Stock number: 6781

Advanced Energy Solution Holding Co., Ltd.

2024 Annual Report

Published on May 9 , 2025
Annual report website: http://mops.twse.com.tw
http://www.advancedenergysolution.com.tw

I. Name, title and telephone number of the Company's spokesperson and deputy spokesperson

Spokesperson: Chen Po-Ta
Title: Chief Financial Officer
Tel.: (03)569-5916
E-mail: Neal_Chen@trendpower.com.cn
Spokesperson: Chen Shu-Chuan
Title: Manager, Finance Division
Tel.: (03)569-5916
E-mail: Lillian_Chen@TrendPower.com.tw

II. Addresses and telephone numbers of head office, subsidiaries and factories:

Head Office Address: The Grand Pavilion Commercial Centre,Oleander Way, 802 West Bay Road,P.O.Box 32052,Grand Cayman KY1-1208,Cayman Islands.
Tel.: (03)569-5916
Fax: (03)569-6115
Factory Address: No. 656, Sec. 2, Bade Rd., Hukou Township, Hsinchu County, Taiwan (R.O.C.)
Tel.: (03)569-5916
Fax: (03)569-6115

III. Name, address, website and telephone number of stock transfer institution

Name: Taishin Securities stock transfer agency department
Address: B1, No.96, Sec.1, Jianguo N. Rd., Taipei City
Website: www.tssco.com.tw
Tel: (02)2504-8125

IV. Name of the CPA, and the name, address, website, and telephone number of the CPA firm for the financial report of the past year

CPAs: Su-Li Fang, Chin-Chuan Shih
CPA firm: Deloitte & Touche
Address: 6F., No. 2, Gongye 1st Rd., Hsinchu Science Park, Hsinchu City, Taiwan (R.O.C.)
Website: www.deloitte.com.tw
Tel.: (03)578-0899

V. Name, Job Title, Contact Telephone, and Email Address of the Litigation and Non-litigation Agents in the ROC:

Name:Sung,Wei-Jer
Title:President
Tel:(03)569-5916
Email: Aes-ir@advancedenergysolution.com.tw

VI. Name of the overseas securities trading venue and inquiring method for overseas securities information: None.

VII. Company website

www.advancedenergysolution.com.tw

VIII. Board of Directors List

Title	Nationality/Place of Registration	Name	Major (Academic Degree) Experience
Chairman	R.O.C.	Sung, Fu-Hsiang	Divisional Head, Kingston Technology Corporation Divisional Head, AST Research, Inc. Manager Anpei Enterprise Co., Ltd. Bachelor degree in Industrial Engineering, National Taipei University of Technology
Director	Samoa	Trend Power Technology Holdings (Samoa) Co., Ltd	-
	R.O.C.	Representative: Sung, Wei-Jer	Executive Assistant to the Chairman, Simplo Technology Co., Ltd. Manager, Administrative Department, United Microelectronics Corporation Post Doctoral Researcher, Lucent Bell Lab R&D Engineer, Advanced Epitaxy Technology Inc. PhD degree, Department of Electrophysics, National Chiao Tung University Master degree, Department of Electrophysics, National Chiao Tung University
Director	R.O.C.	Cheng, Duen-Chian	President, UMC Capital Corporation Managing Director,ian-He Management Consulting Inc. Executive Director and President of Morgan Stanley Asia Limited Executive Director, Goldman Sachs Asia L.L.C. MBA, Columbia University Bachelor degree in Business Administration, National Taiwan University
Independent Director	R.O.C.	Hsueh, Pin-Pin	Independent Director, ASEC International Corporation Independent Director, Simplo Technology Co., Ltd. General Manager, China Leader Management (BVI) Inc. MS, Finance Dept., Tamkang University
Independent Director	R.O.C.	Yang, Cheng-Hsien	Partner, Jen-Song United Law FirmLecturer College of Finance and Banking, National Kaohsiung University of Science and TechnologyLecturer Department of Financial and Economic Law, Chung Yuan Christian University Legal Consultant, Pacific Distribution Investment Co., Ltd Master of Law, Department of Law and Finance, Goethe University Frankfurt JD LL.M., National Taiwan University
Independent Director	R.O.C.	Kao, Chih-Ting	Independent Director, Integrated Solutions Technology, Inc. Independent Director, VACTRONICS TECHNOLOGIES INC. Independent Director, Sea Sonic Electronics Co., Ltd. Vice President, WK Associates LTD EMBA, National Taiwan University M.A., Institute of Applied Mechanics, National Taiwan University
Independent Director	R.O.C	Wu, Huei-Yu	Director and President, Clientron Corp. Independent Director, Uni Travel Services Co., Ltd. Vice President and General Manager, Phoenix Greater China President, BCM Embedded Computer Inc. Country Manager, Intel Taiwan NCCU Department of Statistics

Table of contents

Chapter I. Letter to Shareholders
Business Report

I. 2024 Business Report

(I) Results of Business Plan Implementation

1. Business Results:

Over the years, our company has been dedicated to the research, production, and sales of professional lithium battery module technology. In the fiscal year 2024, our revenue amounted to NT$10,036,842 thousand, reflecting an increase of 0.05% compared to the same period last year. This growth was primarily driven by a stabilization in market demand despite the challenges of a slow global economic recovery, inflationary pressures, and supply chain adjustments. The company continues to optimize its operations to maintain steady growth.

The market for lightweight electric vehicles has demonstrated strong market penetration and consumer acceptance, driven by the global push for energy conservation and carbon reduction, as well as initiatives from governments and industries worldwide. Leading brands continue to introduce products featuring advanced technology and high-tech functionalities.Additionally, various governments have implemented subsidy policies to promote energy transition and transform mobility, aiming to address issues such as air pollution and urban traffic congestion.Furthermore, consumer preferences for carbon-free, healthy riding, and fuel savings have contributed to the increased adoption of electric bicycles. However, the sales performance in the fiscal year 2024 was impacted by global political and economic instability, declining purchasing power due to high inflation, and the ongoing destocking efforts of brand suppliers.

In the market for medium to large-scale industrial energy storage system battery modules, artificial intelligence, the Internet of Things, and big data are becoming the foundation of the future intelligent world. This has driven increasing demand for data exchange in areas such as data centers, edge computing, and storage, spurring the development of data centers around the world. Brand-name server manufacturers, network communication providers, and power service companies are actively investing in the research and development of data center-related architectures. The trend of lithium battery modules replacing lead-acid batteries in uninterruptible power supply (UPS) systems is expected to continue. Our company has been deeply involved in this field for many years and has achieved tangible results in both R&D and market expansion. We look forward to continuing to generate operational benefits in the fiscal year 2025.

In fiscal year 2025, our company will not only continue to increase the proportion of shipments to existing customers but also allocate more resources to the development of new customers and new product areas in the industrial control battery module sector .

2. Operating Income:

Unit: NT$ thousand

Item	2023	2024	Growth (%)
Net sales	10,031,621	10,036,842	0.05
Gross profit	3,766,512	3,956,017	5.03

Operating expenses	1,575,856	1,576,706	0.05
Net operating income	2,190,656	2,379,311	8.61
Income before tax	2,485,306	2,753,708	10.80
Net income	1,968,281	2,168,660	10.18

(II) Implementation Status: The Company did not prepare a financial forecast for fiscal year 2024.

(III) Financial analysis for revenues, expenses, and profitability

Financial Analysis:

Unit: NT$ thousand

Item \ Year		2023	2024	Variance (%)
Net cash flows generated from operating activities		(265,801)	2,488,149	1,036.09
Net cash flows generated from (used in) investing activities		(388,137)	2,113,960	644.64
Net cash flows generated from financing activities		(2,346,711)	(2,504,142)	6.71
Return on assets (ROA) (%)		10.74	11.53	7.36
Return on shareholders' equity (%)		15.36	15.69	2.15
Percentage of paid-in capital (%)	Operating income	256.46	278.55	8.61
	Income before tax	290.96	322.38	10.80
	Net profit after tax	230.43	253.89	10.18
Net profit margin (%)		19.62	21.61	10.14
Earnings per share (NT$)		23.04	25.39	10.20

(IV) Research & Development (R&D)

R&D expenditure and achievements over the last three fiscal years

Year	R&D Expenditure (NT$ thousands)	Percentage of sales (%)	Major Achievements
2022	1,084,301	7.20	1. Communication model and extended simulation environment of electrical vehicle system 2. Fulfillment of energy storage batteries to meet the fire regulation 3. The integrated battery power management system
2023	1,077,470	10.74	1. The energy storage battery that meet the fire regulations 2. Integrated battery power management system 3. Battery life extension integration solution
2024	1,018,399	10.15	1. The repairable battery module design 2. Safety protection enhancement in the E-bike battery 3. Battery life extension integration solution

II. 2025 Business Plan Overview

(I) Operating Objectives

1. Satisfy customers' needs as our top priority; continue to pursue technological excellence and quality leadership.
2. Continue to develop new products and innovative technology centered on eco-friendly designs as an industry leader, and to give back to our society.
3. Continue to cultivate existing customers; take initiatives to expand market applications for industrial control type lithium battery modules and to identify corresponding new customers as a means to increase global market share.
4. Continue to strengthen the partnership with major raw material suppliers to steadily supply high quality and cost-effective raw materials.
5. Continue to form strategic alliances; work alongside professional teams to expand and secure market share.
6. Continue to enhance overall business performance, productivity, and profitability by reinforcing organizational capabilities and optimal human resource deployment.
7. Faced with challenges such as climate change and accelerated global warming, the company together with external upstream and downstream partners, is committed to energy conservation and carbon reduction, and actively promotes carbon reduction initiatives as well as fulfills its corporate social responsibility.
8. By keeping abreast of market trends, close internal and external communications, production and sales management, optimizing production flexibility, and planning overseas deployment, we can spread risks and reduce the impact of global economic fluctuations and geopolitical tensions.

(II) Sales forecast and its basis

Global sales of lightweight electric vehicles are steadily rising. Although the market's full potential has yet to be fully realized, the global electric two-wheeler segment is expected to maintain continuous growth from 2024 to 2030. It is estimated that the global electric bicycle (E-Bike) market will reach USD 35 billion in 2024 and is projected to grow to USD 62.25 billion by 2030, expanding at a compound annual growth rate (CAGR) of nearly 10% during this period.

Behind this ongoing market expansion, however, the industry is also facing increasing challenges. Manufacturers are dealing with a combination of issues including overproduction, rising costs, inventory backlogs, and liquidity constraints. Although overall market demand remains, the influx of numerous manufacturers has led to oversupply, causing the electric two-wheeler industry to become mired in excess inventory .

Following extended promotional efforts, the industry has gradually emerged from this high-inventory situation. While core consumer demand drivers remain in place, economic pressures, shifting consumer habits, and evolving market dynamics have posed challenges for many established brands. In response, our company will continue to enhance the development of new battery models and related peripheral products. We will also strengthen partnerships with existing customers and collaborate with leading system integrators in the industry to create new growth momentum for future performance.

The deployment of 5G base stations and the rapid advancements in artificial intelligence have led to ongoing construction of base stations and data center infrastructure, thereby fueling the demand for battery modules for medium and large industrial energy storage systems. Notably, lithium batteries are increasingly replacing lead-acid batteries in base station backup applications, driven by the surge in artificial intelligence development. Data centers, in particular, are experiencing a rapid rise in electricity demand, emerging as the primary catalyst for growth in backup power demand in the upcoming phase. The company has made significant strides in acquiring new customers in this market segment. It is anticipated that the sales volume and proportion of lithium batteries in data centers and 5G base station backup batteries will progressively increase in 2025.

The Company has been expanding new energy applications for lithium battery modules and products for years. Currently, sales are primarily driven by lightweight electric vehicle battery modules. With rising environmental concern, the market for lightweight electric vehicles will continue to see handsome growth. Sales for medium/large industrial energy storage battery modules continue to see steady growth, thanks to the increasing demand driven by cloud technology, 5G, and edge computing..

The Company will continue to devote more resources to develop new customers and new product lines, to scale up production automation to enhance operational efficiency. The Company aspires to become a key member in the green energy supply chain, and to make our share of contributions to a better future on our shared planet.

(III) Important Production and Sales Policies

The Company has developed the following strategies to meet the ongoing challenges from external competitions, regulations and overall business environment:

1. Assess the feasibility of manufacturing outside Mainland China on the basis of long-term risk diversification.
2. Reinforce production process research and technology advancement to boost productivity and production quality.
3. Strengthen the use of KPI Performance Management System to help identify, enhance and improve the Company's core competencies, and to create wealth; enable steady and sustainable growth of the enterprise, through error correction and prevention, to achieve ultimate customer and shareholder satisfaction.
4. Leverage the strategic planning of global business operations to integrate supply conditions and production needs between the enterprise and factories with the ultimate goal of establishing customer-oriented service.
5. Continue to invest in R&D for new technology and new products to enhance competitiveness.
6. Develop innovative products with high added values with expanding applications.

7. Include sustainable development as one of the company's core competencies, formulate development policies in line with government policies, regulations, and customer needs, and fulfill corporate social responsibilities.
8. Increase production automation rate with better quality, competitiveness and productivity.
9. Develop international marketing talents, expand global clientele, and increase market share.
10. Develop diverse battery supplies to support multiple specification requirements from custom production.
11. Continue to develop diversified product applications beyond lightweight electrical vehicles and medium/large industrial energy storage.

III. Future Development Strategies

In addition to the battery modules for existing ICT products, AES-KY has been actively developing new applications with growth potential in recent years.

Regarding power battery products, AES-KY is currently focusing on designing, producing, and selling lithium battery packs for high-power electric vehicles and electric motorcycles. The market share of two-wheeled electric vehicles has shown stable growth, and with increasing awareness of eco-friendly solutions, it will continue to maintain high levels of growth in the market.

Furthermore, the rapid growth in demand for 5G, smart cloud, and public cloud services has driven increased demand for battery modules in medium- to large-scale industrial energy storage systems. Our company has been actively engaged in this field for many years and has established close collaboration with both domestic and international customers. This area is expected to serve as a key growth engine for the company in the coming years.

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

The epidemic has caused huge impacts and changes on politics, economy, society, industry and individuals. AES-KY believes that no matter how the external competitive environment changes, the only way to continue to strengthen competitiveness and provide customers with meaningful value-added services is the right direction.

Chairman: Sung, Fu-Hsiang   Manager: Sung,Wei-Jer   Accounting Manager: Chen, Po-Ta

Chapter II. Company Profile

I. Date of Establishment: January 9, 2020

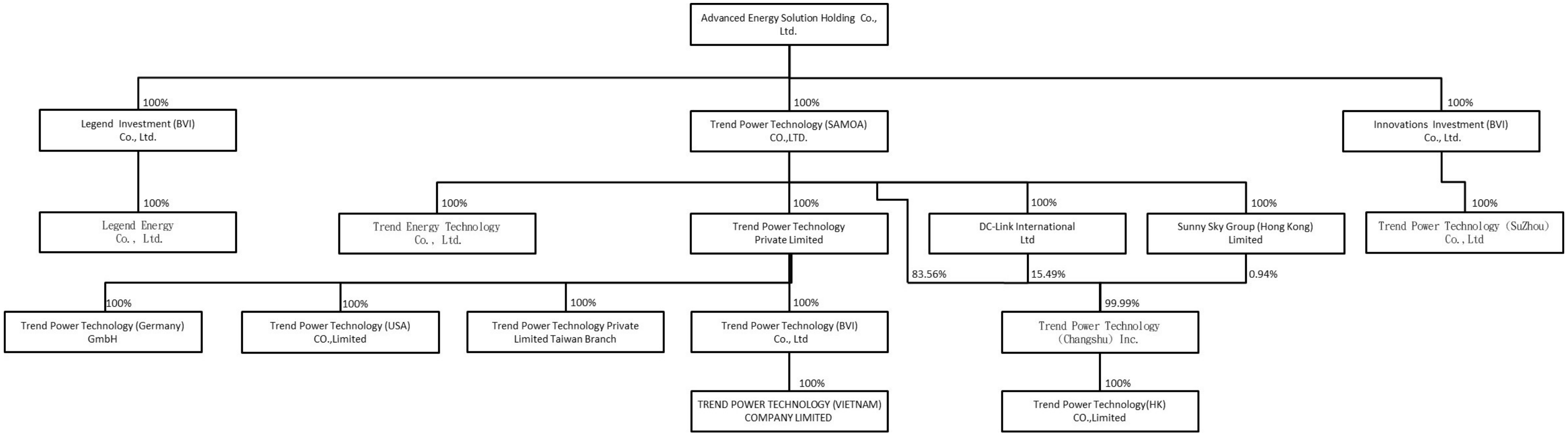
II. Company Information:

Place of Incorporation of Foreign Companies	Cayman Islands
Date of Establishment	2020/01/09
Paid-in Capital	NT$854,187,800
Chairman	SUNG Fu-Hsiang
General Manager	SUNG Wei-Jer
Number of employees	1,292(2025/3/31)
Principal Activities	Lithium Battery Module
Main production bases	Changshu, Mainland China and Hsinchu, Taiwan.

III. Company History：

Date	Chronicles of Important Events
February 2014	Established subsidiary Trend Power Technology (Changshu) Inc.
August 2016	Established Trend Energy Technology Co. Ltd.
February 2018	Changed Chinese name of Trend Power Technology (Changshu) Inc. English name remains the same.
February 2018	Received IATF16949 certification.
January 2019	Established Trend Power Technology (USA) Co., Limited in Kentucky, USA, to expand the market in the US.
October 2019	Established Trend Power Technology Private Limited in Singapore. In October of the same year, the Taiwan Branch was established.
March 2019	Trend Energy Technology received approval for bonded factory.
January 2020	Established Advanced Energy Solution Holding Co., Ltd. in the Cayman Islands.
February 2020	Received ISO 45001: 2018 certification.
February 2020	Received ISO 14001: 2015 certification.
March 2020	Trend Power Technology (Changshu) stage 2 factory expansion.
March 2021	AES-KY (6781) was listed on Taiwan Stock Exchange on March 22, 2021
August 2021	Received “ISO 14064-1: 2018 Greenhouse Gas inventory Standards certification

III. Group Structure



IV. Risk Items：

Please refer to Chapter VI. Risk Assessment and Other Important Matters of the Annual Report.

Chapter III. Corporate Governance Report

I. Information Regarding Directors and the Management Team

(I) Information directors and supervisors

Mar 30, 2025；unit: shares

Title (Note 1)	Nationality/Place of Registration	Name	Gender age (Note 2)	Date elected	Term	Date First Elected (Note 3)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major (Academic Degree) Experience (Note 4)	Other Position Concurrently Held at the Company and Other Companies(Note 5),(Note 8)	Executives, Directors or Supervisors who are Spouses or within the Second Degree of Kinship			Remarks
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Title	Name	Relations	
Chairman	R.O.C.	Sung, Fu-Hsiang	Male 71-80	2023/5/30	3 years	2020/1/9	10,222	-	25,222	0.03	-	-	-	-	Divisional Head, Kingston Technology Corporation Divisional Head, AST Research, Inc. Manager Anpei Enterprise Co., Ltd. Bachelor degree in Industrial Engineering, National Taipei University of Technology	Chairman and General Manager, Simplo Technology Co., Ltd. Chairman, Simplo Technology (Chang Shu) Inc. Chairman, Simplo Technology (Chongqing) Inc. Chairman, Huapu Technology (Changshu) Inc.	Director and General Manager	Sung,Wei-Jer	Father and son	(Note 6)
Director	Samoa	Trend Power Technology Holdings (Samoa) Co., Ltd.	-	2023/5/30	3 years	2020/1/9	46,786,491	54.77	46,786,491	54.77	-	-	-	-	-	-	-	-	-	
	R.O.C.	Representative: Sung,Wei-Jer	Male 41-50	2023/5/30	3 years	2020/1/9	106,000	0.12	-	-	-	-	7,979,109 (Note 7)	9.34 (Note 7)	Executive Assistant to the Chairman, Simplo Technology Co., Ltd. Manager, Administrative Department, United Microelectronics Corporation Post Doctoral Researcher, Lucent Bell Lab R&D Engineer, Advanced Epitaxy Technology Inc. PhD degree, Department of Electrophysics, National Chiao Tung University Master degree, Department of Electrophysics, National Chiao Tung University	General Manager, the Company Chairman Chairman, Trend Power Technology (Changshu) Inc. Chairman and General Manager, Trend Energy Technology Co., Ltd. Director, Trend Power Technology(USA)CO.,Limited Managerial of Trend Power Technology Private Limited Taiwan Branch (Singapore) (Note 8)	Chairman and Chief Strategy Officer	Sung, Fu-Hsiang	Father and son	(Note 6)
Director	R.O.C.	Cheng, Duen-Chian	Male 51-60	2023/5/30	3 years	2020/3/20	-	-	-	-	-	-	-	-	President, UMC Capital Corporation Managing Director,ian-He Management Consulting Inc. Executive Director and President of Morgan Stanley Asia Limited Executive Director, Goldman Sachs Asia L.L.C. MBA, Columbia University Bachelor degree in Business Administration, National Taiwan University	Chairman, TGVest Capital Inc. Chairman, TriKnight Capital Corporation Vice Chairman, LuxNet Corp. Independent Director, EDOM Technology Co., Ltd. Independent Director, Asia Polymer Corporation Director, FuSheng Precision Co., Ltd. Independent Director, Elite Material Co., Ltd.Director, Minson Integration, Inc. Director, AcSiP Technology Corp Director, uPI semiconductor corp.	-	-	-	
Independent Director	R.O.C.	Hsueh, Pin-Pin	Female 51-60	2023/5/30	3 years	2023/5/30	-	-	-	-	-	-	-	-	Independent Director, Simplo Technology Co., Ltd. General Manager, China Leader Management (BVI) Inc. MS, Finance Dept., Tamkang University	Independent Director, ASEC International Corporation	-	-	-	

Title (Note 1)	Nationality/Place of Registration	Name	Gender age (Note 2)	Date elected	Term	Date First Elected (Note 3)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major (Academic Degree) Experience (Note 4)	Other Position Concurrently Held at the Company and Other Companies(Note 5),(Note 8)	Executives, Directors or Supervisors who are Spouses or within the Second Degree of Kinship			Remarks
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Title	Name	Relations	
Independent Director	R.O.C.	Yang, Cheng-Hsien	Male 51-60	2023/5/30	3 years	2020/3/20	-	-	-	-	-	-	-	-	Partner, Jen-Song United Law FirmLecturer College of Finance and Banking, National Kaohsiung University of Science and TechnologyLecturer Department of Financial and Economic Law, Chung Yuan Christian University Legal Consultant, Pacific Distribution Investment Co., Ltd Master of Law, Department of Law and Finance, Goethe University Frankfurt JD	Supervisor, Far Eastern Big City Shopping Malls Co., Ltd. Director, Pacific China Holdings (HK) Limited Director, Pacific China Holdings BVI Director Chongqing Pacific Commercial Management and Consulting Co., Ltd. Director, Shanghai Pacific Ocean General Merchandise Company Deputy General Manager, Pacific SOGO Department Stores Co., Ltd.		-	-	
Independent Director	R.O.C.	Kao,Chih-Ting	Male 41-50	2023/5/30	3 years	2023/5/30	-	-	-	-	-	-	-	-	Vice President, WK Associates LTD Manager, CHUNG-CHIA Venture Capital Co., Ltd. EMBA, National Taiwan University M.A., Institute of Applied Mechanics,National Taiwan University	Director, AZ Venture LTD Director, Crystalvue Medical Corporation Director, AlgolTek, Inc. Independent Director, Sea Sonic Electronics Co., Ltd. Director, Koge Micro Tech Co., Ltd Director, YT ELECTRONICS LTD. Director, Ufi Space Co., Ltd. Independent Director,VACTRONICS TECHNOLOGIES INC. Director, Leadpower-Semi Independent Director,Integrated Solutions Technology, Inc. Director, Bai-Chuan Capital Ltd. President, Jia Yu Hu Xiao Co., Ltd. President, Yong Rui Venture Capital Co., Ltd. President, AZ Global Limited President, Pu Rui Venture Capital Co., Ltd. President, AZ Venture Partner Limited	-	-	-	
Independent Director	R.O.C.	Wu, Huei-Yu	Female 61-70	2024/5/28	3 years	2024/5/28	-	-	-	-	-	-	-	-	Vice President, Genuine C&C Inc. Vice President and General Manager, Phoenix Greater China President, BCM Embedded Computer Inc. Vice President of Sales, VIA Technologies, Inc. Country Manager, Intel Taiwan NCCU Department of Statistics	Director and President, Clientron Corp. Independent Director, Uni Travel Services Co., Ltd.	-	-	-	-

Note 1. The corporate shareholder shall be identified by name and representative (in the case of institutional representative, please specify the corporate shareholder's name).

Note 2. Please list the actual age and express it in intersectional manner, e.g. 41-50 years or 51-60 years.

Note 3. Please also specify if the initial term of office for the Company's director or supervisor. Please provide a description as a remark if the term has been interrupted.

Note 4. For the experience related to holding the current position, if one has worked in the CPA firm conducting the auditing and attesting business or related company, he/she shall state the job title and responsible position.

Note 5. Sung Fu-Hsiang concurrently serves as a director of SIMPLO Technology(BVI) Co., Ltd.; SMP Holdings International Incorporated; SIMPLO TECHNOLOGY STS (SAMOA) CO., LTD.; SIMPLO HOLDINGS (SAMOA) CO., LTD.; Sonicedge Industries (BVI) Corporation, ; Simplo Technology STCS (HK) Limited,; Trend Power Technology Holdings (Samoa) Co., Ltd.; Trend Power Technology (Samoa) Co., Ltd. ; Trend Power Technology (HK) Co., Limited; and Trend Power Technology Private Limited.

