Stock Code: 3713

Hsinjing Holding Co., Ltd.

2022

Annual Report

Annual Report URL：(1)*http:// mops.twse.com.tw/*

(2)Company Annual Report Website：

http://www.hsinjing-holding.com.tw/stockreport

Published on May 25, 2023

I. Company Spokesman:

Name: Liu,Tsai-Neng
Title: Finance Senior Manager
Tel: (03)658-1956
Email: bruceliu@hsinjing-holding.com.tw
Acting spokesman:
Name: Liao,Hsiao-Ching
Title: Accounting Manager
Tel: (03)658-1956
Email: ivian@hsinjing-holding.com.tw

II. Addresses and telephone numbers of the head office and branch offices

Head office: 3F.-1, No. 193, Fuxing 2nd Rd., Zhubei City, Hsinchu County 302052, Taiwan (R.O.C.)
Tel: (03)658-1956
Fax: (03)658-0981

III. Name, address and telephone number of the stock transfer agency:

Name: Stock Agency Department, Fubon Securities Co., Ltd
Address: 2F., No. 17, Xuchang St., Zhongzheng Dist., Taipei City 100415, Taiwan (R.O.C.)
Tel: (02)23611300
Website: www.fbs.com.tw

IV. CPAs certifying the latest financial statements

Name of CPA firm: KPMG in Taiwan (KPMG International Limited)
Name of CPAs: Lin,Heng-Sheng, Chen,Pei-Chi
Address: Taipei 101 Tower, 68F, No.7, Sec. 5, Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
Tel: (02)8101-6666
Website: https://home.kpmg/tw/zh/home.html

V. Inquiry method for such overseas securities: None

VI. Company website：www.hsinjing-holding.com.tw

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I.Letter to Shareholders

Dear Shareholders,

On behalf of Hsinjing Holding Co., Ltd. ("the Company"), I would like to express my deepest gratitude to all Shareholders for your support in 2022. The following is a brief report to the Shareholders on our 2022 operating results and the strategies for the Company's future growth:

1. Business Results for 2022

Hsinjing Holding Co., Ltd. (hereafter "the Company") was founded by Tynsolar Corporation (hereafter "Tynsolar") which was agreed by a Board resolution on May 9, 2019 and a Shareholders' resolution on June 20, 2019. The Company acquired 100% equity of Tynsolar by conversion of shares: one ordinary share of Tynsolar represents the Company's one ordinary share. On February 27, 2020, the stock swap was completed between two companies, and subsequently the Company established with the approval by Ministry of Economic Affairs. Tynsolar therefore became a 100% shareholding subsidiary and stopped listing on Taiwan Stock Exchange and stop undertaking its initial public offering; instead, the Company took over the stock trading and started to be listed on Taiwan Stock Exchange on with its Stock Code-3713.

The Company's business scopes include Solar Power System Planning & Design, Solar Panel Installation, selling on Solar PV Module and solar power plants or solar billing.

The consolidated revenue was NT$1,275.87 million in 2022. The operating income was NT$114.279 million. Net profit after tax was NT$69.565 million, with earnings per share reaching NT$ 0.88. The Company's business scopes include Solar Power System Planning & Design, Solar Panel Installation, selling on Solar PV Module and solar power plants or solar billing. Compared with the previous year, the revenue this year increases 88.84% while operating income increases 163.70%. The growth of both the revenue and operating income all indicates a successful corporate transformation.

(1) Business Results for 2022

Unit: NT$ thousand/%

Item	2022	2021	Discrepancy	Percentage %
Net sales	1,275,870	675,649	600,221	88.84
Operating net profit	114,279	43,336	70,943	163.70
Non-operating income and expenses	(42,309)	(10,245)	(32,064)	312.97
Net profit before tax	71,970	33,091	38,879	117.49
Income tax expense	2,405	0	2,405	999.99
Net income or loss for current period	69,565	33,091	36,474	110.22
Earnings per share (NT$)	0.88	0.43	0.45	104.65

(2) Analysis of Financial Revenue, Expenditure and Profitability in 2022

Item		2022	2021
Capital structure analysis (%)	Debts ratio	71.74	59.39
	Long term funds to fixed assets	360.69	435.42
Liquidity analysis(%)	Current ratio	141.87	216.04
	Quick ratio	64.20	92.32
Return on investment analysis (%)	Return on assets	3.93	3.42
	Return on equity	10.60	5.91
	Net income to sales	5.45	4.90
	Earnings per share (NT$)	0.88	0.43

2. **Overview of 2023 Business Plan**

(1) PV Module

The Company has been maintaining good partnerships with both domestic and oversea module suppliers and further developing partnerships with the module suppliers in Southeast Asia. This strategy is to ensure the quality of PV module, electrical power generation efficiency, as well as advantages of competitive pricing to lower the cost of PV module.

(2) Solar power station & EPC

a. The Company is continuously devoted to the business of solar power station from sales, construction, to quality assurance. Since 2022, the self-owned power plants completed and connected in parallel have reach reached 13.15MW, which bringing in a stable cash flow to the Company.

b. The Company is continuously devoted to the business of EPC Construction, and provides a total solution service to customers from planning, design, contruction, operations and maintenance management to obtain stable business profits. In 2022, the total business volume completed was 25.32MW.

(3) Important production and sales policies

a. Since the Company has self-own brands from OEM businesses, strategic partnerships with both domestic and oversea solar cell suppliers are expected to ensure a stable purchasing amount and cost of solar cells.

b. The Company has been using the world-class materials from Japan, Germany and Israel so as to ensure the quality and reliability of the solar construction.

c. The Company has been systematically building up a quality assuance system from planning, execution, auditing, to improvement, continuously training personnel to improve product quality, yield rate, productivity, and lower the overall cost.

