Power Up Plans 2.0：Guidelines for Corporate Value Creation and Disclosure Framework

Overview

To enhance corporate value, TWSE- and TPEx-listed companies should formulate and disclose their operating strategies alongside business plans and develop their Corporate Power Up Plans from an investor perspective. Companies should review and update their analyses of cost of capital, profitability, market valuation, and corporate governance on an annual basis, and clearly articulate concrete measures to enhance corporate value, including capital expenditure, R&D investment, and human capital investment.

Companies should also proactively engage with shareholders and other stakeholders. For companies with relatively low price-to-book ratios (PBR), such as a PBR below 1.0x, disclosures should include specific measures to improve valuation and enable investors to fully understand the company's current position along with future plans.

The recommended steps are as follows:

I. Current-State Assessment

1. Conduct an in-depth analysis of the company's cost of capital, profitability, market valuation, and corporate governance

- Companies are encouraged to use Total Shareholder Return (TSR) as a core measure of long-term shareholder value creation. Disclosure should include historical trends, comparisons with industry peers and broader market benchmarks, and the relationship between TSR and dividend policies or other shareholder return measures, enabling investors to comprehensively assess the company's long-term value creation performance.
- Companies should analyze their cost of capital and profitability, including the Weighted Average Cost of Capital (WACC), profitability indicators such as ROIC and ROE, and market valuation indicators such as PBR and PER, and explain the reasons for material differences between the company's financial metrics and industry averages.

- Companies should explain whether their returns on invested capital exceed their cost of capital, rather than relying solely on comparisons with industry averages. They should also disclose the key assumptions and parameters used in their calculations, as well as the cost-of-capital benchmark considered appropriate by the company.
- Where a company operates multiple business segments, it is recommended that such analysis be conducted on a segment-by-segment basis, considering differences in risk and return profiles.
- Companies should regularly review their balance sheets to ensure that their asset and capital structures effectively support value-based management and long-term value creation.
- Companies should assess the current state of corporate governance, including board composition and independence, board effectiveness, disclosure transparency, and sustainability policies and initiatives.

2. Board review and assessment

- The board of directors should review the results of analyses relating to the cost of capital, profitability, market valuation, and corporate governance, and discuss whether the company's market valuation appropriately reflects its intrinsic value. Such assessment should serve as a basis for subsequent strategic and capital allocation decisions.

II. Policies and Plans

1. Establish policies, targets, time horizons, and specific enhancement measures

- Management or relevant board committees should consolidate the company's analytical findings and propose specific policies, targets, implementation timelines, and enhancement measures aimed at reducing the cost of capital and improving profitability, market valuation, and corporate governance. Such proposals should preferably be submitted to the board for discussion.
- Targets should address both short-term and medium- to long-term objectives. Analyses and enhancement measures may include, but are not limited to:

(1) Optimization and restructuring of products, services, or business portfolios
(2) Investment in technology and R&D
(3) Enhancement of supply chain resilience and efficiency
(4) Talent development and strengthening of human capital, such as establishing compensation mechanisms linked to corporate value enhancement
(5) Financial planning and capital allocation strategies
(6) Enhancement of corporate governance, such as board independence, information transparency, and sustainability initiatives

- Companies may determine appropriate measures based on their own circumstances. Where PBR is below 1.0x, companies should set out specific enhancement measures. Companies with PBR above 1.0x may also establish additional measures to further enhance corporate value.

2. Capital allocation and shareholder returns

- Companies should explain how capital is allocated between growth investments—such as R&D, human capital, and capital expenditure—and shareholder returns, including cash dividends and share repurchases and cancellations.
- Companies are encouraged to disclose targets or key considerations relating to profitability indicators, such as ROIC and ROE, or market valuation indicators, such as TSR, PBR, and PER, enabling investors to understand how the company seeks to balance long-term growth and shareholder returns.

3. Incorporate shareholder and investor feedback into decision-making

- Companies should explain how shareholder and investor feedback is incorporated into business strategies and improvement initiatives and articulate their medium- to long-term vision through a clear “value-creation narrative.”

III. Communication and Monitoring

1. Proactive investor communication

- Companies should establish appropriate mechanisms for disclosing

corporate value-related information and proactively engage with investors through their corporate websites, annual general meetings, investor briefings and earnings presentations, and other communication channels.

- Executive management should participate directly in investor dialogue. Board members may also participate where appropriate to ensure that investors have a comprehensive understanding of the company's strategies and plans.
- Companies are encouraged to disclose the profiles of investors with whom they engage—for example, domestic versus international, active versus passive, and growth-, value-, or income-oriented investors—as well as the key issues raised during such engagement.

2. Clear and comprehensive disclosure to investors

- Companies should provide a comprehensive assessment of their current position, enhancement policies, and measures, and disclose such information in a clear and accessible manner to enable investors to understand the company's growth trajectory and future strategy.
- In addition to Chinese-language disclosures, companies are encouraged to provide English-language information simultaneously to facilitate understanding by international investors.
- Disclosure should not be limited to narrative text. Companies may also use presentations, charts, graphics, and other visual formats to improve clarity, readability, and investor understanding.

3. Annual updates

- Companies should review progress at least once a year, explain any deviations from the original plan, and update their policies, measures, and disclosures on a rolling basis in response to investor feedback and changes in the external environment.

Notes

1. Where any of the foregoing disclosures involve financial forecast information, companies should comply with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the applicable

standards for determining whether TWSE- or TPEx-listed companies are required to publish complete financial forecasts, and other relevant regulations.

2. A company that, as of the date on which the Corporate Governance Evaluation results are announced, has a market capitalization of NT$50 billion or more and is also ranked within the top 5% in the applicable Corporate Governance Evaluation, may disclose forward-looking information pursuant to Article 3, Paragraph 1, Subparagraph 3 of the Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts.