Note 6. The reason for the Company's Chairman concurrently serving as its President is to enhance the effectiveness of the Company's operations and to place the right talents at the right positions; additionally, the Company has set up three independent directors, and more than half of its directors do not concurrently serve as employees or managers. In the future, the required number of independent directors will be set up in line with the provisions in "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers".

Note 7. Sung,Wei-Jer indirectly holds 100% of Whole Rich (BVI) Co.,Ltd and Sunny Sky International Limited through his 100% holding of Beyond One Co.,Ltd. Holding 4,283,709 shares and 3,700,400 shares of the Company respectively, for a total of 7,984,109 shares; The shareholding ratio is 5.01% and 4.33% respectively, and the total shareholding ratio is 9.34%.

Note 8. Sung, Wei-Jer concurrently serves as a director of Beyond One Co., Ltd; Sunny Sky International Limited; Whole Rich Co., Ltd.; DC link International Ltd; Sunny Sky Group(Hong Kong) Limited; Trend Power Technology (HK) Co., Limited; Trend Power Technology Private Limited; Legend Investment（BVI）Co.，Ltd.；Innovations Investment（BVI）Co.， Ltd.；Legend Energy Co., Ltd； Trend Power Technology (SuZhou) Co.,Ltd； Trend Power Technology (BVI) Co., Ltd.；TREND POWER TECHNOLOGY (VIETNAM) COMPANY LIMITED and Trend Power Technology (Germany) GmbH.

(II) Major Shareholders of corporate shareholders

1. Major shareholders of corporate shareholders

Mar 30, 2025

Name of legal person shareholder	Major shareholders of corporate shareholders
Trend Power Technology Holdings (Samoa) Co., Ltd	Simplo Technology Co., Ltd.(100%)

2. The major shareholder of a legal person

Mar 30, 2025

Name of legal person shareholder	Major shareholders of corporate shareholders
Simplo Technology Co., Ltd.(100%)	1. CAPITAL TIP Customized Taiwan Select High Dividend Exchange Traded Fund (9.58%) 2. Hong Yang Venture Capital Co., Ltd. (4.44%) 3. Bao Xin International Investment Co., Ltd. (4.18%) 4. Taipei Fubon Commercial Bank Co., Ltd. in Custody for Fuh Hwa Taiwan Technology Dividend ETF Securities Investment Trust Fund Account(3.64%) 5. Standard Chartered Bank (Taiwan) Ltd., Business Department, in Custody for Fidelity Puritan Trust: Fidelity Low-Priced Stock Fund Investment Account (3.12%) 6. Fubon Life Insurance Co., Ltd.(2.86%) 7. Chunghwa Post Co., Ltd. (2.86%) 8. Taiwan Business Bank Co., Ltd. in Custody for Taishin Taiwan Select High Dividend 30 ETF Securities Investment Trust (2.08%) 9. Cathay Life Insurance Co., Ltd.(1.72%) 10. Citibank (Taiwan) Ltd. in Custody for Norges Bank Investment Account(1.45%)

Note 1:If the major shareholder in table 1 above is a legal person, the name of the legal person shall be filled in.

Note 2:Fill in the name of the major shareholders of the legal person (the shareholding ratio of the top ten and the shareholding ratio thereof).

(III) Directors and Supervisors (II)

1. Disclosure of professional qualifications of directors and supervisors and independence of independent directors

<table>
<tr><th>Qualifications
Name</th><th>Professional Qualifications and Experience (Note 1)</th><th>Independence Criteria (Note 2)</th><th>Number of concurrent independent directors of other publicly issued companies</th></tr>
<tr><td>Sung, Fu-Hsiang</td><td>Who serves as Chairman and General Manager, Simplo Technology Co., Ltd., Chairman, Simplo Technology (Chang Shu) Inc., Chairman, Simplo Technology (Chongqing) Inc., Chairman, Huapu Technology (Changshu) Inc., is professional in multiple industries, as well as enterprise management ability.

None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.</td><td>1. Neither the director nor their spouse, minor children, or persons holding shares on their behalf holds 1% or more of the Company’s total outstanding shares, nor is ranked among the top 10 natural-person shareholders of the Company.
2. He had a paternity relationship with Trend Power Technology Holdings (Samoa) Co., Ltd 's representative Sung,Wei-Jer, and was not subject to article 26-3, paragraphs 3 and 4 of the Securities Exchange Act.
3. No article 27 of the Company Law stipulates that the government, legal person or its representative shall be elected.</td><td>0</td></tr>
<tr><td>Trend Power Technology Holdings (Samoa) Co., Ltd Sung,Wei-Jer</td><td>Who serves as Chairman, Trend Power Technology (Changshu) Inc., Chairman and General Manager, Trend Energy Technology Co., Ltd., Director, Trend Power Technology(USA)CO.,Limited, Manager, Trend Power Technology Private Limited Taiwan Branch (Singapore), is professional in multiple industries, as well as enterprise management ability.

None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.</td><td>1. And director Sung, Fu-Hsiang is a father and son relationship, not in accordance with article 26-3 of the Securities exchange Act, paragraph 3 and paragraph 4.
2. No article 27 of the Company Law stipulates that the government, legal person or its representative shall be elected.</td><td>0</td></tr>
<tr><td>Cheng, Duen-Chian</td><td>Who serves as Chairman, TGVest Capital Inc., Chairman, TriKnight Capital Corporation, Vice Chairman, LuxNet Corp., Independent Director, EDOM Technology Co., Ltd., Independent Director, Asia Polymer Corporation, Director, FuSheng Precision Co., Ltd., is professional in multiple industries, as well as enterprise management ability.

None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.</td><td>1. Neither the director nor their spouse, minor children, or persons holding shares on their behalf holds 1% or more of the Company's total outstanding shares, nor is ranked among the top 10 natural-person shareholders of the Company.
2. There is no spousal or second-degree kinship relationship with any other director, or any of the circumstances specified in Section 26 of 3, paragraphs 3 and 4 of the Securities Exchange Act.
3. No article 27 of the Company Law stipulates that the government, legal person or its representative shall be elected.</td><td>3</td></tr>
<tr><td>Hsueh, Pin-Pin</td><td>Who serves as Independent Director, Simplo Technology Co., Ltd., General Manager, China Leader Management (BVI) Inc., is professional in multiple industries, as well as enterprise management ability.

None of the circumstances in the subparagraphs of Article 30 of the Company Act apply</td><td rowspan="3">1. Neither the director nor their spouse, minor children, or persons holding shares on their behalf holds 1% or more of the Company's total outstanding shares, nor is ranked among the top 10 natural-person shareholders of the Company.
2. There is no spousal or second-degree kinship relationship with any other director, or any of the circumstances specified in Section 26 of 3, paragraphs 3 and 4 of the Securities Exchange Act.
3. No "independent director of a public company set, and should follow the" item 1 of article 3, paragraph 5 ~ 9 is improper.
4. No article 27 of the Company Law stipulates that the government, legal person or its representative shall be elected.
5. Failing to provide the company or its affiliated enterprises with business, legal, financial, accounting and other services in recent two years, and receiving remuneration</td><td>1</td></tr>
<tr><td>Yang, Cheng-Hsien</td><td>Who serves as Supervisor, Far Eastern Big City Shopping Malls Co., Ltd., Director, Pacific China Holdings (HK) Limited Director, Pacific China Holdings BVI Director, Chongqing Pacific Commercial Management and Consulting Co.,Ltd., Director, Shanghai Pacific Ocean General Merchandise Company Deputy General Manager, Pacific SOGO Department Stores Co., Ltd., is professional in multiple industries, as well as enterprise management ability.

None of the circumstances in the subparagraphs of Article 30 of the Company Act apply</td><td>0</td></tr>
<tr><td>Kao,Chih-Ting</td><td>Director, AZ Venture LTD, Independent Director, Sea Sonic Electronics Co., Ltd., Independent Director,VACTRONICS TECHNOLOGIES INC., Independent Director,Integrated Solutions Technology, Inc.</td><td>3</td></tr>
</table>

	Director,VACTRONICS TECHNOLOGIES INC., Independent Director,Integrated Solutions Technology, Inc. Professional in multiple industries, as well as enterprise management ability. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply	recent two years, and receiving remuneration	
Wu, Huei-Yu	Director and President, Clientron Corp. Independent Director, Uni Travel Services Co., Ltd. Professional in multiple industries, as well as enterprise management ability. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply		1

Note 1:Professional Qualifications and Experience: State the professional qualifications and experience of the individual directors and supervisors or, if they are members of the Audit Committee and have expertise in accounting or finance, their accounting or financial background and work experience, and whether or not they are not subject to section 30 of the Companies Act.

Note 2:Independent directors shall state that they are independent, including but not limited to, spouse, relatives within the second degree is in charge of the company or its relationship between enterprise directors, supervisors or servant; The number and proportion of shares held by himself, his spouse or his second-degree relatives (or in the name of others); Whether he or she is a director, supervisor or employee of a company having a specific relationship with the Company (refer to article 3, Item 1, 5~8 of the Rules on the Establishment and Exercise of functions and powers of the Remuneration Committee of a company listed on the Stock Market or traded on the premises of a securities firm); The amount of remuneration obtained in providing business, legal, financial and accounting services to the company or its affiliated enterprises in the recent 2 years.

2. Board diversity and independence

The company advocates and respects the policy of diversity of directors. In order to strengthen corporate governance and promote the sound development of the composition and structure of the board of directors, the company believes that diversity policy can improve the overall performance of the company. Board members are selected on a meritocracy basis and have diverse and complementary capabilities across industries, including basic components (e.g. Age, sex, nationality, etc.), and have industry experience and relevant skills respectively (e.g. Aviation, shipping, hotel, accounting, legal protection, information technology and public welfare, etc.), and business judgment, operation management, leadership decision-making and crisis management. In order to strengthen the functions of the board of directors and achieve the ideal goal of corporate governance, article 20 of the Corporate Governance Code of the Company states that the board of directors shall possess the following capabilities as a whole: 1. Business judgment; 2. Accounting and financial analysis; 3. Crisis management ability 4. Crisis management capability 5. Industrial knowledge 6. International market view 7. Decision-making ability 8. Decision-making ability

Our company places great importance on gender equality in the composition of the Board of Directors and aims to increase the proportion of female directors to over one-fourth. Currently, male directors account for 71% (5 members) and female directors account for 29% (2 members). We will continue to maintain this target in the future.

Core of Diversification / Name of Directors	Basic Composition								Industry Experience				Professional Ability	
	Nationality	Gender	Having Employee's Status	Age				Term seniority of independent directors	Battery module industry	Operation and decision-making management ability	Marketing and business promotion	Financial Management	Lawyer	Accountant
				41-50 years old	51-60 years old	61-70 years old	71-80 years old	Less than 3 years						
Sung,Fu-Hsiang	R.O.C	Male	V				V		V	V	V	V		
Trend Power Technology Holdings (Samoa) Co., Ltd Representative: Sung,Wei-Jer	R.O.C	Male	V	V					V	V	V	V		
Cheng, Duen-Chian	R.O.C	Male			V					V		V		
Hsueh, Pin-Pin	R.O.C	Female			V			V		V	V	V		
Yang, Cheng-Hsien	R.O.C	Male			V					V	V			
Wu, Huei-Yu	R.O.C	Male				V		V	V	V				
Kao,Chih-Ting	R.O.C	Male		V	V			V		V	V	V		

(IV) Information Regarding the Management Team of the Company, its Departments, and Branch Units

Shareholding Date: Mar 30, 2025;unit: shares %

Title (Note 1)	Nationality	Name	Gender	Elected Date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)(Note 2)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remarks
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Title	Name	Relations	
President	R.O.C	Sung, Wei-Jer	Male	2020/4/10	106,000	-	-	-	7,979,109 (Note 3)	9.34 (Note 3)	Executive Assistant to the Chairman, Simplo Technology Co., Ltd. Manager, Administrative Department, United Microelectronics Corporation Post Doctoral Researcher, Lucent Bell Lab R&D Engineer, Advanced Epitaxy Technology Inc. PhD degree, Department of Electrophysics, National Chiao Tung University Master degree, Department of Electrophysics, National Chiao Tung University	Chairman, Trend Power Technology (Changshu) Inc. Chairman and General Manager, Trend Energy Technology Co., Ltd. Director, Trend Power Technology(USA)CO.,Limited Managerial of Trend Power Technology Private Limited Taiwan Branch (Singapore) (Note 5)	CSO	Sung, Fu-Hsiang	Father and son-	(Note 6)
Chief Strategy Officer	R.O.C	Sung, Fu-Hsiang	Male	2021/11/10	25,222	0.03	-	-	-	-	Divisional Head, Kingston Technology Corporation Divisional Head, AST Research, Inc. Manager Anpei Enterprise Co., Ltd. Bachelor degree in Industrial Engineering, National Taipei University of Technology	Chairman and General Manager, Simplo Technology Co., Ltd. Chairman, Simplo Technology (Chang Shu) Inc. Chairman, Simplo Technology (Chongqing) Inc. Chairman, Huapu Technology (Changshu) Inc. (Note 7)	President	Sung, Wei-Jer	Father and son	-
Deputy General Manager	R.O.C	Lee, Cheng-Hsin	Male	2020/4/10	10,000	0.01	-	-	31,667 (Note 4)	0.04	Senior Manager, Simplo Tchnology Co., Ltd. Project Manager, Hon Hai Precision Technology, Co., Ltd Deputy Manager, ARIMA Group EMBA, Fudan University Bachelor degree in Industrial Engineering, Chun Yuan Christian University	General Manager, Trend Power Technology (Changshu) Inc.	-	-	-	-
Assistant Vice President	R.O.C	Lin, Chih-Hong	Male	2020/4/10	-		-	-	36,260 (Note 4)	0.04	Divisional Head, Simplo Technology Co., Ltd. Director, Asustek Computer Incorporation Director, Pegatron Corporation Specialist, Afreey Inc. Master, Department of Mechanical Engineering, National Taiwan University Bachelor degree, Department of Mechanical Engineering, National Taiwan University	Director, Trend Power Technology(USA)CO.,Limited	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Elected Date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)(Note 2)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remarks
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Title	Name	Relations	
Chief Financial Officer	R.O.C	Chen, Po-Ta	Male	2020/4/10	19, 000	0.02	-	-	-	-	Manager, Lextar Electronics Corp. Manager, Deloitte Touche Tohmatsu CPA Co.,Ltd. China Auditor, Deloitte Taiwan Master Degree in Accounting, National Taipei University Bachelor degree in Accounting, Soochow University	-	-	-	-	-

Note 1:Information of president, vice president, assistant vice president, supervisors of various departments and branches shall be included; and any position equivalent to president, vice president, assistant vice president, regardless of job title, shall also be disclosed.

Note 2:For the experience related to holding the current position, if one has worked in the CPA firm conducting the auditing and attesting business or related company, he/she shall state the job title and responsible position.

Note 3:President Sung,Wei-Jer indirectly holds 100% of Whole Rich (BVI) Co.,Ltd and Sunny Sky International Limited through his 100% holding of Beyond One Co.,Ltd. Holding 4,283,709 shares and 3,695,400 shares of the Company respectively, for a total of 7,979,109 shares; The shareholding ratio is 5.01% and 4.33% respectively, and the total shareholding ratio is 9.34%.

Note 4:Shares of the Company are held through Great Fortune Pacific Co., Ltd.

Note 5:Sung, Wei-Jer concurrently serves as a director of Beyond One Co., Ltd; Sunny Sky International Limited; Whole Rich Co., Ltd.; DC link International Ltd; Sunny Sky Group(Hong Kong) Limited; Trend Power Technology (HK) Co., Limited; Trend Power Technology Private Limited;; Legend Investment (BVI) Co., Ltd.;Innovations Investment (BVI) Co., Ltd.; Legend Energy Co., Ltd ; Trend Power Technology (SuZhou) Co.,Ltd ; Trend Power Technology (BVI) Co., Ltd. ; TREND POWER TECHNOLOGY (VIETNAM) COMPANY LIMITED and Trend Power Technology (Germany) GmbH..

Note 6:The Chairman and General Manager of the company are first-degree relatives. Considering the efficiency of the company's operations and the principle of appointing personnel based on their abilities, the company has set the number of independent directors at four in accordance with the 'Guidelines for the Establishment and Exercise of Powers of the Board of Directors of Listed Companies on the Taiwan Stock Exchange.'.

Note 7:Sung Fu-Hsiang concurrently serves as a director of SIMPLO Technology(BVI) Co., Ltd.; SMP Holdings International Incorporated; SIMPLO TECHNOLOGY STS (SAMOA) CO., LTD.; SIMPLO HOLDINGS (SAMOA) CO., LTD.; Sonicedge Industries (BVI) Corporation,; Simplo Technology STCS (HK) Limited; Trend Power Technology Holdings (Samoa) Co., Ltd.; Trend Power Technology (Samoa) Co., Ltd.; Trend Power Technology (HK) Co., Limited; and Trend Power Technology Private Limited.

(V) Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, President, and Vice Presidents

1. Remuneration to directors (including independent directors), supervisors, president and vice presidents

Remuneration of directors (including independent directors)

As of December 31, 2024; unit: NT$ 1,000/1,000 shares

Title	Name	Remuneration paid to directors								The sum of A, B, C and D in proportion to net income (%) (Note 10)		Compensations received by directors who are concurrent employees								Ratio of total remuneration (A+B+C+D+E+F+G) to net income (%) (Note 10)		Compensation paid to directors from an invested company other than the Company's subsidiaries or parent company (Note 11)
		Base compensation (A)(Note 2)		Severance pay and pension (B)		Directors' compensations (C) (Note 3)		Professional practice fees (D) (Note 4)				Salaries, bonuses and special allowances (E) (Note 5)		Severance pay and pension (F)		Employee compensations (G) (Note 6)						
		The Company	All companies included into the financial statements (Note 7)	The Company	All companies included into the financial statements (Note 7)	The Company	All companies included into the financial statements (Note 7)	The Company	All companies included into the financial statements (Note 7)	The Company	All companies included into the financial statements (Note 7)	The Company	All companies included into the financial statements (Note 7)	The Company	All companies included into the financial statements (Note 7)	The Company		All companies included into the financial statements (Note 7)		The Company	All companies included into the financial statements (Note 7)	
																Cash Amount	Shares Amount	Cash Amount	Shares Amount			
Director Appointed to Board: 2023/5/30	Sung, Fu-Hsiang	-	-	-	-	1,000	1,000	12	12	1,012 0.05%	1,012 0.05%	-	3,820	-	-	-	-	-	-	1,012 0.05%	4,832 0.22%	56,301
	Representative Trend Power Technology Holdings (Samoa) Co., Ltd: Sung,Wei-Jer	-	-	-	-	1,000	1,000	12	12	1,012 0.05%	1,012 0.05%	-	8,449	-	-	-	-	1,500	-	1,012 0.05%	10,961 0.51%	None
	Cheng, Duen-Chian	-	-	-	-	1,000	1,000	6	6	1,006 0.05%	1,006 0.05%	-	-	-	-	-	-	-	-	1,006 0.05%	1,006 0.05%	None
Independent Director “Appointed to Board: 2023/5/30”	Hsueh, Pin-Pin	-	-	-	-	1,000	1,000	12	12	1,012 0.05%	1,012 0.05%	-	-	-	-	-	-	-	-	1,012 0.05%	1,012 0.05%	None
	Yang, Cheng-Hsien	-	-	-	-	1,000	1,000	6	6	1,006 0.05%	1,006 0.05%	-	-	-	-	-	-	-	-	1,006 0.05%	1,006 0.05%	None
	Chuang,Shih-Chang (Note12)	-	-	-	-	175	175	-	-	175 0.01%	175 0.01%	-	-	-	-	-	-	-	-	175 0.01%	175 0.01%	None
	Kao,Chih-Ting	-	-	-	-	1,000	1,000	12	12	1,012 0.05%	1,012 0.05%	-	-	-	-	-	-	-	-	1,012 0.05%	1,012 0.05%	None

Independent Director “Appointed to Board: 2024/5/28”	Wu, Huei-Yu	-	-	-	-	596	596	6	6	602 0.03%	602 0.03%	-	-	-	-	-	-	-	-	602 0.03%	602 0.03%	None

Note 1:The names of directors shall be listed separately (corporate shareholders shall list the names and representatives of corporate shareholders separately), and the general directors and independent directors shall be listed separately to disclose the payment amounts in a summary manner. If a director also serves as a president or vice president, this form and the below form (3-1), or (3-2-1) and (3-2-2) should be filled.

Note 2:Refers to the remuneration of directors in the latest year (including directors' salary, post bonus, severance pay, various bonuses, incentive payments, etc.).

Note 3:Represents the amount of directors' remuneration approved by the board of directors for the most recent year.

Note 4:Refers to the executive expenses of the directors' business in the latest year (including transportation expenses, special expenses, various allowances, dormitory, car allocation and other material provision). If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation.

Note 5:It refers to the provision of salary, post bonus, severance payment, various bonuses, incentive payments, transportation expenses, special payment, various allowances, dormitory, car allocation and other material things received by directors and part-time employees (including part-time general manager, deputy general manager, other managers and employees) in the latest year. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation. Additionally, salary listed under IFRS 2 Share-Based Payment, including receiving employee share options, new restricted employee shares, and cash capital increase by share subscription, shall also be included in remuneration.

Note 6:It refers to the employee remuneration (including stock and cash) obtained by directors and concurrent employees (including concurrent general manager, deputy general manager, other managers and employees) in the recent year, and shall disclose the amount of employee remuneration allocated by the board of directors in the recent year. If it is impossible to impute the same, the amount to be allocated this year shall be based on that allocated physically last year, and please also specify the table 1-3.

Note 7:Please disclose the aggregate of the remuneration paid to the Company's directors byall companies included into the consolidated financial reports (including the Company).

Note 8:The aggregate of the remuneration to each director by the Company shall include the director's name disclosed in the relevant space of the following table.

Note 9:The aggregate of the remuneration paid to each of the Company's directors by the companies included into the consolidated financial reports (including the Company) shall include the director's names disclosed in the relevant space of the table.

Note 10:The net income shall refer to the earnings after tax identified in the entity or individual financial statement for the most recent year.

Note 11:

a. Specify whether the Company's directors have received remuneration from investees beyond subsidiaries (If there is none, please fill in "none").
b. If the Company's directors have received remuneration form investees beyond subsidiaries, please include the same into Section I in the following table and changed the name of the section into "all investees".
c. The remuneration shall refer to the remuneration, compensation, employee bonus and professional practicing fees received by the Company's directors who acted as the directors, supervisors or managerial officers of investees other than subsidiaries.

* The remuneration contents disclosed in this table are different from the concept of income specified in the Income Tax Act, thus the purpose of this table is for information disclosure only, rather than taxation purpose.

Note 12:Resigned 3/4/2024

2. Supervisors' remuneration: the Company has established the Audit Committee in place of the supervisors; therefore, this is not applicable.
3. Remuneration of the President and Vice Presidents

As of December 31, 2024; unit: NT$ 1,000/1,000 shares

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A) (Note 2)</th><th colspan="2">Severance pay and pension (B)</th><th colspan="2">Bonus and special Allowance (C)(Note 3)</th><th colspan="4">Employee compensation (D) (Note 4)</th><th colspan="2">Ratio of total compensation (A+B+C+D) to net income (%) (Note 8)</th><th rowspan="3">Remuneration from invested companies other than subsidiaries or the parent company (Note 9)</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies included into the financial statements (Note 5)</th><th rowspan="2">The Company</th><th rowspan="2">All companies included into the financial statements (Note 5)</th><th rowspan="2">The Company</th><th rowspan="2">All companies included into the financial statements (Note 5)</th><th colspan="2">The Company</th><th colspan="2">All companies included into the financial statements (Note 5)</th><th rowspan="2">The Company</th><th rowspan="2">All companies included into the financial statements (Note 5)</th></tr>
<tr><th>Cash Amount</th><th>Shares Amount</th><th>Cash Amount</th><th>Shares Amount</th></tr>
<tr><td>President</td><td>Sung,Wei-Jer</td><td rowspan="3">-</td><td rowspan="3">11,797</td><td rowspan="3">-</td><td rowspan="3">34</td><td rowspan="3">-</td><td rowspan="3">6,132</td><td rowspan="3">-</td><td rowspan="3">-</td><td rowspan="3">4,800</td><td rowspan="3">-</td><td rowspan="3">-</td><td rowspan="3">22,763
1.05%</td><td rowspan="3">56,301</td></tr>
<tr><td>Chief Strategy Officer</td><td>Sung, Fu-Hsiang</td></tr>
<tr><td>Vice President</td><td>Lee, Cheng-Hsin</td></tr>
</table>

＊ Any positions correspondent to general manager or deputy general manager (e.g. president, CEO or director, et al.) shall be disclosed, regardless of job titles.

