Stock Code: 1529

LUXE 樂事綠能 ENERGY

(Originally: Luxe Electric Co., Ltd)

2024 Annual Report

Published on May 23, 2025

Website for annual report inquiries/

● TWSE “Market Observation Post System”: http://mops.twse.com.tw

● Company website:http://www.luxe.com.tw

I. Name, title, phone number, and email address of the Company’s spokesperson and deputy spokesperson

Speaker: Chieh-Jen Chen; Title: Chairman
Deputy spokesperson: Chun-Hsiang Teng; Title: Vice President
Tainan Headquarters Telephone: (06)221-7189
Taipei Branch Telephone: (02)2559-1021
Email:luxe@luxe.com.tw

II. Address and phone number of the headquarters, branch and factory

Unit	Address	Telephone	Fax
Headquarters	7F.-1, No. 114, Chenggong Rd., North Dist., Tainan City	(06)221-7189	(06)221-3669
Taipei Branch	4F-2, No. 188, Sec. 5, Nanjing East Rd., Songshan Dist., Taipei City, Taiwan	(02)2559-1021	(02)2559-1071
Yang Mei Plant	No. 19, Aly. 22, Ln. 796, Sec. 1, Minfu Rd., Yangmei Dist., Taoyuan City	(03)478-5877	(03)478-6015
Tainan Factory	No. 336, Zhongzheng 3rd Street, Yongkang District, Tainan City	(06)253-2226	(06)253-2179

III. Name, address, website and phone number of the stock transfer agent

Name: President Securities Corporation
Address: B1, No. 8, Dongxing Rd., Songshan Dist., Taipei City
Website: www.uni-psg.com
Telephone: (02)2747-8266

IV. Name of CPA and name, address, website and phone number of the accounting firm for the financial statements in the most recent year:

Name of CPA: Ying-Lai Chou and Chia-Yu Lai
Name of firm: Baker Tilly Clock & Co
Address: 14F (top floor), No. 111, Sec.2, Nanjing E. Rd., Taipei City
Website: http://www.bakertilly.com.tw/
Telephone: (02)2516-5255

V. Name of the exchange where our securities are traded offshore, and the method with which the information of the offshore securities is accessed: None.

VI. Company website: www.luxe.com.tw

Luxe Green Energy Technology Co., Ltd.

Contents of 2024 Annual Report

I. Letter to Shareholders

Dear shareholders,

The consolidated net operating income for 2024 was NT$696,439 thousand, a decrease of NT$55,931 thousand from the net operating income of NT$752,370 thousand in 2023. This was mainly due to the delay in the installation of Taipower's pad-mounted transformers in 2024. Gross profit totaled $129,239 thousand, a decrease of $28,794 thousand compared to the previous year. The gross profit margin declined slightly to (19%) from (21%) last year, primarily due to the impact of yield rates for certain product batches in 2024. Operating profit was $71,468 thousand, a decrease of $23,034 thousand from 2023, affected by the delayed delivery of Taipower's pad-mounted transformers. Due to factors such as fair value losses on marketable securities and rising bank interest rates, the Company recorded a pre-tax net loss of $74,391 thousand.

	Energy Business Group	Electrical Engineering Business Group	Construction Business Group	Others	Total
Construction and engineering revenue	1,585	2,179	165,115	－	168,879
Sales revenue	－	334,132	－	－	334,132
Electricity retailing revenue	187,671	－	－	－	187,671
Others	－	5,757	－	－	5,757
Total	189,256	342,068	165,115	－	696,439

Last year (2024), operating expense for sales, administration and research and development was $57,771 thousand, a total decrease of $5,760 thousand (a decrease of approximately 9.06%) compared to the same period in 2023. Non-operating income and expense was $(74,391) thousand, mainly due to a book loss of $55,140 thousand on securities measured at fair value and an increase in interest expenses.

At the end of 2024 and into this year, the Yangmei Plant of the Electric Machinery Business Group has been working diligently to produce and deliver Taipower’s pad-mounted transformer projects, while also actively pursuing new bids from Taipower. Additionally, the 23kV GIS has passed Taipower's certification, which is expected to contribute to future revenue and profits. R&D efforts are also underway for new material specifications for pad-mounted transformers, as well as for high-voltage CT and PT products. At the Tainan Plant, certification processes related to ISO, TAF, and the Bureau of Energy are ongoing. In the green energy sector, subsidiaries continue to focus on completing self-developed solar power plant projects that have already been secured. Meanwhile, the Energy Business Group remains committed to two key areas: investment in self-developed solar photovoltaic plants and undertaking EPC (Engineering, Procurement, and Construction) projects.

Under the principle of steady operation, the Company's invested construction subsidiary (Wanquan Construction) also actively participates in major public construction tenders and projects, cooperates with market and customer needs, actively develops new customers, new sources of cases and develops new products to increase the Company's revenue and profits, improve operational performance, and increase shareholder benefits.

We wish you good health and safety.

Chairman: Chen Chien-Jen

President: Chen Lien-Tsung

Chief Accounting Officer: Chien Shih-Chang

II. Corporate Governance Report

I. Directors, supervisors, general managers, deputy general managers, senior managers, heads of departments and branches

(I) Information of directors and independent directors

1. Basic information of directors and independent directors: March 25, 2024

Title	Nationality or country of registration	Name	Gender and Age	Date of Election (Inauguration)	Term of office	Date first elected	Shares held when elected		Current shares held		Current shares held by spouse or minor children		Shares held in the names of others		Educational background and experience	Concurrent posts in Luxe and other companies	Other managers, directors or supervisors in a spousal relationship or within the second degree of kinship			Remarks
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Taiwan	Chia Chi SDRY Enterprise Co., Ltd. Representative: Chieh-Jen Chen	Male Aged 51-60	June 21, 2022	3	June 21, 2022	5,647,561	4.15%	6,442,022	4.153%	-	-	-	-	EMBA, National Chiayi University Deputy General Manager, Quintain Steel Co., Ltd.	Director of Quintain Steel Co., Ltd Chairman of Chin Lai International Development Co., Ltd.	-	-	-	Note 1
Director	Taiwan	Pin-Chun Chen	Female Aged 31-40	June 21, 2022	3	November 14, 2018	-	-	-	-	-	-	-	-	University of San Francisco, USA Master in Business Administration Director of Chateau International Development Co., Ltd.	Executive assistant to Chairman of Concord International Securities Co., Ltd. Director of Chateau International Development Co., Ltd.	-	-	-	-
Director	Taiwan	Chia-Yung Cheng	Male Aged 41-50	June 21, 2022	3	June 17, 2016	570,271	0.42%	630,236	0.406%	-	-	-	-	Asia University, Japan President of ELISEN INDUSTRY CO., LTD.	President of ELISEN INDUSTRY CO., LTD.	-	-	-	
Director	Taiwan	Pao Li Tou Investment Co., Ltd. Representative: Chin-Lung Liu	Male Aged 61-70	June 21, 2022	3	January 19, 2022	2,511,677	2.61%	10,833,893	6.985%	-	-	-	-	Department of Law, National Taiwan University Lawyer	Head of Jih Cheng International Law Firm	-	-	-	Note 1
Director	Taiwan	Quintain Steel Co., Ltd. Representative: Hsie-Chia Chen	Male Aged 71-80	June 21, 2022	3	June 21, 2022	2,339,812	1.72%	15,568,543	10.038%	-	-	-	-	Director of FENG SHEHG ENTERPRISE COMPANY	Director of FENG SHEHG ENTERPRISE COMPANY	-	-	-	Note 1 Note 2
Director	Taiwan	Hsie-Chia Chen	Male Aged 71-80	May 14, 2024	3	May 14, 2024	-	-	-	-	-	-	-	-	Director of FENG SHEHG ENTERPRISE COMPANY	Director of FENG SHEHG ENTERPRISE COMPANY	-	-	-	Note 3
Director	Taiwan	Ming-Chieh Hsu	Male Aged 41-50	June 21, 2022	3	June 21, 2022	-	-	-	-	-	-	-	-	Graduate Institute of Electrical Engineering, National Taiwan University Director/President of Luxe Electric Co., Ltd.	None	-	-	-	

Title	Nationality or country of registration	Name	Gender and Age	Date of Election (Inauguration)	Term of office	Date first elected	Shares held when elected		Current shares held		Current shares held by spouse or minor children		Shares held in the names of others		Educational background and experience	Concurrent posts in Luxe and other companies	Other managers, directors or supervisors in a spousal relationship or within the second degree of kinship			Remarks
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Director	Taiwan	Fu-Tsai Liu	Male Aged 71-80	June 21, 2022	3	May 19, 2017	1,320,000	1.38%	1,136,907	0.733%	-	-	-	-	Chairman of Hung Hsin Building Materials Co., Ltd.	Chairman of Hung Hsin Building Materials Co., Ltd.	-	-	-	
Director	Taiwan	Chateau International Development Co.,Ltd. Representative: Pi-Shan Hu	Female Aged 51-60	October 5, 2023	3	August 16, 2000	2,858,328	1.898%	2,944,077	1.898%	-	-	-	-	Department of Commerce, Providence University Deputy General Manager of Finance, Quintain Steel Co., Ltd.	Chief Financial Officer, Quintain Steel Co., Ltd. Director of Chateau Investment Co., Ltd.	-	-	-	Note 1 Note 2
Director	Taiwan	Fu-Chuan Wei	Male Aged 71-80	May 14, 2024	3	May 14, 2024	-	-	-	-	-	-	-	-	Graduate School of Business Administration, National Chung Hsing University Independent Director of Chateau International Development Co., Ltd.	Chairman, CHIEN SHING STAINLESS STEEL CO., LTD	-	-	-	Note 3
Independent director	Taiwan	Chao-Lai Chen	Male Aged 71-80	June 21, 2022	3	June 21, 2022	-	-	-	-	-	-	-	-	Takming University of Science and Technology Tainan City Council Member	None	-	-	-	-
Independent director	Taiwan	Shuang-Hsi Tsou	Male Aged 61-70	June 21, 2022	3	June 21, 2022	-	-	-	-	-	-	-	-	Graduate Institute of Political Science, National Taiwan Normal University Head of the Cultural and Public Relations Section, Military Police Headquarters	None	-	-	-	-
Independent director	Taiwan	Tung-Han Yang	Male Aged 31-40	June 21, 2022	3	June 29, 2020	-	-	-	-	-	-	-	-	Department of Accounting of Soochow University, CPA of Hsin Yeh Accounting Firm	None	-	-	-	-

Note 1: None of the representatives of the directors listed above hold shares.

Note 2: The legal shareholder, Chateau International Development Co., Ltd., and the legal shareholder, Quintain Steel Co., Ltd., resigned on February 15, 2024.

Note 3: The legal shareholder, Chateau International Development Co., Ltd., and the legal shareholder, Quintain Steel Co., Ltd., resigned on February 15, 2024, and two seats on the board were re-elected on May 14, 2024.

Table 1: Major shareholders of corporate shareholders

March 25, 2025

Name of corporate shareholder	Major shareholders of the corporate shareholder	Shareholding ratio
Chia Chi SDRY Enterprise Co., Ltd.	Chung-Hsien Chen	18.05%
	Nien-Chen Hsueh	16.48%
	Mi-Chuan Chen	15.95%
	Pin-Chun Chen	15.67%
	Hsieh-Tung Chen	14.86%
	Hsiu-Lan Su	8.19%
	Pao Li Tou Investment Co., Ltd.	4.29%
	Wen-An Chang	3.19%
	Chun-Hao Hu	1.90%
	Pi-Shan Hu	1.43%
Pao Li Tou Investment Co., Ltd.	Yu-Hui Shih	21.51%
	Chia Yuan Investment Co., Ltd.	15.34%
	Chung-Hsien Chen	15.13%
	Pin-Chun Chen	11.60%
	Nien-Chen Hsueh	5.56%
	Mi-Chuan Chen	11.35%
	Hsieh-Tung Chen	4.74%
	Quintain Steel Co., Ltd.	4.47%
	Chia Chi SDRY Enterprise Co., Ltd.	2.48%
	Chun-Hsiang Teng	2.04%

Table 2: Major shareholders of dominant shareholders who are corporate shareholders listed in Table 1

Name of corporate shareholder	Major shareholders of the corporate shareholder	Shareholding ratio
Chia Yuan Investment Co., Ltd.	Quintain Steel Co., Ltd.	95.97%
	Chin-Lang Chen	1.55%
	Chin-Yi Chen	0.82%
	Chin-Chang Su	0.74%
	Chiung-Chuan Wang	0.47%
	Yu-Ling Weng	0.45%
Quintain Steel Co., Ltd.	Pao Li Tou Investment Co., Ltd.	14.12%
	Concord International Securities Co., Ltd.	8.40%
	Asahi Enterprises Corp.	5.34%
	Chateau International Development Co.,Ltd.	3.87%
	Chia Chi SDRY Enterprise Co., Ltd.	3.31%
	Taiwan Steel Corporation	2.59%
	Chung-Hsien Chen	4.11%
	Mi-Chuan Chen	2.43%
	Hsieh-Tung Chen	2.09%
	Pin-Chun Chen	1.62%

2. Professional qualifications of directors and independence of independent directors:

March 25, 2024

Criteria / Name	Professional qualifications and experience	Status of independence	Number of other public companies where the person concurrently acts as an independent director
Director: Chia Chi SDRY Enterprise Co., Ltd. Representative: Chieh-Jen Chen	1. Expertise: Corporate governance, environmental engineering, information, procurement, business management, relevant industry experience (green energy development and planning). 2. Education: EMBA, National Chiayi University; Department of Business Administration, Aletheia University 3. Relevant licenses: Securities Representative License, University Lecturer License. 4. Experience: Management Department of Quintain Steel Co., Ltd.; Management Department of Concord International Securities Co., Ltd. 5. Major positions in the Group: successively served as Vice President of the Management Department, Executive Vice President and Corporate Governance Officer of Quintain Steel Co., Ltd. 6. Other major positions include Chairman of Qun Li Energy Co., Ltd., Chairman of LUXE GREEN ENERGY TECHNOLOGY CO., LTD., Supervisor of Shinfox Energy Co., Ltd., Chairman of CHIN LAI INTERNATIONAL DEVELOPMENT CO., LTD., Supervisor of Chateau Investment Co., Ltd., Director of KUN PAO INDUSTRIAL CO., LTD., Director of Since She Co., Ltd., Director of SMOKEY JOE'S CO., LTD., Supervisor of ASAHI ENTERPRISES CORP., and Director of Chateau Rich Hotel Co., Ltd. 7. None of the circumstances under Article 30 of the Company Act applies to the person. 8. The Company is committed to maintaining sustainable development and coexistence with enterprises, striving to manage organizational competition, resource foundation, competitive capabilities, and creating dynamic capabilities. This includes organizational decision-making, conflict management, power and political handling mechanisms, corporate governance ethics, and social responsibility.	Not applicable.	0
Director: Pin-Chun Chen	1. Expertise: Professional (Business), Industry Experience (Retail/Securities and Finance). 2. Education: Department of Political Science, National Cheng Kung University; MBA, University of San Francisco. 3. Experience: Futures Department, Concord International Securities Co., Ltd. 4. Major positions in the Group: Director of Chateau International Development Co., Ltd.; Supervisor of Chateau Rich Hotel Co., Ltd. 5. Other major positions: Special Assistant to the Director/Chairman of Concord International Securities Co., Ltd., Supervisor of Chia Chi SDRY Enterprise Co., Ltd., Supervisor of Pao Li Tou Investment Co., Ltd. 6. None of the circumstances under Article 30 of the Company Act applies to the person.	Not applicable.	0
Director: Chia-Yung Cheng	1. Expertise: Business. 2. Education: Asia University, Japan 3. Experience: President of Elisen Industry Co., Ltd. 4. None of the circumstances under Article 30 of the Company Act applies to the person.	Not applicable.	0
Director: Pao Li Tou Investment Co., Ltd. Representative: Chin-Lung Liu	1. Expertise: Law. 2. Education: Department of Law, National Taiwan University 3. Experience: Head of Jih Cheng International Law Firm 4. None of the circumstances under Article 30 of the Company Act applies to the person.	Not applicable.	0
Director: Ming-Chieh Hsu	1. Expertise: Business and electrical related industries. 2. Education: Graduate Institute of Electrical Engineering, National Taiwan University 3. Experience: Director/President of Luxe Electric Co., Ltd. 4. None of the circumstances under Article 30 of the Company Act applies to the person.	Not applicable.	0

<table>
<tr><th>Criteria
Name</th><th>Professional qualifications and experience</th><th>Status of independence</th><th>Number of other public companies where the person concurrently acts as an independent director</th></tr>
<tr><td>Director:
Fu-Tsai Liu</td><td>1. Expertise: Experience in board leadership, communication and coordination, business, and related industries (sports, civil engineering and construction, and investment).
2. Education: High school.
3. Experience: Chairman of Hung Hsin Building Materials Co., Ltd.
4. Major positions in the Group: Director of Quintain Steel Co., LTD
5. Other major positions: Chairman of Hung Hsin Building Materials Co., Ltd.; Director of Kun Pao Industrial Co., Ltd.
6. None of the circumstances under Article 30 of the Company Act applies to the person.</td><td>Not applicable.</td><td>0</td></tr>
<tr><td>Director:
Hsie-Chia Chen</td><td>1. Expertise: Business.
2. Education: High school.
3. Experience: Director of LUXE GREEN ENERGY TECHNOLOGY CO., LTD.
4. Main position in the Group: Director of Feng Sheng Industrial Co., Ltd.
5. Other major positions: Director of Feng Sheng Industrial Co., Ltd.
6. None of the circumstances under Article 30 of the Company Act applies to the person.</td><td>Not applicable.</td><td>0</td></tr>
<tr><td>Director:
Fu-Chuan Wei</td><td>1. Expertise: Professional (business, finance), relevant industry experience (finance).
2. Education: Graduate School of Business Administration, National Chung Hsing University.
3. Experience: Branch manager of Agricultural Bank of China and Taiwan Cooperative Bank, member of the compensation committee of Quintain Steel Co., Ltd.
4. Major positions in the Group: None.
5. Other major positions: Chairman of CHIEN SHING STAINLESS STEEL CO., LTD.
6. None of the circumstances under Article 30 of the Company Act applies to the person.</td><td>Not applicable.</td><td>0</td></tr>
<tr><td>Independent director:
Chao-Lai Chen</td><td>1. Expertise: Law, finance, leadership experience, communication and coordination.
2. Education: Takming University of Science and Technology
3. Experience: Tainan City Council Member
4. Qualification of Independent Director: Upon obtaining work certification, it has been reviewed that the independent director possesses at least five years of working experience in business and corporate affairs.
5. None of the circumstances under Article 30 of the Company Act applies to the person.</td><td rowspan="3">1. Not a government agency, juristic person or their respective representatives being elected according to Article 27 of the Company Act.
2. All independent directors comply with the relevant provisions of Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.
3. None of the independent directors (or in the name of others) nor their spouses or minor children holds common shares of the Company.
4. None of the independent directors have received any remuneration for providing auditing or business, legal, financial, accounting or other services to the Company or its affiliated companies in the past two years.</td><td>0</td></tr>
<tr><td>Independent director:
Shuang-Hsi Tsou</td><td>1. Expertise: Leadership experience, communication and coordination.
2. Education: Graduate Institute of Political Science, National Taiwan Normal University
3. Experience: Head of the Cultural and Public Relations Section, Military Police Headquarters
4. Qualification of Independent Director: Upon obtaining work certification, it has been reviewed that the independent director possesses at least five years of working experience in business and corporate affairs.
5. None of the circumstances under Article 30 of the Company Act applies to the person.</td><td>0</td></tr>
<tr><td>Independent director:
Tung-Han Yang</td><td>1. Expertise: Finance, leadership experience, communication and coordination.
2. Education: Department of Accounting, Soochow University
3. Experience: Certified Public Accountant of Xinye United Accounting Firm
4. Qualification of Independent Director: Upon obtaining work certification, it has been reviewed that the independent director possesses at least five years of working experience in business and corporate affairs.
5. None of the circumstances under Article 30 of the Company Act applies to the person.</td><td>0</td></tr>
</table>

3. Diversity and independence of the Board of Directors:

(1) Responsibilities and composition of the Board of Directors:

The Company's Board of Directors shall guide the Company's strategies, supervise the management, and be accountable to the Company and its shareholders. The operations and arrangements of its corporate governance system shall ensure that the Board of Directors exercises its powers in accordance with laws and regulations, the Articles of Incorporation or the resolutions of shareholders' meetings.

The Company has established a "Nomination Committee" and adopted a "Candidate Nomination System". All director candidates are nominated and reviewed by the "Nomination Committee". After the resolution of the Board of Directors is passed, they are submitted to the shareholders' meeting for election. In accordance with the Company's "Corporate Governance Best Practice Principles", the composition of the Board of Directors needs to take diversity into account. In addition to the knowledge and skills required for their duties, they also have different professional backgrounds, experiences, skills and qualities in the industry.

The 18th Board of Directors of the Company consists of 11 directors, including 3 independent directors, accounting for 27% of all director seats; directors who are also employees account for 18%; and female directors account for 9%. No board member shall serve three consecutive terms. Many of the directors also serve as chairman or directors of other listed companies. The directors' rich knowledge, keen risk assessment and business operation judgment, excellent leadership and decision-making capabilities are highly valued by the Company.

(2) The ability of the Board of Directors as a whole:

1. Operation and management capability (including operation and management of subsidiaries)
2. Ability to handle crises.
3. Ability to lead.
4. Knowledge of the industry.
5. Understanding of international markets.
6. Ability to perform accounting and financial analysis.
7. Decision-making ability
8. Risk management knowledge and ability

The composition of the Company's Board of Directors is based on the spirit of diversity and is composed of industry elites and experts in various fields. The members have rich and diverse industry experience, covering law, accounting, securities and finance, energy, EPC engineering, steel, stainless steel, concrete, etc., and have professional capabilities in business management, international markets, risk management, accounting and financial analysis, law, ESG, etc.

Each year, the Company arranges diversified continuing education courses for directors to improve their decision-making quality, improve their supervisory capabilities, and strengthen the functions of the Board of Directors.

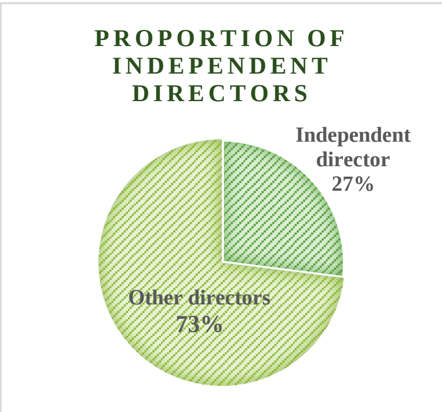
(3) Specific management objectives:

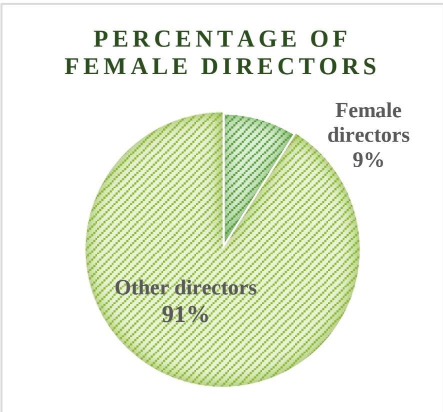
The directors listen to the management team’s reports during the board meetings, provide guidance and suggestions, maintain good and smooth communication with the management team, and work together to create the maximum benefits for shareholders. The Company emphasizes gender equality in the composition of the Board of Directors. The Company's Board of Directors includes directors from different genders. Male directors account for 91% (10 directors) and female directors account for 9% (1 director). Currently, there are limited female director candidates who meet the Company's required capabilities and qualifications, resulting in less than one-third of female director seats. The future goal is to increase the number of female director seats to at least 36% (4 seats) of all director seats. In future director re-elections, priority will be given to female director candidates to achieve this goal. In order to enhance the board's supervision of the management team in executing ESG operations, the future goal is to have at least three directors with ESG-related certifications or have taken ESG-related courses and obtained a 12-hour certificate.

