

Anji Technology Co., Ltd. and Subsidiaries

Consolidated Financial Statements

for the Years Ended December 31, 2024 and 2023

With

Report of Independent Auditors

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Representation Letter

The entities included in the consolidated financial statements as of December 31, 2024 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as "Combined Financial Statements"). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of Combined Financial Statements than the Consolidated Financial Statements.

Very truly yours,

Anji Technology Co., Ltd.

Chairman: Huang, Kuo-Tung

February 27, 2025

Independent Auditors' Report
English Translation of a Report Originally Issued in Chinese

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

Opinion

We have audited the accompanying consolidated balance sheets of Anji Technology Co., Ltd. (the “Company”) and its subsidiaries as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Other Auditors section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2024 and 2023, and their consolidated financial performance and cash flows for the years ended 31 December 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China on Taiwan.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the report(s) of the other auditors, 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 2024 consolidated financial statements. 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.

Revenue recognition

Anji Technology Co., Ltd. and its subsidiaries recognized operating revenue of NT\$895,634 thousand in 2024. Given the significant risks associated with revenue recognition, we believe that the authenticity of the sales revenue of Anji Technology Co., Ltd. and its subsidiaries is material to the financial statements. Therefore, we determined this as a key audit matter.

We procedure performed by the auditor include (but are not limited to) evaluating the appropriateness of the accounting policies for revenue recognition established by management, understanding the transaction processes for revenue recognition related to the identified performance obligations, assessing and testing the effectiveness of internal controls related to the recognition timing of revenue when performance obligations are satisfied, selecting samples for detailed testing of transactions, including reviewing relevant vouchers to confirm the authenticity of the transactions, performing cutoff tests for sales revenue around the balance sheet date to verify whether the revenue is recognized in the correct period, and reviewing for significant sales returns and allowances after the balance sheet date.

We also assessed the disclosures related to revenue recognition. Please refer to Notes V and VI to the Company's consolidated financial statements.

Impairment Loss of unfinished Power Plant

Management of Anji Technology Co., Ltd. and its subsidiaries assessed that the cumulative development costs of certain power plants had exceeded the original expectations, indicating potential impairment. As a result, an impairment test was conducted, and an impairment loss of NT\$142,865 thousand was recognized. Due to the significant impact of the impairment loss related to the power plant development projects on the financial statements, and the involvement of significant accounting estimates and judgments made by management, we determined this as a key audit matter.

We procedure performed by the auditor include (but are not limited to) evaluating the professional experience, competence, and independence of the independent valuation experts appointed by management, as well as verifying the qualifications of the independent valuation experts; evaluating the methods, assumptions, and related calculations used in the asset valuation report provided by the independent experts to ensure they are reasonable.

We also assessed the disclosures related to the impairment. Please refer to Notes IV, V and VI to the Company's consolidated financial statements.

Valuation for slow-moving inventories

As of December 31, 2024, the Company's net inventories amounted to NT\$341,792 thousand. Considering the significant amount of inventories and that the identification of slow-moving inventories as well as the assessment of the amount of inventory write-downs required significant management judgment, we determined this as a key audit matter.

Our audit procedures included, but not limited to, evaluating the appropriateness of management's provisioning policy of allowance of obsolescence loss, including sample testing the accuracy of inventory aging time period; performing and evaluating the changes in value of the slow-moving inventories reserve ratio and inventory aging and recalculating allowance to reduce inventory to market, to ensure that the valuation for slow-moving inventories followed accounting policies.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the Company's consolidated financial statements.

Other Matter –The Previous Report Audited by Other Auditors

The Company's consolidated financial statements as of and for the year ended December 31, 2023 were review by other independent auditors, whose review report dated March 7, 2024, expressed an unqualified opinion on those consolidated financial statements.

The Company's consolidated financial statements as of and for the year ended December 31, 2023 were review by other independent auditors, whose review report dated March 7, 2024, expressed an unqualified opinion on those consolidated financial statements. However, as stated in Note VI.8, the Group's affiliated enterprises acquired 100% of the equity of the investee company in November 2023, which was originally classified as financial assets through other comprehensive profits and losses. After evaluating the relationship, the enterprise has control over these investee companies, it should be recognized as long-term equity investment using the equity method. Anji Technology Co., Ltd. and its subsidiaries did not restate the 2023 consolidated financial statements. The former accountant has not been reissued a report. Anji Technology Co., Ltd. and its subsidiaries have revised the beginning balance in their financial statements on June 30, 2024.

Other Matter – Making Reference to the Audits of Other Auditors

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of the other auditors. These

associates and joint ventures under equity method amounted to NT\$281,172 thousand, representing 3.48% of consolidated total assets as of December 31, 2024. The related shares of profits from the associates and joint ventures under the equity method amounted to NT\$28,227 thousand, representing 18.49% of the consolidated net income before tax for the years ended December 31, 2024.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 internal control of the Company and its subsidiaries.
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 ability to continue as a going concern of the Company and its subsidiaries. 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 Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries 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 2024 consolidated financial statements 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.

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2024.

Yao, Shih-Chieh

Hu, Tzu-Ren

Ernst & Young, Taiwan

February 27, 2025

Notice to Readers

The accompanying financial statements are intended only to present the financial position and, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan 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 on Taiwan.

Accordingly, the accompanying financial statements and report of independent accounts are not intended for use by those who are not informed about the accounting principles or Standard on Auditing of the Republic of China on Taiwan, and their applications in practice. As the financial statements are the responsibility of the management, Ernest & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of a Report Originally Issued in Chinese										
Anji Technology Co., Ltd. and Subsidiaries										
Consolidated Balance Sheets										
December 31, 2024 and 2023										
(Expressed in Thousands of New Taiwan Dollars)										
Assets			December 31, 2024	December 31, 2023	Liabilities and equity				December 31, 2024	
			Amount	%	Amount	%			Amount	%
Current Assets										
Cash	IV/VI.1	\$561,429	7	\$507,330	7					
Financial assets at fair value through profit or loss - current	IV/VI.2	11,101	-	7,851	-	Short-term borrowings	IV/VI.11	\$209,000	3	\$284,496
Financial assets at amortized cost - current	IV/VI.4/VIII	106,177	2	100,504	1	Financial liabilities at fair value through profit or loss - current	IV/VI.12	13,899	-	7,396
Contract assets - current	IV/VI.19. 20	8,109	-	8,162	-	Contract liabilities - current	IV/VI.19	9,810	-	3,398
Notes receivable	IV/VI.6. 20	30,134	-	9,181	-	Accounts payable		6,553	-	116,905
Accounts receivable	VI/VI.6. 20	84,374	1	89,377	1	Accounts payables to related parties	VII	57	-	1,216
Accounts receivables from related parties	IV/VI.6. 20/VII	2,969	-	28,344	-	Other payables	IV/VI.14	112,339	1	215,974
Finance lease receivables	IV/VI.21/VIII	176,151	2	163,810	2	Other payables to related parties	VII	7,246	-	1,036
Inventories	IV/VI.7	341,792	4	463,660	6	Current tax liabilities	IV/VI.25	12,376	-	37,461
Other current assets	IV/VI.10/VII	140,070	2	140,792	2	Lease liabilities - current	IV/VI.21	29,539	-	25,798
Total current assets		1,462,306	18	1,519,011	19	Current portion of bonds payable	IV/VI.13	967,291	12	189,073
						Current portion of long-term borrowings	IV/VI.15	561,880	7	400,237
						Other current liabilities	IV/VI.17	8,584	-	8,864
						Total current liabilities		1,938,574	23	1,291,854
Non-current Assets										
Financial assets at fair value through other comprehensive income- non-current	IV/VI.3	64,897	1	83,960	1					
Financial assets at amortized cost - non-current	IV/VI.4/VIII	140,687	2	139,874	2					
Investments accounted for using the equity method	IV/VI.8/VII	339,831	4	218,157	3	Non-current Liabilities				
Property , plant and equipment	IV/VI.9/VIII	3,836,531	47	3,542,475	45	Bonds payable	IV/VI.13	192,357	2	949,748
Right-of-use assets	IV/VI.21/VIII	313,526	4	290,337	3	Long-term borrowings	IV/VI.15	2,132,582	27	1,690,936
Intangible assets	IV	2,592	-	633	-	Provisions - non-current	IV/VI.17	98,220	1	88,778
Deferred tax assets	IV/VI.25	114,983	1	61,379	1	Deferred tax liabilities	IV/VI.25	8,367	-	8,400
Finance lease receivables - non-current	IV/VI.21/VIII	1,758,345	22	1,871,625	24	Finance lease payables - non-current	IV/VI.21	301,158	4	276,447
Other non-current assets	IV/VI.10	51,830	1	139,822	2	Other non-current liabilities		59,622	1	59,624
Total non-current assets		6,623,222	82	6,348,262	81	Total non-current liabilities		2,792,306	35	3,073,933
						Total liabilities		4,730,880	58	4,365,787
						Equity attributable to the parent company				
						Share capital				
						Ordinary shares	IV/VI.18	1,237,872	15	1,237,267
						Certificate of right to bond exchange		-	-	558
						Capital surplus	IV/VI.18	1,372,961	17	1,349,439
						Retained earnings	IV/VI.18			
						Legal reserve		146,559	2	134,790
						Special reserve		-	-	79,341
						Unappropriated earnings		457,469	6	592,981
						Total retained earnings		604,028	8	807,112
						Other equity		(31,078)	-	1,783
						Non-controlling interests	IV/VI.18	170,865	2	105,327
						Total equity		3,354,648	42	3,501,486
Total assets		\$8,085,528	100	\$7,867,273	100	Total liabilities and equity		\$8,085,528	100	\$7,867,273

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

English Translation of a Report Originally Issued in Chinese						
Anji Technology Co., Ltd. and Subsidiaries						
Consolidated Statements of Comprehensive Income						
For the years ended December 31, 2024 and 2023						
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)						
Items		Note		Jan 1, 2024~Dec 30, 2024		Jan 1, 2023~Dec 30, 2023
				Amount	%	Amount
Operating revenues		IV/VI.19/VII		\$895,634	100	\$1,501,814
Operating costs		IV/VI.7. 22/VII		(691,026)	(77)	(1,069,124)
Gross profit				204,608	23	432,690
Operating expenses		IV/VI.9. 20. 21. 22/VII				
Selling and marketing expenses				(6,642)	(1)	(11,065)
General and administrative expenses				(84,144)	(9)	(82,901)
Research and development expenses				(25,624)	(3)	(22,630)
Total operating expenses				(116,410)	(13)	(116,596)
Other Operation Income				-	-	1,077
Operating income				88,198	10	317,171
Non-operating income and expenses						
Interest gains		IV/VI.23		6,682	1	10,538
Other income		IV/VI.23		1,832	-	10,607
Other gains and losses		IV/VI.23		(143,096)	(16)	(131,814)
Interest expenses		IV/VI.23		(75,923)	(9)	(59,593)
Share of profit or loss of associates and joint ventures				(30,365)	(3)	3,760
Total non-operating income and expenses				(240,870)	(27)	(166,502)
Income from continuing operations before income tax				(152,672)	(17)	150,669
Income tax expense		IV/VI.25		20,332	2	(16,565)
Net income				(132,340)	(15)	134,104
Other comprehensive income		IV/VI.24				
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income				8,452	1	24,940
Share of the other comprehensive income/(loss) of associates and joint ventures accounted for using the equity method				-		24,283
Total other comprehensive income, net of tax				8,452	1	49,223
Total comprehensive income				\$(123,888)	(14)	\$183,327
Net income (loss) attributable to:						
Owners of the Company				\$(82,575)		\$149,517
Non-controlling interests				\$(49,765)		\$(15,413)
Comprehensive income (loss) attributable to:						
Owners of the Company				\$(73,786)		\$198,881
Non-controlling interests				\$(50,102)		\$(15,484)
Earnings per share (NTD)		IV/VI.26				
Basic				\$(0.67)		\$1.21
Diluted				\$(0.67)		\$1.18
(The accompanying notes are an integral part of the consolidated financial statements.)						