Range of Remuneration

<table>
<tr><th rowspan="2">Range of Remuneration Paid to the President and Vice Presidents</th><th colspan="2">Name of president and vice presidents</th></tr>
<tr><th>The Company (Note 6)</th><th>All companies included into the financial statements (Note 7) E</th></tr>
<tr><td>Less than NT$1,000,000</td><td></td><td></td></tr>
<tr><td>NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)</td><td></td><td></td></tr>
<tr><td>NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)</td><td></td><td></td></tr>
<tr><td>NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)</td><td></td><td>Sung, Fu-Hsiang</td></tr>
<tr><td>NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)</td><td></td><td>Lee, Cheng-Hsin</td></tr>
<tr><td>NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)</td><td></td><td>Sung,Wei-Jer</td></tr>
<tr><td>NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)</td><td></td><td></td></tr>
<tr><td>NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)</td><td></td><td></td></tr>
<tr><td>NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)</td><td></td><td></td></tr>
<tr><td>Over NT$100,000,000</td><td></td><td></td></tr>
<tr><td>Total</td><td>-</td><td>3</td></tr>
</table>

Note 1:The name of president or vice presidents shall be identified individually, and the various payments shall be disclosed as an aggregate. If a director also serves as a president or vice president, this form and the above form (1-1), or (1-2-1) and (1-2-2) should be filled.
Note 2:Please specify the salary, duty allowance and severance paid to the presidents and vice presidents in the most recent year.
Note 3:Please specify the bonus, reward, transportation allowance, special allowance, various allowances, and provision of such tangible objects as dormitory and car, as well as other remunerations, received by the presidents and vice presidents in the most recent year. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation. Additionally, salary listed under IFRS 2 Share-Based Payment, including receiving employee share options, new restricted employee shares, and cash capital increase by share subscription, shall also be included in remuneration.
Note 4:Please specify the proposed employee compensation (including shares and cash) to be allocated to the presidents and vice presidents as approved by the Board of Directors in the most recent year. If it is impossible to impute the same, the amount to be allocated this year shall be based on that allocated physically last year, and please also specify the table 1-3.
Note 5:Please disclose the aggregate of the remuneration paid to the Company's presidents and vice presidents byall companies included into the consolidated financial reports (including the Company).
Note 6:The aggregate of the remuneration to each president or vice president by the Company shall include the president's or vice president's name disclosed in the relevant space of the following table.
Note 7:The aggregate of the remuneration paid to each of the Company's presidents and vice presidents by the companies included into the consolidated financial reports (including the Company) shall include the president's and vice president's names disclosed in the relevant space of the table.
Note 8:The net income shall refer to the earnings after tax identified in the entity or individual financial statement for the most recent year.
Note 9:

a. Specify whether the Company's presidents and vice presidents have received remuneration from investees beyond subsidiaries (If there is none, please fill in "none").
b. If the Company's presidents and vice presidents have received remuneration form investees beyond subsidiaries, please include the same into Section E in the following table and changed the name of the section into "all investees".
c. The remuneration shall refer to the remuneration, compensation, employee bonus and professional practicing fees received by the Company's presidents and vice presidents who acted as the directors, supervisors or managerial officers of investees other than subsidiaries.

   * The remuneration contents disclosed in this table are different from the concept of income specified in the Income Tax Act, thus the purpose of this table is for information disclosure only, rather than taxation purpose.

4. Managers Paid with Employee Compensations and Status of Allocation

As of December 31, 2024; unit: NT$1,000

	Title (Note 1)	Name (Note 1)	Shares Amount	Cash Amount	Total	Ratio of total compensation to net income (%)
Manager	President	Sung,Wei-Jer	0	6,800	6,800	6,800 (0.31%)
	Chief Strategy Officer	Sung, Fu-Hsiang				
	Vice President	Lee, Cheng-Hsin				
	Assistant, Vice President R&D Division	Lin, Chih-Hong				
	Chief Financial Officer	Chen, Po-Ta				

Note 1:Please disclose the name and job title individually, while the allocation of earnings may be summarized and then disclosed.

Note 2:Please specify the proposed employee compensations (including shares and cash) to be allocated to the managers as approved by the Board of Directors in the most recent year. If it is impossible to impute the same, the amount to be allocated this year shall be based on that allocated physically last year. The net income refers to the earnings after tax in the most recent year. If the IFRSs are adopted, the earnings after tax shall refer to the earnings after tax identified in the entity or individual financial statement for the most recent year.

(1) The scope of managers shall be defined in the following manner, as per the Board's decree under Tai-Tsai-Cheng-3-Tze No. 0920001301 dated March 27, 2003:
President and equivalents

(2) Vice President and equivalents

(3) Assistant vice president and equivalents

(4) Chief of Financial Dept

(5) Chief of Accounting Dept

(6) Any other persons in charge of the Company's affairs and entitled to sign instruments on behalf of the Company

Specify and compare the salary to directors, presidents and vice presidents of the Company in proportion to the net income from the Company and companies included in the consolidated financial statements in the most recent two years, and specify the policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance and future risk:

The Company has set up the Remuneration Committee which is fully composed of independent directors. The Remuneration Committee is responsible for formulating and regularly reviewing performance appraisal for directors and managers, as well as salary and compensation policies, systems, criteria, and structures, while regularly assessing and determining the salary and remuneration of directors and managers. Remuneration for directors are approved and paid based on their positions in the Company, their participation in the Company's operations, and their contributions to the Company's operations. Remuneration for President and Vice Presidents are mainly handled based on their positions and their contributions to the Company and by referring to the pay levels of the industry, in accordance with the Company's personnel regulations.

Item / Title	Ratio of total remnerations to net income			
	2023		2024	
	Amount	%	Amount	%
Director, President and Vice Presidents	44,898	2.28	29,600	1.36

II. Implementation of Corporate Governance

(I) Board of Directors:

1. In total 6(A) Board meetings were held in the most recent year and the current year up until the publication date of this annual report. The attendance of directors and supervisors is listed below:

Title	Name (Note 1)	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A) (Note 2)	Remarks
Chairman	Sung, Fu-Hsiang	6	0	100%	2023/5/30 Re-elected
Director	Trend Power Technology Holdings (Samoa) Co., Ltd. Representative:Sung,Wei-Jer	6	0	100%	2023/5/30 Re-elected
Director	Cheng, Duen-Chian	5	1	100%	2023/5/30 Re-elected
Independent Director	Hsueh, Pin-Pin	6	0	83%	2023/5/30 New Appt.
Independent Director	Yang, Cheng-Hsien	4	2	67%	2023/5/30 Re-elected
Independent Director	Kao, Chih-Ting	6	0	100%	2023//5/30 New Appt.
Independent Director	Wu, Huei-Yu	4	0	100% (Note 2)	2024/5/28 New Appt.
Independent Director	Chuang, Shih-Chang	0	0	- (Note 2)	2024/3/4 Resigned

Other matters:

I. Where the proceedings of the board meetings include any of the following circumstances, document the date, session, topic discussed, opinions of every independent director, and how their opinions are handled by the Company:

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act: Article 14-3 of the Securities and Exchange Act is not applicable since the Company elected independent directors at the Special Shareholders' Meeting held on March 20, 2020, and established the Audit Committee subsequently. For information related to matters referred to in Article 14-5 of the Securities and Exchange Act, please refer to the "Status of the Audit Committee" section of this report.

(II) Any recorded or written Board resolutions to which independent directors have objections or reservations should be noted in addition to the above: None.

II. Regarding recusals of directors from voting due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified.

III. TWSE/TPEx Listed Companies should disclose the frequency, period, scope method, and content of the self-assessment of the Board of Directors (or peers) and complete Form 2 – "Status of Board of Directors Self-Assessment" in the Appendix: The following instructions (2).

IV. Measures taken to strengthen functionality of the Board (such as the establishment of the Audit Committee, the enhancement of information transparency) and results thereof:

1. The Company runs the Board in accordance with "Rules of Procedures for Board Meetings" and other related rules and regulations.
2. The Company establishes Audit Committee and its charter to strengthen corporate governance and the Board functions.
3. The Company establishes the Remuneration Committee and its charter to strengthen corporate governance and the Board functions.
4. Relevant information will be disclosed on the Company's website and TWSE's Market Observation Post System (MOPS) as required by laws to enhance information transparency.

Note 1:If the director represents an institutional shareholder, the name of the institution and the name of its representative should be disclosed.

Note 2:

(1) If a director leaves the position before the end of the fiscal year, date of departure should be added to the remarks. The attendance rate should be calculated as per the number of board meetings held in his/her tenure and the actual number of meetings attended.

(2) If a new director is elected before the end of a fiscal year, both the old and the new directors should be included in the attendance record, including their respective dates of election in the remarks column. The attendance rate should be calculated as per the number of board meetings held during their respective tenures and the actual number of meetings attended..

2. The evaluation of the Board of Directors

Interval	Period	Scope	Method	Content
Once a year	January 1 to December 31, 2024	All Board of Directors	Internal self-evaluation	Including participation in the operation of the Company, the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control.
Once a year	January 1 to December 31, 2024	Individual Board members	Self-evaluation of the directors	Including alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.
Once a year	January 1 to December 31, 2024	All functional committees	Self-evaluation of the directors	Including participation in the operation of the Company, awareness of the duties of the functional committees, the quality of the functional committees' decision making, composition and election of the functional committees, and internal control.

(II) Status of the Audit Committee

1. The Audit Committee is comprised of four members.
2. The Company established the Audit Committee following the Board meeting held on March 20, 2020, as required by laws. The Committee is comprised of three independent directors. The members' term is from May 30, 2023 to May 29, 2026. In total 6 (A) Audit Committee meetings were held in the most recent year and the current year up until the date of the publication of this annual report. The attendance record is listed below:

Title	Name	Attendance in Person (B)	Attendance by Proxy Time	Attendance Rate (%) (B/A) (Note)	Remarks
Independent Director	Hsueh, Pin-Pin	6	0	100%	2023/5/30 New Appt.
Independent Director	Yang, Cheng-Hsien	4	2	67%	2023/5/30 Re-elected
Independent Director	Kao, Chih-Ting	6	0	100%	2023/5/30 New Appt.
Independent Director	Wu, Huei-Yu	4	0	100%	2024/5/28 New Appt.
Independent Director	Chuang, Shih-Chang	-	-	-	2024/3/4 Resign

Other matters:

I. If the operation of the audit committee is under any of the following circumstances, it shall state the date of the audit committee's meeting, time, contents of proposals, objections, reservations or major suggestions of independent directors, resolution results of the Audit Committee and the company's treatment of the opinions of the Audit Committee:
   (I) Matters referred to in Article 14-5 of the Securities and Exchange Act: None.
   (II) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors None.

II. Regarding recusals of independent directors from voting due to conflicts of interests, the names of the independent directors, contents of motions, reasons for recusals, and results of voting shall be specified: None.

III. Communications between the Independent Directors, the Company's chief internal auditor and CPAs (shall include material items, methods and results of audits concerning corporate finance or business operations, etc.).

1. The Company's chief internal auditor meets periodically with members of the Audit Committee to review the audit results and the remediation status of identified issues. The Audit Committee is fully apprised of the audit result and the remediation progress. 2. The independent directors of the Company may request CPAs to report to the independent directors concerning the audit of the financial statements and other regulatory requirements. The Audit Committee holds the power to review the selection, independence and suitability of the CPAs.

Note 1:If an independent director leaves the position before the end of the fiscal year, date of departure should be added in the remarks. The attendance rate should be calculated based on the number of Audit Committee meetings held in his/her tenure and the actual number of meetings attended.

Note 2:If an independent director is elected before the end of a fiscal year, both the old and the new directors should be included in the attendance record, including their election date in the remark field. The attendance rate should be calculated as per the number of Audit Committee meetings held during their respective tenures and the actual number of meetings attended. His or her attendance rate (%) will be calculated on the basis of number of Audit Committee meetings held during his or her tenure and number of such meetings attended.

(III) Remuneration Committee:

1. Profiles of Remuneration Committee Members

Disclose Date：2025/3/31

Title (Note 1)	Name / Qualifications	Professional qualifications and experience (Note 2)	Independence Criteria (Note 3)	Number of Other Public Companies in Which the Individual Concurrently Serves as a Remuneration Committee Member
Independent Director (Convener)	Hsueh, Pin-Pin	Who serves as Independent Director, Simplo Technology Co., Ltd., General Manager, China Leader Management (BVI) Inc., is professional in multiple industries, as well as enterprise management ability. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply	(1)(2)(3)(4)(5) (6)(7)(8)(9)(10)	1
Independent Director	Yang, Cheng-Hsien	Who serves as Supervisor, Far Eastern Big City Shopping Malls Co., Ltd., Director, Pacific China Holdings (HK) Limited Director, Pacific China Holdings BVI Director, Chongqing Pacific Commercial Management and Consulting Co., Ltd., Director, Shanghai Pacific Ocean General Merchandise Company Deputy General Manager, Pacific SOGO Department Stores Co., Ltd., is professional in multiple industries, as well as enterprise management ability. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply	(1)(2)(3)(4)(5) (6)(7)(8)(9)(10)	0
Independent Director	Kao, Chih-Ting	Director, AZ Venture LTD, Independent Director, Sea Sonic Electronics Co., Ltd., Independent Director,VACTRONICS TECHNOLOGIES INC., Independent Director,Integrated Solutions Technology, Inc. Professional in multiple industries, as well as enterprise management ability. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply	(1)(2)(3)(4)(5) (6)(7)(8)(9)(10)	3

Note 1:Please in concrete to form stating the salary compensation committee members of the working seniority, professional qualifications and experience, and independence.

Note 2:Professional Qualifications and Experience: State the individual salary compensation committee members of the professional qualifications and experience.

Note 3:Independence Criteria: State the salary compensation committee members conform to independence, including but not limited to, spouse, relatives within the second degree is in charge of the company or its relationship between enterprise directors, supervisors or servant; The number and proportion of shares held by himself, his spouse or his second-degree relatives (or in the name of others); Whether he or she is a director, supervisor or employee of a company having a specific relationship with the Company (refer to article 6, Item 1, 5~8 of the Rules on the Establishment and Exercise of functions and powers of the Remuneration Committee of a company listed on the Stock Market or traded on the premises of a securities firm); The amount of remuneration obtained in providing business, legal, financial and accounting services to the company or its affiliated enterprises in the recent 2 years.

(1) Not an employee of the Company or any of its affiliates.
(2) Not a director or supervisor of the Company or any of its affiliates. (Not applicable in cases where the person is an independent director of the company, its parent company or any subsidiary of the same parent company, as mutually appointed in accordance with the Act or with the laws of the registered countries.
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked among the top 10 in shareholdings.
(4) Not an executive in the preceding subparagraph (1), or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship in the preceding subparagraphs (2) and (3).
(5) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Paragraph 1 or 2 of Article 27 of the Company Act. (Not applicable in cases where the person is an independent director of the Company, its parent company or any subsidiary of the same parent company, as mutually appointed in accordance with the Act or with the laws of the registered countries.)
(6) Not a director, supervisor or employee of a company controlled by the same person who has shares over half of the company's director seats or voting rights. (Not applicable in cases where the person is an independent director of the Company, its parent company or any subsidiary of the same parent company, as mutually appointed in accordance with the Act or with the laws of the registered countries.)
(7) Not a director, supervisor, or employee of another company or institution who, or whose spouse, is a chairman, president, or person holding an equivalent position of the Company (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
(8) Not a director, supervisor, executive, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company (except for a specific company or institution holding more than 20% but less than 50% of the total issued shares of the Company and concurrently serving as an independent director, as mutually appointed at the company, its parent and subsidiary, or a subsidiary of the same parent in accordance with the Act or the laws and regulations of the registered country.
(9) Not a professional individual, nor a spouse thereof, who is an owner, partner, director, supervisor, or executive of a sole proprietorship, partnership, company, or institution that renders auditing, commercial, legal, financial, accounting services or consultation to the Company or to any of its affiliates, for no more than NT$500,000 cumulative fees within the past two years. This rule does not apply to members of the Remuneration Committee, the Review Committee for Public Tender Offer or the Special Committee for Mergers and Acquisitions who perform their duties in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.
(10) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.

2. Operations of remuneration Committee
   (1) The Company's Remuneration Committee is comprised of three members.
   (2) The term of current members: May 30, 2023 to May 29 , 2026. In total 3 (A) Remuneration Committee meetings were held in the most recent year and the current year up until the date of the publication of this annual report. The attendance record is listed below:

Title	Name	Attendance in Person (B)	Attendance by Proxy Time	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Hsueh, Pin-Pin	3	0	100%	-
Committee Member	Yang, Cheng-Hsien	2	1	67%	-
Committee	Kao,Chih-Ting	3	0	100%	-

Member					

Other matters:

I. If the Board of Directors refuses to adopt or amends a recommendation of the Remuneration Committee, the date of the meeting, term and session, content of the motions, resolution by the Board of Directors, and the company's response to the Remuneration Committee's opinion (e.g., if the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.

II. If there were resolutions of the Remuneration Committee to which members objected or express reservations, and for which there is a record or declaration in writing, the date of the meeting, term and session, content of the motions, all members' opinions and the response to members' opinion shall be specified: None.

(Note)：

(1) If a member of the remuneration committee leaves the position before the end of the fiscal year, date of departure should be added in the remarks. The attendance rate should be calculated based on the number of committee meetings held in his/her tenure and the actual number of meetings attended.

(2) If a new member of the remuneration committee is elected before the end of a fiscal year, both the old and the new members should be included in the attendance record, including their election date in the remark ,(%) field.

(IV) Corporate governance implementation and deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof:

Evaluation Item	Status (Note 1)			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	
I. Conformity to the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and disclosure of the "Corporate Governance Best-Practice Principles."	V		The Company has established corporate governance mechanisms including the "Corporate Governance Best Practices Principles," "Code of Ethical Conduct," "Ethical Corporate Management Best Practice Principles" and "Corporate Social Responsibility Best Practice Principles," and has a spokesperson system, internal control and internal audit systems which are consistent with the spirit of corporate governance.	No material difference.
II. Shareholding structure & shareholders' rights (I) Does the company have internal operating procedures or policies in place to handle shareholder suggestions, concern, disputes and litigious matters and has the Company implemented such procedures or policies? (II) Does the company possess a list of major controlling shareholders and the names of their ultimate controlling parties? (III) Has the company established and enforced risk management policies and firewalls between the Company and its affiliates? (IV) Has the company adopted internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	V V V V		(I) Shareholder suggestions, concern, and dispute are handled by Office of the Spokesperson, as well as the designated specialized securities company. (II) The Company monitors the list of ultimate controlling shareholders, and the change of shareholdings of the Board Directors, executives, and large shareholders who own more than 10% of shares of the Company, via a designated specialized securities company. (III) The personnel, assets, and finance of the Company and its affiliates are completely separate according to the internal policies governing the Company's transactions with affiliated persons or specific companies, or the Group enterprises. Internal audit monitors the implementation of these policies periodically. (IV) The Company has established material information operating procedure. Members of the Company are forbidden to trade on securities based on non-public information.	No material difference. No material difference. No material difference. No material difference.
III. Composition and responsibilities of the Board of Directors (I) Has the Board developed and implemented a diversity policy concerning the composition of its members? (II) In addition to the Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees? (III) Has the Company established guidelines for performance	V V	V	(I) The operation of the Board, business nature, and future development of the Company are considered in selecting the members of the Board. Heads of businesses, and professionals in investment, finance, accounting, legal or other expertise, made up the Board to benefit the Company's operation and future development. (II) The Company has already put in place the Remuneration Committee and the Audit Committee. Other functional committees may be established per future statutory requirements or the ongoing operations of the Board. (III) The board of directors of our company passed the "Board Performance Evaluation Measures" on April 10, 109, stipulating that the board should conduct	No material difference. No material difference. No material difference.

Evaluation Item	Status (Note 1)			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	
evaluation of the Board? Has the Company implemented such annually? Does the Company report the results of the performance evaluation to the board of directors and use them as a reference for each Director's remuneration and nomination of term renewal? (IV) Does the Company regularly assess on the independence of CPAs?	V		performance evaluations at least once a year for the board, board members, remuneration committee, and audit committee. Internal evaluations should be conducted at the end of each fiscal year in accordance with this measure. The measurement items for the performance evaluation of the company's board of directors include the following five aspects: 1. Participation in company operations. 2. Enhancement of the quality of board decision-making. 3. Composition and structure of the board of directors. 4. Appointment and continuous education of directors. 5. Internal controls The measurement items for the performance evaluation of board members include the following: 1. Board of Directors: The performance evaluation result is good, and board members have not provided any improvement suggestions. 2. Board Members: Board members are active, have a good understanding of the company's operations, high participation, and possess professional knowledge. 3. Remuneration Committee: The remuneration committee has improved the quality of compensation decision-making, and the composition of the committee is reasonable with stable work. 4. Audit Committee: The audit committee has played an important role in enhancing audit decision-making quality and maintaining internal control. **The measurement items for the performance evaluation of the audit committee include the following:** 1. Participation in company operations. 2. Enhancement of the quality of decisions made by the audit committee. 3. Composition and structure of the audit committee. 4. Appointment of committee members. The evaluation is carried out by the Finance Department, using internal questionnaires. It covers four parts, including the operation of the board of directors, director participation,	No material difference.

Evaluation Item	Status (Note 1)			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	
			operation of the remuneration committee, and operation of the audit committee. Evaluation methods include assessments by directors of board operations, self-assessment by directors of their participation, evaluation of committee operations by the remuneration committee, and evaluation of committee operations by the audit committee. Our company completed the performance evaluation of the board of directors, board members, remuneration committee, and audit committee in March 2025, and the results were reported during the board meeting held on March 8, 2025. The evaluation results for this fiscal year were excellent, and members of the board of directors and various functional committees have not provided any suggestions for improvement in operations. (IV) Pursuant to Article 29, Paragraph 5 of our company's "Corporate Governance Practices Guidelines": "The independence and suitability of the appointed accountant shall be evaluated regularly (at least once a year). If the company has not changed accountants for seven consecutive years or if there are circumstances affecting their independence or suitability, the necessity of changing accountants shall be assessed and the results reported to the board of directors." The company refers to Article 47 of the "Accountants Act" and Bulletin No. 10 of the "Code of Professional Ethics" regarding "Integrity, Fairness, Objectivity, and Independence" to formulate the independence assessment criteria. The company has prepared the "Certified Public Accountant Review Evaluation Form" and the "Statement of Accountant's Absolute Independence" issued by the accountant.	
IV. Does the company appoint adequate number of personnel and a chief governance officer to manage corporate governance affairs (including but not limited to providing directors and supervisors information necessary for carrying out their duties, assisting directors and supervisors in following laws and regulations, handling matters in relation to the Board meetings and the shareholders' meetings, and maintaining minutes of such meetings as required by the laws)?	V		The Company appointed the Chief financial officer at 2023/5/9, as the director of corporate governance to take part in corporate governance matters (those matters include but not limited to providing directors with the necessary information to perform their duties, handling matters concerning Board Meetings and Shareholders' Meetings in accordance with law, and producing minutes thereof, and handling company business registration and modification).	No material difference.

Evaluation Item	Status (Note 1)			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	
V. Does the company establish communication channels and have a dedicated section on the company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	V		The Company has appointed a spokesperson and an acting spokesperson to be in charge of communication with stakeholders, who may contact the Company at any time by phone, letter or email if necessary. The Company also has a dedicated stakeholders' section on the Company's website as an additional communication channel.	No material difference.
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has contracted Taishin Securities to handle securities operation and affairs concerning shareholders' meetings.	No material difference.
VII. Information disclosure				
Has the Company established a corporate website to disclose information regarding the company's financial, business, and corporate governance?	V		The Company has an official website to disclose the Company's financial matters and corporate governance information.	No material difference.
Has the Company established any other information disclosure channels (e.g., maintaining a website in English, designating personnel to handle information collection and disclosure, appointing spokespersons, webcasting investors' conference, etc.)?	V		Our company has set up a website: website ishttp: //www.advancedenergysolution.com.tw/;; the Company's financial, business and corporate governance information is also available at TWSE's Market Observation Post System (MOPS).	No material difference.
Does the Company announce and declare the annual financial reports within two months after the end of the fiscal year? Does it announce and declare the first, second and third quarter financial reports and operating conditions of each month as soon as possible before the end of the prescribed periods?	V		Yes, in accordance with relevant rules and regulations.	No material difference.

Evaluation Item	Status (Note 1)			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	
VIII. Is there any other important information helpful to better understand the Company's corporate governance status (including but not limited to employee rights, employee wellbeing, investor relations, supplier relations, stakeholder rights, Directors' and Supervisors' training records, implementation of risk management policies and risk assessment measures, implementation of customer policies, and participation in liability insurance by Directors and Supervisors)?	V		1.Rights of Employees: The Company relates to its employees based on principles of honesty and trust. There are many employee benefits, including education support, training and performance enhancement planning to further employee rights and employee development. The communication between employees and managers is agreeable. Labor relations are favorable. 2.Investor Relations: The Company established Office of the Spokesperson. A specialized securities company is also contracted to manage all securities operations and shareholder affairs. All related information is disclosed on TWSE's MOPS site as required by laws, to maintain the Company's operations transparency to the public. 3.Supplier and stakeholder relations: The Company maintains fair and favorable relations with its suppliers and stakeholders. 4.Directors and Supervisors Training: All directors and supervisors are experts in their own fields of expertise. Additional trainings have been arranged for all directors and independent directors to strengthen the functions of the Board. 5.Risk management policies and risk assessment standards: The Company has developed a set of internal policies and procedures and have followed them accordingly to manage risks. 6.Customer Policy: Implemented in accordance with internal control policies and procedures. 7.The Company has purchased liabilities insurance for the directors.	No material difference.
IX. Improvements made in the most recent fiscal year in response to the results of corporate governance assessment conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement made and plans for future improvement. (not applicable for companies excluded from evaluation) The company continues to optimize areas where improvements are needed.				