   The period covered by such forward-looking information shall commence from the year in which the information is published and may extend no later than the third fiscal year following the year of publication. The disclosure shall also include the following:

   - A statement indicating that the information is forward-looking in nature, may not be fully realized in the future, and should therefore be carefully assessed by investors in full consideration of the relevant investment risks.
   - The material underlying assumptions and bases of estimation used in preparing the forward-looking information.

   During the period covered by the forward-looking information, if the company determines that the disclosed forward-looking information may not be achieved, the information shall be revised or updated accordingly.

3. Companies meeting the eligibility requirements under Article 3, Paragraph 1, Subparagraph 2 of the Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts are not subject to the limitation on the disclosure period prescribed under Article 3, Paragraph 1, Subparagraph 3.

4. Where forward-looking information has not been submitted to the board of directors, the disclosure shall be handled in accordance with the company's internal control procedures, delegated approval authority, and other applicable internal requirements governing forward-looking information, and may only be released after obtaining the chairperson's

approval.

5. The Corporate Governance Evaluation results referred to in the above recognition criteria shall be replaced by the ESG Evaluation results beginning with the announcement of the ESG Evaluation results in 2027.

Reference Example 1

Corporate Power Up Plan Disclosure Guidelines

General Version

I. Current-State Assessment

Companies may select one of the relevant financial indicators for disclosure.

1. Total Shareholder Return (TSR)

The Company's annualized TSR over the past three years was XX%, compared with XX% for industry peers and XX% for the broader market, representing differences of ±XX and ±XX percentage points, respectively.

The Company has incorporated TSR into its core performance indicators and linked it to its dividend policy and other shareholder return measures, such as share repurchases, to ensure alignment between long-term investor returns and corporate strategy.

Going forward, the Company will continue to disclose TSR trends, peer comparisons, and the relationship between TSR and its payout ratio or other shareholder return measures, enabling investors to comprehensively assess the Company's long-term value creation performance.

2. Cost of Capital and Profitability

Cost of capital:

The cost of equity is approximately XX%, the cost of debt is approximately XX%, and the overall WACC is approximately XX%, primarily reflecting the Company's capital structure, market interest rates, and credit rating.

The Company continues to assess capital efficiency and seeks to mitigate the impact of uncertainty on funding costs through appropriate financial instruments and by maintaining a suitable debt-to-equity mix.

Profitability:

The Company's ROIC is XX% and ROE is XX%, both above industry averages, indicating efficient utilization of invested capital and shareholders' equity. Overall ROIC exceeds WACC, indicating that the Company continues to generate value from its invested capital.

Business segment analysis:

- Business Segment A has an ROIC of XX%, above WACC, and

represents the Company's principal source of earnings.

- Business Segment B has an ROIC of only XX%, below WACC. The Company will seek to enhance efficiency through process improvements, product portfolio optimization, and resource reallocation.

3. Market Valuation

PBR:

The Company's current PBR is X.X, slightly below/above the industry average. Where market valuation does not appropriately reflect the Company's underlying value, the Company will review measures including asset optimization, governance enhancement, and improved investor communication.

PER:

The Company's current PER is XX, indicating that a gap remains between its current valuation and market expectations. The Company will further strengthen its communication of medium- to long-term financial plans to help the market form reasonable expectations.

Overall assessment:

The Company believes it should continue to clearly communicate its value-creation pathway, such as maintaining ROIC above WACC, and its objective of enhancing shareholder returns, including TSR, thereby enhancing the market's understanding of the Company's value creation.

4. Balance Sheet Review

- The Company conducts an annual review of its balance sheet, including liquidity indicators, leverage ratios, and opportunities for asset optimization, to ensure that its asset structure supports medium- to long-term operations and investment requirements.
- Non-core assets currently account for approximately XX% of total assets. The Company plans to progressively dispose of or unlock the value of these assets within three years, which is expected to release approximately XX in capital. Such proceeds will be prioritized for investment in higher-return businesses or shareholder returns, thereby improving overall asset utilization efficiency and creating long-term value.

5. Corporate Governance and Sustainability

Board composition:

The board consists of XX directors, including XX independent directors, representing XX% of the board. The independent directors possess expertise in areas including industry, finance, sustainability, and international markets, supporting the Company's short-, medium-, and long-term strategic development.

Board operations and effectiveness:

The board and its committees conduct annual performance evaluations covering decision-making quality, participation, continuing education, and internal controls. Sustainability matters have been incorporated into the board's oversight responsibilities, supported by internal mechanisms covering environmental, social, and governance matters.

Information transparency:

The Company continues to strengthen its disclosure framework. Material decisions are made through transparent processes and proactively communicated externally.

6. Board Review

The board has discussed TSR, WACC, ROIC, PBR, and other relevant indicators and determined that the Company's long-term value has not yet been fully reflected in the capital market.

Going forward, the Company will:

- Continue to enhance capital efficiency and overall returns.
- Execute asset optimization initiatives, sharpen business focus, and/or pursue strategic investments.
- Strengthen shareholder return mechanisms and capital market communication to support a more appropriate valuation and enhance shareholder returns.

II. Policies and Plans

1. Short-Term Measures — Within One Year

- Improve organizational and operating efficiency and enhance the performance of lower-return business units, with the aim of increasing ROIC to XX% and strengthening the value contribution of the overall

business portfolio.

- Maintain a stable shareholder return policy, including a payout ratio of at least XX%, while appropriately utilizing share repurchases and cancellations to address market expectations for stable cash returns.
- Appoint additional directors or engage advisers with experience in capital market communication and sustainability to strengthen corporate governance and investor confidence.

2. Medium-Term Strategies — Within Three Years

(1) Growth Strategy

- Focus on core businesses with high potential returns on capital and progressively increase their contribution to revenue and earnings.
- Proactively develop emerging businesses by leveraging market trends and the Company's competitive strengths to establish new growth drivers.
- Advance digital transformation and utilize data analytics and technology tools to strengthen decision-making, operational resilience, and customer experience.
- Incorporate ESG considerations into product and service development in response to sustainability trends and capture new opportunities in global markets.