The competence and diversity of current board members:

Item	Name	Basic composition: Nationality	Gender	Serving as an employee of the Company concurrently	Age: Under 50 years old	Aged 51-60	Age 61 - 70	Aged 71 - 80	Length of tenure of independent directors: Less than 3 years	Professional ability evaluation: Ability to conduct business management.	Ability to handle crises.	Ability to lead.	Knowledge of the industry.	Understanding of international markets.	Financial and accounting analysis skills	Decision-making ability	Risk management knowledge and ability
Director (Legal representative)	Chieh-Jen Chen	Taiwan	Male	V		V			-	V	V	V	V	V	V	V	V
Director	Pin-Chun Chen	Taiwan	Female	V	V				-		V	V	V			V	V
Director	Fu-Tsai Liu	Taiwan	Male					V	-	V	V	V	V			V	
Director	Hsie-Chia Chen	Taiwan	Male					V	-	V	V	V	V	V	V	V	
Director	Chia-Yung Cheng	Taiwan	Male		V				-	V	V	V	V	V	V	V	
Director	Ming-Chieh Hsu	Taiwan	Male		V				-	V	V	V	V	V		V	
Director	Fu-Chuan Wei	Taiwan	Male					V	-	V	V	V	V	V	V	V	
Director (Legal representative)	Chin-Lung Liu	Taiwan	Male				V		-	V	V	V	V	V		V	V
Independent director	Chao-Lai Chen	Taiwan	Male					V	V			V		V	V	V	
Independent director	Shuang-Hsi Tsou	Taiwan	Male				V		V		V	V				V	
Independent director	Tung-Han Yang	Taiwan	Male		V				V			V	V	V	V	V	V

The total number of directors (including independent directors) is 11, with the following proportions:





(II) Information on Presidents, Vice Presidents, Assistant Vice Presidents, and department and branch manager

March 25, 2024 Unit: Shares

Title	Nationality	Name	Gender	Date of assumption of office	Shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Educational background and experience	Concurrent duties in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
President	Taiwan	Lient-Sung Chen	Male	September 1, 2022	-	-	29,398	0.02%	-	-	Factory Manager of Luxe Electric Co., Ltd	-	Vice President	Li-Jung Li	Wife	-
Vice President	Taiwan	Chun-Hsiang Teng	Female	May 9, 2022	-	-	-	-	-	-	Executive assistant to Chairman of Luxe Electric Co., Ltd Associate of Concord International Securities Co., Ltd.	-	-	-	-	-
Vice President	Taiwan	Shih-Chang Chien	Male	July 18, 2007	34,219	0.02%	-	-	-	-	Department of Management Science, National Chiao Tung University In-Service Master's Program, Department of Accounting, Soochow University Associate of Luxe Electric Co., Ltd	Director of Le Hua Investment Co., Ltd.	-	-	-	-
Vice President	Taiwan	Wen-Hsien Yang	Male	October 2, 2023	-	-	-	-	-	-	Department of Mechanical Engineering, National Sun Yat-sen University In-service class, Taiwan Shoufu University Vice President, Quintain Steel Co., Ltd.	-	-	-	-	-

II. Remuneration paid to directors, supervisors, general managers and deputy general managers in the most recent year

1. Remuneration to the general directors and independent directors (disclose the name and remuneration separately) Unit: NTD thousands

Title	Name	Remuneration to directors								Ratio of sum of A, B, C and D to net income after tax		Remuneration received by part-time employees								Ratio of sum of A, B, C, D, E, F and G to net income after tax		Remuneration from investees other than subsidiaries or from the parent company
		Compensation (A)		Pension (B)		Remuneration to directors (C)		Income from professional practice (D)				Salary, bonus and special disbursement (E)		Pension (F)		Remuneration to employees (G)						
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company		All companies in financial statements		The Company	All companies in financial statements	
																Cash	Stock	Cash	Stock			
Director	Chia Chi SDRY Enterprise Co., Ltd. Representative: Chieh-Jen Chen	-	-	-	-	-	-	60	60	-0.29%	-0.29%	1,329	1,329	-	-	59	-	59	-	-7.16%	-7.16%	-
Director	Pin-Chun Chen	-	-	-	-	-	-	60	60	-0.29%	-0.29%	309	764	-	-	11	-	11	-	-1.88%	-4.13%	
Director	Pao Li Tou Investment Co., Ltd. Representative: Chin-Lung Liu	-	-	-	-	-	-	60	60	-0.29%	-0.29%	-	-	-	-	-	-	-	-	-0.29%	-0.29%	
Director	Fu-Tsai Liu	-	-	-	-	-	-	60	60	-0.29%	-0.29%	-	-	-	-	-	-	-	-	-0.29%	-0.29%	
Director	Chen Hsieh-Chia (Note)	-	-	-	-	-	-	44	44	-0.22%	-0.22%	-	-	-	-	-	-	-	-	-0.22%	-0.22%	
Director	Wei Fu-Chuan (Note)	-	-	-	-	-	-	38	38	-0.19%	-0.19%	-	-	-	-	-	-	-	-	-0.19%	-0.19%	
Director	Chia-Yung Cheng	-	-	-	-	-	-	60	60	-0.29%	-0.29%	-	-	-	-	-	-	-	-	-0.29%	-0.29%	
Director	Ming-Chieh Hsu	-	-	-	-	-	-	60	60	-0.29%	-0.29%	-	-	-	-	-	-	-	-	-0.29%	-0.29%	
Independent director	Chao-Lai Chen	-	-	-	-	-	-	60	60	-0.29%	-0.29%	-	-	-	-	-	-	-	-	-0.29%	-0.29%	
Independent director	Shuang-Hsi Tsou	-	-	-	-	-	-	60	60	-0.29%	-0.29%	-	-	-	-	-	-	-	-	-0.29%	-0.29%	
Independent director	Tung-Han Yang	-	-	-	-	-	-	60	60	-0.29%	-0.29%	-	-	-	-	-	-	-	-	-0.29%	-0.29%	

Note: The former legal directors, Chateau International Development Co., Ltd. and Quintain Steel Co., Ltd., resigned as directors, and on May 14, 2024, Director Chen Hsieh-Chia and Wei Fu-Chuan were elected to replace them.

Breakdown of remuneration

Breakdown of remuneration to the Company's directors	Name of director			
	Total amount of the first four items (A+B+C+D)		Total amount of the first seven items (A+B+C+D+E+F+G)	
	The Company	All companies in financial statements I	The Company	All companies in financial statements J
Less than NT$1,000,000	Chen Chieh-Jen, Chen Pin-Chun, Liu Fu-Tsai, Cheng Chia-Yong, Liu Chin-Lung, Hsu Ming-Chieh, Chen Hsieh-Chia, Wei Fu-Chuan, Chen Chao-Lai, Tsou Shuang-Hsi, Yang Tung-Han	Chen Chieh-Jen, Chen Pin-Chun, Liu Fu-Tsai, Cheng Chia-Yong, Liu Chin-Lung, Hsu Ming-Chieh, Chen Hsieh-Chia, Wei Fu-Chuan, Chen Chao-Lai, Tsou Shuang-Hsi, Yang Tung-Han	Chen Pin-Chun, Liu Fu-Tsai, Cheng Chia-Yong, Liu Chin-Lung, Hsu Ming-Chieh, Chen Hsieh-Chia, Wei Fu-Chuan, Chen Chao-Lai, Tsou Shuang-Hsi, Yang Tung-Han	Chen Pin-Chun, Liu Fu-Tsai, Cheng Chia-Yong, Liu Chin-Lung, Hsu Ming-Chieh, Chen Hsieh-Chia, Wei Fu-Chuan, Chen Chao-Lai, Tsou Shuang-Hsi, Yang Tung-Han
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)	-	-	Chieh-Jen Chen	Chieh-Jen Chen
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	-	-	-	-
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	-	-	-	-
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	-	-	-	-
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)	-	-	-	-
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	-	-	-	-
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)	-	-	-	-
NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)	-	-	-	-
Over NT$100,000,000	-	-	-	-
Total	11 persons	11 persons	11 persons	11 persons

2. Remuneration to the general managers and deputy general managers (disclose the name and remuneration separately)

Unit: NT$ thousand

Title	Name	Salary (A)		Pension (B)		Bonus and special disbursement (C)		Employee remuneration (D)				Ratio of sum of A, B, C, and D to net income after tax (%)		Remuneration from investees other than subsidiaries or from the parent company
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company		All companies in financial statements		The Company	All companies in financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Lient-Sung Chen (Note)	1,998	1,998	-	-	103	103	54	-	54	-	-10.66	-10.66	-
Vice President	Chun-Hsiang Teng (Note)	848	848	-	-	86	86	43	-	43	-	-4.83	-4.83	-
Vice President	Shih-Chang Chien (Note)	1,125	1,125	-	-	94	94	51	-	51	-	-6.28	-6.28	-
Vice President	Wen-Hsien Yang (Note)	729	729	-	-	20	20	10	-	10	-	-3.75	-3.75	-

<u>Breakdown of remuneration</u>

Breakdown of remuneration to the President and Vice Presidents of the Company	Name of President and Vice President	
	The Company	All companies in financial statements
Less than NT$1,000,000	Teng Chun-Hsiang, Yang Wen-Hsien	Teng Chun-Hsiang, Yang Wen-Hsien
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)	Lient-Sung Chen, Shih-Chang Chien	Lient-Sung Chen, Shih-Chang Chien
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	-	-
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	-	-
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	-	-
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)	-	-
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	-	-
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)	-	-
NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)	-	-
Over NT$100,000,000 (inclusive)	-	-
Total	4 persons	4 persons

Note: The remuneration disclosed herein is different from the term "income" as defined in the Income Tax Act; this table is for information disclosure, and not for taxation purposes.

3. If TWSE/TPEx listed company has any of the circumstances set forth in Article 10, Paragraph 3, Subparagraph 2-1 or 2-5 of these Regulations, it shall disclose the remuneration of its top five most highly paid executives individually: No such situation.

4. Names of managers responsible for distributing employee remuneration and the distribution details:

<u>2024</u>

Unit: NT$

Title		Name	Stock amount	Cash amount	Total	Total as a percentage of net income after tax (%)
Manager	Chairman	Chieh-Jen Chen	-	58,765	58,765	-0.29%
	Vice Chairman	Pin-Chun Chen	-	11,000	11,000	-0.05%
	President	Lient-Sung Chen	-	54,000	54,000	-0.27%
	Vice President	Chun-Hsiang Teng	-	43,000	43,000	-0.21%
	Vice President	Shih-Chang Chien	-	51,000	51,000	-0.25%
	Vice President	Wen-Hsien Yang	-	10,000	10,000	-0.05%
	Total		-	227,765	227,765	

(IV) An analysis of the total amount of remuneration paid to the Company's directors, supervisors, general managers and deputy general managers in the most recent two years as a percentage of net profit after tax, and an explanation of the remuneration policy, standards and combination, the remuneration setting process and its correlation with operating performance.

<table>
<tr><td rowspan="2">Title</td><td>2024</td><td>FY2023</td></tr>
<tr><td>Total remuneration paid by the Company and all the companies included in the consolidated financial statements to the Company's directors, supervisors, President and Vice Presidents as a percentage of the net income after tax (%)</td><td>Total remuneration paid by the Company and all the companies included in the consolidated financial statements to the Company's directors, supervisors, President and Vice Presidents as a percentage of the net income after tax (%)</td></tr>
<tr><td>Director</td><td rowspan="2">-39.30</td><td rowspan="2">1.61</td></tr>
<tr><td>President and Vice Presidents</td></tr>
</table>

Note: According to general market price and the Company’s salary structure, the criteria of payment to the Chairman, Vice Chairman, President and Vice Presidents of the Company who also serve as employees and bear specific missions and responsibilities are base pay, meal allowances and duty allowances. They also receive fixed salary monthly. Other directors and supervisors only receive travel allowances.

1. Policies, standards, and packages for the payment of remuneration:
   The remuneration policy of the Company's Directors, President and Vice Presidents is based on the Company's Articles of Incorporation. The remuneration policy for Directors, the President and Vice Presidents is as follows:

   A. Article 21 of the Articles of Incorporation
      Profits concluded by the Company in a fiscal year are subject to employee remuneration of no less than 1%, which may be distributed in shares or in cash, upon the resolution of the Board of Directors. Such resolution is based on the suggestion of the Remuneration Committee and shall be approved by a majority of the directors present at a Board of Directors meeting attended by over two-thirds of the total number of directors. The employees receiving the remuneration include those of the Company’s parents or subsidiaries who meet certain requirements set by the Board of Directors. Up to 1% of the aforementioned profit may be distributed as director remuneration based on the suggestion of the Company’s Remuneration Committee and upon the approval of a majority of the directors present at a Board of Directors meeting attended by over two-thirds of the total number of directors. The proposal for distribution of remuneration to employees and directors shall be reported to the shareholders’ meeting.
      However, if the Company has accumulated loss, an amount used to cover the loss shall be set aside before distribution of the remuneration to employees and directors at the percentages mentioned above.

   B. Article 17-2 of the Articles of Incorporation
      The Board of Directors is authorized to determine the remuneration for the Company’s Chairman and directors based on individual participation in and contribution to the Company’s operations and with reference to the general level in the industry.

   C. Article 18 of the Articles of Incorporation
      The Company may appoint a CEO, presidents and vice presidents; their appointment, dismissal and remuneration shall be governed by Article 29 of the Company Act.

   The Company's remuneration policy for the chairman, vice chairman, general managers and deputy general managers is based on the Articles of Incorporation and takes into account their experience, professional ability, management functions and other comprehensive aspects. It is also linked to financial and non-financial performance targets to reflect responsibilities and work performance. Remuneration includes salaries, annual bonuses and employee remuneration based on annual profitability.

2. Procedures for determining remuneration
   The Company's Board of Directors has formulated the "Remuneration Committee Charter" and established a remuneration committee in accordance with the charter and regulations. After regularly reviewing the remuneration of directors each year, it is submitted to the Board of Directors for resolution. The remuneration of the general manager and deputy general manager is paid in accordance with the Company's salary and remuneration standards. The salary and remuneration policy and system is reviewed by the remuneration committee and then resolved by the Board of Directors.
   Annual bonuses and annual employee remuneration are intended to give back to employees, reward their contributions, and inspire them to continue their efforts, so that the interests of employees are linked to the interests of shareholders. According to the Company's Articles of Incorporation, if there is a profit for the year, the Company shall allocate no less than 1% of the annual profit as employee compensation before distribution of the surplus. Employee compensation is paid after being approved by the Board of Directors and reported to the shareholders' meeting.

3. Correlation between remuneration to directors and managers and business performance
   The remuneration paid to directors by the Company is only fixed remuneration such as transportation allowance and attendance fee. No variable remuneration is paid. The Company's remuneration to directors has nothing to do with operating performance.

   The performance of the Company's important decisions will be reflected in the Company's profitability. Managers' remuneration will be paid based on their personal professional experience and the usual standards of the industry. Bonuses will be based on individual annual performance and their achievement rate and growth rate. After being reviewed by the Remuneration Committee, they will be submitted to the Board of Directors for resolution. There is a high correlation between managerial officers' remuneration and operating performance.

4. Correlation between remuneration to directors and managers and future risks
   The compensation of the Company's directors and managerial officers is determined with reference to industry standards and the Company's operational performance. The standards, structure, and system of compensation are reviewed and adjusted in a timely manner based on actual business conditions and changes in relevant regulations. Furthermore, the system is designed to prevent managerial officers from engaging in excessive risk-taking for the sake of higher compensation, thereby ensuring a balance between sustainable corporate operations and effective risk management.

III. Implementation status of corporate governance

(I) Operation status of the Board of Directors

This Board of Directors was re-elected on June 21, 2022. There were five meetings in 2024 (A). The attendance of directors was as follows:

Title	Name	Actual number of presence (B)	Number of presence by proxy	Actual attendance (presence) rate (B/A)	Remarks
Chairman	Chieh-Jen Chen	5	0	100%	Representative of CHIA CHI SDRY ENTERPRISE CO., LTD.
Director	Pin-Chun Chen	5	0	100%	
Director	Chia-Yung Cheng	5	0	100%	
Director	Chin-Lung Liu	5	0	100%	Legal representative of Pao Li Tou Investment Co., Ltd
Director	Fu-Tsai Liu	2	0	40%	
Director	Hsie-Chia Chen	3	0	100%	Shareholders' by-election on May 14, 2024
Director	Ming-Chieh Hsu	5	0	100%	
Director	Fu-Chuan Wei	3	0	100%	Shareholders' by-election on May 14, 2024
Independent director	Chao-Lai Chen	5	0	100%	
Independent director	Shuang-Hsi Tsou	5	0	100%	
Independent director	Tung-Han Yang	5	0	100%	

1. Matters referred to in Article 14-3 of the Securities and Exchange Act:

Date and term of Board of Directors meeting	Proposal	Opinions of all the independent directors and actions taken by the Company on such opinions
Board of Directors meeting on April 2, 2024	1. Approval for capital increase through earnings capitalization by issuing new shares. 2. Amendments to the Internal Control Regulations 3. Review of director candidates nominated by shareholders	Approved by all independent directors.
Board of Directors meeting on August 9, 2024	1. Amendments to the Internal Control Regulations	Approved by all independent directors.
Board of Directors meeting on November 12, 2024	1. Appointment of CPAs and evaluation of independence and suitability 2. Amendments to the Internal Control Regulations 3. 2025 Audit Plan	Approved by all independent directors.

2. Implementation status of directors’ recusal from proposals involving any conflict of interest: None.

3. Evaluation of the goals and implementation status of strengthening the functions of the Board of Directors in the current year and the most recent year:

In order to strengthen the functions of the Board of Directors, the Company has established the Nomination Committee, and its operation is as follows.

Establishment information	In order to improve the functions of the board and strengthen the management mechanism, the Board of Directors passed a resolution on March 4, 2025 to set up a "Nomination Committee" and operate in accordance with the Company's "Nomination Committee Charter", consisting of 3 directors (including 2 independent directors).

Primary responsibilities	The Committee, with the authorization of the Board of Directors, shall perform the following duties faithfully with the care of a good manager, be accountable to the Board of Directors, and submit the proposed recommendations to the Board of Directors for discussion: 1. Formulate the election of directors (including independent directors) and senior managers. 2. Formulate and regularly review the directors' training plan, the director's operating performance, the evaluation of board members, and the succession plan for senior managers.
Meeting information	One meeting was convened as of April 20, 2025.

Title	Name	Actual number of presence (B)	Entrusted Number of seats	Attendance rate in person (B/A)	Remarks
Independent director	Chao-Lai Chen	1	0	100%	
Independent director	Tung-Han Yang	1	0	100%	
Director	Chieh-Jen Chen	1	0	100%	

(II) The operation of the Audit Committee:

1. The Company established an Audit Committee on May 19, 2017 to replace the powers of supervisors.
2. The main responsibilities are to review or handle the following matters
   - Financial statement audits and accounting policies and procedures
   - Proposal for a new share issue through capitalization of earnings.
   - Proposal for Issuance of Cash Dividends from Capital Reserve and Capitalization of New Shares
   - Internal control system and related policies and procedures
   - Major asset transactions
   - Significant capital loan and endorsement or guarantee
   - Legal compliance
   - Information security
   - Qualification, independence and performance evaluation of CPAs
   - Appointment of CPAs
   - Fulfillment of duties of the Audit Committee
3. The Audit Committee held 5 meetings in 2024 (A). The attendance of independent directors was as follows:

Title	Name	Actual number of presence (B)	Number of presence by proxy	Actual presence rate(%) (B/A)(Note)	Remarks
Independent director	Chao-Lai Chen	5	0	100	Convener
Independent director	Shuang-Hsi Tsou	5	0	100	
Independent director	Tung-Han Yang	5	0	100	

Other items to be stated:

Where any of the following circumstances occur to the operation of the Audit Committee, the date, term and proposal of the Board of Directors meeting as well as how the Company manage the Committee’s opinions shall be described.

(1) Matters listed in Article 14-5 of the Securities and Exchange Act.

Year	Duration of meeting	Proposal	Resolution of the Audit Committee	The Company's handling of the Audit Committee's opinions
2024	7th meeting of the 3rd term (February 26, 2024)	1. Review of the Company's 2023 business report and financial statements 2. 2023 Statement on Internal Control System. 3. Appointment of the Company's CPAs and resolution of the remuneration	Unanimously approved by all attending committee members	Submit the resolution of the Audit Committee to the Board of Directors for discussion
2024	8th meeting of the 3rd term (April 2, 2024)	1. Proposal of 2023 earnings distribution 2. Proposal for a new share issue through capitalization of earnings. 3. It is proposed to formulate (amend) the Sustainability Committee Charter, Regulations Governing Procedure for Board of Directors Meetings, the Audit Committee Charter, Regulations Governing Related Party Transactions, Corporate Governance Best Practice Principles, Sustainable Development Best Practice Principles, Computer Data Processing Cycle, and the Information and Communication Security Risk Management Framework	Unanimously approved by all attending committee members	Submit the resolution of the Audit Committee to the Board of Directors for discussion

Year	Duration of meeting	Proposal	Resolution of the Audit Committee	The Company's handling of the Audit Committee's opinions
2024	9th meeting of the 3rd term (May 14, 2024)	1. Financial statements for the first quarter of 2024	Unanimously approved by all attending committee members	Submit the resolution of the Audit Committee to the Board of Directors for discussion
2024	10th meeting of the 3rd term (August 9, 2024)	1. Financial statements for the second quarter of 2024 2. Establishment and amendment of operating procedures (Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees, Operating Procedures for Managing the Preparation of Financial Statements, and Risk Management Policy and Procedures)	Unanimously approved by all attending committee members	Submit the resolution of the Audit Committee to the Board of Directors for discussion
2024	11th meeting of the 3rd term (November 12, 2024)	1. Financial statements for the third quarter of 2024 2. Establishment and amendment of operating procedures (sustainability information management operations, procedures for preparation and submission of sustainability reports, the Nomination Committee Charter, implementation measures of the internal control system) 3. 2025 Audit Plan 4. Appointment of CPAs and evaluation of independence and suitability	Unanimously approved by all attending committee members	Submit the resolution of the Audit Committee to the Board of Directors for discussion

(2) Other than the aforementioned matters, any resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: None.

(3) In the circumstance of independent directors' recusal for avoidance of conflict of interest, the names of independent directors, the content of the motions, the reasons for recusal, and the participation in voting should be disclosed: None.

(4) Communication between independent directors and internal audit managers and CPAs

Communication between independent directors and internal audit officers

Date	Attendees	Communication matters	Discussion outcome
2024.11.12	Independent Director Chao-Lai Chen Independent Director Shuang-Hsi Tsou Independent Director Tung-Han Yang Audit Officer Shu-Chuan Wang	1. Description of audit business, audit results and their follow-up 2. Submission of 2025 annual audit plan	Independent directors have no opinions and the proposal was approved

Communication between independent directors and CPAs

Date	Attendees	Communication matters	Discussion outcome
2024.11.12	Independent Director Chao-Lai Chen Independent Director Shuang-Hsi Tsou Independent Director Tung-Han Yang Baker Tilly Clock & CO Lai Chia-Yu Baker Tilly Clock & CO Chou Yin-Lai Baker Tilly Clock & CO Chiang Chin-Ying	1. Explanation to the results of our review of the 2024 financial statements 2. Explanation of 2024 audit plan 3. Update on important laws and regulations	Independent directors have no opinions and the proposal was approved

(III) Status of corporate governance, deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons for such deviations

Evaluation item	Operation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
I. Has the Company established and disclosed the corporate governance best practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has established the "Corporate Governance Best Practice Principles" with reference to the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", disclosed them on the Company's website, and implemented them accordingly.	No significant deviation.
II. Shareholding structure and shareholder's equity (I) Does the Company have an internal procedure and handle shareholders' suggestions, doubts, disputes, and litigations accordingly?	✓		The Company has appointed a spokesperson and a deputy spokesperson to make public announcements and address matters related to the shareholders' suggestions, doubts and disputes in accordance with relevant procedures. In case of legal issues, they are handled by legal personnel.	No significant deviation.
(II) Does the Company have the name list of the major shareholders who actually control the Company and the persons who have the ultimate control of the major shareholders?	✓		The Company has commissioned professional stock service agents to handle the matter and report information on the shareholding of the directors, managerial officers and major shareholders monthly. There are also designated personnel responsible for addressing relevant matters, making the Company able to actually control the list of major shareholders.	No significant deviation.
(III) Has the Company established and implemented risk control and firewall mechanisms between the Company and the affiliates?	✓		The "Procedures for Related Party Transactions" is established to improve the financial and business dealings between the Company and related parties (including related enterprises) and to prevent irregular transactions and improper transfer of benefits between related parties. In order to strengthen the risk control of transactions with related parties, "Risk Management Policies and Procedures" are formulated to effectively control transactions and reduce risks.	No significant deviation.
(IV) Has the Company established internal regulations to prohibit insiders from using the information not available to the market to trade securities?	✓		The Company has established the "Procedures for Prevention of Insider Trading", applicable to the directors, managers and employees of the Company, which prohibits insiders from using undisclosed information in the market to trade securities. Such insiders shall not trade stocks during the closed period of 30 days before the announcement of the annual financial statements and 15 days before the announcement of the quarterly financial statements, in order to avoid accidental violation of this rule.	No significant deviation.
III. Composition and responsibility of Board of Directors (I) Does the Board of Directors have a diversity policy, concrete management goals, and implement them?	✓		Pursuant to Article 20 of the Company's "Corporate Governance Best Practice Principles," the composition of the Board of Directors shall take diversity into account and shall have the knowledge, skills and literacy necessary to perform their duties. Formulate appropriate diversification policies with respect to its own operations, business models and development needs, including: management capability, crisis management, leadership, knowledge of the industry, understanding of international markets, and the ability to perform accounting and financial analysis.crisis management, leadership,knowledge of the industry, International market view,Accounting and financial analysis ability, decision-making ability, and risk management knowledge and ability. The composition of the Company's Board of Directors	No significant deviation.

Evaluation item	Operation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
			is based on the spirit of diversity and is composed of industry elites and experts in various fields. The members have rich and diverse industry experience, covering energy, concrete, steel, financial securities, stainless steel, engineering, etc., and have professional capabilities in business management, international markets, risk management, accounting and financial analysis, law, ESG, etc. Each year, the Company arranges diversified continuing education courses for directors to improve their decision-making quality, improve their supervisory capabilities, and strengthen the functions of the Board of Directors. The Company's Board of Directors currently consists of 11 members: 1. The Company has 2 directors who are employees (accounting for 18%), 3 independent directors (accounting for 27%), 1 female director (accounting for 9%), and 10 male directors (accounting for 82%). The term of office of the independent directors is less than 3 years. 4 directors are under 50 years old, 1 is between 51 and 60 years old, 2 are between 61 and 70 years old, and 4 are between 71 and 80 years old. 2. Specific management goals The directors listen to the management team's reports during the board meetings, provide guidance and suggestions, maintain good and smooth communication with the management team, and work together to create the maximum benefits for shareholders. The Company emphasizes gender equality in the composition of the Board of Directors. The Company's Board of Directors includes directors from different genders. Male directors account for 91% (10 directors) and female directors account for 9% (1 director). Currently, there are limited female director candidates who meet the Company's required capabilities and qualifications, resulting in less than one-third of female director seats. The future goal is to increase the number of female director seats to at least 36% (4 seats) of all director seats. In future director re-elections, priority will be given to female director candidates to achieve this goal. In order to enhance the board's supervision of the management team in executing ESG operations, the future goal is to have at least three directors with ESG-related certifications or have taken ESG-related courses and obtained a 12-hour certificate. 3. The overall competence of the board members and the implementation of diversity are shown on page 12.	
(II) Apart from the Remuneration Committee and Audit Committee, has the Company set up other functional committees at its own discretion?	✓		In addition to the "Remuneration Committee" and "Audit Committee" established in accordance with the law, the Company has also established: ● Nomination Committee: On March 4, 2025, the Board of Directors passed a resolution to establish "Nomination Committee" and operate in accordance with the Company's "Nomination Committee Charter" which consists of 3 directors (including 2 independent directors).	No significant deviation.
(III) Does the Company establish the regulations and methods for	✓		The Company has established the "Regulations Governing the Performance Evaluation of the Board of	No significant deviation.