Note 1: Comments should be added in the Remarks column for both "yes" and "no" status.

(V) Director training

Title	Name	Further date		Training Institution	Course Name	Training Hours
		Start	End			
Director	Sung, Fu-Hsiang	2024/07/03	2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
Director	Sung,Wei-Jer	2024/12/18	2024/12/18	The Institute of Internal Auditors - Taiwan	Legal Risks in Business Management and Countermeasures for Internal Auditors	6
		2024/11/22	2024/11/22	Securities and Futures Institute	2024 Insider Equity Trading Legal Compliance Promotion Seminar	3
Director	Cheng, Duen-Chian	2024/10/16	2024/10/16	Securities and Futures Institute	Carbon Trading Mechanism and Carbon Management Application	3
		2024/07/31	2024/07/31	Chinese Corporate Governance Association	Digital Detective: Toward a Future of Preventive Auditing	3
		2024/07/11	2024/07/11	Securities and Futures Institute	Digital Reinvention Creates a New Future with AI - Generative AI Application Sharing	3
Independent Director	Hsueh, Pin-Pin	2024/07/09	2024/07/09	Chinese Corporate Governance Association	Discussion on Employee Compensation Strategies and Tools	3
		2024/09/24	2024/09/24	Chinese Corporate Governance Association	Application of AI, Legal and Audit Perspectives	3
Independent Director	Yang, Cheng-Hsien	2024/10/04	2024/10/04	Securities and Futures Institute	2024 Insider Trading Prevention Promotion Seminar	3
		2024/11/29	2024/11/29	Securities and Futures Institute	2024 Insider Equity Trading Legal Compliance Promotion Seminar	3
Independent Director	Kao,Chih-Ting	2024/02/21	2024/02/21	Securities and Futures Institute	Commissioned by United Epitaxy Co., Ltd. - Advanced Seminar for Directors, Supervisors (including Independent), and Corporate Governance Officers (Corporate Governance and Securities Regulations)	3
		2024/08/06	2024/08/06	Accounting Research and Development Foundation	How Boards and Senior Executives Review ESG Sustainability Reports	3
		2024/10/09	2024/10/09	Chinese Corporate Governance Association	Legal Due Diligence and Business Contract Introduction for Mergers and Acquisitions	3
		2024/11/20	2024/11/20	Securities and Futures Institute	Commissioned by ZMI Technology Inc. - Advanced Seminar for Directors, Supervisors (including Independent), and Corporate Governance Officers	3
		2024/11/20	2024/11/20	Securities and Futures Institute	Commissioned by ZMI Technology Inc. - Advanced Seminar for Directors, Supervisors (including Independent), and Corporate Governance Officers	3
Independent Director Independent Director	Wu, Huei-Yu	2024/4/11	2024/4/11	Taiwan Independent Directors Association	Legal Responsibilities and Practical Case Analysis Related to Directors (Independent Directors)	3
		2024/4/26	2024/4/26	Securities and Futures Institute	Global and Taiwan Economic Outlook	3

(VI) Executive Training

Title	Name	Further date		Training Institution	Course Name	Training Hours
		Start	End			
Chief Financial Officer and Corporate Governance Officer	Chen, Po-Ta	2024/05/20	2024/05/21	Accounting Research and Development Foundation	Ongoing Training Program for Issuers, Securities Firms, Stock Exchange Accounting Officers	12
		2024/05/29	2024/05/29	Accounting Research and Development Foundation	Latest Regulatory Developments on Annual Reports, Sustainability Disclosures, and Financial Reporting – Practical Internal Control Management	6
		2024/08/15	2024/08/15	Accounting Research and Development Foundation	Enhancing Internal Control Lines of Defense and Board Functionality – Fraud Case Analysis	6

(VII) Licensing status of personnel associated with financial information transparency as required by the supervising authority.

Title	Name	Certifications
Chief Financial Officer and Corporate Governance Officer	Chen, Po-Ta	Certified Public Accountant of ROC, Certified Internal Auditor of ROC

(VIII) Procedures for Handling Material Information

The Company has implemented procedures for handling material information. All employees and departments are required to follow the procedure when handling material information, including respective disclosure.

(IX) Implementation of Promoting Sustainable Development and Deviations from the "Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof

Promoting Items	Status (Note 1)			Deviations from the "Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	
I. Does the company have a governance structure to promote sustainable development and an exclusively (or concurrently) dedicated unit staffed by a senior executive authorized by the Board to manage all matters as well as supervised by the Board?	V		In October 2022, AES-KY officially established the CSR Committee under the Board of Director, report to the President directly. The CSR Committee consists of 5 functional groups: Green Manufacturing, Green Innovation, Sustainable Supply Chain, Social Citizenship and Corporate Governance. The Chief Sustainability Officer (CSO) is also set up to lead the plan and execution of overall ESG related activities in Simplo Group and report to the board of directors on the implementation situation at least once a year. The company’scorporate sustainability policy serves as the supreme guideline for the sustainable development which covers environment, society and corporate governance. Our sustainability policy are “Honesty and Integrity”, “Green	No material difference

Promoting Items	Status (Note 1)			Deviations from the "Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	
			Innovation", "Circular Economy" and "Social Care".	
II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies? (Note 2) (Listed OTC companies should report the implementation status, not compliance or explanation.)	V		The company conducts risk assessments on environmental, social and corporate governance issues related to the company's operations in accordance with the principle of materiality, and formulates risk management policies and procedures, which are approved by the board of directors to establish an overall risk management system. Through CSR and the audit committee and related departments to carry out risk identification, measurement, response and risk monitoring.	No material difference
III. Environmental issues (I) Does the company have proper environmental management systems based on the characteristics of their industries? (II) Does the company strive to utilize resources efficiently and to use renewable materials to lower environmental impact? (III) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues? (IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	 V V V V		(I)The company follows the company's sustainable management policy and abides by government regulations to create a good working environment and protect the physical and psychological health of employees so that the company's sustainable development and environmental protection can be achieved at the same time. All production plants are Through the environmental safety and health management system. For certificate details, please refer to the Corporate Sustainability Zone. (https://www.advancedenergysolution.com.tw/download.php?lang=tw&tb=1&cid=162) (II)The company is committed to improving the efficiency of energy use, such as promoting the recycling and reuse of green and environmentally friendly materials and waste materials, to reduce the impact on the environment. Please refer to the Corporate Sustainability Zone for details. (https://www.advancedenergysolution.com.tw/article.php?lang=tw&tb=4&cid=136) (III)The company follows the core elements of TCFD to assess climate-related challenges and opportunities to identify transition risks and physical risks, and through five aspects of policy and regulatory risks, technology risks, market risks, immediate risks, and long-term risks, as a climate strategy. For details, please refer to the Corporate Sustainability Zone. (https://www.advancedenergysolution.com.tw/article.php?lang=tw&tb=4&cid=250) (IV) In order to comply with the international trend and customer requirements, the company has completed the ISO 14064-1 certification. Complete organizational greenhouse gas inventory and third-party verification, and continue to count water consumption and total weight of waste, and set goals for energy saving and waste reduction. Please refer to the Corporate Sustainability Zone for details. (https://www.advancedenergysolution.com.tw/article.php?lang=tw&tb=4&cid=136)	 No material difference
IV. Social issues (I) Does the company have policies and procedures in place compliant with relevant rules and regulations and the International Bill of Human Rights?	 V		(I)The Company has management procedures in place such as "Human Rights Policy ", "Work Regulations", "Complaint Management Measures" that are in accordance with relevant labor regulations and the International Bill of Human Rights with an aim to provide unhindered communication channels to protect the rights	 No material difference

Promoting Items	Status (Note 1) Yes	No	Description	Deviations from the "Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
			and interests of employees.	
(II) Does the Company provide reasonable employee benefits (including compensation, vacations, and other benefits), and the Company's business performance is properly reflected on employee compensation.	V		(II)The company establishes salary, performance evaluation and welfare, clearly regulates the reward and punishment system. Via regular evaluation of business performance and profitability, the company establishes a correct and effective link between performance and reward mechanism.	
(III) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		(III)The company implements occupational safety and health education, organizes health checks regularly, and employs occupational nurses to promote health education and established an employee welfare committee in accordance with the law to ensure the safety and physical and mental health of employees.	
(IV) Does the company provide its employees with career development and training plans?	V		(IV)Based on the results of the annual training plan survey, the company arranges the employee training and annual learning map, carrying out physical courses or E-learning for training..	
(V) Concerning health and safety of customers, customer privacy, marketing, and labeling, does the Company comply with relevant rules and regulations and international standards? Does the Company have relevant consumer protection policy and grievance procedure?	V		(V)The Company provides products and services in compliance with relevant regulations and international standards, maintains good communication channels with suppliers and customers, and provides a transparent and effective customer complaint mechanism.	
(VI) Has the Company established supplier management policies, requiring suppliers to comply with relevant rules and regulations related to environmental protection, occupational safety and health or labor rights, and implemented such accordingly?	V		(VI)The Company has "Supplier Management Procedures" and has required new suppliers to sign "Supplier Social Responsibility Commitment Letter" and follow relevant norms and standards on environmental protection, occupational safety and health, or labor rights.	
V. Does the company refer to international standards or guidelines for the preparation of reports such as CSR reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body?		V	The Company has prepared its Sustainability Report with reference to internationally recognized reporting standards and has disclosed relevant sustainability information on its official website, the Market Observation Post System (MOPS), and in its annual report. The 2023 Sustainability Report has not yet obtained assurance from an independent third-party verification body. (https://www.advancedenergysolution.com.tw/download.php?lang=tw&tb=7&cid=-1)	No material difference
VI. If the company has established internal ethical corporate management guidelines according to the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," describe any deviation of its implementation from the guidelines: No material difference.				

VII. Other important information for understanding the implementation of sustainable development:
The company has set up a corporate sustainability zone on the company's official website.
https://www.advancedenergysolution.com.tw/article.php?lang=tw&tb=1

Green Management:

The advancement of technology and economic development have resulted in mass pollution with irreparable damage to the ecological environment and limited resources of the planet, triggering recurring environmental crisis globally and regionally. Countries across the world have come to realize the importance of environmental protection and have ratified international treaties, made declarations to awaken people around the world to make concerted effort to protect and restore our environment, and to ensure and advance the living quality of the entire human race.

Conventional approach for environmental management no longer meets the challenge posed by present crisis. New emphasis is placed upon businesses taking initiatives to develop integrated, preventive and systematic approach consistent with international standards of environmental management model, in order to meet overall environmental management requirements.

In addition to adhering to the above-mentioned concepts, the Company complies with local environmental rules and regulations, fulfills the corporate social responsibilities, creates safe and favorable working environment to protect both the physical and mental health of the employees.

(1) Implemented ISO 14001 Environmental Management System upon initial production.
(2) In March 2020, the Company first received the assurance and the certification for the updated ISO14001: 2015 Environmental Management System in March 2020.

Promoting Items	Status (Note 1)			Deviations from the "Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	

(3) In August 2020, it obtained the certification for the "ISO 14064-1: 2018 Greenhouse Gas Inventory Standard”

Social Responsibility

CSR Sustainable Development Committee:
In addition, the CSR Sustainability Committee was officially established in 2021, with the CEO as the chairman. As the highest organization for cooperating sustainable development, a sustainable director will be set up under the committee to lead the sustainable office to coordinate the operation of the committee. Five functional groups are set up according to the functions of the organization, and the director-general leads the action policy to realize the sustainable goal. Simultaneously, it is in line with the sustainable development goals of the United Nations and practices ESG with the core industry. While pursuing operational growth, it still takes the environment, society, and corporate governance ESG into account to strengthen corporate competitiveness, and becomes a leader in the state of green for customers and sustainable development. According to relevant laws and the International Bill of Human Rights, the company formulates the human rights policies of the company and group affiliated companies.

Every employee can learn about the company's latest developments through the bulletin board of the internal E-portal platform. Merged with an online satisfaction questionnaire, physical mailbox, Email, Line@company account, etc., the opinions can be reflected immediately through the diverse and unhindered communication mechanism to ensure the equality of each colleague.

Environmental Health and Safety Policy:
The Company is specialized in the research, development and manufacturing of battery modules. Since its inception, the Company has been committed to production and quality excellence, and strong research and development driven by market demands. Based on our corporate values of "Tend the environment, Respect life, Care for employees," the Company strives to achieve the ultimate goals of "Environmental Sustainability" and "Zero OHS Incident."

Environmental Policy
The Company's environmental policies to achieve "Environmental Sustainability" are:
1. Compliance with regulatory undertakings.
2. Strive for pollution prevention.
3. Implement continuous improvement.
4. Participation of all employees.

Occupational Health and Safety Policy
The occupational safety and health policy of the Company to achieve "Zero OHS Incident" is:
1. Compliance with regulatory undertakings.
2. Management of safety and health risks.
3. Implement continuous improvement.
4. All staff consultation and participation.

Certification of the Environmental Safety and Health Management System:
ISO 14001 Environmental Management Systems certified. ISO 45001 Occupational Health and Safety certified..
ISO 14064-1： 2018 Greenhouse Gas Inventory Standard" certified.
Procurement Policy:
The Company conducts business with suppliers by requesting the legality and integrity of the suppliers' operation policy, and whether there has been a record of dishonest behavior, and obtaining the suppliers' letter of undertaking for environmental, occupational safety and health, and energy. Suppliers are audited by the Company to ensure suppliers' compliance with code of conduct of the electronic industry, local rules and regulations, and social responsibility. Specific rules and regulations to comply with are clearly laid out in the contract, provision of labor insurance is required, and anti-bribery and corruption measures are implemented. If suppliers violate the principles stated above, future business with the Company will be jeopardized.

Care for Life, Care for employees:
1. Hold self-guard fire protection grouping twice a year to maintain and improve employees' awareness and ability to respond.
2. Arrange training on "unlawful infringement" to enhance employees' knowledge and awareness of their rights.
3. Take care of employees’ health, and hold a free health check for employees annually.
4. Provide free on-site health consultation services from special medical staff monthly.
5. Set up a comfortable breastfeeding room, and provide health protection and care services for postpartum female colleagues.
6. Provide employees with free indoor leisure and fitness equipment to establish a healthy workplace environment.

Charity and Giving back to the hometown:
1.Carry out industry-university cooperation programs for universities, and provide students with internship and work-study opportunities..
2.Cooperate with the blood donation center annually to hold blood donation activities in the company, and provide additional rewards to encourage colleagues to participate in blood donation.
3.Assisting the Hsinchu Branch of National Taiwan University Hospital in implementing the "Smart Ward Bedside Information System," introducing an electronic paper bedside card system, effectively improving the efficiency of nursing staff and enhancing patient safety management mechanisms..
4.The company and colleagues jointly respond to charity activities and donate supplies to social welfare organizations to help the disadvantaged.
5.To guard the coast, the company and its colleagues will jointly participate in the public welfare activity of planting trees, and build a green wall along the coast with small saplings.
Energy conservation
Energy Conservation Management:
Based on the objectives of the Company's environmental policy: Energy conservation, emission reduction, greening, recycling, and a series of

Promoting Items	Status (Note 1)			Deviations from the "Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	

environmental protection and energy-conservation plans are rolled out, which have significantly reduced our environmental impact and production costs.

1. Hosts a series of employee trainings to raise energy conservation awareness and ability
2. Implements energy saving management, performs statistical analysis on energy consumption, and rolls out energy conservation and waste reduction projects and the ongoing monitoring.
3. Employees should bring their own cups to meetings. No paper cups will be provided.
4. Double-side printing and printing with recycled paper are strongly encouraged, except for printing documents for official signature or other necessary circumstances.
5. Water facilities shall be inspected by designated personnel from time to time. If leakage occurs, responsible personnel shall be notified to make repair as soon as possible.
6. All office machinery is equipped with energy saving function. The machinery will enter a sleep mode to conserve energy after being idle for 5 to 10 minutes.
7. Office machinery or equipment (such as computers, monitors, printers, photocopiers) shall be switched off after work or if they are not expected to be used for a long period of time, to reduce electricity consumption while being idle.
8. Continue to improve existing equipment, installing sensor-activated lighting, sensor-activated faucets, reasonable usage of electricity and water resources.
9. On Earth Day, all employees are encouraged to turn off the lights for one hour.

Halogen-free production process:

The Company is moving toward halogen-free production process to satisfy customers' product requirements. Transition is carefully planned out, including researching supplier timing to introduce the halogen-free process, and explicitly communicating requirements for halogen-free products to customers. For non-halogen product quality control, the Company has purchased inspection instrument for rapid screening of the RoHS substances and halogen compounds.

Employee Welfare

Labor Relations:

List all employee benefits, including advanced study, training, retirement policies and their implementation status. Also describe labor negotiations and measures taken to ensure employee rights.

(1) Employee Benefits:
In addition to generous salaries, year-end bonus and equity-based incentives, other benefits include share subscription, medical insurance, travel insurance, employee training, professional conferences, and educational opportunities, aiming to broaden employee perspectives, and to improve productivity.A convenience store is set up in the company, providing colleagues with preferential discounts and services. During the pandemic, we provided free epidemic prevention-related supplies, including rapid screening reagents, disinfectant alcohol, masks, etc., and adopted automatic body temperature measurement equipment to improve the company's epidemic prevention mechanisms to protect the health of all employees.

(2) Employee Training:
Each department takes into consideration employees' training needs during annual performance review. With the assistance of the Human Resources department, training needs are determined through collaborative discussions between supervisors and employees. Training classrooms equipped with professional-grade hardware are established to conduct various skill enhancement training sessions and activities for employees. Additionally, periodic book donation events are organized to inspire employees' self-learning motivation, facilitating their continuous growth..

(3) Retirement policy and practice:
The retirement system is governed by the local laws and regulations of the place of employment.

(4) Labor negotiation and the assurance of employee rights:
The Company values employee feedback and maintains open communication with employees, who are encouraged to express their opinions directly to their immediate supervisors, via meetings or email. To date, there is no major labor issues with the Company.

Note 1:If the "Status" is "yes," please describe the material policy, strategy, measures, and implementation status. If the "status" is "no," please provide explanation and plan to adopt such policy, strategy, and measures.

Note 2:Materiality principle refers to any environmental, social and corporate governance issues that may have material impact on investors, and other stakeholders.

Note 3:Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the disclosure method.

(IX-1) Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	**Regular Reporting to the Board of Directors** ● The Board of Directors serves as the highest decision-making body for the climate risk management mechanism, reviewing and guiding the company's climate strategy and the progress of climate-related goals. **Management of Significant Issues** ● Senior management regularly reviews climate risk issues, incorporating them into significant issue management through the operation of the CSR Sustainability Committee.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	According to internal risk control timelines, define short-term as 1-3 years, medium-term as 3-5 years, and long-term as 5-10 years; collect stakeholder needs and climate change issues. Establish risk quantification assessment methods by referring to ISO 31000 Risk Management Guidelines, and conduct risk assessments through the operation of the Risk Task Force to respond to risk monitoring and management. **Risk Identification Process** 1. Establish a Risk Task Force, composed of managers at the department head level or above, reporting its operations to the Board of Directors. 2. Conduct and verify greenhouse gas inventory for Scope 1, 2, and 3 annually. 3. Initiate product lifecycle inventory and hotspot improvement activities.
3. Describe the financial impact of extreme weather events and transformative actions.	**Transition Risks** 1. **Policies and Regulations** (Carbon Pricing: Carbon Fees/Taxes, Greenhouse Gases, Electricity Saving Requirements for Major Consumers): Compliance with regulatory requirements leads to increased operational costs. 2. **Technology** (Investment in New Technologies, Costs of Low-Carbon Transition): Customer demand for the use of renewable energy; increased costs for developing low-carbon products; increased costs for developing new manufacturing processes. 3. **Market** (Changes in Customer Behavior, Market Information Uncertainty, Rising Raw Material Costs): Changes in customer and market demand affect orders; uncertain factors such as green inflation.

	4. **Reputation** (Impact on Company Image): Inability to meet customer or stakeholder expectations leading to a decline in revenue. **Physical Risks** 1. **Immediate** (Extreme Weather Leading to Increased Abnormal Rainfall and Drought Events): Decreased or interrupted production capacity (e.g., production halts, transportation difficulties, supply chain disruptions); impact on labor (e.g., health and safety, absenteeism). 2. **Long-Term** (Extreme Changes in Climate Patterns): Chronic climate changes (e.g., rising average temperatures, rising sea levels).
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The company refers to the core elements of the TCFD to disclose information on "climate governance, strategy, risk management, and metrics and targets." This is used to assess the risks and opportunities related to climate for the company's operations, formulate strategies and actions to address climate change, increase the transparency of disclosed information, and implement corporate climate governance. The company lists climate-related transition, physical risks, and opportunities issues. From the perspective of the enterprise or stakeholders, it constructs scenarios based on the frequency of occurrence, impact severity, and control degree to serve as predictive information. This helps evaluate the impact on operations, understand the current state of potential risk management and opportunity capture, and establish pragmatic countermeasures and management plans.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	In response to climate change risks, the Group sets carbon reduction targets following the SBTi (Science Based Targets initiative) 1.5°C pathway. Referring to the core elements of the TCFD, the company discloses information on "climate governance, strategy, risk management, and metrics and targets." This information is used to assess the risks and opportunities related to climate change for the company's operations and to formulate strategies and actions to address climate change.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	● **Policy and Regulatory Responses**: Implement energy-saving and carbon reduction programs, continuously improve ISO 50001 standards, install renewable energy (PV) in factories, and purchase renewable energy certificates. ● **Technological Responses**: Transition to low-carbon technologies, introduce low-carbon manufacturing processes, manage the recycling and reuse of resources, and comply with international environmental labels.

	● **Market Responses**: Evaluate new markets for green transformation, develop energy storage businesses to meet market demand. ● **Reputational Responses**: Increase stakeholder trust, enhance transparency in sustainability information disclosure, deepen external communication and engagement with stakeholders, and strengthen external ESG performance evaluations.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	In response to the era of net-zero carbon emissions, the Group continues to work towards low-carbon goals, accelerating the group's carbon reduction efforts. The company is also developing and promoting an Internal Carbon Pricing (ICP) system, tracking the international carbon trading market as a basis for internalizing external costs.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	● **Goals**: 1. **SBTi**: Reduce absolute GHG emissions in scopes 1 and 2 by 51% by 2030 compared to the 2020 base year. 2. **RE100**: Commit to using 100% renewable energy for all Group's global operations by 2040. ● **Renewable Energy Usage**: The Group is responding to the global transition to low-carbon energy by installing rooftop solar photovoltaic systems, signing renewable energy purchase agreements, and procuring renewable energy certificates to increase the proportion of renewable energy usage. These efforts are aimed at gradually achieving the RE100 goal by 2040. In 2023, the proportion of renewable energy used by the group reached 65%.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	The Company, with a paid-in capital of less than NT$5 billion, falls under the third phase of greenhouse gas inventory requirements (i.e., to complete inventory by 2026 and verification by 2028) and is therefore not currently applicable.