3. **Strategies for the Company's Future Growth**

(1) The Company has been building up long-term strategic partnerships with both domestic and oversea PV module suppliers to ensure the stable supply of PV modules and its pricing advantage.

(2) The Company has been proactively stepping into the business of construction of solar power system, which aims to increase the Company's revenue and competitive edge. Meanwhile, electric power generation will be one of stable sources of the Company's income for 20 years.

4. **Impact from external competitive environment, regulatory environment and overall business environment**

(1) In recent years, the issues of carbon emissions and ESG have gained much attention to the industry, which in turn brings positive impact on the Company. The government vigorously promotes green energy to meet the increasing demand of green electricity from most of the corporations; therefore, the Company will seize this market opportunity and strive to increase business profits for enhancing the shareholders' value.

(2) The Company has established relevant measures and procedures regarding its operation; therefore, all operating activities are not significantly affected by changes in policies and regulations.

(3) Green energy has been and will be an emphasis and focus in the global trend. To seize this market opportunity, the Company will utilize its core competences and work at a steady pace to enhance the overall competitiveness and generate the long-term profit for the Company.

Hsinjing Holding Co., Ltd.

Chairman (Legal Representative):
Chao-Ching Investment Inc.

Representative: Tzu, San-Te

General Manager: Tzu,San-Te

Accounting Manager: Liao,Hsiao-Ching

II. Company Profile

1. **Establishment date: February 27, 2020**
2. **Company history**

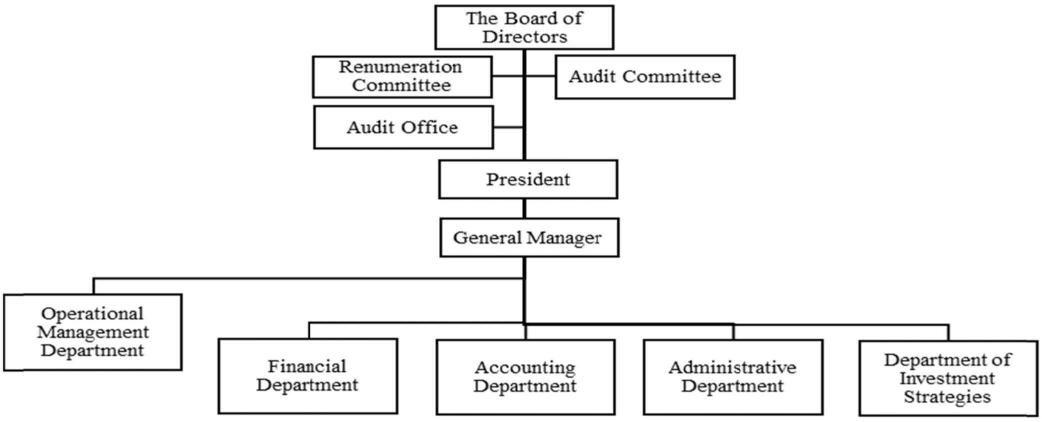
Year	Milestones
2006	1. Tyntek Corporation has separated the ITS department, which mainly manufactures solar PV modules and system design with its asset, liability, and operation to set up another company, Tynsolar corporation. Tynsolar corporation issued 9,000 thousand ordinary shares to Tyntek Corporation at a premium of NT$ 10.03 per share. 2. Cash capital Increase to NT$ 100,000 thousand, with paid-in capital increased to NT$ 190,000 thousand.
2007	1. Cash capital increase to NT$ 60,000 thousand, with paid-in capital increased to NT$ 250,000 thousand. 2. Sold shares of stock to the public (i.e., initial public offering (IPO)). 3. Listed in the emerging stock market. 4. Certified by TÜV Rheinland IEC 61215 for Solar PV modules.
2008	1. Listed on Taiwan Stock Exchange. 2. Cash capital increase to NT$ 26,000 thousand, with paid-in capital increased to NT$ 276,000 thousand.
2009	1. Certified by UL, USA. 2. Private placement by offering common stock 200,000 thousand, with paid-in capital increased to NT$ 476,000 thousand. 3. Capital increase out of capital reserves to 47,600 thousand, , with paid-in capital increased to NT$ 523,600 thousand.
2010	Certified by TÜV Rheinland SVHC.
2012	1. Certified by ETL UL1703, USA. 2. Certified by JET, Japan.
2013	Certified by MCS, U.K.
2014	1. Products registered in Taiwan Certified PV Module issed by Bureau of Energy, Ministry of Economic Affairs. 2. Producted awarded as Taiwan Excellent PV by by Bureau of Energy, Ministry of Economic Affairs.
2015	1. Certified by WH-ETL, USA. 2.The new solar cell module is certified by TÜV Rheinland.
2016	1. The Light-weight Solar Module is certified by TÜV Rheinland. 2.Ccertified to withstand 4,500 Pa of Mechanical loads test by TÜV Rheinland. 3.Cetified by VDE Testing and Certification Institute, Germany. 4.Approved subsidy of Energy Technologies Project by Bureau of Energy, Ministry of Economic Affairs. 5.Captial reduction to NT$ 392,700 thousand, with paid-in capital decreased to NT$ 130,900 thousand.
2017	1. Cash capital increase to NT$ 450,000 thousand, with paid-in capital increased to NT$ 580,900 thousand. 2. Certified by VPC, Bureau of Standards, Metrology and Inspection, M.O.E.A.
2018	Cash capital increase to 200,000 thousand, with paid-in capital increased to NT$ 780,900 thousand.
2019	Obtained VPC certification for high-efficiency modules in Taiwan (LRF film and PERC cells)
2020	To implement industrial holding, separate operation and independent development, Tynsolar corporation established “Hsinjing Holding Co., Ltd.” by share conversion.
2021	Issuance of 5,000 secured convertible corporate bond at NT$ 100 thousand as the face value, for the total face value is NT$ 500,000 thousands. The issue price is 113.92% of the par value within the issuance period five years, the coupon rate 0%, and the total raised amount is NT$569,615 thousands.

