

Stock Code: 6244



Motech Industries Inc.

2024 Annual Report

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Corporate website: <https://www.motech.com.tw/>

Motech Industries Inc.

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I. Letter to Shareholders

To all shareholders:

Thank you all for your long-term support and encouragement.

Throughout 2024, with the continued support of shareholders and the dedicated efforts of our employees, the Company maintained a strong financial foundation and sustained profitability. Over the past year, escalating geopolitical risks and intensifying global trade conflicts, driven by strategic rivalries among major nations, led to a surge in tariffs on various products and countries, accelerating the trend of global localization. The solar industry, in particular, faced a challenging year, primarily due to aggressive price competition from Chinese manufacturers, which disrupted market order and caused significant upheaval. Additionally, the rapid adoption of imported solar modules from Southeast Asia by domestic photovoltaic power station developers further intensified sales pressure in the local market.

Amid an increasingly volatile environment, adaptability is the key to maintaining a competitive edge. In navigating these complex market dynamics, the Company has remained cautiously optimistic, prioritizing production line and technology upgrades, expanding investments in solar power plant development, and thereby strengthening profitability. These strategic efforts not only help mitigate short-term competitive pressures but also drive long-term growth momentum.

1. 2024 Operating Results

(1) Outcome of operating plans

(In Thousands of New Taiwan Dollars)

| Items | 2024 | | 2023 | |
|--|-----------|--------|-----------|--------|
| Consolidated operating revenue | 3,225,501 | 100.0% | 4,065,981 | 100.0% |
| Consolidated gross profit (loss) | 636,133 | 19.7% | 677,424 | 16.7% |
| Consolidated operating profit (loss) | 273,231 | 8.5% | 323,417 | 8.0% |
| Consolidated profit (loss) before tax | 246,335 | 7.6% | 229,585 | 5.6% |
| Consolidated net profit (loss) | 240,600 | 7.5% | 224,317 | 5.5% |
| Consolidated profit attributable to owners of parent | 235,301 | 7.3% | 218,168 | 5.4% |
| Earnings per share (NT\$) | 0.61 | | 0.56 | |

In 2024, the Company's consolidated revenue was primarily driven by solar module sales. A major production upgrade introduced large-format G10 TOPCon modules, which are expected to become the Company's core product and further strengthen profit margins. Additionally, the Company significantly expanded its solar power plant development, achieving an installed capacity of approximately 68MW by year-end, a 70% increase from the previous year.

(2) Implementation status of budget

The Company did not release financial forecasts in 2024; thus, it was not required to disclose the implementation status of budget.

(3) Financial position and profitability analysis

The Company generated consolidated revenues of NT\$3,226 million in 2024, a decrease of 20.7% from NT\$4,066 million in 2023. Consolidated gross profit amounted to NT\$636 million, a decrease of 6.1% from NT\$677 million in the previous year, with a gross margin of 19.7%, an increase from 16.7% in the previous year. The consolidated net profit was NT\$241 million, of which NT\$235 million was attributable to shareholders of the parent company, representing earnings per share of NT\$0.61.

(4) Research and development

Last year, the Company fully upgraded to large-format production lines, aligning with global market trends and successfully transitioning to TOPCon technology. This advancement increased solar module efficiency, enhancing the return on investment for solar projects. Additionally, the Company prioritized the development of innovative products for dual-use land applications. At international exhibitions in Germany and Japan, it introduced high-transparency solar modules designed for agrivoltaic applications, further expanding its global business opportunities.

2. Overview of 2025 Business Plan

(1) Business policy

- Channel efforts on the mass production of next-generation N-type TOPCon modules, improve the conversion efficiency and enhance existing production lines. Upgrade to a larger size to meet market demand.
- Continue to initiate solar power system projects to expand our stable revenue streams.
- Continuously increase our green energy trading channels and electricity sales revenue, and seize business opportunities from major electricity consumers.
- Seeking cross-industry alliances to expand PV applications.

(2) Sales forecast and basis

In the global market, according to research firm PV InfoLink, global solar module demand in 2024 ranged from approximately 469GW to 533 GW. Looking ahead to 2025, demand is projected to reach 492GW to 568 GW, reflecting a growth rate of around 5% to 7%. The primary challenges stem from shifts in the macroeconomic environment, while growth momentum is anticipated from emerging markets such as the Middle East and Southeast Asia.

In Taiwan, data from the Energy Administration under the Ministry of Economic Affairs (MOEA) showed that total installed solar capacity reached 14.28GW by December 2024, falling short of the original target. As a result, the government has postponed its 20GW target to November 2026, requiring the installation of 3GW annually in both 2025 and 2026. This is expected to drive the Company's module and power-related businesses. However, given the delays in large-scale solar project development and increasing competition from Southeast Asian module imports, it is essential to avoid excessive market concentration. Taiwan's economy is primarily export-driven, and many major technology companies have joined the RE100 initiative, making green energy a key factor

in global competitiveness. In recent years, the government has introduced regulations such as the Climate Change Response Act and the Renewable Energy Development Act, setting a net-zero emission target for 2050. These policy measures include the implementation of carbon pricing and mandates for large electricity consumers to adopt renewable energy, while also encouraging green energy procurement over traditional wholesale electricity purchases. This regulatory framework fosters a favorable environment for renewable energy growth and creates new business opportunities for the Company.

(3) Key production and sales policies

- Continuously maintain long-term business relationships with customers by providing high-quality, customized products and services tailored to customer and market needs, while developing diverse sales portfolios.
- Boost our market share in Taiwan.
- Continuously expand our export markets, and actively explore emerging regions.
- Focus on the development and application of high-efficiency products.
- Emphasize quality improvement and production cost reduction.

3. Strategies for Future Developments

- Enhance the technical level of solar cells and module products.
- Improve product quality and yield.
- Offer diverse product mixes to satisfy customer demand.
- Improve product marketing and sales potential and aggressively explore new markets.
- Streamline management to enhance business management performance.
- Fulfill our corporate social responsibility and pursue sustainability.
- Proactively explore new businesses on our own or through strategic joint ventures, and adopt diversification to mitigate operating risks.

4. Impacts from External Competitions, Regulatory Compliance and Macro-environment

The concept of ESG (Environmental, Social, and Governance) began to take root in the 1960s. After decades of evolution, it has given rise to rigorous reporting and audit frameworks. In recent years, however, a wave of anti-ESG sentiment has surfaced, leading to the withdrawal of some investment banks from the Net-Zero Banking Alliance (NZBA), and the United States' exit from the Paris Agreement. These developments have created obstacles to the advancement of ESG initiatives. Still, we believe that promoting sustainable development is a noble mission. Even when faced with setbacks, we must press forward with determination. Around the world, countries have ramped up efforts to develop AI models and invest in advanced semiconductors and computing centers in recent years. While we benefit from the convenience of smartphones, the internet, and electric vehicles, the corresponding surge in electricity consumption cannot be overlooked. ESG serves as a vital framework for reducing social costs and guiding continuous self-reflection and improvement. “Modern Technology for a Sustainable World” represents Motech’s unwavering belief in harnessing innovation to protect the planet. We remain committed to doing the right thing - and doing things right.

In the pursuit of sustainable operations, we continue to strengthen Board functions and improve transparency. We also enhance communication with stakeholders by holding two investor conferences every year to foster stronger engagement. To cultivate a positive and inclusive workplace, we encourage employees to pursue both internal and external learning opportunities and continue to enrich our employee benefits. On the product front, we are expanding application diversity and providing long-term warranty commitments. Guided by the five pillars of our corporate governance blueprint, we aim to create an environment that fosters positive development and positions us for long-term success.

Sincerely yours,

Chairman Yung-Hui Tseng

II. Corporate Governance

1. Directors, Independent Directors, President, Vice Presidents, Assistant Vice Presidents and Managers of Departments and Branches

(1) Directors and Independent Directors

A. Directors and Independent Directors

As of April 22, 2025 (In Shares, %)

| Title | Nationality or Place of Registration | Name | Gender Age | Date Elected | Term | Date First Elected | Shareholding When Elected | | Current Shareholding | | Spouse and Minor Children | | Nominee Arrangement | | Education and Selected Past Positions | Selected Present Positions at Motech and Other Companies | Managers, Directors or Supervisors Who are Spouses or within Second-Degree of Kinship to Each Other | | | Remark (Note 4) |
|----------------------|--------------------------------------|------------------------|------------------------|--------------|---------|--------------------|---------------------------|-------|----------------------|-------|---------------------------|-------|---------------------|-------|---|---|---|------|----------|-----------------|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Chairman | Taiwan | Yung-Hui Tseng | Male (61-70 years old) | 2022.06.21 | 3 years | 2001.06.26 | 10,582,717 | 2.98% | 10,972,717 | 2.84% | 1,394,893 | 0.36% | 0 | 0.00% | Master of Electronics Engineering, China Institute of Technology | Chairman of Cheng Fu-Tien Culture & Education Foundation | - | - | - | - |
| Director | Taiwan | Chih-Kaou Lee (Note 1) | Male (71-80 years old) | 2022.06.21 | 3 years | 2001.06.26 | 4,022,716 | 1.13% | 4,312,770 | 1.11% | 1,690,992 | 0.44% | 0 | 0.00% | Bachelor in Physics, Tamkang University | Director and President of Consumer Product Resources International Corp. Director of Motech Industries Inc.'s subsidiaries Director of C-Tech. United Corp. | - | - | - | - |
| Director | Taiwan | Ming-Shiaw Lu (Note 2) | Male (71-80 years old) | 2022.06.21 | 3 years | 2007.06.13 | 2,579,827 | 0.73% | 2,679,827 | 0.69% | 2,160,813 | 0.56% | 0 | 0.00% | Department of Mechanical Engineering, National Taipei Institute of Technology | Supervisor of Motech Industries Inc.'s subsidiaries Director of Mildef Crete Inc. | - | - | - | - |
| Director | Taiwan | George Huang (Note 3) | Male (71-80 years old) | 2022.06.21 | 3 years | 2007.06.13 | 0.00% | 0.00% | 0.00% | 0.00% | 0 | 0.00% | 0 | 0.00% | Bachelor in Communication Engineering, National Chiao Tung University | Director of Apacer Technology Inc. Director of Les elephants Co., Ltd. Independent Director of Bionet Corp. | - | - | - | - |
| Independent Director | Taiwan | San-Boh Lee | Male (71-80 years old) | 2022.06.21 | 3 years | 2002.06.10 | 135,328 | 0.04% | 144,328 | 0.04% | 0 | 0.00% | 0 | 0.00% | Ph.D. in Material Science and Engineering, University of Rochester, USA | Supervisor of the Alumni Association of the Dep. of Physics of Fu Jen Catholic University | - | - | - | - |

| Title | Nationality or Place of Registration | Name | Gender Age | Date Elected | Term | Date First Elected | Shareholding When Elected | | Current Shareholding | | Spouse and Minor Children | | Nominee Arrangement | | Education and Selected Past Positions | Selected Present Positions at Motech and Other Companies | Managers, Directors or Supervisors Who are Spouses or within Second-Degree of Kinship to Each Other | | | Remark (Note 4) |
|----------------------|--------------------------------------|-----------------|------------------------|--------------|---------|--------------------|---------------------------|-------|----------------------|-------|---------------------------|-------|---------------------|-------|---|--|---|------|----------|-----------------|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Independent Director | Taiwan | Kin-Tsau Lee | Male (71-80 years old) | 2022.06.21 | 3 years | 2016.06.13 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | Master of Science in Management Studies, MIT Sloan School of Management | Independent Director of Ingentec Corporation Independent Director of Duratek, Inc. Director and representative of Tzu-Wei Investment Limited Director of M.J. International Co. Ltd. Director and representative of Chia Tai Bright Global (Taiwan) Co., Ltd. Director and representative of Chia Tai Bright Enterprise Co., Ltd. | - | - | - | - |
| Independent Director | Taiwan | Chia-Hsin Chang | Male (61-70 years old) | 2022.06.21 | 3 years | 2022.06.21 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | Master of Accounting, Soochow University | Independent Director of Getac Holdings Corporation Independent Director of APAC Opto Electronics Inc. Independent Director of Solar Applied Materials Technology Corp. | - | - | - | - |

Note 1: Director, Chih-Kaou Lee, was appointed as Supervisor of the Company on June 26, 2001, and appointed as Director of the Company since June 13, 2016.

Note 2: Director, Ming-Shiaw Lu, was appointed as Supervisor of the Company from June 13, 2007 to May 26, 2010, and has been serving as a Director of the Company since his election on June 17, 2019.

Note 3: Director, George Huang, was appointed as Supervisor of the Company on June 13, 2007, and appointed as Director of the Company since June 13, 2016.

Note 4: Where the Company's Chairman and President or personnel with equivalent position (chief manager) are the same person, spouses or relatives within one degree of kinship, please state the reasons, reasonability, necessity and measures to be taken (e.g., increase the number of Independent Directors and have majority of Directors not serving as employees or managerial officers).

B. Major Shareholders of Corporate Shareholders: None.

C. Major Shareholders of the “Major Shareholders of Corporate Shareholders”: None.

D. Professional Qualifications of Directors and Independence Status of Independent Directors

As of April 22, 2025

| Conditions Name | Professional Qualifications and Experiences (Note 1) | Independence Status (Note 2) | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|--------------------|--|---|---|
| Yung-Hui Tseng | With more than five years of work experience in areas necessary for the business of the Company, he is now the Chairman of the Company and is not a person of any conditions defined in Article 30 of the Company Act. | - | 0 |
| Chih-Kaou Lee | With more than five years of work experience in areas necessary for the business of the Company, he is now a director in several TPEx-listed companies and is not a person of any conditions defined in Article 30 of the Company Act. | - | 0 |
| George Huang | With more than five years of work experience in areas necessary for the business of the Company, he is now a director in several TWSE-listed companies and is not a person of any conditions defined in Article 30 of the Company Act. | - | 1 |
| Ming-Shiaw Lu | With more than five years of work experience in areas necessary for the business of the Company, he is now a director in several TPEx-listed companies and is not a person of any conditions defined in Article 30 of the Company Act. | - | 0 |
| San-Boh Lee | He has more than five years of work experience being an instructor or a higher position in an academic department related to the business needs of the Company in a public junior college, college or university. He is not a person of any conditions defined in Article 30 of the Company Act. | He is deemed independent as he satisfies requirements set out in Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and is not a person of any conditions defined in Article 26-3 of the Securities and Exchange Act. | 0 |

| Conditions Name | Professional Qualifications and Experiences (Note 1) | Independence Status (Note 2) | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|--------------------|---|---|---|
| Kin-Tsau Lee | He has more than five years of work experience in commerce and areas necessary for the business of the Company. While being the executive vice president of China Steel Corporation, a TWSE-listed company, he was also in charge of the finance unit. He is not a person of any conditions defined in Article 30 of the Company Act. | He is deemed independent as he satisfies requirements set out in Articles 2, 3, and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and is not a person of any conditions defined in Article 26-3 of the Securities and Exchange Act. | 2 |
| Chia-Hsin Chang | He has passed the senior professional and technical examination for certified public accountants in Taiwan and was a certified public accountant and partner of KPMG Taiwan for more than five years. He is not a person of any conditions defined in Article 30 of the Company Act. | He is deemed independent as he satisfies requirements set out in Articles 2, 3, and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and is not a person of any conditions defined in Article 26-3 of the Securities and Exchange Act. | 3 |

Note 1: Professional qualifications and experiences: Describe the professional qualifications and experiences of individual Director and Supervisor. For Audit Committee members with accounting or finance expertise, relevant background and work experience shall be stated. Also, clarify if conditions defined in Article 30 of the Company Act exist.

Note 2: The independence of Independent Directors shall be described. Relevant criteria including but not limited to whether the Independent Director, his/her spouse, and relatives within the second degree of kinship are directors, supervisors or employees of the Company or any of its affiliates; the number of the Company's shares held by the Independent Director, his/her spouse, and relatives within the second degree of kinship (or by nominee arrangement) and the percentages, whether they are directors, supervisors or employees of companies having specific relationship with the Company (please refer to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies) and the amount of compensation for provision of commerce, law, finance, accounting or related services to the Company or its affiliates in the past two fiscal years.

E. Board diversity and independence

(a) Board diversity

The Company adopts the candidate nomination system for the nomination and election of Directors pursuant to the Articles of Incorporation. Besides assessing the academic and work experience of candidates, candidates shall be approved by the Board of Directors prior to being submitted to the shareholders' meeting for the election as stipulated in the Company's "Director Election Procedures" and "Corporate Governance Best-Practice Principles", to ensure the diversity and independence of Board members.

According to Paragraph 3, Article 22 of the Company's "Corporate Governance Best-Practice Principles", Board members shall generally possess knowledge, skills and competence required to perform their duties. To achieve the ideal goal of corporate governance, the Board as a whole is advised to possess the following capabilities:

- i. Business judgement
- ii. Accounting and financial analysis
- iii. Operation management
- iv. Crisis management
- v. Industry knowledge
- vi. Global market perspective
- vii. Leadership
- viii. Decision-making

Diversity policy is stipulated in Chapter III "Enhancement of Board Functions" of the Company's "Corporate Governance Best-Practice Principles". Diversity shall be considered with respect to Board composition and appropriate policy shall be established based on the Company's operation, business type and development needs. Such policy shall include but not limited to standards of the following two aspects:

- i. Basic conditions and values: including gender, age, nationality and culture. Among which, it is advised to have female Directors constitute at least one-third of the Board.
- ii. Professional knowledge and skills: including professional background (e.g., legal, accounting, industry, finance, marketing or technology), professional skills and industry experience.

Board members of the Company have diverse backgrounds in terms of industry, finance and accounting, academia and knowledge. They can offer professional opinions from different angles to enhance the Company's management efficiency and operation performance. Moreover, all three Independent Directors have the knowledge, skills and competence required to perform their duties, which further enrich the diversity policy and implementation guideline concerning Board members to align with the spirit of corporate governance and business development needs. Management objectives and implementation of the diversity policy for Board members are disclosed in separate tables below:

(i) Management objectives

| Management Objectives | | | | | | Achievement Status |
|--|--|--|--|--|--|---------------------|
| The number of Directors who are also managers of the Company shall not exceed one-third of the total number of Directors. | | | | | | Achieved |
| The number of Independent Directors shall be at least three and shall not be less than one-third of the total number of Directors. | | | | | | Achieved |
| The Board shall include at least one Director of a different gender, and Directors of any single gender shall account for no less than one-third of the total number of Directors. | | | | | | Not achieved (Note) |

Note: Due to the specific nature of the industry, the current Board has not yet met the management objective of including at least one Director of a different gender and ensuring that Directors of any single gender account for no less than one-third of the total number of Directors. The Board is actively seeking qualified professionals to serve as Directors in order to achieve this goal.

(ii) Implementation of diversity policy

| Basics | | | | | | Diverse Industry Experience and Professional Competence | | | | | | | | | | | | |
|-----------------|----------------------|--------|-----------------|-----|-----|---|---------------------|---------|-----------|--------------|----------------------|-------------------------|---------------------------|---------------------|-------------------|--------------------------------|----------------------|------------------------|
| Name | Title | Gender | Motech Employee | Age | Age | Seniority of Independent Director | Industry Experience | | | | | Professional Competence | | | | | | |
| | | | | | | | 61 ~ 70 | 71 ~ 80 | 1~9 years | Over 9 years | Finance & Accounting | Steel Industry | Optoelectronic Technology | Computer Peripheral | Academic Research | Leadership and Decision-making | Operation Management | Finance and Accounting |
| Yung-Hui Tseng | Chairman | Male | | √ | | | | | | | √ | | | | | √ | √ | √ |
| Chih-Kaou Lee | Director | Male | | | √ | | | | | | √ | | | | | √ | √ | |
| Ming-Shiaw Lu | Director | Male | | | √ | | | | | | | √ | | | | √ | | |
| George Huang | Director | Male | | | √ | | | | | | | √ | | | | √ | √ | √ |
| San-Boh Lee | Independent Director | Male | | | √ | √ | | | | | | | √ | | | | √ | |
| Kin-Tsau Lee | Independent Director | Male | | | √ | √ | | | | √ | | | | | √ | √ | √ | √ |
| Chia-Hsin Chang | Independent Director | Male | | √ | √ | | √ | | | | | | | | | √ | | √ |

(b) Board independence

The current Board of Directors consists of seven members with extensive experience and professional expertise in fields such as industry, business, accounting, finance, law, and marketing. To ensure the Board's independence, no Director concurrently serves as an employee of the Company. Independent Directors comprise 43% of the Board (three members), of whom two have served for less than nine years and one for more than nine years. None of the Directors is subject to the conditions specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. In addition, there are no spousal or second-degree familial relationships among the Directors. To further promote gender equality in the composition of the Board, the Company is actively seeking qualified female professionals to serve as Directors in pursuit of its diversity goals.

(2) President, Vice Presidents, Assistant Vice Presidents and Managers of Departments and Branches

As of April 22, 2025 (In Shares)

| Title | Nationality | Name | Gender | On-Board Date | Shareholding | | Spouse and Minor Children | | Nominee Arrangement | | Education and Selected Past Positions | Selected Present Positions at Other Companies | Managers Who are Spouses or within Second-Degree of Kinship to Each Other | | | Remark (Note 1) |
|---|-------------|-----------------|--------|---------------|--------------|-------|---------------------------|-------|---------------------|-------|---|---|---|------|----------|-----------------|
| | | | | | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| President | Taiwan | Fred Yeh | Male | 2009.11.09 | 387,048 | 0.10% | 2,071 | 0.00% | 0 | 0.00% | Department of Electronic Engineering Technology, National Taiwan Institute of Technology MBA, China Europe International Business School | Director of Motech's subsidiaries Director of inergy Technology Inc. Vice Chairman of TECO Sun Energy Co., Ltd. | - | - | - | - |
| Vice President & CFO | Taiwan | Ting-Chao Wang | Male | 2019.12.16 | 55,000 | 0.01% | 0 | 0.00% | 0 | 0.00% | MBA, University of Maryland | Director of Motech's subsidiaries Independent Director of Mutual-Tek Industries Co., Ltd. | - | - | - | - |
| Vice President | Taiwan | Huan-Shun Lin | Male | 2020.11.05 | 60,000 | 0.02% | 0 | 0.00% | 0 | 0.00% | Master of Resources Engineering, National Cheng Kung University | - | - | - | - | - |
| Chief Governance Officer | Taiwan | Chien-Tung Chen | Male | 2021.08.05 | 94,147 | 0.02% | 0 | 0.00% | 0 | 0.00% | MBA, National Taiwan University | - | - | - | - | - |
| Senior Manager of Accounting and Tax Department | Taiwan | Alan Wu | Male | 2021.01.01 | 28,000 | 0.01% | 0 | 0.00% | 0 | 0.00% | MBA, National Chung Cheng University | Supervisor of Motech Industries Inc.'s subsidiaries Supervisor of TECO Sun Energy Co., Ltd. | - | - | - | - |

Note 1: Where the Company's President or personnel with equivalent position (chief manager) and Chairman are the same person, spouses or relatives within one degree of kinship, please state the reasons, reasonability, necessity and measures to be taken (e.g., increase the number of Independent Directors and have majority of Directors not serving as employees or managerial officers).

2. Remuneration Paid to Directors, Independent Directors, President and Vice Presidents in the Most Recent Year

(1) General Directors and Independent Directors

A. Remuneration to Directors

(In Thousands of New Taiwan Dollars; Thousands of Shares, %)

| Title | Name | Remuneration to Directors | | | | | | | | Total of A, B, C, and D and as a % of Net Income | Compensation Earned by Being an Employee of Motech or Motech's Consolidated Entities | | | | | | Total of A, B, C, D, E, F, and G and as a % of Net Income | | Compensation from Non- consolidated Affiliates or Parent Company | | | | |
|-------------------------|-----------------|---------------------------|--------------------------------------|-----------------------------------|--------------------------------------|----------------------------------|--------------------------------------|-------------------|--------------------------------------|--|---|--------------------------------------|-----------------------------------|--------------------------------------|------------------------------|-------|---|-----------------|---|---|--|--|--|
| | | Base Compensation (A) | | Severance Pay and Pensions (B) | | Compensation to Directors (C) | | Allowances (D) | | | Base Compensation, Bonus, and Allowances, etc. (E) | | Severance Pay and Pensions (F) | | Employee Compensation (G) | | | | | | | | |
| | | From Motech | From All Consolidated Entities | From Motech | From All Consolidated Entities | From Motech | From All Consolidated Entities | From Motech | From All Consolidated Entities | | From Motech | From All Consolidated Entities | From Motech | From All Consolidated Entities | From Motech | Stock | Cash | Stock | | | | | |
| Director | Yung-Hui Tseng | 10,493 | 10,493 | - | - | 435 | 435 | 80 | 80 | 11,008 4.68% | 11,008 4.68% | - | - | - | - | - | - | 11,008 4.68% | 11,008 4.68% | - | | | |
| | Chih-Kaou Lee | 600 | 600 | - | - | 435 | 435 | 80 | 80 | 1,115 0.47% | 1,115 0.47% | - | - | - | - | - | - | 1,115 0.47% | 1,115 0.47% | - | | | |
| | George Huang | 600 | 600 | - | - | 435 | 435 | 80 | 80 | 1,115 0.47% | 1,115 0.47% | - | - | - | - | - | - | 1,115 0.47% | 1,115 0.47% | - | | | |
| | Ming-Shiaw Lu | 600 | 600 | - | - | 435 | 435 | 80 | 80 | 1,115 0.47% | 1,115 0.47% | - | - | - | - | - | - | 1,115 0.47% | 1,115 0.47% | - | | | |
| Independent Director | San-Boh Lee | 600 | 600 | - | - | 435 | 435 | 80 | 80 | 1,115 0.47% | 1,115 0.47% | - | - | - | - | - | - | 1,115 0.47% | 1,115 0.47% | - | | | |
| | Kin-Tsau Lee | 600 | 600 | - | - | 435 | 435 | 80 | 80 | 1,115 0.47% | 1,115 0.47% | - | - | - | - | - | - | 1,115 0.47% | 1,115 0.47% | - | | | |
| | Chia-Hsin Chang | 600 | 600 | - | - | 435 | 435 | 80 | 80 | 1,115 0.47% | 1,115 0.47% | - | - | - | - | - | - | 1,115 0.47% | 1,115 0.47% | - | | | |

1. Please state the policy, system, standard and structure of remuneration paid to Independent Directors and the correlation between factors such as responsibilities and risks assumed as well as time contributed and the amount of payment: Remuneration to Independent Director is determined based on their involvement in and contributions to the Company's operation and takes into account future risks of the Company and the remuneration standard of the industry. It includes both the fixed compensation and allowance. In addition, remuneration to Directors would be made if the Company generates profits for the year, as stipulated in the Articles of Incorporation. The said remuneration to Independent Directors would be reviewed by the Compensation Committee and then submitted to the Board of Directors for resolution.
2. Except for information disclosed above, remuneration paid for services rendered by Directors of the Company (e.g., being a non-employee consultant to the parent company/all consolidated entities/investees) in the most recent year: None.