Evaluation item	Operation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
evaluating the performance of the Board of Directors, conduct the performance evaluation regularly every year, and submit the performance evaluation results to the Board of Directors, and use them as reference for individual directors' remuneration and nomination?			Directors" to conduct evaluations through two evaluation methods: "Self-Evaluation of Board Members" and "Self-Evaluation by Board Members." We send performance self-evaluation questionnaires to all directors every year. After the questionnaires are collected, the Board of Directors will collect and analyze the results and submit them to the board meeting. We will also make suggestions for improvement and use them as a reference for individual directors' remuneration and nomination for re-election.	
(IV) Does the Company review the independence of the CPAs on a regular basis?	✓		The Company's Financial Management Division evaluates the independence and suitability of CPAs with the Audit Quality Indicator (AQIS), and submits the results to the Audit Committee for review, and then to the Board of Directors for discussion and approval. The Finance Department of the Company assessed that Yin-Lai Chou and Chia-Yu Lai, CPAs of Baker Tilly Clock & Co., meet the criteria of independence and suitability of the Company, and are qualified to act as the Company's CPAs. Please refer to the "Audit Quality Indicators AQIs" (Note 1) for the evaluation of the independence and suitability of accountants assessed by the Audit Quality Indicators (AQIS).	No significant deviation.
IV. Does the listed company have an appropriate number of qualified corporate governance personnel and designated a corporate governance supervisor to be responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with information necessary for performing their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to board and shareholders meetings in accordance with the law, and preparing minutes of board and shareholders meetings, etc.)?	✓		On February 21, 2023, the Company's Board of Directors approved the establishment of Corporate Governance Officer, with President Lient-Sung Chen as the position, and the Corporate Governance Department was established to be responsible for corporate governance-related affairs. Responsibilities are as follows: 1. Report of the Board of Directors at least once a year: Reported the annual corporate governance results to the Board of Directors on November 12, 2024. 2. Regularly update the members of the Board of Directors on the latest amendments and developments of laws and regulations related to the Company's operation and corporate governance. 3. Prepare the Board of Directors' agenda and send out meeting notices seven days in advance, and coordinate with relevant departments to supplement the meeting reference materials immediately; if the proposal involves directors' conflict of interest, they will be reminded in advance; and complete the minutes of the board meeting within twenty days after the meeting and provide them to all directors. 4. Register the date of the shareholders' meeting in advance in accordance with the law, prepare the meeting notice, meeting handbooks, and meeting minutes within the statutory period, and promptly handle change registration matters such as amending the articles of association or re-election of directors. 5. Promote matters related to corporate governance, assist the directors with the information needed to carry out their duties, and comply with laws and other matters.	No significant deviation.
V. Has the Company established a communication channel for the stakeholders (including but not limited to shareholders, employees, customers and suppliers), set a shareholder section on the Company's	✓		1. The Company has established a spokesperson, deputy spokesperson system, stock affairs agency and investor relations contact window, and set up a stakeholder section on the Company's website to establish a good communication channel with stakeholders.	No significant deviation.

Evaluation item	Operation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
website, and responded to the stakeholders regarding their concerns over the material issues on corporate social responsibilities?			2. The Company regularly announces financial information so that investors, banks, customers and creditors can understand the operating status. 3. The Company has a professional human resources department to enable employees to fully reflect their opinions. 4. A contact form is available on the Company's website to provide communication channels for vendors or customers in need of the Company's products and services. 5. Communication channels with stakeholders include a dedicated section for stakeholders on the company website. Shareholders and other stakeholders (including but not limited to employees, customers, and suppliers) have designated points of contact to appropriately address important issues of concern to stakeholders.	
VI. Does the Company commission a professional stock service agent to deal with the matters of shareholders’ meetings?	✓		The Company has appointed "President Securities Corporation, Stock Registration Agency Department" to act as the Company's stock affairs agent to handle shareholders' meeting affairs.	No significant deviation.
VII. Disclosure of information (I) Has the Company established a website for disclosure of finance, business, and corporate governance information?	✓		The Company has established a website (http://luxe.com.tw) to disclose information related to financial business and corporate governance.	No significant deviation.
(II) Has the Company adopted other means to disclose information (e.g., English website, designation of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, disclosure of investor conferences on the Company’s website)?	✓		The Company adopts other information disclosure methods, including: 1. The Company has established an English website (http://luxe.com.tw) to disclose information related to financial business and corporate governance. 2. The Company has appointed a spokesperson and an acting spokesperson to communicate with the public. 3. The Company's Finance Division discloses information on the MOPS as required by law, and is responsible for the collection and disclosure of the Company's information. They are also responsible for collecting and disclosing company information, and quarterly investor conferences are posted on the company's website to ensure transparency and timely disclosure of information that may affect the decision-making of shareholders and stakeholders.	No significant deviation.
(III) Has the Company announced and reported annual financial statements within two months after the end of a fiscal year, and announced and reported Q1, Q2, Q3 financial statements and the operation status of each month in advance of the prescribed deadline?		✓	The Company's financial reports for the first, second, third, and fourth quarters of 2024 were announced and reported within the prescribed deadlines.	We will assess the possibility of announcing annual financial statements in advance according to future operation status.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders’ rights, continuing education of directors/supervisors,	✓		(一) Employee rights and employee care: The Company protects the rights and interests of its employees in accordance with the laws and regulations. There are also employee benefits measures: 1. Employee Education and Training: The Company has established relevant management measures to strengthen the pre-service, in-service and further education of employees to improve their work skills.	No significant deviation.

Evaluation item	Operation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
implementation of risk management policies and risk assessment standards, implementation of customer policies, and insuring against liabilities of Company's directors and supervisors)?			2. Employee Benefits: The Company attaches great importance to the health, safety and welfare of workers. It has established an employee welfare committee and formulated relevant management measures to protect the rights of employees. For more information on the Company's employee welfare, please refer to Note 3. (II) Investor relations: The Company has designated a spokesperson and acting spokesperson responsible for external communications, and has assigned dedicated personnel to communicate with investors. The Finance Department is appointed to disclose company information on the Market Observation Post System in accordance with legal requirements, and is responsible for the collection and disclosure of corporate information. Additionally, quarterly investor conference presentations are made available on the Company's website to ensure transparency and timeliness of information that may impact the decision-making of shareholders and stakeholders, thereby safeguarding investors' rightful interests. (III) Rights of stakeholders: The Company has set up a Stakeholders Area, providing multiple communication channels and information disclosure, and maintaining good communication with stakeholders. (IV) Supplier relations: The Company has long-term cooperation and mutually beneficial exchanges with its suppliers. The Company maintains a good relationship and continuous cooperation, and irregularly exchange views on environmental protection, safety and other issues and promote the compliance of relevant norms, so as to jointly enhance corporate social responsibility. (V) Continuing education of directors: The Company will inform the directors of the amendments to securities regulations from time to time and provide relevant information. The continuing education of the directors of the Company has all reached the continuing education specified in the "Sample Template for Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" hours. (VII) Risk management policies, practices, and risk assessment standards: The Company has established internal risk policies pursuant to laws, and performs risk management and assessment accordingly. (VIII) Implementation of customer policies: The Company maintains smooth communication channels between ourselves and customers to uphold good relationships. (IX) The purchase of liability insurance for directors and supervisors by the Company: The Company has purchased liability insurance for directors in accordance with the regulations to reduce and diversify the risk of directors causing significant damage to the Company and shareholders due to errors or negligence behaviors, and reported to the Board of Directors on March 4, 2025.	
IX. Please explain the improvements that have been made based on the results of the corporate governance evaluation released by				

Evaluation item	Operation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	

the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and propose priority improvement items and measures for those that have not yet been improved: Regarding the 10th Corporate Governance Evaluation announced in 2024, the evaluation year was 2023, and the Company has proposed improvement explanations for the evaluation items that did not score.

Number	Evaluation Indicators	Whether improvements were made	Description of improvements
1.15	Does the company have established and disclosed on its website internal regulations prohibiting directors, employees and other insiders from using undisclosed information in the market to buy or sell securities, including (but not limited to) prohibiting directors from trading their own stocks during the closed period of thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly financial report, and explain the implementation status?	Yes	The education promotion for new directors and managers has been disclosed on the Company's website.
1.18	Does the Company record the important contents of shareholders' questions and the Company's responses in the minutes of general shareholders' meetings?	Yes	Minutes of 2024 general shareholders' meeting have been disclosed and recorded.
2.1	Has the Company established Corporate Governance Best Practice Principles approved by the board of directors?	Yes	Approved by the Board of Directors on April 2, 2024.
2.9	Has the Company established a succession plan for the members of the Board of Directors and key management personnel, and disclosed its operation status on the Company's website or annual report?	Yes	The disclosure has been completed on the Company's website.
2.11	Have all the Company's interim financial reports been approved by the audit committee and submitted to the Board of Directors for discussion and resolution?	Yes	The financial statements for the first quarter to the third quarter of 2024 have been submitted to the Board of Directors for discussion and resolution.
2.19	Does the actual attendance rate of all directors in the year under evaluation reach 85% or more, and are at least two independent directors present in person at each board meeting?	Yes	The attendance of all directors in the 2024 Board of Directors meeting has been achieved.
2.24	Does the Company establish an information and communications security risk management framework, formulate information and communications security policies, specific management plans, and invest resources in information and communications security management, and disclose them on the Company's website or annual report?	Yes	The disclosure has been completed on the Company's website.
3.6	Did the Company disclose the interim financial statements in English within two months after the deadline for the Chinese version of the interim financial statements?	Yes	The disclosure was completed as scheduled.
3.12	Does the Company's annual report disclose the specific dividend policy?	Yes	The disclosure has been completed in the Company's annual report.
3.14	Does the Company's annual report disclose the relationship between the performance evaluation and remuneration of directors and managers?	Yes	The annual report of the branch has been disclosed.
4.3	Does the Company regularly disclose the concrete promotion plans and implementation results of corporate sustainable development (ESG) on the Company's website, annual report or sustainability report?	Yes	The disclosure has been completed on the Company's website.
4.4	Does the Company compile and upload the sustainability report to the Market Observation Post System and the Company's website in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI)?	Yes	The 2023 sustainability report and declaration have been completed.
4.6	Does the Company refer to the International Bill of Human Rights to formulate policies to protect human rights and specific management plans, and disclose relevant policies and implementation on the Company's website or annual report?	Yes	The disclosure has been completed in the annual report and the Company's website.

Evaluation item	Operation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
4.10	Does the Company's website and annual report disclose the protection measures for employees' personal safety and working environment and the status of implementation?		Yes	The disclosure has been completed in the annual report and the Company's website.
4.11	Has the Company disclosed the amount of water used and the total weight of waste in the past two years?		Yes	The disclosure has been completed on the Company's website.

Note 1:

(1) The Audit Quality Index (AQIS) evaluates the independence and suitability of CPAs:

Item			Evaluation	Competency Check
Aspect 1	Professionalism	Indicator 1-1: Audit Experience	The auditing experience of the CPA is equivalent to that of the industry peers.	Yes
		Indicator 1-2: Training hours	Training hours comparable to industry average	Yes
		Indicator 1-3: Liquidity ratio	Lower than the industry average in the past two years	Yes
		Indicator 1-4: Professional support	Comparable to industry average in the past two years	Yes
Aspect 2	Quality control	Indicator 2-1: CPA load	20-51% of available man-hours for CPAs	Yes
		Indicator 2-2: Audit engagement	Comparable to industry average	Yes
		Indicator 2-3: EQCR review status	The percentage of EQCR CPAs' review hours is equivalent to the industry average	Yes
		Indicator 2-4: Quality control support capability	Comparable to industry average	Yes
Aspect 3	Independence	Indicator 3-1: Non-audit services	Low percentage of non-audit service fees	Yes
		Indicator 3-2: Customer familiarity	Cumulative number of years for auditing: 2 years	Yes
Aspect 4	Supervision	Indicator 4-1: Defect in external inspection and punishment	Comparable to industry average	Yes
		Indicator 4-2: The competent authority issues letters for improvement	Comparable to industry average	Yes
Aspect 5	Innovation ability	Indicator 5-1: Innovative planning or advocacy	Introduce electronic working paper updates and digital firm document forms	Yes

(2) Evaluation of the independence of the CPAs:

Evaluation item		Evaluation results	Independence
1.	Does the accountant have any direct or material indirect financial interest in the Company?	No	Yes
2.	Does the CPA have any financing or guarantee relationship with the Company or its directors?	No	Yes
3.	Does the CPA have a close business relationship or potential employment relationship with the Company?	No	Yes
4.	Whether the CPAs and the members of the audit team have served as directors, managers, or positions that have significant influence on the audit work of the Company currently or in the past two years?	No	Yes
5.	Have the CPAs provided the Company with non-audit services that may directly affect the audit work?	No	Yes
6.	Whether the CPA brokers the shares or other securities issued by the Company?	No	Yes

7.	Does the accountant act as the defender of the Company or coordinate with other third parties on behalf of the Company in conflicts?	No	Yes
8.	Does the CPA have a family relationship with the Company's directors, managers, or personnel who have a significant impact on the audit?	No	Yes

Note 2: Operation and execution of the part-time unit of corporate governance

Title	Member	Responsibility	Work Plan
President in the President Office	Lient-Sung Chen	1. Conduct company registration and change registration. 2. Handle matters related to the meetings of the Board of Directors and Shareholders' Meetings in accordance with the law, and assist the company to comply with the relevant laws and regulations of the Board of Directors and Shareholders' Meetings. 3. Preparation of minutes for board meetings and shareholders' meetings. 4. Provide the directors with the information needed to carry out their business and the latest regulatory developments related to the company's management to assist the directors in complying with the laws and regulations. 5. Matters relating to investor relations.	1. Annual change of company registration. 2. Arranged three Remuneration Committee meetings, five Audit Committee meetings, five Board of Directors meetings, and one shareholders' meeting in 2024. 3. Planning for 2024 corporate governance education and training for directors and corporate governance affairs units. 4. Provide the directors with the information needed to carry out their business and the latest regulatory developments related to the company's management every quarter to assist the directors in complying with the laws and regulations. 5. In 2024, 4 legal seminars were planned and held.
Finance Division Vice President	Shih-Chang Chien		
Management Division Vice President	Chun-Hsiang Teng		
Finance Division Specialist	Ying-Chun Lin		

Note 3: Summary of employee benefits

Unit	Item		Regular employees and contract employees
Benefits Committee	Weddings, funerals and celebrations	Wedding allowance in person	$5,000
		Childbirth allowance	$5,000
		Death benefit for family members	$5,000
		Death benefit for the deceased	NT$1,600
	Others	Birthday cash gift	$1,000
		Retired employees	$5,000
		Cash or gifts for the three major festivals, and Cash or gifts for the Labor Day	
The Company	Group insurance	Burdens on the Company	
	Health checkup	Held once a year	
	Others	Year-end bonus, employee travel	

Note 4: Continuing education of directors and independent directors

Title	Name	Date	Organizer	Category	Course name	Persons	Number of hours	Number of hours
Independent director	Chao-Lai Chen Shuang-Hsi Tsou Tung-Han Yang	2024/10/22	Taiwan Securities Association	Corporate Governance	Prevention of labor disputes and corporate governance	3	3	9
Independent director	Chao-Lai Chen Shuang-Hsi Tsou Tung-Han Yang	2024/10/22	Taiwan Securities Association	Sustainable Development	ESG investment and corporate social responsibility	3	3	9
Director	Chieh-Jen Chen Pin-Chun Chen Hsie-Chia Chen Chia-Yung Cheng Ming-Chieh Hsu Fu-Chuan Wei Chin-Lung Liu Fu-Tsai Liu	2024/10/22	Taiwan Securities Association	Corporate Governance	Prevention of labor disputes and corporate governance	8	3	24

Title	Name	Date	Organizer	Category	Course name	Persons	Number of hours	Number of hours
Director	Chieh-Jen Chen Pin-Chun Chen Hsie-Chia Chen Chia-Yung Cheng Ming-Chieh Hsu Fu-Chuan Wei Chin-Lung Liu Fu-Tsai Liu	2024/10/22	Taiwan Securities Association	Sustainable Development	ESG investment and corporate social responsibility	8	3	24

(IV) Composition, duties and operation of the Remuneration Committee:

1. Responsibilities of the Remuneration Committee

   The Remuneration Committee establishes a performance-linked compensation system for the Company from an independent and detached perspective, faithfully performs the duties and responsibilities granted by the Board of Directors, and regularly proposes compensation system plans or suggestions for discussion and resolution by the Board of Directors. The main functions and powers of the committee are as follows:

   (1) Formulate and regularly review the policies, systems, standards and structures for the performance evaluation and remuneration of directors and managers.

   (2) Assess and determine the remuneration to directors and managers on a regular basis.

2. Information of the Remuneration Committee members

Criteria / Member Type	Name	Professional qualifications and experience	Status of independence	Number of other public companies where the member also serves in a Remuneration Committee
Independent director Convener	Chao-Lai Chen	Please refer to page 6 for professional qualifications and experience of independent directors	Please refer to page 6 for the status of independence of independent directors.	0
Independent director	Tung-Han Yang	Please refer to page 6 for professional qualifications and experience of independent directors	Please refer to page 6 for the status of independence of independent directors.	0
Others	Hsien-Chang Lin	Work experience required for business and corporate affairs	Not applicable	0

3. Information on the operation of the Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members.

(2) The tenure of the members of the current (fifth) term: The term of office of the members of the current Remuneration Committee is from July 1, 2022 to June 20, 2025. The current Remuneration Committee held three meetings in 2024 (A). The qualifications and attendance of the members are as follows:

Title	Name	Actual number of presence (B)	Number of presence by proxy	Actual presence rate(%) (B/A)	Remarks
Convener	Chao-Lai Chen	3	0	100%	
Member	Shuang-Hsi Tsou	3	0	100%	
Member	Hsien-Chang Lin	3	0	100%	

Other items to be stated:

I. If the Board of Directors does not adopt or revise the suggestions of the Remuneration Committee, the date, term and proposal of the Board of Directors meeting, the Board of Directors resolution and actions taken by the Company on the Remuneration Committee’s opinions shall be specified: None.

II. For any resolution of the Remuneration Committee for which dissent or reservation is expressed by any of the members and recorded in the minutes or a written statement, the date, term and proposal of the Remuneration Committee meeting, opinions of all members and actions taken on such opinions shall be specified: None.

4. Review of the Remuneration Committee

Term of session	Proposal content and follow-up treatment	Resolution Result	The Company's handling of the Audit Committee's opinions
5th Term 3rd meeting in 2024 (2024/2/26)	1. Proposal for the 2023 distribution of remuneration to employees and directors.	Unanimously approved by all attending committee members	It was submitted to the board meeting and approved by all directors present at the meeting.
5th Term 4th meeting in 2024 (2024/4/2)	1. Proposal to establish employee stock ownership trust to enhance employee benefits.	Unanimously approved by all attending committee members	It was submitted to the board meeting and approved by all directors present at the meeting.
5th Term 5th meeting in 2024 (2024/11/12)	1. In order to meet the needs of Tainan Plant's operations, we plan to hire Shih Chang-Mao as the factory manager to facilitate the operation of the Tainan Plant. He is an electrical engineer with rich industry experience.	Unanimously approved by all attending committee members	It was submitted to the board meeting and approved by all directors present at the meeting.

(V) The implementation of sustainable development and the deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx-listed Companies and the reasons therefor

Items to be promoted	Operation status (Note1)			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
I. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit to promote sustainable development, with senior management authorized by the board of directors to handle, and how is the supervision of the board of directors?	✓		1. In order to effectively promote sustainable development, the Board of Directors of the Company authorized the Chairman to form a "Sustainable Development Promotion Committee" in 2024, with the Chairman as the Chairman, the President as the Vice Chairman, and the members are the heads of the Management Division, the Finance Division and the heads of each office. , and factory management, to form the "Environmental Development", "Social Engagement", "Employee Care" and "Corporate Governance" teams to assist the Chairman and President in policy formulation and implementation. The Board of Directors is the highest decision-making body for issues related to sustainable development. 2. The establishment and implementation of the "Sustainable Development Promotion Committee" of the Company is described as follows: (1) The Board of Directors of the Company authorized the Chairman to form the "Sustainable Development Promotion Committee" in 2024. (2) In the first quarter of each year, the Chairman reports to the directors the implementation of the previous year in the Board of Directors. The content mainly includes the promotion strategy framework, short-, medium-, and long-term goals for promoting sustainable development, and the implementation status. (3) One meeting of the Company was held in 2024. 3. Supervision of sustainable development by the Board of Directors: The Company's Board of Directors regularly listens to reports from the management team every year and reported on the implementation status to the board meeting on November 12, 2024. The management must propose the Company's strategies to the board meeting, and the Board of Directors must evaluate the possibility of success of these strategies, and must also regularly review the progress of the strategies and urge the management team to make adjustments when necessary.	No significant deviation.
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the	✓		1. Corporate governance: (1) The Company strictly abides by relevant laws and regulations, formulates the "Code of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles", conducts various operating activities with integrity, fairness and rationality, takes zero violations as the management goal, and sets up complaint and reporting management to encourage	No significant deviation.

Items to be promoted	Operation status (Note1)			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
Company's operations in accordance with the principle of materiality, and establish relevant risk management policies or strategies?			employees to report any illegal or unethical behavior. To eliminate the risk of corruption. (2) Each department of the Company regularly tracks and updates the latest laws and regulations, and strictly abides by government regulations in their daily operations. (3) Plan relevant continuing education topics for directors, and provide directors with the latest laws and regulations, system development, and policies every year. (4) Directors' liability insurance has been purchased to protect directors against litigation or claims. 2. Environmental aspects (1) The Company pays attention to the materials used in products and production processes, and also pays attention to the issue of depletion of natural environmental resources. It actively promotes the circular economy, seeks solutions such as alternative raw materials, and establishes green management concepts in corporate operations. 3. Social aspects The Company abides by the spirit and basic principles of human rights protection set forth in various international human rights conventions such as the United Nations Universal Declaration of Human Rights and the International Labor Organization Declaration on Fundamental Principles and Rights at Work, fully demonstrating the responsibility to respect and protect human rights. The Company places great importance on internal safety management and employee development, identifying potential issues through the daily operational activities of each department. To maintain the safety of employees and prevent the occurrence of occupational disasters. Regarding the risk of talent retention, the Company has various incentives, such as employee bonus, performance bonus, and employee stock ownership trust. The Company communicates with stakeholders such as government agencies and local communities on a regular basis every year to maintain smooth communication channels and actively respond to their opinions. 4. Formulation of risk management policies The Company's "Sustainable Development Committee" conducts analysis based on the materiality principle of the sustainability report, communicates with internal and external stakeholders, and evaluates material ESG issues by reviewing domestic and foreign research reports and literature and integrating evaluation data from various departments and subsidiaries. It also formulates risk management policies and takes specific measures to effectively identify, measure, evaluate, supervise and control ESG issues. Action plans to reduce the impact of related risks.	
III. Environmental issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial characteristics?	✓		The Company has always adhered to the belief of sustainable development, and the sustainable development of the ecological environment is absolutely a top priority issue. Luxe Green Energy continues to be committed to the environmental protection and green energy industry of solar power generation. In addition to building solar power plants for customers in need, we also have our own solar power plant to contribute to the sustainability of the earth. The Company has formulated the relevant environmental management policies as follows: 1. Compliance with relevant environmental protection laws and regulations: We strictly comply with relevant environmental protection laws and policies to create a sustainable green working environment. 2. Pollution prevention: The importance of pollution prevention is promoted to employees and stakeholders from time to time, and employees and stakeholders are encouraged to actively participate in and implement their environmental protection activities and responsibilities.	No significant deviation.

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<tr><th rowspan="2">Items to be promoted</th><th colspan="3">Operation status (Note1)</th><th rowspan="2">Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>3. Sustainable environment construction: The Yangmei Factory and Tainan Factory have vast hinterlands, and a large number of trees are planted around the factories to neutralize carbon emissions. When procuring new machines, the Company also evaluates the vendor's importance to the sustainable environment and whether the machine is an environmentally friendly machine with low carbon emission and low power consumption. The Company currently holds about 36MW of solar power plants to increase the power generation of green power and reduce carbon emissions. In the future, the Company will continue to invest in the construction of solar power plants to produce more green energy.</td><td></td></tr>
<tr><td>(II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?</td><td>✓</td><td></td><td>The Company is committed to improving the reuse of resources:
1. Promoting green procurement:
Increase the use of soy-based inks for printed matter, use of FSC-certified toilet paper, and non-reuse of paper for external documents.
2. Promotion of energy-saving equipment
In order to reduce carbon emissions, all machinery and equipment purchased for the newly established Tainan Factory are environmentally friendly machines, and the office air conditioners are selected from brands that are energy-saving, power-saving, and low-carbon emission.
3. Promoting green initiatives
The Company has set up resource recycle and waste sorting facilities in each of its offices and factories to enhance the utilization efficiency of all resources. Turn off the computer and turn off the lights after work.</td><td>No significant deviation.</td></tr>
<tr><td>(III) Has the Company assessed the potential risks and opportunities posed by climate change to the Company at present and in the future, and taken relevant countermeasures?</td><td></td><td>✓</td><td>The Environmental Development Group of the Sustainability Promotion Committee of the Company is responsible for identifying potential climate change risks and opportunities, and in accordance with the "Recommendations for Climate-related Financial Disclosures" issued by the Task Force on Climate-related Financial Disclosures (TCFD), the Company has identified potential climate change risks and opportunities in terms of governance, strategy, risk management and indicators.
The four major areas of the target disclose the identification, assessment and management of climate change risk issues, and report relevant major climate issues to the Company's management in accordance with the risk management system, in order to effectively grasp the risks and opportunities of climate change and the potential financial impacts and formulate response measures.
In recent years, the Company has been committed to the investment in carbon reduction, and has built solar power plants throughout Taiwan to increase the ratio of green power.</td><td>Regarding the potential risks and opportunities that climate change will bring to the Company now and in the future, the Company is already in the planning stage and plans to implement relevant measures in 2025.</td></tr>
<tr><td>(IV) Does the Company keep statistics on the amount of greenhouse gas emission, water consumption and total weight of waste in the past two years, and establish policies for greenhouse gas reduction, reduction of water consumption or management of other wastes?</td><td>✓</td><td></td><td>1. Energy conservation and carbon reduction and greenhouse gas reduction policies
(1) Policy:
● Promote energy conservation by turning off the power when not in use.
● Use of low-carbon and energy-saving production machines and air conditioners.
● Improve the power generation efficiency of solar power plants and increase the supply of green power.
● Planting of trees in the factory area.
● Promote the recycling and reuse of photocopy paper.
(2) Target: The Company's gas emission reduction target was set to reduce carbon emissions by 1% compared to the previous year.
Corporate greenhouse gas emission reduction plans:
● Turn off the lights in the office at any time during lunch breaks and after work hours.
● Promote garbage sorting and recycling.
● Use recycled paper for internal office photocopying whenever possible.
● Enhance the implementation of public announcements by replacing paper documents with electronic formats.</td><td>No significant deviation.</td></tr>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>● Lighting equipment, air-conditioning and production machines are gradually replaced by energy-saving equipment.
2. Waste management policy
The primary goal is waste reduction. All kinds of waste produced by the Company have been recovered by qualified company in accordance with laws and regulations.
Classification management: Strengthen waste classification in factories to ensure that domestic waste and process waste are managed separately.
Outsourced cleaning: The Company plans to outsource the disposal of domestic waste, and retain the processing documents for future reference.
Recycling: Continue to work with recyclers to improve the recycling rate of scrap metal.
3. Water consumption management policy
Currently, the factory has not yet been equipped with special water-saving equipment or rainwater recycling systems, but in the future, we will consider installing water-saving faucets and toilet equipment, and strengthen employee education on water conservation awareness to reduce unnecessary water flushing.
Moreover, for many years, the Company has been dedicated to the R&D of products that can improve utilization efficiency of renewable energy, (such as transformers) as well as the integration of the system engineering (such as solar power). These can help save energy, reduce carbon and protect the environment.</td><td></td></tr>
<tr><td>IV. Social Issues
(I) Does the Company have management policies and procedures in accordance with relevant regulations and international human rights conventions?</td><td>✓</td><td></td><td>In addition to establishing work rules and management guidelines in accordance with the "Labor Standards Act" of Taiwan, we also refer to the "International Human Rights Code", "International Labor Organization - Declaration on Fundamental Principles and Rights at Work" and other internationally recognized human rights standards to protect Employees' legitimate rights and interests are not discriminated against or treated differently based on race, class, nationality, religion, age, gender, disability, marital status, pregnancy, sexual orientation, or club affiliation. The Company respects all full-time, part-time, and contracted employees.
Every year, the Company regularly focuses on major social issues, reviews its own operations, value chain and other related activities, and identifies and assesses groups that may be at risk and potential human rights risks. Formulate a control plan for human rights issues based on potential risks, and continue to monitor and improve.
<table>
<tr><th>Human Rights Management Policy</th><th>Specific plan</th></tr>
<tr><td>Provide a safe and healthy work environment.

