

b. Fair value of financial instruments measured at fair value

on a recurring basis

1) Fair value hierarchy

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivatives – convertible bonds	\$ -	\$ -	\$ 300	\$ 300
Non-derivatives –domestic listed shares	4,793	-	-	4,793
	<u>\$ 4,793</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 5,093</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives – convertible bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,800</u>	<u>\$ 3,800</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 35,013	\$ -	\$ -	\$ 35,013
Domestic unlisted shares	-	-	75,509	75,509
Foreign unlisted shares	-	-	156	156
	<u>\$ 35,013</u>	<u>\$ -</u>	<u>\$ 75,665</u>	<u>\$ 110,678</u>

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivatives – convertible bonds	\$ -	\$ -	\$ 1,350	\$ 1,350
Non-derivatives –domestic listed shares	2,880	-	-	2,880
	<u>\$ 2,880</u>	<u>\$ -</u>	<u>\$ 1,350</u>	<u>\$ 4,230</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 50,725	\$ -	\$ -	\$ 50,725
Domestic unlisted shares	-	-	71,720	71,720
Foreign unlisted shares	-	-	199	199
	<u>\$ 50,725</u>	<u>\$ -</u>	<u>\$ 71,919</u>	<u>\$ 122,644</u>

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

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

For the year ended December 31, 2022

	<u>Financial Assets at FVTPL</u>	<u>Financial assets at FVTOCI</u>	
	<u>Derivatives</u>	<u>Equity Instruments</u>	<u>Total</u>
Balance at January 1, 2022	\$ 1,350	\$ 71,919	\$ 73,269
Issuance	(1,691)	-	(1,691)
converting	(1,494)	-	(1,494)
Recognized in profit or loss	(1,665)	-	(1,665)
Recognized in other comprehensive income	-	(2,386)	(2,386)
Purchases	-	11,112	11,112
Disposals	-	(4,980)	(4,980)
Balance at December 31, 2022	<u>(\$ 3,500)</u>	<u>(\$ 75,665)</u>	<u>(\$ 72,165)</u>

For the year ended December 31, 2022

	<u>Financial Assets at FVTPL</u>	<u>Financial assets at FVTOCI</u>	
	<u>Derivatives</u>	<u>Equity Instruments</u>	<u>Total</u>
Balance at January 1, 2022	\$ 2,921	\$ 63,908	\$ 66,829
Issuance	850	-	850
Purchases	-	36,020	36,020
converting	(1,966)	-	(1,966)

Recognized in profit or loss	(455)	-	(455)
Recognized in other comprehensive income	-	33,183	33,183
Level 3	-	(50,725)	(50,725)
Disposals	-	(10,467)	(10,467)
Balance at December 31, 2022	<u>(\$ 1,350)</u>	<u>(\$ 71,919)</u>	<u>(\$ 73,269)</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The company measure the fair values of Equity instruments using market pricing or net value where the significant observable. Or using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. At December 31,2022 and 2021, , respectively.

c. Categories of financial instruments

	December 31, 2022	December 31, 2021
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 2,185,765	\$ 1,489,837
FVTPL		
Mandatorily classified as at FVTPL	5,093	4,230
Financial assets at FVTOCI	110,678	122,644
<u>Financial liabilities</u>		
FVTPL		
Held for trading	3,800	-
Amortized cost (2)	4,429,841	3,379,345

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable and accounts receivable, financial assets at amortized cost, other receivables, and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, short-term bills payable, trade and other payables, and bonds issued.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, accounts receivable, accounts payable, borrowings, and lease liabilities. The Group's Corporate Treasury function provides services to the business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These

risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The plans for material treasury activities are reviewed by board of directors in accordance with procedures required by relevant regulations or internal controls. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk
a) Foreign currency risk

Several subsidiaries of the Company have foreign currency denominated sales and purchases, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 35.

Sensitivity analysis

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

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

	U.S. dollar Impact	
	For the years ended December 31	
	2022	2021
Profit or loss	\$ 5,767	(\$ 381)

This was mainly attributable to the exposure on outstanding receivables and payables in U.S. dollar that were not hedged at the end of the reporting period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

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

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
Financial liabilities	\$ 1,532,526	\$ 788,628
Cash flow interest rate risk		
Financial assets	1,411,431	888,848
Financial liabilities	2,647,167	2,360,114

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. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole period.

If interest rates had been 1 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would decrease/increase by \$12,357 thousand and \$14,713 thousand, respectively, which was mainly a result of decrease of variable-rate borrowings.

2) Market 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 at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
A20 Company	\$ -	-	\$ 187,196	35
SOLAR MASTER ENERGY CO., LTD.	14,955	2	160,431	30
SUNEDGE PV TECHNOLOGY CO., LTD.	26,973	4	50,800	10
A11 Company	558,771	80	7,301	1

3) Liquidity risk

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

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

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

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

December 31, 2022

	Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 479,775	\$ 18,524	\$ 290	\$ -
Lease liabilities	5,038	15,113	80,604	198,356
Variable interest rate liabilities	495,552	377,847	1,701,149	226,919
Fixed interest rate liabilities	159,694	-	1,140,994	-
	<u>\$ 1,140,059</u>	<u>\$ 411,484</u>	<u>\$ 2,923,037</u>	<u>\$ 425,275</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	<u>\$ 20,151</u>	<u>\$ 80,604</u>	<u>\$ 100,755</u>	<u>\$ 97,601</u>

December 31, 2021

	Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 478,186	\$ 9,596	\$ -	\$ -
Lease liabilities	4,962	14,887	79,396	213,701
Variable interest rate liabilities	191,261	736,267	1,393,674	149,714
Fixed interest rate liabilities	59,970	-	483,407	-
	<u>\$ 734,379</u>	<u>\$ 760,750</u>	<u>\$ 1,956,477</u>	<u>\$ 363,415</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	<u>\$ 19,849</u>	<u>\$ 79,396</u>	<u>\$ 99,245</u>	<u>\$ 114,456</u>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	December 31, 2022	December 31, 2021
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	\$ 762,076	\$ 554,718
Amount unused	<u>216,000</u>	<u>584,687</u>
	<u>\$ 978,076</u>	<u>\$ 1,139,405</u>
Secured bank overdraft facilities:		
Amount used	\$ 1,885,091	\$ 1,805,396
Amount unused	<u>1,567,147</u>	<u>568,549</u>
	<u>\$ 3,452,238</u>	<u>\$ 2,373,945</u>

32. TRANSACTIONS WITH RELATED PARTIES

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

a. Names of related parties and relationships with the Group

Related Party Name	Related Party Category
An Tai Energy Co., Ltd.	Associate
Chia Yi Energy Co., Ltd.	Associate
Chin-up Technology Co., Ltd.	Chairman of the same company.
Circle Metal Powder Co., Ltd.	Chairman of the same company.
Sunedge PV Technology Co., Ltd.	Juristic person
Hung Ju Investment Co., Ltd.	Juristic person(Note 2)
Sunedge Technology Co., Ltd.	Juristic person's associates company
Ciao Sole Core Technology Co., Ltd.	Juristic person's associates company(Note 2)
Solar Master Energy Co., Ltd.	Juristic person's associates company(Note 2)
Solgreen International Biotechnology Co., Ltd.	Juristic person's associates company(Note 2)
Power Master International Investment Holdings Co., Ltd.	Juristic person's associates company(Note 2)
Hengchun Power Co., Ltd.	Juristic person's associates company(Note 2)
Her Chang Technology Co., Ltd.	Individuals with significant influence on subsidiaries of the merged company (Note 1)

Note1. As a related party from March 7, 2022, the transaction amount and account balance disclosed in this note are generated when both are related parties

Note2. It is a non-related person, since July 12, 2011. The transaction amount and account balance disclosed in this note are all generated when it is a related person.

b. Net revenue

For the years ended December 31

Line Item	Related Party Category/Name	2022	2021
Sales	Juristic person's associates company		
	Solar Master Energy Co., Ltd.	\$ 823,910	\$ 212,707
	Juristic person	95,176	95,507
	Associates	-	24,031
	Chairman of the same company	15	26
	Significant influence over consolidated subsidiaries	525	-
Other revenue	Juristic person	565	-
	Juristic person's associates company	-	263
		<u>\$ 920,191</u>	<u>\$ 334,534</u>

The sales prices were not significantly different from those with third parties, and the receivable terms are 30 to 90 days after the month's closing.

c. Purchases of goods

Related Party Category/Name	For the years ended December 31	
	2022	2021
Juristic person's associates company	\$ 8,283	\$ 435
Juristic person	11	-
Chairman of the same company	3,558	2,051
	<u>\$ 11,852</u>	<u>\$ 2,486</u>

The purchase prices were not significantly different from those with third parties, and the payment terms are 30 to 60 days after the month's closing.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31, 2022	December 31, 2021
Account receivables from related parties	Juristic person's associates company		
	Solar Master Energy Co., Ltd.	\$ -	\$ 160,431
	Juristic person	26,974	50,800
	Significant influence over consolidated subsidiaries	111	-
		<u>\$ 27,085</u>	<u>\$ 211,231</u>
Other account receivable from related parties	Juristic person's associates company	\$ -	\$ 1,306
	Chairman of the same company	153	578
	Associate	-	574
		<u>\$ 153</u>	<u>\$ 2,458</u>

The outstanding account receivables from related parties are unsecured. For the three months ended March 31,

2022 and 2021, no impairment loss was recognized for trade receivables from related parties.

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

Line Item	Related Party Category/Name	December 31, 2022	December 31, 2021
Account payables from related parties	Juristic person's associates company	\$ -	\$ 456
	Chairman of the same company	<u>219</u>	<u>344</u>
		<u>\$ 219</u>	<u>\$ 800</u>
Other account payables from related parties	Juristic person's associates company	\$ 6,921	\$ 24,842
	Chairman of the same company	<u>1,507</u>	<u>3,584</u>
		<u>\$ 8,428</u>	<u>\$ 28,426</u>

The outstanding trade payables from related parties are unsecured.

f. Prepayments

For the year ended December 31, 2022

Related Party Category/Name	Amount
Juristic person's associates company	<u>\$ 66</u>

g. Acquisitions of property, plant and equipment –For the year ended December 31, 2022

Related Party Category/Name	Purchase Price	
	2022	2021
Juristic person's associates company	\$ 5,090	\$ 41,449
Chairman of the same company	<u>1,100</u>	<u>8,630</u>
	<u>\$ 6,190</u>	<u>\$ 50,079</u>

h. Acquisitions of financial assets

For the year ended December 31, 2021

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Price
Power Master International Investment Holdings Co., Ltd.	Financial assets at fair value through other comprehensive income - non-current	9 (In Thousands of Shares)	Power Master International Investment Holdings Co., Ltd.	\$ 512 (In Thousands of New Taiwan Dollars)

1. Acquisitions of other assets

Related Party Category/Name	Line Items	Purchase Price	
		For the Year Ended December 31	
		2022	2021
Associate			
An Tai Energy Co., Ltd.	Investments accounted for using the equity method	\$ 24,500	\$ 9,800
Hong Ding Holdings Co., Ltd	Investments accounted for using the equity method	97,500	-
		<u>\$ 122,000</u>	<u>\$ 9,800</u>

j. Loans to related parties (including in other accounts receivables from related parties)

Related Party Category/Name	December 31
	2021
Associate	
An Tai Energy Co., Ltd.	<u>\$ 10,000</u>

Interest revenue

Related Party Category/Name	For the years ended December 31	
	2022	2021
Associate		
An Tai Energy Co., Ltd.	<u>\$ 56</u>	<u>\$ 24</u>

k. Compensation of key management personnel

	For the years ended December 31	
	2022	2021
Short-term employee benefits	\$ 9,431	\$ 8,325
Post-employment benefits	<u>73</u>	<u>68</u>
	<u>\$ 9,504</u>	<u>\$ 8,393</u>

The remuneration of directors and key executives are determined by the remuneration committee with regard to the performance of individuals, the performance of the

Group, and future risk.

33. ASSETS PLEDGED AS COLLATERAL

The following are the carrying amounts of assets provided as collateral for long-term bank borrowings:

	December 31, 2022	December 31, 2021
Finance lease receivables (Solar Power Equipment)	\$ 1,905,7984	\$ 1,991,734
Financial assets at amortized cost – current and noncurrent(Reimbursement Account Demand Deposit and Pledged time deposit)	260,069	251,283
Property, plant and equipment		
Land	258,122	69,786
Buildings	107,327	112,124
Solar Power equipment	1,099,538	900,182
Other equipment	<u>3,179</u>	<u>6,844</u>
	<u>\$ 3,634,033</u>	<u>\$ 3,331,953</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of end of period, 2022 and 2021 were as follows:

Unrecognized commitments are as follows:

	December 31, 2022	December 31, 2021
Acquisition of property, plant and equipment	<u>\$ 543,810</u>	<u>\$ 212,465</u>

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is an aggregation of foreign currencies other than the

functional currencies of the group entities and disclosure of the exchange rates between the foreign currencies and the respective functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

Financial assets	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Monetary items</u>			
USD	\$ 25,596	30,66	\$ 723,468
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 4,771	30,76	\$ 146,734

December 31, 2021

Financial assets	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Monetary items</u>			
USD	\$ 2,819	27,63	\$ 77,900
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 4,185	27,73	\$ 116,037

The Group is mainly exposed to the USD. The following information is an aggregation of the functional currencies of the group entities and disclosures of the exchange rates between the respective functional currencies and the presentation currency. The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the years ended December 31					
2022			2021		
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)	
USD	29.805 (USD : NTD)	(\$ 17,667)	28.009 (USD : NTD)	\$ 2,084	
EUR	31.360 (EUR : NTD)	(8)	33.160 (EUR : NTD)	7	
JPY	0.228 (JPY : NTD)	(2)	0.255 (JPY : NTD)	(12)	
RMB	4.422 (RMB : NTD)	2	4.341 (RMB : NTD)	=	
		(\$ 17,675)		\$ 2,079	

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

1) Financing provided to others (Table 1)

- 2) Endorsements/guarantees provided (Table 2)
 - 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)
 - 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (N/A)
 - 5) Acquisitions of individual real estate at cost of at least NT\$300 million or 20% of the paid-in capital (N/A)
 - 6) Disposals of individual real estate at a price of at least NT\$300 million or 20% of the paid-in capital (N/A)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (N/A)
 - 9) Trading in derivative instruments (Note 7 and 19)
 - 10) Intercompany relationships and significant intercompany transactions (N/A)
- b. Information on investees (Table 5)
 - c. Information on investments in mainland China (N/A)
 - d. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 6)

37. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the Group's chief operating decision maker reviews operating results and financial information on a plant by plant basis with a focus on the operating results of each plant. As each plant shares similar economic characteristics, produces similar products using similar production process and all products are distributed and sold to same-level customers through a central sales function, the Group's operating segments are aggregated into a single reportable segment.