English Translation of a Report Originally Issued in Chinese											
Anji Technology Co.,Ltd. and Subsidiaries											
Consolidated Statements of Changes in Equity											
For the Years ended December, 2024 and 2023											
(Expressed in Thousands of New Taiwan Dollars)											
Items	Equity Attributable to Owners of the Company									Non-controlling Interests	Total Equity
	Share Capital		Capital surplus	Retained Earnings			Other Equity		Total		
Common Stock	Capital Collected In Advance	Legal reserve	Special reserve	Unappropriated earnings	Unrealized gain/(loss) on financial assets at FVOCI	Non-controlling Interests			Total Equity		
Balance, January 1, 2023	\$1,212,135	\$-	\$1,344,520	\$109,991	\$54,077	\$646,571	\$-	\$(79,341)	\$3,287,953	\$19,186	\$3,307,139
Appropriation of 2022 earnings											
Legal reserve	-	-	-	24,799	-	(24,799)	-	-	-	-	-
Special reserve	-	-	-	-	25,264	(25,264)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(96,971)	-	(96,971)	-	-	(96,971)
Share dividends	24,243	-	-	-	-	(24,243)	-	-	-	-	-
Changes in associates for using the equity method	-	-	76	-	-	-	-	-	76	-	76
Convertible bonds converted to ordinary shares	889	558	4,843	-	-	-	-	-	6,290	-	6,290
Net profit/(loss) for the years ended December 31, 2023	-	-	-	-	-	149,517	-	149,517	(15,413)	134,104	
Other comprehensive income/(loss) for the years ended December 31, 2023	-	-	-	-	-	-	49,294	49,294	(71)	49,223	
Total comprehensive income/(loss) for the years ended December 31, 2023	-	-	-	-	-	149,517	49,294	198,811	(15,484)	183,327	
Non-controlling interests	-	-	-	-	-	-	-	-	-	101,625	101,625
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	21,083	(21,083)	-	-	-	-
Balance, December 31, 2023	\$1,237,267	\$558	\$1,349,439	\$134,790	\$79,341	\$645,894	\$-	\$(51,130)	\$3,396,159	\$105,327	\$3,501,486
Balance, January 1, 2024	\$1,237,267	\$558	\$1,349,439	\$134,790	\$79,341	\$592,981	\$-	\$1,783	\$3,396,159	\$105,327	\$3,501,486
Effect of retrospective application and retrospective restatement	-	-	-	-	-	(42,762)	-	(14,319)	(57,081)	-	(57,081)
Balance, January 1, 2024	1,237,267	558	1,349,439	134,790	79,341	550,219	(12,536)	3,339,078	105,327	3,444,405	
Appropriation of 2023 earnings											
Legal reserve	-	-	-	11,769	-	(11,769)	-	-	-	-	-
Special reserve	-	-	-	-	(79,341)	79,341	-	-	-	-	-
Cash dividends	-	-	-	-	-	(99,026)	-	(99,026)	-	(99,026)	
Changes in associates for using the equity method	-	-	23,372	-	-	(6,052)	-	17,320	-	17,320	
Convertible bonds converted to ordinary shares	605	(558)	150	-	-	-	-	197	-	197	
Net profit/(loss) for the years ended December 31, 2024	-	-	-	-	-	(82,575)	-	(82,575)	(49,765)	(132,340)	
Other comprehensive income/(loss) for the years ended December 31, 2024	-	-	-	-	-	-	8,789	8,789	(337)	8,452	
Total comprehensive income/(loss) for the years ended December 31, 2024	-	-	-	-	-	(82,575)	8,789	(73,786)	(50,102)	(123,888)	
Non-controlling interests	-	-	-	-	-	-	-	-	-	115,640	115,640
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	27,331	(27,331)	-	-	-	-
Balance, December 31, 2024	\$1,237,872	\$-	\$1,372,961	\$146,559	\$-	\$457,469	\$-	\$(31,078)	\$3,183,783	\$170,865	\$3,354,648
(The accompanying notes are an integral part of the consolidated financial statements.)											

English Translation of a Report Originally Issued in Chinese					
Anji Technology Co.,Ltd. and Subsidiaries					
Consolidated Statements of Cash Flows					
For the Years ended December, 2024 and 2023					
(Expressed in Thousands of New Taiwan Dollars)					
Items	Jan 1, 2024~ Dec 31, 2024	Jan 1, 2023~ Dec 31, 2023	Items	Jan 1, 2024~ Dec 31, 2024	Jan 1, 2023~ Dec 31, 2023
	Amount	Amount		Amount	Amount
Cash flows from operating activities:			Cash flows from investing activities:		
Income before income tax	\$(152,672)	\$150,669	Purchase of financial assets at fair value through other comprehensive income	(6,000)	(10,000)
Adjustments for:			Disposal of financial assets at fair value through other comprehensive income	34,584	55,587
Income and expense adjustments:			Capital reduction	-	6,000
Depreciation expenses	208,421	150,635	Purchase of financial assets at amortized cost	(6,486)	-
Amortization expenses	561	193	Disposal of financial assets at amortized cost	-	19,691
Net loss(gain) on financial assets and liabilities at fair value through profit or loss	2,088	3,080	Purchase of financial assets at fair value through profit or loss	-	(4,417)
Interest expenses	75,923	59,593	Disposal of financial assets at fair value through profit or loss	1,165	2,165
Interest income	(162,932)	(187,673)	Acquisition of equity investments under equity method	(191,800)	(56,700)
Dividend income	(466)	(6,182)	Increase in prepayments for investment	-	(1,068)
Share of (profit)/loss of associates and joint ventures	30,365	(3,760)	Acquisition of subsidiaries	-	12,313
Losses on disposals of property, plant and equipment	-	(1,077)	Payments for property, plant and equipment	(523,646)	(722,536)
Impairment loss	142,685	124,653	Proceeds from disposal of property, plant and equipment	-	14,521
Recognition of provisions	1,554	5,009	Increase in refundable deposits	(1,969)	(88)
Gains on bargain purchase	-	(232)	Decrease in refundable deposits	6,118	522
Write-down of inventories	107,402	5,972	Purchase of intangible assets	(2,520)	-
Changes in operating assets and liabilities			Dividends received	466	6,182
Contract assets	53	(7,192)	Net cash used in investing activities	(690,088)	(677,828)
Notes receivable	(20,953)	5,792			
Accounts receivable	5,003	588,901	Cash flows from financing activities:		
Accounts receivables from related parties	25,375	(1,259)	Proceeds from short-term borrowings	983,653	1,124,496
Inventories	(71,550)	(115,622)	Repayments of short-term borrowings	(1,059,149)	(1,383,090)
Other current assets	2,478	(24,950)	Increase of short-term notes	360,000	470,000
Finance lease receivables	101,823	98,548	Decrease of short-term notes	(360,000)	(630,000)
Contract payable	6,412	(38,904)	Proceeds from long-term borrowings	1,076,754	233,982
Notes receivable	-	(5)	Repayments of long-term borrowings	(473,465)	(357,522)
Accounts payable	(110,352)	(187,376)	Repayment of the principal portion of lease liabilities	(17,560)	(20,814)
Accounts payable from related parties	(1,159)	997	Cash dividends	(99,026)	(96,971)
Other payables	(20,401)	(33,566)	Increase in non-controlling interests	115,640	24,500
Other payable from related parties	221	(471)	Net cash generated from/(used in) financing activities	526,847	(635,419)
Provisions	(912)	-			
Other current liabilities	(1,365)	1,601			
Other non-current liabilities	(2)	294			
Cash generated/(used) from operations	167,600	587,668			
Interest received	162,932	187,673			
Interest paid	(54,802)	(38,689)	Net increase in cash and cash equivalents	54,099	(644,216)
Income tax paid	(58,390)	(67,621)	Cash and cash equivalents at beginning of period	507,330	1,151,546
Net cash generated from operating activities	217,340	669,031	Cash and cash equivalents at end of period	\$561,429	\$507,330

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

English Translation of Financial Statements Originally Issued in Chinese

Anji Technology Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended December, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

I. History and organization

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 common shares were publicly listed on the Taiwan Stock Exchange (TWSE) on June 2016. The Company's registered office and the main business location is at No. 19, Keji 5th Road, Annan District, Tainan City, Republic of China (R.O.C.).

II. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the years ended December 31, 2024 and 2023 were authorized for issue by the Board of Directors on February 27, 2025.

III. Newly issued or revised standards and interpretations

1. Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Group.

2. Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(1) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendments are applicable for annual periods beginning on or after January 1, 2025 and have no material impact on the Group.

3. Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
2	IFRS 17 “Insurance Contracts”	January 1, 2023
3	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
4	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
5	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
6	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
7	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

(1) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(2) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(3) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(a) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures

that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(4) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(5) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (a) Clarify that a financial liability is derecognized on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (c) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(6) Annual Improvements to IFRS Accounting Standards – Volume 11

(a) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(b) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(c) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(d) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(e) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(f) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(7) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (a) Clarify the application of the ‘own-use’ requirements.
- (b) Permit hedge accounting if these contracts are used as hedging instruments.
- (c) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (3), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

IV. Summary of material accounting policies

1. Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

2. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

3. Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (1) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (2) exposure, or rights, to variable returns from its involvement with the investee, and
- (3) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (1) the contractual arrangement with the other vote holders of the investee
- (2) rights arising from other contractual arrangements
- (3) the Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it

- (1) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (2) derecognizes the carrying amount of any non-controlling interest;
- (3) recognizes the fair value of the consideration received;
- (4) recognizes the fair value of any investment retained;
- (5) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
- (6) recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			Dec 31, 2024	Dec 31, 2023
The Company	Liu Ho energy technology Co., Ltd.	Energy Technical Services	100%	100%
	Yao Guang Power Co., Ltd.	Energy Technical Services	100%	100%
	Qing Yang Agricultural technology Co., Ltd.	Energy Technical Services and Solar Agriculture	100%	100%
	Anders Technology Co., Ltd.(Note 1)	Metal 3D Printing Products Merchandising Business	50%	50%
	An Tai Energy Co., Ltd. (Note 2)	Energy Technical Services	51%	51%

Note 1: The Company holds less than 50% of the voting rights of Anders Technology Co., Ltd. but still controls it. That is the company is the single largest shareholder of Anders Technology Co., Ltd. and has the leading role in its financial, operational decision-making and the power mainly related to the activities, so it is classified as the subsidiary.