Note: Because Hsinjing Holding Co., Ltd. was previously known as Tynsolar corporation which transferred to the OTC on February 27, 2020, the Company disclosed the information on Tynsolar corporation from 2006 to 2019.

III. Corporate Governance

1. Organization Structure

(1) Organization structure



(2) Responsibilities of Major Departments

Department	Responsibility
Operations Management Department	(1) Responsible for capital movement to ensure business operations. (2) Responsible for developing clients, contracting out construction projects and ensuring the execution of construction process.
Audit Office	(1) To plan, design and establish measures of the internal control system. (2) To audit and evaluate the implementation of the internal control system. (3) To provide audit reports and appropriate improvement suggestions to ensure the effectiveness of the internal control system.
Financial Department	(1) Responsible for planning the capital movement. (2) Responsible for the management of petty cash. (3) Responsible for bank credit. (4) Responsible for receipts and payments.
Accounting Department	(1) Responsible for management of cost. (2) Preparing a cost report and subpoenas. (3) Filing business tax.
Administrative Department	(1) Responsible for requesting payment from clients. (2) Responsible for official seals on contracts and all documents. (3) Responsible for the revenue from electricity charges.
Department of Investment Strategies	(1) Responsible for both short-term and long-term investment plans. (2) Promotion and execution on investment strategies. (3) Responsible for the decision, execution, and audit of all the business scopes of the Company.

2. Directors, Supervisors and Management Team (including General Manager, Deputy General Manager, Senior Manager , and Managers of Divisions)

(1) Directors and Supervisors

a. List of Directors and Supervisors

Date: 2023.04.30
Unit: share

Job title	Nationality or place of regis-tration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commence-ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation ship	
		Chao-Ching Investment Inc.	–	2022.6.28	3 year	2019.6.20	600,000	0.77	600,000	0.77	0	0	0	0	None	None	None	None	None	–
President	Republic of China	Chao-Ching Investment Inc. Representative: Tzu,San-Te	Male 51-60	2022.6.28	3 year	2019.6.20	4,501,000	5.76	4,501,000	5.76	497,000	0.64	0	0	• Master, Department of Materials Science and Engineering, National Taiwan University • Bachelor, Chemical Engineering , National Taiwan University • Executive Director, Shougang Concord Technology Holdings Limited • Director & General Manager, Remarkable Mask Technology Co. • Assistant Manager, Taiwan Semiconductor Manufacturing Company Limited	President: • Hsinjing Holding Co., Ltd. • Tynsolar Corporation • Hsinking Construction Ltd. • Hsinjing Solar Tech • Dawn Photoelectric Technology Co., Ltd • Hsinking Energy Ltd. • Hsinking Co., Ltd. • Chao-Ching Energy Co., Ltd • Chao-Ching Green Energy Ltd. • Chao-Ching Investment Inc. • Luxon Energy Ltd. • Li-Chan Photoelectric Co., Ltd • Megacrystal Co. Ltd. • Hsinjing Energy System Co., Ltd. • San-Ting Renewable Energy Co.,Ltd. • Hsinjing Green Energy Co., Ltd. • Heng Huei Energy Consulting Co., Ltd. • Yabisi Solar Power Co., Ltd. • Cheng Hung Hsing Solar Power Co., Ltd. • Hsinching Renewable Energy Co.,Ltd. Director: • Tailai Energy Co., Ltd. • SunHua Energy Technology Co., Ltd. • Hsinjing Solar Power Ltd. • Phoebus Co., Ltd. Supervisor: • Jih-Sheng Photoelectric Technology Co., Ltd; Hsinjing Energy Co., Ltd; Hsin Ching Yu Co., Ltd.; Hsin Ching Lien Co., Ltd.; Hsin-Hsin Investment Inc.; Yuan-Tai Energy Co., Ltd.; Hsinjing Renewable Energy Investment Co., Ltd.; Hsinjing Power Compan; Qinghong Solar Power Co., Ltd.	None	None	None	Note 1