B. Range of remuneration paid to Directors

| Ranges | Names of Directors | | | | |
|---------------------------------|--|--|--|--|--|
| | Total of (A+B+C+D) | | Total of (A+B+C+D+E+F+G) | | |
| | From Motech | From All Consolidated Entities | From Motech | From All Consolidated Entities | |
| Under NT\$1,000,000 | - | - | - | - | |
| NT\$1,000,000 ~ NT\$1,999,999 | San-Boh Lee, Kin-Tsau Lee, Chia-Hsin Chang, Chih-Kaou Lee, George Huang, Ming-Shiaw Lu | San-Boh Lee, Kin-Tsau Lee, Chia-Hsin Chang, Chih-Kaou Lee, George Huang, Ming-Shiaw Lu | San-Boh Lee, Kin-Tsau Lee, Chia-Hsin Chang, Chih-Kaou Lee, George Huang, Ming-Shiaw Lu | San-Boh Lee, Kin-Tsau Lee, Chia-Hsin Chang, Chih-Kaou Lee, George Huang, Ming-Shiaw Lu | |
| NT\$2,000,000 ~ NT\$3,499,999 | - | - | - | - | |
| NT\$3,500,000 ~ NT\$4,999,999 | - | - | - | - | |
| NT\$5,000,000 ~ NT\$9,999,999 | - | - | - | - | |
| NT\$10,000,000 ~ NT\$14,999,999 | Yung-Hui Tseng | Yung-Hui Tseng | Yung-Hui Tseng | Yung-Hui Tseng | |
| NT\$15,000,000 ~ NT\$29,999,999 | - | - | - | - | |
| NT\$30,000,000 ~ NT\$49,999,999 | - | - | - | - | |
| NT\$50,000,000 ~ NT\$99,999,999 | - | - | - | - | |
| NT\$100,000,000 and above | - | - | - | - | |
| Total | 7 | 7 | 7 | 7 | |

(2) Remuneration paid to Supervisors: The Company has established an Audit Committee; thus, there is no remuneration to Supervisors.

(3) President and Vice Presidents

A. Compensation paid to President and Vice Presidents

(In Thousands of New Taiwan Dollars)

| Title | Name | Salary (A) | | Severance Pay and Pensions (B) | | Bonus and Allowance (C) | | Employee Compensation (D) | | | | Total of A, B, C, and D and as a % of Net Income | Compensation from Non-Consolidated Affiliates or Parent Company | | |
|----------------------|----------------|-------------|--------------------------------|--------------------------------|--------------------------------|-------------------------|--------------------------------|---------------------------|-------|--------------------------------|-------|--|---|--|--|
| | | From Motech | From All Consolidated Entities | From Motech | From All Consolidated Entities | From Motech | From All Consolidated Entities | From Motech | | From All Consolidated Entities | | | | | |
| | | | | | | | | Cash | Stock | Cash | Stock | | | | |
| President | Fred Yeh | 13,382 | 13,382 | 4,224 | 4,224 | 2,550 | 2,550 | 1,873 | - | 1,873 | - | 22,029 9.36% | 22,029 9.36% | | |
| Vice President & CFO | Ting-Chao Wang | | | | | | | | | | | | | | |
| Vice President | Huan-Shun Lin | | | | | | | | | | | | | | |

Note 1: Compensation to employees has yet to be distributed up to the date of this annual report, numbers in the table above are the proposed figures.

B. Range of compensation paid to President and Vice President

| Ranges | Names of President and Vice President | |
|---------------------------------|---------------------------------------|--------------------------------|
| | From Motech | From All Consolidated Entities |
| Under NT\$1,000,000 | - | - |
| NT\$1,000,000 ~ NT\$1,999,999 | - | - |
| NT\$2,000,000 ~ NT\$3,499,999 | - | - |
| NT\$3,500,000 ~ NT\$4,999,999 | Ting-Chao Wang, Huan-Shun Lin | Ting-Chao Wang, Huan-Shun Lin |
| NT\$5,000,000 ~ NT\$9,999,999 | - | - |
| NT\$10,000,000 ~ NT\$14,999,999 | Fred Yeh | Fred Yeh |
| NT\$15,000,000 ~ NT\$29,999,999 | - | - |
| NT\$30,000,000 ~ NT\$49,999,999 | - | - |
| NT\$50,000,000 ~ NT\$99,999,999 | - | - |
| NT\$100,000,000 and above | - | - |
| Total | 3 | 3 |

Note 1: Compensation to employees has yet to be distributed up to the date of this annual report, numbers in the table above are the proposed figures.

(4) Employee compensation to Managers

As of December 31, 2024 (In Thousands of New Taiwan Dollars)

| | Title | Name | Stock | Cash | Total | Total as a % of Net Income |
|----------|----------------------|-----------------|-------|-------|-------|----------------------------|
| Managers | President | Fred Yeh | - | 2,401 | 2,401 | 1.02% |
| | Vice President & CFO | Ting-Chao Wang | | | | |
| | Vice President | Huan-Shun Lin | | | | |
| | Senior Manager | Alan Wu | | | | |
| | Director | Chien-Tung Chen | | | | |

Note 1: Compensation to employees has yet to be distributed up to the date of this annual report, numbers in the table above are the proposed figures.

(5) Analysis of remuneration and compensation paid to Directors, President and Vice Presidents by the Company and all consolidated entities in the past two fiscal years as a percentage of net income in the parent company only financial statements and explanation on remuneration policy, standards and composition, procedures and the correlation with operation performance and future risks are as follows:

A. Remuneration and compensation as a percentage of net income in the parent company only financial statements:

| Title/Item | Remuneration and Compensation as a Percentage of Net Income in the Parent Company Only Financial Statements | | | |
|-------------------------------|---|--------------------------------|-------------|--------------------------------|
| | 2023 | | 2024 | |
| | From Motech | From All Consolidated Entities | From Motech | From All Consolidated Entities |
| Directors | 8.30% | 8.30% | 7.52% | 7.52% |
| President and Vice Presidents | 7.93% | 7.93% | 9.36% | 9.36% |

B. Remuneration policy, standards and composition, procedures and the correlation with operation performance and future risks:

(a) Remuneration policy, standards and composition

The remuneration of the Company's Directors is governed by the Articles of Incorporation. Directors are entitled to receive fixed quarterly remuneration and actual transportation allowances while performing their duties, regardless of the Company's operating performance. Director remuneration is determined with reference to the Company's business results, the value of individual contributions, and prevailing industry standards. Recommendations are made by the Compensation Committee and submitted to the Board of Directors for discussion and approval.

The compensation of managers is determined based on a comprehensive assessment of their responsibilities, experience, professional expertise, and industry benchmarks. The compensation package includes salaries, allowances, bonuses, and benefits. Salaries are disbursed in accordance with the "Salary Administration Guidelines," while bonuses are awarded based on the Company's annual performance, as well as the performance of the individual and their respective team. Performance evaluations are conducted pursuant to the "Performance Evaluation and Development Guidelines" and are aligned with the Company's annual operational goals. Evaluation results are linked to various compensation policies and serve as a basis for determining compensation, subject to the recommendation of the Compensation Committee and approval by the Board of Directors.

(b) Procedures

Based on the Articles of Incorporation, when the Company makes a profit for the year, the compensation to employees shall not be lower than one percent of the balance and the remuneration to Directors shall not be higher than five percent of the balance. However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation. The aforementioned compensation can be made in the form of stock or cash based on the Board resolution. Parties eligible to receive the said compensation shall include

employees in affiliated companies who met certain conditions set by the Board. The distribution plan of compensation to employees and remuneration to the Directors shall be submitted to the shareholders' meeting.

(c) Correlation with operation performance and future risks

The remuneration of the Company's Directors and managers is assessed based on factors such as their level of participation in Company operations, the quality of decision-making, execution of objectives, individual contributions, and effectiveness in risk management. The evaluation methods and criteria may be revised and adjusted in response to the Company's actual operating conditions.

In order to implement corporate governance, reduce operational risks and enhance the functions of the Company's functional committees, results of the annual Board performance evaluation are used as a reference for the selection or nomination of Directors. The results are provided by the performance evaluation unit to the Compensation Committee for timely review and recommendation and serve as a reference for determining the remuneration of individuals.

3. Corporate Governance Implementation

(1) Operations of the Board of Directors

There were four (A) Board meetings convened in 2024. The attendance status of the Directors and Independent Directors is as follows:

| Title | Name | Attendance in Person (B) | Attendance by Proxy | Attendance Rate (%) (B/A) | Remark |
|----------------------|-----------------|--------------------------|---------------------|---------------------------|--------------------------------|
| Chairman | Yung-Hui Tseng | 4 | 0 | 100% | Re-elected on June 21, 2022 |
| Director | Chih-Kaou Lee | 4 | 0 | 100% | Re-elected on June 21, 2022 |
| Director | Ming-Shiaw Lu | 4 | 0 | 100% | Re-elected on June 21, 2022 |
| Director | George Huang | 4 | 0 | 100% | Re-elected on June 21, 2022 |
| Independent Director | San-Boh Lee | 4 | 0 | 100% | Re-elected on June 21, 2022 |
| Independent Director | Kin-Tsau Lee | 4 | 0 | 100% | Re-elected on June 21, 2022 |
| Independent Director | Chia-Hsin Chang | 4 | 0 | 100% | Newly-elected on June 21, 2022 |

Annotations:

1. The Board meeting's date, session, and contents of motions, opinions of all Independent Directors, and actions taken by the Company regarding the opinions shall be specified if one of the following circumstances occurs:
 - (1) Matters specified in Article 14-3 of the Securities and Exchange Act: Not applicable. The Company has established the Audit Committee and is subject to Article 14-5 of the Securities and Exchange Act.
 - (2) Except for items specified above, other resolutions on which an Independent Director expresses objection or reservation, either by recorded statement or in writing: None.
2. For situations where Directors recuse themselves from any motion due to conflict of interest, the Directors' names, contents of motions, causes for the recusal, and participation in voting shall be specified:
 - (1) Second Board meeting on May 2, 2024:
 - A. Contents of motion: Recommendations on 2023 employee compensation to managers and remuneration to Directors.
 - i. Director recused: Chairman, Yung-Hui Tseng
 - ii. Cause for the recusal: Personal interest.
 - iii. Participation in voting: Not participated in voting.
3. TWSE-listed and TPEX-listed companies shall disclose the frequency, scope, method, and details of the self (or peer) performance evaluations of the Board and the implementation status:
The Company amended the Methods for Performance Evaluation of the Board of Directors in 2022 and completed the 2024 performance evaluation before March 31, 2025. Details are as follows:

| Frequency | Period | Scope | Method | Details |
|-----------|--------------------------------------|--------------------|--|---|
| Annually | January 1, 2024 to December 31, 2024 | Board of Directors | Internal performance assessment on the Board | Performance assessment on the Board: 1. Level of participation in corporate operations. 2. Enhancement on the quality of Board decisions. 3. Composition and structure of the Board. 4. Election and continuing education of Directors. 5. Internal control. |

| | | | | |
|---|--|--------------------------|--|---|
| | | | | |
| | | Individual Board members | Self-assessment among Board members | Performance assessment on individual Board members 1. Command over corporate goals and mission. 2. Understanding of Directors' duties. 3. Level of participation in corporate operations. 4. Internal relationship management and communication. 5. Specialty and education of Directors. 6. Internal control. |
| | | Functional committees | Internal performance assessment on functional committees | Performance assessment on functional committees 1. Level of participation in corporate operations. 2. Understanding of functional committees' duties. 3. Enhancement on the quality of functional committees' decisions. 4. Composition of the functional committees and election of members. 5. Internal control. |
| <p>(1) The average self-assessment scores of the Board and individual Board members were 4.89 and 4.93 (out of 5), respectively, indicating an excellent Board operation.</p> <p>(2) The average self-assessment scores of the Compensation Committee and the Audit Committee were 5 and 4.98 (out of 5), respectively. Every committee member was satisfied with the assessment criteria.</p> <p>4. Objectives of strengthening the functionality of the Board of Directors (e.g., to establish an audit committee, to enhance information transparency, etc.) in the current year and the most recent year and evaluation of the execution thereof:</p> <p>(1) The Company had drawn up the “Rules of Procedure for the Board of Directors’ Meeting” in accordance with “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” and established Independent Director positions to strengthen the functionality of the Board and prompt enhancement on the quality of Board decisions. Directors’ attendance of the Board meetings and major resolutions were disclosed at the Market Observation Post System (MOPS) website on a timely basis to improve information transparency.</p> <p>(2) Compensation Committee and Audit Committee were established on January 19, 2009 and June 13, 2016, respectively. These Committees assist the Board with the implementation and evaluation of the Company’s entire compensation and welfare systems and regularly review the appropriateness of compensation to the Directors and management team. Charters of these Committees are updated to reflect changes in laws and regulations, thereby facilitating members’ execution of duties stipulated in the Securities and Exchange Act, the Company Act, and other applicable laws and regulations.</p> <p>(3) To promote sustainable development, the Company’s Board of Directors approved the establishment of the Sustainable Development Committee on November 7, 2024. The Committee is responsible for formulating, promoting, and strengthening the Company’s sustainability policies, annual plans, and strategies.</p> <p>(4) The Company has spokesperson and deputy spokesperson which can serve as communication channels for stakeholders. Shareholders’ proposals are accepted in accordance with the schedule of shareholders’ meeting. Shareholders with the rights to make proposals may do so during the acceptance period and the proposals will be reviewed by the Board as required by laws and regulations.</p> <p>(5) The Board resolved to create the position of Chief Governance Officer on January 21, 2021. The officer would be responsible to handle matters associated with corporate governance and assist</p> | | | | |

Directors with business execution to fulfill the supervisory function. The Company also amended the “Corporate Governance Best-Practice Principles” and “Methods for Performance Evaluation of the Board of Directors” for compliance.

(6) Directors shall meet the threshold set by the competent authority regarding the training hours for continuing education. Board members are encouraged to participate in professional courses with related laws and regulations promoted during Board meetings for regulatory compliance.

(2) Operations of Audit Committee

The Audit Committee convened four (A) meetings in 2024, The attendance status of Independent Directors is as follows:

| Title | Name | Attendance in Person (B) | Attendance by Proxy | Attendance Rate (%) (B/A) | Remark |
|----------------------|-----------------|--------------------------|---------------------|---------------------------|--------------------------------|
| Independent Director | Kin-Tsau Lee | 4 | 0 | 100% | Re-elected on June 21, 2022 |
| Independent Director | San-Boh Lee | 4 | 0 | 100% | Re-elected on June 21, 2022 |
| Independent Director | Chia-Hsin Chang | 4 | 0 | 100% | Newly-elected on June 21, 2022 |

Annotations:

1. The Company’s Audit Committee comprises three Independent Directors. Their professional qualifications and experience are set out in II. Corporate Governance / 1. Directors, Independent Directors, President, Vice Presidents, Assistant Vice Presidents and Managers of Departments and Branches / (1) Directors and Independent Directors / D. Professional Qualifications of Directors and Independence Status of Independent Directors (page 7 to 8). Major tasks and items reviewed by the Committee are listed as follows:
 - (1) Fair presentation of financial statements
 - (2) Appointment and discharge of CPAs and assessments on independence and performance
 - (3) Effective implementation of internal control system
 - (4) Regulatory compliance
 - (5) Controls over existing or potential risks
 - (6) Reviews on mergers and acquisitions
2. When one of the following situations occurs, the date and session of the meeting; contents of motions; objections, reservations or major recommendations of Independent Directors; resolutions of the Committee and actions taken by the Company regarding the Committee’s opinions shall be specified:
 - (1) Matters specified in Article 14-5 of the Securities and Exchange Act:

| Date of Meeting (Session) | Contents of Motions | Opinions or Major Recommendations of Independent Directors | Resolutions of Audit Committee | Actions Taken |
|-------------------------------------|---|--|--------------------------------|--|
| 2024.03.07 (1st meeting in 2024) | <ol style="list-style-type: none"> (1) Proposed to approve the Company's parent company only and consolidated financial statements for the year ended December 31, 2023 (2) Proposed to approve the Company's 2023 earnings distribution (3) Proposed to approve the Company's 2023 operation report (4) Proposed to approve the Company's engagement of CPAs and the audit fee for 2024 (5) Proposed to approve the Company's change of CPAs (6) Proposed to approve the amendments to the Company's general principles for the pre-approval of non-assurance service policy | N/A | Approved | Submitted to the Board for resolutions and proceeded accordingly |

| | | | | |
|-------------------------------------|---|-----|----------|--|
| | (7) Proposed to approve the Company's "2023 Statement of Internal Control System" | | | |
| 2024.05.02 (2nd meeting in 2024) | (1) Proposed to approve the amendments to some articles within the Company's "Rules Governing Financial and Business Transactions Between Related Parties" | N/A | Approved | Submitted to the Board for resolutions and proceeded accordingly |
| 2024.08.01 (3rd meeting in 2024) | (1) Proposed to approve the Company's consolidated financial statements for the six months ended June 30, 2024 (2) Proposed to approve the loans provided to affiliates | N/A | Approved | Submitted to the Board for resolutions and proceeded accordingly |
| 2024.11.07 (4th meeting in 2024) | (1) Proposed to approve the Company's consolidated financial statements for the nine months ended September 30, 2024 (2) Proposed to approve the capital reduction of Motech (Maanshan) Renewable Energy Co., Ltd. and the corresponding amendment to its Articles of Incorporation (3) Proposed to approve the Company's 2025 audit plan (4) Proposed to approve the amendments to the Company's "Internal Control System", "Internal Audit Implementation Rules" and "Procedures for Self-assessment on Internal Control System" | N/A | Approved | Submitted to the Board for resolutions and proceeded accordingly |

(2) Except for above-mentioned items, resolutions which were not approved by the Audit Committee but was approved by two-thirds or more of all Directors: None.

3. For situations where Independent Directors recuse themselves from any motion due to conflict of interest, the Independent Directors' names, contents of motions, causes for the recusal, and participation in voting shall be specified: None.

4. Communications between the Independent Directors, the internal audit officer, and CPAs (It shall include material issues concerning the finance and business of the Company, and the means and outcomes of communication):

(1) The internal audit officer regularly communicates audit findings with members of the Audit Committee and presents internal audit reports in the quarterly Audit Committee meetings. When special circumstance arises, the officer would report to the Audit Committee on a timely basis. In 2024, none of the said special circumstance had occurred. The communication channels between Audit Committee and internal audit officer have operated smoothly.

(2) CPAs report the audit or review outcome on the latest quarterly financial reports in the quarterly Audit Committee meetings as well as other items required to be communicated pursuant to applicable laws and regulations. When special circumstance arises, they would report to the Audit Committee on a timely basis. In 2024, none of the said special circumstance had occurred. The communication channels between Audit Committee and CPAs have operated smoothly.

Communications between Independent Directors, internal audit officer and CPAs are summarized as follows:

| Meetings Dates (Session) | Communications with Internal Audit Officer | Communications with CPAs |
|-------------------------------------|--|--|
| 2024.03.07 (1st meeting in 2024) | <ul style="list-style-type: none"> ● Review internal audit report ● Review 2023 "Statement of Internal Control System" | <ul style="list-style-type: none"> ● CPAs discussed and communicated audit findings and issues concerning the financial statements for the year ended December 31, 2023 ● Updates on relevant laws |
| 2024.05.02 (2nd meeting in 2024) | <ul style="list-style-type: none"> ● Review internal audit report | <ul style="list-style-type: none"> ● CPAs discussed and communicated audit findings and issues concerning the financial statements for the three months ended March 31, 2024 |

| | | |
|---|--|--|
| | | <ul style="list-style-type: none"> ● Updates on relevant laws ● Assessment on CPAs' competence and independence |
| 2024.08.01 (3rd meeting in 2024) | <ul style="list-style-type: none"> ● Review internal audit report | <ul style="list-style-type: none"> ● CPAs discussed and communicated audit findings and issues concerning the financial statements for the six months ended June 30, 2024 ● Updates on relevant laws |
| 2024.11.07 (4th meeting in 2024) | <ul style="list-style-type: none"> ● Review internal audit report ● Review 2025 internal audit plan ● Amend the "internal control system" | <ul style="list-style-type: none"> ● CPAs discussed and communicated audit findings and issues concerning the financial statements for the nine months ended September 30, 2024 ● Updates on relevant laws |
| Outcome: The aforementioned matters were reviewed or approved by the Audit Committee. Independent Directors did not raise any objections. | | |

(3) Implementation of Corporate Governance Practices and non-compliance with “Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies” and reasons

| Assessment Item | Status | | | Non-compliance and Reasons |
|---|--------|----|---|----------------------------|
| | Yes | No | Description | |
| 1. Does the Company follow the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies to establish and disclose its corporate governance practices? | ✓ | | <p>The Company has established the “Corporate Governance Best Practice Principles” and other corporate governance-related policies including Rules and Procedures of Shareholders’ Meeting, Rules and Procedures of Board of Directors’ Meeting, Rules for Election of Directors, Rules and Procedures for Finance and Business between Affiliates, Code of Ethical Conduct for Employees, Compensation Committee Charter, Procedures for Handling Material Inside Information, Internal Audit System, Internal Control System, Procedures for Acquisition or Disposal of Assets, Procedures for Lending Funds to Other Parties, Procedures for Endorsement and Guarantee and Rules Governing the Supervision of Subsidiaries.</p> <p>The Company has disclosed corporate governance information at the corporate website (https://www.motech.com.tw/) and MOPS.</p> | None |
| 2. Ownership structure and shareholders’ rights (1) Does the Company have internal operation procedures to handle shareholders’ suggestions, concerns, disputes and litigations and proceed accordingly? (2) Does the Company possess a list of major shareholders and ultimate owners of these major shareholders? (3) Does the Company build and execute risk management and firewall mechanism between itself and affiliates? | ✓ | ✓ | <p>(1) Besides engaging a professional share registrar to handle stock affairs, the Company has spokesperson system in place as well as risk management & stock affair sector and legal department to assist with handling shareholders’ suggestions and disputes.</p> <p>(2) Through the professional share registrar, the Company has full control and understands the structure of major shareholders and shareholdings of shareholders with 10% or more of the Company’s shares. The Company files relevant information including changes in shareholdings of Directors and managers at MOPS monthly.</p> <p>(3) The Company and its subsidiaries have established relevant systems required by law, including the internal control system, Rules and Procedures for Finance and Business between Affiliates, and Rules Governing the Supervision of Subsidiaries to regulate transactions with affiliates, such as purchase/sales transactions, acquisition and disposal of assets, endorsement and guarantee and lending funds to other parties, thereby ensuring effective risk control and firewall mechanisms.</p> | None |

| Assessment Item | Status | | | Non-compliance and Reasons |
|---|--------|----|--|----------------------------|
| | Yes | No | Description | |
| (4) Does the Company have internal rules to prevent insiders from using undisclosed information to trade securities? | ✓ | | <p>(4) The Company has established the “Procedures for Handling Material Inside Information” and the “Procedures for the Prevention of Insider Trading,” stipulating that Directors, manager and employees of the Company shall not leak material inside information that they are aware of; nor shall they enquire after or collect non-public material information that are not related to their official duties from parties that are aware of such information; and neither shall they leak non-public material information that they become aware of outside the course of business.</p> <p>In addition to sending letters reminding of the closure period before the issuance of financial reports, the Company also promotes insider trading prevention laws and regulations to current Directors as required. Also, the “Procedures for Handling Material Inside Information” are included in the education and training program for new employees to ensure effective compliance with legal procedures.</p> | None |
| 3. Composition and duties of the Board of Directors (1) Has the Board established a diversity policy and specific management goals and have them been implemented accordingly? | ✓ | | <p>(1) Diversity policy is stipulated in Chapter III “Enhancement of Board Functions” of the Company’s “Corporate Governance Best-Practice Principles”. Diversity shall be considered with respect to Board composition. Appropriate policy shall be established based on the Company’s operation, business type and development needs and the Company is actively looking for one female Director. Such policy shall include but not limited to standards of the following two aspects:</p> <p>A. Basic conditions and values B. Professional knowledge and skills</p> <p>The current Board members have diverse backgrounds with work experience and expertise in operation management, industry know-how, finance and accounting, academia and knowledge, finance and strategic management. They can offer professional opinions from different angles to enhance the Company’s management efficiency and operation performance. Moreover, all three Independent Directors have the knowledge, skills and</p> | None |