(X) Ethical corporate management implementation and deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof:

Evaluation Item	Status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	
I.Establishment of ethical corporate management policies and programs (I) Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies? (II) Does the company have a mechanism in place to assess ethical risk, to review and identify business activities with higher inherent ethical risk, and to lay out preventive measures accordingly, which should at the minimum include the measures listed in Article 7-2 of the "Ethical Corporate Management Best Practices for TWSE/TPEx Listed Companies"? (III) Does the company have clear procedures, guidelines, penalty for violations, and grievance systems built into the preventive measures for unethical conduct, which are fully implemented, and reviewed, revised periodically?	V V V		The Company has established policies and procedures such as the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct" to regulate all business activities of the Company with integrity. The Company has explicit requirements as laid out in the "Procedures for Ethical Management and Guidelines for Conduct" to periodically review and assess business activities with high inherent ethical risks. The Company has rolled out preventive measures which include all the best practices as laid out in Article 7-2 of the "Ethical Corporate Management Best Practices for TWSE/TPEx Listed Companies." The Company has clear procedures, guidelines, penalties for violation, and grievance process as part of the preventive measures for unethical conduct, which are fully implemented, reviewed, and revised periodically.	No material difference
II.Implementation of ethical corporate management (I) Does the company evaluate business partners' ethical records and include ethics-related	V		The Company has established an evaluation mechanism for its suppliers and contractors with whom it does business. The Company has required new suppliers to sign the "Supplier Social Responsibility Commitment Letter," which specifies the terms of	No material difference

Evaluation Item	Status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	
clauses in business contracts?			integrity.	
(II) Has the company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V		In order to implement ethical corporate management, the Company has formulated the "Procedures for Ethical Management and Guidelines for Conduct," and has a dedicated Ethical Corporate Management Team reporting directly to the Board. The team is comprised of members from the heads of major departments and senior management. The team is convened by the CEO and will report its status to the Board at least once a year.	
(III) Has the company established policies to prevent conflicts of interest, to provide appropriate communication channels, and has the company implemented the policies accordingly?	V		The Company has clearly prescribed policies and procedures such as "Procedures for Ethical Management and Guidelines for Conduct," "Code of Ethical Conduct" and "Procedures for Handling the Reporting of Illegal or Unethical Conduct," to prevent conflict of interests at all levels of personnel. These policies and procedures have been duly implemented.	
(IV) For the ethical corporate management to function effectively, does the company have the accounting systems and the internal control systems in place, have the internal audit develop audit plans according to the ethical conduct risk assessment report, and review the implementation progress by the internal audit or a designated external auditor?	V		The Company's accounting systems and internal control systems function properly, and are reviewed periodically or from time to time by the internal audit as well as by the designated auditor.	
(V) Does the company regularly hold internal and external trainings for ethical corporate management?	V		AES promotes the concept and regulations of ethical business practices through new employee orientation, internal meetings, and periodic training sessions. In 2024, AES continued its anti-	

Evaluation Item	Status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	
			corruption training programs, covering topics such as ethical business conduct and labor ethics. A total of 308 participants received training, accumulating 154 training hours, with a participation rate of 99.68%. For new IDL (Indirect Labor) employees, online E-learning modules were adopted, with 80 participants, totaling 40 training hours, and a 100% pass rate. For DL (Direct Labor) employees, including both new and existing staff, in-person training was conducted in February 2025, with 17 participants, totaling 8.5 hours, also achieving a 100% pass rate. On their first day of onboarding, new employees are provided with an introduction and discussion on ethical conduct and business integrity. They are also required to sign the "Integrity and Honesty Policy Commitment Letter," with a 100% signing rate. As of 2024, AES has actively promoted ethical business practices to its suppliers and has signed Integrity Commitment Letters with 69 suppliers.	
III.Whistleblowing system (I) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (II) Has the Company established the standard operating procedures for investigating reported misconduct, for adopting follow-up measures after the investigation, and for ensuring confidentiality of the matter? (III) Does the company provide proper whistleblower protection?	V V V		The Company has stipulated in Article 21 of the "Procedures for Ethical Management and Guidelines for Conduct" that the Company encourages internal and external personnel to report unethical conduct or malpractice, and a whistle-blowing procedure is in place. The Company has established standard operating procedures for investigating reported misconduct, and the reports and investigations are treated with strict confidentiality. Henceforth, the Company has strict confidentiality policies concerning whistleblower identity and the reported content. The Company is committed to protecting whistleblowers from retaliation.	No material difference
IV. Enhanced disclosure of			The Company has disclosed relevant	

Evaluation Item	Status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Description	
ethical corporate management information Does the company disclose the ethical corporate management policies and the results of its implementation on the company website and MOPS?	V		contents such as "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct" on the Company's website. Where necessary, the Company will disclose its information relating to ethical corporate management on the Company's website and MOPS.	No material difference
V. If the company has established internal ethical corporate management guidelines according to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," describe any deviation of its implementation from the guidelines: No material difference. No material difference				
VI. Other important information to facilitate better understanding of the Company's ethical corporate management: (e.g., review of and amendments to ethical corporate management policies) The Company has disclosed all information related to ethical corporate management guidelines and procedures.				

Note 1:Comments should be added in the Remarks column for both "yes" and "no" status.

Summary of the resignation and dismissal of the Company's persons in the current year: None.

Note: "The Company's persons" refer to the chairman, president, accounting manager, CFO, chief internal auditor, and R&D manager.

(XI) The disclosure of the implementation of internal control system should include the following:

1. Statement on Internal Control System:

Advanced Energy Solution Holding Co., Ltd.
Statement on Internal Control System

Date: March 4, 2025

Based on the self-assessment of the Company's internal control system between January 1, 2024 and December 31, 2024, the Company state that,

I. The board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, as well as to ensure compliance with relevant regulations and laws.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its 3 stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

III. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations identify 5 components of internal control based on the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring operations. Each key component includes several items. Please refer to the Regulations for the aforementioned items.

IV. The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.

V. Based on the results of the foregoing assessment, the Company considers that the internal control system (including supervision and management of subsidiaries) of the Company established between January 1, 2024 and December 31, 2024, The design and implementation of the system, which includes understanding the effectiveness of the operation and the extent to which the efficiency objectives are achieved, reporting on the reliability, timeliness, transparency and compliance with the relevant codes and regulations and the relevant internal control system, is effective and can reasonably ensure the achievement of the above objectives.

VI. This statement is an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was approved by the board of directors during the meeting held on March 4, 2025, with none of the seven attending directors expressing dissenting opinions, and all agreeing to the content of this Statement.

Advanced Energy Solution Holding Co., Ltd.

Chairman: Sung, Fu-Hsiang

General Manager: Sung,Wei-Jer

Note 1:The design and implementation of the Company's internal control system, such as the material deficiency during the year, shall be stated in the following paragraph: The Company's internal control system shall be listed in the Statement of Internal Control System after the item is reported, and the actions taken by the Company and the improvement actions taken by the Company are taken out in the balance sheet.

Note 2:The date of the statement is the date of the "end of the fiscal year."

(XII) Important resolutions of the Board and the Shareholders' Meeting during the last fiscal year and the current fiscal year up to the publication day of this annual report:

1. Major resolutions of the general shareholders' meetings

Date: May 28, 2024

Major Resolutions	Implementation Status
The Company's 2023 Annual Business Report and Financial Statements are submitted for recognition	The percentage in favor was 99.80% of total share represented by shareholders present.
The Company's 2023 surplus distribution plan is submitted for recognition	The percentage in favor was 99.96% of total share represented by shareholders present. Implementation status: July 12, 2024 is set as the base date for dividend distribution, and all dividends have been distributed on August 2, 2024 in accordance with the resolution of the shareholders' meeting
Adoption of the proposal for Release of the Prohibition on Directors from. Participation in Competitive Business.	The percentage in favor was 97.61% of total share represented by shareholders present. Implementation status: Handled according to the revised procedures.

2. Major resolutions of the board of directors

Date: May 7, 2024

1. The Company's consolidated financial statements for the first quarter of 2023.

Date: August 12, 2024

1. The Company's consolidated financial statements for the second quarter of 2023.
2. Progress on purchasing liability insurance for the directors and key personnel.
3. Amend the Company’s "Corporate Social Responsibility Practical Code" to "Sustainable Development Practical Code" and revise the relevant provisions accordingly.
4. Review and approval of the Company’s 2023 Sustainability Report.
5. Reviewing the appropriation of 2023 remuneration for directors
6. Reviewing the company's 2024 compensation policy and standard proposal for managers.

Date: November 5, 2024

1. The Company's consolidated financial statements for the third quarter of 2024.
2. Formulation of the Company’s “Sustainable Information Management Policy”.
3. 2024 audit plan.

4.Adjustment of the signing certified public accountant (CPA) due to internal restructuring within Deloitte & Touche..

Date: March 4, 2025

1.2024 business report and financial statements.
2.2024 earnings distribution.
3.Proposal to approve the issuance of letters of support for the credit lines granted to the Company's wholly-owned subsidiaries: Trend Power Technology Private Limited (Singapore), Trend Energy Co., Ltd., and Trend Power Technology (Vietnam) Company Limited.
4.Appropriation of remuneration for the employees and directors in 2024.
5."Annual Report and Statement" and "Economic Statement" of the Company's 2025 Annual Report.
6.Statement on Internal Control System.
7.Proposal to Amend the Company's Articles of Incorporation.
8.Donation case of the Group.
9.Proposal to appoint the auditor for the fiscal year 2025 and evaluate their independence and suitability.
10.The convention of 2025 general shareholders' meeting and the related matters.

(XIII) During the last fiscal year and the current fiscal year up to the publication day of this annual report, any recorded or written statement of any objection or different opinions of the directors or supervisors on approved resolutions of the board: None

III. Information on public expense for accountants:

Currency Unit: NT$ 1,000

Accounting Firm Name	CPA Name	Accountant audit period	Audit public expense	Non-audit public expense	Total	Note
Deloitte & Touche	Fang, Su- Ri	2024/1/1~ 2024/12/31	7,480	-	7,480	-
	Shih, Chin-Chuan					

Please specify the content of non-audit public services: (e.g. tax visa, assurance or other financial advisory services)

Note 1:If the company has changed accountants or accounting firm this year, please list the audit period separately, explain the reasons for change in the Note Column, and disclose the audit and non-audit public expenses paid in sequence. Non-audit public expenses should be annotated to explain its service content

Note 2:The non-audit public expense is the fee for the review report of internal control system.

(I) If the accounting firm is replaced and the audit fee paid in the change year is lower than the audit fee of the year before change, it should disclose the amount, proportion and reason for the decrease in the audit fee: None.

(II) If the public audit expense is reduced by more than 10% compared with the previous year, it should disclose the amount, proportion and reason for the decrease in the audit fee: None.

IV. Information on changing accountants: Cooperating to meet the needs of the internal adjustment of Deloitte & Touche, and change the certified accountants in 2024

(I) About the former accountants:

<table>
<tr><td>Change Date</td><td colspan="4">2024/11/1</td></tr>
<tr><td>Change reason and description</td><td colspan="4">Accountant</td></tr>
<tr><td rowspan="3">To state that the appointer or accountant has terminated or refused to accept the appointment</td><td colspan="2">Parties involved / Conditions</td><td>Accountant</td><td>Appointer</td></tr>
<tr><td colspan="2">Voluntary termination of appointment</td><td>✓</td><td></td></tr>
<tr><td colspan="2">No longer accept (continue) appointment</td><td></td><td></td></tr>
<tr><td>Comments and reasons for audit reports other than unqualified opinions issued within the last two years</td><td colspan="4">None</td></tr>
<tr><td rowspan="7">Is there any disagreement with the issuer</td><td rowspan="5">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure in Financial Reporting</td></tr>
<tr><td></td><td colspan="2">Check scope or steps</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td>None</td><td colspan="3">✓</td></tr>
<tr><td colspan="4">Description</td></tr>
</table>

Other matters disclosed: Add to be disclosed in Item 1(4) to Item 1(7) of Paragraph 6, Article 10 in the Code	None

(II) About the succession accountants:

Accounting Firm Name	Deloitte & Touche
CPA Name	CPA Shih, Chin-Chuan
Date of appointment	2024/11/1
Pre-appointment accounting treatment methods or accounting principles for specific transactions and opinions on financial reports that may be issued Consultation matters and results	None
Written opinions from the succession accountants on matters with which the former accountant disagreed	None

(III) Reply letter from the former accountant to Item 1 and Item 2-3 in Paragraph 5 of Article 10 :None

V. The company's chairman, general manager, and managers responsible for financial or accounting affairs, who have worked in the certified public accountant's firm or its affiliates within the last year, should disclose their names, professional titles, and employment term, in the certified public accountant's firm or its affiliates. The so-called affiliated companies of the firm to which the certified accountant belongs refers to the accountants in the firm to which the certified public accountant belongs hold more than 50% of the shares or have obtained more than half of the board seats, or refers to companies or institutions listed as affiliated companies in the materials released or published by the certified public accountant's firm: None.

VI. Equity transfer and equity pledge changes of directors, supervisors, managers and shareholders with a shareholding ratio of more than 10% in the most recent year and as of the publication date of the annual report:

(I) Equity transfer and equity pledge changes of Shareholding changes of directors, supervisors, managers and major shareholders:

Title	Name	2024		As of Mar 30, 2025	
		Shareholding Increase (decrease) number	Number of pledged shares Increase (decrease) number	Shareholding Increase (decrease) number	Number of pledged shares Increase (decrease) number
Chairman and Chief Strategy Officer	Sung, Fu-Hsiang	5,000	-	15,000	-
Corporate Director	Trend Power Technology Holdings (Samoa) Co., Ltd (Representative: Sung,Wei-Jer)	-	-	-	-
Corporate Director Representative and General Manager	Sung,Wei-Jer	106,000	-	-	-
Director	Cheng, Duen-Chian	-	-	-	-
Independent Director	Hsueh, Pin-Pin	-	-	-	-
Independent Director	Yang, Cheng-Hsien	-	-	-	-
Independent Director	Chuang,Shih-Chang (Resign at 2024/3/4)	-	-	Not applicable.	Not applicable.
Independent Director	Kao,Chih-Ting	-	-	-	-
Independent Director	Wu, Huei-Yu				
Vice-President	Lee, Cheng-Hsin	-	-	-	-
R&D Associate	Lin, Chih-Hong	(14,740)	-	-	-
Chief Financial Officer	Chen, Po-Ta	16,000	-	-	-

(II) Transfer of equity by relative party: None

(III) Mortgage of equity by relative party: None

VII. Information on the relationship between the top ten shareholders and each other in financial Accounting Standards Bulletin No.6:

Information on the relationship between the top 10 shareholding holders

Mar 30, 2025

Name (Note 1)	I Shareholding		Spouse & Minor Shareholding		Shareholding by using other's name		The name and relationship of the top ten shareholders who are related to each other in financial Accounting Standards Communique No. 6 or are relatives within spouse or second cousin. (Note 3)		Remarks
	Number of shares	Shareholding Ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Course Name (Or Name)	Relations	
Bank SinoPac is entrusted to keep the special investment account of Trend Power Technology Holding (Samoa)	46,786,491	54.77%	-	-	-	-	Sunny Sky International Limited Whole Rich (BVI) Co.,Ltd	(Note 4) (Note 4)	
Bank SinoPac is entrusted to keep the special investment account of Whole Rich (BVI) Co., Ltd	4,283,709	5.01%	- -	- -	- -	- -	Trend Power Technology Holdings (Samoa) Co., Ltd Sunny Sky International Limited	(Note 4) (Note 4)	
Bank SinoPac is entrusted to keep the special investment account of Sunny Sky International Limite	3,695,400	4.33%	-	-	-	-	Trend Power Technology Holdings (Samoa) Co., Ltd Whole Rich (BVI) Co.,Ltd	(Note 4) (Note 4)	
New Labor Retirement Fund	2,668,900	3.12%	-	-	-	-	-	-	-
Standard Chartered Bank (Taiwan) Ltd., Taipei Branch, as Custodian for J.P. Morgan Securities Ltd. Investment Account	1,462,795	1.71%	-	-	-	-	-	-	-
HSBC Bank (Taiwan) Limited as Custodian for Société Générale European Options Investment Account	756,630	0.89%	-	-	-	-	-	-	-
Cathay Life Insurance Co., Ltd.	630,000	0.74%							
HSBC Bank (Taiwan) Limited as Custodian for Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. – Equity Trading Division	613,000	0.72%	-	-	-	-	-	-	-
Citibank (Taiwan) Ltd. as Custodian for Baring Bank – Internal Platform – Global Securities Lending Department Investment Account	608,000	0.71%	-	-	-	-	-	-	-
Citibank (Taiwan) Ltd. as Custodian for UBS Europe SE Investment Account	487,172	0.57%	-	-	-	-	-	-	-

Note 1: The top ten shareholders' names shall be identified separately (in the case of corporate shareholders, the corporate shareholders' names and representatives' names shall be identified separately).

Note 2: The ratio of shareholding is calculated in terms of own shareholdings, shares held by spouse & children under age or shareholdings by nominee.

Note 3: Relationship between the aforementioned shareholders (including juristic and natural persons) shall be disclosed.

Note 4: Ultimate controlling shareholder of Trend Power Technology Holdings (Samoa) Co., Ltd, Chairman of Simplo Technology Co., Ltd., Sung, Fu-Hsiang has a father and son relations with ultimate controlling shareholder of Sunny Sky International Limited and Whole Rich (BVI) Co., Ltd, Sung,Wei-Jer, who indirectly holds 100% of shares in Whole Rich (BVI) Co., Ltd and Sunny Sky International Limited through 100% owned Beyond One Co., Ltd, which hold 4,283,709 shares and 3,700,400shares of the Company, respectively, and 7,984,109 shares cumulatively. Shareholding ratios are5.01%and 4.33%, or cumulatively 9.34%.

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VIII. Information on top ten shareholders of the Company being related parties of one another as Summary of Total Ownership in Affiliated Company by the Company and its Directors, Supervisors, Managers, and Entities Controlled Directly and Indirectly by the Company

As of December 31, 2024

Investment business transferred	Ownership by the Company		Investment by director, supervisor, manager and companies directly or indirectly controlled by the Company		Comprehensive investment	
	Number of shares (in 1,000 shares)	Shareholding ratio	Number of shares (in 1,000 shares)	Shareholding ratio	Number of shares (in 1,000 shares)	Shareholding ratio
Trend Power Technology (Samoa) Co., Ltd.	182,153	100%	-	-	182,153	100%
DC-Link International Ltd.	9,977	100%	-	-	9,977	100%
Sunny Sky Group (Hong Kong) Limited	500	100%	-	-	500	100%
Trend Power Technology Private Limited	80,000	100%	-	-	80,000	100%
Trend Power Technology (Changshu) Inc.	65,999	99.99%	-	-	65,999	99.99%
Trend Power Technology (HK) Co., Limited	1,740	99.99%	-	-	1,740	99.99%
Trend Energy Technology Co. Ltd.	5,300	100%	-	-	5,300	100%
Trend Power Technology(USA) Co., Limited	10	100%	-	-	10	100%
Trend Power Technology (SuZhou) Co.,Ltd	114,456	100%	-	-	114,456	100%
Innovations Investment (BVI) Co., Ltd.	16,763	100%	–	–	16,763	100%
Legend Investment (BVI) Co., Ltd.	850	100%	-	-	850	100%
TREND POWER TECHNOLOGY (VIETNAM) COMPANY LIMITED	Note(1)	100%			Note(1)	100%
Trend Power Technology (Germany) GmbH	Note(1)	100%			Note(1)	100%
Legend Energy Co., Ltd.	2,300	100%	-	-	2,300	100%

Note(1): As a limited liability company, the Company does not issue shares.

Chapter IV. Capital Overview

I. Capital and Shares

(I) Source of Capital

Unit: NT$ 1000/share

Year/Month	Issued price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Share Capital Source	For which using assets other than cash to offset the share payment	Others
2020/1	10	300,000,000	3,000,000,000	1	10	Set-up capital	-	-
2020/2	10	300,000,000	3,000,000,000	(1)	(10)	Write-off capital	-	-
2020/2	10	300,000,000	3,000,000,000	63,750,780	637,507,800	Reorganization (issuing new shares)	-	-
2021/3	10	300,000,000	3,000,000,000	85,418,780	854,187,800	Cash increase of NT$ 216.68 million		(Note 1)

Note 1: Tai Cheng Shang (2) No.11017001371, dated January 15, 2021

Unit: Shares

Type of Shares	Authorized capital			Remarks
	Shares in Circulation (note)	Unused Shares	Total	
Registered Ordinary Share	85,418,780	214,581,220	300,000,000	(Note 1)

Note 1: The par value of the Company's ordinary shares is NT$ 10 yuan.

(II) List of Major Shareholders

2025/3/30

Shares / Name of Major Shareholders	Shareholding	Shareholding Ratio
Bank SinoPac Co., Ltd. as Custodian for Trend Power Technology Holding (Samoa) Ltd. Investment Account	46,786,491	54.77%
Bank SinoPac Co., Ltd. as Custodian for Whole Rich (BVI) Co., Ltd. Investment Account	4,283,709	5.01%
Bank SinoPac Co., Ltd. as Custodian for Sunny Sky International Limited Investment Account	3,695,400	4.33%
Labor Pension Fund (New Scheme)	2,668,900	3.12%
Standard Chartered Bank (Taiwan) Ltd., Taipei Branch, as Custodian for J.P. Morgan Securities Ltd. Investment Account	1,462,795	1.71%
HSBC Bank (Taiwan) Limited as Custodian for Société Générale European Options Investment Account	756,630	0.89%

Name of Major Shareholders / Shares	Shareholding	Shareholding Ratio
Cathay Life Insurance Co., Ltd.	630,000	0.74%
HSBC Bank (Taiwan) Limited as Custodian for Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. – Equity Trading Division	613,000	0.72%
Citibank (Taiwan) Ltd. as Custodian for Baring Bank – Internal Platform – Global Securities Lending Department Investment Account	608,000	0.71%
Citibank (Taiwan) Ltd. as Custodian for UBS Europe SE Investment Account	487,172	0.57%

(III) Company Dividend Policy and Its Implementation

1. Dividend Policy

The Company is now in the growth stage, and the dividends/bonuses of the Company can be distributed to the shareholders of the Company in cash and/or shares. The distribution of dividends/bonuses of the Company should take into account the Company's capital expenditure, future business expansion plans, financial planning and other plans for sustainable development.

Unless otherwise stipulated by the Cayman Act, the IPO regulations or the Articles of Association, or the rights attached to shares, if the Company has a surplus at the end of each fiscal year, it shall pay all relevant taxes, make up for losses (including the losses of previous years and adjust the undistributed surplus amount, if any) and allocate the statutory surplus reserve in accordance with the IPO regulations (but this is not applicable if the total of statutory surplus reserves has reached the paid-in capital of the Company). After the second special surplus reserve (if any) is set aside, the remaining amount (including the reversed special surplus reserve) may be paid to shareholders by ordinary resolution of the shareholders' meeting, which is not less than 10% of the distributable surplus, plus all or part of the accumulated undistributed surplus of the previous year (including the adjustment of the undistributed surplus amount) as determined by ordinary resolution of the shareholders' meeting of the Company, and dividends/bonuses shall be paid to shareholders according to their shareholding ratio, and the amount of cash dividends/bonuses shall not be less than 10% of the total dividends/bonuses paid this time.

2. Execution status

The company passed a resolution of the board of directors on March 4, 2025, and expected to distribute a cash dividend of NT$12.5 per share from undistributed earnings in 2024 (distribution of earnings for 2024), and plans to propose it to the shareholders' meeting for recognition on May 28, 2025. The dividend distribution plan is as follows

Advanced Energy Solution Holding Co., Ltd.
2024 Surplus Distribution Table

Unit: NT$ Yuan

Item	Amount
Opening Undistributed Surplus	NT$4,041,081,344
Add: 2024 After-tax Net Profit	2,168,613,004
Less: Set aside statutory surplus reserve (10%)	(216,861,300)
2024 Distributable Surplus	5,992,833,048
Surplus available for distribution as of 2024 Shareholders' dividend of surplus distribution (85,418,780 shares, each of which is allocated to NT$ 12.5)	(1,067,734,750)
Ending Undistributed Surplus	NT$4,925,098,298

Note 1:This cash dividend is calculated according to the distribution ratio until NT$ yuan, and the total number of abnormal zero items that are less than NT$ yuan will be discarded, and the decimal number will be adjusted from big to small and the account number will be adjusted from front to back in order to meet the total cash dividend distribution.

Note 2:Later, if the number of shares in circulation is affected due to the repurchase of shares of the Company, the transfer of treasury shares to employees, the conversion of convertible corporate bonds, the exercise of employee stock option certificates or other reasons, and the dividend payout ratio of shareholders changes and needs to be corrected, it is proposed to ask the shareholders' general meeting to pass a resolution and authorize the president of the board of directors to handle it with full authority.

Note 3:In this cash dividend distribution case, once the resolution of the shareholders' meeting is passed, the president of the board is authorized to set a dividend distribution base date for distribution.

(IV) The impact of the free allotment proposed by the shareholders' meeting on the company's operating performance and earnings per share: Not applicable

(V) Employee dividends and remuneration of directors and supervisors

1. The percentage range of employee dividends and remuneration of directors and supervisors set out in the Articles of Association of the Company

   Unless otherwise stipulated in the Cayman Act, IPO regulations or the Articles of Association, if the Company makes a profit in the current year, it shall, with the attendance of more than two-thirds of the directors of the board of directors and the resolution of more than half of the directors present, set aside not less than three percent of the employee's remuneration and distribute it to the employees in the form of shares and/or cash; At the same time, no more than 3% of the directors' remuneration may be allocated to the directors by the attendance of more than two-thirds of the directors of the board of directors and the resolution of more than half of the directors present. However, when the Company still has accumulated losses (including the adjustment of undistributed surplus), it shall reserve the compensation amount in advance, and then allocate the remaining amount to the employees and directors according to the aforementioned proportion. The compensation distribution of employees and directors shall be reported to the shareholders' meeting. Unless otherwise stipulated in the IPO regulations, the remuneration of directors shall not be paid by issuing new shares. The term "profit" in this item refers to the statement of pre-tax profit before deducting the remuneration of distributed employees and directors.

2. The estimation basis of the remuneration amount of employees, directors and supervisors in this period is based on the calculation basis of the number of shares of employees' remuneration distributed by shares and the accounting treatment if the actual distribution amount is different from the estimated amount.

   The Company has estimated employee dividends and directors' remuneration in 2024. If the actual distribution amount in the future is different from the estimated amount, the recognized cost will be adjusted before the consolidated financial report is issued, and it will be treated according to the change of accounting estimate after the consolidated financial report is issued, and recorded and adjusted in the next year.

3. The board of directors decides to distribute remuneration:

   (1).Amount of employee remuneration distributed in cash or stock and remuneration of directors and supervisors:

   On March 4, 2025, the Board of Directors of the Company approved that the following are proposed to distribute in cash:

The remuneration of directors is NT$ 7,000 thousand, and that of employees is NT$ 86,198 thousand.

If there is any difference with the annual estimated amount of recognized expenses, the difference number shall be disclosed, the reasons and treatment: None

(2).The proportion of employee compensation amount distributed by shares to the total after-tax net profit and total employee compensation in the current period: Not applicable

4. The actual distribution of the remuneration of employees, directors and supervisors in the previous year (including the number of shares distributed, the amount and the share price), and any differences between them and the recognized remuneration of employees, directors and supervisors, and the differences, reasons and treatment shall be stated: None

(VI) Shares of the Company bought back by the Company: None

II. Handling of corporate bonds: None

III. Handling of special shares: None

IV. Handling of overseas depositary receipts: None

V. Handling of employee stock option certificate: None

VI. Handling of new shares with restricted employee rights: None

VII. Handling of new shares issued by acquisition or transfer of shares of other companies None

VIII. Plan and implementation of capital utilization: The Company has no unfinished fund-raising plan or any situation that has been completed in the last three years and the benefits of the plan have not yet appeared.