Segment revenues and results

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

segments.

	<u>Solar module</u>	<u>Solar Energy</u>	<u>Other</u>	<u>Total</u>
<u>For The Year Ended</u> <u>December 31, 2022</u>				
Segment revenue- from external customers	\$ <u>2,831,428</u>	\$ <u>423,095</u>	\$ <u>14,026</u>	\$ <u>3,268,549</u>
Segment income	\$ <u>131,842</u>	\$ <u>236,999</u>	(\$ <u>7,677</u>)	\$ 361,164
Interest income				3,301
Other income				4,753
Other gains and losses				(22,853)
Share of profit (loss) of associates and joint ventures accounted for using equity method				916
Interest expense				(<u>60,698</u>)
Profit before tax				\$ <u>286,586</u>
	<u>Solar module</u>	<u>Solar Energy</u>	<u>Other</u>	<u>Total</u>
<u>For The Year Ended</u> <u>December 31, 2021</u>				
Segment revenue- from external customers	\$ <u>1,121,822</u>	\$ <u>408,927</u>	\$ <u>12,094</u>	\$ <u>1,542,843</u>
Segment income	(\$ <u>55,735</u>)	(\$ <u>243,9258</u>)	(\$ <u>6,790</u>)	\$ 181,400
Interest income				972
Other income				6,273
Other gains and losses				2,532
Share of profit (loss) of associates and joint ventures accounted for using equity method				2,246
Interest expense				(<u>49,165</u>)
Profit before tax				\$ <u>144,258</u>

The departmental revenues reported above were all generated from transactions with external customers, and there were no inter-departmental sales in 2022 and 2021.

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of associates, gains recognized on disposal of interests in former associates, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

<u>Revenue from External Customers</u>		<u>Non-current Assets</u>	
<u>For the Year Ended December 31</u>		<u>December 31</u>	<u>December 31</u>
<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>

Taiwan	<u>\$ 3,268,549</u>	<u>\$ 1,542,843</u>	<u>\$ 4,689,184</u>	<u>\$ 4,095,778</u>
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	For the years ended December 31	
	2022	2021
Taiwan Power Company	\$ 423,095	\$ 408,927
A11 公司	1,400,417	48,711
A20 公司	1,426	311,104
Solar Master Energy Co., Ltd.	<u>852,082</u>	<u>212,707</u>
	<u>\$ 2,677,020</u>	<u>\$ 981,449</u>

TABLE 1

ANJI TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	Anji Technology Co., Ltd.	An Tai Energy Co., Ltd.	Other accounts receivables from related parties	Y	\$ 25,000	\$ -	\$ -	-	Business Transaction	\$ -	For business operating	\$ -	-	\$ -	\$ -	\$ 328,795	
													-				
													-				

TABLE 2

ANJI TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (a)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (b)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Anji Technology Co., Ltd.	Liu Ho energy technology Co., Ltd.	Subsidiaries — has 100% shareholding	\$ 4,931,930	\$ 68,500	\$ 68,500	\$ 10,998	\$ -	2.08	\$ 8,219,883	Y	N	N	
		Qing Yang Agricultural technology Co., Ltd.	Subsidiaries — has 100% shareholding	4,391,930	27,000	27,000	5,213	-	0.82	8,219,883	Y	N	N	
		Tian Peng Energy Co, Ltd.	All capital contributing	4,391,930	2,330	-	-	-	-	8,219,883	N	N	N	
		Tian Chong Energy Co, Ltd.	shareholders make endorsements for	4,391,930	3,034	-	-	-	-	8,219,883	N	N	N	
		Tian Cin Energy Co, Ltd.	their jointly invested company in proportion to their shareholding percentages	4,391,930	666	-	-	-	-	8,219,883	N	N	N	
1	Yao Guang Power Co., Ltd.	Anji Technology Co., Ltd.	Parent company	66,141	16,418	16,418	14,647	-	37.23	110,236	N	Y	N	
		Liu Ho energy technology Co., Ltd.	Sister company	66,141	3,290	3,290	1,486	-	7.46	110,236	N	N	N	
2	Liu Ho energy technology Co., Ltd.	Anji Technology Co., Ltd.	Parent company	144,236	12,399	12,399	7,662	-	12.89	240,394	N	Y	N	

a) "net worth's 150%" in these Regulations means the balance sheet equity attributable to the owners of the parent company.
b) "net worth's 250%" in these Regulations means the balance sheet equity attributable to the owners of the parent company.

TABLE 3

ANJI TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

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

Holding Company Name	Type and Name of Marketable Securities (a)	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Anji Technology Co., Ltd.	Shares - ROC Hengs Technology Co., Ltd.	N/A	Financial assets at fair value through profit or loss - current	90,000	\$ 2,983	-	\$ 2,983	
	Chung Hsin Electric & Machinery Manufacturing Corp.	N/A	Same as above	2,000	134	-	134	
	Sino-American Silicon Products Inc.	N/A	Same as above	12,000	<u>1,674</u> <u>\$ 4,793</u>	-	<u>1,674</u> <u>\$ 4,793</u>	
	Shares - ROC JINCO Universal Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	3,500,000	\$ -	12	\$ -	
	Circle Metal Powder Co., Ltd.	Chairman of the same company	Same as above	1,646,500	7,971	13	7,971	
	AcSacca Solar Energy Co., Ltd.	N/A	Same as above	3,600,000	41,433	5	41,433	
	Ist Energy Co., Ltd.	N/A	Same as above	691,673	-	5	-	
	HD Renewable Energy Co., Ltd.	N/A	Same as above	300,236	27,817	-	27,817	
	Hummingbird Flying Vehicle Ltd.	N/A	Same as above	687,500	-	1	-	
	Anji Technosolution Co., Ltd.	N/A	Same as above	200	156	5	156	
	Power Master International Investment Holdings Co., Ltd.	N/A	Same as above	167,626	7,196	-	7,196	
	Green Source Technology Co., Ltd.	N/A	Same as above	400,000	3,903	1	3,903	
	Lof Solar Corp.	N/A	Same as above	2,800,000	17,444	17	17,444	
	E-Jet aviation technology Co. Ltd.	N/A	Same as above	9,348,600	426	4	426	
	Green Shepherd Corporation Ltd.	N/A	Same as above	280,000	4,706	2	4,706	
	Ying Fa Energy Co, Ltd.	N/A	Same as above	1,000	<u>10</u> <u>\$ 110,252</u>	1	<u>10</u> <u>\$ 110,252</u>	
Anders Technology Co., Ltd.	Shares - ROC E-Jet aviation technology Co. Ltd.	N/A	Same as above	9,348,600	<u>426</u> <u>\$ 110,678</u>	4	<u>426</u> <u>\$ 110,678</u>	

TABLE 4

ANJI TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Anji Technology Co., Ltd.	Solar Master Energy Co., Ltd.(Note)	Juristic person's associates company	Sale	(\$ 823,910)	(25)	Within 60 days	Same	Same	\$ -	-	

Note. It is a non-related person since July 12, 2022. The transaction amount and account balance disclosed in this form are generated when both are related parties.

TABLE 5

ANJI TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				MARCHH 31, 2022	DECEMBER 31, 2021	Number of Shares	(%)	Carrying Amount			
Anji Technology Co., Ltd	Liu Ho energy technology Co., Ltd.	3F., No. 19, Keji 5th Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	Energy Technical Services	\$ 46,181	\$ 46,181	6,700,000	100	\$ 90,666	\$ 7,794	\$ 7,794	
	Yao Guang Power Co., Ltd.	3F., No. 19, Keji 5th Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	Energy Technical Services	22,000	22,000	2,900,000	100	43,007	3,874	3,874	
	Qing Yang Agricultural technology Co., Ltd.	3F., No. 19, Keji 5th Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	Energy Technical Services and Solar Agriculture	30,000	30,000	3,220,000	100	44,648	3,920	3,920	
	An Tai Energy Co., Ltd.	3F., No. 19, Keji 5th Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	Energy Technical Services	68,600	44,100	7,119,700	49	75,530	5,779	2,832	
	Hong Ding Holdings Co., Ltd.	No. 271, Beicheng Rd., North Dist., Tainan City 704, Taiwan (R.O.C.)	Self-usage Power Generation Equipment Utilizing Renewable Energy Industry	49,000	49,000	4,900,000	49	37,217	(1,226)	(601)	
	Anders Technology Co., Ltd.	3F., No. 19, Keji 5th Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	Metal 3D Printing Products Merchandising Business	20,000	8,000	2,000,000	50	19,186	(1,025)	(488)	shareholding scale change
	Chia Yi Energy Co., Ltd.	10F, No. 129, Beiming St., Fengshan Dist., Kaohsiung City 830, Taiwan (R.O.C.)	Energy Technical Services	97,500	-	9,750,000	25	96,185	(5,258)	(1,315)	

ANJI TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chinup Technology Co., Ltd.	16,636,678	13.72%
Packy Poda Inc.	7,236,000	5.96%

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

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Anji Technology Co., Ltd.

Opinion

We have audited the accompanying financial statements of Anji Technology Co., Ltd. (the Company), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies. (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the financial statements for the year ended December 31, 2022 is described as follows:

The company's main revenue from the sale of solar modules. Based on the importance and auditing standards, the recognition of revenue is a significant risk. Therefore, the

accountant believes that Anji Technology Co., Ltd. recognizes the sales revenue of solar modules for specific customers. Whether or not it happens will have a significant impact on the financial statements, so the authenticity of the recognition of solar module sales revenue for specific customers is listed as a key issue for this year's inspection. Refer to Notes 4 (13) to the Corporation's standalone financial statements for the related accounting policies and disclosures on sales revenue.

Our main audit procedures performed in regard of this key audit matter include:

- We understood the design and implementation of the procedures regarding approval of sales revenue of solar modules for specific customers.
- We verified the occurrence and validity of the specific goods and customers by confirming the customer information.
- We obtained subsequent details of the abovementioned specific goods and customers and checked whether there were any material and unusual sales returns and allowances and confirmed the appropriateness of accounting treatment and presentation.

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

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

In preparing the standalone financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the 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 entities or business activities within the Group to express an opinion on the 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 financial statements for the year ended December 31, 2022 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 audit resulting in this independent auditors' report are Teng-Wei Wang and Chi-Chen Li.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2023.

Notice to Readers

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

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

ANJI TECHNOLOGY CO., LTD.

BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash (Notes 6)	\$ 1,122,576	14	\$ 612,688	10
Financial assets at fair value through profit or loss - current (Notes 7 and 19)	5,093	-	4,230	-
Contract assets – current (Notes 25)	970	-	5,730	-
Financial assets at amortized cost – current (Notes 9 and 33)	112,788	2	99,985	2
Notes receivable (Notes 10 and 25)	14,973	-	4,404	-
Accounts receivable (Notes 10 and 25)	673,980	8	320,516	5
Accounts receivables from related parties (Note 10, 25 and 32)	26,973	-	211,231	3
Finance lease receivables (Note 11 and 33)	138,970	2	134,277	2
Inventories (Notes 12)	564,327	7	502,393	8
Other current assets (Note 17, 27 and 32)	102,045	1	84,004	1
Total current assets	<u>2,762,695</u>	<u>34</u>	<u>1,979,458</u>	<u>31</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 8 and 32)	110,252	1	122,270	2
Financial assets at amortized cost - non-current (Note 9, 16 and 33)	139,770	2	143,944	2
Investments accounted for using the equity method (Note 14 and 32)	406,439	5	274,041	4
Property, plant and equipment (Note 15, 32, 33 and 34)	2,552,674	31	1,528,487	24
Right-of-use assets (Note 16)	220,252	3	229,450	4
Other intangible assets	826	-	847	-
Deferred tax assets (Note 4 and 27)	38,175	1	30,168	-
Finance lease receivables - non-current (Note 11 and 33)	1,769,123	22	1,858,172	29
Other non-current assets (Note 12, 16, 17 and 32)	115,448	1	269,508	4
Total non-current assets	<u>5,352,959</u>	<u>66</u>	<u>4,456,887</u>	<u>69</u>
TOTAL	<u>\$ 8,115,654</u>	<u>100</u>	<u>\$ 6,436,345</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18 and 33)	\$ 543,090	7	\$ 473,808	7
Short-term bills payable (Note 18)	159,694	2	59,970	1
Financial liabilities at fair value through profit or loss - current (Notes 7 and 19)	3,800	-	-	-
Contract liabilities – current (Note 25)	42,302	1	25,490	-
Accounts payable (Note 20)	304,281	4	293,984	5
Accounts payables to related parties (Notes 20 and 32)	201	-	800	-
Other payables (Note 21)	182,002	2	162,115	3
Other payables to related parties (Note 32)	8,425	-	28,426	-
Current tax liabilities (Notes 4 and 27)	63,931	1	11,588	-
Lease liabilities – current (Note 16)	12,572	-	12,074	-
Current portion of long-term borrowings (Notes 18 and 33)	278,627	3	420,821	7
Other current liabilities (Note 21 and 22)	5,243	-	5,828	-
Total current liabilities	<u>1,604,168</u>	<u>20</u>	<u>1,494,904</u>	<u>23</u>

ANJI TECHNOLOGY CO., LTD.

BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
NON-CURRENT LIABILITIES				
Bonds payable (Note 19)	\$ 1,124,391	14	\$ 471,479	7
Long-term borrowings (Note 18 and 33)	1,760,512	22	1,378,759	21
Provisions - non-current (Note 22)	70,788	1	55,021	1
Deferred tax liabilities (Notes 4 and 27)	-	-	5	-
Finance lease payables - non-current (Notes 16)	214,246	2	221,824	4
Other non-current liabilities (Note 21)	53,596	-	51,434	1
Total non-current liabilities	3,223,533	39	2,178,522	34
 Total liabilities	 4,827,701	 59	 3,673,426	 57
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19 and 24)				
Share capital - ordinary shares	1,212,135	15	1,145,376	18
Capital surplus	1,344,520	17	1,048,975	16
Retained earnings				
Legal reserve	109,992	1	96,351	2
Special reserve	54,076	1	82,944	1
Unappropriated earnings	646,571	8	443,350	7
Total retained earnings	810,639	10	622,645	10
Other equity	(79,341)	(1)	(54,077)	(1)
Total equity	3,287,953	41	2,762,919	43
 TOTAL	 \$ 8,115,654	 100	 \$ 6,436,345	 100

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

(With Deloitte & Touche auditors' report dated February 23, 2023.)

ANJI TECHNOLOGY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 32)	\$ 3,233,540	100	\$ 1,509,717	100
OPERATING COSTS (Notes 12, 26 and 32)	<u>2,783,389</u>	<u>86</u>	<u>1,255,130</u>	<u>83</u>
GROSS PROFIT	<u>450,151</u>	<u>14</u>	<u>254,587</u>	<u>17</u>
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	-	-	(467)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>706</u>	<u>-</u>	<u>702</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>450,857</u>	<u>14</u>	<u>254,822</u>	<u>17</u>
OPERATING EXPENSES (Notes 10 and 26)				
Selling and marketing expenses	17,647	1	8,887	1
General and administrative expenses	79,799	2	73,795	5
Research and development expenses	14,467	-	15,242	1
Reversal of impairment loss determined in accordance with IFRS 9	<u>-</u>	<u>-</u>	<u>(138)</u>	<u>-</u>
Total operating expenses	<u>111,913</u>	<u>3</u>	<u>97,786</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>338,944</u>	<u>11</u>	<u>157,036</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES (Note 14, 26 and 32)				
Interest income	3,257	-	966	-
Other income	5,851	-	6,267	1
Other gains and losses	(22,330)	(1)	2,535	-
Finance costs	(58,255)	(2)	(46,364)	(3)
Share of profit or loss of associates and joint ventures	<u>16,016</u>	<u>1</u>	<u>19,504</u>	<u>1</u>
Total non-operating income and expenses	<u>(55,461)</u>	<u>(2)</u>	<u>(17,092)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	283,483	9	139,944	9
INCOME TAX EXPENSE (Notes 4 and 27)	<u>54,580</u>	<u>2</u>	<u>7,860</u>	<u>-</u>
NET PROFIT FOR THE PERIOD	<u>228,903</u>	<u>7</u>	<u>132,084</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	4,115	-	33,183	2
Share of the other comprehensive income/(loss) of associates and joint ventures accounted for using the equity method	<u>(10,288)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income/(loss) for the period, net of income tax	<u>(6,173)</u>	<u>-</u>	<u>33,183</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 222,730</u>	<u>7</u>	<u>\$ 165,267</u>	<u>11</u>
EARNINGS PER SHARE (Note 28)				
Basic	\$ 1.93		\$ 1.16	
Diluted	1.89		1.16	

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

(Concluded)

ANJI TECHNOLOGY CO., LTD.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity	
	Capital	Retained Earnings						
	Share Capital	Capital Collected In Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized gain/(loss) on financial assets at FVOCI	Total Equity
BALANCE, JANUARY 1, 2021	\$ 1,069,714	\$ 4,776	\$ 788,184	\$ 70,006	\$ 73,534	\$ 472,705	(\$ 82,944)	\$ 2,395,975
Appropriation of 2022 earnings								
Legal reserve	-	-	-	26,345	-	(26,345)	-	-
Special reserve	-	-	-	-	9,410	(9,410)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(130,000)	-	(130,000)
Equity component of convertible bonds issued by the Company	-	-	62,789	-	-	-	-	62,789
Net profit/(loss) for the year ended December 30, 2021	-	-	-	-	-	132,084	-	132,084
Other comprehensive income/(loss) for the year ended December 31, 2021	-	-	-	-	-	-	33,183	33,183
Total comprehensive income/(loss) for the year ended December 31, 2021	-	-	-	-	-	132,084	33,183	165,267
Convertible bonds converted to ordinary shares	75,662	(4,776)	198,730	-	-	-	-	269,616
Non-controlling interests	-	-	-	-	-	-	-	-
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	4,316	(4,316)	-
Buy-back of convertible bonds	-	-	(728)	-	-	-	-	(728)
BALANCE, DECEMBER 31, 2021	1,145,376	-	1,048,975	96,351	82,944	443,350	(54,077)	2,762,919
Appropriation of 2021 earnings								
Legal reserve	-	-	-	13,640	-	(13,640)	-	-
Special reserve	-	-	-	-	(28,867)	(28,867)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(60,000)	-	(60,000)
Equity component of convertible bonds issued by the Company	-	-	78,194	-	-	-	-	78,194
Net profit/(loss) for the year ended December 30, 2022	-	-	-	-	-	228,903	-	228,903
Other comprehensive income/(loss) for the year ended December 31, 2022	-	-	-	-	-	-	(6,173)	(6,173)
Total comprehensive income/(loss) for the year ended December 31, 2022	-	-	-	-	-	228,903	(6,173)	222,730
Convertible bonds converted to ordinary shares	66,759	-	217,347	-	-	-	-	284,106
From share of changes in equities of subsidiaries	-	-	4	-	-	-	-	4
Non-controlling interests	-	-	-	-	-	-	-	-
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	19,091	(19,091)	-
BALANCE, DECEMBER 31, 2022	<u>\$ 1,212,135</u>	<u>\$ -</u>	<u>\$ 1,344,520</u>	<u>\$ 109,991</u>	<u>\$ 54,077</u>	<u>\$ 646,571</u>	<u>(\$ 79,341)</u>	<u>\$ 3,287,953</u>

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

(With Deloitte & Touche audit report dated February 23, 2023.)

ANJI TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 283,483	\$ 139,944
Adjustments for:		
Depreciation expenses	110,591	97,210
Amortization expenses	260	291
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	-	(138)
Net loss(gain) on financial assets and liabilities at fair value through profit or loss	2,110	(580)
Interest expenses	58,255	46,364
Interest income (Included interests revenue of finance lease)	(166,297)	(178,205)
Dividend income	(3,900)	(1,440)
Share of (profit)/loss of associates and joint ventures	(16,016)	(19,504)
Write-down of inventories	10,333	16,220
Realized gain on the transactions with subsidiaries	(706)	(235)
Net loss of Buy-back of convertible bonds	-	127
Recognition of provisions	16,305	24,589
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	467	1,163
Contract assets	4,760	(5,730)
Notes receivable	(10,569)	6,875
Accounts receivable	(353,464)	(58,570)
Accounts receivables from related parties	184,258	(138,565)
Inventories	(206,384)	(272,628)
Other current assets	(27,306)	(32,751)
Finance lease receivables	84,356	86,224
Contract payable	16,812	20,529
Notes receivable	-	(38)
Accounts payable	10,297	125,740
Accounts payable from related parties	(599)	(2,382)
Other payables	20,318	(8,895)
Other payable from related parties	(14,415)	(1,331)
Provisions	-	(480)
Other current liabilities	(794)	1,074
Other non-current liabilities	2,162	3,395
Cash generated/(used) from operations	4,317	(151,427)
Interest received	166,297	178,205
Interest paid	(43,296)	(39,424)
Income tax paid	(10,249)	(61,716)
Net cash generated from operating activities	(117,069)	(74,362)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(12,222)	(35,616)
Disposal of financial assets at fair value through other comprehensive income	28,355	-

(Continued)

ANJI TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Purchase of financial assets at fair value through profit or loss	(2,825)	(4,956)
Dispos of financial assets at fair value through profit or loss	-	1,935
Purchase of financial assets at amortized cost	(8,629)	(41,401)
Purchase of financial assets for using the equity method	(122,000)	(17,800)
Payments for property, plant and equipment	(840,232)	(623,055)
Increase in refundable deposits	(36,235)	(44,412)
Decrease in refundable deposits	31,065	39,942
Increase in other receivable from related parties	-	(10,000)
Decrease in other receivable from related parties	10,000	-
Purchase of intangible assets	(239)	(352)
Dividends received	11,940	12,185
Net cash used in investing activities	(<u>941,022</u>)	(<u>723,560</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,303,856	996,095
Repayments of short-term borrowings	(1,234,574)	(692,917)
Increase of short-term notes	910,000	200,000
Decrease of short-term notes	(810,000)	(140,000)
Issuance of bonds payable	1,009,091	534,946
Repayments of bond payables	-	(13,900)
Proceeds from long-term borrowings	593,190	498,930
Repayments of long-term borrowings	(353,631)	(227,093)
Repayment of the principal portion of lease liabilities	(12,091)	(159,748)
Cash dividends	(60,000)	(130,000)
Increase in non-controlling interests	12,000	-
Net cash generated from/(used in) financing activities	<u>1,333,841</u>	<u>866,313</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	509,888	68,391
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>612,688</u>	<u>544,297</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$1,122,576</u>	<u>\$ 612,688</u>

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

(With Deloitte & Touche auditors' report dated February 23, 2023.)

(Concluded)

ANJI TECHNOLOGY CO., LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

1. GENERAL INFORMATION

Anji Technology Co., Ltd. (the Company) was incorporated in February 2007 under the laws of the Republic of China (ROC). The Company mainly research, develops, manufactures and sells solar molds. It also provides energy services.

The Company's shares have been listed on the Taipei Exchange ("TPEX") Emerging Stock Board ("ESB") from October 2014 until June 2016, when the Company listed its shares on the Taiwan Stock Exchange (TWSE).

The 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 financial statements were published after being approved by the Company's board of directors on February 23, 2023.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

- d. 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 "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

- e. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"□	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or

after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

- f. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
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
Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"□	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim financial statements is less than the disclosure information required in a complete set of annual financial statements.

Basis of preparation

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

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

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c. Level 3 inputs are unobservable inputs for the asset or liability.

When preparing the parent company only financial statements, the Company account for subsidiaries and associates by using the equity method. In order to agree with the amount of net income, other comprehensive income, and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

Classification of Current and Noncurrent Assets and Liabilities

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within 12 months after the reporting period; and
- c. 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:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within 12 months after the reporting period; and
- c. Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

Foreign Currencies

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

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

Nonmonetary 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 nonmonetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of nonmonetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Nonmonetary items denominated in a foreign currency and measured at historical cost are not retranslated.

Inventories

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

Investments in Subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and is adjusted thereafter to recognize the Company's share of the gains or losses and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Profits or losses resulting from downstream transactions are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

Investments in Associates

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

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

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

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

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.

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 method 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.

Intangible Assets

a. 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. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

b. 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.

Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets

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

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

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or incremental costs of obtaining a contract 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 for the asset, cash-generating unit or incremental costs of obtaining a contract in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

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

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

a. Financial assets

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

1) Measurement category

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

a) Financial assets at FVTPL

Financial assets is classified as at FVTPL when the financial asset is mandatorily classified as at FVTPL.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 30: Financial Instruments.

b) 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.
 - 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(include related party), note receivable, other receivable(include related party) (recognized in other current assets) at amortized cost, other financial assets(include current and non-current), and Refundable deposits (recognized in other non-current assets) 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 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 assets that are not credit impaired on purchase or origination but have 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.

c) Investments in equity instruments at FVTOCI

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

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

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

2) Impairment of financial assets and contract assets

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

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

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

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

- a) Internal or external information show that the debtor is unlikely to pay its creditors.
- b) Failure of the debtors to discharge their obligation within their credit periods, unless the

Company has reasonable and corroborative information to support a more lagged default criterion. The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

3) Derecognition of financial assets

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

On derecognition of 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.

b. Equity instruments

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

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

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, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

1) Subsequent measurement

Except the financial liabilities at fair value through profit or loss, all financial liabilities are measured at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

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

d. Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability

component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

e. 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, interest rate swaps.

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; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. 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.

Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

a. Warranties

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the Company's best estimate of the expenditure required to settle the Company's obligation.

b. Levies

Levies imposed by a government are accrued as other liabilities when the transactions or activities that trigger the payment of such levies occur. If the obligating event occurs over a period of time, the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

Revenue Recognition

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of solar module. Sales of solar module are recognized as revenue when the goods trade terms are reached or when shipments are made 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. Account receivables are recognized concurrently. The transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

The company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the processing

Revenue from the processing from solar module OEM, which is recognized based on the completion of solar cell module processing. Advance receipts are recognized as contract liabilities before shipment

3) Revenue of Electricity sales

Revenue from electricity sales is calculated based on the actual electricity sales and the agreed rate, and is recognized when the electricity is transmitted to the substation at Taipower.