| Assessment Item | Status | | | Non-compliance and Reasons |
|---|--------|----|---|----------------------------|
| | Yes | No | Description | |
| <p>(2) Has the Company voluntarily established functional committees in addition to Compensation and Audit Committees which are required by laws?</p> <p>(3) Has the Company formulated rules and methods for the performance assessment of the Board and carried out such assessments annually? Is the outcome of performance assessment submitted to the Board of Directors and used as reference for the remuneration and re-election nomination of individual Director?</p> | ✓ | ✓ | <p>competence required to perform their duties, which further enrich the diversity policy and implementation guideline concerning Board members to align with the spirit of corporate governance and business development needs.</p> <p>Education, work experience, professional qualification, independence and diversity of Directors are set out in II. Corporate Governance / 1. Directors, Independent Directors, President, Vice Presidents, Assistant Vice Presidents and Managers of Departments and Branches / (1) Directors and Independent Directors.</p> <p>(2) The Audit Committee was established in 2016: All three current members are Independent Directors. The Compensation Committee was established in 2011: All three current members are Independent Directors. In addition to these two committees that assist the Board in performing its duties, the Company established the Sustainable Development Committee in 2024.</p> <p>(3) The Company's Board of Directors had approved the "Methods for Performance Evaluation of the Board of Directors". Performance evaluations on the Board and functional committees (including Compensation Committee and Audit Committee) are conducted at least annually with outcomes reported to the Board. The evaluations are carried out by the corporate governance unit after the end of each year using internal questionnaires through internal evaluations and self-evaluations of the Board members and functional committees. The scope of evaluation includes the performance evaluation on the entire Board, individual Board member, Compensation Committee and Audit Committee.</p> <p>Evaluation criteria include level of participation in corporate operations, enhancement on the decision quality, composition and structure of the Board and functional committees, the election and continuing education of member of the Board and functional committee and internal controls. Outcomes of the evaluation are reported to the Board and used as reference for the remuneration and re-election nomination of individual Director. Participants achieved good scores in 2024, and the evaluation outcomes were</p> | None |

| Assessment Item | Status | | | Non-compliance and Reasons | | | | | | | | | | | | | | | | | | |
|---|-------------------|----|---|----------------------------|-------------------|--|-----|--|----|--|----|------------------------------|----|---|----|---|----|---|----|-------------------------|----|------|
| | Yes | No | Description | | | | | | | | | | | | | | | | | | | |
| (4) Has the Company periodically evaluated the independence of its CPAs? | ✓ | | <p>reported to the Board on February 25, 2025 as a reference for the continuous enhancement of Board functions, as well as disclosed at the corporate website for investors.</p> <p>(4) The Company's Audit Committee assesses the independence and suitability of CPAs on an annual basis. In addition to the "Declaration of Independence" provided by CPAs, assessments were conducted on whether there was any violation of circumstances set out in No. 10 Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China and in accordance with the Audit Quality Indicators (AQIs). The Company has confirmed that other than audit and tax fees, there is no financial interests nor business between the Company and the CPAs, and the family members of CPAs do not violate the requirements for independence. The assessments for the past two years were approved by the Audit Committee and the Board on May 2, 2024, and are scheduled to be approved on May 8, 2025, respectively.</p> <p>Details of CPA independence assessment are as follows:</p> <table border="1"> <thead> <tr> <th>Evaluation Item</th> <th>Evaluation Result</th> </tr> </thead> <tbody> <tr> <td>The same CPA has continuously provided audit services to a TWSE-listed/TPEx-listed company for less than seven years</td> <td>Yes</td> </tr> <tr> <td>Close business relationships with the audit client</td> <td>No</td> </tr> <tr> <td>Family member or personal relationship</td> <td>No</td> </tr> <tr> <td>Employee of the audit client</td> <td>No</td> </tr> <tr> <td>Provision of services to directors, supervisor, managers or persons with equivalent positions of the audit client</td> <td>No</td> </tr> <tr> <td>Material gifts and preferential treatment</td> <td>No</td> </tr> <tr> <td>Non-audit services: Including bookkeeping, appraisal, tax, internal audits, dispatch of short-term workers and recruitment of senior management</td> <td>No</td> </tr> <tr> <td>Financing and guarantee</td> <td>No</td> </tr> </tbody> </table> | Evaluation Item | Evaluation Result | The same CPA has continuously provided audit services to a TWSE-listed/TPEx-listed company for less than seven years | Yes | Close business relationships with the audit client | No | Family member or personal relationship | No | Employee of the audit client | No | Provision of services to directors, supervisor, managers or persons with equivalent positions of the audit client | No | Material gifts and preferential treatment | No | Non-audit services: Including bookkeeping, appraisal, tax, internal audits, dispatch of short-term workers and recruitment of senior management | No | Financing and guarantee | No | None |
| Evaluation Item | Evaluation Result | | | | | | | | | | | | | | | | | | | | | |
| The same CPA has continuously provided audit services to a TWSE-listed/TPEx-listed company for less than seven years | Yes | | | | | | | | | | | | | | | | | | | | | |
| Close business relationships with the audit client | No | | | | | | | | | | | | | | | | | | | | | |
| Family member or personal relationship | No | | | | | | | | | | | | | | | | | | | | | |
| Employee of the audit client | No | | | | | | | | | | | | | | | | | | | | | |
| Provision of services to directors, supervisor, managers or persons with equivalent positions of the audit client | No | | | | | | | | | | | | | | | | | | | | | |
| Material gifts and preferential treatment | No | | | | | | | | | | | | | | | | | | | | | |
| Non-audit services: Including bookkeeping, appraisal, tax, internal audits, dispatch of short-term workers and recruitment of senior management | No | | | | | | | | | | | | | | | | | | | | | |
| Financing and guarantee | No | | | | | | | | | | | | | | | | | | | | | |

| Assessment Item | Status | | | Non-compliance and Reasons | | | | | | | | |
|--|---|----------|--|----------------------------|-------|----------|------|---|---|---|----------------|------|
| | Yes | No | Description | | | | | | | | | |
| 4. Does the Company have an adequate number of qualified corporate governance personnel and appoint a chief corporate governance officer to handle matters pertaining to corporate governance (including but not limited to provide information required for business execution by directors and supervisors, assist directors and supervisors with regulatory compliance, handle matters pertaining to board meetings and shareholders' meetings according to laws and regulations, produce minutes of board meetings and shareholders meetings, etc.)? | ✓ | | <p>(1) To implement corporate governance and strengthen the functionality of the Board, the Company approved the appointment of Director, Chien-Tung Chen, as the dedicated Chief Governance Officer in the Board meeting on August 5, 2021 pursuant to applicable rules. His qualifications satisfy the requirements for Chief Governance Officer set out in Paragraph 1, Article 3-1 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p> <p>(2) The Chief Governance Officer and his team, as well as the conference logistics team are in charge of corporate governance matters. The main duties of the Chief Governance Officer are to provide information required for business execution by Directors; assist Directors with regulatory compliance, onboarding and continuing education; handle matters pertaining to meetings of the Board, committees and shareholders and produce meeting minutes.</p> <p>(3) Duties performed in 2024 are as follows:</p> <ul style="list-style-type: none"> A. Assist in providing Directors with the information necessary for business execution and in arranging continuing education. B. Collect and notify Board members of amendments in laws and regulations pertaining to corporate governance. C. Four Board meetings and four Audit Committee meetings were held in 2024. D. One general shareholders' meeting was held in 2024. E. The Company purchased liability insurance for Directors and reported the renewal to the Board afterwards. F. Execute Board performance evaluation. <p>(4) The Company's Chief Governance Officer was not serving his first term and had completed 12 hours of continuing education as required by laws and regulations. Courses taken are listed below:</p> <table border="1"> <thead> <tr> <th>Host</th> <th>Class</th> <th>Duration</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Taiwan Corporate Governance Association</td> <td>Building an Interdisciplinary Collaboration Platform for Sustainable Governance</td> <td>3</td> <td>September 2024</td> </tr> </tbody> </table> | Host | Class | Duration | Date | Taiwan Corporate Governance Association | Building an Interdisciplinary Collaboration Platform for Sustainable Governance | 3 | September 2024 | None |
| Host | Class | Duration | Date | | | | | | | | | |
| Taiwan Corporate Governance Association | Building an Interdisciplinary Collaboration Platform for Sustainable Governance | 3 | September 2024 | | | | | | | | | |

| Assessment Item | Status | | | | | | Non-compliance and Reasons | |
|--|--------|----|--|--|---|---------------|----------------------------|--|
| | Yes | No | Description | | | | | |
| 5. Has the Company established communication channels for its stakeholders (including but not limited to shareholders, employees, customers and suppliers) and created a stakeholder section at the Company's website to address their concerns on major corporate social responsibility issues? | ✓ | | Taipei Exchange | Special Lecture: A Symphony of Digital Finance and Sustainable Finance in the Age of the AI Boom | 3 | October 2024 | | |
| | | | Taiwan Corporate Governance Association | 2024 Corporate Governance Summit | 6 | October 2024 | | |
| | | | Taiwan Institute for Sustainable Energy | 7th Global Corporate Sustainability Forum | 9 | November 2024 | | |
| 6. Has the Company appointed a professional registrar to organize the shareholders' meetings? | ✓ | | The Company maintains designated contact points for various stakeholders, including banks, other creditors, shareholders, employees, customers, consumers, and suppliers. Contact information for the investor relations team and relevant business departments is also available on the Company's website. In addition, a supplier platform has been established to allow stakeholders convenient access to relevant information at any time. Through various communication channels, such as investor conferences, the Company ensures the provision of sufficient information, enabling stakeholders to make informed decisions and safeguarding their rights and interests. The relevant information is disclosed on the Company website at: http://preview.motech.corp/motech_stakeholder.php . | | | | | |
| 7. Information disclosure (1) Has the Company established a corporate website to disclose information regarding the Company's financials, business and corporate governance status? (2) Does the Company have other information disclosure channels (e.g., maintaining an English-language website, designating people to handle information collection and disclosure, appointing spokesperson, webcasting investor conference on the corporate website)? | ✓ | | The Company has appointed the stock management service department of CTBC Bank Co., Ltd. as the share registrar to handle matters related to stock affairs and shareholders' meetings. | | | | | |
| | ✓ | | (1) Group-related business status is disclosed at the corporate website (http://www.motech.com.tw). In addition, financials and business-related information is disclosed at MOPS as required. (2) The Company has maintained an English-language website which contains corporate, financial and business information. There is one spokesperson and one deputy spokesperson and the investor relations and stock affairs departments are responsible for the collection and disclosure of relevant information. Investor conference materials are disclosed at the corporate website on a timely basis. | | | | | |

| Assessment Item | Status | | | Non-compliance and Reasons |
|--|--------|----|---|----------------------------|
| | Yes | No | Description | |
| (3) Does the Company publicly announce and file its annual financial report within two months after the end of financial year, and its financial reports of the first three quarters as well as operational status of each month prior to the prescribed deadlines? | | ✓ | <p>(3) Pursuant to Article 36 of the Securities and Exchange Act, the Company has:</p> <ul style="list-style-type: none"> A. publicly announced its annual financial report within three months after the end of financial year; B. publicly announced its financial reports of the first three quarters within 45 days after the end of corresponding quarter; and C. publicly announced and filed its operational status of the previous month prior to the 10th of each month | |
| 8. Does the Company have other important information to facilitate better understanding of the Company's corporate governance practices (including but not limited to rights and welfare of employees, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation measures, the implementation of customer policies, and liability insurance for directors and supervisors provided by the Company) ? | | ✓ | <p>(1) Rights and welfare of employees: The Company adopts reasonable and humane management practices and establishes well-functioned communication channels to maintain good labor-management relations. Regarding employee rights and welfare, it not only establishes measures pursuant to the Labor Standards Act and related laws, but also maintains a good and trusting relationship with employees through various welfare systems and education and training. The Company establishes an Employee Welfare Committee, organizes employee insurance coverages, and provides free health check-ups as well as various subsidies and activities. A complaint channel has also been created to protect employees' rights and interests.</p> <p>(2) Investor relations and stakeholders' rights: The Company discloses financial and business information on the MOPSS and corporate website (http://www.motech.com.tw/) pursuant to laws and regulations and set up a stakeholder section with contact information (http://preview.motech.corp/motech_stakeholder.php). Also, there is spokesperson, deputy spokesperson and contact information of business units available. Through multiple channels of communication, the Company protects the basic rights of investors and fulfill its responsibilities towards shareholders.</p> <p>(3) Supplier relations and implementation of customer policy: The Company interacts well with suppliers. We have established the "Procedures Governing the Supplier Assessment" and "Supplier Management Practice" for prudent selection, and maintain</p> | None |

| Assessment Item | Status | | | Non-compliance and Reasons | | | | | | | | | | |
|--------------------------|--|--|--|----------------------------|------|-------|----------|------|--------------------------|--|--|----|------------------|------|
| | Yes | No | Description | | | | | | | | | | | |
| | | | <p>effective communication channels with suppliers. In terms of customer policy, we enter contract and agreements with customers to protect their rights. The implementation has been well.</p> <p>(4) Continuing education of Directors: Directors attend courses of finance, business and business management from time to time and would continue to complete courses required pursuant to the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies.” Please refer to A. Continuing education of Directors under 7. Other important information (please refer to page 57 to 58) to facilitate better understanding of the Company’s corporate governance practices. The information is also available at MOPS (http://mops.twse.com.tw).</p> <p>(5) Implementation of risk management policy and assessment standards: Please refer to 6. Risk Items to be Analyzed and Assessed in the Most Recent Year and up to the Date of this Annual Report under V. Review and Analysis of Financial Position and Performance and Associated Risks of this annual report for details.</p> <p>(6) Liability insurance for Directors and Supervisors: The Company purchased liability insurance of AIG Taiwan for Directors with an insured amount of US\$10 million for 2025 and reported the details in the Board meeting on February 25, 2025 to safeguard shareholders’ rights.</p> <p>(7) Corporate governance-related education and trainings attended by managers:</p> <table border="1"> <thead> <tr> <th>Title and Name</th> <th>Host</th> <th>Class</th> <th>Duration</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>CFO Ting-Chao Wang</td> <td>Taiwan Institute for Sustainable Energy</td> <td>7th Global Corporate Sustainability Forum</td> <td>12</td> <td>November 2024</td> </tr> </tbody> </table> | Title and Name | Host | Class | Duration | Date | CFO Ting-Chao Wang | Taiwan Institute for Sustainable Energy | 7th Global Corporate Sustainability Forum | 12 | November 2024 | None |
| Title and Name | Host | Class | Duration | Date | | | | | | | | | | |
| CFO Ting-Chao Wang | Taiwan Institute for Sustainable Energy | 7th Global Corporate Sustainability Forum | 12 | November 2024 | | | | | | | | | | |

| Assessment Item | Status | | | | | | Non-compliance and Reasons | | | | | | |
|--|--------|----|---|---|---|----|----------------------------|------|--|--|--|--|--|
| | Yes | No | Description | | | | | | | | | | |
| 9. The improvement status for the outcome of Corporate Governance Evaluation announced by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year and the priority of pending issues: | | | Principal Accounting Officer Alan Wu | Accounting Research and Development Foundation of the Republic of China | Continuing Education for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges | 12 | August 2024 | None | | | | | |
| | | | Audit Officer Wan-Ping Li | The Institute of Internal Auditors-Chinese Taiwan | Key Considerations and Impacts of IFRS S1/S2 on Internal Control and Internal Audit | 6 | April 2024 | | | | | | |
| | | | | The Institute of Internal Auditors-Chinese Taiwan | New Challenges for Internal Auditors: Insights into Sustainability Disclosures, Management Policies, and Key Audit Considerations | 6 | May 2024 | | | | | | |
| | | | Chief Governance Officer Chien-Tung, Chen | Please refer to continuing education set out in Item 4-(4) above. (Please refer to page 27 to 28) | | | | | | | | | |
| <p>(8) Certifications required by competent authority and obtained by personnel associated with information transparency in the Company and its subsidiaries:</p> <p>Certified Public Accountants of R.O.C. (CPA): 1 Certified Internal Auditor (CIA): 2 Certified Information Systems Auditor (CISA): 1 Certification in Risk Management Assurance (CRMA): 1</p> | | | | | | | | | | | | | |
| <p>(1) The Company ranked in the top 21~35% in the 11th Corporate Governance Evaluation of Securities and Futures Institute.</p> <p>(2) In response to the results of the 11th (2024) Corporate Governance Evaluation, the Company has already implemented the following improvements: (1) A succession plan for Board members and key management personnel has been established, with implementation details disclosed on the Company's website and in the annual report; and (2) Internal regulations prohibiting insiders—such as Directors and employees—from trading securities using undisclosed market information have been formulated and disclosed on the Company's website, along with explanations of enforcement practices. Going forward, in alignment with the corporate governance evaluation framework, the Company will: (1) Actively seek to appoint at least one director of a different gender; and (2) Enhance information transparency and improve the completeness of disclosures on the Company's official website.</p> | | | | | | | | | | | | | |

(4) If the Company has established a Compensation Committee, a Nomination Committee, or other functional committees, their composition and operations shall be disclosed

A. The composition, duties and operations of the Compensation Committee

- (a) Compensation Committee of the Company was established on November 28, 2011. It shall have at least three members which are appointed via Board resolutions and the convener is elected among members. At present, the Compensation Committee comprises three members with Independent Director, San-Boh Lee, being the convener.
- (b) The functions of the Committee are to assess the compensation policy and system of Directors and managers with professionalism and objectivity, and make recommendations to the Board as reference material for its decision-making.
- (c) Details of committee members are as follows:

As of April 22, 2025

| Title | Name | Condition | Professional Qualifications and Experience | Independence Status | Number of Other Public Companies in Which the Individual is Concurrently Serving in the Compensation Committee |
|---------------------------------|-----------------|-----------|--|--|--|
| | | | | | |
| Convener & Independent Director | San-Boh Lee | | | Satisfy requirements set out in Articles 2, 3, and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and is not a person of any conditions defined in Article 26-3 of the Securities and Exchange Act. | 0 |
| Independent Director | Kin-Tsau Lee | | | | 2 |
| Independent Director | Chia-Hsin Chang | | Please refer to D. Professional Qualifications of Directors and Independence Status of Independent Directors on page 7 to 8 for details. | | 2 |

(d) Operations of Compensation Committee:

- i. The Company's Compensation Committee comprises three members.
- ii. The term of office: June 21, 2022 to June 20, 2025. The Compensation Committee held two (A) meetings in the most recent year and up to the date of this annual report. The attendance and operations of committee members are as follows:

| Title | Name | Attendance in Person (B) | Attendance by Proxy | Attendance Rate (%) (B/A) | Remark |
|----------------------|-----------------|--------------------------|---------------------|---------------------------|--------|
| Independent Director | San-Boh Lee | 2 | 0 | 100% | |
| Independent Director | Kin-Tsau Lee | 2 | 0 | 100% | |
| Independent Director | Chia-Hsin Chang | 2 | 0 | 100% | |
| | | | | | |

Annotation:

- (1) If the Board declines to adopt or modify a recommendation of the Compensation Committee, the date and session of the Board meeting, contents of motions, resolution and actions taken by the Company regarding the Committee's opinions shall be specified (e.g., if the compensation package approved by the Board is better than the recommendation made by the Committee, please specify the discrepancy and its reason): None.
- (2) As to the resolutions of the Compensation Committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date and session of the committee meeting, contents of motions, all members' opinions and actions taken regarding the opinions shall be specified: None.
- (3) Responsibilities of the Compensation Committee are to draw up recommendations for the following matters:
 - A. Formulate and regularly review the annual and long-term performance targets, and the compensation policies, systems, standards and structures of Directors and managers.
 - B. Regularly assess the achievement status of Directors and managers concerning the performance targets and determine the compensation packages and amount of individuals.

The aforementioned recommendations shall be submitted to the Board for resolution.

The resolutions of the 2024 Compensation Committee meetings are as follows:

| Date of Meeting | Contents of Motions | Opinions of Committee Members and Actions Taken |
|-------------------------------------|---|---|
| 2024.03.07 (1st meeting in 2024) | (1) Distribution of 2023 compensation to employees and remuneration to Directors | Approved by all attending members and the Board |
| 2024.05.02 (2nd meeting in 2024) | (1) Recommendations on distribution of 2023 employee compensation to managers and remuneration to Directors | |

- B. Composition, duties and operation of the Nomination Committee: The Company has yet to set up a nomination committee.
- C. The composition, duties and operations of the Sustainable Development Committee:
 - (a) The Company's Sustainable Development Committee was established on November 7, 2024. Pursuant to the Company's Sustainable Development Committee Charter, the Committee must have no fewer than three members, who are appointed by resolution of the Board of Directors. Members are required to possess professional knowledge and expertise in corporate sustainability, and at least one Director must participate in supervising the Committee's activities. The Committee is required to convene at least once a year. As of now, the Committee consists of three members, with Director Yung-Hui Tseng serving as the convener.
 - (b) The Committee is responsible for formulating, promoting, and strengthening the Company's sustainability policies; planning and implementing related initiatives; and preparing the Sustainability Report. It convenes meetings as needed, including sessions to review and approve climate change response strategies, advance climate action initiatives, and manage sustainability targets. The President also provides regular reports to the Board of Directors on the planning and implementation of the Company's greenhouse gas (GHG) emissions reduction efforts.

(c) Details of committee members are as follows:

As of April 22, 2025

| Title | Condition Name | Professional Qualifications | Relevant Education and Experience |
|---------------------|---------------------------|---|---|
| | | | |
| Director & Chairman | Yung-Hui Tseng (Convener) | Expertise in finance, law, or areas relevant to the Company's business operations | Please refer to II. Corporate Governance / 1. Directors, Independent Directors, President, Vice Presidents, Assistant Vice Presidents and Managers of Departments and Branches for details. |
| President | Fred Yeh | | |
| CFO | Ting-Chao Wang | | |

(d) Operations of Sustainable Development Committee:

- i. The Company's Sustainable Development Committee comprises three members.
- ii. The term of office: November 7, 2024 to June 20, 2025. The Sustainable Development Committee held one (A) meeting in the most recent year and up to the date of this annual report. The attendance and operations of members are as follows:

| Title | Name | Attendance in Person (B) | Attendance by Proxy | Attendance Rate (%) (B/A) | Remark |
|----------|----------------|--------------------------------|------------------------|---------------------------------|--------|
| Convener | Yung-Hui Tseng | 1 | 0 | 100% | |
| Member | Fred Yeh | 1 | 0 | 100% | |
| Member | Ting-Chao Wang | 1 | 0 | 100% | |

Annotation:

- (1) If the Board declines to adopt or modify a recommendation of the Sustainable Development Committee, the date and session of the Board meeting, contents of motions, resolution and actions taken by the Company regarding the Committee's opinions shall be specified: None.
- (2) As to the resolutions of the Sustainable Development Committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date and session of the committee meeting, contents of motions, all members' opinions and actions taken regarding the opinions shall be specified: None.

The resolutions of the Sustainable Development Committee meetings in the most recent year and up to the date of this annual report are as follows:

| Date of Meeting | Contents of Motions or Reports | | Opinions of Committee Members and Actions Taken |
|-------------------------------------|--|--|--|
| 2025.01.08 (1st meeting in 2025) | (1) Report on the implementation status of the sustainability development plan (2) Establishment of the Company's internal carbon pricing mechanism | | Acknowledged and approved by all attending members and the Board |

The Company's Board of Directors, upon reviewing the proposals reported or submitted by the Sustainability Development Task Force and the Sustainable Development Committee (including the Sustainability Report), acknowledged and approved them without objection. The Board also expressed its support for the sustainability strategies formulated by the task force and the committee, and will, when necessary, advise the Sustainable Development Committee to make appropriate adjustments.