Chapter V. Operation Overview

I. Business Content

(I) Business Scope

1. Main contents of the Business

The Company is a holding company, and its subsidiaries with operational functions mainly engage in the production and sales of lithium battery modules.

2. Business Proportion

Unit: NT$ thousand

Product Category	2024	
	Amount	Business Proportion
Lithium Battery Module	10,010,477	99.7%
Others	26,365	0.3%
Total Operating Income	10,036,842	100.0%

1. Current Product items:
   (1) Battery modules for indoor and outdoor mobile vehicles. The products are used in battery modules of lightweight electric vehicles such as electric bicycles, electric motorcycles and electric self-balancing scooters.
   (2) Battery module of medium and large industrial energy storage system
2. Planned new products
   (1) Storage equipment related battery module
   (2) Electric vehicle related battery module

(II) Industrial Overview:

1. Current situation and development of the industry

The industrial scale of batteries can be divided into primary batteries and secondary batteries. Secondary batteries refer to batteries that can be recharged after the power consumption is finished. If the service life of the battery ends after the power consumption, it is called a primary battery. According to the original distinction, secondary batteries can be divided into lead-acid batteries (PB), nickel-hydrogen batteries (NiMh), nickel-cadmium batteries (NiCd) and lithium secondary batteries (LIB).

According to the 2020 report of the International Strategic Development Institute for Industrial Technology of the Industrial Technology Research Institute, the lead-acid battery (PB) occupies the largest market share because of its mature technology and low price. With the evolution and development of portable electronic products, lithium battery (LIB) has become the mainstream of power secondary batteries in recent years with its advantages of high capacity, small size and light weight, and its market size is second only to lead-acid battery (PB). Under the influence of environmental protection and energy sustainability issues, the demand of electric vehicles and energy storage industry will gradually increase. It is estimated that the scale of lithium battery (LIB) in the global secondary battery market will grow at a compound annual growth rate of 30% from 2020 to 2030(from SNE Research), which is higher than that of lead-acid battery (PB) by 2.84%.

2. Current situation and development of electric bicycle industry

Roughly 90% of the global high-end bicycle market demand comes from the European and American markets, with 90% of that already using lithium-ion batteries (LIB). The overall market size was approximately 20 million units in 2022. In recent years, there has been a strong promotion of green energy and sports leisure trends in Europe and America, coupled with the increasing demand for assisted mobility among the elderly population, driving the continuous growth of electric bicycle demand. Of these, electric bicycles account for about 5.5 million units, with a current penetration rate of approximately 25%. The medium to long-term compound annual growth rate is estimated to be around 10-15%.Development status of backup batteries in global data centers.

3. Current Development Status of Backup Batteries in Global Data Centers

With the demand of 5G applications, cloud computing, visual data and the Internet of Things (IoT) for data storage, North American enterprises have invested heavily in building ultra-large-scale data centers. According to the statistics of TrendForce Green Energy Research, with the continuous growth of data center market, the demand for battery modules of medium and large industrial energy storage systems is increased, while lead-acid batteries are still the bulk of backup batteries in data centers at present. However, lithium battery solutions can effectively reduce the volume increase power system efficacy of backup power systems, so they have been adopted in large data centers gradually.

4. The relationship between upstream, midstream and downstream industries

Upstream	Midstream	Downstream
Raw material supplier: Electrode, electrolyte, isolation film, tank, etc.	Battery core manufacturers and battery module manufacturers	Battery application products: Manufacturers of all kinds of 3C electronic products, energy storage equipment, electric self-powered and electric vehicles, etc.

In the lithium battery industry, the upstream are mainly suppliers of raw materials such as electrodes, electrolytes, separators, tanks, etc., the midstream are manufacturers of battery cells and modules, and the downstream are manufacturers of various 3C electronic products, energy storage equipment, electric self-powered and electric vehicles, etc. The Group is mainly engaged in research and development, production and sales of lithium battery modules, ranking among the middle reaches of the lithium battery industry. The Group mainly puts forward product plans according to the requirements of customers of lightweight electric vehicles and battery modules of medium and large industrial energy storage systems, conducts customized R&D and design, hands over the R&D samples to customers for actual testing, and after the products that have passed the customer's test have obtained international certification, produces and ships the products with the final specifications and designs to customers.

5. Development trend of products

(1) New energy products

To mitigate air pollution on Earth, governments worldwide are actively promoting the use of electric vehicles, leading to an increase in demand for green energy. Additionally, last year, due to the impact of the COVID-19 pandemic, governments advocated for safe travel, reducing the use of public transportation, and other external factors. As a result, lightweight electric vehicles have become indispensable necessities in many countries globally. As of 2023, the overall market has surpassed the scale of five million units.

(2) Medium and large energy storage products

In various battery module application markets, in response to the huge demand for big data and public cloud and smart cloud, apart from the existing brand server manufacturers, all white brands, software and service providers have jumped into their own R&D resource research servers and other related structures. It has become a trend to use lithium battery pack to replace the uninterruptible power supply system such as lead-acid battery. The Group has been engaged in this field for many years, and achieved success in R&D and market development, which has brought substantial revenue benefits to the company gradually.

6. Competitive Situation

With the recent upsurge of environmental protection and new energy issues, the application of lithium battery module market has gradually grown, and more and more domestic and foreign manufacturers have joined the battery module market. Japanese, Korean and Mainland battery core factories have also integrated downward to produce battery modules. However, although industrial batteries have a high barrier to entry, and the Group is the main supplier of well-known international first-line manufacturers, its quality is certified and affirmed by international manufacturers, its cost is strictly controlled, and it is backed by a strong R&D and manufacturing team and management. In the future, the Group will extend its existing advantages, actively lay out, expand and build more diversified and healthier customer portfolios, so that AES can still grow steadily and continuously in the future.

(III) Technology and R&D Overview

1. Research expenses and R&D results

Fiscal year	R&D Expenditure (NT$ thousands)	Percentage of sales (%)	Major Achievements
2022	1,084,301	7.20	1. Communication model and extended simulation environment of electrical vehicle system. 2. Fulfillment of energy storage batteries to meet the fire regulation. 3. The integrated battery power management system
2023	1,077,470	10.74	1. The energy storage battery that meet the fire regulations 2. Integrated battery power management System 3. Battery life extension integration solution
2024	1,018,399	10.15	1. The repairable battery module design 2. Safety protection enhancement in the E-bike battery 3. Battery life extension integration solution
The first quarter of 2025	274,901	8.00	1. High power density battery module design 2. Integrated E-bike battery module design 3. Long life cycle battery capacity accuracy solution

2. Future R&D Plan

New Product Project	R&D Plan
Vehicle Battery	Lithium battery is already one of the most important components for automobile manufacturers to reduce carbon emissions at present. The Company has developed a kind of vehicle electricity that can operate normally in extreme weather conditions (high temperature, low temperature and high humidity), and strengthened its structural strength and waterproof ability to resist the weakening of structural materials caused by extreme weather, so as to meet the specifications of the car factory.
AUTOSAR	AUTOSAR vehicle software open platform is imported, which includes basic software module, application interface definition, etc. The basic software module layer in the layered software architecture can be applied to vehicles produced by different manufacturers and electronic components provided by different suppliers, thus reducing the research and development cost and adapting to the increasingly complex automotive electrical and software architecture. It can also enhance the safety and facilitate the replacement and upgrade of hardware and software in the life cycle of the automobile.
ISO26262	The software and hardware architecture of vehicle functional safety is developed. Through hazard analysis and V-model design architecture, the consistent analysis results of functional safety demand level are obtained, which is realized through design, development, verification and other processes, so that the product's functional safety meets the required vehicle safety integrity level.
High voltage battery module	According to the application requirements of high-voltage products, the Company develops high-voltage battery modules to enhance the technical capability of products. At the same time, it further improves the product design, enhances the quality of product design, expands the company's product line and increases the product profit.
Communication Battery Module	In response to the development of 5G in the future, due to its high distribution density of base stations, the estimated future output value is quite high. However, due to the requirements of high and low temperature environment and product life, the application of lithium batteries is quite different from that of existing products. Therefore, battery modules with integrated power source design to meet the requirements for its special applications are developed to replace the lead-acid battery market of the original communication base station and expand the original product line.
E-Bike Customized Lithium Battery Module	In view of a small number of diverse characteristics of the lightweight electric vehicle market, with the client frame design, the highly differentiated bicycle frame design is matched with a lithium battery module with a stable structure, which has passed the rigorous quality reliability test of the client. In terms of hardware and software compatibility, while helping customers develop new communication designs required for e-bike systems as well as the compatible lithium battery charging and discharging behaviors and capacity accuracy, the Company also needs to ensure that the battery protective mechanism meets cell specifications and various lithium battery safety laws and regulations. By integrating all these factors, the Company can create the ideal lithium battery modules for its customers.

(IV) Short- and Long-term Business Plans

1. Short-term business plan

(1). In the short-term, the Company will continue to develop domestic and foreign lithium battery module markets, strengthen customer relations, and optimize its products.

(2). The Company will reinforce existing customer relations and continue to deliver competitive products and services to customers in a timely manner.

(3). Continue to strengthen, recruit, and train R&D personnel, strengthen product R&D and innovation abilities and secure its leadership position in the industry.

(4). Actively develop high power battery modules and continue to enhance product quality and efficiency.

2. Long-term business plan

(1) In terms of business development, the Group has set the three following goals:

a. Continue to strengthen the product operations, management and logistics throughout the Group's global operational sites and provide comprehensive after-sale services.

b. Continue to acquire potential customers so as to expand its market share.

c. Strengthen integrative ability over the global supply chain in line with production and sales strategies to maintain competitiveness

(2) In terms of product development, the Group has set the four following goals:

a. By relying on past experiences and solid technical strengths, the Company will continue to strengthen its control over product development, production quality, and lead time.

b. Continue to develop customization and diversified services required by customers.

c. Continuous innovation and R&D to increase the competitiveness of existing lithium battery modules and technical competences.

d. Fulfill corporate social responsibility and to be eco-friendly by collaborating with suppliers to ban the use of environmentally hazardous substances.

(3) In terms of operations and financial strategies, the Group has set the two following goals:

a. Strengthen financial structure and the Company's framework through diverse financing channels in the capital market in line with the growth of the Company's operational scale, and to strive to become a large-scale enterprise through sound operations.

b. Strengthen educational training and to develop quality talents in response to the Company's HR demand needed for its growth.

II. Market and Production and Sales Overview

(I) Sales regions of main products and services

Fiscal year / Sales region		2023		2024	
		Sales amount	Ratio (%)	Sales amount	Ratio (%)
Sales region	America	2,330,778	23%	3,140,470	32%
	Europe	4,496,819	45%	2,999,290	30%
	Asia	3,023,753	30%	3,249,249	32%
	Oceania	159,277	2%	631,137	6%
	Africa	20,994	0%	16,696	0%
Net operating revenue		10,031,621	100%	10,036,842	100%

(II) Supply and Demand in the Market and Possible Future Growth

1. Market supply

The major raw material of lithium battery modules is the battery cell. Currently, most of the battery cells come from Japanese and Korean suppliers. Additionally, since China has the world's largest new energy vehicle market, there has been a rapid emergence of Chinese lithium battery manufacturers such BYD Co., Ltd., China BAK Battery, Inc., and Tianjin Lishen Battery Joint-Stock Co., Ltd. Nevertheless, their production capacity and quality are still behind their Korean and Japanese competitors. Alternatively, most of Taiwan's enterprises in the lithium battery industry are concentrated in the assembly of lithium battery modules and most of the battery cells are imported. In terms of competitiveness, besides professional module manufacturers, many foreign battery cell manufacturers have also expanded downstream to produce battery modules. Additionally, professional Taiwanese module manufacturers including Simplo Technology Co., Ltd., Dynapack International Technology Corporation, and Celxpert Energy Corporation have also secured steady market share in the market for lithium battery module for notebook PCs by relying on strengths in R&D, production, and cost. Nevertheless, as the growth of notebook PC and smartphone markets ebbs, the domestic enterprises have also begun to invest in applications fields such as automated vehicles, medical and healthcare, and energy storage one-by-one. The Group has achieved a head-start in investing in R&D for lithium battery modules for lightweight electric vehicles, and has seized the European and Japanese automated vehicle market. Currently, the Group's main competitors for the lightweight electric vehicles market are Bosch, BMZ, and Panasonic; as new competitors join the market in the future, the market competition for lithium battery modules in this market will also intensify accordingly.

2. Market demand

The Group’s products are mostly battery modules used in lightweight electric vehicles including e-bikes, e-motorbikes and electric self-balancing scooters, as well as medium/large industrial energy storage battery modules. Currently, the lightweight electric vehicle lithium battery modules are mostly sold to Europe and Japan. Furthermore, in terms of backup battery for data center, as the market for data centers continues to grow, the demand for backup batteries will also grow at the same time.

(III) Competitive Niches

1. Excellent product quality

The Group adheres to quality requirements, and through continuous communications with customers and investing in a large volume of automated production equipment, the Group is capable of producing high-quality and high-performance battery modules. Presently, the Company has received qualified safety certification for all products and passed on-site audits by top international manufacturers for its manufacturing and quality processes. Therefore, its quality is widely recognized by major international manufacturers.

2. High productivity with efficient lead time

Most of the Group's major customers are in Europe, the United States, and Japan, and shipping will take one to months. Hence, the Group needs to closely monitor market movements and adjust upstream components suppliers to timely adjust production processes and coordinate with downstream vendors so as to meet the customers' required lead time. The Group's high productivity, flexibility, and efficient lead time allows it to coordinate with downstream vendors to shorten the product shipping time. Additionally, the Group has also set up warehouses close to customers' production sites to provide just-in-time supplies.

3. Good design capability

The Group has been working in the field of lithium batteries for many years and has a customer base of major suppliers around the world. Therefore, the Company can meet various customer requirements in product specifications and product launch timelines with efficient, top-notch research and development ability. The Company is currently planning to expand to batteries for four-wheeled vehicles.

In the future, the Company will continue to attract high-end R&D talent to assist in entering new product fields and responding to future market demand in high-power lithium battery market. The Group believes that with constant innovation capabilities and continuous investment in research and development, it can achieve a leadership position in the battery module industry, and new products will also continue to turn a bright new leaf for the Group.

4. Cost advantages

The Group is proficient in cost control, enjoying greater bargaining power to compete in price and in winning orders. This comes thanks to enhanced production efficiency through continuous production process improvement, reduced procurement cost through economies of scale, reduced product cost through R&D design, and reduced G&A expenses through effective management. Furthermore, the Group closely monitors market trends and seeks for favorable development opportunities in line with customer developments.

5. Marketing strengths

In addition to the Group's advantages in research and development and product quality, it also fostered relations with domestic and foreign major manufacturers and built up a quality reputation in the industry. At present, its customer base has included most of the lightweight electric vehicle brands in the world. This is an affirmation to the product quality, and also makes the Company the world's most professional electric vehicle battery module supplier with R&D and production capacity.

(IV) Favorable and Unfavorable Factors in Development and Response Measures

1. Favorable factors

(1) Governments are promoting environmental protection and

green energy policies

Due to increased environmental awareness in recent years, various governments have promoted energy conservation and carbon reduction policies. Vehicles are moving toward low energy consumption and low pollution, while countries including Norway, the Netherlands, India, and Israel have set up schedules to ban the sale of petroleum-powered cars. Alternatively, electric cars are green products that are environmentally-friendly and conserve energy, and the US, Chinese, German, and Japanese governments are all providing incentives and subsidies to encourage the sale of electric cars. Additionally, major cities such as Milan, Paris, and London have revamped their cities during the COVID-19 pandemic and expanded bicycle lanes to implement "car-free plans", which makes bicycles the best alternative to walking. Furthermore, the French government is also encouraging its citizens to ride bicycles by providing incentives to e-bike buyers. These efforts indicate that the electric vehicle market will continue to grow, thereby driving up the demand for lithium batteries.

(2) Increased demand for information computing and storage has driven up the number of data centers

The demand from enterprise applications for artificial intelligence (AI), the Internet of Things (IoT), and big data, have already boosted the construction of large-scale data centers around the world in the past. Moreover, business opportunities from 5G and cloud-based needs including remote working, remote learning, and e-commerce, brought forth from the COVID-19 pandemic, have accelerated the development of cloud computing and data centers. Countries including those in North America are all actively planning and building data centers. As the burden of continuous operations from the data center falls on backup batteries, with the continued emergence of data centers, the demand for backup batteries will also soar accordingly.

(3) Lithium batteries are already replacing lead acid batteries

Armed with traits including high energy density, long cycle life and low pollution, the lithium batteries modules are gradually replacing lead acid batteries in its various applications. In the case of backup batteries for data centers, lithium batteries have longer useful life and higher discharge ratio compared with lead acid batteries, and can discharge higher power currents to data centers in very short periods of time to provide more buffer time for cloud-based data. Alternatively, the lead acid batteries have larger sizes, weigh more and have shorter useful life. Considering the costs associated with its maintenance, replacement and disposal, its initial lower acquisition cost will not be reflected on its overall cost. Solutions that adopt lithium batteries can effectively reduce the size of the backup power system. As lithium batteries are becoming more affordable, the ratio of introducing lithium batteries as backup batteries will quickly increase, and lithium batteries are primed to replace the lead acid batteries.

2. Unfavorable factors and response measures

(1) Major raw material battery cell is mostly manufactured by Japanese and Korean suppliers

Most of the world's battery cell supplies come from Japanese, Korean, and Chinese suppliers. Nevertheless, the Chinese suppliers still lag behind in terms of production capacity and quality, and currently, most of the Group's raw material (battery cell) is supplied by major Japanese and Korean battery cell suppliers. This makes the Group more susceptible to effects from lead time, price, and sufficiency in raw material supplies. If steady raw material supplies cannot be maintained, it will pose a certain degree of risk to the Group's operations.

Response measures:

a.Set up multiple battery cell suppliers and expand sources of battery cell to diversify the risk of supply concentration.

b.Ask customers to provide their scheduled needs to prepare sufficient battery cells.

c.Strategically prepare inventories to respond to market changes by predicting needed volume by referencing sales orders from major customers, and evaluating the changes in battery cell market.

(2) Increased labor costs leading to risk of increased operating costs in each year

Since enforcing the Labor Contract Law of the People's Republic of China, protective measures benefiting the workers are enforced in the formulation, termination, and rights and obligations associated with labor relations in China in order to protect the workers. In addition, due to increased education levels and income standards in China, the labor supply has been reduced with the shift in social values. The continued rise in labor costs have posed unfavorable effects on the enterprises' profitability.

Response measures:

a.By gradually acquiring semi-automated and automated equipment, the Company can enhance steady automated production and product yield.

b.Reduce effects from increased labor costs by taking measures including flexible production line adjustments, strengthening employees' education and training, and enhancing the employees' characters.

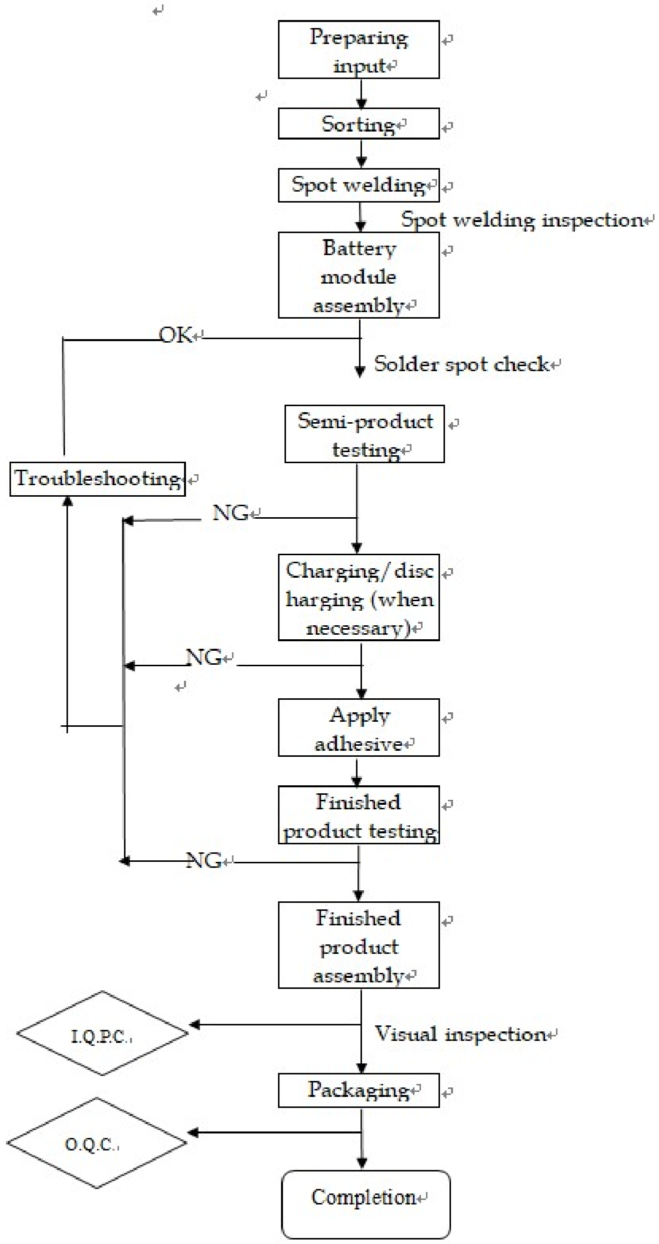
(V) Key Functions and Manufacturing Process of Major Products

1. Key functions of major products

The Group's major products are battery modules for lightweight electric vehicles and medium/large industrial energy storage systems.

2. Manufacturing process of the major products

Flow chart of production process for lithium-ion battery



(VI) Supply status of raw material

The Group has formed long-term, positive relations with raw material suppliers, as well as formed strategic partnerships with first-line Japanese and Korean battery cell manufacturers to achieve a supply-side competitive advantage and market competitiveness. Additionally, the Group also keeps a close eye on the raw material market to stabilize the purchasing price of key materials and sources of supply.

Major raw material	Supplier	Supply status
Battery cell	Company A	Good, stable

(VII) Major Customers/Suppliers that Accounted for 10% or More of Net Sales (Purchases), Amount, and Percentage in Any Given Year Within the Most Recent Two Years

1. Major Suppliers that Accounted for 10% or More of Net Purchases, Amount, and Percentage in Any Given Year Within the Most Recent Two Years:

Major suppliers for the most recent two years

Unit: NT$ thousand, %

	2023				2024				March 31, 2025			
Item	Course Name	Amount	Percentage in total net purchases for the year (%)	Relationship with the issuer	Course Name	Amount	Percentage in total net purchases for the year (%)	Relationship with the issuer	Course Name	Amount	Percentage in total net purchases as of the most recent quarter in the current year (%)	Relationship with the issuer
1	Company A	4,748,231	66.8	None	Company A	2,321,179	46.6	None	Company A	8,632	0.4	None
2	Others	2,364,289	33.2	None	Others	2,658,240	53.4	None	Others	2,164,359	99.6	None
-	Net purchases	7,112,520	100	-	Net purchases	4,979,419	100.0	-	Net purchases	2,172,991	100	-

Description: In 2024, the Group's purchase amount from Company A was NT$2,321,179 thousand, accounting for 46.6% of the overall purchase amount. The purchase amount decreased compared with the previous year, mainly due to the reduction in production demand..

2. Major Customers that Accounted for 10% or More of Net Sales, Amount, and Percentage in Any Given Year Within the Most Recent Two Years:

Major customers for the most recent two years

Unit: NT$ thousand, %

	2023				2024				March 31, 2025			
Item	Course Name	Amount	Percentage to total net sales for the year (%)	Relationship with the issuer	Course Name	Amount	Percentage to total net sales for the year (%)	Relationship with the issuer	Course Name	Amount	Percentage in total net sales as of the most recent quarter in the current year (%)	Relationship with the issuer
1	Company A	2,200,025	22	None	Company A	2,876,814	29	None	Company A	843,877	25	None
2	Company	1,296,313	13	None	Company B	745,618	7	None	Company B	415,715	12	None
-	Others	6,535,283	65	-	Others	6,414,410	64	-	Others	2,178,751	63	-
-	Sales	10,031,621	100	-	Sales	10,036,842	100	-	Sales	3,438,343	100	-

Description: The decrease in annual revenue was mainly due to reduced customer demand and changes in product mix.

III. Employee Information

Employee Information in the Most Recent Two Years up to the Date of Publication of the Annual Report

2025/5/9

Fiscal year		2023	2024	As of May 9, 2025
Number of employees	Indirect employees	568	581	632
	Direct employees	310	441	660
	Total	878	1022	1292
Average age		34.93	34.29	33.95
Average years of service		3.02	3.04	2.35
Academic distribution Ratio	PhD	7	6	6
	Master degree	205	212	232
	College or university	392	488	566
	High school or below	274	316	488

IV. Environmental Protection Expenditure

(I) Total amount of losses (including compensation and environmental protection inspection results, for violations of environmental protection laws and regulations. The punishment date, punishment number, provisions of laws and regulations violated, content of laws and regulations violated and punishment contents shall be listed) incurred by the Company due to environmental pollution in the most recent year up to the date of publication of the Annual Report:None.