To help employees maintain physical and mental health and work-life balance.</td><td>Please refer to the "Employee Safety and Health Practice Principles" under Labor-Management Relations in the annual report.
Advocacy of human rights and gender equality.
The supervisor takes the initiative to care about the physical, mental, and spiritual condition of his subordinates.</td></tr>
<tr><td>Prohibition of forced labor and strict compliance with government labor laws and regulations</td><td>Implement a leave system to encourage employees to focus on work-life balance.</td></tr>
</table>
The Company also actively encourages customers and vendors to comply with the human rights policy. In the future, the Company will continue to pay attention to human rights protection issues and promote relevant education and training to improve human rights protection awareness and reduce the possibility of related risks.</td><td>No significant deviation.</td></tr>
<tr><td>(II) Does the Company establish and implement reasonable employee welfare measures (including</td><td>✓</td><td></td><td>1. Remuneration system:
● Remuneration policy
The Company's year-end bonus system is based on the Company's business interests, and after taking into account the seniority of each employee and annual performance evaluation, the year-end</td><td>No significant deviation.</td></tr>
</table>

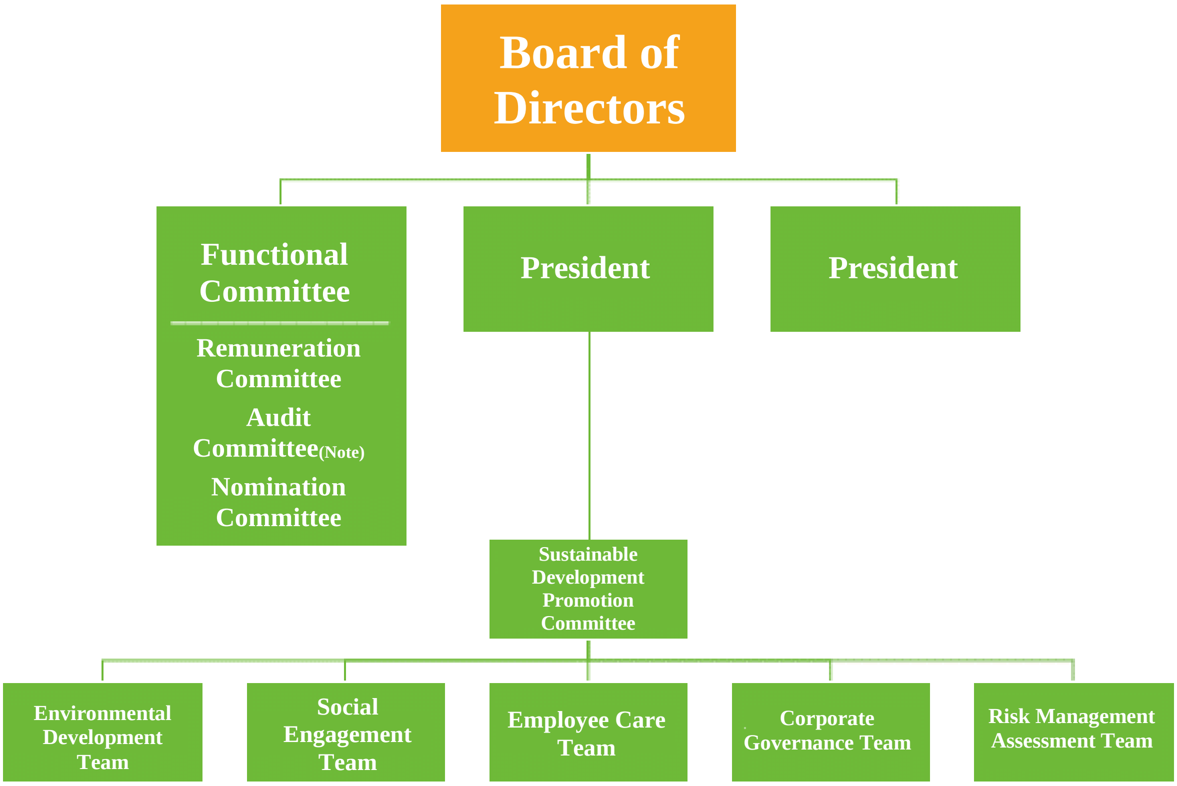
<table>
<tr><th rowspan="2">Items to be promoted</th><th colspan="3">Operation status (Note1)</th><th rowspan="2">Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>remuneration, leave and other benefits), and appropriately reflect the business performance or results in the employee remuneration?</td><td></td><td></td><td>bonus system is distributed to all employees to reward all employees for their joint efforts in the past year.
According to the Company's Articles of Incorporation, the Company's remuneration to employees is calculated at no less than 1% of the annual net profit before tax.
● Fair remuneration
The Company makes appropriate adjustments every year with reference to the market salary situation, the salary adjustment policy of the Ministry of Labor, and individual performance. There was no significant difference in the annual remuneration ratio of the Company's male and female employees, regardless of whether they were in managerial positions or ordinary employees.
2. Employee Benefits:
(1) Employee stock ownership trust: In 2024, the Company established the employee stock ownership committee to handle the employee stock ownership trust. Employees contribute trust funds on a monthly basis, and the Company also contributes an equivalent amount of incentives.
(2) Female Employee Support Program:
● Pregnancy and childbirth: 7 days of maternity exam leave, 7 days of paternity leave (for male spouses), 56 days of maternity leave
● Childcare: The Company provides childcare leave in compliance with laws and regulations and assistance with the reinstatement of employees after childbirth.
● Gender equality in the workplace: Employees, regardless of gender, have equal remuneration conditions and opportunities for promotion, and at least 20% female managers are maintained.
3. Other benefits policies:
(1) Establish the Employee Welfare Committee: The Company allocates about $1 million in employee welfare funds each year to plan and provide employees with various high-quality benefits, such as birthday gifts, marriage allowances, maternity allowances, festival gifts, and funeral allowances.
(2) Insurance system: The Company covers National Health Insurance, Labor Insurance and group insurance for its employees.
(3) Pension system: The Company has established the "Regulations Governing the Management of Labor Retirement," and employees' retirement is handled in accordance with the relevant regulations.
4. Diversity and equality in the workplace:
(1) The Company is committed to providing employees with a dignified and safe working environment. We implement employment diversity, fairness in remuneration and promotion opportunities, and ensure that employees will not suffer discrimination, harassment or unequal treatment due to race, gender, religious beliefs, age, political inclinations or any other status protected by applicable laws and regulations.
(2) The Company values the diversity of its employees and recruits foreign employees or foreign working students. The Company also respects their cultural customs and has never violated their job rights and human rights.</td><td></td></tr>
<tr><td>(III) Does the Company provide employees with a safe and healthy work environment, and provide employees with safety and health education on a regular basis?</td><td>✓</td><td></td><td>1. Employee safety: in order to prevent the occurrence of occupational safety accidents and provide employees with a safe working environment, the Company regularly organizes 2 fire safety trainings each year. Each training lasts for 4 hours to promote fire safety knowledge. Additionally, we also arrange periodic 1-hour labor safety courses to educate and inform employees. The Company has established an occupational safety and health supervisor. The personnel has obtained the occupational safety and health professional license and completion certificate. This license is valid for 2 years. The labor safety supervisor will participate in regular training to obtain valid licenses. Due to business needs, the Company will send employees to participate in</td><td>No significant deviation.</td></tr>
</table>

<table>
<tr><th rowspan="2">Items to be promoted</th><th colspan="3">Operation status (Note1)</th><th rowspan="2">Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>external labor safety courses from time to time. Each year, the labor safety supervisor also arranges labor safety courses for internal employees.
<table>
<tr><th>Date</th><th>Courses</th><th>Number of hours</th></tr>
<tr><td>2024.6.5</td><td>Firefighting drills and courses (first half of the year)</td><td>4</td></tr>
<tr><td>2024.6.5</td><td>Labor Safety Awareness Course</td><td>1</td></tr>
<tr><td>2024.12.18</td><td>Firefighting drills and courses (second half of the year)</td><td>4</td></tr>
<tr><td>2024.12.18</td><td>Labor Safety Awareness Course</td><td>1</td></tr>
<tr><td>2024.12.18</td><td>First aid training - CPR and AED operation</td><td>1</td></tr>
<tr><td>2023.6.26</td><td>Type-A Occupational Safety and Health Supervisor Course (valid for 2 years)</td><td>6</td></tr>
<tr><td>2024.6.28</td><td>Building’s fire drill</td><td>1</td></tr>
<tr><td>2024.12.27</td><td>Building’s fire drill</td><td>1</td></tr>
<tr><td>2024.6.26</td><td>Building’s fire drill</td><td>1</td></tr>
<tr><td>2024.12.25</td><td>Building’s fire drill</td><td>1</td></tr>
</table>
2. Employee health:
Regular health checkup: The Company attaches great importance to the physical health of employees, and arranges all employees to participate in health checkup every year, and the Company pays full expenses.</td><td></td></tr>
<tr><td>(IV) Has the Company established an effective career development training program for its employees?</td><td>✓</td><td></td><td>The Company hopes that employees can be proactive, constantly improve and enrich their skills and professional capabilities, and have established "Education and Training Regulations" to hope that employees will develop diversified functions in accordance with the Company's goals and personal career plans.
Internal education and training: training for new employees, professional technical training and management courses for in-service employees.
External education and training: Professional skills, courses, certifications, professional training for accounting officers and internal auditors of each department.
For 2024 education and training, refer to the explanation of labor-management relations in the annual report.</td><td>No significant deviation.</td></tr>
<tr><td>(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant policies and complaint procedures to protect consumers' or customers' rights and interests?</td><td>✓</td><td></td><td>The Company's official website has a "contact email (luxe@luxe.com.tw)" responsible for handling customer-related questions about products and services. The "Customer Complaint and Satisfaction Management Procedure" has also been established.</td><td>No significant deviation.</td></tr>
<tr><td>(VI) Does the Company establish a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights, and</td><td></td><td>✓</td><td>The Company has established the "Supplier Management Policy." The procurement department selects, evaluates, and counsels suppliers, and continues to urge suppliers to comply with relevant regulations such as environmental protection, occupational safety, or human rights.
The Company will establish a "Supplier Sustainability Self-Assessment Form" and require suppliers to perform self-assessment on sustainable development every year, and self-assess the compliance of employees' rights, environmental protection and occupational safety with relevant regulations.
Suppliers are required to ensure that the source of goods provided meets the requirements of the law. If a violation of the ethical management principle is found, the buyer has the right to terminate the</td><td>The Company is still actively promoting and advocating suppliers to fill out the "Supplier Sustainability Self-Assessment Form" and hopes that every supplier will be able to achieve this in the future.</td></tr>
</table>

Items to be promoted	Operation status (Note1)			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
the implementation status?			contractual relationship immediately, and the seller shall be liable for the buyer's goodwill damage.	
V. Does the Company prepare sustainability reports and other reports that disclose the Company's non-financial information by referring to internationally accepted reporting standards or guidelines? Are assurance or guarantee opinions acquired from any third-party verifying entity for the aforementioned reports?	✓		The Company's "Sustainable Development Committee" team prepares the sustainability report and discloses the Company's non-financial information based on the internationally accepted reporting standards (GRI standards). In the future, it will evaluate whether to obtain verification from a third-party verification unit.	No significant deviation.
VI. If the Company has established its own sustainable development principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe the difference between its operation and the established principles the established principles: The Company has established Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", and implemented them gradually and systematically in consideration of the operational needs. There has no significant deviation from the Principles.				
VII. Other important information helpful to understand the status of implementation of sustainable development: In recent years, the Company has been committed to the research and development and contracted the power system integration projects of environmentally friendly renewable energy (such as wind power and solar photovoltaic), and has also built its own solar energy plants, increase zero-pollution green electricity, work for the sustainable development of the earth, and help to save energy, reduce carbon emissions, and protect the environment, etc., which offer feedback and contributions to sustainable development.				

Note 1: The status of sustainable development promoted by the "Sustainable Development Committee".

1. Promoting sustainable development governance structure:



Note: The Risk Management Committee and the Audit Committee will not be established separately.

2. Committee groupings and implementation strategy framework:

	Environmental Development Team	Social Engagement Team	Employee Care Team	Corporate Governance Team	Risk Management Assessment Team
Strategy Framework	Environmental Sustainability Policy Operational Carbon Reduction Management Sustainable Procurement Environmental Education	Social Care Community Engagement Philanthropic Strategy Planning and Execution Corporate Image	Employee Remuneration and Benefits Career Development and Training Labor-management relations Human Rights Protection Occupational Health and Safety	Integrity Management Organizational Strategy Legal Compliance Protection of Shareholders' Equity ESG Information Disclosure Internal Audit Stakeholder Communication	Risk Management Governance assessment Environmental aspect assessment Social assessment
Responsible Unit	Management Division Procurement Division Factories (Yangmei and Tainan) Finance Division Production Department	Management Division Finance Division	Management Division Factories (Yangmei and Tainan)	Chairman Office Audit Office Information Office Management Division Finance Division	Information Office Management Division Finance Division
Membership	Vice President Chun-Hsiang Deng Vice President Shih-Chang Chien Vice President Li-Jung Li	Vice President Shih-Chang Chien Vice President Chun-Hsiang Deng	Vice President Chun-Hsiang Deng Special Assistant Tai Wen-Hsiung Vice President Li-Jung Li	Chairman Chieh-Jen Chen President：Lient-Sung Chen Vice President Shih-Chang Chien Vice President Chun-Hsiang Deng Vice President Kuo-Tsai Chen Vice President Shu-Chuan Wang	Vice President Shih-Chang Chien Vice President Chun-Hsiang Deng Vice President Kuo-Tsai Chen

3. Sustainable development goals:

	Strategic direction	Short-term goals (2024)	Status of Achievement	Medium and long-term goals (2025 - 2026)
Develop a Sustainable Environment	Ecological maintenance, promotion of various non-power and pollution-free leisure and recreational activities.	Travel planning for employees: Hiking in forest parks to feel the wonders of ecology, experience the blessings nature bestows on human beings, support pollution-free eco-tourism, and reduce greenhouse gas emissions from recreational activities.	Achieved	Promote sustainable tourism and continue to develop tourism activities in a low-carbon, environmental, and ecological orientation.
	Caring for the Earth and commitment to energy conservation and carbon reduction	Promoting green procurement: Increase the use of soy-based inks for printed matter, use of FSC-certified toilet paper, and non-reuse of paper for external documents.	Achieved	Increase the electricity conservation rate by 1% per year and continue to introduce electricity-saving measures; achieve the goals of garbage reduction and water conservation rate in each cycle.
		Promotion of energy-saving equipment: In order to reduce carbon emissions, all machinery and equipment purchased for the newly established Tainan Factory are environmentally friendly machines, and the office air conditioners are selected from brands that are energy-saving, power-saving, and low-carbon emission.	Achieved	
		Promoting green initiatives: The Company has set up resource recycle and waste sorting facilities in each of its offices and factories to enhance the utilization efficiency of all resources. Turn off the computer and turn off the lights after work.	Achieved	
Safeguarding social welfare	Educational support	The Company's employees are mainly recruited from local human resources (Tainan, Taipei, Taoyuan).	Achieved	Continue to adopt localized human resources and promote diversified talent recruitment channels.
		Support the Ministry of Education's plan for cultivating high-quality manpower to promote employment and the promotion of overseas Chinese students in the University of Science and Technology to improve students' practical experience.	Achieved	
	Community development and promotion of local culture	We organized Halloween activities with kindergartens in the neighboring communities to help children understand the origin of the festival. The Company also sponsored the supply of candies and biscuits to encourage children to express themselves, enhance their self-confidence and learn how to interact with others.	Achieved	Continued social engagement and care. Pass on local arts and culture and promote community development.
		Through beach cleaning activities, we lead employees and their families to learn about local coastal culture and marine knowledge.	Achieved	
Implementing corporate governance	Protecting shareholders' equity	The shareholders' meeting should be convened before the end of May.	Achieved	Treat shareholders fairly and in a friendly manner, and continue to release relevant information in advance to reduce information asymmetry.
		The shareholders' meeting handbook and supplementary materials shall be uploaded to the Market Observation Post System 30 days before the regular shareholders' meeting.	Achieved	
	Strengthen the structure and operation of the Board of Directors	There is one female director on the board of directors.	Achieved	Regularly conduct internal and external performance evaluations of the Board of Directors and functional committees. Diversity of board members. Increase in the attendance rate of members of the Board of Directors.
		Independent directors did not serve three consecutive terms.	Achieved	
	Enhance information transparency	English version announcement: 2024 (1) Published the English version of shareholders' meeting handbook and annual report. (2) Simultaneous announcement of material information in English. (3) The English version of the interim financial report should be announced within two months after the Chinese version of the interim financial report. (4) The English version of the parent company only and consolidated financial statements will be announced 18 days prior to the shareholders' meeting.	Achieved	Treat shareholders in a friendly and fair manner, and continue to release relevant English versions of announcements, shareholders' meeting materials and financial reports.

		Not being subject to fines due to failure to comply with relevant regulations on verifying and publicly processing significant information of listed companies, as well as handling the reporting procedures for listed companies' information.	Achieved	Treat shareholders fairly and in a friendly manner, and continue to publish financial reports ahead of schedule.
		The disclosure on the Company's website contains financial, business, and corporate governance-related information.	Achieved	Treat shareholders fairly and in a friendly manner, and provide shareholders with diversified channels to obtain relevant information of the Company.
		Quarterly investor conferences	Achieved	

4. Promoting sustainable development governance structure:

Category	Item	Contents
Develop a Sustainable Environment	Ecological maintenance	1. Employees' travel plans are mainly about getting close to nature and promoting pollution-free eco-tours. 2. Provide solar power plant construction, and own about 36MW solar power plant to increase the proportion of zero-pollution green energy and reduce environmental damage
Safeguarding social welfare	Cultural promotion community development	1. A Halloween event was held with the neighboring kindergarten to help children learn about the origins of festivals in different countries and promote educational development. 2. Conducted beach cleaning activities in nearby waters to learn about local coastal culture and marine knowledge.
	Educational support	1. The Company's employees are mainly recruited from local human resources (Tainan, Taipei, Taoyuan). 2. Support the Ministry of Education's plan for cultivating quality manpower to promote employment. 3. The overseas Chinese students in the University of Science and Technology are jointly learning institutions to increase students' practical experience.

(VI) Status of ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons

Evaluation Items	Status of operation			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”
	Yes	No	Summary	
I. Development of ethical management policies and programs (I) Does the Company have an honest management policy approved by the Board of Directors, and does it state in its bylaws and external documents its honest management policy and practices, as well as the commitment of the Board of Directors and senior management to actively implement the management policy?	✓		The Company's board of directors has approved the estalishment of “Ethical Corporate Management Best Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct,” and “Code of Ethical Conduct” for the employees to follow. We have established a robust whistle-blower reporting system, and have set up a "Report Box for Violation of Ethical Corporate Management (check_box@luxe.com.tw)" on the Company's website to prevent corruption and dishonest transactions.	No significant deviation.
(II) Has the Company established an assessment mechanism for the risk of dishonesty behaviors? Does the Company regularly analyze and assess business activities with a higher risk of dishonesty in the business scope, and formulate a plan to prevent dishonesty conduct, which at least covers the acts specified in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”?	✓		The Company has established regulations, such as the “Ethical Corporate Management Best Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct,” and “Code of Ethical Conduct,” and and actively implements operational procedures, behavioral guidelines, disciplinary actions for violations, and complaint mechanisms. Regular updates and explanations are provided to employees through various meetings to ensure compliance.	No significant deviation.
(III) Does the Company specify the operating procedures, conduct guidelines, disciplinary and grievance systems for non-compliance in its dishonesty prevention program, and implement them, and regularly review and revise the previously disclosed program?	✓		The Company has established operational procedures, behavioral guidelines, disciplinary measures for violations, and a complaint mechanism in the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Code of Ethical Conduct." prohibiting bribery, receiving bribes, providing illegal political donations, and other prohibited behaviors, with disciplinary actions enforced according to regulations for violations.	No significant deviation.
II. Implementation of ethical management (I) Does the Company evaluate the integrity records of its counterparties and specify the integrity terms in the contracts it signs with them?	✓		The company has established the "Supplier Management Regulations," which include conducting credit investigations on business partners to check for any records of dishonest behavior. This ensures the faithful execution of contracts signed with suppliers. In the event of dishonesty on either party's part, the	No significant deviation.

Evaluation Items	Status of operation			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”
	Yes	No	Summary	
			contract is promptly terminated, adhering to the principle of integrity in business operations.	
(II) Does the Company have a dedicated unit under the Board of Directors to promote honest corporate management and report regularly (at least once a year) to the Board of Directors on its policies on honest management and plans to prevent dishonest practices and monitor their implementation?	✓		The Company has established a corporate governance group as the "Ethical Corporate Management Promotion Committee", with the Chairman as the Chairperson, the General Manager as the Vice Chairman, and other members as department heads to assist the Chairman and the General Manager in formulating and implementing relevant policies. The Chairman will report to the Board of Directors in the first quarter on the implementation status of the previous year.	No significant deviation.
(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for presentation, and implement it?	✓		The Company has established regulations, such as the “Ethical Corporate Management Best Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct,” “Employee Work Rules,” “Code of Ethical Conduct” and “Insider Trading Prevention Regulations”, which define policies to prevent conflicts of interest, provide appropriate reporting channels, and ensure implementation. In case of conflict of interest, employees may report directly to their supervisor or the President's Office, or report them to the suggestion box set up by the Company.	No significant deviation.
(IV) Does the Company have an effective accounting system and internal control system for the implementation of honest management, and has an internal audit unit prepare an audit plan based on the assessment results of the risk of dishonest acts, and check the compliance of the dishonest act prevention plan accordingly, or has an accountant been appointed to perform the audit?	✓		The Company has established effective accounting and internal control systems, and set up an internal audit unit to prepare relevant audit plans to audit the compliance with the unethical conduct prevention plans. Each year, the Company appoints CPAs to perform relevant audits on a regular basis.	No significant deviation.
(V) Does the Company organize internal or external education and training on a regular basis to maintain ethical management?		✓	The Company has established a corporate governance group as the "Ethical Corporate Management Promotion Committee" and will regularly hold internal and external education and training on integrity management. Since the foundation of the Company, the Board of Directors and the management team have upheld the idea of and followed the principles of honest and robust operation, and further made relevant declaration and implementation at all meetings.	The Company has started to plan the promotion of relevant education and training, and began to implement internal and external education and training on ethical management in 2025.
III. Operation of the whistleblower reporting system (I) Does the Company have a specific whistleblower reporting and rewarding system, and has it established a channel to facilitate reporting and assigned appropriate staff to receive reports on the subject?	✓		The Company has set out a specific reporting and reward system in the "Regulations for Whistleblowing of Violation of the Ethical Corporate Management Best Practice Principles". Internal employees can also report or appeal to the general manager through their unit supervisors. The Company assigns appropriate dedicated personnel to handle the reports and ensures that the whistleblower will not be improperly punished for reporting. For each stakeholder (including employees, investors, suppliers, customers, etc.), dedicated contact points, telephone numbers and e-mail boxes are set up for stakeholders to file complaints, report or exchange opinions.	No significant deviation.
(II) Does the Company have standard operating procedures for investigation of whistleblowing cases, follow-up measures to be taken after the completion of the investigation and the relevant confidentiality mechanism?	✓		The Company has established the "Regulations Governing the Reporting of Breach of Ethical Corporate Management Practice Principles" to handle the handling of reports, investigation, follow-up measures after investigation, and confidentiality. The follow-up measures to be taken after the investigation of the reported case is completed, depending on the severity of the case. In addition to reporting to the board of directors, if necessary, it shall be reported to the competent authority or referred to the judicial authorities for investigation.	No significant deviation.
(III) Has the Company taken measures to protect the whistleblower from improper treatment due to their whistleblowing?	✓		The Company adopts absolute confidentiality measures for the whistleblowers in the relevant complaint procedures of the "Regulations Governing the Reporting of Breach of Ethical Corporate Management Practice Principles" to protect the	No significant deviation.

Evaluation Items	Status of operation			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"
	Yes	No	Summary	
			whistleblowers from improper treatment as a result of their reporting.	
IV. Enhancement of information disclosure Does the company disclose the content of its ethical corporate management principles and the effectiveness of its implementation on its website and the Market Observation Post System?	✓		The Company discloses the "Ethical Corporate Management Best Practice Principles" on the website (https://www.luxe.com.tw/tw/investors/1/3) and on the MOPS.	No significant deviation.
V. If the Company has established ethical corporate management best practice principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe any difference between the current practices and the established principles: The difference will be implemented in 2025, and there is no material deviation from the rules.				
VI. Other important information helpful to understand the Company's ethical corporate management: 1. The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, TWSE/TPEx-listed company regulations, or other business conduct-related laws and regulations, as the basis for ethical corporate management. 2. The Company's "Rules of Procedure for Board of Directors Meetings" stipulates guidelines for directors' recusal. For proposals proposed by the Board of Directors, a person who has an interest in himself and may cause damage to the Company's interest shall not participate in the discussion and voting, and shall recuse during the discussion and voting. 3. The Company has established the "Procedures for Prevention of Insider Trading" to regulate directors, independent directors, managers and employees not to disclose any material internal information known to them, nor may they collect information from a person who has knowledge of material internal information of the Company on such person A company that does not disclose its internal material information not related to their duties shall not disclose to others any internal and material internal information that has not been disclosed by the Company due to any other reasons than the performance of their duties.				

(VII) Other important information that is sufficient to enhance the understanding of the Company's corporate governance may be disclosed altogether: None.

(VIII) The following shall be disclosed regarding the implementation of the internal control system

1. Statement on the Internal Control System

Luxe Green Energy Technology Co.,Ltd.