(5) Implementation of Sustainable Developments

A. Implementation of Sustainable Developments and Non-compliance with Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and Reasons

| Promotion Items | Status | | | Non-compliance and Reasons | | | | | | |
|--|--|--|--|----------------------------|-----------------|-----------------------------------|---------------|--|--|------|
| | Yes | No | Description | | | | | | | |
| 1. Does the Company establish a governance structure for promoting sustainable developments and set up an exclusively (or concurrently) dedicated sustainability unit with senior management being authorized by the Board to handle relevant issues under the supervision of the Board? | ✓ | | <p>The Company's sustainability initiatives were originally executed by units under the Chairman and the President. Tasks include the approval of climate change response strategies, the promotion of climate actions topics and target management. The President would report the status of GHG planning and execution to the Board on a regular basis.</p> <p>To advance its sustainability goals and strengthen governance, the Company adjusted and established its sustainability organization. In 2024, it formed the Sustainable Development Committee, with three members appointed by the Board of Directors, thereby reinforcing the governance framework and organizational foundation for sustainability. The Committee serves as the operational hub for implementing the Company's sustainability initiatives and reports its performance and outcomes to the Board.</p> | None | | | | | | |
| 2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? | ✓ | | <p>The Company's Board of Directors is the highest-ranking unit in terms of risk management. Its objectives include regulatory compliance and the promotion and implementation of company-wide risk management. It clearly understands the risks of operations, ensures the effectiveness of risk management and takes on the ultimate responsibility for risk management. Internal Audit Office reports directly to the Board. It monitors and provides methods and procedures of internal controls and internal audits to ensure an effective risk management operation.</p> <p>Management strategies and objectives formulated by the Company concerning environmental, social and governance issues associated with operations are as follows:</p> <table border="1"> <thead> <tr> <th>Major Issue</th> <th>Assessment Item</th> <th>Management Strategy and Objective</th> </tr> </thead> <tbody> <tr> <td>Environmental</td> <td>Savings on electricity and water, waste management, sustainable products</td> <td>Please refer to Item 3 Environmental issues for details.</td> </tr> </tbody> </table> | Major Issue | Assessment Item | Management Strategy and Objective | Environmental | Savings on electricity and water, waste management, sustainable products | Please refer to Item 3 Environmental issues for details. | None |
| Major Issue | Assessment Item | Management Strategy and Objective | | | | | | | | |
| Environmental | Savings on electricity and water, waste management, sustainable products | Please refer to Item 3 Environmental issues for details. | | | | | | | | |

| Promotion Items | Status | | | | Non-compliance and Reasons |
|---|--------|----|----------------------|--|---|
| | Yes | No | Description | | |
| 3. Environmental issues (1) Does the Company establish environmental management system designed to fit industry characteristics? | ✓ | | Social | Customer safety, customer privacy, occupational safety and health | <ol style="list-style-type: none"> 1 Ensure products comply with safety regulations. 2 Confidentiality agreement and personal data protection for customers' privacy to protect stakeholders' interests. 3 Strive to maintain the fatality rate, disabling injury severity rate and disabling injury frequency rate of non-employee workers at zero. |
| | | | Corporate Governance | Compliance with corporate governance laws and regulations | <ol style="list-style-type: none"> 1 Continue to improve on corporate governance policy 2 Examine internal policies based on amendments to laws and regulations for regulatory compliance to lower the risk of violation. |
| 3. Environmental issues (1) Does the Company establish environmental management system designed to fit industry characteristics? | ✓ | | | (1) A. The environment, safety and health (ESH) management system established by the Company includes ISO-14001, ISO-45001 and GHG inventory to ensure managements over internal environment and occupational safety and health are in line with international trends. B. The Company's ESH management system operates under the existing organizational structure and has obtained the ISO-14001:2015 (2024.10.14 to 2027.10.14) certification. It approves annual strategic objectives of ESH issues where each department shall formulate specific objectives based on risk assessment outcomes for implementation and monitoring. The results and execution effect of the system are submitted for review and modification to achieve continuous improvement. Through the implementation of the "ISO 14001:2015 Environmental Management System," | None |

| Promotion Items | | | Status | Non-compliance and Reasons |
|--|-----|----|---|----------------------------|
| | Yes | No | | |
| (2) Is the Company committed to improving the energy efficiency and utilizing renewable materials that have low environmental impact? | ✓ | | <p>the Company adopts the concept of product lifecycle, aiming to reduce the consumption of raw materials and waste generation. Additionally, to enhance resource efficiency, environmental impact is considered in the selection of processes and raw materials in order to achieve sustainable operations and environmental protection.</p> <p>(2) The Company has carried out various energy conservation measures, including the optimization of equipment operation. In 2024, Motech saved 121,124 kWh of electricity and cut down energy consumption by 436.046 GJ. The water resource reduction, recycling and reuse program continuously recycles wastewater for reuse. It enhances the recovery rate of process water and reduces the consumption of tap water and volume of wastewater discharged. In 2024, a total of 789 metric tons of water was saved. The implementation of waste reduction and reuse brought the waste reused rate to 94.45% in 2024.</p> <p>(3) The Company has adopted international management systems including ISO-14001 and ISO-14064-1 to assess potential risks as well as opportunities from climate change. Regulations promulgated by the competent environmental authorities and requests from stakeholders are also taken into account. We formulate energy and water saving measures and set targets every year. Actions taken, targets and outcomes are stated below:</p> <ul style="list-style-type: none"> ● Implement various energy-saving schemes in line with the “determination and execution of energy conservation objectives by energy users” of the Ministry of Economic Affairs, e.g., optimization of equipment operation and adoption of energy-saving lighting. ● Continue to move towards advanced process technology, thereby producing eco-friendly solar products with high conversion efficiency and contributing to a sustainable earth. ● In response to climate change mitigation and adaptation, the Company sets up a GHG inventory and reduction management team to collect GHG emission data every year. | None |
| (3) Does the Company assess the current and future potential risks and opportunities associated with climate change, and take corresponding response measures? | ✓ | | | |

| Promotion Items | Status | | | Non-compliance and Reasons | | | | | | | | | |
|--|-----------------------------------|-----------------------------------|--|----------------------------|-----------------------------------|-----------------------------------|------|-------|--------|------|-------|--------|------|
| | Yes | No | Description | | | | | | | | | | |
| (4) Does the Company calculate its GHG emissions, water consumption and total waste weight in the past two fiscal years, and formulate policies for energy conservation, reductions of carbon, GHG and water consumption, or other waste management? | ✓ | | <ul style="list-style-type: none"> ● Through continuous improvement in technology and investments on equipment, the recovery rates of process water and wastewater of the entire factory were 61.2% and 61.3% in 2024, respectively. ● In alignment with the water restriction ratios set by the Water Resources Agency, the Company has established a water resource dispatch platform where meetings are held to discuss possible water-saving schemes of each factory when the need arises. Through this mechanism, a communication and discussion platform between the facilities and equipment departments is built to review possible water-saving measures for facilities and machines. <p>(4) The Company conducts GHG inventory at each factory in Taiwan pursuant to the organization-level standard procedures of ISO-14064-1 Greenhouse Gas Accounting and Verification. Details of water consumption and total weight of waste as well as the policies, targets, and action plans of energy conservation, carbon reduction, GHG reduction, water reduction and other waste management and the effects thereof are as follows:</p> <ul style="list-style-type: none"> ● GHG Emissions: <table border="1"> <thead> <tr> <th>Year</th><th>Scope 1 (MT of CO₂e)</th><th>Scope 2 (MT of CO₂e)</th></tr> </thead> <tbody> <tr> <td>2023</td><td>1,489</td><td>21,324</td></tr> <tr> <td>2024</td><td>1,543</td><td>18,801</td></tr> </tbody> </table> <p>The Company conducts GHG inventory at each factory in Taiwan pursuant to the organization-level standard procedures of ISO-14064-1 Greenhouse Gas Accounting and Verification as the first step in energy-saving and carbon reduction. GHG emissions in 2024 was 19,544 metric tons of CO₂e. With respect to optimization of equipment operation, the Company cut down electricity purchased. Setting the target at 119,934kWh for 2024, the Company managed to save 121,124kWh of electricity, delivering an achievement rate of 101%. As for GHG reduction, the target was set at 59 metric tons of CO₂e while the actual saving equaled 59.956 metric tons</p> | Year | Scope 1 (MT of CO ₂ e) | Scope 2 (MT of CO ₂ e) | 2023 | 1,489 | 21,324 | 2024 | 1,543 | 18,801 | None |
| Year | Scope 1 (MT of CO ₂ e) | Scope 2 (MT of CO ₂ e) | | | | | | | | | | | |
| 2023 | 1,489 | 21,324 | | | | | | | | | | | |
| 2024 | 1,543 | 18,801 | | | | | | | | | | | |

| Promotion Items | Status | | | | Non-compliance and Reasons | | | | | | | | | | | | | |
|-----------------|---------------------------------|-------------------------------|---|---|----------------------------|---|------|---------------------------------|-------------------------------|-------------------|------|----------|--------|----------|------|--------|--------|--------|
| | Yes | No | Description | | | | | | | | | | | | | | | |
| | | | of CO ₂ e, i.e., an achievement rate of 101%. | | | | | | | | | | | | | | | |
| | | | Energy-saving Item | Measures | Amount (KWH) | GHG Reduction (MT of CO ₂ e) | | | | | | | | | | | | |
| | | | Equipment Operation Optimization | Replacement of desiccants in CDA dryers | 28,384 | 14.050 | | | | | | | | | | | | |
| | | | Energy-saving Initiatives | Replacement of cooling tower fill media | 88,320 | 43.718 | | | | | | | | | | | | |
| | | | | Adjustment of operating hours for agitators in the fluorinated wastewater reaction tank | 4,420 | 2.188 | | | | | | | | | | | | |
| | | | <p>● Water consumption</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Tap Water (MT)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>222,705</td> </tr> <tr> <td>2024</td> <td>213,377</td> </tr> </tbody> </table> | | | | Year | Tap Water (MT) | 2023 | 222,705 | 2024 | 213,377 | | | | | | |
| Year | Tap Water (MT) | | | | | | | | | | | | | | | | | |
| 2023 | 222,705 | | | | | | | | | | | | | | | | | |
| 2024 | 213,377 | | | | | | | | | | | | | | | | | |
| | | | <p>In line with regulatory requirements, the recovery rate of wastewater for the year was expected to be 76.65%. Each factory constantly improves the recovery of wastewater from process. The recovery rates of process water and wastewater of the factory as a whole were 61.2% and 61.3% in 2024, respectively, which met the targets. The total consumption of tap water was 213,377 metric tons in 2024. Since groundwater was not used, the issue of land subsidence caused by declining groundwater levels did not exist.</p> | | | | | | | | | | | | | | | |
| | | | <p>● Total waste</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Hazardous Industrial Waste (MT)</th> <th>General Industrial Waste (MT)</th> <th>Reuse Volume (MT)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>1,080.66</td> <td>185.10</td> <td>1,204.61</td> </tr> <tr> <td>2024</td> <td>780.23</td> <td>154.21</td> <td>882.56</td> </tr> </tbody> </table> | | | | Year | Hazardous Industrial Waste (MT) | General Industrial Waste (MT) | Reuse Volume (MT) | 2023 | 1,080.66 | 185.10 | 1,204.61 | 2024 | 780.23 | 154.21 | 882.56 |
| Year | Hazardous Industrial Waste (MT) | General Industrial Waste (MT) | Reuse Volume (MT) | | | | | | | | | | | | | | | |
| 2023 | 1,080.66 | 185.10 | 1,204.61 | | | | | | | | | | | | | | | |
| 2024 | 780.23 | 154.21 | 882.56 | | | | | | | | | | | | | | | |
| | | | <p>With life cycles in mind, Motech reduces the consumption of limited resources on the planet and prioritizes reuse for waste treatment. The waste reuse rate was 94.45% in 2024. The</p> | | | | | | | | | | | | | | | |

| Promotion Items | Status | | | Non-compliance and Reasons |
|--|--------|----|---|----------------------------|
| | Yes | No | Description | |
| | | | <p>Company also formulates management mechanisms for waste treatment and conducts audits on engaged suppliers to ensure processes are legal.</p> <p>The Company continues to conduct voluntary GHG inventories in accordance with ISO-14064-1. All internal operations adhere to the standard inventory procedures. The related water consumption, total waste weight and targets of energy-saving, carbon reduction, and GHG reduction all comply with government regulations. External verification is scheduled to be conducted in 2028.</p> | None |
| 4. Social issues (1) Does the Company formulate appropriate management policies and procedures according to related laws and regulations and the International Bill of Human Rights? (2) Does the Company formulate and execute reasonable employee welfare measures (including compensation, leaves and other benefits), and have the operating performance or results properly reflected in employee compensation? | ✓ | | <p>(1) The Company and its subsidiaries comply with labor regulations and acts promulgated by the government as well as support and respect international human rights standards. Through internal promotion, we safeguard labor rights for every employee to be treated fairly and with respect. Relevant rules are formulated as the basis for employee management and compliance.</p> <p>The Company's basic wage, work hour, leaves, pension, labor and health insurance, and occupational accident compensation for recruitment are all in compliance with the Labor Standards Act. The Employee Welfare Committee (EWC) is established through employee election to carry out various welfare measures. Labor-management meetings are held regularly to communicate ideas, thereby achieving a win-win situation for labor and management.</p> <p>(2) Reasonable employee welfare measures formulated and executed by the Company are as follows:</p> <p>A. To motivate employees in terms of achievements, long-term engagement, talent retention and growth with the Company, the overall compensation package is determined based on employees' professional competence and skills, job scope and performance as well as the Company's operating objectives. The pay is not differentiated by gender, religion, race, nationality and political parties. Moreover, the Company sets a reasonable and competitive salary level with</p> | None |

| Promotion Items | | | Status | Non-compliance and Reasons |
|---|-----|----|---|----------------------------|
| | Yes | No | | |
| (3) Does the Company provide a safe and healthy work environment and periodic safety and health training? | ✓ | | <p>reference to local laws and regulations, industry practice and performance of each subsidiary.</p> <p>B. Diverse and fair workplace: The Company respects gender equality as well as equal pay and promotion opportunities. In 2024, female employees accounted for 44% and women in a managerial position accounted for 34%.</p> <p>C. The Company actively promotes excellent employee welfares. Besides recreation center, malls and library, an EWC is set up to coordinate and organize employee welfare activities. Employees are entitled to gift certificates for birthdays, festival cash gifts as well as cash gifts for weddings and celebration and subsidies for funerals and hospitalization. These measures demonstrate our care and support for our employees.</p> <p>(3) A. Measures on employee safety and health are as follows:</p> <ul style="list-style-type: none"> a. Regular environmental inspection at factories with timely improvements. Ensure regulatory compliance and employee safety and health. b. Regular safety trainings, e.g., fire and emergency drills and timely disclosure and warnings on job sites to enhance employees' safety awareness. c. Health consultation services are provided to employees, offering case management and appropriate medical referral recommendations based on health risk stratification or individual health concerns. These efforts aim to promote both physical and mental well-being. d. Employees receive annual health checkups that exceed the frequency required by law, including regular cancer screenings and specialized examinations for specific occupational activities. e. An e-health management platform is available, enabling employees to monitor their health status and review historical health checkup data trends at any time, regardless of shift schedules. This convenient access to | None |

| Promotion Items | | | Status | Non-compliance and Reasons | | | | | | | | | |
|-----------------|--------------------------|---------------------|--|----------------------------|--------------------------|---------------------|------|----|-------|------|----|-------|------|
| | Yes | No | | | | | | | | | | | |
| | | | <p>health information supports effective self-management, early detection, timely medical intervention, and treatment.</p> <p>f. Tailored health management programs are provided for different employee groups. These include personal illness consultation and management, case management for individuals at high risk of cardiovascular disease or with chronic conditions, tiered health management for employees engaged in special operations, maternal care and health management for pregnant and postpartum employees, health management for cases of overwork, occupational injury and illness case management, ergonomic consultation and case management, physiological assessment for respirator users, and health management for middle-aged and older employees. All health management records are properly maintained and securely stored.</p> <p>B. Detailed explanations</p> <p>Education and promotion of occupational safety in the past two fiscal years:</p> <table border="1"> <thead> <tr> <th>Year</th><th>No. of Training Sessions</th><th>No. of Participants</th></tr> </thead> <tbody> <tr> <td>2023</td><td>11</td><td>3,065</td></tr> <tr> <td>2024</td><td>11</td><td>3,131</td></tr> </tbody> </table> <p>C. Occupational incident</p> <p>In 2024, there were four off-premises occupational injuries (traffic accidents) of employees and zero on-premises occupational injuries of employees. Both Factory II and Factory V reported zero workplace injury cases, with an incident rate per 1,000 employees of 0.</p> <p>For on-premises occupational injuries, the Company established an investigation team and issued an environmental safety report pursuant to the Norm for Management of Environment, Safety and Health Incident, Noncompliance and Corrective Measures, describing the event and actions taken.</p> | Year | No. of Training Sessions | No. of Participants | 2023 | 11 | 3,065 | 2024 | 11 | 3,131 | None |
| Year | No. of Training Sessions | No. of Participants | | | | | | | | | | | |
| 2023 | 11 | 3,065 | | | | | | | | | | | |
| 2024 | 11 | 3,131 | | | | | | | | | | | |

| Promotion Items | | | Status | Non-compliance and Reasons |
|---|-----|----|--|----------------------------|
| | Yes | No | | |
| (4) Has the Company established effective career development training plans for employees? | ✓ | | <p>An occupational injury meeting was held to detail improvement measures, action plans and implementation outcomes thereof through accident/incident/abnormality investigation report and risk identification to prevent a reoccurrence of similar events.</p> <p>(4) Motech places great importance on human resource developments and strive for improvements in professional competence. We provide systematic learning systems and environment to forge a culture of active employee learning and management assistance while satisfying the needs for corporate management and individual developments. Career development training covers different learning levels including individual development, diverse learning courses, and assistance for employee's continuing education. Training programs are arranged based on individual career developments, job requirements, and performance evaluation results. The content also includes human rights-related training, such as trends in the green energy industry and creating gender-friendly workplaces.</p> | None |
| (5) Has the Company complied with related regulations and international standards for issues of customer health and safety, customer privacy, marketing and labeling of products and services, and formulated relevant consumer or customer protection policies and complaint procedures? | ✓ | | <p>(5) PV modules produced by the Company have all conformed to the reliability testing standards of the new IEC 61215 and IEC 61730 as well as various international safety regulations and performance certifications. They have also passed Taiwan's Voluntary Product Certification (VPC). At the same time, Motech is committed to the development of quality management system and has obtained relevant ISO certifications (ISO-9001 Quality Management System and ISO-14001 Environmental Management System), achieving the Company's quality policy of reliable products and attentive services.</p> <p>In terms of customers' privacy, the Company adheres to the confidentiality agreements and Personal Data Protection Act. To mitigate health and safety risks of employees, visitors and customers, the Company has obtained the certification of OHSAS 18001 Occupational Safety and Health Management System. We also provide standardized and effective complaint procedures for our products and services and stipulate accountability and</p> | |

| Promotion Items | Status | | | Non-compliance and Reasons |
|---|--------|----|--|----------------------------|
| | Yes | No | Description | |
| (6) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and the implementation results? | ✓ | | <p>relevant rules in contracts with customers. When relevant issues arise, customers can contact the sales personnel listed on the corporate website directly. The customer service unit and stakeholder section are available to protect the rights of consumers and provide complaint channels.</p> <p>(6) For suppliers' compliance, the Company has established the "Procedures Governing the Supplier Assessment" and used the outcomes of assessments as the basis for their improvement as well as our standards for future purchases. Suppliers are also required to comply with safety, environmental and health regulations as stipulated in the Procedures Governing the Environmental and Safety and Health Management of Suppliers. They would be fined for violations identified and their actions would be presented and reviewed in the annual consultative organization meetings.</p> | None |
| 5. Has the Company referred to the internationally accepted report preparation standards or guidelines for its preparation of sustainability or other reports which disclose the Company's non-financial information? Do the aforementioned reports obtain a third-party assurance or verification statement? | ✓ | | <p>In response to global trends and to strengthen the Company's focus on environmental, social, and corporate governance (ESG) issues in pursuit of sustainable development, the Company conducted an assessment of ESG topics related to its operations in 2023, in accordance with internationally recognized reporting standards and guidelines. The 2023 Sustainability Report was completed and submitted by the end of August 2024, further enhancing the transparency of ESG disclosures.</p> | None |
| 6. If the Company has established its sustainable principles according to the "Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies", please specify any discrepancy between the principles and their implementation: Sustainable practices of the Company are in compliance with the spirit and principles of the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies". | | | | |
| 7. Other important information to facilitate better understanding of the Company's implementation of sustainable practices: (1) Environmental protection: A. In August 2010, the Company had the world's first solar cell completing the carbon footprint verification. Product carbon footprint measures the total carbon dioxide emissions, either directly or indirectly, of a product from the extraction of raw material, manufacturing, utilization to disposal. Upon analysis, the PV system can pay back its carbon dioxide emissions during production between the first three to four years during its useful lives of 20 years (a conservative estimate). Thus, the remaining 16 to 17 years would be clean electricity. Through the calculation of carbon footprint, we can quantify the environmental load of manufacturing processes and review the effects of process improvement and new technologies on carbon reductions annually. The results are presented in the Motech Sustainability Report. | | | | |

| Promotion Items | Status | | Non-compliance and Reasons |
|--|--------|----|----------------------------|
| | Yes | No | |
| B. GHG inventory produces emission data of factories, allowing the Company to identify major sources of emissions and establish reduction plans. The government has established the national GHG registry and prompts relevant industries to upload their Taiwan Accreditation Foundation (TAF) grade GHG emission data as the reference of nationwide industry carbon reduction strategies. Motech has completed annual inventory to establish a GHG emission base and incorporates it into the annual targets of ISO-14001 to set standards for energy, water, and resource conservation as well as waste and carbon reductions with improvements monitored on a monthly basis. | | | |
| C. The Company completed the water footprint inventory of solar wafers and cells in 2015 and our solar cell (IM156 series) was the first one to obtain the water footprint certification pursuant to the ISO-14064:2014 water footprint inventory principle. Through the inventory, Motech enhances the efficiency of water resource utilization and will continue to product products with regulatory-compliance and eco-friendly green processes in order to become the CSR benchmark among peers in Taiwan. | | | |
| D. In 2017, with ISO-14067 product carbon footprint verification as the standard, Motech completed the third-party assurance of IM156 series and XS156 series with PERC. | | | |
| (2) Social involvement: | | | |
| The Company established the Motech Culture and Art Foundation in 2006 to promote popular science education, participate in community development, and support quality art and cultural activities in order to fulfill our responsibilities as a corporate citizen. In 2024, the Foundation organized the Nanke Solar Model Car Parent-Child Challenge Camp to promote solar energy education. Now in its 18th year, the event engages families in hands-on model car assembly to foster a proper understanding of solar energy. It also helps students develop skills in design, critical thinking, and problem-solving. By combining education with fun, the activity promotes renewable energy awareness among both students and their parents, thereby advancing the broader concept of net-zero carbon emissions. As one of the most significant annual events in the Southern Taiwan Science Park, the 2024 camp attracted 138 student participants and 151 accompanying family members, totaling 289 attendees. According to post-event survey results, satisfaction ratings in the learning aspect reached 4.7 or above out of 5. | | | |
| (3) Safety and Health: | | | |
| Setting zero accident as the target, the Company is dedicated to promoting safety and health policies and continuously improving processes and working environments. Through the collective efforts of all employees, we strive to enhance our occupational safety and health performance. | | | |
| (4) Employee health care: | | | |
| The Company conducts annual health check-ups to help employees understand their health status and encourage them to take better care of their well-being. Occupational medicine specialists are also arranged to provide on-site consultations on health-related issues. To monitor actual working conditions and assess employees' exposure to potential hazards, the Company not only installs detection and alarm systems in appropriate locations but also conducts regular workplace environment assessments. These measures serve as the basis for continuous improvement of the work environment. | | | |

B. Climate-related Information of TWSE/TPEx-Listed Companies

(a) Implementation of climate-related information

| Item | Implementation status |
|--|---|
| 1. Describe the oversight and governance of the Board and management on climate-related risks and opportunities. | <p>Climate change affects the Company's product development strategy and corporate operations. Motech continues to monitor and implement various climate action targets, incorporating them into the Company's sustainable development strategy and objectives, as well as formulating corporate sustainability policy. The Company's sustainability initiatives were originally executed by departments under the supervision of the Chairman and the President. These responsible units were tasked with planning and implementing sustainability programs, as well as preparing the Sustainability Report. Meetings were convened as necessary to review and approve climate change response strategies, promote climate action initiatives, and manage related targets. The President also regularly reported the status of GHG emissions planning and implementation to the Board of Directors.</p> <p>Motech established the Sustainable Development Committee on November 7, 2024, in accordance with the Company's Sustainable Development Committee Charter. The Board of Directors appointed three members to the Committee, which now serves as the operational center for the Company's sustainability efforts and plays a key role in strengthening the overall governance and organizational structure for sustainable development.</p> |
| 2. Describe how the identified climate risks and opportunities would affect the business, strategy, and finances of the entity (short, medium, and long-term). | <p>Motech adopts TCFD to identify and prioritize climate-related risks/opportunities, thereby understanding what risks/opportunities may affect the Company. Additionally, Motech will incorporate sustainability initiatives such as energy conservation, carbon reduction, and water conservation into its business strategies with reference to climate change research reports of international organizations and apply the climate risk and opportunity matrix.</p> <p>Risks:</p> <p>Physical risks:</p> <ol style="list-style-type: none"> 1. Extreme weather events (typhoons/floods/droughts/temperature rising/sea level rising) with increasing severity and frequency. 2. Extreme rainfall leads to business disruption or affects work safety. <p>Transition risks:</p> <ol style="list-style-type: none"> 1. Tightening of environmental laws and controls 2. Increasing cost in carbon emissions management 3. Increasing cost in energy resources 4. Increasing cost in purchasing renewable energy 5. Changes in tax and subsidy policies |