(2) Efficiency Strategy

- Enhance manufacturing and operating process management by introducing automation and digital tools to improve productivity and production yields.
- Diversify supply chain resources to strengthen resilience and risk-management capabilities.
- Upgrade enterprise resource planning systems and introduce smart operating platforms to improve information transparency and cross-functional collaboration.
- Promote green operations, improve energy efficiency, and progressively reduce carbon emissions in line with the Company's sustainability objectives.

(3) Sustainability and Governance Strategy

- Increase investment in technological innovation and R&D and undertake ESG- and low-carbon transition-related investments to respond to industry developments and international regulatory requirements.
- Establish a clear sustainability roadmap and pursue credible domestic and international certifications to strengthen market confidence.
- Strengthen incentive mechanisms for Executive management by linking performance with long-term corporate value indicators such as TSR and ROIC, thereby improving alignment with shareholder interests.
- Continue to increase the diversity and independence of the board and establish dedicated committees to oversee matters such as climate risk and digital transformation.

3. Long-Term Strategies

No forward-looking financial information may be disclosed under this section.

(1) Growth Strategy

- Focus on core businesses with high potential returns on capital and progressively increase their contribution to revenue and earnings.
- Proactively develop emerging businesses by leveraging market trends and the Company's competitive strengths to establish new growth drivers.
- Advance digital transformation and utilize data analytics and technology tools to strengthen decision-making, operational resilience, and customer experience.
- Incorporate ESG considerations into product and service development in response to sustainability trends and capture new opportunities in global markets.

(2) Efficiency Strategy

- Enhance manufacturing and operating process management by introducing automation and digital tools to improve productivity and production yields.
- Diversify sources of supply to strengthen supply chain resilience and

risk-management capabilities.

- Upgrade enterprise resource planning systems and introduce smart operating platforms to improve information transparency and cross-functional collaboration.
- Promote green operations, improve energy efficiency, and progressively reduce carbon emissions in line with the Company's sustainability objectives.

(3) Sustainability and Governance Strategy

- Increase investment in technological innovation and R&D and undertake ESG- and low-carbon transition-related investments to respond to industry developments and international regulatory requirements.
- Establish a clear sustainability roadmap and pursue credible domestic and international certifications to strengthen market confidence.
- Strengthen incentive mechanisms for Executive management by linking performance with long-term corporate value indicators such as TSR and ROIC, thereby improving alignment with shareholder interests.
- Continue to increase the diversity and independence of the board and establish dedicated committees to oversee matters such as climate risk and digital transformation.

4. Capital Allocation and Shareholder Returns

- Allocate resources appropriately to strategic areas such as R&D, equipment, and human capital based on the Company's long-term growth strategy.
- Maintain a stable and predictable shareholder return policy while balancing reinvestment needs and investor expectations.
- Where market valuation is depressed, such as where PBR is materially below an appropriate level, consider share repurchases and other measures to strengthen capital efficiency and market confidence.
- Establish financial performance objectives, such as improving returns on capital, maintaining stable shareholder returns, and achieving an appropriate valuation level.

5. Incorporating Investor Feedback

- The Company gathers investor feedback through shareholders' meetings, investor conferences, and surveys, consolidates key areas of investor focus—including dividend policy, growth drivers, and governance transparency—and submits such feedback to the board for consideration in business decision-making.
- The Company also communicates its future vision through a "value creation narrative" to ensure that the market understands its strategic direction.

III. Communication and Monitoring

1. Proactive Investor Engagement

- The Company should hold investor conferences every six months, preferably with the CEO and CFO in attendance. Board members should also participate when material strategic matters are discussed.
- A dedicated "Corporate Power Up" section should be established on the Company's IR website, providing Chinese- and English-language information, presentations, charts, and FAQs.

2. Clear and Comprehensive Disclosure

- Regularly disclose TSR, ROIC, WACC, PBR, and segment-level ROIC.
- Use presentations, charts, and other visual formats to facilitate investor understanding.

3. Annual Updates and Rolling Adjustments

- Review implementation progress and explain deviations from the original plan at least annually, and make adjustments in response to market conditions and investor feedback.
- Where external conditions change materially, such as a significant increase in interest rates or changes in industry valuations, promptly update objectives and measures to ensure that the Company's value narrative remains aligned with market valuation.

Notes

1. Where any of the foregoing disclosures involve financial forecast

information, companies should comply with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the applicable standards for determining whether TWSE- or TPEx-listed companies are required to publish complete financial forecasts, and other relevant regulations.

2. A company that, as of the date on which the Corporate Governance Evaluation results are announced, has a market capitalization of NT$50 billion or more and is also ranked within the top 5% in the applicable Corporate Governance Evaluation, may disclose forward-looking information pursuant to Article 3, Paragraph 1, Subparagraph 3 of the Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts.

   The period covered by such forward-looking information shall commence from the year in which the information is published and may extend no later than the third fiscal year following the year of publication. The disclosure shall also include the following:

   - A statement indicating that the information is forward-looking in nature, may not be fully realized in the future, and should therefore be carefully assessed by investors in full consideration of the relevant investment risks.
   - The material underlying assumptions and bases of estimation used in preparing the forward-looking information.

   During the period covered by the forward-looking information, if the company determines that the disclosed forward-looking information may not be achieved, the information shall be revised or updated accordingly.

3. Companies meeting the eligibility requirements under Article 3, Paragraph 1, Subparagraph 2 of the Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts are not subject to the limitation on the disclosure period prescribed under Article 3, Paragraph 1, Subparagraph 3.

4. Where forward-looking information has not been submitted to the board of directors, the disclosure shall be handled in accordance with the company’s internal control procedures, delegated approval authority, and

other applicable internal requirements governing forward-looking information, and may only be released after obtaining the chairperson's approval.

5. The Corporate Governance Evaluation results referred to in the above recognition criteria shall be replaced by the ESG Evaluation results beginning with the announcement of the ESG Evaluation results in 2027.