4) Construction contract revenue

While the construction is in progress; thus, the company recognizes revenue over time. The company measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. Contract assets are recognized during the construction and are reclassified to account receivables at the point at which the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the company recognizes contract liabilities

Leasing

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

a. The Company 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. Under finance leases, the lease payments comprise fixed payments and in-substance fixed payments.

The net investment in a lease is measured at the present value of the sum of the lease payments receivable by a lessor and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the company's net investment outstanding in respect of leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

b. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted

for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for an estimate of costs needed to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company 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 resulting in a change in future lease payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

Borrowing Costs

Borrowing costs directly attributable to the 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 stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government Grants

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

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

Employee Benefits

a. 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 service.

b. Retirement benefits

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

Taxation

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

a. Current tax

Current taxes include tax payables and tax deduction receivables on taxable gains (losses), as well as tax adjustments of prior years' tax liabilities.

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

b. Deferred tax

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

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

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

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

c. Current and deferred taxes

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

5.CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates, 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.

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

6. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand	\$ 145	\$ 146
Checking accounts and demand deposits	1,045,781	612,542
Cash equivalents (investments with original maturities of less than three months)	76,650	-
	<u>\$ 1,122,576</u>	<u>\$ 612,688</u>

Cash equivalents year's rate is 4.88%~5.1% at December 31,2022.

7.FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS – CURRENT

	December 31, 2022	December 31, 2021
<u>Financial assets mandatorily classified as at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	\$ 300	\$ 1,350
Non-derivative financial assets		
Domestic listed shares	2,985	2,790
Domestic unlisted shares	18,808	90
	<u>\$ 5,093</u>	<u>\$ 4,230</u>
<u>Financial liabilities held for trading</u>		
Derivative financial assets (not under hedge accounting)		
Convertible options (Note 18)	<u>\$ 3,800</u>	<u>\$ -</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NON CURRENT

	December 31, 2022	December 31, 2021
Domestic investments		
Listed shares	\$ 35,013	\$ 50,725
Unlisted shares	75,083	71,346
Foreign investments		
Anji Technosolution Co., Ltd.	<u>156</u>	<u>199</u>
	<u>\$ 110,252</u>	<u>\$ 122,270</u>

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

In 2011 and 2011, the company adjusted its investment positions to diversify risks, and sold some domestic investment stocks. The related other interests - financial assets measured at fair value through other comprehensive gains and losses, unrealized evaluation gains and losses of 19,091 and 4,316, were transferred into retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2022	December 31, 2021
<u>Current</u>		
Domestic investments		
Reserve Account	<u>\$ 112,788</u>	<u>\$ 99,985</u>
<u>Non-current</u>		
Domestic investments		
Time deposits with pledged as security (a)	<u>\$ 139,770</u>	<u>\$ 143,944</u>

- a. The market interest rates of the time deposits with pledged as security were 0.43%-1.45% and 0.04%-0.84%, respectively, as of December 31, 2022 and 2021

- b. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND RECEIVABLES FROM RELATED PARTIES

	December 31, 2022	December 31, 2021
<u>Notes receivable</u>		
Notes receivable - operating	\$ <u>14,973</u>	\$ <u>4,404</u>
<u>Accounts receivables</u>		
Accounts receivable - operating	\$ 700,953	\$ 531,747
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	\$ <u>700,953</u>	\$ <u>531,747</u>

The average credit period on sales of goods was 30 to 120 days. The allowance for doubtful receivables is assessed by reference to the collectability of receivables by historical experience, current financial condition of customers and any significant change in credit quality.

For the accounts receivable balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss because there was no significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements for these balances.

The aging analysis based on the past due date of receivables and receivables from the related parties were as follows:

December 31, 2022

	Not Past Due	Less than 30 Days	Total
Expected credit loss rate	0%	0%	
Gross carrying amount	\$ 715,926	\$ -	\$ 715,926
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	\$ <u>715,926</u>	\$ <u>-</u>	\$ <u>715,926</u>

December 31, 2021

	Not Past Due	Less than 30 Days	Total
Expected credit loss rate	0%	0%	

Gross carrying amount	\$ 514,885	\$ 21,266	\$ 536,151
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 514,885</u>	<u>\$ 21,266</u>	<u>\$ 536,151</u>

The movements of the allowance for doubtful accounts receivable were as follows:

	2021
Balance, beginning of period	\$ 70,629
Add: Impairment loss for current period	(73,530)
Less: Reversal of impairment loss for current period	138
Foreign exchange gains and losses	<u>3,039</u>
Balance, end of period	<u>\$ -</u>

11. FINANCE LEASE RECEIVABLES

	December 31, 2022	December 31, 2021
Gross investment in leases		
Not later than 1 year	\$ 285,630	\$ 289,500
Later than 1 year and not later than 2 years	238,995	241,946
Later than 2 year and not later than 3 years	236,462	239,356
Later than 3 year and not later than 4 years	233,966	236,820
Later than 4 year and not later than 5 years	231,496	234,321
	<u>1,838,640</u>	<u>2,072,975</u>
	3,065,189	3,314,918
Less: Unearned finance income	<u>1,157,096</u>	<u>1,322,469</u>
Present value of minimum lease payments	<u>\$ 1,908,093</u>	<u>\$ 1,992,449</u>
Finance lease receivables-current	\$ 138,970	\$ 134,277
Finance lease receivables-non-current	<u>1,769,123</u>	<u>1,858,172</u>
Finance lease receivables	<u>\$ 1,908,093</u>	<u>\$ 1,992,449</u>

The Company entered into a finance lease agreement with a client to lease out its data center equipment as part of the project business services provided to the client. The term of the finance lease entered into was 5 years. The interest rate inherent in the lease was 3.0%, which was determined at the contract date and was fixed for the entire term of the lease.

The interest rate inherent in the leases was fixed at the contract date for the entire lease term. The interest rate inherent in the finance lease was approximately 4.67%-18.12% per annum as of December 31, 2021 and 2022, respectively.

The Company measures the loss allowance for Finance lease receivable at an amount equal to lifetime ECLs. The respective leased equipment served as collateral for the finance lease receivables. As of December 31, 2022 and 2021, no finance lease receivable was past due. The Company has not recognized a loss allowance for

finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

Refer to Note 32 for information relating to Finance lease receivables pledged as security.

12. INVENTORIES

	December 31, 2022	December 31, 2021
Merchandise	\$ -	\$ 1,035
Finished goods	243,077	284,934
Work-in-process	20,915	72,956
Semi-finished goods	7,244	10,137
Raw materials	275,422	123,665
Supplies	17,669	9,666
	<u>\$ 564,327</u>	<u>\$ 502,393</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was NT\$2,616,813 thousand and NT\$1,043,862 thousand, respectively.

The cost of goods sold for the years ended December 31, 2022 and 2021 included inventory write-downs of NT\$10,333 thousand and NT\$16,220 thousand, respectively.

The prepayments for facilities of the years ended December 31, 2022 and 2021 included inventory transfer of NT\$133,788 thousand and NT\$152,995 thousand, respectively.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD – INVESTMENT IN SUBSIDIARIES

	December 31, 2022	December 31, 2021
Investments in subsidiaries	\$ 197,507	\$ 178,055
Investments in associates	208,932	95,986
	<u>\$ 406,439</u>	<u>\$ 274,041</u>

a. Investments in subsidiaries

	December 31, 2022	December 31, 2021
Liu Ho energy technology Co., Ltd.	\$ 90,666	\$ 85,870
Yao Guang Power Co., Ltd.	43,007	40,345
Qing Yang Agricultural technology Co., Ltd.	44,648	43,916
Anders Technology Co., Ltd.	<u>19,186</u>	<u>7,924</u>
	<u>\$ 197,507</u>	<u>\$ 178,055</u>

	% of Ownership	
	December 31, 2022	December 31, 2021
Liu Ho energy technology Co., Ltd.	100%	100%
Yao Guang Power Co., Ltd.	100%	100%
Qing Yang Agricultural technology Co., Ltd.	100%	100%
Anders Technology Co., Ltd.	50%	80%

The company jointly invested 8,000 thousands with the related party Chin-up Technology Company to establish Anders Technology Co., Ltd, in February 2011.

The company did not participate in the cash capital increase of 7,000 thousands in March 2011 according to the shareholding ratio, resulting in a decrease in the shareholding ratio. Since it does not affect the company's control over the subsidiary, the company treats it as an equity transaction and increases the capital reserve 4 thousands. In addition, in December 2011, according to the shareholding ratio, the capital of Anders Company was increased by 5,000 thousands in cash

b. Investments in associates

	December 31, 2022	December 31, 2021
Investments in associates		
Associates that are not individually material	<u>\$ 208,932</u>	<u>\$ 95,986</u>

Aggregate information of associates that are not individually material

	2022	2021
The Company's share of:		
Total comprehensive income for the year	(<u>\$ 9,118</u>)	<u>\$ 2,246</u>

Refer to table 5 for information relating to investments in associates.

- c. The company reinvested 24,500 thousand and 9,800 thousand in Antai Energy in August 2011 and September 2011, respectively.
- d. The company increased the capital of Jiayi Energy Company by 30,000 thousand, 38,750 thousand and 28,750 thousand in March, May and August 2011, respectively.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Solar Power Equipment	Transportation Equipment	Office equipment	Other Facilities	Equipment under Installation and Construction in Progress	Total
Cost									
Balance at January 1, 2021	\$ 69,786	\$ 148,388	\$ 327,241	\$ 340,005	\$ 5,018	\$ 7,983	\$ 83,765	\$ -	\$ 982,186
Additions	-	380	42,377	878,618	3,896	-	2,618	93,901	1,021,790
Disposals	-	-	(60,739)	-	-	(71)	-	-	(60,810)
Balance at December 31, 2021	<u>\$ 69,786</u>	<u>\$ 148,768</u>	<u>\$ 308,879</u>	<u>\$ 1,218,623</u>	<u>\$ 8,914</u>	<u>\$ 7,912</u>	<u>\$ 86,383</u>	<u>\$ 93,901</u>	<u>\$ 1,943,166</u>
Accumulated depreciation									
Balance at January 1, 2021	\$ -	\$ 38,197	\$ 259,012	\$ 11,039	\$ 3,346	\$ 7,907	\$ 71,165	\$ -	\$ 390,666
Depreciation	-	5,027	28,951	45,180	1,163	30	4,472	-	84,823
Disposals	-	-	(60,739)	-	-	(71)	-	-	(60,810)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 43,224</u>	<u>\$ 227,224</u>	<u>\$ 56,219</u>	<u>\$ 4,509</u>	<u>\$ 7,866</u>	<u>\$ 75,637</u>	<u>\$ -</u>	<u>\$ 414,679</u>
Carrying amounts at December 31, 2021	<u>\$ 69,786</u>	<u>\$ 105,544</u>	<u>\$ 81,655</u>	<u>\$ 1,162,404</u>	<u>\$ 4,405</u>	<u>\$ 46</u>	<u>\$ 10,746</u>	<u>\$ 93,901</u>	<u>\$ 1,528,487</u>
Cost									
Balance at January 1, 2022	\$ 69,786	\$ 148,768	\$ 308,879	\$ 1,218,623	\$ 8,914	\$ 7,912	\$ 86,383	\$ 93,901	\$ 1,943,166
Additions	188,336	300	49,461	95,361	800	92	4,323	781,896	1,120,569
Disposal	-	-	(40,144)	-	-	(592)	(12)	-	(40,748)
Balance at December 31, 2022	<u>\$ 258,122</u>	<u>\$ 149,068</u>	<u>\$ 318,196</u>	<u>\$ 1,313,984</u>	<u>\$ 9,714</u>	<u>\$ 7,412</u>	<u>\$ 90,694</u>	<u>\$ 875,797</u>	<u>\$ 3,022,987</u>
Accumulated depreciation									
Balance at January 1, 2022	\$ -	\$ 43,224	\$ 227,224	\$ 56,219	\$ 4,509	\$ 7,866	\$ 75,637	\$ -	\$ 414,679
Depreciation	-	5,086	22,646	62,279	1,285	43	5,043	-	96,382
Disposal	-	-	(40,144)	-	-	(592)	(12)	-	(40,748)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 48,310</u>	<u>\$ 209,726</u>	<u>\$ 118,498</u>	<u>\$ 5,794</u>	<u>\$ 7,317</u>	<u>\$ 80,668</u>	<u>\$ -</u>	<u>\$ 470,313</u>
Carrying amounts at December 31, 2022	<u>\$ 258,122</u>	<u>\$ 100,758</u>	<u>\$ 108,470</u>	<u>\$ 1,195,486</u>	<u>\$ 3,920</u>	<u>\$ 95</u>	<u>\$ 10,026</u>	<u>\$ 875,797</u>	<u>\$ 2,552,674</u>

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

Buildings	
Main buildings	35 years
Engineering systems	3-15 years
Machinery and Equipment	4-8 years
Solar power Equipment	20 years
Transportation Equipment	5 years
Office equipment	3-5 years
Other Facilities	3-20 years

Property, plant and equipment leased under operating leases and pledged as collateral for bank borrowings are set out in Note 32.