Note 2: In February 2023, the consolidated company purchased 2% of the equity of Chin up Technology Co., Ltd., a related party, in order to obtain control over An Tai Energy and was listed as a subsidiary. Please refer to Note 29 for details regarding the acquisition of An Tai Energy's equity. Additionally, in March 2023, the consolidated company participated in a cash capital increase of NT\$25,500 thousand based on its shareholding percentage.

4. Foreign currency transactions

The Group's consolidated financial statements are presented in NT\$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (1) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (2) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- (3) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

5. Current and non-current distinction

An asset is classified as current when:

- (1) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
- (2) The Group holds the asset primarily for the purpose of trading.
- (3) The Group expects to realize the asset within twelve months after the reporting period.
- (4) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when

- (1) The Group expects to settle the liability in its normal operating cycle.
- (2) The Group holds the liability primarily for the purpose of trading.
- (3) The liability is due to be settled within twelve months after the reporting period.
- (4) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within three months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- A. the Group's business model for managing the financial assets and
- B. the contractual cash flow characteristics of the financial asset

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- B. 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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- A. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met.

- A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

- B. 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.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified
- B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value

through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- B. the time value of money; and
- C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance measures as follow:

- A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note XII for further details on credit risk.

(3) Derecognition of financial assets

A financial asset is derecognized when:

- A. The rights to receive cash flows from the asset have expired
- B. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- C. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it

contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled. For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- A. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

- B. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- C. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- A. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- B. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the

recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

8. Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

9. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (1) In the principal market for the asset or liability, or
- (2) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

10. Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Purchase cost on a first in, first out basis

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

11. Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability

is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorate basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

- (1) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- (2) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or

an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

12. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	3~35 years
Machinery and equipment	4~8 years
Hydropower equipment	17~20 years
Transportation equipment	5 years
Office equipment	3~5 years
Other equipment	3~20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

13. Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- (1) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (2) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (1) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

- (2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (3) amounts expected to be payable by the lessee under residual value guarantees;
- (4) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (5) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (1) the amount of the initial measurement of the lease liability;
- (2) any lease payments made at or before the commencement date, less any lease incentives received;
- (3) any initial direct costs incurred by the lessee; and
- (4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance

sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

14. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is

accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (2 to 10 years).

15. Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

16. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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.

Levies

If the obligating event occurs over a period of time, the liability is recognized progressively.

17. Revenue recognition

The Group's main types of revenue are sales of solar modules, processing, building solar energy plants and sales of solar energy electric. The accounting policies are explained below:

Sales of goods

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. Revenue from the sale of goods comes from sales of solar module and is recognized based on the price stated in the contract.

The warranty is based on the guarantee that the products provided will operate as expected by the customer and is handled in accordance with IAS 37.

The credit period for sales of goods is 30 to 120 days. Accounts receivable is recognized when the contract transfers control of the goods and has the unconditional right to receive consideration. These accounts receivable is usually short-term and not significant.

Processing

The Group's processing income comes from solar module. According to the contract, the ownership of the work-in-progress belongs to the customer. The Group strengthens the work-in-progress in the processing process. In this period, processing income from services satisfy performance obligations over time. The Group gradually recognizes revenue over time based on the processing price and based on the proportion of processing costs incurred so far.

The Group collects part of the consideration from customers when signing the contract. The Group takes the obligation to provide labor services in the future, so it is recognized as a contract liability. The contract liabilities into income usually does not exceed one year, and does not result in the creation of significant financial components.

Construction contract revenue

The construction contract is mainly building solar energy plants. Since the customer controls the asset as it is constructed, the Group recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract.

Most contract agreement prices of the Group are collected within the contract period after the service is provided. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional. However, some contract agreements are the part of the consideration collected from the customer exceeds the amount recognized as revenue, and the difference is recognized as a contract liability.

Estimates of revenues, costs and extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Power electric revenue

The company calculates electricity sales revenue based on actual electricity consumption and rates. Recognition begins from the date of receiving the energy bureau's equipment registration letter, and the sales revenue is calculated monthly starting from the date the meter is installed on-site by Taipower, as agreed in the contract.

18. Post-employment benefits

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan.

19. Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (1) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

- (2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (1) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (2) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related

to Pillar Two income tax will neither be recognized nor be disclosed.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

20. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

V. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

1. Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(1) Fair value of financial instruments

When the fair value of financial assets and financial liabilities recognized on the balance sheet cannot be obtained from an active market, valuation techniques will be used to

determine the fair value. These include income approaches (such as discounted cash flow models) or market approaches. Changes in the assumptions used in these models will affect the reported fair value of financial instruments. Please refer to Note XII for more details.

(2) Inventory obsolescence and impairment

The estimated net realizable value of inventories considers circumstances such as damage to inventories, obsolescence or a decline in selling prices. The most reliable evidence of the expected realizable amount is the estimated amount that can be obtained from the inventory, which is based on the most reliable available evidence. Please refer to Note VI for more details.

(3) Impairment of unfinished construction

Unfinished construction related to the development of some power plant system are assessed for impairment based on the recoverable amount of the assets. The impairment occurs when the carrying amount of the asset or cash-generating unit is greater than its recoverable amount. The recoverable amount refers to the fair value less disposal costs and use value, whichever is higher. The calculation of fair value less disposal costs is based on the price that sells assets which can receive or transfers liabilities that pay on the measurement date between market participants in an orderly transaction deduct the disposal of assets be directly attributed or the incremental cost of the cash-generating unit. Value in use is calculated based on a discounted cash flow model. The cash flow estimates are based on budgets for the next twenty years and exclude restructurings that the Group has not yet committed to, or significant future investments required to enhance the asset performance of the cash-generating unit. The recoverable amount is influenced by the discount rate used in the discounted cash flow model and the expected future cash inflows and growth rates used for extrapolation purposes.

(4) Income Taxes

The uncertainty of income taxes arises from the interpretation of complex tax regulations and the amounts and timing of future taxable income. Due to the broad international business relationships and the long-term and complex nature of contracts, differences between actual results and the assumptions made, or changes in these assumptions in the future, may require adjustments to income tax benefits and expenses recognized in the future. The provision for income taxes is based on reasonable estimates considering the

possible outcomes of tax audits by the tax authorities in the countries where the Group operates. The recognized amounts are based on factors such as past tax audit experience and the different interpretations of tax regulations between the tax authorities and the taxable entities. These differences in interpretation may give rise to various issues depending on the specific circumstances of each entity's location within the Group.

Unutilized tax losses and deferred tax assets for temporary differences are recognized when it is probable that future taxable income or taxable temporary differences will arise. The amount of deferred tax assets recognized is based on estimates of the timing and level of future taxable income and taxable temporary differences, along with future tax planning strategies.

VI. Contents of significant accounts

1. Cash and cash equivalents

	Dec 31, 2024	Dec 31, 2023
Cash on hand	\$182	\$186
Saving account	391,247	482,620
Time deposits	170,000	24,524
Total	\$561,429	\$507,330

2. Financial assets at fair value through profit or loss

	Dec 31, 2024	Dec 31, 2023
Mandatorily measured at fair value through profit or loss		
Derivative financial assets (not under hedge accounting)		
Domestic listed shares	\$11,101	\$7,851
Current	\$11,101	\$7,851

Financial assets at fair value through profit or loss were not pledged.

3. Financial assets at fair value through other comprehensive income

	Dec 31, 2024	Dec 31, 2023
Equity instrument investments measured at fair value through other comprehensive income – Non-current		
Domestic investments		
Listed companies stocks	\$12,933	\$26,131
Emerging stock market stocks	3,956	5,681
Unlisted companies stocks	47,890	52,019
Foreign investments		
Unlisted companies stocks	118	129
Total	<u><u>\$64,897</u></u>	<u><u>\$83,960</u></u>

Financial assets at fair value through other comprehensive income were not pledged.

The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2024 and 2023 are as follow:

	2024	2023
Related to investments held at the end of the reporting period	\$352	\$5,231
Related to investments derecognized during the period	89	771
Dividends recognized during the period	<u><u>\$441</u></u>	<u><u>\$6,002</u></u>

In consideration of the Group's investment strategy, the Group disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended December 31, 2024 and 2023 are as follow:

	2024	2023
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	\$27,331	\$(31,830)

In November 2023, JINCO UNIVERSAL CO., LTD. was declared bankrupt by the court, a ruling that was subsequently approved by the relevant regulatory authority. As a result, an unrealized valuation loss of NTD 61,000 thousand on financial assets measured at fair value through other comprehensive income was transferred to retained earnings.

4. Financial assets measured at amortized cost

	Dec 31, 2024	Dec 31, 2023
Reserve Account	\$106,177	\$100,504
Time deposits with pledged as security	140,687	139,874
Total	\$246,864	\$240,378
Current	106,177	\$100,504
Non-current	140,687	139,874
Total	\$246,864	\$240,378

The Group classified certain financial assets as financial assets measured at amortized cost. Please refer to Note VI.20 for more details on loss allowance. Please refer to Note VIII for more details on financial assets measured at amortized cost under pledge and Note XII for details on credit risk.

5. Notes receivables

	Dec 31, 2024	Dec 31, 2023
Notes receivables arising from operating activities	\$30,134	\$9,181
Less: loss allowance	-	-
Total	\$30,134	\$9,181

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note VI.20 for more details on loss allowance and Note XII for details on credit risk.

6. Trade receivables and Trade receivables-related parties

	Dec 31, 2024	Dec 31, 2023
Trade receivables	\$84,374	\$89,377
Less: loss allowance	-	-
Subtotal	\$84,374	89,377
Trade receivables from related parties	2,969	28,344
Less: loss allowance	-	-
Subtotal	2,969	28,344
Total	\$87,343	\$117,721

Trade receivables were not pledged.