| | <p>Opportunities:</p> <ol style="list-style-type: none"> 1. Increasing market demand: With the global trend of increasing emphasis on safe, carbon-free energy, the demand for renewable energy continues to grow. Companies can satisfy the market demand by investing in solar energy systems. 2. Technology innovation: Continuous improvements and innovations in solar technology bring about efficiency and cost-effectiveness to solar energy systems. Enterprises can benefit from technology innovations and enhance their competitiveness by investing in solar energy systems. 3. Support from government policies: Government support and policy initiatives for renewable energy can provide more opportunities for businesses to invest in solar energy systems. <p>The financial impacts of related risks and opportunities and strategies are set out below:</p> <table border="1"> <thead> <tr> <th>Risk/Opportunity Item</th><th>Financial Impact</th><th>Strategy</th></tr> </thead> <tbody> <tr> <td>Impact of natural disasters (extreme weather and rainfall)</td><td>Medium</td><td> <ol style="list-style-type: none"> 1. Discuss insurance types and potential insurance schemes with insurance companies. 2. Monitor long and short-term weather forecasts and establish an early warning mechanism. </td></tr> <tr> <td>Policies and regulations (environmental protection/tax/subsidy)</td><td>Medium</td><td> <ol style="list-style-type: none"> 1. Monitor the operation mechanism of T-REC trading market and plan to become a member of the green energy certificate trading platform. 2. Evaluate the installation and self-use of renewable energy facilities, along with related funding preparation. 3. Assess medium to long-term investments in energy-saving schemes to prepare for stricter future carbon controls. 4. Understand changes in government regulatory policies, subsidies, and tax incentives to ensure business competitiveness 5. Conduct surveys on power plant locations and enhance landowners' awareness of relevant laws and regulations to avoid legal pitfalls. 6. Evaluate and estimate the cost of solar module recycling. </td></tr> </tbody> </table> | Risk/Opportunity Item | Financial Impact | Strategy | Impact of natural disasters (extreme weather and rainfall) | Medium | <ol style="list-style-type: none"> 1. Discuss insurance types and potential insurance schemes with insurance companies. 2. Monitor long and short-term weather forecasts and establish an early warning mechanism. | Policies and regulations (environmental protection/tax/subsidy) | Medium | <ol style="list-style-type: none"> 1. Monitor the operation mechanism of T-REC trading market and plan to become a member of the green energy certificate trading platform. 2. Evaluate the installation and self-use of renewable energy facilities, along with related funding preparation. 3. Assess medium to long-term investments in energy-saving schemes to prepare for stricter future carbon controls. 4. Understand changes in government regulatory policies, subsidies, and tax incentives to ensure business competitiveness 5. Conduct surveys on power plant locations and enhance landowners' awareness of relevant laws and regulations to avoid legal pitfalls. 6. Evaluate and estimate the cost of solar module recycling. |
|---|---|---|------------------|----------|--|--------|--|---|--------|---|
| Risk/Opportunity Item | Financial Impact | Strategy | | | | | | | | |
| Impact of natural disasters (extreme weather and rainfall) | Medium | <ol style="list-style-type: none"> 1. Discuss insurance types and potential insurance schemes with insurance companies. 2. Monitor long and short-term weather forecasts and establish an early warning mechanism. | | | | | | | | |
| Policies and regulations (environmental protection/tax/subsidy) | Medium | <ol style="list-style-type: none"> 1. Monitor the operation mechanism of T-REC trading market and plan to become a member of the green energy certificate trading platform. 2. Evaluate the installation and self-use of renewable energy facilities, along with related funding preparation. 3. Assess medium to long-term investments in energy-saving schemes to prepare for stricter future carbon controls. 4. Understand changes in government regulatory policies, subsidies, and tax incentives to ensure business competitiveness 5. Conduct surveys on power plant locations and enhance landowners' awareness of relevant laws and regulations to avoid legal pitfalls. 6. Evaluate and estimate the cost of solar module recycling. | | | | | | | | |

| | | Increased energy costs (management / procurement) | High | 1. Evaluate the installation and self-use of renewable energy facilities, along with related funding preparation. 2. Assess medium to long-term investments in energy-saving schemes to prepare for stricter future carbon controls. 3. Track and respond to fuel price fluctuations to mitigate their impact on business. | | | | | | | | | | |
|---|--|---|------|--|---------------------|----------------------------|--|---|--------------------|---|----------------|--|--|-------------------------------|
| | | Market demand | High | 1. Contain costs at a reasonable level to secure revenue and profitability. 2. Research and develop the most efficient solar modules for power generation. | | | | | | | | | | |
| 3. Describe the financial impact of extreme weather events and transition activities. | In the face of escalating extreme weather changes and transition impact, although there is still considerable uncertainty in Taiwan's laws and regulations, the overall trend leans towards the development of control strategies for carbon reduction, water resources, and lightning-related losses. The financial impacts of climate changes are as follows: | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Climate Risk Factor</th><th>Potential Financial Impact</th></tr> </thead> <tbody> <tr> <td>Total GHG management and net zero emission trend</td><td>Restricted capacity expansion and increasing operating costs.</td></tr> <tr> <td>Temperature rising</td><td>Increasing electricity consumption, costs and carbon reduction facilities and operation costs</td></tr> <tr> <td>Floods/Drought</td><td>Impact on production leads to financial losses and decreasing revenues</td></tr> <tr> <td>Increases in natural disaster insurance premiums</td><td>Increasing operating expenses</td></tr> </tbody> </table> | | | | Climate Risk Factor | Potential Financial Impact | Total GHG management and net zero emission trend | Restricted capacity expansion and increasing operating costs. | Temperature rising | Increasing electricity consumption, costs and carbon reduction facilities and operation costs | Floods/Drought | Impact on production leads to financial losses and decreasing revenues | Increases in natural disaster insurance premiums | Increasing operating expenses |
| Climate Risk Factor | Potential Financial Impact | | | | | | | | | | | | | |
| Total GHG management and net zero emission trend | Restricted capacity expansion and increasing operating costs. | | | | | | | | | | | | | |
| Temperature rising | Increasing electricity consumption, costs and carbon reduction facilities and operation costs | | | | | | | | | | | | | |
| Floods/Drought | Impact on production leads to financial losses and decreasing revenues | | | | | | | | | | | | | |
| Increases in natural disaster insurance premiums | Increasing operating expenses | | | | | | | | | | | | | |
| 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. | In addition to risk response plans for possible impact on financial performance, the Company's risk management covers risk assessments and contingency plans for natural disasters, environment, and safety. A preventive mindset is embedded into our corporate culture. We strive to eliminate identifiable and avoidable risks to reduce potential losses from business disruptions. In addition to the existing regulatory frameworks and processes, we actively develop advanced and more sensitive supervision, evaluation, and risk management procedures and standards to address major risks faced by various business operations, including sales markets, production operations, human resources planning, new product development progress, and financial accounting control. We aim to balance safety and efficiency and establish a business operating model with higher economic benefits. Examples include the strengthening of our information system to enhance early warning monitoring capabilities. | | | | | | | | | | | | | |

| | |
|--|---|
| | <p>With respect to the environment, the Company has established and maintained contingency procedures for potential accidents or emergencies. These procedures serve as the basis for developing response protocols and plans, including the scope of the contingency plan; organizational authority, responsibility and structure; activation processes; hazard identification and risk assessment; emergency response plans; and evacuation maps. With the abovementioned operational procedures and related rules for all units to follow, the Company can immediately reduce or mitigate the impacts and damages caused by personnel injury, property loss, and production disruptions resulting from natural or man-made disasters and other major contingencies, thereby quickly resuming normal operations.</p> <p>Risk management objectives:</p> <p>To formulate corporate development strategy and adjust business operations in advance in light of the global economic situation and risks associated with climate change and energy supply, actively executing relevant measures to respond accordingly.</p> <p>Commitment:</p> <p>To monitor global industry dynamics and climate change, and adjust development goals and business strategies in a timely manner to mitigate potential risks.</p> <p>Risk management measures:</p> <p>In response to various operational risks, we hold management meetings when needed to review and adjust operational directions, thereby preventing risks in advance.</p> |
| <p>5. If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions and analysis factors used as well as major financial impacts shall be described.</p> | <ol style="list-style-type: none"> 1. Cap and trade <p>With reference to Articles 28, 29, and 30 of the Climate Change Response Act; assumptions based on the financial estimates of penalties or carbon pricing under current laws, including the minimum of 1% electricity savings per year under the Energy Administration Act; and assessments on the need for carbon reserves, the environment-related department would apply for offsetting projects, securing diverse support measures when faced with total quantity control in the future, thereby effectively reducing financial risk.</p> 2. Water resources <p>Under extreme weather, floods and droughts may result in water shortage or rationing; thus, this is taken as a hypothetical scenario. During a disaster, our short-term measures involve reducing water usage in factories through internal contingency systems and using water trucks to mitigate the impact. In the medium term, efforts are directed towards using recycled water and adapting machines from direct water sources to water circulation, continuously improving process water recovery rates for contingency purposes. Our long-term strategies involve employing water resource management systems with AI-based management platforms for meticulous monitoring and prevention. Through our short, medium, and long-term planning, we aim to minimize production losses caused by water</p> |

| | |
|--|---|
| | <p>shortages, thereby avoiding any detrimental impact on the Company's overall operation and development.</p> <p>3. Power outage caused by lightning or earthquake</p> <p>With production facilities affected by earthquakes or lightning in the past three years as hypothetical factors, we intend to reduce damage to sensitive equipment caused by voltage drops through uninterruptible power supply systems in the future. Additionally, initiatives to promote energy monitoring and power grids are being considered to regulate consumption distribution, thereby reducing the potential production losses during earthquakes or lightning incidents.</p> |
| <p>6. If there is a transition plan for managing climate-related risks, describe the plan details, and the indicators and targets used to identify and manage physical risks and transition risks.</p> | <p>From challenges posed by climate change, Motech sees an opportunity for a transition to low-carbon green economy in order to mitigate climate impacts. To achieve this goal and stride towards sustainability, the Company actively promotes relevant initiatives, including setting green management objectives, launching various projects and conducting green management practices with effectiveness evaluation. By reviewing performance outcomes, Motech implements the goal of protecting the planet.</p> <p><u>Targets:</u></p> <ol style="list-style-type: none"> 1. GHG management: <ul style="list-style-type: none"> (1) In 2024, the carbon emission target was set at a reduction of 59 metric tons of CO₂e, and the actual reduction equaled 59.835 metric tons of CO₂e, delivering an achievement rate of 101%. (2) In 2025, the carbon emission target was set at a reduction of 636 metric tons of CO₂e. 2. Use of renewable energy: <ul style="list-style-type: none"> (1) In 2024, the green power consumption target was set at 8,000 kWh and the actual consumption equaled 21,637 kWh, delivering an achievement rate of 270%. (2) In 2025, the green power consumption target was set at 20,000 kWh. 3. Water resource management: <ul style="list-style-type: none"> (1) In 2024, the water consumption target was set at a reduction of 1,095 metric tons, and the actual reduction equaled 1,098 metric tons, delivering an achievement rate of 100%. (2) In 2025, the water consumption target was set at a reduction of 365 metric tons of CO₂e. 4. Energy resource management: <ul style="list-style-type: none"> (1) In 2024, the electricity consumption target was set at a reduction of 119,934 kWh, and the actual reduction equaled 121,124 kWh, delivering an achievement rate of 101%. (2) In 2025, the electricity consumption target was set at a reduction of 1,286,400 kWh. |
| <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.</p> | <p>To strengthen incentives for GHG reduction, enhance the effectiveness of mitigation efforts, and align with national carbon pricing trends, the Company has updated its internal carbon price to NT\$300 per metric ton of CO₂e equivalent. This adjustment references the general rate set forth in the "Fee-charging</p> |

| | |
|---|---|
| | Rates of Carbon Fees" issued by the Ministry of Environment of the Republic of China, effective January 1, 2025. The revised internal carbon price was approved by the Company's Sustainable Development Committee and subsequently ratified by the Board of Directors on February 25, 2025. It serves as a basis for internal units to calculate and plan emission reduction measures, thereby supporting the formulation of the Company's phased GHG control targets and long-term reduction goals. |
| 8. If climate-related targets have been set, the activities covered, the scope of GHG emissions, the planning horizon, and the progress achieved each year shall be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or the quantity of RECs to be offset shall be specified. | The Company conducts GHG inventory at each factory in Taiwan pursuant to the organization-level standard procedures of ISO 14064-1 Greenhouse Gas Accounting and Verification as the first step in energy-saving and carbon reduction. The practice has been recognized by the government, domestic and international green groups, major investors and customers. In 2024, the total GHG emissions were 19,544.281 metric tons of CO ₂ e, with a GHG emission intensity of 76.479 metric tons of CO ₂ e/MW. We also cut down purchased electricity, reaching a total reduction of 59.8353 metric tons of CO ₂ e. |
| 9. GHG inventory and assurance status as well as reduction targets, strategy, and concrete action plans. | <ol style="list-style-type: none"> 1. Achieved ISO 14001 Environmental Management System certification in 2024. 2. Continued implementation of ISO 14064-1 GHG inventory in 2025, with external verification scheduled for 2028. 3. Plans to complete the GHG inventory by 2026, begin disclosing carbon reduction targets, strategies, and specific action plans in 2027, and disclose third-party verified information starting in 2028. |

1-1. GHG inventory and assurance status in the recent two years

1-1-1 GHG inventory information

The results of Motech's organizational-level GHG inventories for the past two years are as follows:

| Year | Scope | Direct Emissions (MT CO ₂ e) | Indirect Emissions (MT CO ₂ e) | Total Emissions (MT CO ₂ e) | Emission intensity (MT CO ₂ e / MW) |
|------|---------|---|---|--|--|
| 2023 | Fab. II | 1,411.7332 | 16,274.4655 | 17,686.199 | 63.490 |
| | Fab. V | 77.2745 | 5,049.2039 | 5,126.478 | |
| 2024 | Fab. II | 1,439.0329 | 12,968.5078 | 14,407.541 | 76.479 |
| | Fab. V | 103.6668 | 5,033.0736 | 5,136.740 | |

Note 1: Organization-level GHG inventory did not include other GHG emissions (i.e., Scope 3).

Note 2: GHG emission intensity = total GHG emissions / solar production capacity (MW).

Note 3: Reduction of GHG emissions is defined as the electricity saved at the Fabs in 2023/2024 multiplied by the electricity emission factor (Motech's Fabs in Southern Taiwan Science Park: electricity emission factor announced by the Bureau of Energy in 2022/2023).

Note 4: Electricity saving measures are the basis for reductions in purchased electricity.

1-1-2 GHG assurance information

Motech conducted GHG inventories in 2023 and 2024 in accordance with ISO 14064-1. In line with the regulatory timeline, the Company plans to begin disclosing third-party verified information starting in 2028.

1-2 GHG reduction targets, strategy, and concrete action plans

Disclosure of related carbon reduction targets, strategies, and specific action plans is scheduled to commence in 2027.

(6) Performance in ethical management and non-compliance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies” and reasons: The Company and its subsidiaries honor our commitments, act with integrity and uphold a high degree of professional ethics.

| Assessment Items | Status | | | Non-compliance and Reasons |
|--|--------|----|--|----------------------------|
| | Yes | No | Description | |
| <p>1. Establishment of ethical management policies and schemes</p> <p>(1) Does the Company formulate ethical management policies approved by the Board of Directors and clearly express ethical management policies and actions as well as the Board's and senior management's commitment to implement those policies in the Company's internal rules and external documents?</p> <p>(2) Does the Company establish assessment mechanism for risk arising from unethical conducts, regularly analyze and assess operating activities with higher risk of unethical conduct within its business, and formulate preventive schemes accordingly, which at least contain preventive measures for conducts set forth in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies"?</p> | ✓ | | <p>(1) In addition to establishing the "Code of Ethics and Business Conduct" based on the core value of integrity, the Company has formulated the "Principles of Business Ethics" and the "Procedures and Guidelines of Business Ethics," with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies." These policies have been submitted to and approved by the Board. They provide clear and specific guidelines for employees to follow in the course of business, promoting conduct based on fairness, honesty, trustworthiness, and transparency. The Company is committed to implementing its ethical corporate management policy, actively preventing unethical behavior, and publicly discloses its ethical management policies through the corporate website, annual reports, internal regulations, and other promotional materials.</p> <p>(2) Under the newly established "Principles of Business Ethics" and "Procedures and Guidelines of Business Ethics," the Company has implemented a risk assessment mechanism for unethical conduct. This mechanism is used to identify and evaluate business activities with a higher risk of unethical behavior, thereby enabling the development of targeted preventive measures. Furthermore, the Company has clearly stated in the "Code of Ethics and Business Conduct" that employees shall honor commitments and act with integrity without deceit and deceptions. Also, the guidance for conducts of business ethics, avoidance of conflict of interest, gifts and hospitality and confidentiality as well as penalties for violation and complain systems are established. To advocate and promote business ethics, besides publishing the code at intranet for employees to access at any time, the Company addresses the importance of corporate core value and compliance system to every employee. To prevent a breach of ethics, orientation program includes courses for new recruits to understand the grave importance and Motech's determination on the</p> | None |

| Assessment Items | Status | | | Non-compliance and Reasons |
|---|--------|----|---|----------------------------|
| | Yes | No | Description | |
| (3) Does the Company have clear statements regarding relevant procedures, conduct guidelines, disciplinary measures and compliant system in the schemes to prevent unethical conduct, and does the Company implement them accordingly and regularly review those schemes? | ✓ | | implantation of the code. (3) The Company has implemented relevant preventive measures as set forth in the “Principles of Business Ethics,” “Procedures and Guidelines of Business Ethics,” and “Code of Ethics and Business Conduct.” | None |
| 2. Implementation of ethical management (1) Does the Company review the counterparty’s history of ethical conduct and include the compliance of business ethics as a clause in the contract? (2) Has the Company established a dedicated unit under the Board of Directors to promote ethical conducts and report regularly (at least once every year) its ethics policies and preventive schemes for unethical conducts as well as implementation status to the Board of Directors? (3) Has the Company established policies to prevent conflicts of interest, provided appropriate communication channels and thoroughly implemented the policies? | ✓ | | (1) Suppliers in the supply chain are required to sign the Commitment to Integrity. Prior to purchases, supplier documents filed with the Department of Commerce, MOEA would be verified to ensure the authenticity and business ethics of counterparties. If counterparties are found to be involved with unethical conducts during the course of business or procurement, the Company would closely monitor the progress of credit transactions, understand exposure of the Company and carefully evaluate whether to terminate the transactions with the customers. (2) To reinforce the Company’s culture of integrity, support sound corporate development, and establish a reference framework for ethical business operations, the Human Resources Department is responsible for revising, implementing, consulting on, and reporting relevant regulations. In addition, the Office of the Chairman has been designated as the lead unit for promoting corporate integrity practices and, when necessary, reports on implementation status to the Board of Directors. (3) The Company has established a conflict of interest prevention policy within the “Principles of Business Ethics,” “Procedures and Guidelines of Business Ethics,” and “Code of Ethics and Business Conduct.” This policy clearly requires the avoidance of conflicts of interest, provides appropriate reporting channels, and ensures effective implementation. Employees who encounter potential conflicts of interest in the course of their duties are required to proactively report such situations to the relevant departments. In addition to requiring all new employees to declare any conflicts of interest during onboarding, the Company also conducts annual declarations. A 100% declaration rate is mandated for management | None |

| Assessment Items | Status | | | Non-compliance and Reasons |
|---|--------|----|---|----------------------------|
| | Yes | No | Description | |
| (4) Has the Company established effective accounting and internal control systems for the implementation of business ethics and had the internal audit unit formulating relevant audit plans based on the assessment outcome of risk associated with unethical conducts? Has the Company then performed audits on the compliance with the preventive schemes for unethical conducts accordingly, or entrust the CPAs to conduct the audits? | ✓ | | <p>personnel and high-risk groups. When a potential conflict of interest is identified, appropriate handling procedures are initiated.</p> <p>(4) Actions taken by the Company are as follows:</p> <ul style="list-style-type: none"> A. The accounting systems of the Company and major subsidiaries are established in accordance with the accounting standards and interpretations issued by the competent authority. Daily accounting operations are also carried out accordingly. B. Internal control systems of the Company and major subsidiaries are established based on the entity's key control items as required by the competent authority. The system designs shall be examined from time to time to ensure the effectiveness of the system. C. The audit office formulates annual audit plans based on the assessment outcome of risks and carries out audits pursuant to the annual plans. It then reports the audit outcome and improvement schemes to the Board and management for effective audits. Besides, the Company conducts self-assessments on the internal control system annually to examine the effectiveness of the system's design and implementation and a statement of internal control system is issued based on the assessment outcome. <p>(5) The Company and its subsidiaries have incorporated training modules into the orientation program to help new employees understand the importance of the code and Motech's strong commitment to its implementation. For current employees, the Company conducts an annual advocacy and disclosure program to promote its core value of "Integrity" and raise awareness of conflicts of interest, reiterating the Company's ethical principles and core values.</p> <p>Both the orientation program for new hires and the annual advocacy and disclosure for current employees have achieved a 100% completion rate.</p> | None |
| 3. Implementation of whistleblowing system (1) Has the Company established specific whistleblowing and reward systems, set up conveniently accessible complaint channels, and designated responsible individuals to handle the complaint received? | ✓ | | <p>(1) The Company has established a "Whistleblower Policy and Management Procedures" to support the effective implementation of its "Principles of Business Ethics." This policy provides both internal and external reporting channels, along with procedures for handling reported cases. An independent whistleblowing mechanism, managed by designated personnel, allows individuals to report any violations of the Company's</p> | None |

| Assessment Items | Status | | | Non-compliance and Reasons |
|--|--------|----|--|----------------------------|
| | Yes | No | Description | |
| (2) Has the Company established standard operating procedures for investigating the complaints received, actions to be taken upon the completion of investigation, and mechanisms for confidentiality? | ✓ | | <p>“Principles of Business Ethics” or “Code of Ethics and Business Conduct.” Depending on regional accessibility, reports may be submitted via the dedicated Integrity Reporting email at integrity@motech.com.tw, or by completing a paper form and depositing it in the physical “Integrity Reporting” mailbox. The audit unit is assigned to receive and investigate whistleblower reports, and the Company regularly informs all employees of the available reporting channels.</p> <p>(2) The “Whistleblower Policy and Management Procedures” outlines the standard operating procedures for investigating reported matters and includes relevant confidentiality mechanisms. If a serious violation is identified or there is a potential risk of significant harm to the Company, a written report must be promptly prepared and submitted to the Independent Directors or Supervisors.</p> <p>(3) The “Whistleblower Policy and Management Procedures” clearly stipulates that all whistleblower reports must be handled with strict confidentiality to protect whistleblowers from unfair treatment or retaliation.</p> | None |
| 4. Enhancement on Information disclosure Does the Company disclose its principles of business ethics and information about implementation of such guidelines on its website and MOPS? | ✓ | | <p>The Company regularly discloses relevant and reliable information related to ethical corporate management and its implementation outcomes, while also strengthening communication with stakeholders. The “Principles of Business Ethics” and “Code of Ethics and Business Conduct.” are publicly available on the Company’s official website and in the Corporate Governance section of the MOPS.</p> <p>Access link: https://www.motech.com.tw/ethical_corporate_management.php</p> | None |
| 5. If the Company has established its own principles of business ethics based on the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”, please specify any discrepancy between the policies and their implementation: The Company’s “Principles of Business Ethics” and the “Code of Ethics and Business Conduct” clearly outline matters that personnel shall adhere to. They are not significantly different from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies,” as detailed in the columns above. | | | | |
| 6. Other important information to facilitate better understanding of the Company’s ethical conduct practices (e.g., the Company reviews and revises its Principles of Business Ethics, etc.): (1) The Company has complied with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, rules applicable to TWSE/TPEX-listed companies and other regulations governing business behaviors as the basis for implementing ethical management. (2) The Company has stipulated the recusal rules for Directors in the case of a conflict of interest in the “Rules and Procedures of Board of Directors’ | | | | |

| Assessment Items | Status | | Non-compliance and Reasons |
|---|--------|----|----------------------------|
| | Yes | No | |
| Meeting.” If a Director or a juristic person represented by a Director is an interested party with respect to any agenda item, the Director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the Company’s interests, the Director shall not participate in and shall recuse himself/herself from discussion and voting on that agenda item. He/she shall not act as another Director’s proxy to exercise the voting rights on that matter. | | | |
| (3) The Company has established a risk assessment mechanism for unethical conduct under the “Principles of Business Ethics,” the “Procedures and Guidelines of Business Ethics,” and the “Code of Ethics and Business Conduct.” These policies set forth clear guidelines for employees to observe in the performance of their duties and emphasize conducting business based on the principles of fairness, honesty, integrity, and transparency. Through these measures, the Company implements its ethical corporate management policy and proactively prevent unethical behavior. | | | |
| (4) The Company has established the “Procedures for Handling Material Inside Information,” which clearly stipulate that Directors, managers, and employees must not disclose any material non-public information they become aware of. They are also prohibited from inquiring about or collecting non-public material information unrelated to their duties from individuals who possess such information. Additionally, any non-public material information obtained outside the scope of official duties must not be disclosed to others. To further prevent and avoid inadvertent violations of insider trading regulations by individuals with access to material information, the Company has also established the “Insider Trading Prevention Procedures.” | | | |

(7) Other important information to facilitate better understanding of the Company’s corporate governance:

A. Continuing education of Directors

| Title | Name | Host | Course | Duration | Date |
|----------------------|---------------|---|--|----------|------------|
| Director | Chih-Kaou Lee | Taiwan Corporate Governance Association | Introduction to the Corporate Governance Officer System and the Role of Legal Personnel in Corporate Governance | 3 | 2024/12/13 |
| Director | Chih-Kaou Lee | Taiwan Corporate Governance Association | Essential Knowledge for Directors and Supervisors: Understanding How Perpetrators Exploit Irregular and Related-Party Transactions | 3 | 2024/12/20 |
| Director | Ming-Shiaw Lu | Taipei Exchange | Seminar on Insider Shareholding for TPEx-Listed and Emerging Stock Companies | 3 | 2024/09/12 |
| Director | Ming-Shiaw Lu | Taipei Bar Association | Current Status and Trends in Sustainability Reporting | 3 | 2024/09/27 |
| Director | George Huang | Taiwan Corporate Governance Association | Strategies and Governance Issues in Hostile Takeovers | 3 | 2024/12/10 |
| Director | George Huang | Taiwan Corporate Governance Association | Essential Knowledge for Directors and Supervisors: Understanding How Perpetrators Exploit Irregular and Related-Party Transactions | 3 | 2024/12/20 |
| Independent Director | Kin-Tsau Lee | Securities & Futures Institute | 2024 Seminar on the Prevention of Insider Trading | 3 | 2024/09/06 |
| Independent Director | Kin-Tsau Lee | Chinese National Association of Industry and Commerce | 2024 Taishin Net Zero Summit | 3 | 2024/10/07 |

| Title | Name | Host | Course | Duration | Date |
|----------------------|-----------------|---|--|----------|------------|
| Independent Director | San-Boh Lee | Taiwan Corporate Governance Association | Essential Knowledge for Directors and Supervisors: Understanding How Perpetrators Exploit Irregular and Related-Party Transactions | 3 | 2024/12/20 |
| Independent Director | San-Boh Lee | Taiwan Corporate Governance Association | The Net-Zero Path with Unlimited Business Opportunities: Analyzing Strategic Directions from an Industry Perspective | 3 | 2024/12/24 |
| Independent Director | San-Boh Lee | Taipei Bar Association | 2024 Corporate Governance Forum: New Challenges for Corporate Governance Officers | 3 | 2024/12/17 |
| Independent Director | Chia-Hsin Chang | Taiwan Stock Exchange Corporation | 2024 Cathay Sustainable Finance and Climate Change Summit | 6 | 2024/07/03 |

(8) Internal control system execution status:

A. Statement of internal control

The Statement of Internal Control has been filed and disclosed on the website designated by the Financial Supervisory Commission and is available on the MOPS under the following path:

MOPS > Individual Company > Corporate Governance > Company Regulations > Internal Control > Announcement of the Statement of Internal Control
<https://mopsov.twse.com.tw/nas/cont06/c6244113011140310.pdf>.