15. LEASE ARRANGEMENTS

d. Right-of-use assets

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 189,709	\$ 123,275	\$312,984
Additions	112,528	19,233	131,761
Disposals	(188,336)	-	(188,336)
Balance at December 31, 2021	<u>\$ 113,901</u>	<u>\$ 142,508</u>	<u>\$256,409</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$274	\$14,298	\$14,572
Depreciation	4,056	8,331	12,387
Balance at December 31, 2021	<u>\$4,330</u>	<u>\$22,629</u>	<u>\$26,959</u>
Carrying amounts at December 31, 2021	<u>\$ 109,571</u>	<u>\$ 119,879</u>	<u>\$229,450</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 113,901	\$ 142,508	\$256,409
Additions	5,011	-	5,011
Balance at December 31, 2022	<u>\$ 118,912</u>	<u>\$ 142,508</u>	<u>\$261,420</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$4,330	\$22,629	\$26,959
Depreciation	5,716	8,493	14,209
Balance at December 31, 2022	<u>\$10,046</u>	<u>\$31,122</u>	<u>\$41,168</u>
Carrying amounts at December 31, 2022	<u>\$ 108,866</u>	<u>\$ 111,386</u>	<u>\$220,252</u>

The company implemented land lease sub-acquisition in 2021,. For related instructions, please refer to (3) Important lease activities and terms.

e. Lease liabilities

	December 31, 2022	December 31, 2021
<u>Carrying amounts</u>		
Current	<u>\$ 12,572</u>	<u>\$ 12,074</u>
Non-current	<u>\$ 214,246</u>	<u>\$ 221,824</u>

Range of discount rate for lease liabilities was as follows:

	December 31, 2022	December 31, 2021
Land	1.847%~2.359%	2.025%~2.359%

	December 31, 2022	December 31, 2021
Buildings	2.025%~2.494%	2.025%~2.556%

The Group leased two pieces of industrial land from Tainan industrial zones of the Industrial Development Bureau of the Ministry of Economic Affairs in November 2009 and November 2029. Rental was calculated on the basis of the annual rental ratio of the market price of each square meter when the Group contracted with local government, adjusted for changes in long-term loan interest rates announced by the Executive Yuan on January 1 and July 1 of each year and changes in the consumer price index. According to the lease terms, the rental cost was zero in the first and second years. The actual rentals paid in the third and fourth years would be calculated as 60% of the above rental amount. The rentals paid in the fifth and sixth years would be calculated as 80% of the above rental amount. Rentals in the seventh year would revert to the amount determined at the inception of the lease. Lease terms specified that the minimum rental period is 6 years and the maximum rental period is 20 years.

According to the provisions of the lease, the lessee has the option to purchase the land at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable. If the application is approved in the lease period, the rental and deposits paid could offset the purchase price of the land without interest. The maximum offsetting amount is limited to 100% of the sale price at the point of application.

The board of directors of the company decided to apply for land purchase according to the lease agreement when the lease period expires. In order to consider the impact of the preferential purchase right, the company judged that the land in the above-mentioned industrial zone was a financial lease on the lease commencement date. deal with.

Interest rates underlying all obligations under finance leases were fixed at respective contract dates ranging from 1.74% per annum at December 31, 2021 and 2022, respectively.

f. Other lease information

	For the years ended December 31	
	2022	2021
Expenses relating to short-term leases	\$ 8,048	\$ 8,220
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 67,235	\$ 71,659
Total cash outflow for leases	\$ 92,809	\$ 247,651

The company leases of certain qualify as short-term leases and leases of certain qualify as low-value asset leases. The company has elected to apply the recognition exemption and thus,

did not recognize right-of-use assets and lease liabilities for these leases.

16. OTHER ASSETS

	December 31, 2022	December 31, 2021
<u>Current</u>		
Tax Overpaid Retained for Offsetting the Future Tax Payable	\$ 15,611	\$ 878
Input tax	34,357	25,161
Prepayment for purchases	33,436	30,000
Other accounts receivables	5,157	5,588
Other accounts receivables from related parties (Note 32)	742	12,728
Income tax refund receivable	4,120	-
Others	<u>8,622</u>	<u>9,649</u>
	<u>\$ 102,045</u>	<u>\$ 84,004</u>
<u>Non-current</u>		
Prepayments for Business Facilities	\$ 61,454	\$ 31,613
Refundable deposits	49,352	44,182
Long-term prepaid expenses	4,642	5,377
Prepayment for land (Note 16)	<u>-</u>	<u>188,336</u>
	<u>\$ 115,448</u>	<u>\$ 269,508</u>

17. BORROWINGS

c. Short-term borrowings

	December 31, 2022	December 31, 2021
Bank secured loans (Note 33)	\$ -	\$ 35,616
Unsecured loans	<u>543,090</u>	<u>438,192</u>
	<u>\$ 543,090</u>	<u>\$ 473,808</u>

The range of interest rates of short-term borrowings was as follows:

	December 31, 2022	December 31, 2021
Bank secured loans	-	1.96%
Unsecured loans	1.65%~2.60%	1.15%~1.60%

d. Short-term bills payable

December 31, 2022

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
<u>Commercial paper</u>					
China Bills Finance Corporation	\$ 45,000	\$ 61	\$ 44,939	1.30~1.34	None
International Bills Finance Corporation	30,000	90	29,910	2.06	None
Mega Bills Finance Co. Ltd.	50,000	96	49,904	1.76	None
Taiwan Cooperative Bills Finance Co. Ltd.	<u>35,000</u>	<u>59</u>	<u>34,941</u>	1.51~1.54	None
	<u>\$ 160,000</u>	<u>\$ 306</u>	<u>\$ 159,694</u>		

December 31, 2021

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
<u>Commercial paper</u>					
China Bills Finance Corporation	\$ 20,000	\$ 7	\$ 19,993	0.45	None
International Bills Finance Corporation	20,000	18	19,982	0.70	None
Mega Bills Finance Co. Ltd.	<u>20,000</u>	<u>5</u>	<u>19,995</u>	0.90	None
	<u>\$ 60,000</u>	<u>\$ 30</u>	<u>\$ 59,970</u>		

c. Long-term borrowings

	December 31, 2022	December 31, 2021
Bank secured loans (Note 32)	\$ 1,820,153	\$ 1,683,054
Bank unsecured loans	<u>218,986</u>	<u>116,526</u>
	2,039,139	1,799,580
Less: current portion	<u>278,627</u>	<u>420,821</u>
	<u>\$ 1,760,512</u>	<u>\$ 1,378,759</u>

1. Bank secured and unsecured loans

c. The bank borrowings secured by the Company's finance lease receivables, property, plant and equipment and financial assets at amortized cost.

d. As of December 31, 2023 and 2022, the range of weighted average effective interest rates of the bank borrowings was 1.3%-3.12% and 1.2%-2.4% per annum, respectively.

2. Among them, the company signed a credit contract with Taipei Fubon Bank with an amount of 440,190 thousand. It is stipulated that during the duration of the credit contract, according to the annual and semi-annual consolidated financial statements reviewed by the accountant, the relevant financial commitments should be maintained (every six months) check).

The company's 2022 and 2021 consolidated financial statements are in line with the aforementioned financial ratios and have not violated the aforementioned financial commitments.

18. BONDS PAYABLE

	December 31, 2022	December 31, 2021
Unsecured domestic convertible bonds	\$ 1,217,353	\$ 512,650
Less: Discounts on bonds payable	<u>92,962</u>	<u>41,171</u>
	<u>\$ 1,124,391</u>	<u>\$ 471,479</u>

II. At December 20, 2019, the Anji Technology Co., Ltd. issued 100 thousand, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of \$300,000 thousand.

Each bond entitles the holder to convert it into ordinary shares of the Anji Technology Co., Ltd. at a conversion price of \$23. Conversion may occur at any time between March 21, 2019 and December 20, 2024. If the bonds have not been converted, they will be redeemed on December 20, 2024 at \$102,500 each. An interest rate of 0.5% per annum will be paid quarterly until the bonds are converted or redeemed.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.7451% per annum on initial recognition.

The first unsecured convertible corporate bonds have been fully converted as of September 30, 2011.

Liability component

The movements of the liability component were as follows:

The first unsecured domestic bonds

	For the years ended December 31, 2021
Balance at beginning and date of issue	\$ 5,999
Interest expenses	70
Convertible bonds converted into ordinary shares	(<u>6,069</u>)
Ending balance	<u>\$ -</u>

The movements of the financial liabilities at FVTPL - current were as follows:

For the years ended

	December 31, 2021
Balance at beginning and date of issue	(\$ 60)
Adjustments for change in value	(6)
Convertible bonds converted into ordinary shares	66
Ending balance	<u>\$ -</u>

Equity component (Presented in equity under the heading of capital surplus – options, Note 24)

The movements of the equity component were as follows:

	For the years ended December 31, 2021
Balance at beginning and date of issue	(\$ 503)
Convertible bonds converted into ordinary shares	503
Ending balance	<u>\$ -</u>

II. At October 30, 2020, the Anji Technology Co., Ltd. issued 100 thousand, 0% NTD second domestic unsecured convertible bond in Taiwan, with an aggregate principal amount of \$300,000 thousand issued at 120.18% of par value. Each bond entitles the holder to convert it into ordinary shares of the Anji Technology Co., Ltd. Conversion may occur at any time between October 30, 2020 and October 30, 2025.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.8624% per annum on initial recognition.

The second unsecured convertible corporate bonds has redeemed the corporate bonds in advance in September 2011

Liability component

The second unsecured domestic bonds

	For the years ended December 31, 2021
Balance at beginning and date of issue	\$ 277,291
Interest expenses	1,280
Convertible bonds converted into ordinary shares	(265,513)
Redeemed convertible bonds	(13,058)
Ending balance	<u>\$ -</u>

	For the years ended December 31, 2021
Balance at beginning and date of issue	(\$ 2,861)
Adjustments for change in value	948
Convertible bonds converted into ordinary shares	1,900
Redeemed convertible bonds	13
Ending balance	<u>\$ -</u>

	For the years ended December 31, 2021
Balance at beginning and date of issue	(\$ 80,122)
Convertible bonds converted into ordinary shares	(76,410)
Redeemed convertible bonds	(3,712)

Ending balance

\$ _____ -

III. At August 4, 2021, the Anji Technology Co., Ltd. issued 100 thousand, 0% NTD third domestic unsecured convertible bond in Taiwan, with an aggregate principal amount of \$500,000 thousand issued at 106.99% of par value. Each bond entitles the holder to convert it into ordinary shares of the Anji Technology Co., Ltd. Conversion may occur at any time between August 4, 2021 and August 4, 2026.

Conversion rights of bondholders

For bondholders, starting from November 5, 2021 (the day following the 3-month expiration of the bond issuance), to August 4, 2026 (the maturity date), except for (1) the suspension period of common stock transfer according to law, (2)) The period from the 15th business day before the closing date of the company's free allotment of shares, the closing date of cash dividends, or the closing date of cash capital increase subscriptions to the base date of rights distribution; (3) Outside the period from the day before the trading start date of stock exchange for stock exchange (4) to the day before the trading start date of stock exchange for new shares, it may be notified to Taiwan at any time through the original trading brokerage Taiwan Depository & Clearing Corporation. requests the stock affairs agency of the company to convert the converted corporate bonds it holds into ordinary shares of the company in accordance with the regulations. The conversion price of the converted corporate bonds is 45.2 per share, and thereafter Adjust according to the conversion price adjustment formula. From June 29, 2022, the conversion price will be adjusted to 44.8.

Put option for bondholders

The put option of the convertible corporate bond is exercisable on August 4, 2024, the date when the bond has been issued for three years. The Company shall send a "Notice of Right to Exercise the Put Option" to the bondholders by registered mail 40 days prior to the base date of repurchase (June 25, 2024), and shall request Taipei Exchange to announce the bondholders' right to exercise the put option. The bondholders may request the Company to redeem the bonds held by them at 101.51% of the face value of the bonds (with an annual yield rate of 0.5% on repurchase). The Company shall redeem the convertible bonds in cash within five business days from the date of the request for repurchase.

Redemption by the Company

(1) If the closing price of the Company's common stock exceeds the then prevailing conversion price by at least 30% for 30 consecutive business days from the day following the date on which the Bonds are issued for three months (November 5, 2021) until 40 days prior to the expiration of the issuance period (June 25, 2026), the Company may, within 30 business days. To execute the redemption request, the Company shall redeem the outstanding convertible bonds at their face value in cash.

(2) If the outstanding balance of the convertible bonds is less than 10% of the original issue amount from the day following the date on which the Bonds are issued for three months (November 5, 2021) until 40 days prior to the expiration of the issuance period (June 25, 2026). To execute the redemption request, the Company shall redeem the outstanding convertible bonds at their face value in cash.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.6365% per annum on initial recognition.

Liability component

The third unsecured domestic bonds

	For the years ended December 31	
	2022	2021
Balance at beginning and date of issue	\$ 471,479	\$ 467,887
Interest expenses	5,914	3,592
Convertible bonds converted into ordinary shares	(285,600)	-
Ending balance	\$ 191,793	\$ 471,479
For the years ended December 31		

	2022	2021
Balance at beginning and date of issue	(\$ 1,350)	(\$ 850)
Adjustments for change in value	(444)	(500)
Convertible bonds converted into ordinary shares	1,494	-
Ending balance	(\$ 300)	(\$ 1,350)

	For the years ended December 31	
	2022	2021
Balance at beginning and date of issue	\$ 62,789	\$ 62,789
Convertible bonds converted into ordinary shares	(37,771)	-
Ending balance	\$ 25,078	\$ 62,789

IV. At July 21, 2022, the Anji Technology Co., Ltd. issued 100 thousand, 0% NTD fourth domestic unsecured convertible bond in Taiwan, with an aggregate principal amount of \$1,000,000 thousand issued at 100.91% of par value. Each bond entitles the holder to convert it into ordinary shares of the Anji Technology Co., Ltd. Conversion may occur at any time between July 21, 2022 and July 21, 2027.