Reference Example 2

Corporate Power Up Plan Disclosure Guidelines

PBR > 1.0x — Focused on Enhancing Total Shareholder Return

I. Current-State Assessment

Companies may select one relevant financial indicator for disclosure.

1. Total Shareholder Return (TSR)

The Company's annualized TSR over the past three years was XX%, compared with XX% for industry peers and XX% for the broader market, representing differences of ±XX and ±XX percentage points, respectively. The Company has incorporated TSR into its core performance indicators and linked it to its dividend policy and other shareholder return measures, such as share repurchases, to ensure alignment between long-term investor returns and corporate strategy.

Going forward, the Company will continue to disclose TSR trends, peer comparisons, and the relationship between TSR and its payout ratio or other shareholder return measures, enabling investors to comprehensively assess the Company's long-term value creation performance.2. Cost of Capital and Profitability

Cost of capital:

The Company's capital structure consists of XX% equity and XX% debt. The cost of equity is approximately XX%, the cost of debt is approximately XX%, and the overall WACC is approximately XX%, primarily reflecting the Company's capital structure, market interest rates, and credit rating. The Company continues to assess capital efficiency and seeks to mitigate the impact of uncertainty on funding costs through appropriate financial instruments and by maintaining a suitable debt-to-equity mix.

Profitability:

The Company's ROIC is XX% and ROE is XX%, both above industry averages, indicating efficient utilization of invested capital and shareholders' equity. Overall ROIC exceeds WACC, demonstrating the Company's ability to continue creating value from invested capital.

Segment analysis:

- Business Segment A: ROIC of XX%, above WACC, representing a

major source of earnings.

- Business Segment B: ROIC of only XX%, below WACC. The Company will seek to improve efficiency through process improvements, product portfolio optimization, and resource reallocation.

3. Market Valuation

PBR:

The Company's current PBR is X.X, above the industry average of X.X, indicating a generally positive market assessment of the Company's growth prospects and capital efficiency. The Company believes that PBR reflects the market's overall assessment of future earnings growth, asset utilization efficiency, disclosure transparency, and governance quality.

PER:

The Company's current PER is XX, indicating that a gap remains between its current valuation and market expectations. The Company will further strengthen its communication of medium- to long-term financial plans to help the market form reasonable expectations.

Overall assessment:

The Company will strengthen disclosure of the specific pathway for maintaining ROIC above WACC and its medium- to long-term TSR objectives, with the aim of building market confidence and enabling the share price to more appropriately reflect the Company's intrinsic value.

4. Balance Sheet Review

- The Company conducts an annual review of its balance sheet, including liquidity indicators, leverage ratios, and opportunities for asset optimization, to ensure that its asset structure supports medium- to long-term operations and investment needs.
- Non-core assets currently account for approximately XX% of total assets. The Company plans to progressively dispose of or unlock the value of these assets within three years, which is expected to release approximately XX in capital. Such proceeds will be prioritized for investment in higher-return businesses or shareholder returns, thereby improving overall asset utilization efficiency and creating long-term value.

5. Corporate Governance and Sustainability

Board composition:

The board consists of XX directors, including XX independent directors, representing XX% of the board. The independent directors possess expertise in areas including industry, finance, sustainability, and international markets, supporting the Company's short-, medium-, and long-term strategic development.

Operations and effectiveness:

The board and its committees conduct annual performance evaluations covering decision-making quality, participation, continuing education, and internal controls. Sustainability matters have been incorporated into the board's oversight responsibilities, supported by internal mechanisms covering environmental, social, and governance matters.

Information transparency:

The Company continues to strengthen its disclosure framework. Material decisions are made through transparent processes and proactively communicated externally.

6. Board Review

The board has discussed TSR, WACC, ROIC, PBR, and other relevant indicators and determined that the Company's long-term value has not yet been fully reflected in the capital market.

Going forward, the Company will:

- Introduce a TSR analytical framework to strengthen the analysis and management of market valuation and implement concrete strategies to drive revenue and earnings growth, valuation enhancement, and cash returns.
- Enhance disclosure and corporate narrative through charts, case studies, and simultaneous Chinese- and English-language communication, clearly articulating capital allocation principles, shareholder return policies, and medium- to long-term growth strategies.
- Optimize the business portfolio and governance structure, establish improvement timelines or pursue strategic investments for underperforming business segments, and strengthen board expertise

and independence to enhance resource allocation efficiency and corporate transparency.

II. Policies and Plans

1. Short-Term Measures — Within One Year

- Optimize key TSR drivers, focusing on revenue and earnings growth, valuation enhancement, and shareholder returns, and establish annual TSR objectives to strengthen market expectations and internal execution momentum.
- Improve capital efficiency by setting improvement targets and resource reallocation plans for business segments with ROIC below the relevant threshold, with a greater focus on higher-return businesses.
- Maintain a stable shareholder return policy, including a payout ratio of at least XX%, while appropriately utilizing share repurchases and cancellations in response to changes in market valuation and adjusting the mix of shareholder returns with the objective of maximizing total shareholder return.
- Strengthen corporate governance and communication capabilities by appointing independent directors with capital market and international communication expertise, or by strengthening the management team with relevant expertise, thereby enhancing the Company’ s ability to understand shareholder expectations and key TSR drivers.

2. Medium-Term Strategies — Within Three Years

(1) Growth Strategy

- Upgrade the business portfolio: Increase the revenue contribution of high-ROIC businesses from XX% to XX% as a core driver of TSR enhancement.
- Develop new growth engines: Proactively invest in smart manufacturing, renewable energy, SaaS, and other emerging businesses, while strengthening strategic investment initiatives.
- Value-driven digital transformation: Deploy AI, cloud technologies, and automation with a focus on increasing customer lifetime value and profitability to support medium-term corporate value enhancement.

- Brand and ESG narrative: Position ESG as a differentiated value proposition to strengthen confidence among international institutional investors in the Company's future sustainable development.