Statement on the Internal Control System

Date: March 4, 2025

The Company states the following with respect to its 2024 internal control system based on the results of a self-assessment:

I. The Company acknowledges that the Board of Directors and managerial managers are responsible for the establishment, implementation and maintenance of the internal control system, and we have established a system as such. The purpose is to provide reasonable assurance for achievement of the objectives concerning the effectiveness and efficiency of the operations (including profit, performance and protection of asset security), reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws.

II. Any internal control system has its inherent limitations. No matter how well an internal control system is designed, it can only provide reasonable assurance regarding the achievement of the three aforementioned objectives. Moreover, the effectiveness of an internal control system may be altered as a result of changes in the environment and circumstances. However, our internal control system has a self-monitoring mechanism, and we take corrective actions immediately once a nonconformity is identified.

III. The Company judges the effectiveness of the design and operation of the internal control system with reference to the judgment items for such effectiveness as specified in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as the “Regulations”). The internal control systems are divided into the following five constituent elements according to the management and control process in terms of the judgment items for the internal control system provided for in the “Regulations”:
1. control environment; 2. risk assessment; 3. Control activities; 4. information and communications; and 5. monitoring activities. Each constituent element contains a number of items. Please refer to the provisions of the above-mentioned “Regulations”.

IV. The Company has adopted the aforementioned judgment items to examine the effectiveness of the design and implementation of our internal control system.

V. Based on the evaluation results in the preceding paragraph, the Company believes that its internal control system (including supervision and management of subsidiaries) as of December 31, 2024, including the understanding of the effectiveness of operations and the degree to which efficiency targets are achieved, reliable, timely, and transparent reporting, compliance with relevant standards and laws and regulations, and the design and implementation of the relevant internal control system are effective and can reasonably ensure the achievement of the above-mentioned objectives.

VI. The Statement will be the main part of the annual report and prospectus of the Company and publicly disclosed. If there is any misrepresentation, nondisclosure or other illegalities in the aforementioned disclosures, legal responsibilities specified in Articles 20, 32, 171 and 174 of the Securities and Exchange Act shall apply.

VII. This statement was approved by the Company's Board of Directors on March 4, 2025. The 10 directors present had no objection and all agreed to the contents of this statement and hereby declare.

Luxe Green Energy Technology Co., Ltd.

Chairman: Chieh-Jen Chen

General manager: Lient-Sung Chen

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report; Not applicable.

(IX) Important resolutions of the shareholders' meeting and the board meeting in the most recent year and up to the date of publication of the annual report:

1. Important resolutions of the shareholders' meeting and their implementation:

(1) Important resolutions of the 2024 general meeting of shareholders and the status of implementation:

Important resolution matters	Status of implementation
Proposal of 2023 earnings distribution	1. Cash dividends of NT$45,173,322 2. Stock dividends of NT$45,173,320 (1) Base date of allocation of rights: August 2, 2024 (2) Cash dividend distribution date: September 11, 2024

(2) Suggestions from shareholders: None.

2. Important resolutions of the Board of Directors in the most recent year and up to the publication date of the annual report:

Date	Important resolution matters
2024/2/26	1. Distribution of the remuneration to employees and directors for 2023. 2. Review and discussion on the 2023 Business Report and financial statements of the Company. 3. 2023 Statement on Internal Control System. 4. By-election of two directors 5. Removal of non-compete restrictions on new directors. 6. Convening of 2024 general meeting of shareholders 7. Capital increase of the subsidiary "Le Hua Investment" 8. Capital increase of the subsidiary "LUXE GREEN ENERGY TECHNOLOGY"
2024/4/2	1. Proposal of 2023 earnings distribution 2. Proposal for a new share issue through capitalization of earnings. 3. Review of director candidates nominated by shareholders 4. Convening of 2024 shareholders' meeting (supplementary proposals) 5. Proposal to establish employee stock ownership trust to enhance employee benefits 6. Proposal to establish (amend) partial provisions of the methods, specifications, procedures, standards and codes listed in the following Table
2024/5/14	1. The Company's financial statements for the first quarter of 2024 2. Setting the ex-dividend date for 2024 and related matters
2024/8/9	1. The Company's financial statements for the second quarter of 2024 2. Establishment and amendment of operating procedures 3. Bank borrowings
2024/11/12	1. The Company's financial statements for the third quarter of 2024 2. Appointment of CPAs and evaluation of independence and suitability 3. Establishment and amendment of operating procedures 4. 2025 Audit Plan 5. Employee appointment
2025/3/4	1. Proposal for the 2024 distribution of remuneration to employees and directors 2. Review of the Company's 2024 business report and financial statements 3. Proposal of 2024 earnings distribution 4. Distribution of cash dividends from capital reserve 5. Amendment to the Articles of Incorporation 6. Declaration of 2024 internal control system 7. Advance re-election of the Company's directors and independent directors 8. Release of non-competition restrictions for new directors and independent directors 9. Convening of the 2025 general meeting of shareholders 10.Nomination of members of the Nomination Committee 11.Appointment of legal consultant

(X) In the most recent year and up to the publication date of the annual report, the directors or supervisors had different opinions on important resolutions passed by the Board of Directors and the records or written statements thereof, the main contents of which are: None.

IV. Information on the professional fees of the attesting CPAs (external auditors):

Unit: NT$ thousand

<table>
<tr><th>Name of CPA firm</th><th>Name of CPA</th><th>Independent Auditors' Report</th><th>Audit fee</th><th>Non-audit fee (Note)</th><th>Remarks</th></tr>
<tr><td rowspan="2">Baker Tilly Clock & Co</td><td>Chia-Yu Lai</td><td rowspan="2">2024/1/1~2024/12/31</td><td rowspan="2">2000</td><td rowspan="2">155</td><td rowspan="2"></td></tr>
<tr><td>Yin-Lai Chou</td></tr>
</table>

Note: Non-audit fees: industrial and commercial registration: NT$5 thousand, other fees $150 thousand.

(I) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amount, percentage, and reasons for the decrease in audit fees should be disclosed: None.

(II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

V. Information on change of CPAs: Not applicable.

(I) Former CPA

<table>
<tr><td>Change Date</td><td colspan="4"></td></tr>
<tr><td>Reasons and description of change</td><td colspan="4"></td></tr>
<tr><td rowspan="3">Whether the appointment is terminated or not accepted by the client or CPA</td><td colspan="2">Party
Situation</td><td>CPA</td><td>Client</td></tr>
<tr><td colspan="2">Voluntary termination of appointment</td><td></td><td></td></tr>
<tr><td colspan="2">Declination of appointment (renewal)</td><td></td><td></td></tr>
<tr><td>Opinions and reasons for issuance of audit reports in the most recent two years, excluding unqualified opinions</td><td colspan="4"></td></tr>
<tr><td rowspan="7">Any differences in opinions between CPA and issuer</td><td rowspan="5">Yes</td><td></td><td colspan="2">Accounting principle or practice</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial statements</td></tr>
<tr><td></td><td colspan="2">Audit scope or step</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>
<tr><td>Other disclosures
(Things to be disclosed in Item 1-4-1-7, Subparagraph 6, Article 10 of the Guidelines)</td><td colspan="4"></td></tr>
</table>

(II) Succeeding CPA

Name of CPA firm	
Name of CPA	
Date of appointment	
Matters and results of the consultation on accounting treatment methods or accounting principles for specific transactions and possible issuance of financial statements prior to the appointment	
Written opinions of the succeeding CPA on the matters regarding which the former CPA has expressed dissent	

(III) Reply from the former CPA regarding Item 1 and Item 2-3, Paragraph 6 of Article 10 of these Standards: Not applicable.

VI. The Company's Chairman, Presidents, or managerial officers responsible for handling financial or accounting affairs who held a position in a firm of the CPA or any of its affiliates in the most recent year should disclose their names, titles, and the duration of their service in the accounting firm or its affiliated enterprises: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent year and as of the date of publication of the annual report: (If the counterparty of the equity transfer or equity pledge is a related party, the name of the counterparty, the relationship with the Company, directors, supervisors, shareholders holding more than 10% of the shares, and the number of shares acquired or pledged shall be disclosed.)

(I) Details of equities changed by directors, supervisors, managerial officers, or major shareholders:

Unit: share

Title	Name	2024		As of March 25, 2025	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Corporate director	Chia Chi SDRY Enterprise Co., Ltd.	187,631	-	-	-
	Representative: Chieh-Jen Chen)	-	-	-	-
Corporate director	Pao Li Tou Investment Co., Ltd.	2,241,763	-	-	-
	Representative: Chin-Lung Liu	-	-	-	-
Director	Pin-Chun Chen	-	-	-	-
Director	Chia-Yung Cheng	18,356	-	-	-
Director	Fu-Tsai Liu	33,113	-	-	-
Director	Ming-Chieh Hsu	-	-	-	-
Director	Hsie-Chia Chen	-	-	-	-
Director	Fu-Chuan Wei	-	-	-	-
Independent director	Chao-Lai Chen	-	-	-	-
Independent director	Shuang-Hsi Tsou	-	-	-	-
Independent director	Tung-Han Yang	-	-	-	-
President	Lient-Sung Chen	-	-	-	-
Vice President	Chun-Hsiang Teng	-	-	-	-
Vice President	Shih-Chang Chien	996	-	-	-
Vice President	Wen-Hsien Yang	-	-	-	-
Major shareholder	Quintain Steel Co., Ltd.	453,452	-	-	-

Note 1: A full re-election of the Company's directors and independent directors was held at the shareholders' meeting on June 21, 2022.

(II) The counterparties of equity transfers being related parties: None.
(III) The counterparties of equity pledges being related parties: None.

VIII. Information on whether the top ten shareholders in terms of shareholding ratio are related persons or spouses, or relatives within the second degree of kinship.

(Number of shares , Unit: Shares) Date: March 25, 2025

Name	Shareholdings of shareholder		Shareholdings of spouse and minor children		Shareholdings in the name of others		The title or name and relationship of the Top 10 shareholders having a mutual relationship as a related party, spouse or a relative within the second degree of kinship		Remarks
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Title (or name)	Relationship	
Quintain Steel Co., Ltd.	15,568,543	10.03%	-	-	-	-	Since She Co., Ltd	Subsidiary	-
Responsible person: Chen-Tse Wang	-	-	-	-	-	-	-	-	
Concord International Securities Co., Ltd.	13,754,943	8.86%	-	-	-	-	Pao Li Tou Investment Co., Ltd.	Corporate director	-
Responsible person: Wen-Tsu Wang	-	-	-	-	-	-	-	-	-
Pao Li Tou Investment Co., Ltd.	10,833,893	6.98%	-	-	-	-	-	-	-
Responsible person: Mi-Chuan Chen	-	-	-	-	-	-	Chung-Hsien Chen	Second-degree relative	-
Asahi Enterprises Corp.	9,043,420	5.83%	-	-	-	-	-	-	-
Responsible person: Chung-Hsien Chen	-	-	-	-	-	-	Mi-Chuan Chen	Second-degree relative	-
Chia Chi SDRY Enterprise Co., Ltd.	6,442,022	4.15%	-	-	-	-	-	-	-
Responsible person: Nien-Chen Hsueh	-	-	-	-	-	-	-	-	-
Since She Co., Ltd.	3,348,546	2.15%	-	-	-	-	Quintain Steel Co., Ltd.	Parent company	-
Responsible person:Cheng-Cheng Hsieh	-	-	-	-	-	-	-	-	-
Chateau International Development Co.,Ltd.	2,944,077	1.89%	-	-	-	-	Quintain Steel Co., Ltd.	Parent company	-
Responsible person: Hsieh-Tung Chen	-	-	-	-	-	-	-	-	-
Li-Hua Hung Cheng	2,813,974	1.81%	-	-	-	-	Cheng Jui-Chang (husband)	Spouse	-
Jui-Chang Cheng	1,542,423	0.99%	-	-	-	-	Cheng Hung-Li-Hua (wife)	Spouse	-
Chun-Hao Hu	1,210,290	0.78%	-	-	-	-	-	-	-

Note 1: Except for the Company's directors, supervisors, managers and other insiders, the Company cannot acquire the shares held by their spouses and minor children.

Note 2: The relationships between the aforementioned shareholders, including juridical and natural persons, shall be disclosed in accordance with the regulations of the issuer's financial reporting framework.

IX. The total number of shares held in the same invested business by the Company and the directors, supervisors and managerial officers thereof, and any companies controlled either directly or indirectly by the Company, and the comprehensive shareholding ratio is calculated in a consolidated manner

Unit: Shares; %; December 31, 2024

Invested business (Note)	Investment of the Company		Investment of directors, supervisors, managerial officers and directly or indirectly controlled business		Comprehensive Investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Le Hua Investment Co., Ltd.	2,200,000	100	0	0	2,200,000	100
Luxe Solar Energy Co., Ltd.	546,000	100	0	0	546,000	100
Sen-Hsin Energy Co., Ltd.	81,300,000	100	0	0	81,300,000	100
Chin Lai International Development Co., Ltd.	19,179,000	100	0	0	19,179,000	100
Wan Chuan Construction Co.,Ltd.	6,300,000	52.5	0	0	6,300,000	52.5

Note: These are long-term investments accounted for using the equity method by the Company.

III. Fundraising Status

I. Capital and shares

(I) Capital sources

1. Formation of share capital

Year and month	Issue price (NTD)	Authorized capital		Paid-in capital		Remarks					
						Capital sources				Investment by property other than cash	Others
						Follow-on offering	Capitalization of earnings and employee dividend		Capitalization of capital reserves		
		Shares (share)	Amount (NTD)	Shares (share)	Amount (NTD)		Earnings	Employee dividend			
May 1978 Establishment registration	10	300,000	3,000,000	300,000	3,000,000	3,000,000 Fully paid contribution	-	—	—	—	-
January 1981	10	1,200,000	12,000,000	1,200,000	12,000,000	9,000,000	-	—	—	—	-
September 1984	10	1,600,000	16,000,000	1,600,000	16,000,000	4,000,000	-	—	—	—	-
April 1985	10	2,000,000	20,000000	2,000,000	20,000,000	4,000,000	-	—	—	—	-
August 1986	10	3,500,000	35,000,000	3,500,000	35,000,000	15,000,000	-	—	—	—	-
November 1988	10	5,000,000	50,000,000	5,000,000	50,000,000	15,000,000	-	—	—	—	-
November 1989	10	8,000,000	80,000,000	8,000,000	80,000,000	30,000,000	-	—	—	—	-
November 1990	10	12,000,000	120,000,000	12,000,000	120,000,000	16,000,000	16,000,000	-	8,000,000	-	-
September 1993	13	16,200,000	162,000,000	16,200,000	162,000,000	30,000,000	12,000,000	-	—	—	-
October 1994	10	19,440,000	194,400,000	19,440,000	194,400,000	-	22,680,000	-	9,720,000	-	-
June 1997	20	32,000,000	320,000,000	32,000,000	320,000,000	75,162,150	48,600,000	1,837,850	-	-	Note 1
August 1998	10	38,600,000	386,000,000	38,600,000	386,000,000	-	32,000,000	2,000,000	32,000,000	-	Note 2
September 1999	18	55,760,000	557,600,000	55,760,000	557,600,000	130,000,000	38,600,000	3,000,000	-	-	Note 3
October 2000	10	67,272,000	672,720,000	67,272,000	672,720,000	-	55,760,000	3,600,000	55,760,000	-	Note 4
September 2001	10	71,308,320	713,083,200	71,308,320	713,083,200	-	13,454,400	-	26,908,800	-	Note 5
October 2002	10	74,873,736	748,873,736	74,873,736	748,873,736	-	21,392,496	-	14,261,664	-	Note 6
April 2005	10	150,000,000	1,500,000,000	75,461,971	754,619,710	-	—	—	—	-	Note 7
May 2005	10	150,000,000	1,500,000,000	86,132,549	861,325,490	-	—	—	—	-	Note 8
August 2005	10	150,000,000	1,500,000,000	86,156,078	861,560,780	-	—	—	—	-	Note 9
November 2005	10	150,000,000	1,500,000,000	88,909,017	889,090,170	-	—	—	—	-	Note 10
July 2006	10	150,000,000	1,500,000,000	92,214,897	922,148,970	-	—	—	—	-	Note 11
May 2007	10	200,000,000	2,000,000,000	100,485,429	1,004,854,290	-	—	—	—	-	Note 12
August 2007	13.2	200,000,000	2,000,000,000	150,485,429	1,504,854,290	500,000,000	-	—	—	-	Note 13
September 2007	10	200,000,000	2,000,000,000	159,650,099	1,596,500,990	-	—	—	—	-	Note 14
December 2007	10	250,000,000	2,500,000,000	159,708,922	1,597,089,220	-	—	—	—	-	Note 15
April 2010	4	250,000,000	2,500,000,000	209,708,922	2,097,089,220	500,000,000	-	—	—	-	Note 16
November 2011	3.46	350,000,000	3,500,000,000	249,708,922	2,497,089,220	400,000,000	-	—	—	-	Note 17
November 2014	2.67	350,000,000	3,500,000,000	299,708,922	2,997,089,220	500,000,000	-	—	—	-	Note 18
February 2017	1.20	600,000,000	6,000,000,000	599,708,922	5,997,089,220	3,000,000,000	-	—	—	-	Note 19
November 2018	10	600,000,000	6,000,000,000	65,967,982	659,679,820	-	—	—	—	-	Note 20
September 2019	11	600,000,000	6,000,000,000	95,967,982	959,679,820	300,000,000	-	—	—	-	Note 21
September 2021	12.6	600,000,000	6,000,000,000	135,967,982	1,359,679,820	400,000,000	-	—	—	-	Note 22
October 2022	10	600,000,000	6,000,000,000	145,485,742	1,454,857,420	-	95,177,600	-	—	-	Note 23
August 2023	10	600,000,000	6,000,000,000	150,577,742	1,505,777,420	-	41,463,430	-	9,456,570	-	Note 24
2024	10	600,000,000	6,000,000,000	155,095,074	1,550,950,740	—	45,173,320	—	—	—	Note 25

Note 1: Approved by Letter (1997) Tai-Tsai-Cheng (1) No. 46518 of the Securities and Futures Commission, Ministry of Finance on June 13, 1997.

Note 2: Approved by Letter (1998) Tai-Tsai-Cheng (1) No. 67450 of the Securities and Futures Commission, Ministry of Finance on August 3, 1998.

Note 3: Approved by Letter (1999) Tai-Tsai-Cheng (1) No. 77855 of the Securities and Futures Commission, Ministry of Finance on September 7, 1999.

Note 4: Approved by Letter (2000) Tai-Tsai-Cheng (1) No. 73181 of the Securities and Futures Commission, Ministry of Finance on August 28, 2000.

Note 5: Letter (2001)Tai-Tsai-Cheng (1) No. 148017 of the Securities and Futures Commission, Ministry of Finance, dated July 24, 2001.

Note 6: Approved by Letter (1999) Tai-Tsai-Cheng-Yi-Tzu No. 09104007 of the Securities and Futures Commission, Ministry of Finance on July 23, 2002.
Note 7: Approved by Letter Jing-Shou-Shang-Tzu No. 09401057440 of the Ministry of Economic Affairs on April 7, 2005.
Note 8: Approved by Letter Jing-Shou-Shang-Tzu No. 09401091320 of the Ministry of Economic Affairs on May 24, 2005.
Note 9: Approved by Letter Jing-Shou-Shang-Tzu No. 09401150220 of the Ministry of Economic Affairs on August 3, 2005.
Note 10: Approved by Letter Jing-Shou-Shang-Tzu No. 09401241080 of the Ministry of Economic Affairs on November 29, 2005.
Note 11: Approved by Letter Jing-Shou-Shang-Tzu No. 09501168830 of the Ministry of Economic Affairs on August 7, 2006.
Note 12: Approved by Letter Jing-Shou-Shang-Tzu No. 09601096220 of the Ministry of Economic Affairs on May 8, 2007.
Note 13: Approved by Letter Jin-Guan-Zheng-Yi-Tzu No. 0960050268 of the Financial Supervisory Commission, Executive Yuan on May 31, 2007
Note 14: Approved by Letter Jing-Shou-Shang-Tzu No. 09601222720 of the Ministry of Economic Affairs on September 11, 2007.
Note 15: Approved by Letter Jing-Shou-Shang-Tzu No. 09601298270 of the Ministry of Economic Affairs on December 6, 2007.
Note 16: Approved by Letter Jing-Shou-Shang-Tzu No. 099010926000 of the Ministry of Economic Affairs on May 10, 2010.
Note 17: Approved by Letter Jing-Shou-Shang-Tzu No. 10001269960 of the Ministry of Economic Affairs on November 10, 2011.
Note 18: Approved by Letter Jing-Shou-Shang-Tzu No. 10301169920 of the Ministry of Economic Affairs on August 27, 2014.
Note 19: Approved by Letter Jing-Shou-Shang-Tzu No. 10601030360 of the Ministry of Economic Affairs on May 16, 2017.
Note 20: Approved by Letter Jing-Shou-Shang-Tzu No. 10701137840 of the Ministry of Economic Affairs on November 14, 2018; a reduction of NT$5,337,409,400 in capital to make up accumulated losses.
Note 21: Approved by Letter Jing-Shou-Shang-Tzu No. 10801115120 of the Ministry of Economic Affairs on September 12, 2019.
Note 22: Approved by Letter Jing-Shou-Shang-Tzu No. 11001175430 of the Ministry of Economic Affairs on September 17, 2021.
Note 23: Approved by Letter Jing-Shou-Shang-Tzu No. 11101186970 of the Ministry of Economic Affairs on October 3, 2022.
Note 24: Approved by Letter Jing-Shou-Shang-Tzu No. 11230162670 of the Ministry of Economic Affairs on August 29, 2023.
Note 25: Approved by the Ministry of Economic Affairs on May 23, 2014, under Shou-Shang-Zi Letter No. 11330084940.

2. Type of share

Unit: Shares; March 25, 2025

Types of share	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common shares	155,095,074 shares	444,904,926 shares	600 thousand thousand shares	Listed company’s stocks

3. Information related to the general reporting system: Not applicable.

(II) List of major shareholders: Shareholders with a shareholding of more than 5% or a list of the top ten shareholders

March 25, 2025

Name of major shareholder \ Shareholdings	Holding shares (shares)	Shareholding ratio (%)
Quintain Steel Co., Ltd.	15,568,543	10.038
Concord International Securities Co., Ltd.	13,754,943	8.868
Pao Li Tou Investment Co., Ltd.	10,833,893	6.985
Asahi Enterprises Corp.	9,043,420	5.830
Chia Chi SDRY Enterprise Co., Ltd.	6,442,022	4.153
Since She Co., Ltd.	3,348,546	2.159
Chateau International Development Co.,Ltd.	2,944,077	1.898
Li-Hua Hung Cheng	2,813,974	1.814
Jui-Chang Cheng	1,542,423	0.994
Chun-Hao Hu	1,210,290	0.780

(III) Description of the Company's dividend policy, execution, and expectation of significant changes

1. Dividend policy of the Company

If having a profit in the final accounting of the year, the Company shall first pay taxes and make up any cumulative losses in accordance with laws, and then set aside 10% of the said earnings as legal reserves, unless such legal reserves reach the amount of the Company’s paid-in capital. Any surpluses remaining shall then be subject to provision or reversal of special reserves, as the laws may require. If there is any residual balance, it shall be, together with the undistributed earnings carried from previous years, used as dividends for shareholders. The Board of Directors shall draft an earnings distribution proposal and submit it to the shareholders’ meeting for approval. When the Board of Directors is planning for the distribution of earnings, the amount of dividends to shareholders is determined after considering the funds required for the stable operation of the Company. The amount of dividends distributed to shareholders shall be no less than 60% of the distributable earnings, of which cash dividends shall not be less than 50% of the total dividends 40%, and stock dividends not higher than 60%.

2. Dividend distribution

The Company's 2024 profit distribution plan was approved by the Board of Directors on March 4, 2025 to distribute a dividend of NT$0.2, including a cash dividend of NT$0.2 per share. It is still pending the approval of the shareholders' meeting on May 23, 2025.

(IV) The impact of the issuance of bonus shares proposed at the shareholders' meeting this year on the Company's operating performance and earnings per share: None.

(V) Remuneration to employees and directors

1. The scope of remuneration to employees and directors as stated in the Articles of Incorporation:

Profits concluded by the Company in a fiscal year are subject to employee remuneration of no less than 1%, which may be distributed in shares or in cash, upon the resolution of the Board of Directors. Such resolution is based on the suggestion of the Remuneration Committee and shall be approved by a majority of the directors present at a Board of Directors meeting attended by over two-thirds of the total number of directors. The employees receiving the remuneration include those of the Company's parents or subsidiaries who meet certain requirements set by the Board of Directors. Up to 1% of the aforementioned profit may be distributed as director remuneration based on the suggestion of the Company's Remuneration Committee and upon the approval of a majority of the directors present at a Board of Directors meeting attended by over two-thirds of the total number of directors. The proposal for distribution of remuneration to employees and directors shall be reported to the shareholders' meeting. However, if the Company still has accumulated losses, it shall first reserve an amount to offset the losses, and then provide employees' remuneration and directors' remuneration in accordance with the aforementioned percentages.

2. The basis for calculation of the remuneration to employees and directors, the calculation of the number of shares for the share-based remuneration to employees, and the accounting treatment of any discrepancies between the actually distributed calculated amounts in the current period:

If there is a major change in the distributed amount determined at a Board of Directors meeting upon resolution before the approval and publication date of the annual separate financial statements, the annual expenditure set aside shall be adjusted accordingly. If there are any changes in the amount after the approval and publication date of the annual separate financial statements, it shall be handled as a change in accounting estimates, be adjusted and entered up in accounting of the following year. If employee remuneration is determined to be distributed in shares upon resolution at the shareholders' meeting, the number of share dividends shall be a result of dividing the determined distribution amount by the fair value per share. The fair value per share refers to the closing price (in consideration of the effects of the ex-dividend and ex-rights) on the day immediately before the resolution date of the Board of Directors.

3. The distribution of remuneration approved by the Board of Directors:

(1) The amount of the remuneration to employees, directors and supervisors distributed in cash or share: If there is any discrepancy from the estimated amount of the expenses recognized in the year, the discrepancy, the reason for the discrepancy, and the status of the treatment shall be disclosed:

The remuneration of employees and directors of the Company for 2024 was NT$0 and NT$0, respectively, which was in line with the estimated figures.

(2) The amount of the remuneration to the employees in the form of stocks, and share of that amount as a percentage of the sum of the net income after tax for the current period and total employee remuneration: None.

4. The actual distribution of employees' and directors' remuneration in the previous period (including the number of shares distributed, the amount and the share price), and the difference from the recognized employees' and directors' remuneration, the amount, causes and treatment of the difference:

The Company's Board of Directors approved NT$1,392,765 as remuneration to employees for 2023. The actual amount distributed was no different from the original estimate.