Job title	Nationality or place of regis-tration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commence-ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation ship	
Director	Republic of China	Tyntek Corporation	—	2022. 6.28	3 year	2019.6.20	17,794,077	22.79	17,794,077	22.79	0	0	0	0	None	None	None	None	None	—
		Tyntek Corporation Representative: Chiu,Mei-Ling	Female 41-50	2022. 6.28	3 year	2019.6.20	358,500	0.46	358,500	0.46	0	0	0	0	• Master of Business Administration, Columbia Southern University • Assistant Vice President, Tyntek Corporation	• Spokesperson & Assistant Vice President, Tyntek Corporation • Director Representative, Tynopto Corporation • Director Representative, Long Benefit Investment Co., Ltd. • Director, Hwei Ta Energy Ltd.	None	None	None	—
Director	Republic of China	Yu,Huai-Tse	Male 51-60	2022. 6.28	3 year	2019 .6.20	4,500,000	5.76	2,500,000	3.20	2,025,000	2.59	0	0	• Master, Department of Graphic Arts and Communications, National Taiwan Normal University. • Journalist, Department of Public Information, Taiwan Television Enterprise Co., Ltd.	President: • Hsing-Jih Energy Ltd. • Jih-Sheng Solar Ltd. • Hsin Fu Yuan Solar Ltd. • Tailai Solar Ltd. • Hsin Fu Yuan Green Energy Ltd. • Hsu Kuang Solar Ltd. • Chaoyang Solar Ltd. • Qinghong Solar Ltd. • Liho Energy Ltd • Hsinjing Energy Co., Ltd • Suncruise Tech Co., Ltd. • Hsinjing Renewable Green Energy Co.,Ltd. • Dingyu Solar Co., Ltd • Hsin Ching Yu Co., Ltd • Hsin Ching Lien Co., Ltd • Qinghong Solar Power Co., Ltd. • Hsinjing Solar Energy System Co., Ltd. • Jih-Sheng Photoelectric Technology Co., Ltd • Hsinjing Renewable Energy Investment Co., Ltd • Yuan-Tai Energy Co., Ltd • Hsin-Hsin Investment Inc • Yang-Fu International Co., Ltd Director: • Hsinjing Holding Co., Ltd. • Hsinjing Green Energy Co., Ltd. • Heng Huei Energy Consulting Co., Ltd. Supervisor: • Hsinjing Solar Tech • Hsinching Renewable Energy Co.,Ltd. • Yabisi Solar Power Co., Ltd. • San-Ting Renewable Energy Co.,Ltd. • Tailai Energy Co., Ltd. • Hsinjing Energy System Co., Ltd. • Hsinking Co., Ltd	None	None	None	—

Job title	Nationality or place of regis-tration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commence-ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation ship	
Director	Malaysia	Lin,Shou-Lung	Male 41-50	2022. 6.28	3 year	2019.6.20	0	0	0	0	315,000	0.40	0	0	• Department of Finance and International Business, Fu Jen University • Director & General Manager, Wing Lee Shek Factory	• Director & General Manager, Wing Lee Shek Factory	None	None	None	—
Director	Republic of China	Huang,Ya-Hui	Female 51-60	2022. 6.28	3 year	2022.6.28	0	0	0	0	0	0	0	0	• Master, Department of Law, National Taipei University • Master, Finance, National Taiwan University • Judge, Taiwan High Court • Judge, Taiwan Taipei District Court • Judge , Taiwan New Taipei District Court • Judge , Taiwan Taoyuan District Court	• Lawyer, Huang,Ya-Hui law firm • Deputy General Manager, Legal Department, Taiwan Mobile Co., Ltd. • Fubon Financial Holding Co., Ltd. • Legal Consultant, Taiwan Fixed Network Co., Ltd. • Supervisor, Taipei New Horizon Co., Ltd. • Supervisor, Globalview Cable Tv Co., Ltd. • Supervisor, Yeong Jia Leh Cable Tv Co., Ltd. • Supervisor, Union Cable Tv Co., Ltd. • Supervisor, Phoenix Cable TV Co., Ltd.	None	None	None	—
Independent Director	Republic of China	Cheng,Kuo-Jung	Male 61-70	2022. 6.28	3 year	2020.5.26	0	0	0	0	0	0	0	0	• Master, Graduate Institute of National Development, National Taiwan University. • Executive Officer, Ministry of Economic Affairs, R.O.C. • Section Chief, Ministry of Economic Affairs, R.O.C. • Division Director, Ministry of Economic Affairs, R.O.C. • Senior Executive Officer, Ministry of Economic Affairs, R.O.C. • Counselor, Ministry of Economic Affairs, R.O.C.	• Part-time Military Instructor, Central Police University	None	None	None	—
Independent Director	Republic of China	Li,Chuan-Lai	Male 61-70	2022. 6.28	3 year	2020.5.26	0	0	0	0	0	0	0	0	• School of Law, Soochow University • Section Manager, Taiwan Power Company • Secretary, Ministry of Economic Affairs, R.O.C.	• Consultant, Sustainable & Circular Economy Development Association • Director, Acmepoint Energy Services Co., Ltd.	None	None	None	—
Independent Director	Republic of China	Kuo,Yu-Hung	Male 61-70	2022. 6.28	3 year	2020.5.26	0	0	0	0	0	0	0	0	• Department of Law, Fu Jen University • Executive Vice President, Yuanta Futures Co. Ltd.	None	None	None	None	—

Job title	Nationality or place of regis-tration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commence-ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation ship	
Independent Director	Republic of China	Cho,Ming-Chin	Male 61-70	2022. 6.28	3 year	2022.6.28	0	0	0	0	0	0	0	0	• Bachelor, Department of Electrical Engineering, National Cheng Kung University. • Master, International Business, National Taiwan University • Computer Specialist, Ministry of Transportation and Communications, Kingdom of Saudi Arabia • Computer Programmer, Ministry of Communications (Transport),Sweden • Business Development Manager, European Subsidiary, Taiwan Semiconductor Manufacturing Co., Ltd. • Business Development Manager, Japan Subsidiary, Taiwan Semiconductor Manufacturing Co., Ltd. • Vice Director, Marketing Division, Embedded Memory Division, TSMC Headquarter. • Sales Director, Senior Sales Director, Vice President/Asia Pacific region, MEMC/SunEdison/SEMI • Vice President, Division of Polycrystalline Silicon, Gcl-Poly Energy Holdings Limited	President, Xuzhou Jingrui Semiconductor Equipment Technology Co., Ltd.	None	None	None	—

Note 1: The president Tzu,San-Te is holding the position of general manager besides his president role. To improve operating efficiency and decision-making execution, the Company currently has the following specific measures:

(1) The current 4 independent directors are expertise in financial, accounting and industry knowledge to effectively perform supervisor roles and responsibilities.