(2) Efficiency Strategy

- Lean manufacturing and smart operations: Introduce AI-based production scheduling and digital transformation technologies to increase automation, improve production yields, and reduce variable costs.
- Supply chain optimization and resilience: Diversify sources of critical materials to strengthen supply chain resilience while stabilizing delivery schedules and margins.
- Balance sheet optimization: Target a capital recovery rate of XX% from the optimization of non-core assets, and reallocate the proceeds to higher-return assets or shareholder returns to improve return on assets.
- Cash flow enhancement: Accelerate receivables collection and conduct working capital reviews to strengthen the stability of free cash flow and support the Company's shareholder return policy.

(3) Sustainability and Governance Strategy

- Align management compensation with TSR performance and other medium-term financial indicators: Establish an investor-oriented incentive framework.
- Strengthen dedicated capital market communication capabilities: Establish an investor relations strategy team to develop a TSR-driven narrative and manage market expectations.
- Disclose strategic progress and track performance: Communicate the Company's medium- to long-term value-creation pathway through multilingual and multimedia channels to enhance its potential for a valuation premium.
- Build a long-term investor base: Proactively engage with active, long-term investors to support a more stable shareholder structure and strengthen the foundation for TSR performance.

3. Long-Term Strategies

No forward-looking financial information may be disclosed under this

section.

(1) Growth Strategy

- Develop new growth engines: Proactively invest in smart manufacturing, renewable energy, SaaS, and other emerging businesses, while strengthening strategic investment initiatives.
- Value-driven digital transformation: Deploy AI, cloud technologies, and automation with a focus on increasing customer lifetime value and profitability to support corporate value enhancement.
- Brand and ESG narrative: Position ESG as a differentiated value proposition to strengthen confidence among international institutional investors in the Company's future sustainable development.

(2) Efficiency Strategy

- Lean manufacturing and smart operations: Introduce AI-based production scheduling and digital transformation technologies to increase automation, improve production yields, and reduce variable costs.
- Supply chain optimization and resilience: Diversify sources of critical materials to strengthen supply chain resilience while stabilizing delivery schedules and margins.
- Balance sheet optimization: Following the optimization of non-core assets, reallocate capital to higher-return assets or shareholder returns to improve return on assets.
- Cash flow enhancement: Accelerate receivables collection and conduct working capital reviews to strengthen the stability of free cash flow and support the Company's shareholder return policy.

(3) Sustainability and Governance Strategy

- Link management compensation with TSR performance and other medium-term financial indicators to create an investor-oriented incentive framework.
- Strengthen dedicated capital market communication capabilities: Establish an investor relations strategy team to develop a TSR-driven narrative and manage market expectations.
- Disclose strategic progress and track performance: Communicate the

Company's medium- to long-term value-creation pathway through multilingual and multimedia channels to enhance its potential for a valuation premium.

- Build a long-term investor base: Proactively engage with active, long-term investors to support a more stable shareholder structure and strengthen the foundation for TSR performance.

4. Capital Allocation and Shareholder Returns

- TSR-oriented capital allocation: Evaluate the expected ROIC of investments and assess their contribution to corporate value growth and valuation enhancement.
- Shareholder return mechanisms: Maintain stable dividend distributions and, where valuation is depressed—such as when TSR or PBR declines materially—consider initiating share repurchase programs to enhance total shareholder return.

5. Incorporating Investor Feedback

- The Company collects investor feedback through shareholders' meetings, investor conferences, and surveys, consolidates key areas of investor focus—including dividend policy, growth drivers, and governance transparency—and submits such feedback to the board for consideration and incorporation into business decision-making.
- The Company also reconstructs its value narrative from a Total Shareholder Return perspective, communicating its future vision and ensuring that the market understands the Company's strategic direction.

III. Communication and Monitoring

1. Proactive Investor Engagement

- The Company should hold investor conferences every six months, preferably with the CEO and CFO in attendance. Board members should also participate when material strategic matters are discussed. Investor communication should focus on the Company's "TSR-driven strategy," including earnings growth, capital allocation, and valuation management.
- Establish a dedicated "Corporate Power-Up" section on the Company's IR website, providing Chinese- and English-language information,

presentations, charts, and FAQs.

2. Clear and Comprehensive Disclosure

- Regularly disclose TSR and its components, including share price movements, dividend distributions, and the effects of share repurchases, together with comparisons against industry peers and broader market benchmarks.
- Use presentations, charts, and other visual formats to facilitate investor understanding.

3. Annual Updates and Rolling Adjustments

- Review implementation progress and explain deviations from the original plan at least annually, and make adjustments in response to market conditions and investor feedback.
- Where external conditions change materially, such as a significant increase in interest rates or changes in industry valuations, promptly update objectives and measures to ensure that the Company's value narrative remains aligned with market valuation.

Notes

1. Where any of the foregoing disclosures involve financial forecast information, companies should comply with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the applicable standards for determining whether TWSE- or TPEx-listed companies are required to publish complete financial forecasts, and other relevant regulations.
2. A company that, as of the date on which the Corporate Governance Evaluation results are announced, has a market capitalization of NT$50 billion or more and is also ranked within the top 5% in the applicable Corporate Governance Evaluation, may disclose forward-looking information pursuant to Article 3, Paragraph 1, Subparagraph 3 of the Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts.

   The period covered by such forward-looking information shall commence from the year in which the information is published and may extend no later

than the third fiscal year following the year of publication. The disclosure shall also include the following:

- A statement indicating that the information is forward-looking in nature, may not be fully realized in the future, and should therefore be carefully assessed by investors in full consideration of the relevant investment risks.
- The material underlying assumptions and bases of estimation used in preparing the forward-looking information.

During the period covered by the forward-looking information, if the company determines that the disclosed forward-looking information may not be achieved, the information shall be revised or updated accordingly.