Trade receivables are generally on 30-120 day terms. The total carrying amount as of

December 31, 2024 and 2023 were NT\$87,343 thousand and NT\$117,721 thousand, respectively. Please refer to Note VI.20 for more details on loss allowance of trade receivables for the years ended December, 2024 and 2023. Please refer to Note XII for more details on credit risk management.

7. Inventories

	Dec 31, 2024	Dec 31, 2023
Raw materials	\$36,465	\$54,869
Supplies	3,494	2,750
Work-in-process	112	23,771
Semi-finished goods	19,746	40,356
Finished goods	281,975	341,914
Total	\$341,792	\$463,660

The cost of inventories recognized in expenses amounts to NT\$418,760 thousand and NT\$811,048 thousand for the years ended December 31, 2024, including the write-down of inventories of NT\$107,402 thousand and NT\$5,972 thousand, respectively.

No inventories were pledged.

8. Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

Investees	Dec 31, 2024		Dec 31, 2023	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
Hong Ding Holdings Co., Ltd. (Note 1)	\$188,674	30%	\$60,810	49%
Chia Yi Energy Co., Ltd. (Note 2)	92,498	23%	109,600	25%
Wei Man Technology Co., Ltd. (Note 3)	45,636	41%	47,747	41%
Chih Hsiang Electronic Power Co., Ltd. (Note 4)	13,023	25%	-	-
Total	\$339,831		\$218,157	

Note1: The Group did not participate Hong Ding Holdings Company in the cash capital in February 2024, resulting in a decrease in the shareholding ratio. Since it does not affect the Company's control over the subsidiary, the Group decreases the capital reserve NT\$76 thousands and retained earnings NT\$5,350 thousands.

The Company did not participate Hong Ding Holdings Company in the cash capital increase of NT\$94,500 thousands and NT\$75,500 thousands in March and May 2024 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 Group decreases the capital reserve NT\$23,431 thousands and the increase retained earnings NT\$702 thousands.

Hong Ding Holdings Company acquired 100% of the equity of the invested company in November 2023. It was originally classified as financial assets through other comprehensive profit and loss. After evaluation, Hong Ding Holdings Company has control over it, so it should be recognized as the equity investment using the equity method.

January 1, 2024

	before	influence	after
Assets			
Current assets	\$1,519,011	\$-	\$1,519,011
Non-current assets (Note)	6,348,262	(57,081)	6,291,181
Total assets	<u>\$7,867,273</u>	<u>\$57,081)</u>	<u>\$7,810,192</u>
(Note): Investments accounted for using the equity method	\$218,157	\$57,081)	\$161,076
Equity			
Share capital	\$1,237,825	\$-	\$1,237,825
Capital surplus	1,349,439	-	1,349,439
Retained earnings			
Legal reserve	134,790	-	134,790
Special reserve	79,341	-	79,341
Unappropriated earnings	592,981	(42,762)	550,219
Total retained earnings	<u>807,112</u>	<u>(42,762)</u>	<u>764,350</u>
Other equity			
Unrealized gain/(loss) on financial assets at Other comprehensive income/(loss) - investments accounted for using the equity method	1,783	(14,319)	(12,536)
Non-controlling interests	105,327	-	105,327
Total equity	<u>\$3,501,486</u>	<u>\$57,081)</u>	<u>\$3,444,405</u>

Note2: The Group did not participate Jia Yi Energy Company in the cash capital in February 2024, resulting in a decrease in the shareholding ratio. Since it does not affect the Company's control over the subsidiary, the Group decreases the capital reserve NT\$17 thousands.

The Group increased the capital of Jia Yi Energy Company by 7,500 thousand on July 2023.

Note3: In April 2023, the consolidated company conducted a cash capital increase of NT\$14,760 thousand in Wei man Technology. However, on June 2023, it did not participate in a cash capital increase of NT\$34,440 thousand in proportion to its shareholding, resulting in a reduced shareholding percentage. Since this did not affect the consolidated company's significant influence over the associated enterprise, NT\$76 thousand was booked into the capital reserve.

Note 4: The Group increased the capital of Chih Hsiang Electronic Power Company by 13,050 thousand on November 2024.

Investments in associates

The Group's investments in associates are not material. The amount of investments in associates are NT\$339,830 thousand and NT\$218,157 thousand on December 31, 2024 and 2023. The aggregate financial information of the Group's investments is as follows:

	2024	2023
Profit or loss from continuing operations	\$(30,365)	\$3,760
Other comprehensive income	-	-
Total comprehensive income	\$(30,365)	\$3,760

The investments in associates on December 31, 2024 and 2023, didn't have a contingent liability, capital commitment or guarantee.

9. 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
Cost									
January 1, 2024	\$258,122	\$166,618	\$311,039	\$2,312,418	\$9,714	\$7,595	\$98,184	\$1,059,815	\$4,223,505
Additions	-	122,581	11,840	635,307	727	451	30,256	(177,617)	623,545
Disposals	-	-	(43,206)	-	(564)	(12)	-	-	(43,782)
December 31, 2024	\$258,122	\$289,199	\$279,673	\$2,947,725	\$9,877	\$8,034	\$128,440	\$882,198	\$4,803,268
January 1, 2023	\$258,122	\$164,345	\$336,606	\$1,313,984	\$9,714	\$7,412	\$97,126	\$875,796	\$3,063,105
Additions	-	2,273	57,508	853,891	-	205	1,121	184,019	1,099,017
Acquisitions through business combinations	-	-	-	157,939	-	-	92	-	158,031
Disposals	-	-	(83,075)	(13,396)	-	(22)	(155)	-	(96,648)
December 31, 2023	\$258,122	\$166,618	\$311,039	\$2,312,418	\$9,714	\$7,595	\$98,184	\$1,059,815	\$4,223,505
Depreciation and impairment									
January 1, 2024	\$-	\$60,950	\$158,784	\$232,149	\$7,053	\$7,374	\$90,067	\$124,653	\$681,030
Additions	-	7,924	28,705	143,147	1,150	163	5,715	-	186,804
Disposals	-	-	(43,206)	-	(564)	(12)	-	-	(43,782)
Impairment loss	-	-	-	-	-	-	-	142,685	142,685
December 31, 2024	\$-	\$68,874	\$144,283	\$375,296	\$7,639	\$7,525	\$95,782	\$267,338	\$966,737
January 1, 2023	\$-	\$55,180	\$210,541	\$118,498	\$5,794	\$7,317	\$86,379	\$-	\$483,709
Depreciation	-	5,770	31,270	90,561	1,259	79	3,806	-	132,745
Acquisitions through business combinations	-	-	-	23,090	-	-	37	-	23,127
Disposals	-	-	(83,027)	-	-	(22)	(155)	-	(83,204)
Impairment loss	-	-	-	-	-	-	-	124,653	124,653
December 31, 2023	\$-	\$60,950	\$158,784	\$232,149	\$7,053	\$7,374	\$90,067	\$124,653	\$681,030
Net carrying amount									
December 31, 2024	\$258,122	\$220,325	\$135,390	\$2,572,429	\$2,238	\$509	\$32,658	\$614,860	\$3,836,531
December 31, 2023	\$258,122	\$105,668	\$152,255	\$2,080,269	\$2,661	\$221	\$8,117	\$935,162	\$3,542,475

Please refer to Note VIII for more details on property, plant and equipment under pledge.

Some of the Group's power plant construction projects have incurred costs exceeding expectations, resulting in their recoverable amounts being lower than their book values. Therefore, impairment losses of NT\$142,685 thousand and NT\$124,653 thousand were recognized in fiscal years 2024 and 2023, respectively. These impairment losses have been included in the "Other Gains and Losses" section of the consolidated statement of comprehensive income. The Group has adopted the value in use as the recoverable amount for these unfinished projects.

Capitalized borrowing costs of construction in progress for the years ended December, 2024 and 2023 were NT\$13,919 thousand and NT\$27,879 thousand, with capitalization rate of borrowing costs at 2.230% - 4.954% and 2.302% - 3.984%, respectively.

10. Other current and non-current assets

	Dec 31, 2024	Dec 31, 2023
<u>Current</u>		
Tax Overpaid Retained for Offsetting the Future Tax Payable	\$24,301	\$23,973
Input tax	66,885	67,966
Other accounts receivables	4,397	4,629
Other accounts receivables from related parties	25	125
Prepayment for purchases	22,869	33,410
Income tax refund receivable	7,565	385
Others	14,028	10,304
Total	\$140,070	\$140,792
<u>Non-current</u>		
Prepayments for Business Facilities	\$4,646	\$86,870
Refundable deposits	46,529	50,678
Prepayment for investment	-	1,068
Long-term prepaid expenses	655	1,206
Total	\$51,830	\$139,822

11. Short-term borrowings

	Dec 31, 2024	Dec 31, 2023
Unsecured bank loans	\$90,000	\$244,496
Secured bank loans	119,000	40,000
Total	\$209,000	\$284,496
Interest rates (%)	2.03%~2.49%	1.90%~2.75%

The Group's unused short-term lines of credits amount to NT\$510,000 thousand, and NT\$550,000 thousand, as at December 31, 2024 and 2023.

Please refer to Note VIII for more details on financial assets measured at amortized cost pledged as security for short-term borrowings.

12. Financial liabilities at fair value through profit or loss

	Dec 31, 2024	Dec 31, 2023
Financial liabilities held for trading		
Derivative financial assets		
Convertible options	<u>\$13,899</u>	<u>\$7,396</u>
Current	<u><u>\$13,899</u></u>	<u><u>\$7,396</u></u>

13. Bonds payable

	Dec 31, 2024	Dec 31, 2023
Liability component		
Domestic convertible bonds	<u>\$1,210,484</u>	<u>\$1,210,689</u>
Discounts on bonds payable	<u>(50,836)</u>	<u>(71,868)</u>
Subtotal	<u>1,159,648</u>	<u>1,138,821</u>
Less: current portion	<u>(967,291)</u>	<u>(189,073)</u>
Net	<u><u>\$192,357</u></u>	<u><u>\$949,748</u></u>
Embedded derivative	<u><u>(\$13,899)</u></u>	<u><u>(\$7,396)</u></u>
Equity component	<u><u>\$102,436</u></u>	<u><u>\$102,460</u></u>

(1) On August 4, 2021, the Company issued zero coupon unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NT\$500,000 thousand

Period: August 4, 2021 ~ August 4, 2026

Important put option clauses:

- A. 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 (July 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.

Important redemption clauses:

- A. 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 (July 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.
- B. 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 (July 25, 2026). To execute the redemption request, the Company shall redeem the outstanding convertible bonds at their face value in cash.

Terms of Exchange:

- A. Underlying Securities: Common shares of the Company
- B. Exchange Period: 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.
- C. Exchange Price and Adjustment: The conversion price of the converted corporate bonds is 45.2 per share, and thereafter Adjust according to the conversion price adjustment formula. From July 5, 2024, the conversion price will be adjusted to 42.3.