(II) Future countermeasures (including improvement measures) and possible expenditures: The Company deeply understands the importance of environmental protection. In addition to strengthening employees' awareness of environmental protection and its implementation, the Company also actively complies with the requirements of the ISO14001 Environmental Management System, and has built an environmental management system that meets international standards. This is done to ensure the environmental considerations, impacts, and potential risks derived from the Company's various activities, products, and services can be prevented and controlled. In the future, the Company will continue to ensure the applicability, appropriateness, and effectiveness of the environmental management system with a spirit of continuous improvement going forward.

V. Labor Relations:

The Company always treats employees with trust and honesty, and has established a mutually trusting relationship with its employees through an employee benefit system that stabilizes employees' lives as well as sound education and training. There is a harmonious relationship between the employees and the employer.

(I) List all employee benefits, including advanced study, training, retirement policies and their implementation status. Also describe labor negotiations and measures taken to ensure employee rights.

1. Current major employee benefit plans, labor-management agreements and implementations thereof:

   In addition to generous salaries, year-end bonus, other benefits include share subscription, medical insurance, travel insurance, employee training, professional conferences, and educational opportunities, aiming to broaden employee perspectives, and to improve productivity.

2. Employee Training

   Each department takes into consideration employees' training needs during annual performance review. The employee development plans are formulated according to individual job requirements, industry experience, and personal qualifications. With the assistance of the human resources, the direct supervisor and the staff will decide jointly training method suitable for his or her needs. All employee training is approved by management.

3. Retirement system:

   The retirement system is governed by the local laws and regulations of the place of employment.

4. Labor negotiation and the assurance of employee rights

   The Company values employee feedback and maintains open communication with employees, who are encouraged to express their opinions directly to their immediate supervisors, via meetings or email. To date, there is no major labor issues with the Company.

5. Protective measures for work environment and employees' personal safety:

   The company for the battery module manufacturing and research and development of professional manufacturers, since its inception, is committed to lean production and excellent quality, and focus on research and development, in response to market demand, and uphold the "care for the environment, respect for life, care for the staff" concept, to achieve "environmental sustainability" and "safety and health of zero accidents" highest principle; Adopt ISO45001 in 2020: In 2018, it will ensure the applicability, suitability and effectiveness of occupational safety and health management system in the spirit of continuous improvement.

The occupational safety and health policy of the Company to achieve "Zero OHS Incident" is:

1. Compliance with regulatory undertakings.
2. Management of safety and health risks.
3. Implement continuous improvement.
4. All staff consultation and participation.

(II) Any loss from labor disputes in the most recent two years and up to the date of publication of the Annual Report: As of the date of the Prospectus, the Group has not experienced any loss from labor disputes.

VI. Information security management:

(I) Information Security Management:

1. Information Security Management Plan:

The senior executives of our company regularly focus on cybersecurity issues, with the Information Technology (IT) department being responsible for cybersecurity matters. The IT department is tasked with planning cybersecurity regulations and ensuring their implementation. The head of the IT department regularly participates in internal cybersecurity meetings and keeps abreast of cybersecurity issues. Additionally, the Audit Department serves as the supervisory unit for cybersecurity oversight. Each year, it conducts cybersecurity audits on the internal control system, specifically the computer system cycle, to evaluate the effectiveness of the company's internal control over information operations..

2. Information Security Policy :

Since the year 109 of the Republic of China (2020), our company has implemented the Trusted Information Security Assessment Exchange (TISAX), focusing on the assessment, risk evaluation, and management of two modules: Information Security Management System (ISMS) and Prototype Protection. In December of 2010, we obtained the TISAX AL2 certificate, followed by continuous improvement and third-party verification. In January of 2025, we achieved TISAX AL3 system certification.

Our IT management system continues to adhere to ISMS specifications in establishing information security policies and security management regulations to maintain the confidentiality, integrity, and availability of critical assets.

To protect the company's information assets from intentional or accidental destruction and ensure sustainable operation, we have formulated this

Information Security Policy to confirm the security of our critical information assets, including:

(1) Confidentiality: Ensuring that only authorized users have access to information.
(2) Integrity: Safeguarding the correctness and completeness of information and processing methods.
(3) Availability: Ensuring that authorized users can access information and related assets in a timely manner when needed.

Through the management of this policy, we clearly demonstrate our commitment to information security objectives, provide guidance to relevant personnel, and ensure compliance with the company's information security requirements and relevant regulations. This helps reduce the impact of any information security incidents and allows for the continuous operation and improvement of the information security management system while safeguarding the interests of our company and customers.

3. Specific Information Security Management Plan :

The company's information department has developed an information system management procedure that applies to the use of the company's computer information systems and enterprise network resources, with the aim of ensuring the correctness and security of the company's information data through the implementation of this procedure and the implementation of regulations by colleagues, providing management information, and assisting in data processing by various units. The main contents of the management procedure include the following：

(1) Use and cancellation of computer system resources：

Regulations on the control requirements for colleagues' use of computer system resources required for work, including the use application of PCs/NBs, installation of computer software, control of the internet access function of official NBs taken outside the factory, and the cancellation of the computer resource usage rights and accounts of departing employees.

(2) Data Backup and Disaster Recovery :

This section describes the backup policies and requirements for data backup operations, including setting backup schedules for server files and database backups to tape or offsite hard drives. The backup software will notify the management team via email if backup tasks are successful or not. The management team must respond immediately to address and resolve any backup failures, ensuring that the backups are completed correctly. Disaster recovery testing is required every six months and is the responsibility of the relevant department.

(3) Computer Virus Management：

This section outlines the company's approach to preventing computer viruses, including the installation of authorized antivirus software on all computers, periodic updates to virus definitions, and regular system and security updates via the Windows Update server. Proxy and firewall controls are used to manage Internet behavior.

(4) Email Management:

This section includes rules for using email, such as managing the number of recipients, the size of individual emails, and the handling of personal and external company emails .

(5) Internet Usage Management:

This section describes the rules for applying for and using the Internet, prohibiting browsing and gaming, shopping, audio, gambling, social media, illegal or violent websites, advertisements, adult content, free Internet resources, and controversial and dubious websites.

(6) Remote Access Management:

This section outlines the requirements for using VPN to access internal services from outside the company network. VPN access requires an application and a personal mobile device with OTP dual-factor authentication. The IT department checks VPN usage regularly and deactivates accounts that have not been accessed for over six months.

(7) Information Room Management:

This section specifies the access control requirements for information rooms and daily operations, including temperature and humidity control, UPS continuous power supply systems, environmental and equipment status checks, and automatic notifications of abnormal events.

(8) Monthly Information Security Meetings are convened to verify and review the implementation status of information security policies and information management schemes.

4.Our company adheres to the PDCA (Plan-Do-Check-Act) cycle of ISO 27001 management system for information security governance. We have appointed one Information Security Manager and one Information Security Officer in accordance with regulatory requirements. Annually, we conduct regular reviews of regulatory documents, perform two vulnerability scans, and conduct follow-up scans after patching vulnerabilities to confirm effectiveness. Additionally, we convene at least one Information Security Management Review Meeting annually to continuously review and improve our practices :

(II) Losses suffered, potential impact and response measures due to significant information and communication security incidents, as well as the impact and response measures of information and communication security risks on the company's financial and business operations: The Company did not experience any significant security incidents in 2022 that resulted in operational damage.

VII. Major Agreements: None

Chapter VI. Review and Analyses of Financial Position, Financial Performance and Risks

I. Comparative Analysis of Financial Position

Unit: NT$ thousand

Item \ Fiscal year	2024	2023	Variance	
			Amount	%
Current assets	17,149,460	13,433,844	3,715,616	28
Fixed assets	1,782,146	1,627,828	154,318	9
Other assets	1,647,307	3,449,127	(1,801,820)	(52)
Total assets	20,578,913	18,510,799	2,068,114	11
Current liabilities	5,363,693	5,151,203	212,490	4
Non-current liabilities	498,313	432,957	65,356	15
Total liabilities	5,862,006	5,584,160	277,846	5
Share capital	854,188	854,188	0	0
Capital surplus	6,069,940	6,069,940	0	0
Retained earnings	7,059,936	5,882,181	1,177,755	20
Total shareholders equity	14,716,907	12,926,639	1,790,268	14

Description of the change:
1. The increase in current assets was mainly due to an increase in cash and cash equivalents.
2. The decrease in other assets was primarily due to a reduction in refundable deposits.

II. Operating Results

(I) Analysis of Operating Results for the Most Recent Two Years:

Unit: NT$ thousand

Item \ Fiscal year	2024	2023	Increase (decrease)	Proportion of change (%)	Analysis of change
Operating revenue, net	10,036,842	10,031,621	5,221	0.05	
Operating costs	6,080,825	6,265,109	(184,284)	(2.94)	
Gross profit	3,956,017	3,766,512	189,505	5.03	
Operating expenses	1,576,706	1,575,856	850	0.05	
Operating income	2,379,311	2,190,656	188,655	8.61	
Non-operating income and profit	374,397	294,650	79,747	27.06	1
Pre-tax profit	2,753,708	2,485,306	268,402	10.80	
Income tax expense	585,048	517,025	68,023	13.16	
Net income for the period	2,168,660	1,968,281	200,379	10.18	
1. The increase in non-operating income and gains was primarily due to higher foreign exchange gains.					

III. Cash Flows

(I) Liquidity Analysis for the Most Recent Two Years

Item \ Fiscal year	2024	2023	Percentage of change (increase/decrease)
Cash flow ratio (%)	46.39	(5.16)	999%
Cash flow adequacy ratio (%)	81.5	66.82	22%
Cash reinvestment ratio (%)	22.58	9.56	136%

Analysis and description for changes: 1. Cash Flow Ratio: The increase in the cash flow ratio for 2024 was primarily driven by improved operating profitability. 2. Cash Reinvestment Ratio: The decline in the cash reinvestment ratio was mainly due to a decrease in net cash inflow from operating activities, resulting from higher cash receipts.

(II) Analysis of the cash liquidity for the following year

Unit: NT$ thousand

Cash at the beginning of the period Balance	Net cash flows expected from annual operating activities	Expected annual Cash outflow	Projected cash surplus	Insufficient cash flows Remedy for	
				Investment plans	Financial plan
4,885,933	4,681,922	(1,067,734)	8,500,121	None	None

IV. Major capital expenditure for the most recent year and its effect on financial position and operation of the Company: None

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

(I) Investment Policy:

The Company's investment policy is executed in line with the Group's operational needs. Sources of operating revenue from investees are from exports to European and American markets, and revenues are steady. At present, the investment policies and operation procedures follow the "Regulations Governing the Acquisition and Disposal of Assets" and "Measures for Supervision and Management of Subsidiaries" approved by the Board of Directors or shareholders' meeting, and operate in accordance with the investment cycle provisions of the internal control system. In addition to complying with the Company's regulations, the invested subsidiaries also consider the local laws and actual operating conditions in implementing proper internal control management.

(II) Major reasons for profit or loss of reinvestments and improvement plans:

Name of investor	Major reasons for investment gains or losses in the most recent year (2024)	investment gains or losses Major reasons for
Trend Power Technology (SAMOA) Co.,Ltd.	2,279,672	Mostly attributable to profits from investee affiliates.
DC-Link International Ltd.	71,195	Mostly attributable to profits from investee Trend Power Technology (Changshu) Inc.
Sunny Sky Group Limited	4,376	Mostly attributable to profits from investee Trend Power Technology (Changshu) Inc.
Trend Power Technology Private Limited	2,085,871	Mostly attributable to growth in revenue.
Trend Power Technology (Changshu) Inc.	467,426	Mostly attributable to growth in revenue.
Trend Power Technology (HK) CO.,Limited	3,839	Mostly due to the increase in interest income
Trend Energy Technology Co. Ltd.	30,506	Mostly attributable to growth in revenue.
Trend Power Technology (USA) CO.,Limited	16,654	Mostly attributable to growth in revenue.
Innovations Investment (BVI) Co., Ltd.	(55,764)	The company is still in the early stages of establishment.
Legend Investment (BVI) Co., Ltd.	44	The company is still in the early stages of establishment.
Legend Energy Co., Ltd.	(45)	The company is still in the early stages of establishment.
Trend Power Technology (SuZhou) Co.,Ltd	(55,803)	Newly established company
Trend Power Technology (BVI) Co., Ltd.	(39,221)	Newly established company
Trend Power Technology(Vietnam) Company Limited	(39,251)	Newly established company
Trend Power Technology (Germany) GmbH	(491)	Newly established company

(III) Continue to control costs, reach out to new customers and business volume, and seek for products with growth potential to achieve long-term profit growth.

(IV) Investment plans for the next year:

1. Continue to invest in the field development of new products in response to global trends.
2. Adhere to the principle of stability, to be able to flexibly adjust production capacity at any time to meet the needs of customers as the investment goal.
3. To seek targets with growth potential in the future, in order to develop new business areas to spread risks and lay the foundation for long-term development of the company.

VI. Analysis of Risk Management Evaluation:

(I) Effects on the Company's Profit and Loss from Changes in Interest Rate, Exchange Rates and Inflation, and Response Measures to Be Taken:

1. Effects on the Company's Profit and Loss

Item	2024 (NT$ 1,000;%)
Net interest revenue and expense	246,050
Net exchange gains and losses	72,992
Proportion of net interest revenue and expense on net operating revenues	2.5%
Proportion of net interest revenue and expense on net pre-tax profit	8.9%
Proportion of net exchange profit and loss on net operating revenues	0.7%
Proportion of net exchange profit and loss on net pre-tax profit	2.7%

(1) Changes in interest rates:

The Group's interest revenues are most generated as interest of demand deposits in the bank, while interest expenses are from loans taken out from financial institutions due to working capital needs. The Group's interest revenues in 2023 and 2024 were NT$305,260 thousand and NT$351,341 thousand, respectively, accounting for 12.3% and 12.8% on the pre-tax profits, respectively. Alternatively, interest expense were NT$87,695 thousand and NT$105,291 thousand, respectively, and account for3.5% and 3.8% on the pre-tax profit, respectively. The above figures indicate that changes in interest rates do not pose material effects on the Group's operations.

(2) Fluctuation in exchange rates:

The Group's physical operations are located in China and Taiwan and mostly sell to European and Japanese markets. The sales transactions are mostly denoted in USD and Japanese Yen (JPY), while the imported raw material purchases are also denoted in USD. Though natural hedging effects occur from offsetting the receivables and payables, foreign exchange at the operational sites is still necessary to maintain day-to-day operational needs using RMB and NTD. Therefore, exchange gains and losses will still occur.

(3) Inflation:

The Group has never experienced material effects from inflation in the past, and will continue to monitor changes in the global market and pay attention to whether risks from inflation arise going forward.

2. Future response measures:

(1) Changes in interest rates:

The Group has always formed and maintained good credit relations with the banks, as well as observes and understands the market interest movements. This will allow for more competitive interest terms when capital needs arise from expanding the Company's operational scale in the future. Moreover, sound financial planning and proper use of other financial tools will also help to reduce the risks from interest rate changes.

(2) Fluctuation in exchange rates:

a. The finance department maintains close contact with the financial institutions and collects relevant information on exchange rate fluctuations at all times. By staying updated with information on international exchange rate movements and using such information as reference, the Company can properly adjust foreign currency accounts to actively respond to effects from exchange rate fluctuations.

b. The business units would factor in possible effects from changes in exchange rate and adopt more conservative exchange rate as a basis when making a quote to customers, so as to reduce the effects from currency exchange fluctuations on profits on orders already received.

c. The Group regularly evaluates fluctuations in exchange rates, and adopt spot and forward exchange transactions as hedging measures at appropriate times in line with the Group's "Regulations Governing the Acquisition and Disposal of Assets" so that effects from exchange rate fluctuations on its profit and loss could be kept to a minimum.

(3) Inflation:

The Group maintains good interactions with suppliers and customers, and timely respond changes in market prices on product costs and selling prices. Therefore, inflation has not had material effects on the profit and loss of major subsidiaries.

(II) Policy regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future:

1. The Group is focused on its core businesses and operates on the basis of sound and practical management. It does not conduct high-risk and highly leveraged investments. In case the Company wishes to engage in various investment and derivative transactions in the future based on considerations of operating risks, the transactions will be carried out in line with operating procedures and regulations stipulated by the Company.
2. In 2024 and as of the date of publication of the Annual Report, the Group has only provided loans and endorsements/guarantees to affiliated companies included into the consolidated financial statements, and all operations were carried out in line with the Group's "Regulations Governing Loaning of Funds" and "Regulations Governing Making of Endorsements/Guarantees".

(III) R&D Plans, the Current Progress of Unfinished R&D Plans, R&D Expenses Required to be Reinvested, Estimated Time for the Completion of Mass Production, and Key Factors Affecting the Success of R&D in the Future:

1. Technologies and products currently developed by the Company:

New Product Project	R&D Plan
Vehicle Battery	Lithium battery is already one of the most important components for automobile manufacturers to reduce carbon emissions at present. The Company has developed a kind of vehicle electricity that can operate normally in extreme weather conditions (high temperature, low temperature and high humidity), and strengthened its structural strength and waterproof ability to resist the weakening of structural materials caused by extreme weather, so as to meet the specifications of the car factory.
AUTOSAR	AUTOSAR vehicle software open platform is imported, which includes basic software module, application interface definition, etc. The basic software module layer in the layered software architecture can be applied to vehicles produced by different manufacturers and electronic components provided by different suppliers, thus reducing the research and development cost and adapting to the increasingly complex automotive electrical and software architecture. AUTOSAR will reinforce security while adding to the convenience of replacing and upgrading software during the vehicle's product life.
ISO26262	The Company will develop automotive functional safety software and hardware framework to achieve consistent analytical results in functional safety needs through hazard analysis andV moduledesign framework. Additionally, the product's functional safety can meet complete vehicle safetythrough executing design, development, and verification processes.
High voltage battery module	High voltage battery modules will be developed to meet the application needs of high-voltage products. The Company will enhance product technical competency while improving product design and enhancing the quality of product design based on the legal requirements for high-voltage products. Concurrently, the Company's product line will be expanded to increase profitability.
Communication Battery Module	In response to the development of 5G in the future, due to its high distribution density of base stations, the estimated future output value is quite high. However, due to the requirements of high and low temperature environment and product life, the application of lithium batteries is quite different from that of existing products. Therefore, battery modules with integrated power source design to meet the requirements for its special applications are developed to replace the lead-acid battery market of the original communication base station and expand the original product line.
E-Bike Customized Lithium Battery Module	In view of a small number of diverse characteristics of the lightweight electric vehicle market, with the client frame design, the highly differentiated bicycle frame design is matched with a lithium battery module with a stable structure, which has passed the rigorous quality reliability test of the client.

	In terms of hardware and software compatibility, while helping customers develop new communication designs required for e-bike systems as well as the compatible lithium battery charging and discharging behaviors and capacity accuracy, the Company also needs to ensure that the battery protective mechanism meets cell specifications and various lithium battery safety laws and regulations. By integrating all these factors, the Company can create the ideal lithium battery modules for its customers

2. Expected R&D expenses to be invested: The Company expects to invest approximately 9% of its revenues toward R&D in 2025

(IV) Effects on the Company's Finance and Operations of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad, and Response Measures:

The Company is registered at the British Cayman Islands and has no real economic activities. Our major operations are in China and Taiwan, and the execution of every business activity is implemented in line with substantial foreign and domestic policies and legal requirements. The Group pays constant attention to information on changes in important policies and legal environment at home and abroad at all times, and makes timely preventive measures and preparations through various channels. In case such changes occur, in order to timely respond to market changes and to adopt appropriate response measures, the company also consults with relevant units such as attorneys and CPA, or commissions such units to evaluate and plan response measures. In the most recent year and as of the date of publication of this Annual Report, no material impacts have occurred to the Group's financial operations from important policies adopted and changes in the legal environment at the Cayman Islands and its country of major operations.

(V) Effects on the Company's Finance and Operations from Technological and Industry Changes and Response Measures:

Faced with rapidly changing technological and industry environments, the Group is constantly focused on technological and industry changes and makes continuous improvements to enhance productivity. As of the date of publication of the Annual Report, technological and industry changes have not had material effects on the Company's operations and finance.

(VI) Effect on the Company's crisis management of changes in its corporate image, and response measures:

The Group upholds the management principles of integrity, honesty, and sustainability, and has been focused on managing its core businesses and sees enhancing product quality as a priority while maintaining good labor relations since its establishment. The Group has always maintained a positive corporate image. As of the date of publication of this Prospectus, the Company's financial performance had not suffered material impact from changes to its corporate image.

(VII) Expected benefits and potential risks related to mergers and acquisitions: None

(VIII) Expected benefits and possible risks associated with any plant expansion:

Our company has planned to expand its operations in Vietnam by constructing additional factory facilities. The expected benefits of this expansion include increased production capacity, meeting market demand, enhancing competitiveness, and facilitating continued business growth. This expansion will enable our company to better adapt to changing market demands and lay a solid foundation for long-term development. However, the expansion also faces risks such as geopolitical and macroeconomic uncertainties, as well as challenges related to supply chain issues or regulatory restrictions that need to be overcome.

(IX) Risks associated with any concentrated sales or purchasing operations:

The Group maintains two or more suppliers for each raw material, and has been transacting with its major suppliers for many years and with whom the Group has formed good and steady partnerships. Additionally, the Group is also actively developing new suppliers to ensure that supply sources are steady. The risks associated with concentrated purchases are effectively managed

The Group is enhancing values of existing products to increase customer adhesion, and continues to develop new products and to expand to new customer groups to reduce risks associated with concentrated sales

(X) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands: None

(XI) Impact and risk associated with changes in management rights, and countermeasures: None

(XII) If there has been any substantial impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that was finalized or remained pending, the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case up to the publication date of this Annual Report shall be disclosed: None

(XIII) Information and communication security risks:

As network attack methods continue to evolve, information systems cannot completely avoid network attacks from any third party that may paralyze the system. However, the Company has developed information system management procedures to improve the information security environment and reduce information security risks. In the disaster recovery regulations, standard operating procedures such as backup and disaster recovery control measures have been established to establish a data backup mechanism for the Company's systems, and annual disaster recovery testing is conducted irregularly to ensure the normal recovery of information systems and reduce the risk of system interruption caused by unforeseen natural disasters or human error. In terms of user computer information security management, security policies have been established for employee email management, internet usage management, computer system resource management, computer virus management, file access control, remote access management, etc. Relevant security functions have also been deployed technically, including but not limited to: network firewalls, email security systems, virus protection systems, operating system updates, system vulnerability scans, etc., to control and reduce security risks

(XIV) Other Necessary Supplements: None

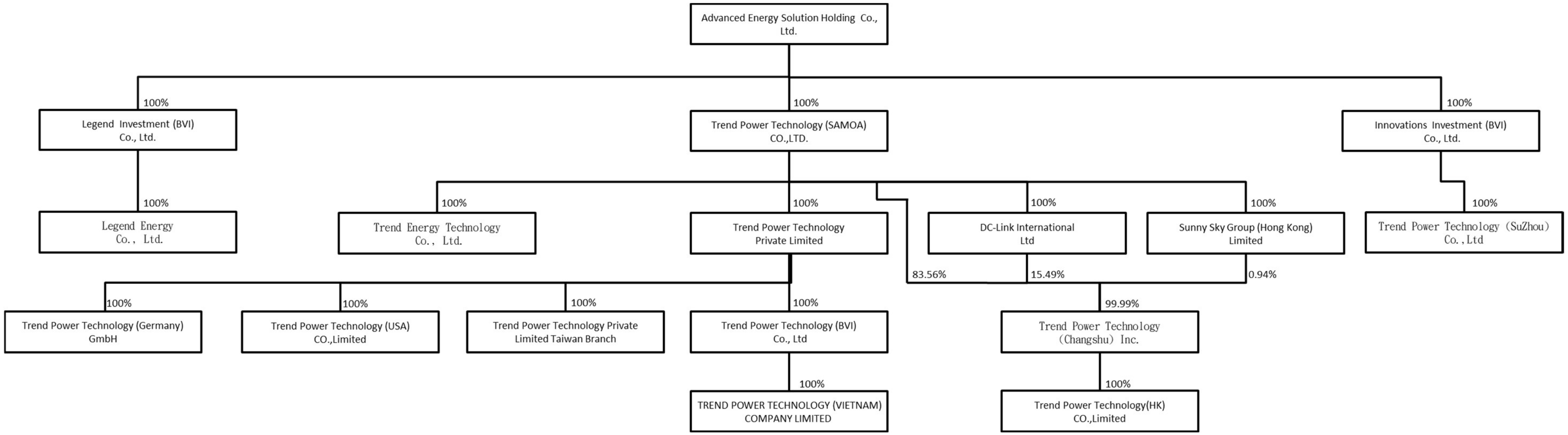
VII. Other major matters: None

Chapter VII. Special Disclosure

I. Information on Affiliates

(I) Organizational Chart of Affiliates

Date: March 31, 2025



(II) Information on the Affiliates

March 31, 2025

Name of Affiliate	Founding Date	Address	Paid-in Capital	Main Business Activities
Trend Power Technology (Samoa) Co., Ltd .	2013.11.28	Portcullis Chambers, P.O. Box 1225, Apia, Samoa	USD 182,153,000	Investment Business
Trend Power Technology (Changshu) Inc.	2014.2.10	No. 868, Dongnan Avenue, Changshu Hi-tech Industrial Development Zone, Jiangsu Province, Mainland China	RMB 66,000,000	Production and sales of large-scale industrial energy storage lithium-ion battery, precise mold for dynamic lithium-ion battery, blister, plastic injection molding, as well as related production equipment and parts and components for all products above; provision of related after-sale services and repair services; goods and technology export/import (excluding goods and technologies that the government prohibits the Company for export/import).
Trend Power Technology (HK) Co., Limited	2016.7.8	Rm. 2401, 24/F., 101 King's Road, Fortress Hill, HK	USD 1,740,000	Investment Business
Trend Energy Technology Co. Ltd.	2016.8.26	4F, No. 656, Sec. 2, Bade Rd., Hukou Township, Hsinchu County, Taiwan (R.O.C.)	NTD 53,000,000	Power generation, transmission, power distribution equipment manufacturing industry, wired communication machinery and equipment manufacturing industry, wireless communication machinery manufacturing industry, battery manufacturing industry, computer and peripheral equipment manufacturing industry, automobile and parts manufacturing industry, bicycle and parts manufacturing industry, general instrument manufacturing industry, wholesale of electronic materials, research and development services industry, energy services industry.
Trend Power Technology(USA) Co., Limited	2019.1.22	212N. 2nd St. STE 100,Richmond KY40475	USD 100,000	Trading of battery modules

Name of Affiliate	Founding Date	Address	Paid-in Capital	Main Business Activities
Trend Power Technology Private Limited	2019.7.31	16 RAFFLES QUAY #19-01 HONG LEONG BUILDING SINGAPORE(048581)	USD 80,000,000	Trading of battery modules
DC-Link International Ltd.	2017.1.4	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	USD 7,982,000	Investment Business
Sunny Sky Group (Hong Kong) Limited	2017.10.6	15/F., BOC Group Life Assurance Tower, 136 Des Voeux Road Central, Central, Hong Kong	USD 500,000	Investment Business
Advanced Energy Solution Holding Co., Ltd.	2020.1.9	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	NTD 854,188,000	Investment Business
Legend Investment (BVI)Co., Ltd.	2021.09.24	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands,VG1110	USD 850,000	Investment Business
Innovations Investment (BVI) Co., Ltd.	2021.09.24	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands,VG1110	USD 12,013,000	Investment Business
Legend Energy Co., Ltd.	2021.10.26	5F, No. 656, Sec. 2, Bade Rd., Hsinchu County, Taiwan (R.O.C.)	NTD 23,000,000	Investment Business
Trend Power Technology (SuZhou) Co.,Ltd	2022.07.04	No. 868, Dongnan Avenue, Dongnan Subdistrict, Changshu, Jiangsu Province, China	USD 16,760,000	Technical service, technical development, technical consultation, technical exchange, technology transfer, technology promotion; battery manufacturing; battery sales; mold manufacturing; mold sales; plastic product manufacturing; Self-service business activities according to law)
Trend Power Technology (BVI) Co., Ltd.	2022.06.29	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British	USD 20,760,000	Investment Business

Name of Affiliate	Founding Date	Address	Paid-in Capital	Main Business Activities
		Virgin Islands,VG1110		
TREND POWER TECHNOLOGY (VIETNAM) COMPANY LIMITED	2022.11.15	Lot CN-08, Hoa Phu Industrial Park, Mai Dinh Commune, Hiep Hoa County, Bac Giang Province, Vietnam	USD 22,000,000	Production of batteries and accumulators, in detail: production and processing of lithium-ion battery modules, lithium-ion batteries
Trend Power Technology (Germany) GmbH	2023.04.24	Rengoldshauser Strasse 12,D-88662 Uberlingen	EUR 25,000	Battery module research and development, as well as marketing support.