3. Companies meeting the eligibility requirements under Article 3, Paragraph 1, Subparagraph 2 of the Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts are not subject to the limitation on the disclosure period prescribed under Article 3, Paragraph 1, Subparagraph 3.
4. Where forward-looking information has not been submitted to the board of directors, the disclosure shall be handled in accordance with the company's internal control procedures, delegated approval authority, and other applicable internal requirements governing forward-looking information, and may only be released after obtaining the chairperson's approval.
5. The Corporate Governance Evaluation results referred to in the above recognition criteria shall be replaced by the ESG Evaluation results beginning with the announcement of the ESG Evaluation results in 2027.

Reference Example 3

Corporate Power Up Plan Disclosure Guidelines

PBR < 1.0x — Focused on Improving Market Valuation

I. Current-State Assessment

Companies may select one of the relevant financial indicators for disclosure.

1. Total Shareholder Return (TSR)

The Company's annualized TSR over the past three years was XX%, compared with XX% for industry peers and XX% for the broader market, underperforming by XX and XX percentage points, respectively.

This suggests that the market has insufficient confidence in the Company's asset value, future growth prospects, and resource allocation efficiency.

The Company will seek to change market perceptions through operational improvements, asset optimization, stronger governance, and enhanced investor communication, with the objective of restoring valuation to a more appropriate level (PBR ≥ 1.0x).

2. Cost of Capital and Profitability

Cost of capital:

The cost of equity is approximately XX%, the cost of debt is approximately XX%, and the overall WACC is approximately XX%.

To reduce its cost of capital, the Company will continue to optimize its debt structure, strengthen cash flow management, and utilize interest-rate and foreign-exchange hedging instruments.

Profitability:

ROIC is XX% and ROE is XX%, both of which have room for improvement relative to industry peers.

The Company will improve underperforming businesses, optimize its product portfolio, and reallocate resources to improve returns on capital.

Segment analysis:

- Business Segment A has an ROIC of XX%, above WACC. Its operations are stable and provide sustainable long-term earnings and cash flows. The Company plans to allocate additional resources to expand this business.

- Business Segment B has an ROIC of only XX%, below WACC, while revenue growth remains weak, placing downward pressure on the Company's overall valuation. A transformation program has therefore been initiated covering resource reallocation, product portfolio optimization, and operating efficiency improvements, with the aim of improving returns on capital and reaching break-even.

3. Market Valuation

PBR:

The Company's current PBR is X.X, below the industry average of X.X, indicating that the market does not yet fully reflect the Company's intrinsic value.

The Company will implement measures including asset optimization, strengthened corporate governance, capital structure adjustments, and enhanced shareholder return policies to narrow the valuation discount and improve market perception.

PER:

The Company's current PER is XX, which is XX below the industry average. The Company will further strengthen disclosure of its medium- to long-term financial plans and growth strategies to help the market form reasonable expectations.

Overall assessment:

The Company will clearly articulate strategies for sustaining ROIC above WACC over the long term and improving capital efficiency, while also setting out specific initiatives to strengthen corporate governance, information transparency, and growth drivers.

Through these measures, the Company aims to improve the market's assessment of its asset value and future earnings potential, increase PBR to a more appropriate level, and enable the share price to more fully reflect intrinsic value.

4. Balance Sheet Review

- Net debt/EBITDA is XX, interest coverage is XX, and the current ratio is XX%, indicating that the Company's overall financial position remains sound.

- Non-core assets currently account for approximately XX% of total assets. The Company plans to progressively dispose of or unlock the value of these assets within three years, which is expected to release approximately XX in capital. Such proceeds will be prioritized for investment in higher-return businesses or shareholder returns, thereby improving overall asset utilization efficiency and creating long-term value.

5. Corporate Governance and Sustainability

Board composition:

The board consists of XX directors, including XX independent directors, representing XX%.

Operations and effectiveness:

The board and its committees conduct annual performance evaluations covering decision-making quality, participation, continuing education, and internal controls. Sustainability matters have been incorporated into the board's oversight responsibilities, supported by internal mechanisms covering environmental, social, and governance matters.

Information transparency:

The Company's current disclosure remains primarily compliance-driven and has yet to fully communicate its value creation logic and financial outlook.

6. Board Review

The board has discussed TSR, WACC, ROIC, PBR, and other relevant indicators and determined that the Company's long-term value has not yet been fully reflected in the capital market.

Accordingly:

- The current share price does not appropriately reflect the Company's potential asset value and strategic vision. Improving PBR is therefore a key capital market priority.
- The Company will seek to improve market perception and resource allocation efficiency through the introduction of a PBR-based analytical framework.
- The board will periodically review implementation progress and market responses and make rolling adjustments to the Company's

strategy.

II. Policies and Plans

1. Short-Term Measures — Within One Year

- Strengthen disclosure and communication of corporate value: introduce a PBR analytical framework and establish a comprehensive “value-creation narrative,” supported by segment-level financial and industry information to improve market expectations.
- Improve capital efficiency: initiate resource reallocation for low-ROIC businesses and dispose of or exit inefficient businesses and non-core assets to reduce capital tied up in low-return activities, improve operating leverage, and enhance earnings quality.
- Strengthen shareholder returns: maintain a payout ratio of at least XX% and appropriately utilize share repurchases and cancellations to narrow the gap between market price and book value.
- Enhance governance and communication capabilities by appointing independent directors with capital market expertise, or by strengthening the management team with relevant expertise, thereby strengthening corporate governance and rebuilding market confidence.

2. Medium-Term Strategies — Within Three Years

(1) Growth Strategy

- Focus on high-ROIC businesses and increase their revenue contribution to XX%, making them a key driver of revenue growth, earnings growth, and valuation recovery.
- Develop emerging businesses, such as AI, sustainability-related technologies, and platform-based services, and incorporate their valuation potential into capital market communication.
- Promote digital transformation and strengthen customer value to enhance margins and expand value creation opportunities.
- Position ESG as a differentiated value proposition to strengthen confidence among international institutional investors in the Company’s future sustainable development.