(2) On July 21, 2022, the Company issued zero coupon unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NT\$1,000,000 thousand

Period: July 21, 2022 ~ July 21, 2027

Important put option clauses:

A. 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 (July 21, 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.

Important redemption clauses:

A. 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.

B. 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.

Terms of Exchange:

A. Underlying Securities: Common shares of the Company

B. Exchange Period: For bondholders, starting from October 22, 2022 (the day following the 3-month expiration of the bond issuance), to June 11, 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.

C. Exchange Price and Adjustment: The conversion price of the converted corporate bonds is 53.9 per share, and thereafter Adjust according to the conversion price adjustment formula. From July 5, 2024, the conversion price will be adjusted to 50.9.

14. Other payable

	Dec 31, 2024	Dec 31, 2023
Payables for rental	\$37,689	\$38,138
Payables for salaries or bonuses	8,956	11,702
Payables for purchases of equipment	44,969	128,300
Payables for compensation	12	4,983
Others	20,713	32,851
Total	\$112,339	\$215,974

15. Long-term borrowings

Lenders	Dec 31, 2024	Dec 31, 2023
Secured bank loans	\$2,145,117	\$1,833,366
Unsecured bank loans	549,345	257,807
Subtotal	2,694,462	2,091,173
Less: current portion	(561,880)	(400,237)
Total	\$2,132,582	\$1,690,936

Interest rate and maturity date:

	Dec 31, 2024	Dec 31, 2023
Interest Rate (%)	1.68%~3.08%	1.55%~2.95%
Maturity date	Before December 2, 2039	Before June 21, 2037

The Group's unused long-term lines of credits amount to NT\$1,127,463 thousand, and NT\$1,647,594 thousand, as at December 31, 2024 and 2023.

Among them, the Company signed a credit contract with Taipei Fubon Bank with an amount of NT\$440,190 thousand. It is stipulated that during the duration of the credit contract, according to the annual and semiannual consolidated financial statements reviewed by the accountant, the relevant financial commitments should be maintained (every six months check).

Please refer to Note VIII for more details on financial assets measured at amortized cost pledged as security for Long-term borrowings.

16. Post-employment benefits

The Group's employee retirement plan, established in accordance with the "Labor Pension Act," is a defined contribution plan. Under the provisions of the Act, the company is required to contribute at least 6% of each employee's monthly salary to their individual retirement account with the Labor Insurance Bureau. The company has established an employee retirement plan according to the Act, contributing 6% of each employee's monthly salary to the individual retirement accounts managed by the Labor Insurance Bureau.

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 were NT\$4,187 thousand and NT\$5,661 thousand, respectively.

17. Provisions

	Warranties	Levies	Total
January 1, 2024	\$47,671	\$46,853	\$94,524
Arising during the period	1,554	10,850	12,404
Utilized	(965)	(912)	(1,877)
December 31, 2024	<u>\$48,260</u>	<u>\$56,791</u>	<u>\$105,051</u>
Current—December 31, 2024	\$1,000	\$5,831	\$6,831
Non-current—December 31, 2024	\$47,260	\$50,960	\$98,220
Current—December 31, 2023	\$1,000	\$4,746	\$5,746
Non-current—December 31, 2023	46,671	42,107	88,778
December 31, 2023	<u>\$47,671</u>	<u>\$46,853</u>	<u>\$94,524</u>

Warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

Levies

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

18. Equities

(1) Common stock

As of December 31, 2024, and 2023, the Company's registered capital was all NT\$2,000,000 thousand with par value at NT\$10 per share, and had NT\$1,237,872 thousand, NT\$1,237,267 thousand, 123,787 thousand and 123,727 thousand common shares authorized to be issued, respectively. Each share has the right to vote and receive dividends.

(2) Capital surplus

	Dec 31, 2024	Dec 31, 2023
Additional paid-in capital	\$1,239,594	\$1,239,420
Treasury share transactions	7,371	7,371
Difference between consideration given/ received and carrying amount of interests in subsidiaries acquired /disposed of	108	108
Increase (decrease) through changes in ownership interests in subsidiaries	4	4
Share of changes in net assets of associates and joint ventures accounted for using the equity method	23,448	76
Stock options of convertible bonds	102,436	102,460
Total	\$1,372,961	\$1,349,439

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the Company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(3) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- A. Payment of all taxes and dues;
- B. Offset prior years' operation losses;
- C. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
- D. Set aside or reverse special reserve in accordance with law and regulations; and;
- E. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting. The Company's Articles of Incorporation further provide that no more than 90% of the dividends to shareholders, if any, could be paid in the form of share dividends. Accordingly, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the Company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The cash dividends of the company were approved for distribution at the board meetings held on February 27, 2025, and March 7, 2024. The distribution items for the remaining surplus from 2024 and 2023 are expected to be decided at the shareholders' annual meeting to be held in 2025, and have already been approved at the shareholders' annual meeting held on May 24, 2024, as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$-	\$11,769		
Special reserve	31,078	(79,341)		
Common stock -cash dividend	-	99,026	\$-	\$0.8

Please refer to Note VI.22 for details on employees' compensation and remuneration to directors and supervisors.

(4) Non-controlling interests

	2024	2023
Balance at January 1	\$105,327	\$19,186
Attributable to non-controlling interests net (loss)	(49,765)	(15,413)
Attributable to non-controlling interests other comprehensive income		
Unrealized gain/(loss) on financial assets at fair value through other comprehensive income	(337)	(71)
Non-controlling interests arising from acquisition of subsidiaries	115,640	24,500
Acquisition of non-controlling interests in subsidiaries	-	77,125
Balance at December 31	<u>\$170,865</u>	<u>\$105,327</u>

19. Operating revenue

	2024	2023
Revenue from contracts with customers		
Solar module revenue	\$303,798	\$964,242
Processing revenue	5,842	37,399
Power electric revenue	301,748	195,257
Engineering revenue	9,883	17,870
Other	12,648	6,563
Subtotal	<u>633,919</u>	<u>1,221,331</u>
Other revenue		
Finance lease contingent interest	156,250	177,135
Rent revenue	92,892	91,144
Warranty revenue	12,573	12,204
Subtotal	<u>261,715</u>	<u>280,483</u>
Total	<u>\$895,634</u>	<u>\$1,501,814</u>

Analysis of revenue from contracts with customers during the years ended December 31, 2024 and 2023 are as follows:

(1) Disaggregation of revenue

For the years ended December 31, 2024

	Solar module	Solar energy	Other	Total
Solar module revenue	\$303,798	\$-	\$-	\$303,798
Processing revenue	5,842	-	-	5,842
Power electric revenue	-	301,748	-	301,748
Engineering revenue	-	-	9,883	9,883
Other	-	-	12,648	12,648
Total	\$309,640	\$301,748	\$22,531	\$633,919

Timing of revenue recognition:

At a point in time	\$303,798	\$301,748	\$12,648	\$618,194
Over time	5,842	-	9,883	15,725
Total	\$309,640	\$301,748	\$22,531	\$633,919

For the years ended December 31, 2023

	Solar module	Solar energy	Other	Total
Solar module revenue	\$964,242	\$-	\$-	\$964,242
Processing revenue	37,399	-	-	37,399
Power electric revenue	-	195,257	-	195,257
Engineering revenue	-	-	17,870	17,870
Other	-	-	6,563	6,563
Total	\$1,001,641	\$195,257	\$24,433	\$1,221,331

Timing of revenue recognition:

At a point in time	\$964,242	\$195,257	6,563	\$1,166,062
Over time	37,399	-	17,870	55,269
Total	\$1,001,641	\$195,257	\$24,433	\$1,221,331

(2) Contract balances

A. Contract assets – current

	Dec 31, 2024	Dec 31, 2023	Jan 1, 2023
Construction in Progress	\$8,109	\$8,162	\$970

B. Contract liabilities - current

	Dec 31, 2024	Dec 31, 2023	Jan 1, 2023
Sale of goods	\$6,630	\$3,398	\$42,302
Construction in Progress	3,180	-	-
Total	\$9,810	\$3,398	\$42,302

The significant changes in the Group's balances of contract assets during the years ended December, 2024 and 2023 are as follows:

	2024	2023
Beginning balance is transferred to revenue	\$(3,288)	\$(40,456)
Increase in advance payments	9,700	1,552

20. Expected credit losses/ (gains)

	2024	2023
Operating expenses – Expected credit losses/(gains)		
Contract assets	\$-	\$-
Notes receivables	-	-
Trade receivables	-	-
Subtotal	-	-
Non-operating income and expenses - expected credit losses/(gains)		
Financial assets measured at amortized cost	-	-
Total	\$-	\$-

Please refer to Note XII for more details on credit risk.

The credit risk for measured at amortized cost is assessed as low (the same as the assessment result in the beginning of the period). Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses. As the Group transacts with are financial institutions with good credit, no allowance for losses has been provided in this period.

The Group measures the loss allowance of its Contract Assets and Trade Receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as at December 31, 2024 and 2023 are as follows:

- (1) The amounts of contract assets are NT\$8,109 thousand and NT\$8,162 thousand, respectively, and the amount of loss allowance measured by the expected credit loss rate is NT\$0 thousand.
- (2) The Group considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

December 31, 2024

	Less than 30			
	Not Past Due	Days	31~60 Days	Total
Gross carrying amount	\$101,788	\$2,464	\$13,225	\$117,477
Loss rate	0%	0%	0%	
Lifetime expected credit losses	-	-	-	-
Subtotal	\$101,788	\$2,464	\$13,225	\$117,477

December 31, 2023

	Less than 30			
	Not Past Due	Days	Total	
Gross carrying amount	\$126,902	\$-	\$126,902	
Loss rate	0%	0%		
Lifetime expected credit losses	-	-	-	-
Subtotal	\$126,902	\$-	\$126,902	

Note: The Group's bills receivable is not overdue.

The movements of the allowance for doubtful accounts receivable were not change.

21. Leases

(1) Group as a lessee

The Group leases various properties, including real estate such as land, buildings, machinery and equipment, transportation equipment, office equipment and other equipment. The lease terms range from 9 years and 11 months to 20 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	Dec 31, 2024	Dec 31, 2023
Land	\$92,486	\$98,181
Buildings	221,040	192,156
Total	\$313,526	\$290,337

During the years ended December 31, 2024 and 2023, the Group's additions to right-of-use assets were NT\$46,012 thousand and NT\$62,702 thousand, respectively. Acquisitions through business combinations were NT\$0 thousand and NT\$4,663 thousand, respectively.