Conversion rights of bondholders

For bondholders, starting from October 22, 2012 (the day following the 3-month expiration of the bond issuance), to July 21, 2027 (the maturity date), except for (1) the suspension period of common stock transfer according to law, (2)) The period from the 15th business day before the closing date of the company's free allotment of shares, the closing date of cash dividends, or the closing date of cash capital increase subscriptions to the base date of rights distribution; (3) Outside the period from the day before the trading start date of stock exchange for stock exchange (4) to the day before the trading start date of stock exchange for new shares, it may be notified to Taiwan at any time through the original trading brokerage Taiwan Depository & Clearing Corporation. requests the stock affairs agency of the company to convert the converted corporate bonds it holds into ordinary shares of the company in accordance with the regulations. The conversion price of the converted corporate bonds is 53.9 per share, and thereafter Adjust according to the conversion price adjustment formula.

Put option for bondholders

The put option of the convertible corporate bond is exercisable on July 21, 2025, the date when the bond has been issued for three years. The Company shall send a "Notice of Right to Exercise the Put Option" to the bondholders by registered mail 40 days prior to the base date of repurchase (June 11, 2025), and shall request Taipei Exchange to announce the bondholders' right to exercise the put option. The bondholders may request the Company to redeem the bonds held by them at 100.75% of the face value of the bonds (with an annual yield rate of 0.25% on repurchase). The Company shall redeem the convertible bonds in cash within five business days from the date of the request for repurchase.

Redemption by the Company

(1) If the closing price of the Company's common stock exceeds the then prevailing conversion price by at least 30% for 30 consecutive business days from the day following the date on which the Bonds are issued for three months (October 22, 2022) until 40 days prior to the expiration of the issuance period (June 11, 2027), the Company may, within 30 business days. To execute the redemption request, the Company shall redeem the outstanding convertible bonds at their face value in cash.

(2) If the outstanding balance of the convertible bonds is less than 10% of the original issue amount from the day following the date on which the Bonds are issued for three months (October 22, 2022) until 40 days prior to the expiration of the issuance period (June 11, 2027). To execute the redemption request, the Company shall redeem the outstanding convertible bonds at their face value in cash.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.7289% per annum on initial recognition.

Liability component

The fourth unsecured domestic bonds

	For the years ended December 31, 2022
Issuance	\$ 924,087
Interest expenses	8,511
Ending balance	<u>\$ 932,598</u>
	For the years ended December 31, 2022
Issuance	\$ 1,691
Adjustments for change in value	2,109
Ending balance	<u>\$ 3,800</u>
	For the years ended December 31, 20219
Issuance and date of issue	<u>\$ 78,194</u>

19. ACCOUNTS PAYABLE (INCLUDED ACCOUNTS PAYABLE TO RELATED PARTIES)

All of the accounts payable (Included Accounts payables to related parties) of Anji Technology Co., Ltd. are generated by operating activities.

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER LIABILITIES

	December 31, 2022	December 31, 2021
<u>Current</u>		
Other payables		
Payables for rental	\$ 46,677	\$ 47,210
Payables for salaries or bonuses	13,500	13,949
Payables for purchases of equipment	57,165	63,525
Payables for compensation	8,859	4,374
Others	<u>55,801</u>	<u>33,057</u>
	<u>\$ 182,002</u>	<u>\$ 162,115</u>
Other liabilities		
Provisions (Note 22)	\$ 3,827	3,618
Others	<u>1,416</u>	<u>2,210</u>
	<u>\$ 5,243</u>	<u>\$ 5,828</u>
<u>Non-current</u>		
Other liabilities		
Deferred revenue	<u>\$ 53,596</u>	<u>\$ 51,434</u>

Deferred revenue is provided for the maintenance of solar power equipment and realized to profit or loss when maintenance actually occurs.

21. PROVISIONS

	December 31, 2022	December 31, 2021
Warranties- current (Included in other liabilities – current)	\$ 1,000	\$ 1,000
Warranties- non-current	45,820	31,941
Levies - current (Included in other liabilities – current)	2,827	2,618
Levies - non-current	<u>24,968</u>	<u>23,080</u>
	<u>\$ 74,615</u>	<u>\$ 58,639</u>
Provisions - current	\$ 3,827	\$ 3,618
Provisions - non-current	<u>70,788</u>	<u>55,021</u>
	<u>\$ 74,615</u>	<u>\$ 58,639</u>

	Warranties	Levies	Total
Balance at January 1, 2021	\$ 27,277	\$ 7,316	\$ 34,593
Additional provisions recognized	5,727	18,862	24,589
Usage	(63)	(480)	(543)
Balance at December 31, 2021	32,941	25,698	58,639
Additional provisions recognized	14,208	2,097	16,305
Usage	(329)	(-)	(329)
Balance at December 31, 2022	<u>\$ 46,820</u>	<u>\$ 27,795</u>	<u>\$ 74,615</u>

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate had been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

Payables for levies according to Taiwan regulations, which estimate payment of solar module recycling fees in the future.

22. RETIREMENT BENEFIT PLANS

The Group adopted a pension plan under the Labor Pension Act (the 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.

23. EQUITY

a. Ordinary shares

December 31, 2022	December 31, 2021
----------------------	----------------------

Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>
Shares authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)		
	<u>121,214</u>	<u>114,538</u>
Shares issued	<u>\$ 1,212,135</u>	<u>\$ 1,145,376</u>

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

b. Capital surplus

	Arising from issuance of ordinary shares (note 1)	Treasury share transactions (note 1)	The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (note 1)	From share of changes in equities of subsidiaries (note 2)	Stock options of convertible bonds (note 3)	Total
Balance at January 1, 2021	\$ 703,064	\$ 4,387	\$ 108	\$ -	\$ 80,625	\$ 788,184
Issuance	-	-	-	-	62,789	62,789
Converted into ordinary shares	275,643	-	-	-	(76,913)	198,730
Redeemed convertible bonds	-	2,948	-	-	(3,712)	(728)
Balance at December 31, 2021	978,707	7,371	108	-	62,789	1,048,975
Issuance	-	-	-	-	78,194	78,194
Converted into ordinary shares	255,058	-	-	-	(,37,711)	217,347
From share of changes in equities of subsidiaries	-	-	-	4	-	4
Balance at December 31, 2022	<u>\$ 1,233,765</u>	<u>\$ 7,371</u>	<u>\$ 108</u>	<u>\$ 4</u>	<u>\$ 103,272</u>	<u>\$ 1,344,520</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method. Such capital only be used to offset deficits
- 3) Such capital surplus from convertible bonds may be adjusted after convert or invalid.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10%

of the remaining profit, setting aside or reversing a special reserve, and then any remaining profit together with any undistributed retained earnings, after the distribution of special stock dividends in accordance with Article 7-1 of the Articles. The cash dividends shall be used by the Company's board of directors as the basis for proposing a distribution plan. And the stock dividends which should be resolved in the shareholders' meeting for the distribution of stock dividends and bonuses to shareholders.

It is authorized the distributable dividends and bonuses or legal capital reserve and capital reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 25(g).

The Company is still in the growing stage and is continuing to expand its operating scale in consideration of the viability of the economic situation. The board of directors shall focus on growing dividends stably when proposing the appropriation of annual earnings. However, cash dividends shall not be less than 10% of the total dividends.

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 and dividends per share were as follows:

	2021	2020
Legal reserve	\$ 13,640	\$ 26,345
Special reserve	(\$ 28,867)	\$ 9,410
Cash dividends	\$ 60,000	\$ 130,000
Stock dividends	\$ 0.52	\$ 1.14

On February 23, 2023, the Board of Directors resolved to appropriate the 2022 earnings. The earnings were appropriated as follows:

	2022
Legal reserve	\$ 22,799
Special reserve	\$ 25,264
Cash dividends	\$ 96,971
Stock dividends	\$ 24,243
Cash dividends	\$ 0.8
Stock dividends	\$ 0.2

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting.

d. Unrealized valuation gain/(loss) on financial assets at FVTOCI

	2022	2021
Balance at January 1		
Recognized for the year	(\$ 54,077)	(\$ 82,944)
Unrealized gain/(loss) - equity instruments	4,115	33,183
Share from associates and joint ventures accounted for using the equity method	(10,288)	-
Cumulative unrealized gain/(loss) of equity instruments transferred to retained earnings due to disposal	(19,091)	(4,316)
Balance at December 31	(\$ 79,341)	(\$ 54,077)

24. REVENUE

Revenue Item	For the years ended December 31	
	2022	2021
The solar module department		
Revenue from the solar module	\$ 2,828,947	\$ 1,048,738
Revenue from processing fees income	<u>2,481</u>	<u>73,084</u>
Subtotal	<u>2,831,428</u>	<u>1,121,822</u>
The electronic department		
Finance lease contingent interest	163,040	177,239
Rent revenue	83,594	82,562
Retail income	137,010	108,619
Warranty revenue	<u>\$ 9,066</u>	<u>\$ 7,940</u>
Subtotal	<u>392,710</u>	<u>376,360</u>
Other department		
Other operating revenue	<u>9,402</u>	<u>11,532</u>
Total	<u>\$ 3,233,540</u>	<u>\$ 1,509,717</u>

Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable (Note 10)	<u>\$ 14,973</u>	<u>\$ 4,404</u>	<u>\$ 11,279</u>
Accounts receivable (Included related parties) (Note 10)	<u>\$ 700,953</u>	<u>\$ 531,747</u>	<u>\$ 334,774</u>
Contract liabilities - current			
Construction in Progress	<u>\$ 970</u>	<u>\$ 5,730</u>	<u>\$ -</u>
Contract liabilities - current			
Sale of goods	\$ 42,302	\$ 25,205	\$ 4,961
Construction in Progress	<u>-</u>	<u>285</u>	<u>-</u>
	<u>\$ 42,302</u>	<u>\$ 25,490</u>	<u>\$ 4,961</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Company's satisfaction of performance obligations and the respective customer's payment; other significant changes are as follows:

	For the years ended December 31	
	2022	2021
Contract liabilities from beginning of the year		
Sale of goods	\$ 24,209	\$ 4,957
Construction in Progress	285	-
	<u>\$ 24,494</u>	<u>\$ 4,957</u>

25. NET PROFIT

a. Interest income

	For the years ended December 31	
	2022	2021
Interest income	\$ 3,191	\$ 930
Others	66	36
	<u>\$ 3,257</u>	<u>\$ 966</u>
Interest income	\$ 3,257	\$ 966
Finance lease contingent interest (Note 25)	163,040	177,239
	<u>\$ 166,297</u>	<u>\$ 178,205</u>

b. Other income

	For the years ended December 31	
	2022	2021
Government subsidy income	\$ -	\$ 835
Dividend income	3,900	1,440
Others	1,951	3,992
	<u>\$ 5,851</u>	<u>\$ 6,267</u>

c. Other gains and losses

	For the years ended December 31	
	2022	2021
Net foreign exchange profit (loss)	(\$ 17,239)	\$ 2,082
Net gain/(loss) arising on financial liabilities designated as at FVTPL	(2,110)	580
Other	(2,981)	(\$ 127)
	<u>(\$ 22,330)</u>	<u>\$ 2,535</u>

d. Interest expense

	For the years ended December 31	
	2022	2021
Interest on bank loans	\$ 49,746	\$ 37,717
Interest on convertible bonds	14,425	4,942
Interest on obligations under finance leases	5,546	8,069
Less: Amounts included in the cost of qualifying assets	11,462	4,364
	<u>\$ 58,255</u>	<u>\$ 46,364</u>

Information about capitalized interest was as follows:

	For the years ended December 31	
	2022	2021

Capitalized interest	\$ 11,462	\$ 4,364
Capitalization rate	1.736%~2.418%	1.890%~2.055%

e. Depreciation and amortization

	For the years ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	\$ 107,613	\$ 90,002
Operating expenses	<u>2,978</u>	<u>7,208</u>
	<u>\$ 110,591</u>	<u>\$ 97,210</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 260</u>	<u>\$ 291</u>

f. Employee benefits expense

	For the years ended December 31	
	2022	2021
Short-term employee benefits		
Salaries	\$ 133,214	\$ 119,709
Labor and health insurance	14,526	14,394
Others	<u>12,140</u>	<u>8,490</u>
	159,880	142,593
Post-employment benefits		
Defined contribution plans	<u>\$ 5,661</u>	<u>\$ 5,749</u>
	<u>\$ 165,541</u>	<u>\$ 148,342</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 123,786	\$ 111,839
Operating expenses	<u>41,755</u>	<u>36,503</u>
	<u>\$ 165,541</u>	<u>\$ 148,342</u>

g. Compensation of employees and remuneration of directors

The Company accrued the compensation of employees and remuneration of directors at the rates of no less than 1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. For the years ended December 31, 2022 and 2021, the employees' compensation and the remuneration of directors and supervisors are as follows:

Accrual rate

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Compensation of employees	3%	3%
Remuneration of directors	1%	1%

Amount

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>Cash</u>	<u>Cash</u>
Compensation of employees	\$ 8,859	\$ 4,374
Remuneration of directors	2,953	1,458

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

The appropriations of employees' compensation and remuneration of directors and supervisors for 2021 and 2018 that were resolved by the board of directors on February 26, 2022 and February 25, 2021, respectively, are as shown below:

There is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

h. Gain or loss on foreign currency exchange

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Foreign exchange gains	\$ 27,983	\$ 13,239
Foreign exchange losses	(<u>45,222</u>)	(<u>11,157</u>)
Net gains (losses)	(<u>\$ 17,239</u>)	(<u>\$ 2,082</u>)

26. INCOME TAXES

a. Income tax expense (benefit)

The major components of income tax expense (benefit) recognized in profit or loss were as follows:

	For the years ended December 31	
	2022	2021
Current tax		
In respect of the current period	\$ 63,988	\$ 11,591
Adjustment for prior years	(<u>1,396</u>)	<u>86</u>
	62,592	11,677
Deferred tax		
In respect of the current period	(<u>8,012</u>)	(<u>3,817</u>)
	<u>\$ 54,580</u>	<u>\$ 7,860</u>

b. Income tax expense recognized in other comprehensive income

	For the years ended December 31	
	2022	2021
Profit (loss) before tax	<u>\$ 283,483</u>	<u>\$ 139,944</u>
Income tax expense calculated at the statutory rate	\$ 56,697	\$ 27,989
Non-deductible expenses (income) in determining taxable income	2,961	988
Profit from equity method	(3,203)	(3,901)
Tax-exempt income	(708)	(3,346)
Unrecognized loss carryforwards and deductible temporary differences	301	(13,956)
Adjustments for prior years	(<u>1,396</u>)	<u>86</u>
Income tax expense recognized in profit or loss	<u>\$ 54,580</u>	<u>\$ 7,860</u>

c. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax liabilities		
Income tax payable	<u>\$ 63,931</u>	<u>\$ 11,588</u>

d. Deferred tax assets and liabilities

For the year ended December 31, 2022

<u>Deferred Tax Assets</u>	<u>Opening Balance</u>	<u>Recognized in Profit or Loss</u>	<u>Closing Balance</u>
Temporary differences			
Inventory write-downs	\$ 7,947	\$ 1,932	\$ 9,879
Warranties	6,588	2,776	9,364
Unrealized gain on transactions with subsidiary	4,359	(333)	4,026
deferred revenue	10,287	432	10,719
Other	987	3,200	4,187
	<u>\$ 30,168</u>	<u>\$ 8,0074</u>	<u>\$ 38,175</u>

<u>Deferred Tax Liabilities</u>			
Temporary differences			
Unrealized exchange gain/(loss)	\$ 5	(\$ 5)	\$ -

For the year ended December 31, 2021

<u>Deferred Tax Assets</u>	<u>Opening Balance</u>	<u>Recognized in Profit or Loss</u>	<u>Closing Balance</u>
Temporary differences			
Inventory write-downs	\$ 5,244	\$ 2,703	\$ 7,947
Warranties	5,455	1,133	6,588
Unrealized gain on transactions with subsidiary deferred revenue	4,597	(238)	4,359
Other	9,608	679	10,287
	<u>1,442</u>	<u>(455)</u>	<u>987</u>
	<u>\$ 26,346</u>	<u>\$ 3,822</u>	<u>\$ 30,168</u>

<u>Deferred Tax Liabilities</u>			
Temporary differences	(\$ 5)	\$ 5	\$ -

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

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Deductible temporary differences		
Foreign investment loss	\$ 1,197	\$ 1,197

f. Income tax assessments

The income tax returns through 2020, have been assessed by the tax authorities.

27. EARNINGS PER SHARE

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

Net profit (loss) for the period

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Profit for the year attributable to owners of the Company	\$ 228,903	\$ 132,084
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds	14,222	70
Valuation of derivative financial convertible bonds	<u>1,665</u>	<u>(5)</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 244,790</u>	<u>\$ 132,149</u>

Weighted average number of ordinary shares outstanding (in thousand shares)

<u>For the years ended December 31</u>	
<u>2022</u>	<u>2021</u>

Weighted average number of ordinary shares in computation of basic earnings per share	118,386	113,557
Effect of potentially dilutive ordinary shares:		
Convertible bonds	10,807	156
Compensation of employees	<u>209</u>	<u>111</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>129,402</u>	<u>113,824</u>

Since the Group offered to settle compensation paid to employees in cash, the Group assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, 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.

If the outstanding convertible bonds issued by the Company are converted to ordinary shares, they are anti-dilutive and excluded from the computation of diluted earnings per share.

28. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	For the years ended December 31	
	2022	2021
Investing activities affecting both cash and non-cash items		
Acquisition of property, plant and equipment	\$ 1,120,569	\$ 1,021,790
Decrease in inventories	(133,788)	(152,995)
Increase (decrease) in prepayments for business facilities	29,841	(240,425)
Increase (decrease) in prepayments for land	(188,336)	-
Decrease in other payables to related parties	5,586	19,226
Decrease (increase) in payables to equipment suppliers	(<u>6,360</u>)	(<u>24,541</u>)
Total	<u>\$ 840,232</u>	<u>\$ 623,055</u>

29. CAPITAL MANAGEMENT

The Group requires significant amounts of capital to build and expand its production facilities and equipment. The Group manages its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases, research and development activities, dividends payments, debt service requirements and other business requirements associated with its existing operations over the next 12 months.

30. FINANCIAL INSTRUMENTS

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

The carrying amounts of financial instruments that are not measured at fair value approximate their fair value recognized in the financial statements; these financial instruments include cash and cash equivalents, debt investments with no active market, accounts receivable, other receivables, refundable deposits, short-term loans, accounts payable, long-term borrowings, other payables, and guarantee deposits received.

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Convertible bonds	<u>\$1,124,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,125,751</u>	<u>\$1,125,751</u>

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Convertible bonds	<u>\$ 471,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,800</u>	<u>\$ 470,800</u>

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-derivatives –domestic listed shares	\$ 4,793	\$ -	\$ -	\$ 4,793
Derivatives – convertible bonds	-	-	300	300
	<u>\$ 4,793</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 5,093</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives – convertible bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,800</u>	<u>\$ 3,800</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 35,013	\$ -	\$ -	\$ 35,013
Domestic unlisted shares	-	-	75,083	75,083
Foreign unlisted shares	-	-	156	156
	<u>\$ 35,013</u>	<u>\$ -</u>	<u>\$ 75,239</u>	<u>\$ 110,252</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
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Financial assets at FVTPL

Non-derivatives –domestic listed shares	\$ 2,880	\$ -	\$ -	\$ 2,880
Derivatives – convertible bonds	-	-	1,350	1,350
	<u>\$ 2,880</u>	<u>\$ -</u>	<u>\$ 1,350</u>	<u>\$ 4,230</u>

Financial assets at FVTOCI

Investments in equity instruments				
Domestic listed shares	\$ 50,725	\$ -	\$ -	\$ 50,725
Domestic unlisted shares	-	-	71,346	71,346
Foreign unlisted shares	-	-	199	199
	<u>\$ 50,725</u>	<u>\$ -</u>	<u>\$ 71,545</u>	<u>\$ 122,270</u>

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

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

For the year ended December 31, 2022

	Financial Assets at FVTPL	Financial assets at FVTOCI	
	Derivatives	Equity Instruments	Total
Balance at January 1, 2022	\$ 1,350	\$ 71,545	\$ 73,895
Issuance	(1,691)	-	(1,691)
converting	(1,494)	-	(1,494)
Recognized in profit or loss	(1,665)	-	(1,665)
Recognized in other comprehensive income	-	(1,877)	(1,877)
Purchases	-	10,551	10,551
Disposals	-	(4,980)	(4,980)
Balance at December 31, 2022	<u>(\$ 3,500)</u>	<u>(\$ 75,239)</u>	<u>(\$ 71,739)</u>

For the year ended December 31, 2022

	Financial Assets at FVTPL	Financial assets at FVTOCI	
	Derivatives	Equity Instruments	Total
Balance at January 1, 2022	\$ 2,921	\$ 63,908	\$ 66,829
Issuance	850	-	850
converting	(1,966)	-	(1,966)
Recognized in profit or loss	(455)	-	(455)
Recognized in other comprehensive income	-	33,183	33,183
Purchases	-	35,646	35,646
Level 3	-	(50,725)	(50,725)
Disposals	-	(10,467)	(10,467)
Balance at December 31, 2022	<u>(\$ 1,350)</u>	<u>(\$ 71,545)</u>	<u>(\$ 72,895)</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The company measure the fair values of Equity instruments using market pricing or net value where the significant observable. Or using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. At December 31,2022 and 2021, , respectively.

c. Categories of financial instruments

	December 31, 2022	December 31, 2021
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 2,146,311	\$ 1,455,266
FVTPL		
Mandatorily classified as at FVTPL	5,093	4,230
Financial assets at FVTOCI	110,252	122,270
<u>Financial liabilities</u>		
FVTPL		
Held for trading	3,800	-
Amortized cost (2)	4,361,223	3,290,162

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable and accounts receivable, financial assets at amortized cost, other receivables, and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, short-term bills payable, trade and other payables, and bonds issued.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, accounts receivable, accounts payable, borrowings, and lease liabilities. The Group's Corporate Treasury function provides services to the business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The plans for material treasury activities are reviewed by board of directors in accordance with procedures required by relevant regulations or internal controls. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

a) Foreign currency risk

Several subsidiaries of the Company have foreign currency denominated sales and purchases, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 35.

Sensitivity analysis

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

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

	U.S. dollar Impact	
	For the years ended December 31	
	2022	2021
Profit or loss	\$ 5,751	(\$ 386)

This was mainly attributable to the exposure on outstanding receivables and payables in U.S. dollar that were not hedged at the end of the reporting period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

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

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
Financial liabilities	\$ 1,510,903	\$ 765,347
Cash flow interest rate risk		
Financial assets	1,374,989	856,471
Financial liabilities	2,582,229	2,273,388

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. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole period.

If interest rates had been 1 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would decrease/increase by \$12,072 thousand and \$14,169 thousand, respectively, which was mainly a result of decrease of variable-rate borrowings.

2) Market 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 at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
A20 Company	\$ -	-	\$ 187,196	35
SOLAR MASTER ENERGY CO., LTD.	14,955	2	160,431	30
SUNEDGE PV TECHNOLOGY CO., LTD.	26,973	4	50,800	10
A11 Company	558,771	80	7,301	1

3) Liquidity risk

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

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

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were

included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

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

December 31, 2022

	Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 477,959	\$ 16,660	\$ 290	\$ -
Lease liabilities	4,479	13,435	71,656	184,470
Variable interest rate liabilities	483,012	347,186	1,676,287	226,919
Fixed interest rate liabilities	159,694	-	1,140,994	-
	<u>\$ 1,125,144</u>	<u>\$ 377,281</u>	<u>\$ 2,889,227</u>	<u>\$ 411,389</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	<u>\$ 17,914</u>	<u>\$ 71,656</u>	<u>\$ 100,755</u>	<u>\$ 83,715</u>

December 31, 2021

	Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 477,455	\$ 7,870	\$ -	\$ -
Lease liabilities	4,403	13,209	70,448	197,578
Variable interest rate liabilities	185,778	719,587	1,323,032	149,714
Fixed interest rate liabilities	59,970	-	483,407	-
	<u>\$ 727,606</u>	<u>\$ 740,666</u>	<u>\$ 1,876,887</u>	<u>\$ 347,292</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10+ Years
Lease liabilities	<u>\$ 17,612</u>	<u>\$ 70,448</u>	<u>\$ 88,060</u>	<u>\$ 109,518</u>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

d) Financing facilities

	December 31, 2022	December 31, 2021
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	\$ 762,076	\$ 554,718
Amount unused	<u>216,000</u>	<u>584,687</u>
	<u>\$ 978,076</u>	<u>\$ 1,139,405</u>
Secured bank overdraft facilities:		
Amount used	\$ 1,820,153	\$ 1,718,670
Amount unused	<u>1,567,147</u>	<u>568,549</u>
	<u>\$ 3,387,300</u>	<u>\$ 2,287,219</u>

31. TRANSACTIONS WITH RELATED PARTIES

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

a. Names of related parties and relationships with the Group

Related Party Name	Related Party Category
Liu Ho energy technology Co., Ltd.	Subsidiaries
Ching Yang Agricultural technology Co., Ltd.	Subsidiaries
Yao Kuang technology Co., Ltd.	Subsidiaries
An Tai Energy Co., Ltd.	Associate
Anders Technology Co., Ltd.	Subsidiaries
Chia Yi Energy Co., Ltd.	Associate
Chin-up Technology Co., Ltd.	Chairman of the same company.
Circle Metal Powder Co., Ltd.	Chairman of the same company.
Sunedge PV Technology Co., Ltd.	Juristic person
Hung Ju Investment Co., Ltd.	Juristic person(Note)
Sunedge Technology Co., Ltd.	Juristic person's associates company
Ciao Sole Core Technology Co., Ltd.	Juristic person's associates company(Note)
Solar Master Energy Co., Ltd.	Juristic person's associates company(Note)
Solgreen International Biotechnology Co., Ltd.	Juristic person's associates company(Note)
Power Master International Investment Holdings Co., Ltd.	Juristic person's associates company(Note)
Hengchun Power Co., Ltd.	Juristic person's associates company(Note)

Note. It is a non-related person, since July 12, 2011. The transaction amount and account balance disclosed in this note are all generated when it is a related person.

b. Net revenue

Line Item	Related Party Category/Name	For the years ended December 31	
		2022	2021
Sales	Juristic person's associates company		
	Solar Master Energy Co., Ltd.	\$ 823,910	\$ 212,707

	Juristic person	95,176	97,507
	Associates	-	24,031
	Subsidiaries	-	2
	Chairman of the same company	15	26
Other revenue	Juristic person	565	-
	Juristic person's associates company	<u>-</u>	<u>263</u>
		<u>\$ 919,666</u>	<u>\$ 334,536</u>

The sales prices were not significantly different from those with third parties, and the receivable terms are 30 to 90 days after the month's closing.

c. Purchases of goods

Related Party Category/Name	For the years ended December 31	
	2022	2021
Juristic person's associates company	\$ 8,283	\$ 435
Juristic person	11	-
Chairman of the same company	<u>1,745</u>	<u>2,051</u>
	<u>\$ 10,039</u>	<u>\$ 2,486</u>

The purchase prices were not significantly different from those with third parties, and the payment terms are 30 to 60 days after the month's closing.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31, 2022	December 31, 2021
Account receivables from related parties	Juristic person's associates company		
	Solar Master Energy Co., Ltd.	\$ -	\$ 160,431
	Juristic person	<u>26,973</u>	<u>50,800</u>
		<u>\$ 26,973</u>	<u>\$ 211,231</u>
Other account receivable from related parties	Subsidiaries	\$ 589	\$ 270
	Juristic person's associates company	-	1,306
	Chairman of the same company	153	578
	Associate	<u>-</u>	<u>574</u>
		<u>\$ 742</u>	<u>\$ 2,728</u>

The outstanding account receivables from related parties are unsecured. For the three months ended March 31, 2022 and 2021, no impairment loss was recognized for trade receivables from related parties.