B. Where CPAs are retained to audit the internal control system, please disclose the CPAs' audit report: The Company did not retain CPAs to audit the internal control system.

(9) Major resolutions of shareholders' meetings and Board of Directors' meetings in the most recent year and up to the date of this annual report

A. Major resolutions of shareholders' meeting on June 18, 2024 and execution thereof

| Major Resolutions | Execution of Resolution |
|---|--|
| (1) To approve the Company's 2023 business report and financial statements (2) To approve the Company's 2023 earnings distribution | (1) Approved (2) Approved For 2023 earnings distribution, the record date was set on July 22, 2024 with August 9, 2024 being the payment date. Cash dividend equaled NT\$0.32 per share. |

B. Major resolutions of Board meetings

| Date | Major Resolutions |
|------------|--|
| 2024.03.07 | (1) Distribution of 2023 employee compensation and remuneration to Directors (2) Proposed to approve the Company's parent company only and consolidated financial statements for the year ended December 31, 2023 (3) Proposed to approve the Company's 2023 earnings distribution (4) Proposed to approve the agenda, date and venue of 2024 annual shareholders' meeting (5) Proposed to approve the Company's 2023 operation report (6) Proposed to approve the Company's 2024 business plans (7) Proposed to approve the Company's engagement of CPAs and the audit fee for 2024 (8) Proposed to approve the Company's change of CPAs (9) Proposed to approve the amendments to the Company's general principles for the pre-approval of non-assurance service policy (10) Proposed to approve the application of general credit lines with the Company's correspondent financial institutions (11) Proposed to provide Letter of Support for the affiliate, Motech Power Beta Company Limited (12) Proposed to the Board to approve the Company's "2023 Statement of Internal Control System" (13) Proposed to amend some articles within the Company's "Rules of Procedure for the Board of Directors' Meeting" (14) Proposed to amend some articles within the Company's "Audit Committee Charter" |

| Date | Major Resolutions |
|------------|---|
| 2024.05.02 | <ul style="list-style-type: none"> (1) Recommendations on distribution of 2023 employee compensation to managers and remuneration to Directors (2) Proposed to approve the amendments to some articles within the Company's "Rules Governing Financial and Business Transactions Between Related Parties" (3) Proposed to approve the application of credit lines with the Company's correspondent financial institutions |
| 2024.08.01 | <ul style="list-style-type: none"> (1) Proposed to approve the Company's consolidated financial statements for the six months ended June 30, 2024 (2) Proposed to approve the loans provided to affiliates (3) Proposed to approve the application of credit lines with the Company's correspondent financial institutions (4) Proposed to provide Letter of Support for the affiliate, Motech Power Beta Company Limited (5) Proposed to approve the Company's 2023 Sustainability Report |
| 2024.11.07 | <ul style="list-style-type: none"> (1) Proposed to approve the Company's consolidated financial statements for the nine months ended September 30, 2024 (2) Proposed to approve the capital reduction of Motech (Maanshan) Renewable Energy Co., Ltd. and the corresponding amendment to its Articles of Incorporation (3) Proposed to adopt the Company's "Insider Trading Prevention Procedures" (4) Proposed to approve the application of credit lines with the Company's correspondent financial institutions (5) Proposed to approved the addition of NT\$29.35 million to 2024 capital expenditure budget (6) Proposed to approve the Company's 2025 audit plan (7) Proposed to approve the amendments to the Company's "Internal Control System", "Internal Audit Implementation Rules" and "Procedures for Self-assessment on Internal Control System" (8) Proposed to adopt the Company's "Sustainable Development Best Practice Principles." (9) Proposed to approve the Company's "Sustainable Development Policy." (10) Proposed to approve the Company's "Sustainable Development Committee Charter." (11) Proposed to approve the appointment of members to the Company's Sustainable Development Committee |
| 2025.02.25 | <ul style="list-style-type: none"> (1) Proposed to approve the Company's parent company only and consolidated financial statements for the year ended December 31, 2024 (2) Proposed to approve the Company's 2024 earnings distribution (3) Proposed to approve the Company's 2024 operation report (4) Proposed to approve the Company's engagement of CPAs and the audit fee for 2025 (5) Proposed to approve the amendments to some articles within the Company's "Articles of Incorporation" (6) Proposed to approve the amendments to the Company's general principles for the pre-approval of non-assurance service policy (7) Proposed to approve the nomination period, number of seats, and submission location for Director (including Independent Director) candidates (8) Proposed to approve the agenda, date and venue of 2025 annual shareholders' meeting (9) Proposed to approve the Company's 2025 business plans (10) Proposed to approve the application of credit lines with the Company's correspondent financial institutions |

| Date | Major Resolutions |
|------|--|
| | <p>(11) Proposed to provide Letter of Support for the affiliate, Motech Power Zeta Co., Ltd.</p> <p>(12) Distribution of 2024 employee compensation and remuneration to Directors</p> <p>(13) Proposed to approve the Company's "2024 Statement of Internal Control System"</p> <p>(14) Proposed to adopt the Company's internal carbon pricing mechanism.</p> <p>(15) Proposed to approve the amendments to some articles within the Company's "Corporate Governance Best-Practice Principles"</p> <p>(16) Proposed to adopt the Company's "Principles of Business Ethics" and "Procedures and Guidelines of Business Ethics"</p> |

(10) Different opinions expressed by Directors or Independent Directors regarding major resolutions, either by recorded statement or in writing, in the most recent year and up to the date of this annual report: None.

4. Audit Fees for CPA

(1) Audit Fees for CPA

(In Thousands of New Taiwan Dollars)

| Accounting Firm | Name of CPA | Audit Period | Audit Fee | Non-audit Fee | Total | Remark |
|-----------------|-------------------------------------|--------------|-----------|---------------|-------|--|
| KPMG | Ming-Hung Huang and Chia-Chien Tang | 2023 | 4,000 | 1,525 | 5,525 | <p>Amount and nature of non-audit fee were as follows:</p> <ol style="list-style-type: none"> 1. Fees for tax compliance audit and tax consultation concerning transfer pricing amounted to NT\$1,310 thousand. 2. Fees for company registration amounted to NT\$205 thousand. 3. Fees for payroll checklist review amounted to NT\$10 thousand. |
| | Ming-Hung Huang and Yun-Chu Yang | 2024 | 3,920 | 1,555 | 5,475 | <p>Amount and nature of non-audit fees were as follows:</p> <ol style="list-style-type: none"> 1. Fees for tax compliance audit and tax consultation concerning transfer pricing amounted to NT\$1,290 thousand. 2. Fees for company registration amounted to NT\$175 thousand. 3. Fees for on-site inventory at Science Park amounted to NT\$80 thousand. 4. Fees for payroll checklist review amounted to NT\$10 thousand. |

(2) For change of accounting firms with audit fee paid in the year of change being less than the previous year, the amount, percentage and reason for the decrease shall be stated: None.

(3) For an over 10% decrease in audit fee on a year-to-year basis, the amount, percentage and reason for the decrease shall be stated: None.

5. Change of CPA:

(1) Former CPA

| | | | | | |
|---|--|--|-------------|--|--|
| Date | March 7, 2024 | | | | |
| Reasons for Change and Explanation | Due to job adjustment within KPMG, CPA, Chia-Chien Tang was replaced by Yun-Chu Yang | | | | |
| Explain whether the Company ended the engagement or CPA declined further engagement | Parties Cases | CPA | The Company | | |
| | Voluntarily Termination of Engagement | | | | |
| | Decline (Terminate) Further Engagement | ✓ | | | |
| Opinion and reason for the former CPA to issue an audit report expressing other than an unqualified opinion during the two most recent years | N/A | | | | |
| Disagreement with the Company | Yes | Accounting principle or practice Financial report disclosure Auditing scope or procedure Others | | | |
| | No | ✓ | | | |
| | Explanation | | | | |
| Supplementary Disclosure (Matters specified in Items 1-4 to 1-7, Subparagraph 6, Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies) | N/A | | | | |

(2) Successor CPA

| | |
|---|---------------|
| CPA Firm | KPMG |
| CPAs | Yun-Chu Yang |
| Date of Engagement | March 7, 2024 |
| Consultation on accounting treatment of or application of accounting principles to a specified transaction, or the type of audit opinion that might be rendered prior to the engagement | N/A |
| Written opinions from successor CPA regarding disagreeable items of the former CPA | N/A |

(3) Response by mail from the former CPA regarding matters in Items 1 and 2-3, Subparagraph 6, Article 10 of the Regulations Governing Information to be Published in

6. Where the Company's Chairman, President, or Managers in Charge of Finance or Accounting Held a Position in the CPA's Firm or Its Affiliates in the Most Recent Year, the Name, Title and Positions Held in the CPA's Firm or Its Affiliates Shall be Disclosed: None.

7. Changes in Shareholding and Shares Pledged by Directors, Supervisors, Managers and Shareholders with 10% Shareholdings or More in the Most Recent Year and up to the Date of this Annual Report

(1) Changes in shareholding by Directors, Supervisors, Managers and Major Shareholders:

(In Shares)

| Title | Name | 2024 | | By April 22, 2025 | |
|------------------------------|-----------------|----------------------------|------------------------------|----------------------------|------------------------------|
| | | Net Change in Shareholding | Net Change in Shares Pledged | Net Change in Shareholding | Net Change in Shares Pledged |
| Chairman | Yung-Hui Tseng | 0 | 0 | 0 | 0 |
| Director | Chih-Kaou Lee | 0 | 0 | 0 | 0 |
| Director | George Huang | 0 | 0 | 0 | 0 |
| Director | Ming-Shiaw Lu | 0 | 0 | 0 | 0 |
| Independent Director | San-Boh Lee | 0 | 0 | 0 | 0 |
| Independent Director | Kin-Tsau Lee | 0 | 0 | 0 | 0 |
| Independent Director | Chia-Hsin Chang | 0 | 0 | 0 | 0 |
| President | Fred Yeh | (61,000) | 0 | 0 | 0 |
| Vice President | Huan-Shun Lin | 0 | 0 | 0 | 0 |
| Vice President & CFO | Ting-Chao Wang | 0 | 0 | 0 | 0 |
| Principal Accounting Officer | Alan Wu | 0 | 0 | 0 | 0 |
| Chief Governance Officer | Chien-Tung Chen | 0 | 0 | 0 | 0 |

(2) Where the counterparty of share transfers is a related party: None.

(3) Where the counterparty of share pledges is a related party: None.

8. Top 10 Shareholders Who are Related Parties, Spouses, or within Second-Degree of Kinship to Each Other

As of April 22, 2025

| Name | Shareholding | | Spouses, Minor Children | | Nominee Arrangement | | Names and Relationship of Top 10 Shareholders Who are Related Parties, Spouses or within Second-Degree of Kinship to Each Other | Remark |
|--|--------------|-------|-------------------------|-------|---------------------|-------|---|----------------------------|
| | Shares | % | Shares | % | Shares | % | | |
| Invesco Solar ETF in custody of HSBC | 14,513,000 | 3.75% | 0 | 0.00% | 0 | 0.00% | - | - |
| Yung-Hui Tseng | 10,972,717 | 2.84% | 1,394,893 | 0.36% | 0 | 0.00% | Cheng Fu-Tien Culture & Education Foundation | Chairman of the Foundation |
| Cheng Fu-Tien Culture & Education Foundation | 7,308,120 | 1.89% | 0 | 0.00% | 0 | 0.00% | Yung-Hui Tseng | Chairman |
| Chih-Kaou Lee | 4,312,770 | 1.11% | 1,690,992 | 0.44% | 0 | 0.00% | - | - |
| Vanguard Total International Stock Index under Vanguard Star Funds in custody of JPMorgan | 4,135,988 | 1.07% | 0 | 0.00% | 0 | 0.00% | - | - |
| Buddhist Tzu Chi Charity Foundation of the Republic of China | 3,953,711 | 1.02% | 0 | 0.00% | 0 | 0.00% | - | - |
| Vanguard Emerging Markets Stock Index Fund managed by Vanguard Group in custody of JPMorgan Chase Bank, N.A. Taipei Branch | 3,793,897 | 0.98% | 0 | 0.00% | 0 | 0.00% | - | - |
| Pi-Zhang Wang | 3,737,698 | 0.97% | 0 | 0.00% | 0 | 0.00% | - | - |
| KBC Eco Funds in custody of Standard Chartered Bank | 3,161,226 | 0.82% | 0 | 0.00% | 0 | 0.00% | - | - |
| Ming-Shiaw Lu | 2,679,827 | 0.69% | 2,160,813 | 0.56% | 0 | 0.00% | - | - |

9. Number of Shares Held and Shareholding Percentage of the Company, the Company's Directors, Managers and Directly or Indirectly Controlled Entities on the Same Investee

As of December 31, 2024 (In Shares)

| Investee | Investment by the Company | | Investment by Directors, Supervisors, Managers and Directly or Indirectly Controlled Entities | | Total | |
|---|---------------------------|---------|---|---------|-------------------------------|---------|
| | Shares | % | Shares | % | Shares | % |
| Power Islands Limited | 154,674,370 | 100.00% | 0 | 0.00% | 154,674,370 | 100.00% |
| Inergy Technology Inc. | 8,558,750 | 18.72% | 0 | 0.00% | 8,558,750 | 18.72% |
| Teco-Motech Co., Ltd. | 1,440,000 | 60.00% | 0 | 0.00% | 1,440,000 | 60.00% |
| Motech Power One Co., Ltd. | 92,800,000 | 100.00% | 0 | 0.00% | 92,800,000 | 100.00% |
| TECO Sun Energy Co., Ltd. | 2,800,000 | 40.00% | 0 | 0.00% | 2,800,000 | 40.00% |
| Motech Power Gamma Co., Ltd. | 3,300,000 | 100.00% | 0 | 0.00% | 3,300,000 | 100.00% |
| Motech Power Beta Co., Ltd. | 5,500,000 | 100.00% | 0 | 0.00% | 5,500,000 | 100.00% |
| Motech Power Zeta Co., Ltd. | 48,000,000 | 100.00% | 0 | 0.00% | 48,000,000 | 100.00% |
| Cheer View Investment Limited | 0 | 0.00% | 77,500,000 | 100.00% | 77,500,000 | 100.00% |
| AE Polysilicon Corporation | 0 | 0.00% | 11,573,647 | 37.11% | 11,573,647 | 37.11% |
| Motech (Suzhou) Renewable Energy Co., Ltd. | 0 | 0.00% | Company not limited by shares | 95.39% | Company not limited by shares | 95.39% |
| Motech (Maanshan) Renewable Energy Co., Ltd. | 0 | 0.00% | Company not limited by shares | 95.39% | Company not limited by shares | 95.39% |
| Motech (Maanshan) Energy Technologies Co., Ltd. | 0 | 0.00% | Company not limited by shares | 95.39% | Company not limited by shares | 95.39% |

III. Capital Overview

1. Capital and Shares

(1) Source of capital

A. Source of capital

The Company was established per approval of the Ministry of Economic Affairs on June 3, 1981. Information in recent years and up to the date of this annual report is as follows:

As of April 22, 2025 (In NT\$; Shares)

| Year/ Month | Issue Price | Authorized Capital | | Paid-in Capital | | Remark | | |
|----------------|----------------|--------------------|----------------|-----------------|---------------|---|--|--------|
| | | Shares | Amount | Shares | Amount | Source | Capital Increase by Assets Other than Cash | Others |
| 2018.02 | 10 | 600,000,000 | 6,000,000,000 | 541,438,908 | 5,414,389,080 | Issuance of restricted stock for employees: 16,480,000 | - | Note 1 |
| 2018.04 | 10 | 600,000,000 | 6,000,000,000 | 541,300,408 | 5,413,004,080 | Cancellation of restricted stock for employees: 1,385,000 | - | - |
| 2018.05 | 10 | 600,000,000 | 6,000,000,000 | 541,043,408 | 5,410,434,080 | Cancellation of restricted stock for employees: 2,570,000 | - | - |
| 2018.08 | 10 | 600,000,000 | 6,000,000,000 | 540,760,408 | 5,407,604,080 | Cancellation of restricted stock for employees: 2,830,000 | - | - |
| 2018.12 | 10 | 600,000,000 | 6,000,000,000 | 540,655,908 | 5,406,559,080 | Cancellation of restricted stock for employees: 1,045,000 | - | - |
| 2019.04 | 10 | 600,000,000 | 6,000,000,000 | 540,495,408 | 5,404,954,080 | Cancellation of restricted stock for employees: 1,605,000 | - | - |
| 2019.07 | 10 | 1,000,000,000 | 10,000,000,000 | 540,495,408 | 5,404,954,080 | Increase in authorized capital: 4,000,000,000 | - | Note 2 |
| 2019.11 | 10 | 1,000,000,000 | 10,000,000,000 | 540,470,408 | 5,404,704,080 | Cancellation of restricted stock for employees: 250,000 | - | - |
| 2020.02 | 10 | 1,000,000,000 | 10,000,000,000 | 540,451,408 | 5,404,514,080 | Cancellation of restricted stock for employees: 190,000 | - | - |
| 2020.08 | 10 | 1,000,000,000 | 10,000,000,000 | 355,041,875 | 3,550,418,750 | Capital reduction for loss compensation: 1,854,095,330 | - | Note 3 |
| 2022.09 | 10 | 1,000,000,000 | 10,000,000,000 | 387,041,875 | 3,870,418,750 | Increase in authorized capital: 320,000,000 | - | Note 4 |

Note 1: Approved by Official Letter No. MOEA-Authorized-Commerce-10701018570 on February 14, 2018.

Note 2: Approved by Official Letter No. MOEA-Authorized-Commerce-10801081540 on July 17, 2019.

Note 3: Approved by Official Letter No. MOEA-Authorized-Commerce-10901150100 on August 13, 2020.

Note 4: Approved by Official Letter No. MOEA-Authorized-Commerce-11101175450 on September 21, 2022.

B. Authorized capital

As of April 22, 2025 (In Shares)

| Shares Type | Authorized Capital | | | Remark |
|---------------|--------------------|-----------------|---------------|--------------------|
| | Outstanding | Unissued Shares | Total | |
| Common shares | 387,041,875 | 612,958,125 | 1,000,000,000 | TPEx-listed shares |

C. Shelf registration: None.

(2) Major shareholders: Shareholder with 5% or more of the Company's total number of issued shares or ranks among the Company's top ten shareholders

As of April 22, 2025

| Major Shareholders | Shareholding | Shares | % |
|--|--------------|------------|-------|
| Invesco Solar ETF in custody of HSBC | | 14,513,000 | 3.75% |
| Yung-Hui Tseng | | 10,972,717 | 2.84% |
| Cheng Fu-Tien Culture & Education Foundation | | 7,308,120 | 1.89% |
| Chih-Kaou Lee | | 4,312,770 | 1.11% |
| Vanguard Total International Stock Index under Vanguard Star Funds in custody of JPMorgan | | 4,135,988 | 1.07% |
| Buddhist Tzu Chi Charity Foundation of the Republic of China | | 3,953,711 | 1.02% |
| Vanguard Emerging Markets Stock Index Fund managed by Vanguard Group in custody of JPMorgan Chase Bank, N.A. Taipei Branch | | 3,793,897 | 0.98% |
| Pi-Zhang Wang | | 3,737,698 | 0.97% |
| KBC Eco Funds in custody of Standard Chartered Bank | | 3,161,226 | 0.82% |
| Ming-Shiaw Lu | | 2,679,827 | 0.69% |

(3) Dividend policy and its execution status

A. The dividend policy is as follows:

(a) Upon the annual closing of accounts, the profits, if any, shall be used to pay applicable taxes and compensate losses of the preceding years, and then 10% of the balance shall be appropriated as legal reserve. However, this shall not apply when the balance of legal reserve equals the authorized capital. A special reserve shall then be appropriated as required by laws and regulations. The Board shall make an earnings distribution proposal concerning the remaining amount along with the undistributed profits accumulated from previous years. (The amount proposed to be distributed shall not be less than 25% of the total amount eligible for appropriation.) The proposal shall then be submitted to the shareholders' meeting for approval.

(b) The distribution ratio within the dividend policy is determined based on the capital needs for capital expenditure budget, financial structure and future operation plans.

The Company shall not pay dividends when there is no profit. Profits of the Company may be distributed as dividends in the form of stock or cash; however, stock dividends shall not exceed 50% of the total distribution.

In the event that the Company's earnings are far below the distributed amount in the previous year, or in consideration of the financial, business and operational conditions of the Company, the Company may distribute all or part of the reserves in accordance with applicable laws and regulations or rules of the competent authorities.

B. Earnings distribution proposal

The 2024 earnings distribution plan was approved in the Board of Directors' meeting on February 25, 2025. With a net income of NT\$235,301,284 in 2024, the Company plans to pay cash dividends in the amount of NT\$139,335,075, i.e., NT\$0.36 per share (The plan is pending for approval from the shareholders' meeting).

C. Explanation on expected significant changes in dividend policy: None.

(4) Impact of stock dividends on operation performance and earnings per share: Not applicable, as stock dividends were not proposed to be paid in the shareholders' meeting.

(5) Compensation to employees and Directors

A. The percentages or parties eligible to compensation to employees and remuneration to Directors in the Articles of Incorporation are as follows (The Articles of Incorporation was approved in the Board meeting and shareholders' meeting on March 10, 2022 and June 21, 2022, respectively):

Article 19 When the Company makes a profit for the year, the compensation to employees shall not be lower than one percent of the balance and the remuneration to Directors shall not be higher than five percent of the balance. However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation.

The compensation to employees can be made in the form of stock or cash. Parties eligible to receive the said compensation shall include employees in the controlling or affiliated companies who met certain conditions. The Board are authorized to set those conditions.

The distribution of compensation to employees and remuneration to Directors and related matters shall comply with the relevant laws and regulations. The distribution plan shall be approved in the Board meeting with the consent of majority of attending Directors which represents more than two-third of all Directors and be submitted to the shareholders' meeting for its approval.

B. The estimation basis of compensation to employees and remuneration to Directors, calculation basis for number of shares distributed as employee compensation and accounting treatments for difference between estimated and actual payment amount:

- (a) Estimation basis of compensation to employees and remuneration to Directors: Estimations are done pursuant to the Articles of Incorporation.
- (b) Calculation basis for number of shares distributed as employee compensation: The number of shares distributed as employee compensation is calculated based on the net worth in the latest audited financial statements. The Company does not intend to pay stock dividends this year.
- (c) Accounting treatments for difference between estimated and actual payment amount: The difference will be accounted for as changes in accounting estimates and recognized in profit or loss of the following year.

C. Proposed compensation approved by the Board:

- (a) With regard to compensation to employees and remuneration to Directors in the form of cash or stocks, please disclose the difference, reason and actions taken if the amount is different from the one recognized in the financial statements.

Compensation to employees and remuneration to Directors approved in the Board meeting on February 25, 2025 is as follows:

Compensation to employees: NT\$15,213,107 (in cash)

Remuneration to Directors: NT\$3,042,621 (in cash)

The amounts approved by the Board of Directors exceeded the amounts estimated in the financial statements by NT\$4,355 and NT\$871, respectively. These differences will be accounted for as changes in accounting estimates and recognized in the profit or loss of the following year.

(b) Amount of stock distributed as employee compensation as a percentage to net income of parent company only or individual financial statements and aggregate compensation to employees: None.

D. Actual payment of compensation to employees and remuneration to Directors in the previous fiscal year (including the number of stocks, amount and share price). Where the actual payment amount differs from the amount recognized in the financial statements, please disclose the difference, reason and actions taken:

(a) 2023 compensation to employees and remuneration to Directors approved in the Board meeting on March 7, 2024 were NT\$14,105,705 and NT\$2,821,141, respectively. They were to be distributed in the form of cash.

(b) The actual payment was the same as the amount recognized in the 2023 financial statements.

(6) Buyback of common shares: None.

2. Corporate Bonds: None.

3. Preferred Shares: None.

4. Global Depository Shares: None.

5. Employee Stock Options: None.

6. Employee Restricted Stock: None.

7. New Share Issuance in Connection with Mergers and Acquisitions: None.

8. Execution of Financing Plans

(1) Issuance of New Shares through Cash Capital Increase in 2022

A. Plan Details

(a) Date and document number of approval from the competent authority: Official Letter No. Financial-Supervisory-Securities-Corporation-1110345848 issued by the Financial Supervisory Commission on June 24, 2022.

- (b) Fundings required for the project: NT\$928,000 thousand
- (c) Source of funds:
 - i. Issue of 32,000 thousand common shares with a par value of NT\$10 each, at an issue price of NT\$22.5 for proceeds of NT\$720 million.
 - ii. The remaining NT\$208 million would be funded with bank loans or funds generated from operations.
- (d) Project items and schedules:

| (In thousands of New Taiwan Dollars) | | | |
|--|-----------------------------|-----------------------|------------------|
| Project (Note) | Expected Date of Completion | Total Amount Required | Funding Schedule |
| | | | Q4, 2022 |
| Reinvestment in Motech Power One (Construction of power plant) | Q4, 2022 | 678,000 | 678,000 |
| Reinvest in Motech Power Zeta (Construction of power plant) | Q4, 2022 | 250,000 | 250,000 |
| Total | | 928,000 | 928,000 |

Note: Motech Power One is short for Motech Power One Co., Ltd. and Motech Power Zeta is short for Motech Power Zeta Co., Ltd.