(b) Lease liabilities

	Dec 31, 2024	Dec 31, 2023
Lease liabilities	<u>\$330,697</u>	<u>\$302,245</u>
Current	\$29,539	\$25,798
Non-current	301,158	276,447

Please refer to Note VI. 23(4) for the interest on lease liabilities recognized and refer to Note XII (5) Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	2024	2023
Land	\$5,695	\$5,695
Buildings	15,922	12,195
Total	\$21,617	\$17,890

C. Income and costs relating to leasing activities

	2024	2023
The expenses relating to short-term leases	\$4,051	\$6,827
The expenses relating to variable lease payments not included in the measurement of lease liabilities	70,610	74,767

D. Cash outflow relating to leasing activities

During the years ended December 31, 2024 and 2023, the Group's total cash outflows for leases amounting to NT\$100,249 thousand and NT\$122,701 thousand, respectively.

(2) Group as a lessor

The Group has entered into lease agreements for certain solar power plant equipment, with an average lease term of 20 years. Since almost all the risks and rewards of ownership related to the transfer of the associated underlying assets are transferred, these leases are classified as finance leases.

The undiscounted lease payments and total amounts on December 31, 2024 and 2023 are as follow:

	Dec 31, 2024	Dec 31, 2023
Not later than one year	\$322,592	\$321,386
Later than one year but not later than two years	266,514	269,486
Later than two years but not later than three years	263,683	266,625
Later than three years but not later than four years	260,881	263,793
Later than four years but not later than five years	258,107	260,990
Later than five years	<u>1,517,610</u>	<u>1,776,295</u>
Total undiscounted lease payments	2,889,387	3,158,575
Less: Unearned finance income to finance leases (Finance lease receivables)	<u>(954,891)</u>	<u>(1,123,140)</u>
	<u><u>\$1,934,496</u></u>	<u><u>\$2,035,435</u></u>
Current	\$176,151	\$163,810
Non-current	1,758,345	1,871,625

Finance lease receivables were not past due and impairment loss.

Please refer to Note VIII for more details about guarantee on lease.

22. Summary statement of employee benefits, depreciation and amortization expenses by function:

	2024			2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$54,968	\$25,389	\$80,357	\$89,244	\$27,267	\$116,511
Labor and health insurance	7,086	2,896	9,982	11,950	2,925	14,875
Pension	2,763	1,424	4,187	4,199	1,462	5,661
Other employee benefits expense	3,961	9,300	13,261	6,183	10,545	16,728
Depreciation	201,011	7,410	208,421	147,432	3,203	150,635
Amortization	-	561	561	-	193	193

According to the Articles of Incorporation, 1% of profit of the current year is distributable as employees' compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

The company incurred a loss in 2024, so no provision for employee compensation or director remuneration was made.

The actual employee compensation and director remuneration were distributed in 2023 at 2.78% and 1.55%, respectively, amounting to NT\$4,187 thousand and NT\$2,762 thousand. These amounts are consistent with the recorded as expenses in 2023.

23. Non-operating income and expenses

(1) Interest income

	2024	2023
Interest income	\$6,678	\$10,286
Other	4	252
Total	\$6,682	\$10,538

(2) Other income

	2024	2023
Dividend income	\$466	\$6,182
Gains on bargain purchase	-	232
Other	1,366	4,193
Total	\$1,832	\$10,607

(3) Other gains and losses

	2024	2023
Net foreign exchange gains(losses)	\$2,269	\$(2,176)
Net gain/(loss) arising on financial liabilities designated as at FVTPL	(2,088)	(3,080)
Impairment loss	(142,685)	(124,653)
Other	(592)	(1,905)
Total	\$(143,096)	\$(131,814)

(4) Finance costs

	2024	2023
Interest on borrowings from bank	\$60,788	\$60,116
Interest on bonds payable	21,026	20,730
Interest on obligations under finance leases	8,028	6,626
Less: Amounts included in the cost of qualifying assets	(13,919)	(27,879)
Total	\$75,923	\$59,593

24. Components of other comprehensive income

For the years ended December 31, 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	components of other comprehensive income	Income tax relating to other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		\$8,452	\$-	\$8,452	\$-
Share of the other comprehensive income/(loss) of associates and joint ventures accounted for using the equity method		-	-	-	-
Total		\$8,452	\$-	\$8,452	\$-

For the years ended December 31, 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	components of other comprehensive income	Income tax relating to other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		\$24,940	\$-	\$24,940	\$-
Share of the other comprehensive income/(loss) of associates and joint ventures accounted for using the equity method		24,283	-	24,283	-
Total		\$49,223	\$-	\$49,223	\$-

25. Income tax

The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	2024	2023
Current income tax expense (income)		
Current income tax charge	\$33,525	\$40,608
Adjustments in respect of current income tax of prior periods	(220)	(1,751)
Deferred tax expense (income)		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(53,637)	(22,292)
Total income tax expense (income)	<u><u>\$20,332</u></u>	<u><u>\$16,565</u></u>

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rate is as follows:

	2024	2023
Accounting profit before tax from continuing operations	<u><u>\$152,672</u></u>	<u><u>\$150,669</u></u>
Tax at the domestic rates applicable to profits in the country concerned	\$(30,534)	\$30,133
The impact of non-deductible expenses on income tax	3,968	4,183
Realized loss from investment	-	(12,200)
Tax effect of revenues exempts from taxation	5,871	(1,325)
Adjustment of Current Income Tax for Prior Years in the Current Year	(220)	(1,751)
Other Income Tax Impact Adjustments under Tax Law	583	(2,475)
Total income tax expenses recorded in profit or loss	<u><u>\$20,332</u></u>	<u><u>\$16,565</u></u>

Significant components of deferred income tax assets and liabilities are as follows:

For the year ended 31 December 2024

	January 1, 2024	Recognized in income	December 31, 2024
Temporary differences			
Allowance for Inventory Write-down Losses	\$10,927	\$21,357	\$32,284
Product Warranty Provision	9,534	118	9,652
Unrealized Transactions within the Group	3,641	(339)	3,302
Deferred Income	10,765	(31)	10,734
Impairment Loss	24,931	28,537	53,468
Finance Leases	(8,109)	(203)	(8,312)
Idle Capacity Loss	-	4,164	4,164
Other	1,290	34	1,324
Deferred Income Tax (Expense) Benefit		<u>\$53,637</u>	
Deferred Income Tax (Liability) Net Amount	<u>\$52,979</u>		<u>\$106,616</u>
Information as follows:			
Deferred Income Tax Assets	<u>\$61,379</u>		<u>\$114,983</u>
Deferred Income Tax Liabilities	<u>\$(8,400)</u>		<u>\$(8,367)</u>

For the year ended 31 December 2023

	January 1, 2023	Recognized in income	December 31, 2023
Temporary differences			
Allowance for Inventory Write-down Losses	\$9,883	\$1,044	\$10,927
Product Warranty Provision	9,364	170	9,534
Unrealized Transactions within the Group	4,026	(385)	3,641
Deferred Income	10,719	46	10,765
Impairment Loss	-	24,931	24,931
Finance Leases	(7,745)	(364)	(8,109)
Idle Capacity Loss	4,440	(3,150)	1,290
Other		<u>\$22,292</u>	
Deferred Income Tax (Expense) Benefit	<u>\$30,687</u>		<u>\$52,979</u>
Deferred Income Tax (Liability) Net Amount			
Information as follows:			
Deferred Income Tax Assets	<u>\$38,432</u>		<u>\$61,379</u>
Deferred Income Tax Liabilities	<u>\$(7,745)</u>		<u>\$(8,400)</u>

The assessment of income tax returns

As of December 31, 2024, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

The assessment of income tax returns	
The Company	Assessed and approved up to 2022
Subsidiary-Company Liu Ho energy	Assessed and approved up to 2022
Subsidiary-Company Yao Guang Power	Assessed and approved up to 2022
Subsidiary-Company Qing Yang Agricultural	Assessed and approved up to 2022
Subsidiary-Company Anders	Assessed and approved up to 2022
Subsidiary-Company An Tai Energy	Assessed and approved up to 2022

26. Earnings per share (loss)

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2024	2023
(1) Basic earnings per share		
Profit (loss) attributable to ordinary equity holders of the Company (in thousand NT\$)	\$(82,575)	\$149,517
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands) (Note 1)	123,785	123,716
Basic earnings per share (NT\$)	\$(0.67)	\$1.21
(2) Diluted earnings per share		
Profit (loss) attributable to ordinary equity holders of the Company (in thousand NT\$)	\$(82,575)	\$149,517
Interest on convertible bonds (in thousand NT\$)	Note 2	20,555
Valuation of derivative financial convertible bonds (in thousand NT\$)	Note 2	3,886
Profit (loss) attributable to ordinary equity holders of the Company after dilution (in thousand NT\$)	\$(82,575)	\$173,958
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	123,785	123,716
Effect of dilution:		
Employee compensation—stock (in thousands)	Note 2	157
Convertible bonds (in thousands)	Note 2	23,287
Weighted average number of ordinary shares outstanding after dilution (in thousands)	123,785	147,160
Diluted earnings per share (NT\$)	\$(0.67)	\$1.18

(Note 1) It has been adjusted retrospectively which based date was July 29, 2023.

(Note 2) Due to the earnings period was loss in 2024, if the Influence of employee compensation and convertible bonds are included, it will become the anti-dilution. Therefore, the Influence is not included in calculating of diluted earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

VII. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
An Tai Energy Co., Ltd.	Associate(Note)
Chia Yi Energy Co., Ltd.	Associate
Hong Ding Holdings Co., Ltd.	Associate
Wei Man Technology Co., Ltd.	Associate
Chin-up Technology Co., Ltd.	Chairman of the same company
Circle Metal Powder Co., Ltd.	Chairman of the same company
Her Chang Technology Co., Ltd.	Individuals with significant influence on subsidiaries of the merged company
Sunedge PV Technology Co., Ltd.	Juristic person
Sunedge Technology Co., Ltd.	Juristic person's associates company
Dahua Certified Public Accountants	Directors' associate

(Note) As merge subsidiaries from February, 2023, the transaction amount and account balance disclosed in this note are generated when both are consolidated subsidiaries.

Significant transactions with the related parties

1. Sales

	2024	2023
Solar module revenue		
Juristic person	\$20,059	\$36,889
Juristic person's associates company	6,624	427
Chairman of the same company	-	17
Other revenue		
Chairman of the same company	13	-
Individuals with significant influence on subsidiaries of the merged company	382	2,033
Total	\$27,078	\$39,366

The purchase prices were not significantly different from those with third parties, and the payment terms are 30 to 90 days after the month's closing. The receivables from the related parties were not guaranteed.

2. Purchases

	2024	2023
Juristic person	\$430	\$12
Chairman of the same company	3,528	3,503
Total	\$3,958	\$3,515

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.