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

Line Item	Related Party Category/Name	December 31, 2022	December 31, 2021
Account payables from related parties	Juristic person's associates company	\$ -	\$ 456
	Chairman of the same company	<u>201</u>	<u>344</u>
		<u>\$ 201</u>	<u>\$ 800</u>
Other account payables from related parties	Juristic person's associates company	\$ 6,921	\$ 24,842
	Chairman of the same company	<u>1,504</u>	<u>3,584</u>
		<u>\$ 8,425</u>	<u>\$ 28,426</u>

The outstanding trade payables from related parties are unsecured.

f. Prepayments

For the year ended December 31, 2022

Related Party Category/Name	Amount
Juristic person's associates company	<u>\$ 66</u>

g. Acquisitions of property, plant and equipment –For the year ended December 31, 2022

Related Party Category/Name	Purchase Price	
	2022	2021
Juristic person's associates company	\$ 5,090	\$ 41,449
Chairman of the same company	<u>1,100</u>	<u>8,630</u>
	<u>\$ 6,190</u>	<u>\$ 50,079</u>

h. Acquisitions of financial assets

For the year ended December 31, 2021

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Price
Power Master International Investment Holdings Co., Ltd.	Financial assets at fair value through other comprehensive income - non-current	9 (In Thousands of Shares)	Power Master International Investment Holdings Co., Ltd.	\$ 512 (In Thousands of New Taiwan Dollars)

l. Acquisitions of other assets

Related Party Category/Name	Line Items	Purchase Price	
		For the Year Ended December 31	
		2022	2021
Associate			
An Tai Energy Co., Ltd.	Investments accounted for using the equity method	\$ 24,500	\$ 9,800
Hong Ding Holdings Co., Ltd	Investments accounted for using the equity method	97,500	-
Subsidiaries			
Anders Technology Co., Ltd.	Investments accounted for using the equity method	<u>12,000</u>	<u>8,000</u>
		<u>\$ 134,000</u>	<u>\$ 17,800</u>

j. Loans to related parties (including in other accounts receivables from related parties)

Related Party Category/Name	December 31
	2021
Associate	
An Tai Energy Co., Ltd.	<u>\$ 10,000</u>

Interest revenue

Related Party Category/Name	For the years ended December 31	
	2022	2021
Associate		
An Tai Energy Co., Ltd.	<u>\$ 56</u>	<u>\$ 24</u>

k. Endorsements and guarantees

Related Party Category/Name	December 31	
	2022	2021
Endorsements and guarantees provided by the company		
Subsidiary-Liu Ho energy technology Co., Ltd.		
Amount endorsed	<u>\$ 68,500</u>	<u>\$ 68,500</u>
Amount utilized	<u>\$ 10,998</u>	<u>\$ 17,515</u>

Subsidiary- Ching Yang Agricultural technology Co., Ltd.		
Amount endorsed	<u>\$ 27,000</u>	<u>\$ 27,000</u>
Amount utilized	<u>\$ 5,213</u>	<u>\$ 8,953</u>

Related Party Category/Name	December 31	
	2022	2021
Endorsements and guarantees given by related parties		
Subsidiary- Yao Kuang technology Co., Ltd.		
Amount endorsed	<u>\$ 16,418</u>	<u>\$ 16,418</u>
Amount utilized	<u>\$ 14,647</u>	<u>\$ 15,897</u>

Subsidiary- Liu Ho energy technology Co., Ltd.

Amount endorsed	\$ 12,399	\$ 12,399
Amount utilized	\$ 7,662	\$ 11,005

1. Compensation of key management personnel

	For the years ended December 31	
	2022	2021
Short-term employee benefits	\$ 9,431	\$ 8,325
Post-employment benefits	73	68
	<u>\$ 9,504</u>	<u>\$ 8,393</u>

The remuneration of directors and key executives are determined by the remuneration committee with regard to the performance of individuals, the performance of the Group, and future risk.

32. ASSETS PLEDGED AS COLLATERAL

The following are the carrying amounts of assets provided as collateral for long-term bank borrowings:

	December 31, 2022	December 31, 2021
Finance lease receivables (Solar Power Equipment)	\$ 1,719,955	\$ 1,795,779
Financial assets at amortized cost – current and noncurrent (Reimbursement Account Demand Deposit and Pledged time deposit)	252,558	243,929
Property, plant and equipment		
Land	258,122	69,786
Buildings	98,991	103,083
Solar Power equipment	1,099,538	900,182
Other equipment	<u>3,179</u>	<u>6,844</u>
	<u>\$ 3,432,343</u>	<u>\$ 3,119,603</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of end of period, 2022 and 2021 were as follows:

Unrecognized commitments are as follows:

	December 31, 2022	December 31, 2021
Acquisition of property, plant and equipment	\$ <u>543,810</u>	\$ <u>212,465</u>

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is an aggregation of foreign currencies other than the functional currencies of the group entities and disclosure of the exchange rates between the foreign currencies and the respective functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

Financial assets	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Monetary items</u>			
USD	\$ 23,540	30,66	\$ 721,723
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 4,767	30,76	\$ 146,629

December 31, 2021

Financial assets	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Monetary items</u>			
USD	\$ 2,800	27.63	\$ 77,359
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 4,181	27,73	\$ 115,932

The Group is mainly exposed to the USD. The following information is an aggregation of the functional currencies of the group entities and disclosures of the exchange rates between the respective functional currencies and the presentation currency. The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the years ended December 31				
2022		2021		
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	29.805 (USD : NTD)	(\$ 17,231)	27.834 (USD : NTD)	\$ 2,087

EUR	31.360	(EUR : NTD)	(	8)	31.847	(EUR : NTD)	7
JPY	0.228	(JPY : NTD)	(	2)	0.245	(JPY : NTD)	(12)
RMB	4.422	(RMB : NTD)		2	4.353	(RMB : NTD)	-
			(	<u>\$ 17,239</u>)			<u>\$ 2,082</u>

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

- 1) Financing provided to others (Table 1)
 - 2) Endorsements/guarantees provided (Table 2)
 - 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)
 - 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (N/A)
 - 5) Acquisitions of individual real estate at cost of at least NT\$300 million or 20% of the paid-in capital (N/A)
 - 6) Disposals of individual real estate at a price of at least NT\$300 million or 20% of the paid-in capital (N/A)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (N/A)
 - 9) Trading in derivative instruments (Note 7 and 19)
 - 10) Intercompany relationships and significant intercompany transactions (N/A)
- b. Information on investees (Table 5)
- c. Information on investments in mainland China (N/A)
- d. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 6)

TABLE 1

ANJI TECHNOLOGY CO., LTD.

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	Anji Technology Co., Ltd.	An Tai Energy Co., Ltd.	Other accounts receivables from related parties	Y	\$ 25,000	\$ -	\$ -	-	Business Transaction	\$ -	For business operating	\$ -	-	\$ -	\$ -	\$ 328,795	
													-				
													-				

TABLE 2

ANJI TECHNOLOGY CO., LTD.

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (a)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (b)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Anji Technology Co., Ltd.	Liu Ho energy technology Co., Ltd.	Subsidiaries — has 100% shareholding	\$ 4,931,930	\$ 68,500	\$ 68,500	\$ 10,998	\$ -	2.08	\$ 8,219,883	Y	N	N	
		Qing Yang Agricultural technology Co., Ltd.	Subsidiaries — has 100% shareholding	4,391,930	27,000	27,000	5,213	-	0.82	8,219,883	Y	N	N	
		Tian Peng Energy Co, Ltd.	All capital contributing	4,391,930	2,330	-	-	-	-	8,219,883	N	N	N	
		Tian Chong Energy Co, Ltd.	shareholders make endorsements for	4,391,930	3,034	-	-	-	-	8,219,883	N	N	N	
		Tian Cin Energy Co, Ltd.	their jointly invested company in proportion to their shareholding percentages	4,391,930	666	-	-	-	-	8,219,883	N	N	N	
1	Yao Guang Power Co., Ltd.	Anji Technology Co., Ltd.	Parent company	66,141	16,418	16,418	14,647	-	37.23	110,236	N	Y	N	
		Liu Ho energy technology Co., Ltd.	Sister company	66,141	3,290	3,290	1,486	-	7.46	110,236	N	N	N	
2	Liu Ho energy technology Co., Ltd.	Anji Technology Co., Ltd.	Parent company	144,236	12,399	12,399	7,662	-	12.89	240,394	N	Y	N	

a) "net worth's 150%" in these Regulations means the balance sheet equity attributable to the owners of the parent company.
b) "net worth's 250%" in these Regulations means the balance sheet equity attributable to the owners of the parent company.

TABLE 3

ANJI TECHNOLOGY CO., LTD.

MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

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

Holding Company Name	Type and Name of Marketable Securities (a)	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Anji Technology Co., Ltd.	Shares - ROC Hengs Technology Co., Ltd.	N/A	Financial assets at fair value through profit or loss - current	90,000	\$ 2,983	-	\$ 2,983	
	Chung Hsin Electric & Machinery Manufacturing Corp.	N/A	Same as above	2,000	134	-	134	
	Sino-American Silicon Products Inc.	N/A	Same as above	12,000	<u>1,674</u> <u>\$ 4,793</u>	-	<u>1,674</u> <u>\$ 4,793</u>	
	Shares - ROC JINCO Universal Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	3,500,000	\$ -	12	\$ -	
	Circle Metal Powder Co., Ltd.	Chairman of the same company	Same as above	1,646,500	7,971	13	7,971	
	AcSacca Solar Energy Co., Ltd.	N/A	Same as above	3,600,000	41,433	5	41,433	
	Ist Energy Co., Ltd.	N/A	Same as above	691,673	-	5	-	
	HD Renewable Energy Co., Ltd.	N/A	Same as above	300,236	27,817	-	27,817	
	Hummingbird Flying Vehicle Ltd.	N/A	Same as above	687,500	-	1	-	
	Anji Technosolution Co., Ltd.	N/A	Same as above	200	156	5	156	
	Power Master International Investment Holdings Co., Ltd.	N/A	Same as above	167,626	7,196	-	7,196	
	Green Source Technology Co., Ltd.	N/A	Same as above	400,000	3,903	1	3,903	
	Lof Solar Corp.	N/A	Same as above	2,800,000	17,444	17	17,444	
	E-Jet aviation technology Co. Ltd.	N/A	Same as above	9,348,600	426	4	426	
	Green Shepherd Corporation Ltd.	N/A	Same as above	280,000	4,706	2	4,706	
	Ying Fa Energy Co, Ltd.	N/A	Same as above	1,000	<u>10</u> <u>\$ 110,252</u>	1	<u>10</u> <u>\$ 110,252</u>	
Anders Technology Co., Ltd.	Shares - ROC E-Jet aviation technology Co. Ltd.	N/A	Same as above	9,348,600	<u>426</u> <u>\$ 110,678</u>	4	<u>426</u> <u>\$ 110,678</u>	

TABLE 4

ANJI TECHNOLOGY CO., LTD.

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Anji Technology Co., Ltd.	Solar Master Energy Co., Ltd.(Note)	Juristic person's associates company	Sale	(\$ 823,910)	(25)	Within 60 days	Same	Same	\$ -	-	

Note. It is a non-related person since July 12, 2022. The transaction amount and account balance disclosed in this form are generated when both are related parties.

TABLE 5

ANJI TECHNOLOGY CO., LTD.

**INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				MARCHH 31, 2022	DECEMBER 31, 2021	Number of Shares	(%)	Carrying Amount			
Anji Technology Co., Ltd	Liu Ho energy technology Co., Ltd.	3F., No. 19, Keji 5th Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	Energy Technical Services	\$ 46,181	\$ 46,181	6,700,000	100	\$ 90,666	\$ 7,794	\$ 7,794	
	Yao Guang Power Co., Ltd.	3F., No. 19, Keji 5th Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	Energy Technical Services	22,000	22,000	2,900,000	100	43,007	3,874	3,874	
	Qing Yang Agricultural technology Co., Ltd.	3F., No. 19, Keji 5th Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	Energy Technical Services and Solar Agriculture	30,000	30,000	3,220,000	100	44,648	3,920	3,920	
	An Tai Energy Co., Ltd.	3F., No. 19, Keji 5th Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	Energy Technical Services	68,600	44,100	7,119,700	49	75,530	5,779	2,832	
	Hong Ding Holdings Co., Ltd.	No. 271, Beicheng Rd., North Dist., Tainan City 704, Taiwan (R.O.C.)	Self-usage Power Generation Equipment Utilizing Renewable Energy Industry	49,000	49,000	4,900,000	49	37,217	(1,226)	(601)	
	Anders Technology Co., Ltd.	3F., No. 19, Keji 5th Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	Metal 3D Printing Products Merchandising Business	20,000	8,000	2,000,000	50	19,186	(1,025)	(488)	shareholding scale change
	Chia Yi Energy Co., Ltd.	10F, No. 129, Beiming St., Fengshan Dist., Kaohsiung City 830, Taiwan (R.O.C.)	Energy Technical Services	97,500	-	9,750,000	25	96,185	(5,258)	(1,315)	

TABLE 6**ANJI TECHNOLOGY CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chinup Technology Co., Ltd.	16,636,678	13.72%
Packy Poda Inc.	7,236,000	5.96%

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

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

Anji Technology Co., Ltd.

Chairman: Huang, Kuo-Tung