

Hsinjing Holding Co., Ltd.
Explanation of the Proposals of the 2023 General Shareholders' Meeting

Matters to be reported

Item 1: 2022 Business report.

Explanation: Please refer to the meeting handbook for the Company's 2022 business report.

Item 2: Audit Committee review report for 2022 financial statements.

Explanation: Please refer to the meeting handbook for the Audit Committee review report.

Item 3: Remuneration for directors, supervisors and employees.

Explanation: In 2022, the Company did not distribute remuneration to directors, supervisors and employees.

Item 4: Explanation on handling of shareholders' exercise of their right to make proposals.

Explanation: (1) Handled in accordance with Article 172-1 of Company Act.

(2) This shareholders' meeting will accept proposals from shareholders (holding one percent or more of the total number of shares of the Company at point of suspension of share transfer registration).

(3) As of May 2, 2023, no proposals from shareholders were received.

Item 5: Status report on the Company's first domestic secured convertible corporate bonds.

Explanation: With an eye toward investing in power plants and boosting working capital, the Company issued the first domestic secured convertible corporate bonds with a total face value of NT\$500 million, with a five-year issuance period and a coupon rate of 0%. The issuance was submitted to the Financial Supervisory Commission to come into effect and was traded on the OTC market on March 10, 2021. As of the date of the suspension of conversion (April 29, 2023), the converted amount is NT\$0, and 0 shares of ordinary shares have been converted. The current conversion price is NT\$53.8 per share.

Item 6: Report on endorsement and guarantee.

Explanation: Please refer to the meeting handbook for the 2022 report on endorsement and guarantee.

Item 7: Amendments to Rules of Procedure for Board Meeting.

Explanation: Please refer to the meeting handbook for the comparison table of amendments to the Rules of Procedure for Board Meeting.

Item 8: Amendments to Corporate Governance Best Practices Principles.

Explanation: Please refer to the meeting handbook for the comparison table of amendments to Corporate Governance Best Practices Principles.

Matters to be ratified

Proposal 1: Adoption of the 2022 financial statements.

Proposed by: Board of Directors

Explanation: 1. The 2022 business report, financial statements, profit and loss appropriation statement, and other financial statements of the Company have been approved by the Board of Directors of the Company on March 30, 2023. The financial statements have been audited by Certified Public Accountants, Lin Heng-Sheng and Chen Pei-Chi, of KPMG Taiwan.

2. The above-mentioned financial statements have been submitted to the Audit Committee for review and a written review report has been issued.

3. Please refer to the meeting handbook for the 2022 business report, auditor's report and financial statements.

Resolution:

Proposal 2: Adoption of earnings distribution report.

Proposed by: Board of Directors

Explanation: 1. The 2022 earnings distribution report was approved by the Board of Directors on March 30, 2023, and has been submitted to the Audit Committee for review and a written review report has been issued.

2. Please refer to the meeting handbook for the 2022 earnings distribution report.

Resolution:

Matters to be discussed

Item 1: Amendments to Rules of Procedure for Shareholders' Meeting.

Proposed: Board of Directors

Explanation: 1. In line with the amendment of the "Regulations Governing the Administration of Shareholder Services of Public Companies", the relevant provisions of shareholders' meetings through video conferencing were amended.

2. The amendments have been approved by the Audit Committee and Board of Directors. Please refer to the meeting handbook for the comparison table of amendments.

Resolution:

Item 2: Handling of cash capital increase and private placement of ordinary shares for the Company.

Proposed by: Board of Directors

Explanation: 1. To stay on top of the development trends of the industry and address the Company's operational needs for long-term development, the Company intends to issue 10,000 thousand ordinary shares by private placement.