3. Receivables from related parties

	Dec 31, 2024	Dec 31, 2023
Juristic person		
Sunedge PV Technology Co., Ltd.	\$2,969	\$27,452
Juristic person's associates company	-	424
Individuals with significant influence on subsidiaries of the merged company	-	468
Total	\$2,969	\$28,344

4. Other account receivable from related parties (including in current assets)

	Dec 31, 2024	Dec 31, 2023
Chairman of the same company		
Chin-up Technology Co., Ltd	\$15	\$121
Juristic person		
Wei Man Technology Co., Ltd.	10	-
Associate	-	4
Total	\$25	\$125

5. Payables to related parties

	Dec 31, 2024	Dec 31, 2023
Chairman of the same company		
Circle Metal Powder Co., Ltd.	\$57	\$1,216

6. Other account payables from related parties

	Dec 31, 2024	Dec 31, 2023
Juristic person	\$-	\$42
Chairman of the same company		
Chin-up Technology Co., Ltd	7,145	984
Other	9	10
Directors' associate	92	-
Total	<u><u>\$7,246</u></u>	<u><u>\$1,036</u></u>

7. Key management personnel compensation

	2024	2023
Short-term employee benefits	\$9,423	\$10,478
Post-employment benefits	95	94
Total	<u><u>\$9,518</u></u>	<u><u>\$10,572</u></u>

8. Other

In December 2024, the Group purchased machinery and equipment, as well as other assets, from Chin-up Technology Co., Ltd. for a total amount of NT\$5,955 thousand.

In March and May 2024, the Group made cash capital increases in Hong Ding Holdings Co., Ltd. with total investments of NT\$94,500 thousand and NT\$75,500 thousand, respectively. These investments are accounted for using the equity method.

In April 2024, the Group made a cash capital increase in Chia Yi Energy Co., Ltd. with a total investment of NT\$8,750,000, which is accounted for using the equity method.

In November 2024, the Group made a cash capital increase in Chih Hsiang Electronic Power Co., Ltd. with a total investment of NT\$13,050 thousand, which is accounted for using the equity method.

In April and June 2024, the Group made a cash capital increase in Wei Man Technology Co., Ltd. The total investment amounts were NT\$14,760 thousand and NT\$34,440 thousand, respectively, and were accounted for using the equity method.

In February 2023, the Group purchased 2% equity from the related party Chin-up Technology Co., Ltd. to gain control over An Tai Energy Co., Ltd., which was listed as the subsidiary.

VIII. Assets pledged as security

The following table lists assets of the Group pledged as security:

Items	Carrying amount		
	Dec 31, 2024	Dec 31, 2023	Secured liabilities
Finance lease receivables	\$1,701,086	\$1,809,072	Long-term borrowings
Financial assets at amortized cost – current and noncurrent	246,864	240,378	Short/Long-term borrowings
Property, plant and equipment			
Land	258,122	258,122	Short/Long-term borrowings
Buildings	220,123	104,739	Short/Long-term borrowings
Solar Energy equipment	2,258,085	1,239,201	Long-term borrowings
Other equipment	26,996	1,523	Long-term borrowings
Total	<u><u>\$4,711,276</u></u>	<u><u>\$3,653,035</u></u>	

IX. Significant contingencies and unrecognized contractual commitments

Significant commitments and contingencies of the Group were as follows:

	Dec 31, 2024
Acquisition of property, plant and equipment	<u><u>\$224,647</u></u>

X. Losses due to major disasters

None.

XI. Significant subsequent events

None.

XII. Other

1. Categories of financial instruments

Financial assets

	Dec 31, 2024	Dec 31, 2023
Financial assets at fair value through profit or loss:		
Mandatorily classified as at fair value through profit or loss:	<u>\$11,101</u>	<u>\$7,851</u>
Financial assets at fair value through profit or loss:	<u>64,897</u>	<u>83,960</u>
Financial assets at amortized cost		
Cash and cash equivalents (excluding cash on hand)	561,247	507,144
Financial assets at amortized cost	246,864	240,378
Notes receivable	30,134	9,181
Accounts receivable (including related parties)	87,343	117,721
Other receivable (including related parties) (In other current assets)	4,422	4,754
Refundable deposits (In other non-current assets)	<u>46,529</u>	<u>50,678</u>
Subtotal	<u>976,539</u>	<u>929,856</u>
Total	<u><u>\$1,052,537</u></u>	<u><u>\$1,021,667</u></u>

Financial liabilities

	Dec 31, 2024	Dec 31, 2023
Financial liabilities at amortized cost		
Short-term borrowings	\$209,000	\$284,496
Accounts payable	126,195	335,131
Bonds payable (Including current portion)	1,159,648	1,138,821
long-term borrowings (Including current portion)	2,694,462	2,091,173
Lease liabilities	<u>330,697</u>	<u>302,245</u>
Subtotal	<u>4,520,002</u>	<u>4,151,866</u>
Financial liabilities at fair value through profit or loss:		
Held for trading	<u>13,899</u>	<u>7,396</u>
Total	<u><u>\$4,533,901</u></u>	<u><u>\$4,159,262</u></u>

2. Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

3. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly affected by USD. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by 1%, the profit for the nine-month periods ended December 31, 2024 and 2023 decreases/increases by NT\$103 thousand and NT\$322 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2024 and 2023 to decrease/increase by NT\$(2,095)thousand and NT\$1,628 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities and conversion rights of the Euro-convertible bonds issued are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 1% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT\$158 thousand and NT\$327 thousand on the equity attributable to the Group for the years ended December 31, 2024 and 2023, respectively.

Please refer to Note VII.8 for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

4. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for contract assets, trade and notes receivables and lease receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

The Group also uses certain credit enhancement tools (such as advance payments and insurance) at appropriate times to reduce the credit risk of specific counterparties.

The credit risk of the Group is described as follows:

	Dec 31, 2024		Dec 31, 2023	
	Amounts	%	Amounts	%
Company A18	\$13,230	15	\$22,177	19
Company A11	12,382	14	2,889	2
Company A41	10,225	12	552	-
Company A42	5,768	7	-	-
Sunedge PV Technology Co., Ltd.	2,969	3	27,452	23

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

5. Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 3	3 Months to	1-5 Years	5+ Years	Total
	Months	1 Year			
Dec 31, 2024					
Borrowings	\$202,207	\$579,261	\$2,209,044	\$111,166	\$3,101,678
Payables	118,777	7,418	-	-	126,195
Convertible bonds	-	979,479	197,224	-	1,176,703
Lease liabilities					
(Note)	16,801	20,490	103,765	255,850	396,906
Dec 31, 2023					
Borrowings	\$182,025	\$512,194	\$1,589,246	\$233,838	\$2,517,303
Payables	292,629	42,502	-	-	335,131
Convertible bonds	-	193,856	961,715	-	1,155,571
Lease liabilities					
(Note)	7,469	25,424	92,205	238,921	364,019

(Note) Information about the maturities of lease liabilities is provided in the table below:

	Maturities				
	Less than 1	1 to 5	6 to 10	11 to 15	Total
year	years	years	years	years	
Dec 31, 2024	\$37,291	\$103,765	\$132,919	\$122,931	\$396,906
Dec 31, 2023	32,893	92,205	121,326	117,595	364,019

6. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the years ended December 31, 2024:

	Short-term					Total liabilities from financing activities
	Short-term borrowings	bills payable	Convertible bonds	Long-term borrowings	Leases liabilities	
Jan 1, 2024	\$284,496	\$-	\$1,138,821	\$2,091,173	\$302,245	\$3,816,735
Cash flows	(75,496)	-	-	603,289	(17,560)	510,233
Non-cash changes	-	-	20,827	-	46,012	66,839
Dec 31, 2024	<u>\$209,000</u>	<u>\$-</u>	<u>\$1,159,648</u>	<u>\$2,694,462</u>	<u>\$330,697</u>	<u>\$4,393,807</u>

Reconciliation of liabilities for the years ended December 31, 2023:

	Short-term					Total liabilities from financing activities
	Short-term borrowings	bills payable	Convertible bonds	Long-term borrowings	Leases liabilities	
Jan 1, 2023	\$543,090	\$159,694	\$1,124,391	\$2,104,077	\$256,900	\$4,188,152
Cash flows	(258,594)	(160,000)	-	(123,540)	(20,814)	(562,948)
Non-cash changes	-	306	14,430	110,636	66,159	191,531
Dec 31, 2023	<u>\$284,496</u>	<u>\$-</u>	<u>\$1,138,821</u>	<u>\$2,091,173</u>	<u>\$302,245</u>	<u>\$3,816,735</u>

7. Fair values of financial instruments

(1) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- A. The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- D. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the

GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(2) Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, trade receivables, accounts payable and other current liabilities whose carrying amount approximate their fair value, the fair value of the Group's financial assets and financial liabilities measured at amortized cost is listed in the table below:

	Carrying amount as at	
	Dec 31, 2024	Dec 31, 2023
Financial liabilities		
Bonds payable	\$1,159,648	\$1,138,821

	Carrying amount as at	
	Dec 31, 2024	Dec 31, 2023
Financial liabilities		
Bonds payable	\$1,153,163	\$1,141,474

(3) Fair value measurement hierarchy for financial instruments

Please refer to Note VII.8 for fair value measurement hierarchy for financial instruments of the Group.

8. Fair value measurement hierarchy

(1) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(2) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	\$11,101	\$-	\$-	\$11,101
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	16,889	-	48,008	64,897
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Bonds	-	-	13,899	13,899

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	\$7,851	\$-	\$-	\$7,851
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	31,812	-	52,148	83,960
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Bonds	-	-	7,396	7,396

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Changes in Level 3 Fair Value Measurements

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets (Liabilities)	
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
	Derivatives	Stocks
January 1, 2024		
Total gains and losses		
Amount recognized in profit or loss (presented in “other profit or loss”)	(6,503)	-
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-	(920)
Acquisition	-	6,000
Transfer in	-	1,068
Disposal	-	(10,288)
December 31, 2024	<u><u>\$13,899)</u></u>	<u><u>\$48,008</u></u>
	Assets (Liabilities)	
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
	Derivatives	Stocks
January 1, 2023		
Total gains and losses		
Amount recognized in profit or loss (presented in “other profit or loss”)	(3,886)	-
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-	16,158
Reduction	-	(6,000)
Acquisition	-	10,000
Disposal	-	(43,675)
Transfer out	<u>(10)</u>	<u>-</u>
December 31, 2023	<u>\$7,396)</u>	<u>\$52,148</u>

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

December 31, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial liabilities: At fair value through profit or loss					
Embedded derivatives	Option pricing model	Volatility	35.82%	The higher the volatility, the higher the fair value of the embedded derivatives	1% increase /decrease in the volatility would result in increase/decrease in the Group's profit or loss by NT\$80/80 thousand

December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial liabilities: At fair value through profit or loss					
Embedded derivatives	Option pricing model	Volatility	28.93%	The higher the volatility, the higher the fair value of the embedded derivatives	1% increase /decrease in the volatility would result in increase/decrease in the Group's profit or loss by NT\$20/10~30 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The management is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

9. Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	(In thousands)		
	December 31, 2024		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$474	32.74	\$15,502
Financial liabilities			
Monetary items:			
USD	157	32.84	5,166
	December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$1,968	30.66	\$60,317
Financial liabilities			
Monetary items:			
USD	915	30.76	28,154

The Group has various functional currencies, no information about the foreign exchange gains or losses by a specific currency is available. For the years ended December 31, 2024 and 2023, the foreign exchange gains or losses on monetary financial assets and financial liabilities were NT\$2,269 thousand and NT\$(2,176) thousand, respectively.