(2) The suggestions and discussion to the Board of Directors in the functional committee are welcomed by independent directors to implement the corporate governance.

2. Major shareholders of the institutional shareholders

10 April, 2022

Name of Institutional Shareholder	Major shareholder of the institutional shareholders
Chao-Ching Investment Inc.	Tzu,San-Te (50.00%); Chen,Pin-Yu (50.00%)
Tyntek Corporation	Ennostar Inc. (7.916%); Fu,Pei-Wen (2.878%); Fu,Li-Yen-Kang (1.867%); Hsu,Ching-He (1.86%); Hsieh,Chao-Pao (1.808%); Harvestar Investment Corp. (1.589%); Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds (1.417%); Hsiung, Shih-Chiang (1.337%); Chia Long Enterprise Co., Ltd. (1.313%); Advanced Starlight Advanced Integrated International Stock Index under custody of Chase Bank (1.22%)

3. Major shareholders of the institutional shareholders

10 April, 2022

Name of Institutional Shareholder	Major shareholder of the institutional shareholders
Ennostar Inc.	AUO Corporation (3.84%)、Lung-Li Investment Co., Ltd. (2.48%)、New Labor Pension (1.80%)、Hong Lee Investment Co., Ltd. (1.76%); Investment account of CGMI (1.51%); Advanced Starlight Advanced Integrated International Stock Index under custody of Chase Bank(1.26%); Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds (1.18%); Fubon Life Insurance Co., Ltd. (1.09%)、Investment account of Norges Bank managed by JPMorgan Chase Bank (1.00%); Cathay Life Insurance Co., Ltd. (1.00%)
Harvestar Investment Corp.	Ennostar Inc. (100.00%)
Chia Long Enterprise Co., Ltd.	Fu,Li-Yen-Kang (73.52%); Liu,Shu-Mei (5.7%); Fu,Tung-Ching (4.76%); Others(16.02%)

4. Information Disclosure of Director & Supervisor Professional Qualifications and the Independence of Independent Directors

Qualification / Name	Professional qualifications and experience	Independence analysis (Note 1)	No. of other public companies at which the person concurrently serves as an independent director
President Chao-Ching Investment Inc. Representative: Tzu,San-Te	• Bachelor, Chemical Engineering , National Taiwan University • Master, Department of Materials Science and Engineering, National Taiwan University • Executive Director, Shougang Concord Technology Holdings Limited • Director & General Manager, Remarkable Mask Technology Co • Assistant Manager, Taiwan Semiconductor Manufacturing Company Limited He is currently: • President, Hsinjing Holding Co., Ltd. • President, Tynsolar Corporation • President, Hsinking Co., Ltd. • He is expertise in commercial affairs and business operations for at least 5 years. • He has not been a person of any conditions defined in Article 30 of the Company Act.	N/A	None
Director Tyntek Corporation Representative: Chiu,Mei-Ling	• Master of Business Administration, Columbia Southern University She is currently: • Assistant Vice President, Tyntek Corporation. • Director Representative, Tynopto Corporation • Director Representative, Long Benefit Investment Co., Ltd. • Director, Hwei Ta Energy Ltd. • She is expertise in commercial affairs, finance & accounting, business operations for at least 5 years. • She has not been a person of any conditions defined in Article 30 of the Company Act.	N/A	None
Director Yu,Huai-Tse	• Master, Department of Graphic Arts and Communications, National Taiwan Normal University. • Journalist, Department of Public Information, Taiwan Television Enterprise Co., Ltd. He is currently: • Deputy General Manager, Hsinking Co., Ltd • President, Dingyu Solar Co., Ltd • President, Hsing-Jih Energy Ltd. • He is expertise in commercial affairs and business operations for at least 5 years. • He has not been a person of any conditions defined in Article 30 of the Company Act.	N/A	None
Director Lin,Shou-Lung	• Department of Finance and International Business, Fu Jen University He is currently: • Director & General Manager, Wing Lee Shek Factory • He is expertise in commercial affairs and business operations for at least 5 years. • He has not been a person of any conditions defined in Article 30 of the Company Act.	N/A	None
Director Huang,Ya-Hui	• Master, Department of Law, National Taipei University • Master, Finance, National Taiwan University • Judge, Taiwan High Court • Judge, Taiwan Taipei District Court • Judge , Taiwan New Taipei District Court • Judge , Taiwan Taoyuan District Court • Legal consultant, Fubon Financial Holding Co., Ltd. • Deputy General Manager, Legal Department, Taiwan Mobile Co., Ltd. • Independent Director, Tynsolar Corporation She is currently: • Lawyer, Huang,Ya-Hui law firm • She is expertise in commercial affairs and business operations for at least 5 years. • She has not been a person of any conditions defined in Article 30 of the Company Act.	N/A	None
Independent Director Li,Chuan-Lai	• School of Law, Soochow University • Section Manager, Taiwan Power Company • Secretary, Ministry of Economic Affairs, R.O.C. He is currently: • Consultant, Sustainable & Circular Economy Development Association • Convenor of the Company Audit Committee • Member of Renumeration Committee • He is expertise in commercial affairs and business operations for at least 5 years. • He has not been a person of any conditions defined in Article 30 of the Company Act.	Accord with Independence ABCD	None
Independent Director Kuo,Yu-Hung	• Department of Law, Fu Jen University • Executive Vice President, Yuanta Futures Co. Ltd. He is currently: • Member of Audit Committee • Member of Renumeration Committee • He is expertise in commercial affairs, finance & accounting, business operations for at least 5 years. • He has not been a person of any conditions defined in Article 30 of the Company Act.	Accord with Independence ABCD	None
Independent Director Cheng,Kuo-Jung	• Master, Graduate Institute of National Development, National Taiwan University. • Executive Officer, Ministry of Economic Affairs, R.O.C. • Section Chief, Ministry of Economic Affairs, R.O.C. • Division Director, Ministry of Economic Affairs, R.O.C. • Senior Executive Officer, Ministry of Economic Affairs, R.O.C. • Counselor, Ministry of Economic Affairs, R.O.C. He is currently: • Part-time Military Instructor, Central Police University • Member of Audit Committee • Convenor of Renumeration Committee • He is expertise in commercial affairs, finance & accounting, • business operations for at least 5 years. • He has not been a person of any conditions defined in Article 30 of the Company Act.	Accord with Independence ABCD	None