2. The matters related to this private placement are as follows:

1. Number of private placement shares: capped within 10,000 thousand shares, to be issued in two installments within one year from the date of adoption of the resolution of the shareholders' meeting.
2. Par value: NT\$10.
3. Total private placement amount: calculated based on the final private placement price.
4. Basis and reasonableness of the private placement price:
 - (1) The reference price of the ordinary shares issued in this private placement shall be calculated based on the higher of either the simple average closing price of the ordinary shares of the Company one, three or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction or the simple average closing price of the ordinary shares of the Company for the thirty business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. The actual issuance price may not be lower than eighty percent of the reference price.
 - (2) The actual private placement price shall be within the range of not less than value determined by the resolution of the shareholders' meeting, and the Board of Directors shall be authorized to decide according to the situations of specific parties and market conditions in the future.
 - (3) The basis for setting the above-mentioned private placement price complies with the provisions of "Directions for Public Companies Conducting Private Placements of Securities", and shall, hence, be reasonable.
 - (4) Tentative private placement price: reference price of NT\$29.7 based on the simple average closing price of the ordinary shares of the Company for the thirty business days before the board meeting, and the tentative private placement price is NT\$23.8.

5. The method for selecting the specific persons:

It is proposed that the shareholders' meeting authorize the Board of Directors to select specific persons in accordance with Article 43-6, Item 1 of the Securities and Exchange Act and relevant laws and regulations. The information of the Company's current proposed internal offerees are as follows, and the actual number of shares to be subscribed will be determined after the external offerees are determined

Offeree	Relationship with the Company
Tzu San-Te	Chairman
Yu Huai-Tse	Director

Disclosure in accordance with the provisions of Directions for Public Companies Conducting Private Placements of Securities:

Juristic-person shareholder	Key shareholders of juristic-person shareholder	Name and shareholding of every shareholder of the juristic person whose equity interest ranks among the top 10
Not applicable	Not applicable	Not applicable

6. Reasons for the necessity for conducting the private placement:

- (1) Reasons for not using a public offering: the Company intends to raise funds from specific persons through private placement so as to control the timeliness of fundraising, obtain long-term funds within the shortest possible period, and address the needs of introducing strategic investors, as well as due to provisions that private placement securities cannot be freely transferred within three years would further ensure a symbiotic relationship between the Company and strategic investors. In view of the development trend of the industry and the Company's operational needs, as the private placement is fast and simple, it is easier to obtain the required funds in a short period of time. Such an arrangement also complies with the investment partner arrangement; therefore, it is proposed to use the private placement method to handle the cash issuance of new shares.
- (2) Private placement limit: within the limit of 10,000 thousand shares, the private placement shall be handled in two installments within one year from the date of the resolution passed by the shareholders' meeting.
- (3) The use of funds and expected benefits of this capital increase: the funds raised will be used to build solar power plants or boost working capital, which, in turn, is expected to strengthen the Company's competitiveness, improve business performance, and positively contribute to the stability of the Company's operation and shareholders' equity.

7. Rights and obligations of the issuance of new shares: in principle, the rights and obligations of the private placement of new shares are the same as those ordinary shares already issued by the Company, except that in accordance with the provisions of the Securities and Exchange Act, the ordinary shares of the private placement shall not be freely transferred within three years after the issuance, except for the transfer parties specified in Article 43-8 of the Securities and Exchange Act. The Company authorizes the Board of

Directors to decide, three years after the issuance, depending on the prevailing situation, whether to obtain a letter of consent from the Taiwan Stock Exchange or Taipei Exchange acknowledging that the securities meet the standards for TWSE listing or TPEX listing before filing with the Financial Supervisory Commission for retroactive handling of public issuance procedures.

3. The number of private placement shares to be issued, the issue price, the issuance conditions, the amount raised or other related matters in this private placement will be finalized by the resolution of the shareholders' meeting and the approval of the competent authorities. In the future, in the event of changes in laws and regulations, amendments approved by the competent authority, amendments based on operational evaluation, or changes in objective environmental factors, the Board of Directors will be authorized to handle them at its sole discretion.
4. It is proposed to request the shareholders' meeting to authorize the Chairman to sign all contracts or documents related to the issuance of ordinary shares in this private placement on behalf of the Company and to handle all matters necessary for the issuance of ordinary shares in this private placement after the shareholders' meeting passes this case.
5. For the relevant supplementary information on the selection method, the necessity and expected benefits of the offeree, the use and expected benefits of private funds, and whether there is a change in the management right, please refer to the meeting handbook.
6. This proposal has been approved by the Audit Committee and the Board of Directors.

Resolution:

Extempore motions

Adjournment