The above information is disclosed based on the carrying amounts of the foreign currencies (after conversion to the functional currency).

10. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

XIII. Other disclosure

1. Information at significant transactions

- (1) Financing provided to others: Please refer to Attachment 1.
- (2) Endorsements/guarantees provided: Please refer to Attachment 2.
- (3) Marketable securities held (excluding investments in subsidiaries and associates): Please refer to Attachment 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: None.
- (5) Acquisitions of individual real estate at cost of at least NT\$300 million or 20% of the paid-in capital: None.
- (6) Disposals of individual real estate at a price of at least NT\$300 million or 20% of the paid-in capital: None.
- (7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- (8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- (9) The information of the invested company (excluding China): None.
- (10) Trading in derivative instruments: Please refer to Note VI. 2.
- (11) Intercompany relationships and significant intercompany transactions: None.

2. Information on investees: Please refer to Attachment 4.

3. Information on investments in mainland China: None.

4. Information on major shareholders: Please refer to Attachment 5.

XIV. Segment information

For management purposes, the Company is organized into business units based on its products and services and has three reportable segments as follows:

1. Solar module: sales of solar modules.
2. Solar Energy: energy technical services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit before tax and is measured consistently with profit before tax in the consolidated financial statements. Other operation income/loss are not allocated to operating departments because it is measured on a group basis.

The transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

1. Segment information about profit and loss:

For the years ended December 31, 2024

	Solar module	Solar energy	Other	Total
Revenue				
External customer	\$309,640	\$563,463	\$22,531	\$895,634
Segment profit	<u><u>\$(177,702)</u></u>	<u><u>\$278,469</u></u>	<u><u>\$(12,569)</u></u>	<u><u>\$88,198</u></u>
Other operation income(loss)				<u><u>(240,870)</u></u>
Profit before tax				<u><u><u><u>\$(152,672)</u></u></u></u>

For the years ended December 31, 2023

	Solar module	Solar energy	Other	Total
Revenue				
External customer	\$1,001,641	\$475,740	\$24,433	\$1,501,814
Segment profit	<u><u>\$80,751</u></u>	<u><u>\$249,219</u></u>	<u><u>\$(12,799)</u></u>	<u><u>\$317,171</u></u>
Other operation income(loss)				<u><u><u><u>(166,502)</u></u></u></u>
Profit before tax				<u><u><u><u>\$150,669</u></u></u></u>

2. Geographic information:

(1) From outside client revenue:

	2024	2023
Taiwan	\$894,782	\$1,492,536
America	433	9,278
China	345	-
Others	74	-
Total	<u>\$895,634</u>	<u>\$1,501,814</u>

Revenue is classified based on the country of customer location.

(2) Non-current assets:

	Dec 31, 2024	Dec 31, 2023
Taiwan	<u>\$5,916,296</u>	<u>\$5,794,214</u>

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, finance lease receivables - non-current and other non-current assets (excluding deposits).

3. Major customer information:

Customer	2024	2023
Taiwan Power Company	\$550,394	\$475,740
A11 Company	-	55,459
A20 Company	-	471,024
Solar Master Energy Co., Ltd.	-	3,633
Total	<u>\$550,394</u>	<u>\$1,005,856</u>

Attachment 1

Financing provided to others

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 (Note 1)	Aggregate Financing Limits (Note 2)
													Item	Value		
0	Anji Technology Co., Ltd.	An Tai Energy Co., Ltd.	Other accounts receivables from related parties	Y	\$63,000	\$63,000	\$-	3.2%	short term financing	\$-	for business operating	\$-	-	\$-	\$318,378	\$1,273,513

(Note 1) Need for Short-Term Financing: The amount of loans to individual borrowers shall not exceed 10% of the Company's net worth.

(Note 2) Need for Short-Term Financing: The total amount of funds loaned by the Company to others shall not exceed 40% of the Company's net worth. Additionally, for companies or institutions with a need for short-term financing, the total amount of loans shall also not exceed 40% of the Company's net worth.

Attachment 2

Endorsements/guarantees provided

No.	Endorser /Guarantor	Endorsee/Guarantee		Limit on Endorsement/Guarantee Given on Behalf of Each Party (Note 1)	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 (Note 2)	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
		Name	Relationship										
0	Anji Technology Co., Ltd.	Liu Ho energy technology Co., Ltd.	Subsidiaries – has 100% shareholding	\$4,775,674	\$68,500	\$18,500	\$2,213	\$-	0.58%	\$7,959,458	Y	N	N
0	Anji Technology Co., Ltd.	Qing Yang Agricultural technology Co., Ltd.	Subsidiaries – has 100% shareholding	4,775,674	15,000	15,000	1,260	-	0.47%	7,959,458	Y	N	N
0	Anji Technology Co., Ltd.	Wei Man Technology Co., Ltd.	All capital contributing shareholders make endorsements for their jointly invested company in proportion to their shareholding percentages	4,775,674	144,062	144,062	-	-	4.52%	7,959,458	N	N	N
1	Yao Guang Power Co., Ltd.	Anji Technology Co., Ltd.	Parent company	75,105	16,796	16,796	12,327	-	33.54%	125,175	N	Y	N
1	Yao Guang Power Co., Ltd.	Liu Ho energy technology Co., Ltd.	Sister company	75,105	12,630	12,630	11,568	-	25.22%	125,175	N	N	N
2	Liu Ho energy technology Co., Ltd.	Anji Technology Co., Ltd.	Parent company	150,260	42,876	34,019	31,972	-	33.95%	250,433	N	Y	N

(Note 1) Net worth's 150% in these Regulations means the balance sheet equity attributable to the owners of the parent company or subsidiaries.

(Note 2) Net worth's 250% in these Regulations means the balance sheet equity attributable to the owners of the parent company or subsidiaries.

Attachment 3

Marketable securities held (excluding investments in subsidiaries and associates)

Holding Company Name	Type and Name of Marketable Securities (a)	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Anji Technology Co., Ltd.	Hengs Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	129,250	\$ 2,833	-	\$ 2,833	
	Sun Rise E&T Co., Ltd.	-	Same as above	83,261	8,268	-	8,268	
				Total	\$11,101		\$11,101	
	Circle Metal Powder Co., Ltd.	Chairman of the same company	Financial assets at fair value through other comprehensive income - noncurrent	1,646,500	\$13,468	13%	\$13,468	
	AcSacca Solar Energy Co., Ltd.	-	Same as above	691,673	-	5%	-	
	HD Renewable Energy Co., Ltd.	-	Same as above	61,733	12,933	-	12,933	
	Hummingbird Flying Vehicle Ltd.	-	Same as above	687,500	-	1%	-	
	Anji Technosolution Co., Ltd.	-	Same as above	200	118	5%	118	
	Power Master International Investment Holdings Co., Ltd.	-	Same as above	183,046	3,956	-	3,956	
	Green Source Technology Co., Ltd.	-	Same as above	400,000	2,008	1%	2,008	
	Lof Solar Corp.	-	Same as above	2,800,000	16,352	14%	16,352	
	E-Jet aviation technology Co., Ltd.	-	Same as above	14,690,660	147	3%	147	
	Green Shepherd Corporation Ltd.	-	Same as above	280,000	3,055	2%	3,055	
	Ying Fa Energy Co., Ltd.	-	Same as above	1,000	6	1%	6	
Anders Technology Co., Ltd.	Bei Li Biotechnology Investment Co., Ltd.	-	Same as above	1,026,364	12,060	-	12,060	
	ADAT Technology CO., LTD.	-	Same as above	200,000	647	1%	647	
				Subtotal	64,750		64,750	
	E-Jet aviation technology Co. Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	14,690,660	147	3%	147	
				Total	\$ 64,897		\$ 64,897	

Attachment 4

Information on investees

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	(%)	Carrying Amount			
Anji Technology Co., Ltd	Liu Ho energy technology Co., Ltd.	No. 19, Keji 5th Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	Energy Technical Services	\$46,181	\$46,181	7,000,000	100%	\$95,980	\$6,270	\$6,270	
	Yao Guang Power Co., Ltd.	Same as above	Energy Technical Services	22,000	22,000	3,440,000	100%	49,175	2,659	2,659	
	Qing Yang Agricultural technology Co., Ltd.	Same as above	Energy Technical Services and Solar Agriculture	30,000	30,000	3,510,000	100%	48,717	3,139	3,139	
	An Tai Energy Co., Ltd.	Same as above	Energy Technical Services	217,366	97,006	22,266,600	51%	157,527	(101,685)	(51,859)	
	Anders Technology Co., Ltd.	Same as above	Manufacture of metal 3D printing products	20,000	20,000	2,000,000	50%	18,225	120	60	
	Wei Man Technology Co., Ltd.	Same as above	Energy Technical Services	49,200	49,200	4,920,000	41%	45,636	(5,149)	(2,111)	
	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	219,000	49,000	21,900,000	30%	188,674	(6,634)	(2,357)	
	Chia Yi Energy Co., Ltd.	4F, No. 651, Zhongzheng Rd., Xinzhuang Dist., New Taipei City 242051, Taiwan (R.O.C.)	Energy Technical Services	113,750	105,000	11,758,496	23%	92,498	(109,878)	(25,870)	
	Chih Hsiang Electronic Power Co., Ltd.	No. 306, Lu'er 2nd Rd., Annan Dist., Tainan City 709015, Taiwan (R.O.C.)	Communication equipment manufacturing	8,700	-	600,000	20%	8,682	(94)	(18)	
Anders Technology Co., Ltd.	Chih Hsiang Electronic Power Co., Ltd.	No. 306, Lu'er 2nd Rd., Annan Dist., Tainan City 709015, Taiwan (R.O.C.)	Communication equipment manufacturing	4,350	-	300,000	10%	4,341	(94)	(9)	

Attachment 5

Information on major shareholders

Name of Major Shareholder	Shares	Number of Shares	Percentage of Ownership (%)
Chinup Technology Co., Ltd.		17,082,813	13.80%
Packy Poda Inc.		7,363,000	5.94%

(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.