Independent Director Cho,Ming-Chin	• Master, Graduate Institute of National Development, National Taiwan University. • Vice President/Asia Pacific region, MEMC/SunEdison/SEMI • Vice President, Division of Polycrystalline Silicon, Gcl • Poly Energy Holdings Limited He is currently: • President, Xuzhou Jingrui Semiconductor Equipment • Technology Co., Ltd. • Member of Audit Committee • Member of Renumeration Committee • He is expertise in commercial affairs, finance & accounting, business operations for at least 5 years. • He has not been a person of any conditions defined in Article 30 of the Company Act.	Accord with Independence ABCD	None

Note 1: Independence of the board of directors:

A- Did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates?- None

B- Specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees): None

C- Do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company: None

D- Specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or
accounting services provided to the Company or any affiliate thereof within the past 2 years: None

5. The Diversification and Independence of the Board of Directors

(1) The Diversification of the Board of Directors:

To strengthen the corporate governance and facilitate the overall development of Board composition and the organization structure, the Company established “Corporate Governance Best Practice Principles” in 2021. Among the Principles, Article 20 stipulates that the composition of the board of directors shall be determined by taking diversity into consideration, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated, such as gender, age, nationality, expertise and skills: professional background on law, accounting, industry knowledge, marketing or technology.

There are 9 members in the Board of Directors. Among them, 4 are independent directors. The candidates nomination system is adopted by the Company for election of the directors of the Company. The Board of Directors of the Company shall be elected by the Shareholders’ meeting from among the persons with disposing capacity, and the tenure is 3 years per term.

The Company places great importance on the gender equality of the Board and aims for an addition of one-fifth female representations on the Board. Since the re-election of the Board, there are 9 male members who account for 78% of the Board members, while there are 2 female members who account for 22% of the Board members. The addition of from 1 female representation to 2 female representations on the Board was achieved (one-fifith).

There are 2 Board members concurrently holding the positions in the Company, which accounts for 22% of the Board members.

Below are the diversity policy, its implementation status, and competencies required to execute their duties within the members of the Board of Directors:

Core Items / Name	Basic Information								Industry Knowledge & Professional Competency							
	Nationality	Gender	Employee	Age			Independent Director Tenure		Crisis Management	Operations Management	Leadership & Decision-making	Marketing	Industry Knowledge	Risk Management	Legal Risk Management	Finance & Accounting
				Under 50	51-60	61-70	Less than 3 years	6-9 years								
President Chao-Ching Investment Inc. Representative: Tzu,San-Te	Republic of China	Male	✓	-	✓	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Director Tyntek Corporation Representative: Chiu,Mei-Ling	Republic of China	Female	-	✓	-	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Yu,Huai-Tse	Republic of China	Male	✓	-	✓	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Lin,Shou-Lung	Malaysia	Male	✓	✓	-	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Huang,Ya-Hui	Republic of China	Female	-	-	✓	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cheng, Kuo-Jun	Republic of China	Male	-	-	-	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓
Li, Chuan-Lai	Republic of China	Male	-	-	-	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓
Kuo,Yu-Hung	Republic of China	Male	-	-	-	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓
Cho, Ming-Chin	Republic of China	Male	-	-	-	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓

(✓: fully competent、O: moderate competent)

(2) The Independence of the Board of Directors:

There are 9 members in the Board of Directors. Among them, 4 are independent directors, who account for 44% of the Board members. All independent directors are complied with the regulations of Securities and Futures Bureau, Financial Supervisory Commission, R.O.C. and their independence shall be regualrly evaluated annually by the Company. Each director and independent director of the Company has not been any issue defined in Article 26.3.3 and Article 26.3.4 of the Securities and Exchange Act, therefore ensuring their independence.

(For Information Disclosure of Director & Supervisor Professional Qualifications and the Independence of Independent Directors, please refer to page 10 of this annual report on section 4.)