- (e) Possible benefits

Proceeds from the cash capital increase are expected to be reinvested in the 100% investees, Motech Power One and Motech Power Zeta, with amounts of NT\$678,000 thousand and NT\$250,000 thousand, respectively, for power plant construction. Besides mitigating the Company's funding pressure and operational risk and enhancing the flexibility of funding arrangement, the power plants of the aforementioned investees are projected to contribute NT\$2,454,981 thousand and NT\$834,189 thousand to the Company's consolidated operating revenues and operating income, respectively, between 2023 and 2043 with an expected payback period of approximately 13 years.

B. Execution

As of December 31, 2024
(In Thousands of New Taiwan Dollars; %)

| Project | Execution Status | | | Reasons for Discrepancy and Improvement Plans |
|--------------------------|------------------|---------|---------|--|
| | Amount Used | Planned | 928,000 | |
| Reinvest in subsidiaries | | Actual | 928,000 | Not applicable as project were completed as scheduled. |
| Progress (%) | Planned | 100% | | |
| | Total | | Actual | 100% |
| Amount Used | Planned | 928,000 | | |
| | | | Actual | 928,000 |
| | Progress (%) | Planned | 100% | |
| | | Actual | 100% | |

C. Benefits analysis

Fundraising was completed on August 26, 2022 and the Company had reinvested NT\$928,000 thousand in investees for power plant constructions in the fourth quarter of 2022. Contracts were signed for the sites of the proposed power plants, and with the track records of Motech Power One and Motech Power Zeta in plant construction, we expect the power plants will be completed successfully and contribute to the Group's consolidated operating revenues and operating income. Overall, the Company shall expect to realize the expected benefits from the use of funds.

IV. Operational Highlights

1. Business

(1) Business Scope

A. Business Scope: Manufacturing and selling of solar cells and modules; design and installation of PV systems; and solar power generation services.

- (a) CE01010 instruments manufacturing
- (b) CC01010 electric power supply, electric transmission and power distribution machinery manufacturing
- (c) CC01060 wired communication equipment and apparatus manufacturing
- (d) CC01070 wireless communication equipment and apparatus manufacturing
- (e) CC01080 electronic parts and components manufacturing
- (f) CC01090 batteries manufacturing
- (g) CC01110 computers and computing peripheral equipment manufacturing
- (h) D101060 self-usage power generation equipment utilizing renewable energy industry
- (i) D401010 heat energy supplying
- (j) F113030 wholesale of precision instruments
- (k) F213040 retail sale of precision instruments
- (l) F113110 wholesale of batteries
- (m) F213110 retail sale of batteries
- (n) F113050 wholesale of computing and business machinery equipment
- (o) F213030 retail sale of computing and business machinery equipment
- (p) F119010 wholesale of electronic materials
- (q) F219010 retail sale of electronic materials
- (r) F113070 wholesale of telecom instruments
- (s) F213060 retail sale of telecom instruments
- (t) IG03010 energy technical services
- (u) F401010 international trade
- (v) ZZ99999 Other than those requiring special approval, the Company may enter into other business not prohibited or limited by applicable laws and regulations.

B. Major products as a percentage to revenue

| Item | Weighting | 2024 | |
|-------------------------|-----------|--------------------------------------|-----------|
| | | Net Revenue (In Thousands of NTD) | Ratio (%) |
| PV Business Division | | 2,947,844 | 91.39% |
| Power Business Division | | 275,334 | 8.54% |
| Others | | 2,323 | 0.07% |
| Total | | 3,225,501 | 100.00% |

C. Major products (services)

- (a) Solar cells 166*166mm (M6)
- (b) Solar cells 182.25*183.75mm (G10)
- (c) PV modules 370-385W (M6)
- (d) PV modules 440-450W (G10)
- (e) PV modules 490-500W (G10)
- (f) PV modules 580-595W (G10)
- (g) Mobile solar power systems
- (h) Engineering consultant of PV systems
- (i) Sales and engineering integration of PV systems
- (j) Technical developments on PV systems
- (k) Professional education and training on PV systems

D. Development of new products (services)

- (a) G10 N-type TOPCon back contact solar cells
- (b) 505W high-efficiency bifacial PV module (60-cell Format)
- (c) Anti-glare PV module with low reflectance
- (d) Flexible PV module

(2) Industry Overview

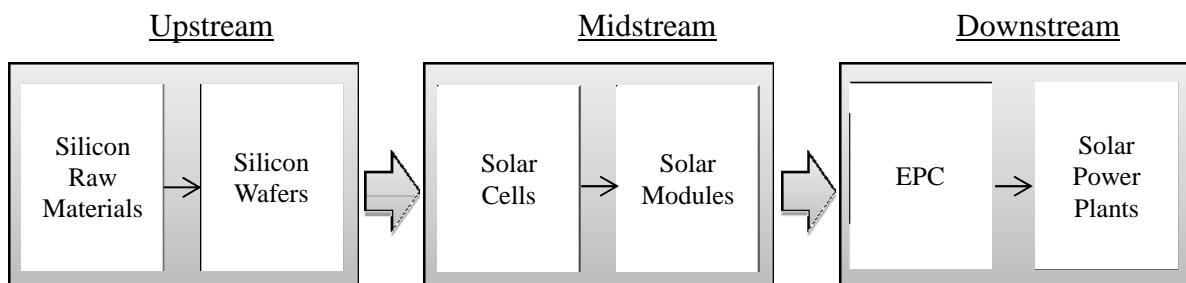
A. Industry Status and Development

According to data from Bloomberg New Energy Finance (BloombergNEF), global newly installed solar capacity reached 600 GW in 2024. In recent years, the Taiwanese government has made strong efforts to develop low-carbon and green energy from renewable sources. On October 27, 2016, it approved a policy framework aimed at increasing the share of renewable energy in total electricity generation to 20% by 2025. However, due to the time required for land acquisition and ecological assessments for ground-mounted solar installations, the target timeline has been extended to November 2026. To promote PV development, the government has comprehensively inventoried available land and assessed grid connection capacity, while actively expanding rooftop PV installations and enhancing public-private collaboration. For ground-mounted PV systems, development has been prioritized in areas with broad social consensus and minimal ecological concerns, such as fishery-solar hybrid zones, land unsuitable for agriculture, industrial parks, bodies of water, contaminated land, sports fields, and surface parking lots.

On January 1, 2021, the MOEA officially enacted the major electricity consumers clause. Users with contract capacity exceeding 5,000kW are required to have an installed renewable energy capacity which accounts for 10% of the contract capacity within five years. The objective is for domestic major electricity consumers to install renewable energy capacity as required. In 2022, the MOEA proposed the draft of “Renewable Energy Development Act” and the Taiwan Power Company proactively promoted the new electricity distribution system upgrade program. In 2024, the MOEA launched the “Residential Rooftop Solar Installation Acceleration Plan,” introducing incentive measures to stimulate broader public participation. Large corporations around the world are joining the RE100 initiative and encouraging entities within their supply chains to commit to 100% green electricity. Countries around the world compete in their pursuits of net-zero emissions and the era of zero carbon transition has arrived. In response to the global 2050 net-zero target, the MOEA proposes a 2x2 net zero transition framework which includes "low carbon - zero emissions" and "energy - industries". The short-term priority is to promote matured green and carbon reduction technologies, shifting energy consumption and industries towards a low-carbon state. In the long run, we shall invest in advanced technologies such as hydrogen energy, circular economy and Carbon Capture, Utilization and Storage (CCUS). The comprehensive path for the transition from low to zero carbon and net-zero industry also brings about business opportunities to the green energy industry.

B. Supply chain

Materials for the upstream of solar industry are mostly high-purity silicon wafers. The midstream consists of manufacturing of cells and assembly of modules. The downstream includes system integration and installation, while long-term maintenance is required after the power stations are established. The relationships between upstream, midstream and downstream of the PV industry are illustrated below:



C. Product development trends and competitions

The materials and components of TOPCon cell effectively demonstrate the characteristics of N-type products, including high conversion efficiency and advantageous temperature coefficient, allowing the cell to generate higher power output on the same unit area than the mainstream P-type cells. Its thermal stability enables longer lifetime and higher yield as well as improves power generation efficiency at dawn, dusk, and cloudy days when the light is dim. The elevated temperature induced degradation under scorching sun is also improved by 3%. Furthermore, none of the TOPCon module experiences light induced degradation.

In terms of solar power system, as PV applications mature, the scope of application can be roughly divided into four major groups: commercial, residential, utility-scale and other independent system applications. Residential applications usually adopt PV systems under 20KW, whereas commercial applications use systems under 1MW.

PV systems for power stations would be at a minimum of 1MW. Looking at electricity production, solar power mainly came from small-scale residential PV systems in the past. However, driven by the aggressive renewable energy policies of each country, the planning and construction of utility-scale PV systems are rapidly expanding.

(3) Technology and Research and Development

A. Research and development expenses in the most recent year and up to the date of this annual report

(In Thousands of New Taiwan Dollars)

| Year/Item | 2023 | 2024 |
|--|--------|--------|
| R&D Expenses | 54,425 | 48,662 |
| % of R&D Expenses to Operating Revenue | 1.34% | 1.51% |

B. Technology or product developed in 2024

- (a) The average efficiency of N-type TOPCon solar cell was 24.2% with a maximum efficiency of 25.5%.
- (b) Bifacial PV modules 590W (XN72GH-BR, XN72GH-TR)
- (c) Bifacial PV modules 500W (XN60GH-BR, XN60GH-TR)
- (d) Bifacial PV modules 450W (XN54GH-BR, XN54GH-TR)

(4) Short-term and long-term business development plans

A. Long-term business development plans

- (a) Strengthen global regional sales of solar modules. To mitigate operational volatility arising from geopolitical risks and tariff impacts, the Company will diversify its global customer base and pursue long-term strategic partnerships with leading regional module and system providers, thereby establishing a stable and resilient global sales network.
- (b) Leveraging years of product development capabilities, the Company will broaden its product offerings, particularly in agrivoltaics and building-integrated photovoltaics, supported by easing regulations and favorable policies. Customized solutions will be developed to suit local climate and environmental conditions, enhancing global competitiveness through niche products.
- (c) The Company is committed to manufacturing high-quality solar products and offering superior technical services. By providing long-term warranty support and integrated solutions, it aims to build a trusted reputation for product quality with customers.
- (d) Strengthen capabilities in development, planning, design, and engineering integration to secure solar PV system projects. By collaborating with architects, structural engineers, and construction professionals, the Company aims to broaden its project pipeline for solar PV systems. Domestically, it will focus on increasing system installation capacity and building a solid track record in solar PV system design.
- (e) Enhance inspection and monitoring in power plant operations and maintenance to ensure timely resolution of feedback and issues. Drawing on experience from

operating its own solar power plants, the Company provides insights on the use and installation of solar equipment, contributing to the further optimization of its product design and technology.

B. Short-term business development plans

- (a) As technological advancements in solar products continue to progress rapidly, the Company remains committed to ongoing investment to maintain its leading position. It has successfully developed next-generation N-type TOPCon technology, which significantly boosts cell efficiency. Going forward, the Company will continue to focus on enhancing the conversion efficiency of its solar modules.
- (b) In terms of production processes, the Company is actively developing new manufacturing technologies and introducing advanced automated production equipment and information management systems to enhance its production efficiency and cost leadership. These efforts aim to improve production efficiency, yield rates, and overall product quality. The Company also continues to strengthen its quality management practices and reinforce its existing certification systems, including ISO 9001:2000, ISO 14001, and OHSAS 18001.
- (c) Depending on market developments, the Company will explore the development of solar modules based on alternative technologies and continue to design solar-related products tailored to market trends and customer needs.
- (d) The Company will provide energy-saving, eco-friendly products and track carbon footprints to effectively implement green supply chain and logistics practices.
- (e) Long-term strategic partnerships with upstream material suppliers will be strengthened to ensure stable raw material supply and enhance quality reliability.
- (f) The Company will enhance its capabilities in the design and installation of PV systems. With the market experiencing strong growth, the scale of the Company's own solar power plants will continue to expand, enabling the accumulation of extensive operational experience and further improving system reliability and overall energy generation performance.

2. Market and Sales Overview

(1) Market Analysis

A. Sales Distribution by Region

(In Thousands of New Taiwan Dollars)

| Region | 2023 | | 2024 | |
|-----------|-----------|--------|-----------|--------|
| | Amount | % | Amount | % |
| Taiwan | 2,390,268 | 58.79 | 1,621,106 | 50.26 |
| Singapore | 1,642,754 | 40.40 | 1,593,589 | 49.41 |
| Others | 32,959 | 0.81 | 10,806 | 0.33 |
| Total | 4,065,981 | 100.00 | 3,225,501 | 100.00 |

B. Market Share, Future Supply and Demand and Market Growth

(a) Market Share

According to the statistics of the market research institution, PV InfoLink, Motech ranked among the top four in terms of Taiwan PV module shipment in 2023. When taking the 2023 PV installed capacity of 2.7GW released by the Bureau of Energy, MOEA, Motech had a market share of 13% in 2023.

(b) Future Supply and Demand, and Market Growth

In response to the effects of climate change, the world is devoted to energy transformation projects. Many countries have committed to achieve carbon neutrality in the next 30 years. Thus, in addition to the promotion of energy policies by each nation, companies also actively get involved in carbon footprint reduction which in turn prompt manufacturers to use renewable energy, pushing the global PV demand to increase continuously.

According to the International Energy Agency (IEA), global solar power generation is projected to surpass nuclear power by 2026, and by 2029, solar PV generation will exceed hydropower, becoming the world's largest source of renewable electricity. In 2024, Taiwan's newly installed solar capacity reached 1.86 GW. The government has introduced a series of regulations and draft bills, including requirements for installing PV systems in new buildings above a certain scale, provisions allowing the resale of self-generated renewable electricity to electricity retailers, and the establishment of carbon credit regulations. These initiatives are expected to drive steady growth in domestic demand for solar energy.

C. Competitive Advantage

- (a) The management team comprises professionals from diverse fields, equipped with solid technical and academic backgrounds, along with extensive experience in industry management. They also possess strong international perspectives and proven leadership capabilities.
- (b) The Company is a pioneer in adopting advanced technologies within the industry. By combining state-of-the-art production equipment with in-house production line design and planning, it has significantly improved production output efficiency. As a result, the Company maintains strong competitiveness in both the quality and cost of its solar cell and module products.
- (c) The Company has received strong support and close collaboration from its suppliers, enabling the production of highly competitive products. This, in turn, ensures customer success and business growth, further strengthening the Company's leading position in the industry.

D. Favorable and unfavorable factors for long-term development and mitigation measures

(a) Favorable factors

- Taiwan's Energy Development Guidelines intensify the development and utilization of renewables, and the government takes on an active role where solar energy is concerned. In line with the nuclear-free policy, efforts are channeled toward the goal of 20GW of solar installed capacity, which brings about robust growth in the domestic market.

- Energy conservation and carbon reduction have become long-term global trends. Initiatives launched through climate summits have helped build global consensus and spurred a wave of green industry development. The implementation of carbon fees, carbon credits, and carbon taxes has transformed environmental protection from a shared value into actionable and quantifiable measures, encouraging greater participation from large enterprises.
- Geopolitical factors have prompted many countries to prioritize energy independence. Solar PV systems, which do not require long-term dependence on imported resources and can deliver sustained power once installed, have emerged as a reliable source of electricity.

(b) Unfavorable factors

- Imbalances across the upstream, midstream, and downstream segments of the solar PV industry supply chain, along with fluctuations in raw material prices, have a direct impact on gross margins.
- Rapid changes in the global macroeconomic environment, along with high uncertainty in interest rate fluctuations and tariff policies, have impacted investors' willingness to invest.
- The rapid growth of solar installations in recent years has outpaced the development of grid and power transmission infrastructure, highlighting the need for upgrades in Taiwan and many other countries.
- Chinese producers continue to expand their production capacity and increase their market share.
- The United States' renewed withdrawal from the climate summit has weakened support for related environmental initiatives.

(c) Mitigation measures

- Maintain a balanced production and sales strategy for solar cells and modules to optimize production efficiency and cost-effectiveness.
- Continuously refine the customer portfolio, diversify market risks, carefully select strategic partners, and cultivate long-term, mutually beneficial relationships.
- Enhance R&D capabilities to develop next-generation solar cells, and collaborate with external research institutions to jointly advance cutting-edge technologies, creating clear differentiation from competitors.
- Enhance R&D capabilities to improve module power generation efficiency and packaging technology.
- Expand the added value of module production and system downstream and leverage a strong brand image to increase market share in the PV system sector.
- Establish and operate self-owned power plants to generate stable cash flow, while continuously strengthening corporate management to prepare for evolving models of industry competition and collaboration.

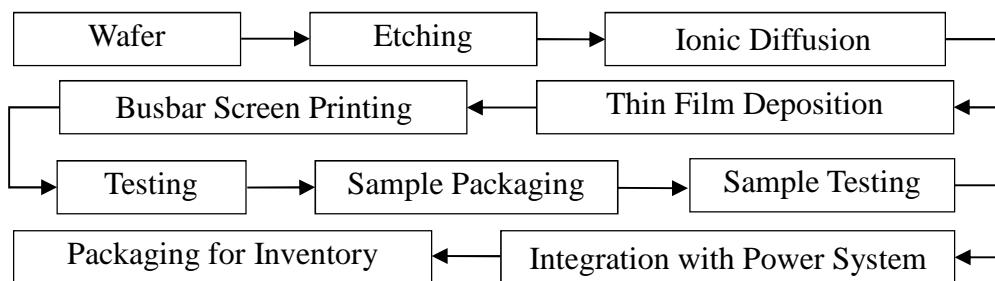
(2) Main applications and manufacturing process of key products

A. Main application of key products

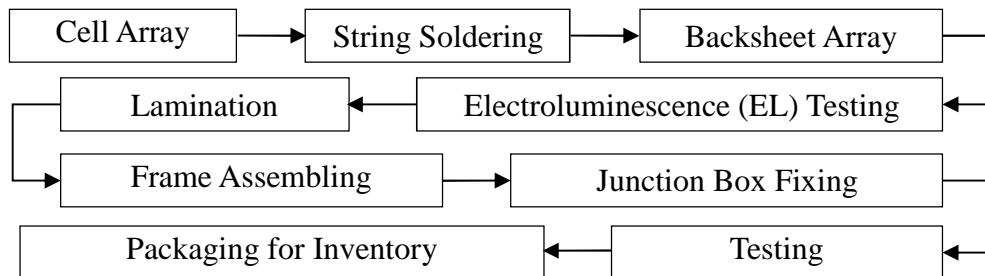
| Key Products | Main Application |
|-------------------------|---|
| Solar cells and modules | Our products are semiconductor components which convert light into electricity. They are generally made as standard modules or building-integrated modules for module producers or system integrators. Also, they can be used for special applications, e.g., off-grid products or consumer products. |

B. Manufacturing process

Solar cells process flow:



PV modules process flow:



(3) Supply of key raw materials

| Raw Material | Supplier | Supply |
|--------------|-----------|--------|
| CELL | Company I | Good |
| EVA | Company J | Good |

(4) Key suppliers and customers

A. Names of suppliers account for 10% or more of the Company's total purchases in one of the past two fiscal years with purchase amount and percentages as well as reasons for changes

(In Thousands of New Taiwan Dollars)

| 2023 | | | | | 2024 | | | |
|------|--------------|-----------|--------------------------|-------------------|--------------|-----------|--------------------------|-------------------|
| No. | Name | Amount | % to Annual Net Purchase | Relationship | Name | Amount | % to Annual Net Purchase | Relationship |
| 1 | Supplier G | 519,621 | 20.86 | Non-related party | Supplier G | 127,000 | 7.18 | Non-related party |
| - | Others | 1,971,609 | 79.14 | - | Others | 1,641,605 | 92.82 | - |
| - | Net Purchase | 2,491,230 | 100.00 | - | Net Purchase | 1,768,605 | 100.00 | - |

Explanations on changes: Purchases from Supplier G significantly declined in 2024, primarily due to reduced sales.

The Company and its subsidiaries have established sound relationships with suppliers. However, to ensure an uninterrupted supply of materials, we continue to contact different suppliers to secure materials and diversify risks.

B. Names of customers account for 10% or more of the Company's total revenue in one of the past two fiscal years with sales amount and percentages as well as reasons for changes

(In Thousands of New Taiwan Dollars)

| 2023 | | | | | 2024 | | | |
|------|-------------|-----------|-------------------------|-------------------|-------------|-----------|-------------------------|-------------------|
| No. | Name | Amount | % to Annual Net Revenue | Relationship | Name | Amount | % to Annual Net Revenue | Relationship |
| 1 | Company E | 1,642,754 | 40.40 | Non-related party | Company E | 1,593,528 | 49.40 | Non-related party |
| | Others | 2,423,227 | 59.60 | | Others | 1,631,973 | 50.60 | |
| | Net revenue | 4,065,981 | 100.00 | | Net revenue | 3,225,501 | 100.00 | |

Explanations on changes: The sales weightings fluctuated due to business development needs, competitions, dealings with customers and adjustments in sales strategies in the past two fiscal years. There were no significant irregularities.

3. Human Resources in the Past Two Fiscal Years and up to the Date of this Annual Report

| Year | | 2023 | 2024 | As of April 22, 2025 |
|-------------------------|--------------------------|--------|--------|----------------------|
| No. of Employees | Management | 54 | 50 | 48 |
| | Technical personnel | 143 | 133 | 130 |
| | Administrative personnel | 58 | 54 | 52 |
| | Operating personnel | 458 | 412 | 417 |
| | Total | 713 | 649 | 647 |
| Average Age | | 40.88 | 41.59 | 41.52 |
| Average Year of Service | | 10.4 | 11.2 | 11.2 |
| Education | Ph.D. | 0.84% | 0.92% | 0.93% |
| | Master's Degree | 12.20% | 12.48% | 12.52% |
| | Bachelor's Degree | 56.94% | 55.32% | 55.49% |
| | Senior High School | 20.76% | 20.80% | 20.71% |
| | Below Senior High School | 9.26% | 10.48% | 10.36% |

4. Expenditure Related to Environmental Protection

Any losses suffered by the Company in the most recent year and up to the date of this annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental audits, of which the disposition dates, disposition reference numbers, the articles and details of law violated, and the content of the dispositions shall be specified), and disclosures on an estimate of possible expenses that could incur currently or in the future and mitigation measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts on why it cannot be made shall be provided: None.

5. Employment Relations

(1) Employees' welfare, education, training and pension, employee relations and protection of employees' rights:

A. Employee welfare

- (a) Depending on profitability, the Company and its subsidiaries provide incentive schemes such as rewards to employees.
- (b) The Company has established the EWC to design, plan and implement a variety of employee benefit measures and organize relevant activities covering different aspects of benefits.

Welfare and subsidies: Subsidies for weddings, funerals, celebrations, childbirth, medical emergencies, and other urgent needs.

Leisure and recreation: Travel subsidies, access to periodicals and books with quarterly updates, and discounts at designated stores.

Other benefits: Holiday bonuses, group insurance, birthday vouchers, family day events, festive celebrations, year-end parties, e-vouchers for on-site stores, meal subsidies, and employee discounts on company products—along with various other welfare and subsidy programs.

- (c) The company has an indoor badminton court for employees to have a comfortable area for sports activities. There are also free indoor parking and eligibility of renting dormitories within the science park.
- (d) The Company has set up a health center with registered nurses. Nursery rooms are provided at each factory with on-site doctors regularly providing consultation services to employees. Additionally, the Company offers annual health examinations at a frequency superior to the regulatory requirements. Employees are entitled to complimentary breakfast upon completion of the examinations for their well-being.
- (e) The Company and its subsidiaries comply with labor regulations and acts promulgated by the government as well as support and respect international human rights standards. Through internal promotion and protection of labor rights, every employee is treated fairly and with respect. The Company also formulates relevant rules as the basis for employee management and compliance.

B. Education and training

The Company and its subsidiaries place great importance on human resource developments and strive for improvements in professional competence. We provide

systematic learning systems and environment to forge a culture of active employee learning and management assistance while satisfying the needs for corporate management and individual developments. We promote human resource development programs through internal/external training, e-learning education and training platform, Motech library and courses for professional certifications.

C. Retirement system and implementation status

The Company and its subsidiaries comply with local retirement laws and systems to safeguard employees' retirement rights.

In Taiwan, the Company contributes monthly an amount equivalent to 2% of employees' salaries to the pension fund deposited at the Bank of Taiwan in the name of an independently administered pension fund committee pursuant to the Labor Standards Act for employees' pensions under the old retirement system. As contributions to the pension fund exceeded the required amount in 2024, the Company had been approved by the competent authority to suspend its contributions for one year.

Starting from July 1, 2005, for new employees and employees adopting the new pension system under the Labor Pension Act, the Company would make monthly contributions equal to 6% of employees' salary brackets to the employees' individual pension accounts at the Bureau of Labor Insurance to fully protect their retirement rights. Employees willing to make voluntary contributions to their pension accounts shall have their salaries deducted based on their rates of voluntary contributions and deposited in their personal pension accounts.

D. Labor agreements

The Company values employee communications. To maintain smooth two-way communications and exchanges, different types of meetings are held regularly, e.g., the labor-management meetings, and promotional documents are published. Diverse channels for employees to voice their opinions are established including the employee opinion platform, dates with the President, and lunch dates between direct personnel and the Present for employee to give feedbacks. In addition, all employees can learn of company information and employee activities through information released on the corporate website.

E. Code of conduct and ethics

The Company and its subsidiaries have established the "Code of Ethics and Business Conduct" based on the core value of integrity and disclosed the information at the corporate website and the corporate governance section within the MOPS.