(2) Efficiency Strategy

- Enhance operating efficiency through smart management systems and lean manufacturing to improve gross margins and capital turnover.
- Implement asset optimization programs and dispose of XX% of non-core assets, reallocating the proceeds toward high-return reinvestment or strengthening the balance sheet.
- Establish a mechanism linking resource utilization with shareholder returns to align capital allocation with value creation.

(3) Sustainability and Governance Strategy

- Link management performance to indicators such as PBR, ROIC, and TSR and establish a market-outcome-oriented incentive framework.
- Continue strengthening board independence and understanding of international capital markets.
- Enhance capital market communication by establishing a dedicated IR team and an investor expectations management mechanism.

3. Long-Term Strategies

No forward-looking financial information may be disclosed under this section.

(1) Growth Strategy

- Focus on high-ROIC businesses: Position high-ROIC businesses as key drivers of revenue and earnings growth and valuation recovery.
- Develop emerging businesses: Develop businesses such as AI, sustainability-related technologies, and platform-based services, with valuation growth incorporated as a key theme in capital market communication.
- Promote digital transformation and strengthen customer value: Increase profitability and expand value creation opportunities.
- Position ESG as a differentiated value proposition: Strengthen confidence among international institutional investors in the Company’s future sustainable development.

(2) Efficiency Strategy

- Enhance overall operating efficiency: Introduce smart management systems and lean manufacturing to improve gross margins and capital turnover.

- Implement asset optimization programs: Dispose of non-core assets and reallocate the released capital toward high-return reinvestment or strengthening the Company's financial position.
- Establish a mechanism linking resource utilization with shareholder returns: Strengthen alignment between resource allocation and value creation.

(3) Sustainability and Governance Strategy

- Link management performance to indicators such as PBR, ROIC, and TSR: Establish a market-outcome-oriented incentive framework.
- Continue to strengthen board independence and understanding of international capital markets.
- Enhance capital market communication by establishing a dedicated IR team and an investor expectations management mechanism.

4. Capital Allocation and Shareholder Returns

- PBR-oriented capital allocation: prioritize businesses with high returns and growth potential and invest in technological upgrades, digital transformation, and human capital.
- Shareholder returns: maintain a stable cash dividend policy and consider share repurchases and cancellations when the Company's valuation is depressed, thereby narrowing the valuation discount and improving ROE.

5. Incorporating Investor Feedback

The Company collects investor feedback through shareholders' meetings, investor conferences, and surveys, consolidates key areas of investor focus—including dividend policy, growth drivers, and governance transparency—and submits such feedback to the board for consideration and incorporation into business decision-making.

The Company also communicates its future vision through a "value-recovery narrative" to ensure that the market understands its strategic direction.

III. Communication and Monitoring

1. Proactive Investor Engagement

- The Company should hold investor conferences every six months,

preferably with the CEO and CFO in attendance. Board members should also participate when material strategic matters are discussed.

- Investor communications should place particular emphasis on valuation enhancement, capital efficiency, and strategic execution progress.
- Board members and management should participate in dialogue on key matters to strengthen market confidence in the board's oversight and the Company's value creation capabilities.
- Establish a dedicated Corporate Power Up section on the IR website, providing Chinese- and English-language information, presentations, charts, and FAQs.

2. Clear and Comprehensive Disclosure

- Regularly disclose TSR, ROIC, WACC, PBR, and segment-level ROIC.
- Use presentations, charts, and other visual formats to facilitate investor understanding.

3. Annual Updates and Rolling Adjustments

- Review implementation progress and explain deviations from the original plan at least annually, and make adjustments in response to market conditions and investor feedback.
- Where external conditions change materially, such as a significant increase in interest rates or changes in industry valuations, promptly update objectives and measures to ensure that the Company's value narrative remains aligned with market valuation.

Notes

1. Where any of the foregoing disclosures involve financial forecast information, companies should comply with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the applicable standards for determining whether TWSE- or TPEx-listed companies are required to publish complete financial forecasts, and other relevant regulations.
2. A company that, as of the date on which the Corporate Governance Evaluation results are announced, has a market capitalization of NT$50 billion or more and is also ranked within the top 5% in the applicable

Corporate Governance Evaluation, may disclose forward-looking information pursuant to Article 3, Paragraph 1, Subparagraph 3 of the Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts.

The period covered by such forward-looking information shall commence from the year in which the information is published and may extend no later than the third fiscal year following the year of publication. The disclosure shall also include the following:

- A statement indicating that the information is forward-looking in nature, may not be fully realized in the future, and should therefore be carefully assessed by investors in full consideration of the relevant investment risks.
- The material underlying assumptions and bases of estimation used in preparing the forward-looking information.

During the period covered by the forward-looking information, if the company determines that the disclosed forward-looking information may not be achieved, the information shall be revised or updated accordingly.

3. Companies meeting the eligibility requirements under Article 3, Paragraph 1, Subparagraph 2 of the Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts are not subject to the limitation on the disclosure period prescribed under Article 3, Paragraph 1, Subparagraph 3.
4. Where forward-looking information has not been submitted to the board of directors, the disclosure shall be handled in accordance with the company's internal control procedures, delegated approval authority, and other applicable internal requirements governing forward-looking information, and may only be released after obtaining the chairperson's approval.
5. The Corporate Governance Evaluation results referred to in the above recognition criteria shall be replaced by the ESG Evaluation results beginning with the announcement of the ESG Evaluation results in 2027.