(2) Information on the Management Team

April 30, 2023 Unit: per share

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concur-rently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship	
General Manager	Republic of China	Tzu,San-Te	Male	2020/02/27	4,501,000	5.76	497,000	0.64	–	–	• Master, Department of Materials Science and Engineering, National Taiwan University • Bachelor, Chemical Engineering , National Taiwan University • Executive Director, Shougang Concord Technology Holdings Limited • Director & General Manager, Remarkable Mask Technology Co. • Assistant Manager, Taiwan Semiconductor Manufacturing Company Limited	President: ·Hsinjing Holding Co., Ltd. ·Tynsolar Corporation ·Hsinking Construction Ltd. ·Hsinjing Solar Tech ·Dawn Photoelectric Technology Co., Ltd ·Hsinking Energy Ltd. ·Hsinking Co., Ltd. ·Chao-Ching Energy Co., Ltd ·Chao-Ching Green Energy Ltd. ·Chao-Ching Investment Inc. ·Luxon Energy Ltd. ·Li-Chan Photoelectric Co., Ltd ·Megacrystal Co. Ltd. ·Hsinjing Energy System Co., Ltd. ·San-Ting Renewable Energy Co.,Ltd. ·Hsinjing Green Energy Co., Ltd. ·Heng Huei Energy Consulting Co., Ltd. ·Yabisi Solar Power Co., Ltd. ·Cheng Hung Hsing Solar Power Co., Ltd. Director: ·Xin Yuan Shun Technology Co., Ltd. ·Cheng Da Enterprise Ltd. Supervisor: ·Jih-Sheng Photoelectric Technology Co., Ltd; Hsinjing Energy Co., Ltd; Hsin Ching Yu Co., Ltd.; Hsin Ching Lien Co., Ltd.	–	–	–	Note 1
Finance Senior Manager	Republic of China	Liu,Tsai-Neng	Male	2020/02/27	–	–	15,000	0.02	–	–	• Master, Department of Banking and Finance, Tamkang University • Department of Money and Banking, National Chengchi University • Senior Manager, Department of Securities Underwriting, First Securities Incorporation • Assistant Manager, Accounting Department, United Microelectronics Corporation	None	–	–	–	–

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concur-rently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship	
Accounting Manager	Republic of China	Liao,Hsiao-Ching	Female	2020/02/27	–	–	–	–	–	–	• Bachelor, Department of Accounting, Chaoyang University of Technology • Administrator, Accounting Department, Tyntek Corporation	None	–	–	–	–
General Manager,Tynsolar Corporation	Republic of China	Lin,Shih-Yang	Male	2021/05/13	–	–	–	–	–	–	• Master, Department of Electronic Engineering, I-SHOU University • Deputy Director General, Taiwan Power Company Pingtung Branch. • Deputy Director General, Taiwan Power Company Taoyuan Branch. • Manager, Public Works Department, Taiwan Power Company Tainan, Kaohsiung, and Fongshan District Branch	·General Manager, Dingyu Solar Co., Ltd	–	–	–	–

Note 1: The president Tzu,San-Te is holding the position of general manager besides his president role. To improve operating efficiency and decision-making execution, the Company currently has the following specific measures:

(1) The current 3 independent directors are expertise in financial, accounting and industry knowledge to effectively perform supervisor roles and responsibilities.

(2) The suggestions and discussion to the Board of Directors in the functional committee are welcomed by independent directors to implement the corporate governance.

Note 2: The Gernal Manager, Lin,Shih-Yang, is concurrently holding the position of general manager at Dingyu Solar Co., Ltd since April, 2022. The previous general manager, Yu, Huai-Tse, stepped down at the same time.

3. Remuneration paid to Directors, Supervisors, General Manager and Deputy General Manager in the most recent fiscal year

(1) Remuneration to Ordinary Directors and Independent Directors

December 31, 2022 Unit: NT$ thousand

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (%)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Remuneration (A)		Retirement pension (B)		Director remuneration (C)		Business execution expenses (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	President Chao-Ching Investment Inc. Representative: Tzu,San-Te	0	0	0	0	0	0	300	0	300 0.44	0	2,315	0	108	0	0	0	0	0	2,423 3.53	0	None
Director	Director Tyntek Corporation Representative: Chiu,Mei-Ling	0	0	0	0	0	0	300	0	300 0.44	0	0	0	0	0	0	0	0	0	300 0.44	0	None
Director	Yu,Huai-Tse	0	0	0	0	0	0	300	0	300 0.44	0	0	2,314	0	108	0	0	0	0	300 0.44	2,422 3.53	None
Director	Lin,Shou-Lung	0	0	0	0	0	0	300	0	300 0.44	0	0	1,012	0	55	0	0	0	0	300 0.44	1,067 1.55	None
Director	Huang,Ya-Hui	0	0	0	0	0	0	125	0	125 0.18	0	0	0	0	0	0	0	0	0	125 0.18	0	None
Independent Director	Cheng,Kuo-Jun;	0	0	0	0	0	0	360	0	360 0.52	0	0	0	0	0	0	0	0	0	360 0.52	0	None
Independent Director	Li,Chuan-Lai	0	0	0	0	0	0	360	0	360 0.52	0	0	0	0	0	0	0	0	0	360 0.52	0	None
Independent Director	Kuo,Yu-Hung	0	0	0	0	0	0	360	0	360 0.52	0	0	0	0	0	0	0	0	0	360 0.52	0	None
Independent Director	Cho,Ming-Chin	0	0	0	0	0	0	150	0	150 0.22	0	0	0	0	0	0	0	0	0	150 0.22	0	None