(2) Any losses suffered by the Company in the most recent year and up to the date of this annual report due to industrial disputes (including any violations of Labor Standards Act found in labor inspection, of which the disposition dates, disposition reference numbers, the articles and details of law violated, and the content of the dispositions shall be specified), and disclosures on an estimate of possible expenses that could incur currently or in the future and mitigation measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts on why it cannot be made shall be provided:

The Company and its subsidiaries have always stressed the importance of harmonious labor relations. There were no industrial disputes with penalties imposed by the competent authority in the most recent year and up to the date of this annual report.

(3) Measures safeguarding workplace and employee personal safety:

A. Risk management

The Company and its subsidiaries have established comprehensive emergency procedures for various accidents or natural disasters (including storm damage, earthquakes, gas explosion, biochemical hazards, and fire) and organized regular emergency trainings where on-site vendors and chemical suppliers shall take part to improve participants' emergency responses and crisis management teamwork. Evaluation drills are regularly scheduled for employees to be familiar with relevant skills and routes. A variety of emergency equipment and monitoring systems are in place at our Science Park Branch for swift notifications to relevant personnel in the event of an accident and immediate actions. The officers of industrial safety department and all units would patrol the premises to prevent hazards. Security guards are stationed at factory entrances to perform 24-hour access control, ensuring the safety of all personnel.

B. Education and training

New recruits of the Company and its subsidiaries shall complete the general safety and health as well as hazard communication education and trainings. Afterwards, they are required to complete the on-the-job retraining (industrial safety class exams) on a quarterly basis to continuously strengthen their awareness on safety and health concepts and skills. In addition, the Company organized annual fire drills where employees are trained to use manual fire alarms, fire extinguishers and hydrants and be taught of response equipment so that all employees possess firefighting knowledge and basic skills. ERT members shall take retaining programs every year to enhance their emergency response and firefighting skills. On-site employees shall attend various emergency response trainings and disaster prevention seminars and subsequently pass on the knowledge and skills learned to all ERT personnel in the Company.

C. Health care

Annual health check-ups are conducted for all employees, including specialized examinations for personnel engaged in high-risk tasks. The check-up includes screenings for hypertension, hyperglycemia, hyperlipidemia, and necessary ultrasound examinations. Employees having irregularities identified are ranked by health conditions to receive corresponding health management treatments. We place grave importance on the prevention of new occupational diseases and proactively promote ergonomics improvement projects, prevention of work overload, health protection of working mothers, suitability assessment on middle-aged and senior employees, and physiological assessments on personnel requiring respiratory protection devices. We implement a variety of improvement measures and are committed to provide a healthy working environment. The health center has comprehensive disease control response mechanisms in place for different types of emergencies. Measures are implemented when the need arises to mitigate the risk of cluster infection. Emergency medical education and trainings are arranged to enhance and strengthen the roles of medical personnel.

6. Cyber Security Management

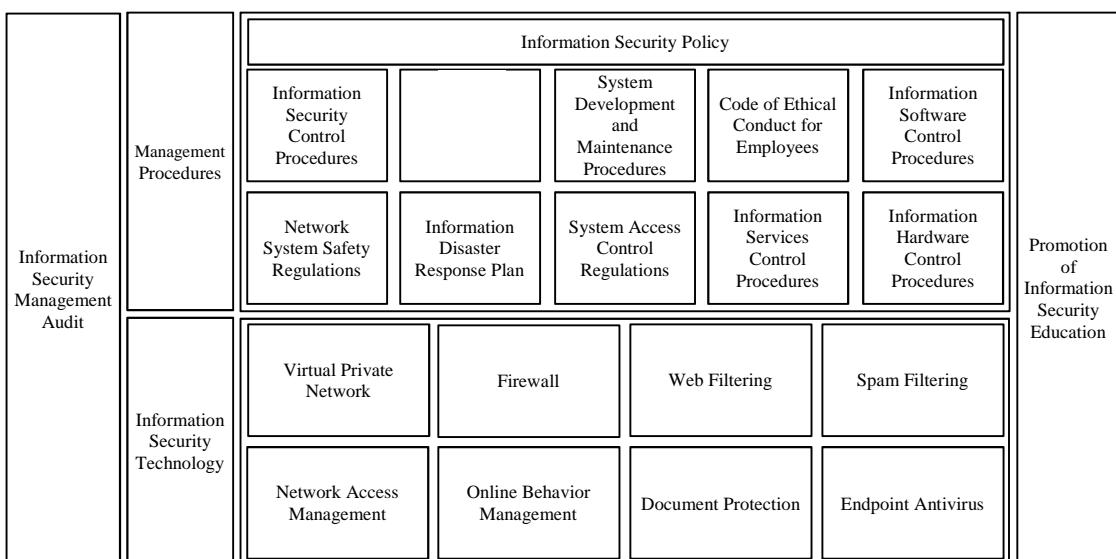
(1) Risk management structure, policy, management plans and resources allocated concerning cyber security

A. Cyber security policy

The policy is established to maintain the normal operation of the Company's information system, prevent hacking, virus and sabotage as well as avoid human errors and inappropriate or unlawful use, thereby maintaining the safety of physical environment. Cyber security policy is the Company's guidelines for cyber security management authority, computer system security management, and rules of network system security, system access control and security control of physical environment.

B. Cyber security risk management structure

The Company's cyber security risk management structure formulates relevant management procedures pursuant to the cyber security policy and regularly reviews the procedures to match the reality. The information department would deploy appropriate information security technologies based on the procedures to maintain normal operation of the Company's information services.



Based on the annual risk assessment outcome, controls on cyber security checks would be included in the periodic audits every year, and the audit results would be reported in the Board meeting.

C. Cyber security management plans and resources allocated

The Company regularly reviews the internal cyber security regulations; coordinates, manages and supervises all cyber security works of the Group; conducts cyber security checks such as audits on the effectiveness of protection system as well as social engineering drills; and continues to promote the concept of cyber security to employees. The implementation of cyber security policy and procedures is sufficient to ensure the normal operation of the Company's services. Thus, we did not purchase cyber insurance at present.

Cyber security at the Company is maintained through the following measures:

(a) Physical security management

Server room environment monitoring and access control mechanisms, hardware control procedures and physical environment safety control rules.

(b) System security management

Software control procedures, system change control measures, website security inspection, software vulnerability detection and patch updates

(c) Cyber security management

Antivirus protection and malware prevention, data breach control measures, control measures on internal and external network access, and analysis and handling of connection disruptions

(d) Access security management

Personnel account privilege management mechanism, confidential document control measures, system access control rules

(e) Disaster prevention

System/network monitoring and reporting mechanisms, data backup measures and system backup mechanism, disaster recovery drill

Resources for cyber security management are as follows:

(a) Endpoint protection: Antivirus software is installed on computers and email systems. System operation status and virus signature updates are checked at least once a week, totaling no fewer than 48 times annually.

(b) Network defense: Firewall devices, website filters, and email filtering systems are implemented externally. Internet access permissions are adjusted as needed, and network traffic is reviewed at least once per week.

(c) Information security training: At least one information security awareness session is held annually. A phishing simulation was conducted during the year to assess the effectiveness of social engineering preparedness.

(d) Backup and recovery: A backup management mechanism and system have been established, and at least one disaster recovery drill for core systems is conducted annually.

(e) One dedicated information security officer and one staff member are assigned to execute information security management in accordance with the Company's security policies. They are responsible for regularly compiling security reports.

(f) At least 12 information security reports every year.

(2) Any losses suffered by the Company in the most recent year and up to the date of this annual report due to major cyber security incident, possible impact and associated action plans

Cyberattacks may steal corporate trade secrets, intellectual property and confidential information, e.g., proprietary information of customers or other stakeholders and personal data of employees. Malicious hackers may infiltrate the Company's network systems with computer viruses, destructive software or ransomware in order to gain control over the computer systems, thereby stealing confidential information and extorting money to interfere with business operations. Motech strengthens its protection against information operational risks with annual reviews and evaluations on network security protocols and procedures to ensure their adequacy and effectiveness. Also, the Company has established a comprehensive network and computer security system, e.g., firewall, antivirus system, data encryption system, intrusion prevention system and spam filtering system. We use these systems to control information security risk, prevent leaking of trade secrets and maintain the key functions such as manufacturing and operation. In the most recent year and up to the date of this annual report, the Company did not identify any information security breach, major cyberattacks nor customer data breach.

7. Material Contracts

Long-term loan contracts and other material contracts which would affect shareholder's equity and are still effective up to the date of this annual report, or expired in the most recent year:

| Nature | Counterparty | Duration | Description | Covenant |
|---|---|--|---|----------|
| Long-term loan contract | Syndicated loan with nine banks including Chang Hwa Commercial Bank, Ltd. | Three years from the initial drawdown date (The signing date is 2023/03/29) | Repay existing loans with financial institutions and supplement working capital | None |
| Construction work | Company A | Upon receiving the opinion letter of parallel connection review | Installation of PV system | None |
| Construction work | Company A | 2022/04/01 | Installation of PV system | None |
| Construction work | Company B | 2022/04/01 | Installation of PV system | None |
| Investment agreement | Company T | 2015/11/27 | Establish module factory | None |
| Supplementary agreement to the investment agreement | Company T | 2016/03/10 | Establish cell factory | None |
| Framework contract | Company T | 2015/11/27~2025/11/26 | Establish cell factory | None |
| Investment agreement | Company T | 2017/09 | Establish cell factory | None |
| Investment agreement | Company T | 2017/09 | Establish silicon wafer factory | None |

V. Review and Analysis of Financial Position and Performance and Associated Risks

1. Financial Position: Reasons and Impact of Significant Changes in Asset, Liability and Equity in the Past Two Fiscal Years

Financial Position (Consolidated) - International Financial Reporting Standards

(In Thousands of New Taiwan Dollars)

| Item | Year | 2023.12.31 | 2024.12.31 | Changes | | Analysis on Changes (Note) |
|---|------|------------|------------|-----------|---------|----------------------------|
| | | | | Amount | % | |
| Current assets | | 4,374,777 | 4,589,996 | 215,219 | 4.92 | |
| Investments accounted for under the equity method | | 236,962 | 257,212 | 20,250 | 8.55 | |
| Property, plant and equipment | | 3,327,448 | 4,026,704 | 699,256 | 21.01 | 1 |
| Intangible assets | | 213 | 52 | (161) | (75.59) | |
| Other assets | | 650,775 | 773,564 | 122,789 | 18.87 | |
| Total assets | | 8,590,175 | 9,647,528 | 1,057,353 | 12.31 | |
| Current liabilities | | 1,861,258 | 2,617,447 | 756,189 | 40.63 | 2 |
| Non-current liabilities | | 2,374,277 | 2,501,686 | 127,409 | 5.37 | |
| Total liabilities | | 4,235,535 | 5,119,133 | 883,598 | 20.86 | 3 |
| Total capital | | 3,870,419 | 3,870,419 | 0 | 0.00 | |
| Capital surplus | | 540,695 | 540,695 | 0 | 0.00 | |
| Retained earnings | | 396,567 | 517,449 | 120,882 | 30.48 | 4 |
| Other components of equity | | (528,333) | (482,163) | 46,170 | (8.74) | |
| Non-controlling interests | | 75,292 | 81,995 | 6,703 | 8.90 | |
| Total equity | | 4,354,640 | 4,528,395 | 173,755 | 3.99 | |

Analysis on changes (Changes in percentage and dollar amount exceeding 20% and NT\$10 million, respectively):

1. Property, plant, and equipment increased compared to the previous period, primarily due to the addition of solar power plant equipment.
2. Current liabilities increased compared to the previous period, mainly due to increases in project financing borrowings related to the solar power plant and equipment payables.
3. Total liabilities increased compared to the previous period, primarily due to higher project financing borrowings related to the solar power plant, an increase in equipment payables, and a rise in current portions of long-term syndicated loans.
4. Retained earnings increased compared to the previous period, mainly due to the appropriation of legal reserve and special reserve.

2. Financial Performance

(1) Reasons for significant changes in revenue, operating income and income before income tax in the past two fiscal years

Financial Performance (Consolidated) - International Financial Reporting Standards

(In Thousands of New Taiwan Dollars)

| Item \ Year | 2023 | 2024 | Increase (Decrease) | Change (%) | Analysis on Changes (Note) |
|---|--|-------------|------------------------|------------|-------------------------------|
| Net operating revenue | 4,065,981 | 3,225,501 | (840,480) | (20.67) | 1 |
| Operating costs | (3,388,557) | (2,589,368) | 799,189 | (23.58) | 1 |
| Gross profit | 677,424 | 636,133 | (41,291) | (6.10) | |
| Operating expenses | (354,007) | (362,902) | (8,895) | 2.51 | |
| Operating income | 323,417 | 273,231 | (50,186) | (15.52) | |
| Non-operating income and expenses | (93,832) | (26,896) | 66,936 | (71.34) | 2 |
| Income before income tax | 229,585 | 246,335 | 16,750 | 7.30 | |
| Income tax expense | (5,268) | (5,735) | (467) | 8.86 | |
| Net income | 224,317 | 240,600 | 16,283 | 7.26 | |
| Other comprehensive income, net of tax | (20,872) | 58,252 | 79,124 | (379.09) | 3 |
| Total comprehensive income | 203,445 | 298,852 | 95,407 | 46.90 | 1, 2, 3 |
| Analysis on changes (Changes in percentage and dollar amount exceeding 20% and NT\$10 million, respectively): | | | | | |
| 1. | Operating revenue and operating costs decreased, primarily due to delays in the development of large-scale ground-mounted solar power plants and intensified competition from imported modules from Southeast Asia, which led to a reduction in sales. | | | | |
| 2. | Non-operating income and expenses improved, mainly due to a decrease in impairment losses on non-financial assets and an increase in the share of profit of associates recognized under the equity method. | | | | |
| 3. | Other comprehensive income for the period increased, mainly due to higher exchange differences arising from the translation of financial statements of foreign operations. | | | | |

(2) Expected sales volume and its basis

The annual sales target is determined by assessing the changes in external environment and solar markets as well as taking into account the Company's technologies and capacities on a consolidated basis.

3. Cash Flows

(1) Variance analysis of cash flows in the most recent year

| Item | Year | 2023 | 2024 | (In Thousands of New Taiwan Dollars, %) | |
|----------------------|------|-----------|-----------|---|-----------|
| | | | | Amount | % |
| Operating activities | | 468,010 | 534,736 | 66,726 | 14.26% |
| Investing activities | | (746,960) | (605,130) | 141,830 | (18.99)% |
| Financing activities | | (425,008) | 277,384 | 702,392 | (165.27)% |

Explanations on significant changes:

- 1 Net cash inflow from operating activities for the period was primarily due to operating profits and the collection of accounts receivable.
- 2 Net cash outflow from investing activities for the period was mainly attributable to capital expenditures for the construction of power plants and the acquisition of equipment for the cell module factory.
- 3 Net cash inflow from financing activities for the period was primarily due to an increase in short-term and long-term borrowings.

(2) Improvement schemes for liquidity shortfall: The Company and its subsidiaries did not experience liquidity shortfall.

(3) Liquidity analysis for 2025

| (In Thousands of New Taiwan Dollars) | | | | | |
|--------------------------------------|--|--|----------------------------|-------------------------------|--------------------|
| Cash, Beginning of Year | Net Cash Provided by Operating Activities | Net Cash Used in Investing and Financing Activities | Cash Surplus (Shortage) | Remedies for Cash Shortage | |
| | | | | Investment Plans | Financing Plans |
| 2,651,875 | 771,000 | (760,000) | 2,662,875 | N/A | N/A |

Analysis on expected cash flows in 2025

- 1 Operating activities: Cash inflows mainly due to growth in revenue.
- 2 Investing and financing activities: Capital expenditures for power plant investment leads to cash outflows.

4. Major Capital Expenditures in the Most Recent Year and Their Impacts on the Company's Finance and Operation

Consolidated capital expenditures were mainly for the construction of power stations and enhancement on capacities. All decisions were carefully reviewed by the Board and beneficial to the Company's finance and operation. The main source of funds for capital expenditures was cash flows generated from operations and bank loans.

5. Reinvestment Policies in the Most Recent Year, Main Reasons for Investment Gains or Losses, Improvement Plans, and Investment Plans of the Next Year

(1) Reinvestment policies in the most recent year: reinvestment policies of the company and its subsidiaries were all long-term strategic investments.

(2) Main reasons for investment gains or losses and improvement plans in the most recent year:

(In Thousands of New Taiwan Dollars)

| Investee | Main Business | Investment Gain (Loss) in 2024 | Main Reasons for Investment Gains or Losses | Improvement Plans |
|---|---|--------------------------------|--|---|
| Power Islands Limited | Holding company | 83,507 | Recognition of income from reinvestments | None |
| inergy Technology Inc. | Product design | 28,491 | Recognition of income from reinvestments | None |
| Teco-Motech Co., Ltd. | Generation and selling of solar power with PV systems | 1,879 | Recognition of revenue from selling of solar power | None |
| Motech Power One Co., Ltd. | Generation and selling of solar power with PV systems | 17,591 | Recognition of revenue from selling of solar power | None |
| TECO Sun Energy Co., Ltd. | Generation and selling of solar power with PV systems | 2,034 | Recognition of revenue from selling of solar power | None |
| Motech Power Gamma Co., Ltd. | Generation and selling of solar power with PV systems | 2,313 | Recognition of revenue from selling of solar power | None |
| Motech Power Beta Co., Ltd. | Generation and selling of solar power with PV systems | (1,411) | Profitability affected by delays in the feeder line transfer process | Profitability is expected to improve once the transfer is completed |
| Motech Power Zeta Co., Ltd. | Generation and selling of solar power with PV systems | (40,754) | Profitability affected by the impairment of underperforming projects | A one-time recognition of impairment |
| Cheer View Investment Limited | Holding company | (131) | Impairment loss was fully recognized for its investee, AE. Thus, there was no investment gains or losses | None |
| AE Polysilicon Corporation | Manufacturing and selling of polysilicon | - | Impairment loss was fully recognized for AE. Thus, there was no investment gains or losses | Liquidation underway |
| Motech (Suzhou) Renewable Energy Co., Ltd. | Sales and services of solar energy products | 79,982 | Recognition of income from reinvestments | None |
| Motech (Maanshan) Renewable Energy Co., Ltd. | Processing and manufacturing of solar cells and modules | 81,167 | Recognition of revenue from cells and modules | None |
| Motech (Maanshan) Energy Technologies Co., Ltd. | Processing and manufacturing of solar wafers and cells | (392) | Basic operating costs | Streamline plans executed |

(3) Investment plans of the next year

The Company will continue to actively explore the downstream solar power system market in response to government's advocacy of green energy as well as to expand channels for our cells and modules.

6. Risk Items to be Analyzed and Assessed in the Most Recent Year and up to the Date of this Annual Report

(1) Impacts of fluctuations in interest rates and foreign exchange rates and inflation on the Company's profitability and associated action plans

A. Impacts of interest rate fluctuations and associated action plans

The Company and its subsidiaries are exposed to interest rate risk primarily from borrowings with variable interest rates. Based on the outstanding bank borrowings reported in the 2024 consolidated financial statements, a 1% increase or decrease in interest rates would result in an impact of NT\$30,091 thousand on profit or loss. To manage interest rate risk, the Company regularly assesses interest rate fluctuations and adjusts the balance between short-term and long-term borrowings accordingly. In addition, it strengthens the management of operating capital and utilizes capital market financing instruments to reduce reliance on bank borrowings and diversify the risk associated with interest rate changes.

B. Impacts of foreign exchange rate fluctuations and associated action plans

The Company and its subsidiaries are exposed to foreign exchange risk primarily from cash and cash equivalents, accounts receivable, accounts payable, and other receivables denominated in foreign currencies, which may result in foreign exchange gains or losses upon translation. Based on the 2024 consolidated financial statements, a 1% appreciation or depreciation of the New Taiwan Dollar against foreign currencies would result in an impact of NT\$137 thousand on profit or loss. The net foreign exchange gain (loss) recognized in the 2024 consolidated financial statements was approximately NT\$26,527 thousand. Looking ahead, the Company will continue to monitor global economic and exchange rate trends and adopt the most appropriate and low-risk hedging instruments to mitigate the impact of exchange rate fluctuations on its operations.

C. Impacts of inflation and associated action plans

In light of the continued rise in inflationary pressures both domestically and internationally, which affects the overall economy and corporate profitability, the Company has taken steps to maintain stable supplier relationships and operational flexibility. It actively engages in price negotiations, closely monitors inventory levels, and keeps a watchful eye on price fluctuations. When necessary, the Company will implement appropriate measures in response.

(2) The policies, main reasons for gains or losses and associated action plans with respect to high-risk, highly-leveraged investments, lending funds to other parties, endorsement and guarantee and derivative trading

The Company and its subsidiaries did not engage in high-risk, highly-leveraged investments. The Company carried out relevant transactions pursuant to policies in the "Procedures for Acquisition or Disposal of Assets", "Procedures for Lending Funds to Other Parties", "Procedures for Endorsement and Guarantee" and "Procedures for Financial Derivative Transactions."

(3) Future research and development plans and estimated expenses

| Project | Progress | R&D Expenses to be Invested | Trial Production Schedule | Deciding Factors |
|--|--|--|---------------------------|--|
| Reduction of silver paste in cell electrodes | Small-scale validation | Wafers, pastes, and screens for experiments | Fourth quarter of 2025 | Continued improvement in paste and screen technologies |
| TOPCon back-contact cells | Concept validation of cell structure and process | Wafers, pastes, screens, and laser equipment for experiments | Second quarter of 2026 | Stability of laser equipment and related processes |
| Thinning of polysilicon passivation layer | Small-scale validation | Wafers, pastes, and screens for experiments | Second quarter of 2025 | Cell efficiency and yield |
| Anti-glare module | Sample development and glare regulation research | Evaluation of anti-glare glass and optical measurements | Fourth quarter of 2025 | Impact of new glass materials on module wattage |

R&D expenses for 2025 will account for about 2% of the net revenue.

(4) Impacts of changes in major domestic and overseas policies and regulations on the Company's finance and business and associated action plans

The Company and its subsidiaries constantly monitored the trends of changes in the political and economic environment in Taiwan and overseas as well as the changes in policies and regulations, and prepared appropriate action plans. Changes in major domestic and overseas policies and regulations did not have significant adverse impacts on the finance and business of the Company and its subsidiaries in the most recent year and up to the date of this annual report.

(5) Impacts of changes in technology (including cyber security risk) and industry on the Company's finance and business and associated action plans

N-type TOPCon cells have overtaken P-type PERC cells as the mainstream technology in solar cell manufacturing. In Taiwan, solar manufacturers also began adjusting and upgrading their production lines in 2024. The Company began developing TOPCon technology as early as 2018 and has continued to enhance cell performance following successful mass production. In 2024, the efficiency of its large-format G10 cells surpassed 25.5%, with continuous improvements in product yield. Meanwhile, amid a global oversupply of solar products and increasingly fierce market competition, cost control has become especially critical. The Company is implementing a range of cost-reduction and efficiency-enhancement measures to maintain the competitiveness of its cell and module products.

(6) Impacts of changes in corporate image on corporate risk management and associated action plans

The Company was committed to maintain its corporate image and comply with laws and regulations. Adhering to the principles of professionalism and integrity, incident that might affect the Company's corporate image did not occur in the most recent year and up to the date of this annual report.

(7) Expected benefits and risks relating to merger and acquisition and associated action plans

In the most recent year and up to the date of this annual report, there was no plan to

acquire other companies. For plans of mergers and acquisitions in the future, we will be prudent in our assessments and fully consider the synergy of combination to protect our shareholders' rights.

(8) Expected benefits and risks relating to plant expansion and associated action plans

The plant expansion plans of the Company and its subsidiaries were all reviewed carefully.

(9) Risks of concentrated sources of purchases or sales and associated action plans

The Company and its subsidiaries aggressively explored new markets and customers. We had a substantial number of customers; thus, there was no customer concentration risk. Key raw materials of the Company were mostly provided by two or more suppliers. Hence, there was no supplier concentration risk.

(10) Impact and risk of sale or transfer of significant number of shares by the Directors, Supervisors or shareholders with over 10% of shareholding and associated action plans: None.

(11) Impact and risk of change in management and associated action plans: None.

(12) Major litigations and non-litigations

Major litigations, non-litigations, or administrative disputes in the most recent year and up to the date of this annual report have involved the Company and the Company's Directors, Supervisors, President, de facto responsible person, major shareholders with over 10% of shareholding and affiliates, and have been concluded by means of a final and unappealable judgment or are still ongoing, and have significant impacts on the interests of shareholders or share prices, the facts, the monetary amount involved, the commencement date, the major parties, and the status up to the date of this annual report:

As Greenrock Energy Co., Ltd. and Yan An Renewable Energy Co., Ltd. failed to perform their obligations stipulated in the outsourcing contract and purchase agreement for the photovoltaic system installation project in Pingtung, the Company filed a claim for compensation in accordance with applicable laws on October 19, 2021, seeking a total of NT\$51,620,804 plus interest. On November 29, 2024, the Company filed an appeal in accordance with the law. The case is currently under review.

(13) Other significant risks and associated action plans: None.

7. Other Significant Matters: None.

VI. Special Notes

1. Affiliates

The affiliate transaction reports for the most recent year have been filed and disclosed on the website designated by the Financial Supervisory Commission and are available on the MOPS under the following path:

MOPS > Individual Company > Electronic Document Downloads > Affiliate Reports Section
https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=6244&year=&mtype=K&isnew=true

2. **Private Placement of Securities in the Most Recent Year and up to the Date of this Annual Report:** None.
3. **Other Necessary Supplement:** None.
4. **Any Events in the Most Recent Year and up to the Date of this Annual Report that had Significant Impacts on Shareholders' Rights or Security Prices as Stated in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act:** None.