Note 2: Not applicable for the branch company

(III) Where there is considered to be a controlled and subordinate relation, the information of the same shareholders: None

(IV) Directors, Supervisors, and President of Affiliated Enterprises

March 31, 2025 Unit: 1,000 shares

Name of Affiliate	Title	Name or Representative:	Shareholding Shares	
			Number of shares	Shareholding Ratio
Trend Power Technology (Samoa) Co., Ltd .	Director	Sung, Fu-Hsiang	182,153	100%
Trend Power Technology (Changshu) Inc.	General Manager and Director	Lee,Cheng-Hsin (concurrently serves as Legal Representative)	65,999	99.99%
	Chairman	Sung,Wei-Jer		
	Director	Lu, Ming-hsing		
	Director	Lin, Chih-Hong		
	Director	Liu, Chih-Chiang		
	Supervisor	Zhang Qiu-Ying; Zhou, Zhi-Peng;Ma, Te-Lin		
Trend Energy Technology Co. Ltd.	Chairman, Director and President	Legal Representative, Trend Power Technology (Samoa) Co., Ltd.: Sung,Wei-Jer	5,300	100%

Name of Affiliate	Title	Name or Representative:	Shareholding Shares	
			Number of shares	Shareholding Ratio
Trend Power Technology (HK) Co., Limited	Director	Sung, Fu-Hsiang	1,740	100%
	Director	Sung,Wei-Jer		
Trend Power Technology(USA) Co., Limited	Director	Sung,Wei-Jer	10	100%
	Director	Lin, Chih-Hong		
Trend Power Technology Private Limited	Director	Sung, Fu-Hsiang	80,000	100%
	Director	Sung,Wei-Jer		
	Director	LEE CHOR KOON		
DC-Link International Ltd.	Director	Sung,Wei-Jer	9,977	100%
Sunny Sky Group (Hong Kong) Limited	Director	Sung,Wei-Jer	500	100%
Trend Power Technology Private Limited Taiwan Branch (Singapore)	Manager	Sung,Wei-Jer	Note 1	100%
Legend Investment (BVI) Co., Ltd.	Chairman and Direcor	Sung,Wei-Jer	850	100%
Innovations Investment (BVI) Co., Ltd.	Chairman and Direcor	Sung,Wei-Jer	12,103	100%
Legend Energy Co., Ltd.	Chairman and Direcor	Legend Investment (BVI) Co., Ltd. Legal Representative:Sung,Wei-Jer	2,300	100%
Trend Power Technology (SuZhou) Co.,Ltd	Director	Lee,Cheng-Hsin (concurrently serves as Legal Representative)	Note2	100%
	Chairman	Sung,Wei-Jer		
	Director	Zhou Zhi-Peng		
	Director	Lin, Chih-Hong		
	Director	Liu, Chih-Chiang		
	Director	Chen Po-Ta(Supervisor)		
Trend Power Technology (BVI) Co., Ltd.	Director	Sung,Wei-Jer	20,760	100%
TREND POWER TECHNOLOGY (VIETNAM) COMPANY LIMITED	Director	Lee,Cheng-Hsin (concurrently serves as Legal Representative)	Note2	100%
	Director	Sung,Wei-Jer		
	Director	Zhou, Zhi-Peng		
Trend Power Technology (Germany) GmbH	Chairman and Director	Sung,Wei-Jer	Note2	100%

Note 1: No applicable.
Note 2: This is a limited company with no issued shares.

(V) Overview on Operations from Affiliates

December 31, 2024 Unit: NT$ thousand

Company Name	Capital Amount	Total Assets	Total Liabilities	Net Worth (or Equity)	Operating Revenue	Operating Profit	Net Income (or Profit/Loss for the Period)	Earnings Per Share (EPS)
Trend Power Technology(Samoa) Co., Ltd	5,317,324	14,983,923	471,197	14,512,726	0	0	2,280,458	12.52
Trend Power Technology (Changshu) Inc.	293,574	8,581,899	2,444,168	6,137,731	6,217,353	468,931	467,426	7.08
Trend Energy Technology Co., Ltd.	53,000	624,111	150,541	473,570	593,444	17,858	30,506	5.76
Trend Power Technology(HK) Co., Limited	55,440	77,171	0	77,171	0	-89	3,839	2.21
Trend Power Technology(USA) Co., Limited	3,149	1,854,468	1,805,044	49,424	3,029,640	11,211	16,654	1,670.54
TREND POWER TECHNOLOGY PRIVATE LIMITED	2,496,098	13,113,896	5,068,824	8,045,072	12,265,297	2,400,332	2,085,871	26.07
DC-Link International Ltd.	242,025	950,752	0	950,752	0	0	71,195	7.14
Sunny Sky Group (Hong Kong) Limited	15,051	57,929	0	57,929	0	(43)	4,376	8.75
Legend Investment (BVI) Co., Ltd.	23,528	20,217	0	20,217	0	0	44	0.05
Innovations Investment (BVI) Co., Ltd.	511,758	266,775	0	266,775	0	0	(55,764)	(4.64)
Legend Energy Co., Ltd.	23,000	19,591	0	19,591	0	(50)	(45)	(0.02)
Trend Power Technology (SuZhou) Co.,Ltd	356,337	510,475	502,777	236,163	266,614	100,704	(99,586)	Note 1
Trend Power Technology (BVI) Co., Ltd.	638,773	626,096	0	626,096	0	0	(39,221)	(1.31)
TREND POWER TECHNOLOGY (VIETNAM) COMPANY LIMITED	646,256	890,875	265,177	625,698	0	(28,639)	(39,251)	Note 1
Trend Power Technology (Germany) GmbH	766	140	51	89	0	(491)	(491)	Note 1

Note 1: This is a limited company with no issued shares, hence EPS is not shown.

(VI) (Consolidated Financial Statements of Affiliated Enterprises

The consolidated financial statements of the Company's affiliated enterprises can be accessed at the following URLs:

Market Observation Post System (MOPS):
https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=6781&year=113&seamon=&mtype=A&

Company Website:
https://www.advancedenergysolution.com.tw/download.php?lang=tw&tb=3&cid=-1

II. **Where the Company has carried out a private placement of securities during the most recent fiscal year and up to the date of publication of the Annual Report, the following information shall be disclosed: the date on which the placement was approved by the Board of Directors or by a shareholders' meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the Company, participation in the operations of the Company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan: None**

III. **Other Supplementary Information:**

Explanation of Significant Differences Compared to the Domestic Shareholders' Rights Protection Provisions: The Company revised its Articles of Association according to the important shareholder protection related matters provided by the "Foreign Issuer's Checklist for the Protection of Shareholders' Rights in the Country of Registration". However, some important matters concerning the protection of shareholders' rights and interests are not applicable under the laws of the Cayman Islands, so they have not been amended in the Company's Articles of Association. Please refer to the following table for details:

Differences	Cayman law and description	Memorandum and Articles of Association ("AOA") regulations and description
In case of shares of a company purchased by the company to be transferred to its employees, the company may restrain such shares from being assigned or transferred to others within a specific period of time which shall in no case be longer than two years.	The directors of the company have the discretion to determine terms and conditions on treasury shares; also the Cayman Islands Companies Law ("Companies Law") does not include any requirements on employee incentive plans.	As defined in Article 1 of the AOA, treasury shares are shares issued by the Company pursuant to the AOA, the Companies Law, and listing regulations that are purchased, redeemed or otherwise acquired by the Company and are not cancelled. The restrictions are therefore stated in **Article 40D** of the AOA. According to the Cayman lawyer, however, the restrictions agreed between the Company and the employee is a contractual matter between themselves.
6. The following matters shall	The Companies Law does	As the Companies Law does not

Differences	Cayman law and description	Memorandum and Articles of Association ("AOA") regulations and description
be enumerated and explained in the notice to convene the shareholders meeting, with key information being provided, and should not be proposed by way of an extemporary motion at the meeting; material contents of such matters may be uploaded onto the website designated by the TWSE, TPEx or the Company with the address of website indicated in the notice: (1) Election or discharge of director(s) and supervisor(s); (2) Amendment to the memorandum and articles of association; (3) Reduction in share capital; (4) Application for de-registration as a public company; (5) Dissolution, merger, share transfer and split-up of the company; (6) Signing of, amendment to or termination of a contract in respect of lease of all business, appointment of an agent to operate business, or regular joint operation with a third party; (7) Assignment of all or major business or assets; (8) Assumption of all business or assets of a third party that may have a significant impact on the operation of the company;	not have specific regulations on extemporary motion. According to the Cayman lawyer, with regard to extemporary motion, a notice of shareholders' meeting should specify issues to be discussed at the meeting as well as related information to help shareholders understand the issues. While the notice of shareholders' meeting usually includes the section of "any other proposals", that section should cover only issues of an informal or insignificant nature. The chairperson of the meeting should not propose any important issue by way of an extemporary motion. In the event of an important issue not scheduled for discussion, another meeting should be convened for discussion and resolution according to the procedure. In case of emergency, however, where an additional issue must be discussed at the shareholders' meeting, specific information about the issue must be proposed again for ratification at the next meeting. Despite of the fact the Cayman law does not include an explicit prohibition on extemporary motion, the Cayman lawyer advised against any extemporary motion at a shareholders' meeting.	have specific regulations on extemporary motion, the requirement under Item 6 is provided in **Article 50** of the AOA. According to the Cayman lawyer, with regard to extemporary motion, a notice of shareholders' meeting should specify issues to be discussed at the meeting as well as related information to help shareholders understand the issues. While the notice of shareholders' meeting usually includes the section of "any other proposals", that section should cover only issues of an informal or insignificant nature. The chairperson of the meeting should not propose any important issue by way of an extemporary motion. In the event of an important issue not scheduled for discussion, another meeting should be convened for discussion and resolution according to the procedure. In case of emergency, however, where an additional issue must be discussed at the shareholders' meeting, specific information about the issue must be proposed again for ratification at the next meeting.

Differences	Cayman law and description	Memorandum and Articles of Association ("AOA") regulations and description
(9) Issue of securities of a nature similar to shares in private placement; (10) Approval of performance of activities by director in violation of non-compete restrictions; (11) Allocation of all or part of share dividends and bonuses through issue of new shares; (12) Allocation of legal reserve and additional paid-in capital from the income derived from the issuance of new shares at a premium or from endowments received by the company by issuing new shares or by paying cash to original shareholders through issue of shares.		
When voting rights are to be exercised in writing or by way of electronic transmission, the method for exercising the voting power shall be described in the shareholders' meeting notice to be given to the shareholders. A shareholder exercising his or her voting rights in writing or by way of electronic transmission is deemed present at the shareholders' meeting in person, but will be deemed to have waived his or her rights to cast votes on issues proposed by way of an extemporary motion and amendment to an existing proposal.	The Companies Law does not have any specific regulations on the requirement under Item 3.	As the Companies Law does not have any specific regulations on the first part of requirement under Item 3, the first part of the requirement under Item 3 is provided in **Article 68** of the AOA. Also, according to the Cayman lawyer, a shareholder casting votes in writing is deemed to have appointed the chairperson of the meeting to cast votes on his or her behalf. Thus, with reference to the Cayman lawyer's opinion, the second part of the requirement under Item 3 is provided in **Article 68** of the AOA (i.e. a shareholder exercising his or her voting rights in writing or by way of electronic transmission is deemed to have authorized the chairperson of the meeting to

Differences	Cayman law and description	Memorandum and Articles of Association (“AOA”) regulations and description
		exercise his or her rights at the shareholders' meeting as instructed in the written or electronic instructions, but the shareholder will be deemed to have waived his or her rights to cast votes on issues proposed by way of an extemporary motion and amendment to an existing proposal at the shareholders' meeting, provided that the above authorization shall not work as appointment of agent under the listing regulations).
5. If a shareholder decides to attend the shareholders' meeting in person after he or she has exercised his or her voting rights in writing or by way of electronic transmission, he or she should revoke the declaration of intent to exercise of voting rights in the same manner as how he or she has exercised voting rights two days before the shareholders' meeting, or he or she shall still be deemed to have exercised his or her voting rights by writing or by way of electronic transmission.	The Companies Law does not have any specific regulations on the requirement under Item 5.	As the Companies Law does not have any specific regulations on the requirement under Item 5, the requirement under Item 5 is provided in **Article 70** of the AOA. According to the Cayman lawyer, under common law, a person may revoke its proxy by attending the meeting in person. In view that a shareholder exercising his or her voting rights in writing or by way of electronic transmission is deemed to have authorized the chairperson of the shareholders' meeting to exercise voting rights on his or her behalf according to his or her written or electronic instructions, the requirements under Item 5 may not be enforceable.
4. If a shareholder decides to attend the shareholders' meeting in person or exercise his or her voting rights in writing or by way of electronic transmission after his or her proxy has been	The Companies Law does not have any specific regulations on proxy or solicitation of proxies.	As the Companies Law does not have any specific regulations on proxy or solicitation of proxies, the requirement under Item 4 is provided in **Article 62B** of the AOA. According to the Cayman lawyer, under common law, a person may revoke its proxy by

Differences	Cayman law and description	Memorandum and Articles of Association ("AOA") regulations and description
delivered to the company, he or she should issue a written notice to the company to revoke the authorization two days before the shareholders' meeting, or he or she shall still be deemed to have authorized his or her proxy to vote at the meeting.		attending the meeting in person. Therefore, the requirements under Item 4 may not be enforceable.
For any of the following proposals materially involving shareholders' rights and interests, a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares is required. In case where shares represented by the shareholders attending the shareholders' meeting are less than the preceding minimum requirement, as an alternative, the proposal may be adopted by two-thirds or more of the attending shareholders who represent a majority of the total number of its outstanding shares: 1. The company's signing of, amendment to, or termination of a contract in respect of lease of all business, appointment of an agent to operate business, or regular joint operation with a third party, assignment of all or major business or assets, assumption of all business or assets of a third party that may have a significant	With respect to Items 1, 4, 5 (Split-up) and 6, the Companies Law does not provide any special requirement or prohibition. With respect to Items 2 and 3, §24 of the Companies Law provides that any and all changes or amendments to the memorandum and articles of association shall be approved by special resolution. With respect to Item 5 (Dissolution), §116 of the Companies Law provides that a company's voluntary dissolution is subject to special resolution; in case of a voluntary dissolution due to insolvency, a resolution at shareholders' meeting is required. According to the Cayman lawyer, the above shareholders' resolution could be	I. As the Companies Law does not contain any specific requirement or prohibition on the provision on split-up in Items 1, 4, 5 and 6, the requirements on split-up under Items 1, 4, 5 and 6 are separately provided in **Article 32(a)(b)(c)(d)(g)(h)** of the AOA, stating split-up is subject to resolution requiring more approval votes at shareholders' meeting, i.e. Supermajority Resolution Type A or Supermajority Resolution Type B (as defined above). II. As provided in §24 of the Companies Law, any and all changes or amendments to the memorandum and articles of association shall be approved by special resolution. So the requirement under Item 2 is provided in **Article 156** of the AOA, which states the Company may amend its memorandum and/or AOA at any time by special resolution. The requirement on attendance of shareholders at the

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impact on the operation of the company; 2. Amendment to the memorandum and articles of association; 3. If an amendment to the memorandum and articles of association will jeopardize the rights and interest of preferred shareholders, the amendment is subject to approval of a preferred shareholders' meeting; 4. Allocation of all or part of share dividends and bonuses through issue of new shares; 5. Resolution on dissolution, merger or split-up; and 6. share swap.	ordinary resolution, special resolution or a resolution requiring more approval votes provided in the memorandum and articles of association. Given that the AOA does not provide requirements on this matter, an ordinary resolution will suffice. In addition, with respect to Item 5 (Merger), according to the Cayman laywer, §233(6) of the Companies Law provides that a special resolution is required, unless otherwise provided in the memorandum and articles of association.	shareholders' meeting is based on the provisions of Article 51 of the AOA, i.e. shareholders representing a majority of all issued voting shares attending at the meeting in person or by proxy. III. According to §24 of the Companies Law, any and all changes or amendments to the memorandum and articles of association shall be approved by special resolution. So the requirement under Item 3 is provided in Article 18 of the AOA, which states that if an amendment to the AOA will jeopardize the rights and interest of preferred shareholders, the amendment must be approved both with special resolution at a ordinary shareholders' meeting and special resolution at a preferred shareholders' meeting. The requirement on attendance of shareholders at the shareholders' meeting is based on the provisions of Article 51 of the AOA, i.e. shareholders representing a majority of all issued voting shares attending at the meeting in person or by proxy. IV. With respect the provision on dissolution under Item 5, according to §116 of the Companies Law, a company's voluntary dissolution is subject to special resolution; in case of a voluntary

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		dissolution due to insolvency, a resolution at shareholders' meeting is required. According to the Cayman lawyer, the above shareholders' resolution could be ordinary resolution, special resolution or a resolution requiring more approval votes provided in the memorandum and articles of association. So the requirement on dissolution under Item 5 is provided in **<u>Article 33</u>** of the AOA, which states if the Company is subject to voluntary dissolution due to inability to repay debts that are due, the dissolution shall be approved by resolution requiring more approval votes at shareholders' meeting, i.e. Supermajority Resolution Type A or Supermajority Resolution Type B, as defined above (**<u>Article 33(a)</u>**). If the Company is subject to voluntary dissolution for other reason, the dissolution shall be approved by special resolution (**<u>Article 33(b)</u>**). The requirement on attendance of shareholders at the shareholders' meeting is based on the provisions of Article 51 of the AOA, i.e. shareholders representing a majority of all issued voting shares attending at the meeting in person or by proxy. V. With respect the provision on merger under Item 5, according to the Cayman

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		lawyer, as provided under §233(6) of the Companies Law, merger shall be subject to approval by special resolution or handled in accordance with the memorandum and articles of association where the requirement on resolution is otherwise provided in the memorandum and articles of association. So the requirement on merger under Item 5 is provided in **Article 31(C)** of the AOA. The requirement on attendance of shareholders at the shareholders' meeting is based on the provisions of Article 51 of the AOA, i.e. shareholders representing a majority of all issued voting shares attending at the meeting in person or by proxy.
Regulations on supervisors.	The Companies Law does not have any specific regulations on supervisors.	The AOA is not amended for this purpose as the Company does not have any supervisor.
1. A shareholder holding 1% or more of the Company's total issued shares for six consecutive months or longer may request in writing the supervisor to institute an action against the director on behalf of the Company, in which case the Taiwan Taipei District Court shall be the court of first instance. 2. In the absence of action initiated by supervisor after 30 days of a shareholder's request, the shareholder may initiate an	The Cayman law does not provide any specific requirement or prohibition. According to the Cayman law, a shareholder may file an action on behalf of the company against: (A) an action that is illegal or not within the powers or authority of the company, and therefore cannot be ratified by shareholders; or (B) an action constituting fraud against minority shareholders (i.e. the purpose of the action is to seek relief against majority	The Cayman law does not provide any specific requirement or prohibition, and the Company does not have a supervisor and instead has established the audit committee. With reference to TWSE Tai-Zheng-Shang-Zi No. 1011702189 Letter of July 27, 2012, providing that supervisors shall be replaced by independent directors of the audit committee, the requirement on replacement of supervisors by audit committee under Items 1 and 2 is provided in Article 123 of the AOA, and the governing court (including the Taiwan Taipei District Court, if

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action for the Company, in which case the Taiwan Taipei District Court shall be the court of first instance.	shareholders who will not allow the company to do nothing against the plaintiff to the action seeking relief, provided that the shareholder must prove the occurrence of fraud and that the person engaging in unlawful activities has controlling power over the company before an action may be initiated.) To the extent that an action is performed within the powers of the company, or an action performed is not within the powers of the company but can be ratified by shareholders, generally the Cayman court will not interfere with the company's internal acts. We have doubt on the enforceability in Cayman Islands of this provision if it is incorporated into the AOA of the Company because the courts of Cayman Islands are unlikely to recognize and enforce foreign judgment which is not the monetary judgment without any re-examination of merits of the underlying dispute.	applicable) shall have jurisdiction over the matter. Also according to the Cayman lawyer, Article 123 of the AOA must be in consistence with the Cayman law, which states that if the director believes filing of an action is not beneficial to the company, the director shall not be liable to initiate an action against other directors of the company despite of the request of a shareholder holding more than 1% of the shares.
1. Directors of the company shall have the loyalty and shall exercise the duty of care as good administrators in conducting the business operation of the company. Director shall be liable for damages to the company in the event of a violation of the above. If the act was	According to the Cayman law, directors have fiduciary duties to the company. In the event of damage to the company due to violation of the duties, the court of law may order the directors to be liable for damage compensation. If directors	By referring to the Cayman lawyer (see the left column for details), we have included the requirements under Items 1, 2, and 3 in **<u>Article 97B</u>** of the AOA. According to the Cayman lawyer, however, despite of the fact that the AOA provides directors and the Company have joint and

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performed for themselves or others, the shareholders may resolve at a general meeting to treat the gains from the act as the gains of the company. 2. If directors have, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, the directors and the company shall be jointly and severally liable for the damages to the injured. 3. Within the scope of performance of their duties and functions, managers and supervisors of the company shall have the same liability as the directors of the company.	violated their fiduciary duties for themselves or others and have gained profits as a result, the court may order return of the profits derived therefrom. According to the Cayman law, if a director causes damage to a third party during performance of company business, the third party may claim damages against the company, and the company may further claim compensation by the director for losses arising from the third-person claim. Despite of the fact that the AOA provides directors and the Company have joint and several liability, from the perspective of the Cayman law, the third party cannot directly claim against the director.	several liability, from the perspective of the Cayman law, a third party cannot directly claim against the director.

Chapter VIII. Situations Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities Occurring During the Most Recent Fiscal Year and Up to the Date of Publication of the Annual Report

Any Events in 2024 and as of the Publication Date of the Annual Report that Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Item 2 Paragraph 2 of Article 36 of Securities and Exchange Act of Taiwan: None

Advanced Energy Solution Holding Co., Ltd.

Chairman: Sung Fu-Hsiang