(VI) Shares repurchased by the Company: None.

II. Issuance of corporate bonds (including overseas corporate bonds): None.

III. Preference shares: None.

IV. Overseas depository receipts: None.

V. Issuance of employee stock options: None.

VI. Issuance of restricted stock awards (RSA): None.

VII. Merger and acquisition or issuance of new shares by acquiring other companies: None.

VIII. Implementation of the capital utilization plan:

(I) As of the quarter prior to the publication date of the annual report, previous issuance or private placement of securities has not been completed, or has been completed in the last three years and the planned benefits have not yet emerged: None.

(II) With respect to the use of each of the plans in the preceding paragraph, a comparison between the implementation status and the originally estimated benefits as of the quarter preceding the publication date of the annual report is made: None.

IV. Operation Overview

I. Business content

(I) Business scope

1. Main content of the Company's business

(1) Design, manufacture, installation, and trading of high and low voltage receiving/distributing panels, automatic control panels, motor starter panels and testing instruments.
(2) Design, manufacture, installation, and trading of gas insulated switchgear, gas capacitors and their components.
(3) Design, manufacture, installation, and trading of various pollution control equipment and their components.
(4) Various electrical equipment (including current regulators, voltage regulators, transformers, and reactors).
(5) Designing, manufacturing, and trading of various electrical and electronic teaching aids.
(6) Design contracting of various electrical and plumbing works.
(7) Computer software programming and data processing.
(8) Trading of computer software and hardware.
(9) Processing, manufacturing and trading of various water supply piping equipment.
(10) Design, manufacturing, installation and trading of logistics system automation software and hardware.
(11) Design, manufacturing, installation, and trading of computer network and communication related software and hardware.
(12) Design, manufacturing, installation and trading of storage system related equipment.
(13) Design of remote control and monitoring system and equipment installation, manufacturing and trading.
(14) Fire safety equipment installation engineering.
(15) Wholesale of refractory materials.
(16) Piping engineering.
(17) Electric Appliance Construction.
(18) Refrigeration and air conditioning engineering.
(19) Import and export of the above items.
(20) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue percentage

Unit: NT$ thousand

Year / Major product	2024		FY2023	
	Sales amount	Percentage	Sales amount	Percentage
Construction and engineering revenue	168,879	24.25%	122,773	16.32%
Sales revenue	334,132	47.98%	415,808	55.27%
Electricity retailing revenue	187,671	26.95%	153,330	20.38%
Others	5,757	0.82%	60,459	8.03%
Total	696,439	100.00%	752,370	100.00%

3. Current products (services) of the Company

The Group is one of the largest manufacturers of heavy-duty power plants in Taiwan. The main electromechanical products include switchboards, transformers, converters, electrical equipment, metal enclosures, network monitoring and other products.

The Group's system engineering includes substation turnkey engineering, design and construction of water and electricity works, solar power generation turnkey engineering and comprehensive construction, which is one of the Company's main businesses.

Other products include non-recurring income such as import and export of goods, authorized agency, inspection and maintenance, testing and maintenance (pressure regulators, current regulators, etc.).

4. New products (services) developed

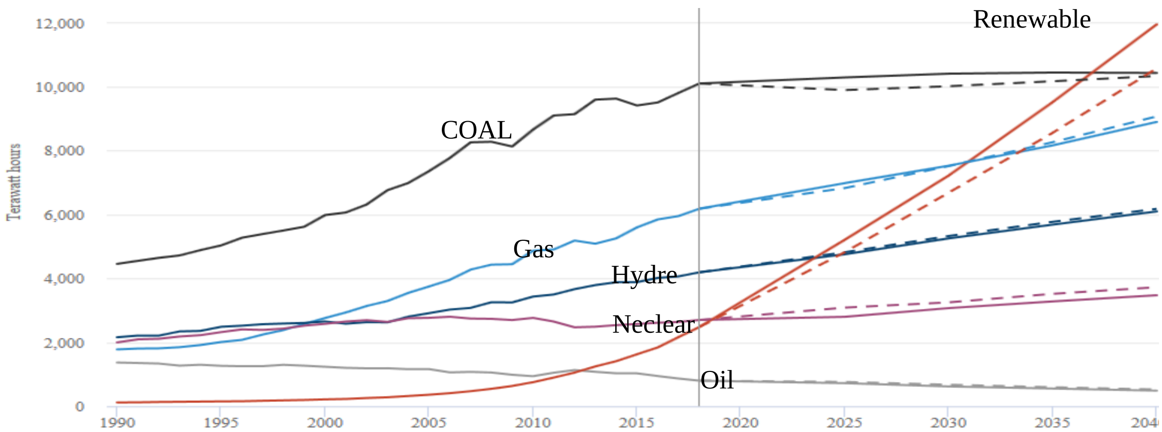
The Group has the qualification to be the manufacturer of high and low voltage switchboards from the original manufacturer of the Bureau of Energy, and has obtained the 23KV GIS qualified supplier certification (TAF laboratory certification, qualified certification of the original manufacturer of the Bureau of Energy). The manufacturer's ability to manufacture 50KVA pad-mounted transformers has obtained Taipower certification in 2021, and has entered the ranks of Taiwan Power Company's supply chain manufacturers. In 2023 and 2024, it won the Taipower 50KVA pad-mounted transformer tender. Currently, the pilot project and the new 100KVA and 167KVA versions are being submitted for review.

(II) Industry overview

1. Current status of the industry and its development

Since 2000, the issues of global climate change and greenhouse effect have been increasingly prominent, and further brought a serious threat to human life and the environment of the Earth. Thus, it is extremely important to take the sustainable development of energy and green technology into consideration. In recent years (2014-2017), to reduce GHG emissions and slow the rate of global climate change, the UN Climate Change Conference took actions and implemented the Paris Agreement that just came into effect. Nearly 200 countries voluntarily took actions to reduce carbon, and the Conference suggested that all countries propose the commitment letter upon agreement “Intended Nationally Determined Contribution (INDC)” to address carbon emission reduction. Since 2020, the United Nations Framework Convention on Climate Change has been put into effect as the basis for climate-related actions. Meanwhile, the costs of renewable energy (mainly solar photovoltaics and wind power) technologies significantly decreased, which facilitated the monumental growth of renewable energy. According to Renewables 2019, the annual report on the global renewable energy market made by the International Energy Agency (IEA), the installed capacity of global renewable energy (solar, wind, geothermal and bioenergy power) had increased from 414GW in 2009 to 1,650GW in 2019. Currently, renewable energy accounts for 12.9% of total power generation around the globe. Over the past 10 years, the installed capacity has increased more than 2,300GW globally. It is estimated that in 2040, renewable power generation will skyrocket to 11,951 TWH, and between 2018 and 2030, the global average costs of solar power will decrease by 50%, while total solar photovoltaics and wind power capacity will increase by 23% and 11%, respectively. Moreover, renewable energy excluding hydropower is expected to increase by 8% and surpass coal-fired power in the late 2030s. In addition, Renewable Energy Policy Network for the 21st Century (REN21) disclosed in their “Renewables 2020 Global Status Report” that the installed capacity of green energy has surpassed the newly-installed capacity of fossil fuel and nuclear power for 5 “consecutive” years. This suggests that we’ve entered a stable era of the Big Green Bang. Thanks to the cost reductions for solar and winder power, the installed capacity of renewable energy reached 200GW last year. This is an all-time record! Among all kinds of energy, solar photovoltaics had an occupancy of 50% (100GW), followed by wind power (60GW) and hydropower (16GW).

<u>IEA’s estimated global power generation between 2020 and 2040, by energy</u>



Source: IEA, “World Energy Outlook 2019.”

Major countries around the world have developed energy policies and technologies according to their contexts.They have been dedicated to developing forward-looking energy technologies to reach the goal of energy saving and carbon reduction. Taiwan has rather deficient self-produced energy and highly depends on energy imports, which account for 98% of Taiwan's energy production. Taiwan is also highly dependent on fossil fuel energy and has an isolated electric power system which lacks of back-ups. Under the extreme volatility of international energy prices and quantity, the increasing pressure of reducing global GHG, and the consistent growth of domestic energy needs, Taiwan faces more serious challenges in terms of energy development comparing to other countries. In view of the issue, Taiwan has established the "Guidelines for Sustainable Energy Policy" and promoted energy saving and carbon reduction plans to create a win-win situation for "energy, environmental protection and economy" policies and goals. Facing various kinds of new and renewable energy and considering domestic natural conditions and energy needs, the more potential technologies include wind, solar (thermal and photovoltaic), biomass, geothermal, ocean, hydrogenic energy and fuel cell. With the cooperation of the industry, government, university and institute over the years, Taiwan has established a certain basis for the aforementioned technologies. The Ministry of Economic Affairs announced the implementation of energy transition and electricity market reform in May 2016. Explicitly aiming at the "2025 nuclear-free homeland" target, the Ministry of Economic Affairs has been dedicated to developing new green energy and increasing the percentage of renewable energy in total power generation to 20%. The target of installed solar photovoltaics in 2025 has significantly increased from 8.7GW to 20GW, in which the ground-mounted type and roof type account for 17GW and 3GW respectively.

Taiwan's 2025 target for renewable energy

Item	Renewable energy installation capacity (MW)			Renewable energy power generation (billion kWh)		
	2015	2020	2025	2015	2020	2025
Solar photovoltaics	842	6,500	20,000	9	81	250
Land-based wind power	647	814	1,200	15	19	29
Offshore wind	0	520	3,000	0	19	111
Geothermal energy	0	150	200	0	10	13
Biomass energy	741	768	813	36	56	59
Hydropower	2,089	2,100	2,150	45	47	48
Fuel cell	0	22.5	60	0	2	5
Total	**4,319**	**10,875**	**27,423**	**105**	**272**	**515**

Source: Complied by the Bureau of Energy, Ministry of Economic Affairs and the IEK, Industrial Technology Research Institute (December 2017).

Solar energy can be obtained for free anywhere and is inexhaustible. It is the most abundant energy available to mankind. Using solar energy will not cause environmental pollution. It is a clean energy. With the improvement of semiconductor industry technology, the cost of solar cells has dropped significantly. Therefore, converting sunlight into energy has become a key energy industry that governments around the world are competing to support and develop. However, the cost of using solar energy to generate electricity is higher than that of fossil fuels or nuclear energy in the early stage. If governments want to promote the construction of solar photovoltaic systems, they must have supporting subsidies or incentives to proceed smoothly. Japan and Germany are the first countries to promote the development of solar photovoltaic systems. Germany began to implement the Renewable Energy Law (Erneuerbare-Energien-Gesetz, EEG) in April 2000. It is an important foundation for the development of renewable energy. The Renewable Energy Law establishes various "Renewable Energy Feed-in Tariffs" (Feed-in Tariff, The FIT system stipulates that power distribution companies must purchase power at a guaranteed price without a limit on the number of units within 20 years. Since the government purchase of electricity system (FIT) has been successfully developed in Europe to promote renewable energy, countries around the world have also followed suit. It has now become the most commonly used tool for promoting renewable energy in countries around the world. In June 2008, the Executive Yuan approved the

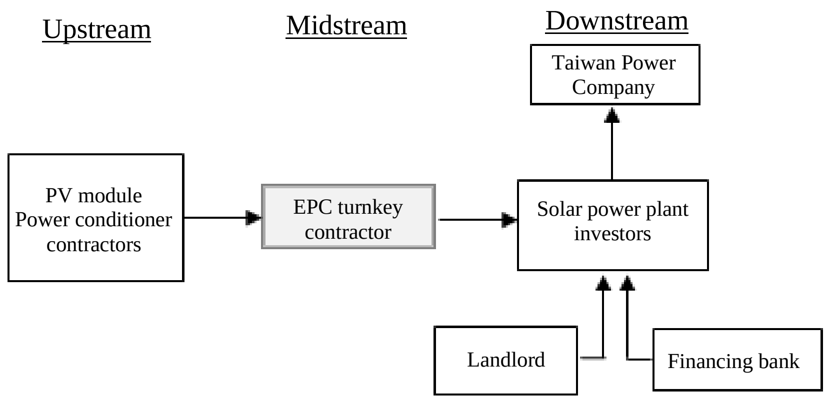
"Sustainable Energy Policy Guidelines", hoping that renewable energy will account for more than 8% of the power generation system in 2025. In June 2009, the important parent law for the development of renewable energy, the "Renewable Energy Development Act", was passed to set up a renewable energy development fund. With reference to the bulk purchase system abroad, Taipower promoted the energy transformation policy of developing green energy, purchasing green electricity at a fixed preferential price for 20 years, and encouraging the private sector to install renewable energy power generation equipment. The Bureau of Energy of the Ministry of Economic Affairs also established the "One Million Sun Rooftops" and "Thousands of Sea and Land Wind Turbines" plans in March 2012 to accelerate the installation of renewable energy such as solar energy and wind power. Currently, the Taiwan government has set a cumulative installation target of 20GW of solar photovoltaic power by 2025, with an annual power generation of 25 billion kWh. The total investment has reached NT$1.2 trillion, and 100,000 jobs have been created. In June 2016, the Executive Yuan promoted the "Two-Year Solar Photovoltaic Promotion Plan" in the hope of laying the foundation for a two-year pioneering effort to establish mid- and long-term fundamental measures. The goal is to install 910MW of rooftop solar photovoltaic fields on central government-owned roofs, factories, agricultural facilities and other rooftops, including 610MW of ground-based solar photovoltaic fields on salt industry land, areas with severe ground subsidence, water spaces, sealed landfills and contaminated land, totaling 1.52GW of solar photovoltaic system installations, and gradually promote the application of solar photovoltaics in Taiwan. By then, the cumulative installation of solar photovoltaics can reach 2.460MW, with an estimated annual power generation of 3.075 billion kWh and carbon reduction of nearly 1.6 million metric tons, equivalent to the annual carbon reduction of 4,300 Daan Forest Parks. As of September 2020, the installed capacity of solar photovoltaics was 4.6240GW, which surpassed that in the full year of 2019. Non-governmental construction and installation accounted for 94.05% of the total capacity, which was 4.349GW. Also, in 2019, the installed capacity of solar photovoltaics was 3.5976GW, and the newly added capacity was 1.2554GW, which increased by 31.41% compared with that in the last year (2018). To reach the 2025 target of 20GW of solar photovoltaic installation set by the government, from 2020 to 2025, 3.2805GW capacity needs to be added each year, and the compound annual growth rate (CAGR) must reach 33.94% yearly. Only by reaching these figures can we achieve the goal of the government. Thus, the installation of solar power systems in the future must surpass that in the past years. As a result, the industry environment is very beneficial for solar power system constructors. In the future, before 2025 or reaching the goal of 20GW of solar photovoltaic installation, the domestic business of solar power engineering, procurement and construction (EPC) will achieve a breakthrough growth.

2. Correlation among upstream, midstream and downstream in the industry

The EPC (Engineering, Procurement, Construction) of solar photovoltaics is mainly an integration of the upstream industries including solar cells and PV modules, power conditioners (including inverters, system controllers, and protective devices for parallel connection), support stands, cables, wire distribution cabinets and electricity meters for the construction of power plants. The development of related upstream sectors has been matured and stable in Taiwan. However, the cost of solar power generation in Taiwan is still higher than the electricity billing standard set by Taiwan Power Company, and the people has less desire for installing solar power systems and generating electricity by themselves. To encourage the public to do so, the Bureau of Energy, Ministry of Economic Affairs, has establish a feed-in tariff system to require that Taiwan Power Company guarantees to purchase electricity generated from renewable energy at a fixed, preferential electricity price for 20 years to attract people to invest in the installation of renewable energy equipment. Thus, the current solar photovoltaics market in Taiwan is still an “investment type” market, meaning that the investors of the solar power systems aim to sell the electricity generated from the invested power generation systems to Taiwan Power Company in the 20 years and gain profit from the investment in the installation instead of generating electricity for themselves. As a result, the target of the government’s policies and its subsidy plans are the key factors of the rise and fall of the solar photovoltaic installation industry at the current phase. Landlords offer private spaces, such as rooftops, idle farmland, pools, ponds and fish farms to solar photovoltaic EPC operators to install solar power systems. They also submit applications to Taiwan Power

Company for the parallel connection to electrical grids, sign wholesale contracts, and sell the whole to solar power station investors. The installation of solar power generation systems costs a fortune at the early stage, so the investors usually use bank loans to pay most of the costs and only contribute a little amount by themselves. In the future, they may use the monthly electricity retailing income to pay off the principal and interest of the bank loans and pay the rent to the landlords.

The correlation between the upstream, midstream and downstream of the solar power generation system industry



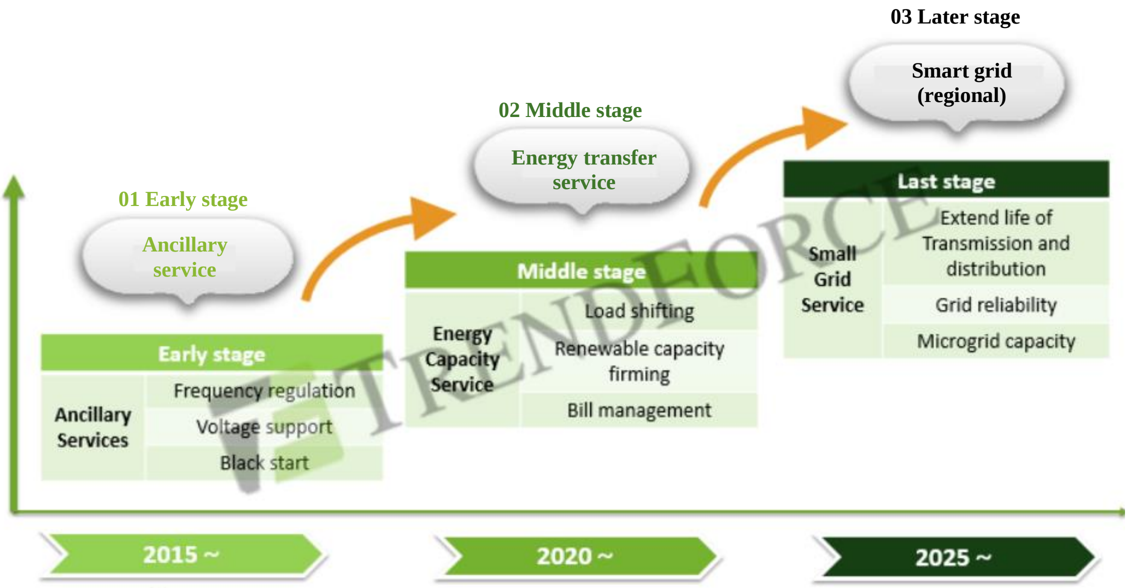
3. Development trend of products and their competition status

(1) Development trends of products

A. Trend of energy storage equipment attached to renewable energy

The two major items of renewable energy, solar and wind power, have the characteristic of being easily affected by seasons and weather, which can cause instability in power supply. To improve unstable renewable energy supply caused by weather, we need energy storage regardless of the scale of the energy storage equipment. The large-scale equipment can be energy storage plants, and the small ones can be containerized systems established around the renewable energy equipment. This will be an important trend in the future. There are three stages to the purpose of developing an energy storage system. Initially, the system can be applied to the ancillary service market to allocate electricity quality. This is the most common way of applying energy storage, and is widely used in each aspect of power generation, transmission, distribution, and utilization. At the middle stage, there are more energy transfer services, which also involve capacity adjustment from introducing renewable energy, and adjustment of electricity utilization in peak and off-peak hours. At the last stage, the main focus is the smart grid for partial self power generation and storage. If the development of energy storage batteries becomes mature at this stage, when we promote various renewable energy equipment, invest in and build solar photovoltaic or wind turbine sites in the future, we can store the surplus electricity and release it to the electric power system if needed. According to the TrendForce green energy research survey, the transformation from centralized energy generation to smart distributed grid configuration has become an inevitable trend of future smart cities. The global BESS capacity reached 3.2GWh in 2020.

Development of energy storage in the smart grid



Source: TrendForce, Mar., 2020

B. Compulsory power users must install renewable energy equipment

The revised Renewable Energy Development Act passed its third reading in the Legislative Yuan in 2019, which explicitly regulated that the large power users and enterprises in Taiwan must install renewable energy with a certain occupancy. The notice period of the Act will end on September 26, 2020, and its legislative process will be completed in November. It will come into effect on January 1, 2021. In the past, the large power users were unwilling to install renewable energy due to various factors, such as investment income falling short of expectation, consideration of arrangement for power outage when installing parallel connected renewable energy, and concerns about renewable energy generation equipment affecting internal circuits of factories, causing circuit breakers to trip and affecting production capacity. After passing the revised Act, they will be mandated to create relevant installation. The Ministry of Economic Affairs stipulates that electricity users with a contract capacity of 5,000 kilowatts or more must build green electricity of 10% of the contract capacity, equivalent to an installed capacity of 500 kilowatts, within five years. They can also store energy, purchase renewable energy certificates, or pay cash instead. The Ministry also provides a discount on the compulsory capacity for large power users that had installed green energy before the effective date of the regulations; they may offset 20% of the obligated capacity at most with the capacity of the installed energy. After the offset, they can also enjoy an early bird discount of 20% off within 3 years or 10% off within 4 years. It is estimated that more than 300 enterprises will be affected, especially those in the petrochemical, steel, semiconductor and electronic industry. In the next two years, there will be an expected demand for roof type installations.

C. Construction of large-scale ground-based power stations

Except for large power users, in terms of roof type solar system, Taiwan has nearly completed the construction on large public and private houses applicable to develop roof type power stations. Thus, we must change our target to ground-mounted power stations. According to the plans of the Bureau of Energy, Ministry of Economic Affairs, lands related to the salt industry, serious land subsidence, waters, unfavorable agriculture conditions, idle industrial park, and lands that are polluted, or idled by the National Property Administration are potential for energy installation. As of the end of 2018, the updated area of these lands reached nearly 5,000 hectares, and the total capacity was expected to surpass 3GW. Since the second half of 2017, many applications for large ground-mounted power stations have been approved in succession, including the installation of a 52.47MW power station in the areas with serious land subsidence and unfavorable agriculture conditions in Xuejia Dist., Tainan City, by the solar power plant system developer, Whole Sun Green Power Co., Ltd., which is a subsidiary of Giga Solar Materials Corp. Also, the subsidiary of the Motech Group, Motech

Energy System Co., Ltd., will install a 35MW power station in the serious land subsidence areas in Tainan City. The two large owners of EPC systems have left the price war on the solar power plant market, and reached a higher level and larger scale of construction undertaking.

D. Solar power plant with solar power plant

The government has actively promoted energy transition and aimed to increase the share of renewable energy in total power generation to 20% by 2025. To achieve this goal, the government has given every effort to develop ground-mounted solar power generation system, and “fishery and electricity symbiosis” was one of the goals to which the development was accelerated in 2020. The government hoped to develop solar photovoltaics in a “single site, multiple use” manner and improve the environment of fishery by doing so to recreate the magnificence of aquaculture. However, the Council of Agriculture of the Executive Yuan stated that agricultural lands should mainly be used for agricultural production, and the policy of national food safety also relied on it. If Taiwan faces material incidents and is unable to import food from other countries to meet the people’s basic needs, we can achieve such goal by producing food by ourselves and domestically. To be in line with the “2025 nuclear-free homeland” policy, we have developed green energy facilities without affecting the original agricultural production, improved the environment of aquaculture production, prevented extreme weather, facilitated industrial upgrading, and increased income from feed-in tariff for aquaculture farmers to create benefits from a “win-win situation for agriculture (aquaculture) and electricity.” We’ve also planned a modular combination of green energy, technology and aquaculture to achieve the aforementioned benefits. In order to reach the target for green energy, the government has been strongly promoting fishery and electricity symbiosis. On October 31, 2020, the government announced the implementation of the "pioneer zones for fishery and electricity symbiosis" in Xuejia, Tainan and Budai, Chiayi. The total area of the fish farms in these zones reached 2,626 hectares.

At the early stage of the policy, aquaculture farmers were worried about the reduction of the production volume, inconvenient operation and pollution caused by the installation and cleaning of the solar panels. However, according to the research made by the Fisheries Research Institute, Council of Agriculture, the aquaculture farmers can still maintain 70% production capacity of clams, tilapia, grouper and sea bass under 40% of coverage. In summer, the production capacity of clams and sea bass may even surpass that in normal fish farms. The coverage of solar panels may reduce the production capacity of some, but it can provide insulations and resist the heat/cold in summer/winter. In the future, there will be hope to maintain 100% production capacity through further management. Photovoltaics operators can also hire aquaculture farmers to clean and maintain photovoltaic panels. By protecting fish farms and photovoltaic systems, there can be an increase in the farmers’ income and an actual win-win situation for the fishery and electricity industries. In Taiwan, the total area of fish farms is approximately 44 thousand hectares. Considering the coverage to be retained for fishery and electricity symbiosis, the available installed capacity of solar power plant is forecast to be more than 10GW.

(2) Product competition

Luxe Green Energy Group is positioned as an expert in power integration. Since its establishment, it has been mainly engaged in the design and manufacture of products such as distribution boards, transformers, electrical equipment, and network monitoring. It has developed into engineering projects such as heavy electrical equipment, wind turbines, and substations. Its solar photovoltaic system engineering integration technology is derived from its original business technology, especially distribution boards and transformers have more competitive advantages in the industry. In 2016, it developed a solar energy power generation cloud monitoring system. This system provides system investors with a more stable and convenient way to monitor the efficiency of solar power generation. It can be connected to computers, mobile phones and other portable devices, and it also has an alarm function. In 2017, we developed the solar DC distribution boxes as well as step-up equipment systems dedicated to solar power with our own brand, which made our integration technologies of solar photovoltaic system engineering more complete. Later, the ground-mounted solar power stations were strongly promoted by the Taiwan Government and further accounted for more than 60% of total stations. As a result, distribution panels and step-up devices that were connected in parallel with Taiwan Power Company's networks suddenly became the second important materials for solar power systems and accounted for around 10%-15% of total costs. Thus, the Group has soon played an important role in solar power systems, and made the development of solar power and the growth of main business complementary to each other.

(III) Technology and R&D overview

1. R&D expenses invested and successfully developed technologies or products

(1) Source of technology

The Group mainly provides solar system engineering related services. For the construction technologies, we mainly use safe and highly efficient technologies or equipment that have been verified in the industry. These are provided by the construction equipment suppliers; the Group has no dedicated research team or department for them. In terms of the latest technologies, project personnel is appointed to establish projects and do research on them. We've also integrated products and technologies from other industries and developed self-owned technologies. For instance, we've efficiently integrated technologies of solar power systems and Taiwan Power Company's interconnected networks with our dedicated engineering method for step-up substations.