Power Up Plans 2.0：Guidelines for Corporate Value Creation and Disclosure Framework-Condensed Version

Checklist Item	Corresponding Disclosure Guidance	Stage
1. Analyze the company from a cost-of-capital perspective	Companies should analyze and disclose their cost of capital and profitability. Relevant indicators may include TSR, ROIC, ROE, PBR, PER, and WACC, together with historical trends and industry comparisons. Companies should also disclose the assumptions and parameters used in their calculations and the cost-of-capital benchmark considered appropriate by the company, enabling investors to assess whether the company's returns on capital exceed its cost of capital and to understand its efforts to enhance corporate value.	Current-State Assessment
2. Conduct a multi-dimensional analysis from an investor perspective	Companies should review and disclose their Corporate Power-Up Plans from an investor perspective. In particular, core indicators such as TSR should be compared with industry peers and broader market benchmarks, together with an explanation of their relationship with dividend policy and other shareholder return measures. This will enable investors to comprehensively assess the company's long-term value creation performance and enhance the market's understanding of the company's intrinsic value.	Current-State Assessment
3. Reassess the balance sheet	Companies should regularly review their balance sheets and assess whether asset allocation and liability structures effectively support value-based	Current-State Assessment

Checklist Item	Corresponding Disclosure Guidance	Stage
	management and long-term value creation. Key findings and areas for improvement should be disclosed where appropriate, enabling investors to understand the soundness of the company's financial foundation.	
4. Establish value objectives aligned with investor expectations	Companies should establish clear policies, targets, and implementation timelines based on investor expectations and submit them to the board for discussion. Objectives should cover both short- and medium- to long-term horizons and address profitability, capital efficiency, and corporate governance, enabling investors to understand the company's value enhancement priorities at different stages.	Policies and Plans
5. Implement value enhancement measures and allocate resources appropriately	Companies should establish concrete value enhancement measures and explain how capital is allocated between growth investments, including R&D, human capital, and equipment, and shareholder returns, such as dividends and share repurchases. Measures may also include product portfolio optimization, investment in technology and R&D, and corporate governance improvements, demonstrating how the company plans to balance long-term growth with shareholder interests.	Policies and Plans
6. Reduce the company's cost of capital	Companies should implement specific measures to reduce their cost of capital, such as optimizing the capital structure, improving credit ratings,	Policies and Plans

Checklist Item	Corresponding Disclosure Guidance	Stage
	strengthening investor relations, or diversifying financing channels, and disclose the relevant plans, enabling investors to understand how the company seeks to improve financing efficiency and support long-term value creation.	
7. Establish compensation mechanisms linked to value enhancement	Companies should strengthen talent development and human capital investment and establish compensation mechanisms linked to corporate value enhancement, such as linking performance-based compensation to long-term value creation objectives, thereby attracting and retaining key talent and ensuring that organizational capabilities continue to support corporate value growth.	Policies and Plans
8. Establish measures linked to medium- and long-term objectives	Companies should establish measures linked to medium- to long-term objectives while balancing short-term results and long-term development. A clear “value-creation narrative” should be used to articulate the company’s medium- to long-term vision, enabling investors to understand the company’s pathway and commitment to continuously enhancing corporate value.	Policies and Plans
9. Ensure active participation by management and the board in investor dialogue	Companies should proactively engage with investors. Executive management should participate directly in dialogue, with board members participating where appropriate, demonstrating the importance the company attaches to its	Communication and Monitoring

Checklist Item	Corresponding Disclosure Guidance	Stage
	Corporate Power Up Plan and its commitment to implementation, and ensuring that investors fully understand the company's strategy and vision.	
10. Tailor communication according to investor profiles	Companies should adopt communication approaches tailored to different investor profiles and disclose the profiles of investors with whom they engage—for example, domestic versus international, active versus passive, and growth-, value-, or income-oriented investors—as well as their key areas of focus. This will help ensure that investors receive information suited to their needs, enhance the effectiveness of engagement, and strengthen investors' understanding and recognition of the company's value.	Communication and Monitoring
11. Disclose investor dialogue and deepen engagement	Companies should provide clear and comprehensive information in both Chinese and English. Presentations, charts, and other visual formats may also be used, where appropriate, to facilitate investor understanding and engagement and strengthen recognition of and support for the Corporate Power-Up Plan.	Communication and Monitoring
12. Make rolling adjustments to targets and measures	Companies should review progress under their Corporate Power-Up Plans at least annually, disclose reasons for deviations from the original plan, and make rolling adjustments in response to investor feedback and changes in the external environment, so that their policies and measures remain aligned	Communication and Monitoring

Checklist Item	Corresponding Disclosure Guidance	Stage
	with market needs and long-term value objectives.	

Notes

1. Where any of the foregoing disclosures involve financial forecast information, companies should comply with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the applicable standards for determining whether TWSE- or TPEx-listed companies are required to publish complete financial forecasts, and other relevant regulations.
2. A company that, as of the date on which the Corporate Governance Evaluation results are announced, has a market capitalization of NT$50 billion or more and is also ranked within the top 5% in the applicable Corporate Governance Evaluation, may disclose forward-looking information pursuant to Article 3, Paragraph 1, Subparagraph 3 of the Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts.

   The period covered by such forward-looking information shall commence from the year in which the information is published and may extend no later than the third fiscal year following the year of publication. The disclosure shall also include the following:

   - A statement indicating that the information is forward-looking in nature, may not be fully realized in the future, and should therefore be carefully assessed by investors in full consideration of the relevant investment risks.
   - The material underlying assumptions and bases of estimation used in preparing the forward-looking information.

   During the period covered by the forward-looking information, if the company determines that the disclosed forward-looking information may not be achieved, the information shall be revised or updated accordingly.
3. Companies meeting the eligibility requirements under Article 3, Paragraph 1, Subparagraph 2 of the Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts are not subject to the limitation on the disclosure period prescribed under Article 3, Paragraph 1, Subparagraph 3.

4. Where forward-looking information has not been submitted to the board of directors, the disclosure shall be handled in accordance with the company's internal control procedures, delegated approval authority, and other applicable internal requirements governing forward-looking information, and may only be released after obtaining the chairperson's approval.
5. The Corporate Governance Evaluation results referred to in the above recognition criteria shall be replaced by the ESG Evaluation results beginning with the announcement of the ESG Evaluation results in 2027.