(2) Product certifications obtained recently

A. Qualified supplier certification of Taiwan Power Company for 23KV GIS

B. Qualified supplier certification of Taiwan Power Company for 25KVA pad-mounted transformer.

C. Qualified supplier certification of Taiwan Power Company for 50KVA pad-mounted transformer.

(3) Future product certification

In recent years, the Group has participated in the rights and certification of Taiwan Power Company and strengthened business cooperation with Taiwan Power Company. We have submitted proposals for the following certifications in the past four years:

A. Qualified supplier certification of Taiwan Power Company for 100KVA pad-mounted transformer.

B. Qualified supplier certification of Taiwan Power Company for 167KVA pad-mounted transformer.

(IV) Long and short-term business development plans

1. Development of SF6 series motor products that are light, thin, short and suitable for high and low voltage, and a series of underground oil-type transformers.
2. Combine power monitoring, motor integration SCADA system and CCTV and other monitoring systems to improve power operation efficiency and human resource utilization efficiency.
3. Increase the localization ratio of products to replace imported products and integrate products with the market.
4. Power system harmonics improvement equipment.
5. Research and development of PT/CT 35KV 0.3CL.
6. In response to Taipower's needs, we developed an improved transformer.
7. Bidding of utilities and electromechanical projects.

II. Overview of the market, production and sales

(I) Market analysis

1. Sales (supply) regions of major products (services)

The Company's main products are divided into five categories: switchboards, converters, system engineering, monitoring networks, and electrical equipment. System engineering includes turnkey construction of substations and for wind power and cogeneration, as well as design and construction related to hydropower engineering. Distribution panels include high and low voltage power distribution panels, closed type metal-clad switchgears, motor control centers, and gas insulated switchgears. Transformers include potential, current, pad-mounted, dry-type and molded transformers. For supervisory networks, we mainly work on the integration of supervisory systems, including remote terminal equipment for computers, software design and programming. We also provide services with respect to repair and maintenance of the aforementioned equipment.

The subsidiaries are mainly engaged in the self-owned solar power plant power generation business and the construction engineering business. They currently own a total of approximately 35MW of solar power plants, which generate electricity and sell electricity to Taiwan Power Company. The construction engineering business mainly undertakes public works and the new construction and renovation of hotels, B&Bs, factories, etc.

The sales regions for major products are listed in the table below:

Unit: NT$ ‘000

Year Sales region	2024		FY2023	
	Sales amount	Sales amount	Sales amount	Percentage of sales
Taiwan	696,439	100%	752,370	100%
Mainland China	—	—	—	—
Total	696,439	100%	752,370	100%

2. Share of major products

In recent years, with the global trend of energy conservation and carbon reduction, the government has actively promoted green energy and electricity policies. In addition to solar energy, domestic manufacturers have also worked hard to build power stations and energy storage stations. In recent years, the Group's business development has been divided into three major blocks: motors, renewable energy (solar photovoltaics and energy storage) and engineering. The motor part is mainly for customers such as Taipower; the renewable energy part includes solar photovoltaics and energy storage (including investment and self-construction, maintenance services and EPC). Currently, the Company's own solar photovoltaic devices are connected in parallel for approximately 35,972KW, and there are approximately 4,400KW in the future, which are still under construction; in the engineering part, subsidiaries undertake engineering projects.

3. Future supply and demand in this market and growing potential

(1) Trend of market supply

In response to the government's vigorous promotion of green energy policies, various subsidy measures encourage private investment and construction, and attract investors to invest in the construction of solar power generation systems through a 20-year fixed preferential electricity price guaranteed purchase system. Since the current internal rate of return (IRR) of investing in solar power plants can be maintained at around 6%-7%, and the guaranteed income is up to 20 years, in the current domestic low interest rate environment, it attracts financial insurance companies and large enterprises to invest funds and compete for investment. The investment boom in solar power plants, the financial industry is also actively introducing bank and life insurance funds into the renewable energy industry through "financing credit", "guiding investment" and "issuing green bonds". The funds required for domestic investment in solar power generation equipment are not a problem, which will help the future vigorous development of the energy storage market.

(2) Growth trend of market demand

The government is actively promoting energy transformation, with the goal of increasing the proportion of renewable energy in total power generation to 20% by 2025. After several years of efforts, domestic solar power plant system engineering projects have responded to the global trend of promoting renewable energy and the government's implementation of the 20GW solar installation plan by 2025. They have actively promoted ground-based, fishery-electricity symbiotic solar power plants and large electricity users, greatly promoting the growth of system engineering. The development of this industry is still stable.

4. Competitive niche and favorable and unfavorable factors for development prospects, and countermeasures

(1) Competitive advantage and favorable factors

A. Recognized product quality and excellent reputation

Heavy electrical products costs more and the technologies are more complicated, making the development of new products difficult. Once the customers select a specific brand, it will not be changed easily due to the limitation in system specifications. Thus, a stable customer base is favorable for future market expansion and maintenance. The distribution panels and other products that are manufactured by the Company in Taiwan have been approved by Taiwan Power Company. Especially, our 480V power centers and 6.9KV metal-clad switchgears are the models that make us the first approved and qualified manufacturer. In addition to being used by Taiwan Power Company, the products that are approved may increase the reputation of their own and further facilitate future competition on the market.

B. It is a technology and capital intensive industry with high barriers to entry

The heavy electrical industries needs a larger amount of investments in equipment. Moreover, domestic manufacturers have developed technical collaboration with foreign companies for some time, accumulated techniques and experiences to a certain level, and earned a considerably high position in the manufacturing of all types of heavy electrical products. As a result, if new companies are to join the industry, they will most definitely face the issues of the high-cost investments in equipment and the shortage in technical talents. This industry have greater obstacles for new competitors; however, the Company has worked with well-known companies in Europe and obtained the sources of technologies, which makes us extremely competitive on the market.

C. Contracting of power system engineering to improve product technology and quality

The Group have undertaken overall electric power system engineering and been responsible for their design, planning, manufacturing and construction. We've accumulated certain abilities and skills for construction, and cultivated the capability to undertake foreign system engineering. Our construction of supervisory network for computers has been recognized by government-operated enterprises, such as Taiwan Power Company and the Directorate General of Telecommunications. This can facilitate the development of relevant products and markets.

(2) Disadvantages and countermeasures

A. Labor shortage and rising labor costs

The rising labor costs and skilled manpower shortage result in the increase of the production costs. Heavy manual jobs assigned to the employees at the lower level, such as sheet metal working, coating, resin infusion, and welding, have run into a situation of labor shortage due to worse work conditions and the production capacity cannot be increased as a result.

Countermeasures:

Install automated equipment for powder coating production, punch and die work, winding, etc., and establish semi-automated infusion equipment to significantly increase the percentage of the automation, reduce labor costs, and improve the production quality and efficiency.

Introduce foreign workers via legal application procedures to overcome the difficulty in the shortage of labor needed in the worse work conditions.

Enhance internal in-service training to improve employees' techniques and productivity.

Improve our technical capability and seek capable subcontractors to increase added-value.

B. Impacts of industrial internationalization and liberalization

It is the established policy of the government to open the market after economic liberalization and internationalization. Especially, since joining the WTO, tariff reduction and cancellation of the internal purchase ratio applicable to the government-operated enterprises have become inevitable. In this condition, domestic companies are in a situation where foreign companies are striving for the domestic market, and must think how to expand overseas markets.

Countermeasures:

The Company actively cooperates with well-known foreign manufacturers such as Siemens, GE, MERLIN GERIN, etc. to improve its own technical level.

Improve product localization capability, localize spare parts and components, and enhance services to strengthen competitiveness.

Strengthen joint development with the Industrial Technology Research Institute to enhance domestic independent research and development capabilities and establish own technical capabilities.

C. The amount of capital is still low and the risk tolerance is low

The method of outsourcing in the heavy electrical engineering industry has changed to turnkey contracts. In addition to negotiating with banks for loans and asking them to support the working capital turnover, we should also increase the ratio of self-owned funds to make ourselves robust in the finance.

(II) Key applications and production processes of major products

1.1. Key application of major products

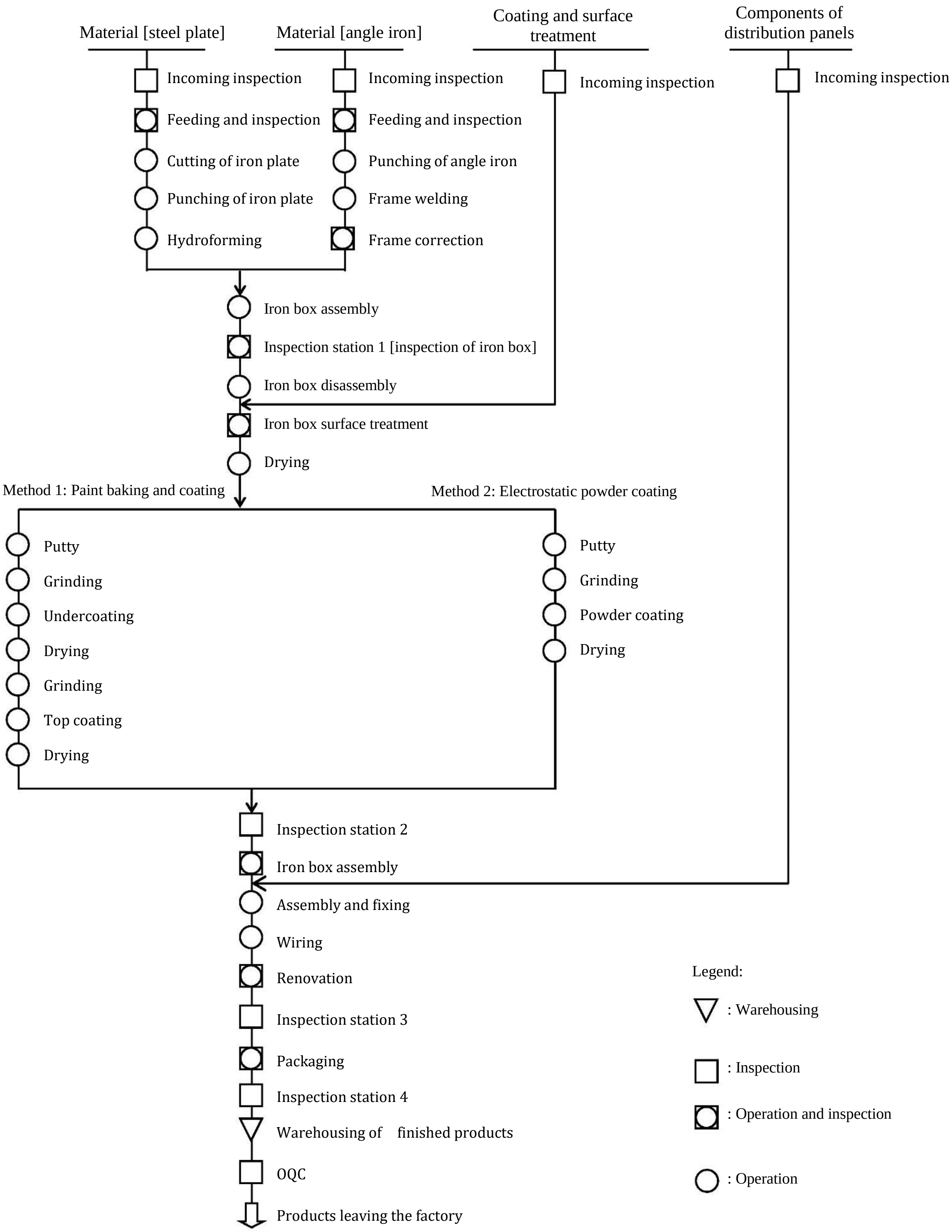
Product		Major application
System engineering		Turnkey construction of substations and for solar power generation and cogeneration; design and construction related to hydropower engineering.
Electromechanical equipment	Distribution panels	161KV and 23KV gas insulated switchgears; 23KV, 13.8KV, and 6.9KV metal-clad switchgears (MCSG); 480V power centers; 480V motor control centers; all types of high and low voltage distribution panels, starter panels and control panels, power generation, energy storage.
	Transformer	24KV molded voltage transformers; Pad-mounted transformers; pole type, sealed transformers; high and low voltage charging type potential transformers; current transformers; high and low voltage distribution panels; transformers; reactors; High voltage, direct current transformer/rectifier set (TR-SET) for electrostatic precipitation.
	Supervisory network	Unmanned substation construction; remote terminal unit (RTU); supervisory control and data acquisition (SCADA); management information system (MIS).
Sheet metal box manufacturing		Switchboard and transformer box can produce hardware (fasteners), panels, outer boxes, etc. for self-use
Solar Energy Engineering EPC		Power generation and retail business in solar plants
Construction and engineering		Contract public construction projects, hotels or factory building renovation projects.
Other products		Product import, export and authorization agency business.

2. Manufacturing process of major products

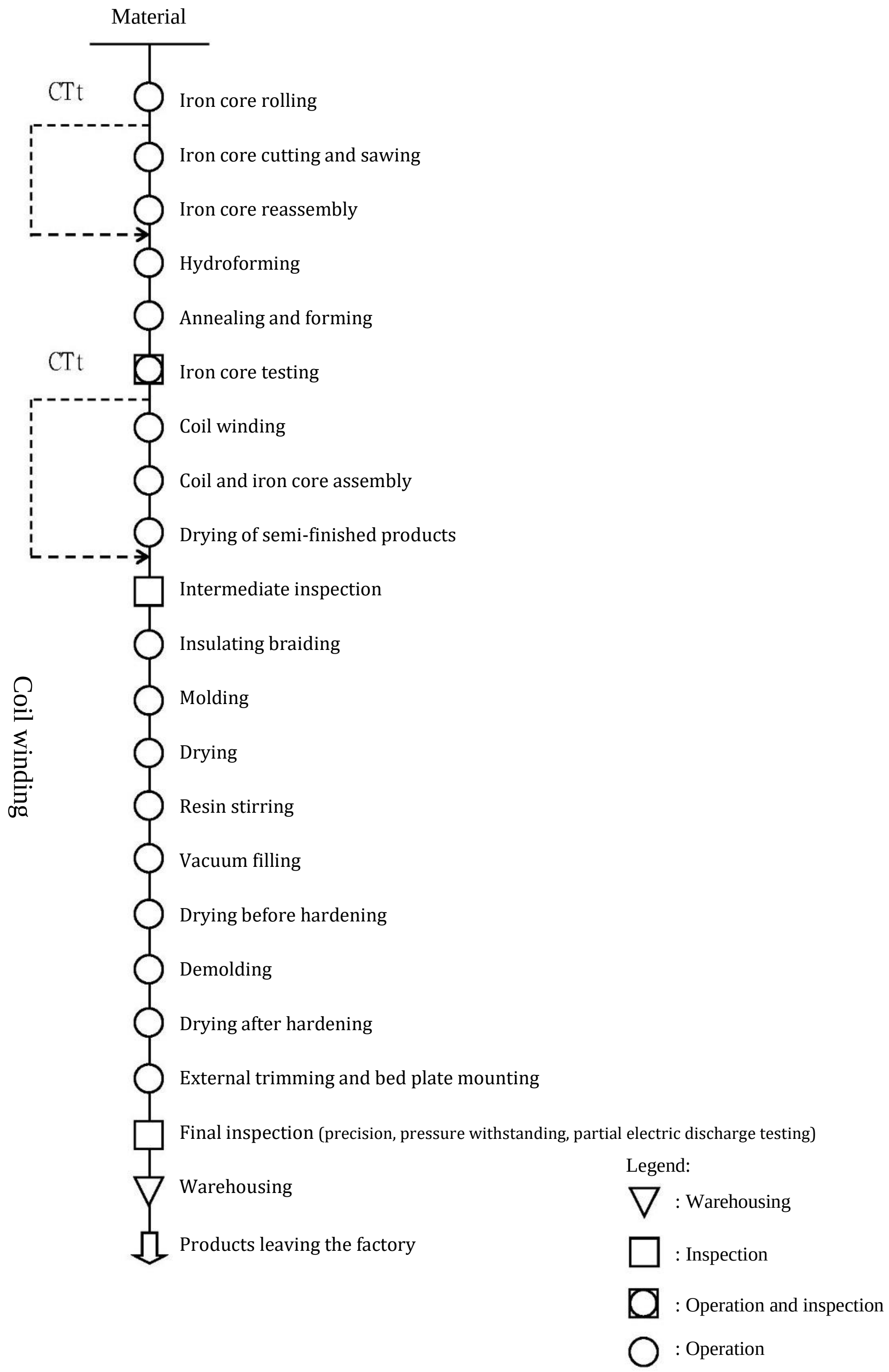
(1) System engineering

The full designation of the system engineering is EPC ((Engineering, Procurement, Construction) of solar photovoltaic systems. It is mainly a form of service business that includes engineering, procurement and construction related to solar power plants. It mainly integrates civil engineering and electricity subcontractors to install PV modules, power conditioners (including inverters, system controllers, and protective devices for parallel connection), support stands, cables, wire distribution cabinets and electricity meters, and further reaches the efficiency needed for solar photovoltaic plants.

Manufacturing process of distribution panels



Manufacturing process of transformers



(III) Supply of major materials

Name pf major product		Major material	Major source	Supply status
System engineering		PV module, inverter, electric wire, cable, fire safety equipment, distribution panel and pipe fitting.	Self-manufacturing, self-import, agent and supplier	Good
Electromechanical equipment	Distribution panels	Switchgear, meter, relay, iron plate, electric wire, CT, PT circuit breaker, and copper bar	Self-manufacturing, self-import, agent and supplier	Good
	Transformer	Stranded copper conductor, silicon steel sheet, insulating oil, resin, enameled wire, coil	Agent, self-importing and supplier	Good
	Electrical engineering equipment	Stranded copper conductors, silicon steel sheet, insulating oil, resin, copper wire, resistor, iron core	Agent, self-importing and supplier	Good
	Supervisory network	Computer, application software, peripheral equipment, electronic component	Agent, self-importing and supplier	Good
Solar electricity retail		Sunshine	Sun	Good
Construction and engineering		Wood-plastic materials, cement bricks, ready-mixed concrete, steel bars	Distributors and partners	Good

(IV) Names and amounts of suppliers (customers) that account for more than 10% of total purchases (sales) in any of the last two years, and the increase or decrease and the reason for the changes

1. Information on major suppliers

Unit: NTD thousand, %

Item	2024				FY2023			
	Name	Amount	Percentage in annual net purchase	Relationship with the issuer	Name	Amount	Percentage in annual net purchase	Relationship with the issuer
1	Tongcheng Motor	75,947	11.27	None	Tongcheng Motor	51,060	8.76	None
2	-	-	-	-	Dexin Advanced Technology Co., Ltd.	48,922	8.39	None
3	Others	597,782	88.73	-	Others	483,213	82.85	-
	Net purchase	673,729	100.00	-	Net purchase	583,195	100.00	-

In 2024, our major suppliers were all suppliers of electromechanical products. However, the Company has maintained cooperation with more than one supplier for major raw material and engineering partners, and reduced interference from sudden situations when purchasing from a single supplier. Maxwell Electric’s supply increased compared to last year because it can provide products that meet the raw material specifications of the Company's products in a stable quantity, so we purchase from them. So far, there has been no shortage or interruption of supply that has affected production operations, so its supply source is still stable and worry-free.

2. Information on major customers

Unit: NTD thousand, %

Item	2024				FY2023			
	Name	Amount	Percentage in annual net purchase	Relationship with the issuer	Name	Amount	Percentage in annual net purchase	Relationship with the issuer
1	Taiwan Power Company	467,379	67.11	None	Taiwan Power Company	524,019	69.65	None
2	Quintain Steel Co., Ltd.	77,372	11.11	Related party	Ching Tien Energy	472	-	None
3	Others	151,688	21.78	-	Others	227,879	30.35	-
	Net sales	696,439	100.00	-	Net sales	752,370	100.00	-

In recent years, the government's policy of strengthening the power grid has brought many business opportunities to related industries. The Company has won the bid for the pad-mounted transformer from Taiwan Power Company, which is the main product sold in 2024. In addition, the Group owns a solar power plant of approximately 35MW. Through Taiwan Power Company's 20-year fixed preferential electricity price guaranteed purchase system, the Group also sells electricity to Taiwan Power Company. Therefore, the Group's main sales customers are concentrated in Taiwan Power Company. A related party, Quintain Steel has recently invested in the field of energy storage, and its subsidiary Wan Chuan Construction is providing new construction projects.

III. The number of employees employed by the Company for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels (including the percentage of employees at each level)

Unit: person; year; age; %

FY		2024	FY2023	As of March 25, 2025
Number of employees	Direct personnel	65	39	65
	Indirect personnel	25	43	25
	Total	90	82	90
Average age		42.63	42.15	42.63
Average years of service		3.88	3.78	3.88
Educational background	PhD	1%	1%	1%
	Master	7%	7%	7%
	Bachelor	65%	54%	65%
	Senior high school	24%	19%	24%
	Below senior high school	1%	1%	1%

IV. Information on environmental protection expenditure

(I) For those who are required by laws and regulations to apply for a pollution facility installation permit or a pollution emission permit, or to pay pollution control fees, or to establish a dedicated environmental protection unit, a description of the application, payment, or establishment of such unit:

The business of the Group is mostly EPC of solar photovoltaics, and the Taoyuan Plant is currently engaged in the assembly of electromechanical equipment. None of our equipment is a stationary pollution source. Thus, the Company doesn’t need to apply for a permit for installing pollution facilities or pollutant drainage, or to pay pollution prevention fees, or set up a dedicated unit or person for environmental issues.

(II) The Company's investment in major equipment for environmental pollution prevention, the intended use, and possible benefits: Not applicable.

(III) The process of improving environmental pollution in the most recent two years and up to the date of publication of the annual report, and the process of handling any pollution disputes:

The Group did not incurred any disputes due to environmental pollution in the most recent two years up to the publication date of this annual report.

(IV) The total amount of losses (including compensation) and penalties incurred by the Company due to environmental pollution in the most recent two years and up to the date of publication of the annual report, and the disclosure of its future response measures (including improvement measures) and possible expenditures (including the estimated amount of losses, penalties and compensation that may occur if response measures are not taken. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained):

There has been no incident of environmental pollution in the last 2 years up to the publication date of this annual report. Therefore, this is not applicable.

(V) The impact of the current pollution situation and its improvement on the Company's earnings, competitive position and capital expenditures, and the estimated major environmental protection capital expenditures for the next two years:

The Group did not cause pollution issues and, thus, there was no major capital expenditure related to environmental protection.

V. Labor-management relations

(I) The Company's employee welfare measures, continuing education, training, retirement systems and their implementation, as well as the agreements between labor and management, and various measures to protect the rights and interests of employees

Since the Company's establishment in 1978, we have upheld the principles of being "honest, faithful, diligent and harmonious" as our business philosophies. In addition to pursuing excellence and growth of the Company, we have made every effort to protect employees' rights, promote employee welfare, improve productivity, enhance services provided to employees, and facilitate labor-management harmony. Through all kinds of entertainment and leisure facilities and activities planned by the Employee Welfare Committee, the employees are able to relax physically and mentally at their spare time, and further make their life and work rich and comfortable. The directions are respectively described below.

The Company complies with the Act of Gender Equality in Employment. There is no gender difference in the salary of each employee. The salary is based on education, experience, professional skills, and the salary level of the same industry. The relevant salary system is considered and established. There is no difference in promotion, leave, rewards and punishments for each employee.

1. Employee salaries and benefits

(1) Establishment of an employee welfare committee: The Company allocates welfare funds monthly in accordance with the law, which are used by the welfare committee under the supervision of the government. The members of the welfare committee hold meetings regularly to plan and decide on employee welfare and various activities to protect the rights and interests of employees.

(2) Salary: Salary is adjusted based on the individual's annual performance appraisal, peer salaries, and the price index.

(3) We organize large traveling activities for all employees and their families annually.

(4) We arrange factory tours for the employees' families, make the Company a large family for employees and their families, promote the relationships and understanding between one another, and make them proud as one of the Company's members.

(5) Insurance system: In addition to group insurance, labor insurance, and health insurance, the Company also provides accident insurance for its employees to strengthen their living security and allow them to work without worries.

(6) Employee bonus: Year-end bonus and individual project bonuses are distributed to employees who have made contributions based on the Company's operating performance.

(7) Birthday cash gifts: Cash gifts are given to employees in the month of their birthday each year.

(8) Employee remuneration and dividends: According to the Company's Articles of Incorporation, a certain percentage of after-tax earnings is appropriated for employee remuneration. We encourage employees to become stakeholders, if conducting a cash increase, the company will implement employee subscription according to relevant operational procedures in order to increase their involvement and sense of accomplishment. We share operating results with the employees.

(9) Employee stock ownership trust: An employee stock ownership committee is established. Each member sets aside a certain amount from his or her salary income and the Company sets aside an equal amount to hand over to a securities company for entrusting it with management and use. The employee stock ownership plan helps employees save and accumulate wealth over the long term, and enables them to hold the shares of the Company, so as to achieve the sharing of earnings and the benefits of stock price appreciation.

(10) Employee dormitory and meal subsidy: The Company provides lodging and accommodation to employees who are far away from home. Most of the related expenses are subsidized by the Company, which benefits employees.

(11) Employee health plan: The Company has signed an employee health contract with the regular hospital to provide health consultation for the employees, and conducts annual health examination for the employees. All expenses shall be borne by the Company.

2. Education and training

The Company has established "Education and Training Methods". In order to cope with the rapid changes in industry technology and the development of individual talents of employees, the Company continues to provide employees with various professional skills, knowledge, attitude management and other training to enhance employees' professional skills and strengthen management capabilities to achieve the Company's common goals. At the same time, we also encourage employees to continuously improve their professional skills and expect employees to develop multiple functions according to the Company's goals and personal career planning.

(1) Internal education and training: Training for new employees, professional technical training and management courses for in-service personnel.

(2) External education and training: Professional skills, professional courses, certificates, professional training for accounting supervisors and internal auditors in each department, etc.

3. Retirement system

New system: The Company has established specific pension allocation guidelines that have been applicable to Taiwanese employees since July 1, 2005 in line with the “Labor Pension Act.” Every month, we allocate no less than 6% of total wages as employee pension, and contribute the amount to their personal accounts at the Bureau of Labor Insurance. As for the payment of employee pension, the employees may choose monthly or lump-sum payment according to the amount and accrued return in their personal pension accounts.

4. Employee care and concern, labor-management agreement

The Company highly values employees' labor rights and labor relations, ensuring equal treatment regardless of gender. It also values the employees’ opinions and provides multiple channels for their reflections in order to promote labor-management communications and negotiations. For instance, we hold monthly meetings at each department and set up employee opinion mailboxes. Also, our managerial officers regularly check in with employees to address any work-related or personal issues promptly. Not only that, we conduct opinion surveys on a regular basis to understand the employees’ requirements on welfare and the Company’s management. By doing so, the Company maintains good labor-management relations together with the employees.

(1)Complaints and communication channels:

Communication channel	Feedback and content
Internal administrative system	Individuals who wish to express opinions may report to their supervisors. Feedback and expression of opinions through employee opinion boxes.
Employee Welfare Committee	Employee benefits and rights.
Labor-Management Meeting	Labor rights.
Sexual Harassment Management Committee	In the event of harassment incidents, the victim or his/her agent may file a verbal or written appeal to the Sexual Harassment Disposal Committee.
Stakeholder mailbox	Channels for Stakeholders to Complain or Report
Management Division	Inquiries about personnel, labor insurance, and welfare matters, and coordination and handling of various complaints.

(2)Anti-discrimination and harassment:

The Company treats all employees equally and without any discrimination. In the hiring of talents, equal employment opportunities are provided regardless of gender, race, age, disability, religion and political party.

In addition to the maternity leave provided to female employees in accordance with the Labor Standards Act, the Company also provides 7 days of maternity leave and paternity leave in accordance with the Gender Equality Act; female employees are given 1 day of menstrual leave per month due to physiological factors. The Company has established workplace sexual harassment prevention measures, complaints and disciplinary measures, as well as a sexual harassment prevention hotline and mailbox for all employees to follow, to maintain gender equality in work and a work environment free from sexual harassment.

(3)Unpaid child care leaves:

In accordance with the Gender Equality in Employment Act and the Parental Leave Regulations, eligible employees are provided with parental leave to take care of their families.

5. Occupational safety and health management

In order to prevent the occurrence of occupational safety accidents and provide employees with a safe working environment, the Company regularly organizes fire safety trainings each year to promote fire safety knowledge. Additionally, we also arrange periodic labor safety courses to educate and inform employees. The Company has established an occupational safety and health supervisor. The personnel has obtained the occupational safety and health professional license and completion certificate. The labor safety supervisor will participate in regular training to obtain valid licenses. Due to business needs, the Company will send employees to participate in external labor safety courses from time to time. Each year, the labor safety supervisor also arranges labor safety courses for internal employees.

Date	Courses	Number of hours
2024.6.5	Firefighting drills and courses (first half of the year)	4
2024.6.5	Labor Safety Awareness Course	1
2024.12.18	Firefighting drills and courses (second half of the year)	4
2024.12.18	Labor Safety Awareness Course	1
2024.12.18	First aid training - CPR and AED operation	1
2023.6.26	Type-A Occupational Safety and Health Supervisor Course (valid for 2 years)	6
2024.6.28	Building's fire drill	1
2024.12.27	Building's fire drill	1
2024.6.26	Building's fire drill	1
2024.12.25	Building's fire drill	1

The occupational safety policy of the Company:

(1) Compliance with laws and regulations: Employees must comply with laws and regulations related to employee safety and health and provide a safe and healthy working environment.

(2) Education and training: Implement safety and health education for employees to improve their safety awareness and self-management capabilities.

(3) Full Participation: Encourage all employees to participate and integrate safety and health into daily operations.

(II) The losses incurred due to labor-capital disputes in the most recent year and up to the date of publication of the annual report (including labor inspection results that violate the Labor Standards Act, which should list the date of the penalty, the penalty number, the article of the violation, the content of the violation, and the content of the penalty), and disclose the estimated amount and response measures that may occur now and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained.

The Company has a harmonious labor-management relation.We exist alongside the employees,share our benefits with them, and treat them like CEOs. Since the Company's establishment in 1978, we have not suffered any losses due to labor-management disputes. The possibility of suffering any losses due to labor-management disputes in the future is expected to be extremely low.

VI. Cyber security management

(I) Information communication security policy

For the purpose of controlling the security and risk of information and communication use, the Company comprehensively manages the establishment of the company's information security environment, risk assessment, identification and prevention, and formulates information security policies and promotes them in line with external issues and stakeholders. Information and communication security requirements and expectations to ensure that the Company's information and communications are secure, complete, available, and kept confidential.

(II) Information security management framework

The information security risk control and promotion team has established a chief information security officer, a dedicated information security supervisor and an information security personnel. The main members of the information security risk control and promotion team are composed of heads of each department. They are responsible for the promotion and execution of information security policies, and review and correct information based on the implementation status safety system and report to the Board of Directors on an annual basis.

(III) Specific management plan

1. Regular inventory of IT equipment.
2. Regular data backup control.
3. Rehearsal of the recovery procedure.
4. Repair program installation, and pay attention to the security update of firmware and operating systems.
5. Network segmentation and VPN construction.
6. Establishment of firewall policies.

(IV) Resources invested in IT security management: None.

(V) Major information security incidents: None.

VII. Important contract

Company name	Nature of contract	Contract's counterparty	Contract start/end date	Main content	Restrictive clauses
Lay's Green Energy	Procurement contract	Taiwan Power Company	2022.2.18~2024.2.18	Sales of pad-mounted transformers	
	Procurement contract	Taiwan Power Company	2023.6.06~2025.6.05	Sales of high pressure gauge expense ratio devices	
	Procurement contract	Taiwan Power Company	2023.6.30~2025.6.29	Sales of pad-mounted transformers	
	Procurement contract	Taiwan Power Company	2024.1.12~2026.1.11	Sales of high pressure gauge expense ratio devices	
	Engineering contract	National Pei-men Senior Agricultural and Industrial Vocational School	2024.10.01~2026.7.01	Electrical and mechanical engineering and switchboard sales	
	Engineering contract	National Housing and Urban Regeneration Center	2025.2.27~2028.3.30		
	Engineering contract	Star Energy Corporation	From the establishment date to the end of the warranty period	"Taiwan Tainan Yantian Solar Photovoltaic New Construction Project" - Solar Photovoltaic Power Generation System Installation and Performance Testing Project in B.C District The total contract price agreed was NT$271,693 thousand.	
	Loan agreement	Bank of Panshin	2022.09.06~2025.09.06	Short-term credit loans NTD 190,000 thousand Purpose: Operational Turnaround	
	Loan agreement	Kaohsiung Bank	2024.09.04~2029.09.04	Long-term secured loans NTD 250,000 thousand Purpose: Operational Turnaround	
	Loan agreement	Kaohsiung Bank	2022.10.03~2027.10.13	A long-term guaranteed loan of NT$150,000 thousand Purpose: Operational Turnaround	
Sen-Hsin Energy Co., Ltd.	Power purchase (sale) agreement -	Taiwan Power Company - Pingtung Branch	2019.07.17 - 2039.07.16	Purchase (sale) of 1,497.6KW capacity at NT$4.2802 per kWh.	

Company name	Nature of contract	Contract's counterparty	Contract start/end date	Main content	Restrictive clauses
	Dasiangying 2.3.4				
	Power purchase (sale) agreement - Hualien School	Taiwan Power Company - Hualien Branch	2021.04.20~2041.02.20	The capacity of electricity purchased and sold was 13,927.35 KW, and the average purchase and sale rate of electricity was about NT$5.5/kWh - 5.6/kWh.	
	Loan agreement	Taiwan Cooperative Bank	2019.11.17~2028.11.17	A long-term secured loan of NT$15,000 thousand	
			2019.7.23~2033.7.23	A long-term secured loan of NT$56,500 thousand	
			2021.04.14~2035.04.14	A long-term secured loan of NT$2,500 thousand	
			2022.06.01~2037.06.01	A long-term secured loan of NT$1,400 thousand	
			From the activation date, agreement period: 15 years	A long-term guaranteed loan of NT$37,000 thousand	
	Loan agreement	Kaohsiung Bank	2022.06.01~2034.06.01	Medium-term secured borrowings NT$41,790 thousand	
			1 year from the date of activation	A short-term secured loan of NT$15,000 thousand	
	Loan agreement	Bank SinoPac	Drawdown tenor: To October 31, 2019 Agreement period: Up to 15 years.	A long-term guaranteed loan of NT$43,650 million	
			From the activation date, agreement period: Up to 15 years.	A long-term guaranteed loan of NT$553,748 thousand	
			Drawdown date until March 19, 2031	Performance guarantee of NT$23,004 thousand	
			1 year from the date of activation	A short-term secured loan of NT$192,000 thousand	
			From the activation date, agreement period: Up to 15 years.	A long-term guaranteed loan of NT$234,000 thousand	
			1 year from the date of activation	A short-term guaranteed loan of NT$145,948 thousand	
			From the activation date, agreement period: Up to 15 years.	A long-term guaranteed loan of NT$182,435 thousand	
Chin Lai International Development Co., Ltd.	Loan agreement	Bank SinoPac	2019.06.21~2034.06.21	A long-term guaranteed loan of NT$15,150 thousand	
			2019.07.09~2034.07.09	A long-term guaranteed loan of NT$19,824 thousand	
		Kaohsiung Bank	2022.06.01~2029.02.28	Medium-term secured borrowings NT$49,082 thousand	
			1 year from the date of activation	A short-term secured loan of NT$20,000 thousand	

V. Review and Analysis of Financial Status and Financial Performance and Risks

一、Financial status

(I) Financial status comparison and analysis table

Unit: NT$ ‘000

Year / Item	2024	FY2023	Deviation	
			Amount	%
Current assets	950185	947406	2,779	-
Non-current assets	2434381	2190228	244,153	11
Total assets	3,384,566	3,137,634	246,932	8
Current liabilities	595169	405349	189,820	46
Non-current liabilities	1031446	904069	127,377	14
Total liabilities	1626615	1309418	317,197	24
Capital stock	1,550,951	1,505,778	45,173	3
Capital reserve	87,226	87,226	-	-
Retained earnings	58,301	168,862	-110,561	-65
Total equity	1757951	1828216	-70,265	-6
Total liabilities and equity	3,384,566	3,137,634	246,932	8

The reasons for the variation over 20% are described below:

1. Current liabilities: The increase this year is mainly due to the reduction of short-term borrowings in 2024.
2. Retained earnings: The decrease this year compared to last year was mainly due to the delay in delivery of Taipower's pad-mounted transformers until the following year, resulting in reduced profits and a drop in the share price of securities held.

II. Financial performance

(I) Operational results comparison and analysis table

Unit: NT$ ‘000

Item	2024	FY2023	Variation in amount	Ratio of variation %
	Amount	Amount		
Net operating revenue	696,439	752,370	-55,931	-7
Operating costs	567,200	594,337	-27,137	-4
Operating gross profit	129239	158033	-28,794	-18
Operating expenses	57,771	63,531	-5,760	-9
Operating income	71468	94502	-23,034	-24
Non-operating revenue and expenses	(74,391)	59805	-134,196	-224
Profit (loss) before tax	(2,923)	154307	-157,230	101
Income tax (expense)	(15,646)	(9,352)	NA	NA
Total comprehensive income	(18,569)	144955	-163,524	112
The reasons for the variation over 20% are described below: 1. Operating profit: The decrease this year compared to last year was mainly due to the delay in shipment of the motor department's products (pad-mounted transformers) in 2024 to early 2025. 2. Non-operating income and expense: Non-operating items in this year were net expenses, mainly due to valuation losses caused by the decline in the share prices of securities held. 3. Net profit (loss) before tax: This year's net loss before tax was due to the delayed delivery of the main system pad-mounted transformers, plus fixed depreciation and manpower expenses, which resulted in a loss.				

(II) Expected sales volume and its basis, possible impact on the company's future financial operations and response plans

In recent years, the Company's business development has been mainly focused on core businesses related to motors and electricity, while its subsidiary (power generation industry) has continued to develop solar photovoltaics. In addition to investing in the construction of solar power plants, it also undertakes solar energy engineering projects. However, the number of projects is not closely related to the business amount due to the different power generation capacities built. The subsidiary (construction business) has also continued to participate in the bidding of public works and commenced construction.

III. Consolidated Cash Flow

(I) Analysis of cash flow changes in the most recent year (2024)

Unit: NT$ thousand

Item \ Year	2024	FY2023	Increase (decrease)
			Amount
Operating activities	129,168	150,688	-21,520
Investing activities	(275,946)	(206,327)	-69,619
Financing activities	79,905	(24,371)	104,276

Analysis of changes in cash flow:

1. Operating activities: The net cash inflow from operating activities for the current year was mainly due to the profit after adding back the non-cash related depreciation to the pre-tax net profit for 2024
2. Investing activities: The net cash outflow from investing activities this year was mainly due to the increase in funds invested in the self-built solar power plant and the construction of additional factory buildings in Tainan.
3. Financing activities: The net cash inflow from financing activities during the year was mainly due to working capital demand and new borrowings.

(II) Improvement plan for insufficient liquidity

In recent years, the cash flow of the Company was net inflow, but there was no capital turnover issue. We maintain good interaction with banks, if the operating capital is insufficient, the Company shall ask for bank financing. As a result, there is no liquidity risk caused by failure in fundraising for fulfilling contractual obligations.

(III) Cash flow analysis for the next year (2024)

Unit: NT$ thousand

Cash balance at the beginning of the year (1)	Expected annual net cash flow from operating activities (2)	Expected annual cash inflow (outflow) (3)	Expected cash surplus (deficit) amount (1) + (2) + (3)	Remedies for expected cash deficits	
				Investment plan	Financial management plan
303,439	400,000	(300,000)	403,439	-	-

Luxe Green Energy Financial Basis Description:

1. Analysis of cash flow changes in the coming year:
   (1) Operating activities: $400,000 thousand will be generated from net cash inflow from operating activities due to increased sales.
   (2) Investing and financing activities: Mainly the expected cash outflows from self-built solar power plants and plant expansion (including equipment investment) of $100,000 thousand and net bank repayments of $200,000 thousand.
   (3) Summarizing the above, the cash balance of the year was $403,439 thousand.
2. Remedial measures for expected cash shortage and liquidity analysis: Not applicable.

IV. The Impact of the major capital expenditures in the most recent year on finance and business: None.

V. The annual report shall describe the company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year.

The Company's reinvestment policy in the most recent year has taken into consideration the industry related to the Company's business and the improvement of operational synergies. The solar power plants owned by Sen-Hsin Energy Co., Ltd., Chin Lai International and Qun Li have been stable and profitable. However, some power plants may suffer due to natural disasters, the scaffolding needs to be reinforced and the repair cost is high; in addition, Wan Chuan Construction has also applied for a Grade-A comprehensive construction operator, in order to contract more projects in the future.

Unit: NT$ ‘000

Investee	Business item	2024 Profit (loss) for the current period
Le Hua Investment Co., Ltd.	Reinvestment business	(1,945)
Luxe Solar Energy Co., Ltd.	Solar power generation and relevant equipment installation	(1,876)
Sen-Hsin Energy Co., Ltd.	Solar power engineering and self-construction business	26,565
Chin Lai International Development Co., Ltd.	Solar power generation.	12,265
Qun Li Energy Co., Ltd.	Solar power generation.	(232)
Wan Chuan Construction Co.,Ltd.	Comprehensive Construction Activities	9,080

Note: The profit (loss) of Chin Lai International Development Co., Ltd. for the current period includes the recognition of the investment in the subsidiary, Qun Li Energy Co., Ltd., in profit (loss).

VI. Risk and assessment

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

1. The interest and foreign exchange gains and losses in the most recent year are as follows

Unit: NT$ thousand

Item / Year	2024	FY2023
Net interest income (expense)	(24,917)	(19,170)
Net exchange profit (loss)	-	1
Operating revenue	696,439	752,370
Profit or loss before tax	-2,923	154307
Ratio of net interest income/expense to operating revenue (%)	-3.58	-2.55
Ratio of net interest income/expense to profit/loss before tax (%)	8.52	-12.42
Ratio of net exchange profit/loss to operating revenue (%)	0.00	0.00
Ratio of net exchange profit/loss to profit/loss before tax (%)	0.00	0.00

2. The Company's specific measures in response to exchange rate changes

(1) The Company adopted the principle of pricing in multiple currencies when discussing about prices with importers to control the cost and reduce the risk.

(2) We kept close communication with foreign exchange departments of financial institutions, observed the fluctuation of the exchange rate in a real-time manner, and took appropriate measures promptly.

3. Inflation: With the rising oil prices and the high prices of natural resources, the Company's purchase costs of raw materials required for manufacturing have increased. The Company will respond by reflecting the costs and seeking other raw material supplies to minimize the impact on profits and losses.

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

The Company did not make any high-risk and high-leverage investment. We loaned funds to others and made endorsement and guarantee in accordance with the policies established in the Company’s “Procedure for Acquisition or Disposal of Assets,” “Procedures for Loaning Funds to Others, Endorsements and Guarantees,” and “Procedures for Derivative Transactions.”

(III) Future R&D plans and R&D expenses expected to be invested: around NT$3,000 thousand.

(IV) Impact of the variations in important domestic/foreign policies and laws on the finance and business of the Company and countermeasures: None.

(V) Impacts of technological changes (including cyber security risks) and industry changes on the Company's financial operations, and responsive measures: None.

(VI) Impact of changes in corporate image on corporate crisis management and countermeasures: None.

(VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures: None.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.

(IX) Risks associated with any concentration of purchases or sales, and mitigation measures being or to be taken

1. Purchase

The characteristics of the industry to which the Company belongs is different from other manufacturing industries. We choose suppliers and purchase components from them according to the projects we contract and use different upstream materials in each project. Particular components and parts are specified in some contracts and the rest is provided by the suppliers that have collaborated with us for a long time. The Company has joyous collaboration with the suppliers.

2. Sales

The main customers of our products are Taipower Corporation's electricity or motor-related customers, and the main customers of our engineering sales are public institutions' new construction project bids. In recent years, the government’s strong promotion of policies has stimulated investment of relevant domestic and foreign companies and investors in the solar power industry. In line with the long-term national economic development, Taiwan Power Company has established long-term construction plans and executed procurement accordingly. Thus, the Company has maintained a stable development for a long time in terms of the operation status.

Moreover, the Company has been actively dedicated to solar photovoltaics and complied to the trend in the industry as well as national policy development. We have offered eco-friendly energy to increase the sources of our business revenue.

(X) Impact, risks and response measures of large-scale transfer or replacement of equity interests by directors, supervisors or major shareholders holding more than 10% of the shares on the Company: None.

(XI) Impact of the change in operating rights on the Company, risks and corresponding measures: None.

(XII) Litigation and non-litigation matters:

The Company had a dispute over accounts with Taiwan Power Company. The case was filed and is currently pending in the court proceedings. Please refer to the notes in the financial statements for other cases.

(XIII) Other important risks: None.

VII. Other important matters: None.

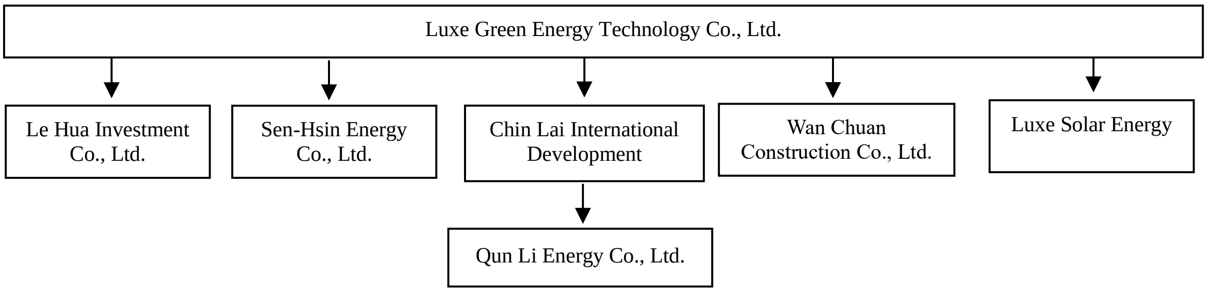
VI. Special Notes

I. Information on affiliated companies

(I) Organizational chart of affiliated companies

As of December 31, 2024; Unit: NTD thousands; Shares

Name of affiliated company	Relationship with the Company	Shares held by the Company and shareholding ratio		Actual amount of investment	Shares of the Company held and shareholding ratio	
		Shares	Ratio		Shares	Ratio
Le Hua Investment Co., Ltd.	Subsidiary	2,200,000	100%	22,000	—	-
Luxe Solar Energy Co., Ltd.	Subsidiary	546,000	100%	5,286	—	-
Sen-Hsin Energy Co., Ltd.	Subsidiary	81,300,000	100%	813,000	—	-
Chin Lai International Development Co., Ltd.	Subsidiary	19,179,000	100%	214,110	—	-
Qun Li Energy Co., Ltd.	Sub-subsidiary	2,900,000	100%	32,889	—	-
Wan Chuan Construction Co., Ltd.	Subsidiary	6,300,000	52.5%	63,000	-	—



(II)Basic information on affiliated companies

Unit: NT$ ‘000

Name of company	Establishment date	Address	Paid-in capital	Primary business or production item
Le Hua Investment Co., Ltd.	January 15, 1999	7F.-1, No. 114, Chenggong Rd., North Dist., Tainan City	22,000	Investment
Luxe Solar Energy Co., Ltd.	July 21, 2005	Same as the above.	5,460	Self-usage power generation equipment utilizing renewable energy
Sen-Hsin Energy Co., Ltd.	July 25, 2006	Same as the above.	813,000	Self-usage power generation equipment utilizing renewable energy
Chin Lai International Development Co., Ltd.	January 2, 2004	Same as the above.	191,790	Self-usage power generation equipment utilizing renewable energy
Qun Li Energy Co., Ltd.	January 8, 2003	Same as the above.	29,000	Self-usage power generation equipment utilizing renewable energy
Wan Chuan Construction Co., Ltd.	104.10.16	Same as the above.	120,000	Comprehensive Construction Activities

(III) Information on the same shareholders presumed to have controlling and affiliation relation: None.

(IV) Information on directors, supervisors, and general managers of affiliated companies

Name of company	Title	Name or representative	Shares held	
			Shares	Shareholding ratio
Le Hua Investment Co., Ltd.	Chairman	Luxe Green Energy Technology Co., Ltd. Representative: Chieh-Jen Chen	2,200,000	100%
	Director	Luxe Green Energy Technology Co., Ltd. Representative: Pin-Chun Chen	2,200,000	100%
	Director	Luxe Green Energy Technology Co., Ltd. Representative: Shih-Chang Chien	2,200,000	100%
	Supervisor	Luxe Green Energy Technology Co., Ltd. Representative: Chun-Hsiang Teng	2,200,000	100%
Luxe Solar Energy Co., Ltd.	Chairman	Luxe Green Energy Technology Co., Ltd. Representative: Chieh-Jen Chen	546,000	100%
	Director	Luxe Green Energy Technology Co., Ltd. Representative: Lung-Fa Chen	546,000	100%
	Director	Luxe Green Energy Technology Co., Ltd. Representative: Chun-Hsiang Teng	546,000	100%
	Supervisor	Luxe Green Energy Technology Co., Ltd. Representative: Pin-Chun Chen	546,000	100%
Sen-Hsin Energy Co., Ltd.	Chairman	Luxe Green Energy Technology Co., Ltd. Representative: Lung-Fa Chen	81,300,000	100%
	Director	Luxe Green Energy Technology Co., Ltd. Representative: Te-Cheng Wang	81,300,000	100%
	Director	Luxe Green Energy Technology Co., Ltd. Representative: Pin-Chun Chen	81,300,000	100%
	Supervisor	Luxe Green Energy Technology Co., Ltd. Representative: Chieh-Jen Chen	81,300,000	100%
Chin Lai International Development Co., Ltd.	Chairman	Luxe Green Energy Technology Co., Ltd. Representative: Chieh-Jen Chen	19,179,000	100%
	Director	Luxe Green Energy Technology Co., Ltd. Representative: Pin-Chun Chen	19,179,000	100%
	Director	Luxe Green Energy Technology Co., Ltd. Representative: Chun-Hsiang Teng	19,179,000	100%
	Supervisor	Luxe Green Energy Technology Co., Ltd. Representative: Lung-Fa Chen	19,179,000	100%
Qun Li Energy Co., Ltd.	Chairman	Chin Lai International Development Co., Ltd. Representative: Chieh-Jen Chen	2,900,000	100%
	Director	Chin Lai International Development Co., Ltd. Representative: Pin-Chun Chen	2,900,000	100%
	Director	Chin Lai International Development Co., Ltd. Representative: Chun-Hsiang Teng	2,900,000	100%
	Supervisor	Chin Lai International Development Co., Ltd. Representative: Lung-Fa Chen	2,900,000	100%
Wan Chuan Construction Co., Ltd.	Chairman	Mei Chi Interior Design and Engineering Co., Ltd. Representative: Yu-Han Chang	1,350,000	11.25%
	Director	Gala Castle Co., Ltd.	900,000	7.5%
	Director	Jing Hao Landscape Design Company Limited	1,350,000	11.25%
	Director	Luxe Green Energy Technology Co., Ltd. Representative: Chieh-Jen Chen	6,300,000	52.5%
	Director	Luxe Green Energy Technology Co., Ltd. Representative: Pin-Chun Chen	6,300,000	52.5%
	Supervisor	Spreading International Logistics Corporation	900,000	7.5%

(V) Industries covered by the overall business of the affiliates

Luxe Green Energy Technology and its affiliated companies are committed to providing services such as power-related equipment manufacturing, renewable energy power generation and comprehensive construction industry. Luxe Green Energy Technology provides manufacturing of transformers, current transformers, switchboards, sheet metal, etc. Shinfox Energy, Chin Lai International and Chun Li Energy own solar power generation equipment and sold them to Taiwan Power Company. Wan Chuan Construction has been involved in energy storage plant and public school construction projects since 2024 and provides construction services.

(VI) Overview of the operation of each affiliated enterprise

As of December 31, 2024 Unit: NTD thousands

Name of company	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Income in current period (after tax)	Earnings per share (NTD) (after tax)
Le Hua Investment Co., Ltd.	22,000	22,340	70	22,270	0	-118	-1,944	-0.88
Luxe Solar Energy Co., Ltd.	5,460	3,726	90	3,636	0	-138	-1,876	-3.44
Sen-Hsin Energy Co., Ltd.	813,000	1,601,364	735,427	865,937	138,256	49,477	26,564	0.33
Chin Lai International Development Co., Ltd.	191,790	292,816	84,903	207,913	43,428	17,982	12,265	0.64
Qun Li Energy Co., Ltd.	29,000	33,470	4,059	29,411	4,000	-194	-232	-0.08
Wan Chuan Construction Co., Ltd.	120,000	227,060	86,837	140,223	209,866	10,932	9,080	0.76

II. Any private placement of securities in the most recent year and up to the publication date of this annual report: None.

III. Other required supplementary information: None.

IV. In the most recent year and up to the date of publication of the annual report, if any event occurred that had a significant impact on shareholders' equity or securities prices as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, the following information shall be stated item by item: None.

Luxe Green Energy Technology Co., Ltd.

Chairman, Chen Chieh-Jen