The business execution expenses of the above-mentioned directors' remuneration include the traveling expenses of independent directors concurrently serving as members of the Audit Committee and the Remuneration Committee.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Names of Directors			
	Sum of (A+B+C+D)		Sum of (A+B+C+D+E+F+G)	
	The Company	All consolidated entities H	The Company	All consolidated entities J
Less than NT$ 1,000,000	Chao-Ching Investment Inc. Representative: Tzu,San-Te; Tyntek Corporation Representative: Chiu,Mei-Ling; Yu,Huai-Tse; Lin,Shou-Lung; Huang,Ya-Hui; Cheng,Kuo-Jung; Li,Chuan-Lai; Kuo,Yu-Hung; Cho,Ming-Chin	None	Tyntek Corporation Representative: Chiu,Mei-Ling; Yu,Huai-Tse; Lin,Shou-Lung; Huang,Ya-Hui; Cheng,Kuo-Jung; Li,Chuan-Lai; Kuo,Yu-Hung; Cho,Ming-Chin	None
NT$1,000,000 (incl.)～NT$2,000,000(excl.)	None	None	None	Lin,Shou-Lung
NT$2,000,000(incl.)～3,500,000(excl.)	None	None	Chao-Ching Investment Inc. Representative: Tzu,San-Te	Yu,Huai-Tse
NT$3,500,000(incl.)～5,000,000(excl.)	None	None	None	None
NT$5,000,000(incl.)～10,000,000(excl.)	None	None	None	None
NT$10,000,000(incl.)～15,000,000(excl.)	None	None	None	None
NT$15,000,000(incl.)～30,000,000(excl.)	None	None	None	None
NT$30,000,000(incl.)～50,000,000(excl.)	None	None	None	None
NT$50,000,000(incl.)～100,000,000(excl.)	None	None	None	None
NT$100,000,000 or above	None	None	None	None
Total	Chao-Ching Investment Inc. Representative: Tzu,San-Te; Tyntek Corporation Representative: Chiu,Mei-Ling; Yu,Huai-Tse; Lin,Shou-Lung; Huang,Ya-Hui; Cheng,Kuo-Jung; Li,Chuan-Lai; Kuo,Yu-Hung; Cho,Ming-Chin		Chao-Ching Investment Inc. Representative: Tzu,San-Te; Tyntek Corporation Representative: Chiu,Mei-Ling; Yu,Huai-Tse; Lin,Shou-Lung; Huang,Ya-Hui; Cheng,Kuo-Jung; Li,Chuan-Lai; Kuo,Yu-Hung; Cho,Ming-Chin	

(2) Remuneration to General Manager(s)

December 31, 2022 Unit: NT$ thousand

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Tzu,San-Te	1,988	0	108	0	327	0	0	0	0	0	2,423 3.53	0	None
General Manager, Tynsolar Corporation General Manager, Dingyu Solar Co., Ltd	Lin,Shih-Yang	0	1,610	0	103	0	179	0	0	0	0	0	1,892 2.75	None

Note: The Gernal Manager, Lin,Shih-Yang, is concurrently holding the position of general manager at Dingyu Solar Co., Ltd since March, 2022. The previous general manager, Yu, Huai-Tse, stepped down at the same time.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's general manager(s) and assistant general manager(s)	Names of General Manager(s)	
	The Company	All consolidated entities E
Less than NT$ 1,000,000	None	None
NT$ 1,000,000(incl.)～NT$ 2,000,000(excl.)	None	Lin,Shih-Yang
NT$ 2,000,000(incl.)～NT$ 3,500,000(excl.)	Tzu,San-Te	None
NT$ 3,500,000(incl.)～NT$ 5,000,000(excl.)	None	None
NT$ 5,000,000(incl.)～NT$ 10,000,000(excl.)	None	None
NT$ 10,000,000(incl.)～NT$ 15,000,000(excl.)	None	None
NT$ 15,000,000(incl.)～NT$ 30,000,000(excl.)	None	None
NT$ 30,000,000(incl.)～NT$ 50,000,000(excl.)	None	None
NT$ 50,000,000(incl.)～NT$ 100,000,000(excl.)	None	None
NT$ 100,000,000 or above	None	None
Total	Tzu,San-Te	Lin,Shih-Yang

(3) Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEx listed Company

December 31, 2022 Unit: NT$ thousand

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Tzu,San-Te	1,988	0	108	0	327	0	0	0	0	0	2,423 3.53	0	None
General Manager, Tynsolar Corporation	Lin,Shih-Yang	0	1,610	0	103	0	179	0	0	0	0	0	1,892 2.75	None
President, Dingyu Solar Co., Ltd	Yu,Huai-Tse	0	1,987	0	108	0	327	0	0	0	0	0	2,422 3.53	None
Finance Senior Manager	Liu,Tsai-Neng	1,134	0	74	0	300	0	0	0	0	0	1,508 2.20	0	None
Special Assistant to Chairman	Li,Ching-Ke	1,668	0	106	0	179	0	0	0	0	0	1,953 2.84	0	None

(4) Employee profit sharing granted to the management team

The employee remuneration did not be distributed by the Company in 2022. The profit and loss appropriation proposal was approved by the Board of Directors on March 30, 2023, but has not yet been approved by the Shareholders' meeting.

(5) Analysis of the ratio of total remuneration (paid to the Directors, General Manager and Deputy General Managers of the Company by the Company and all the companies in the consolidated statements in the last two years) to net profit after tax & the correlation among the remuneration payment policy, standards and combinations, the procedures for setting the remuneration, the business performance, and the future risk:

a. Analysis of the ratio of total remuneration (paid to the Directors, General Manager and Deputy General Managers of the Company by the Company and all the companies in the consolidated statements in the last two years) to net profit after tax:

Unit: NT$ thousand

Job title	2021				2022			
	Total Remuneration		Ratio of Total Remuneration to Net Profit after Tax (%)		Total Remuneration		Ratio of Total Remuneration to Net Profit after Tax (%)	
	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities
Director	2,390	-	7.12	-	2,555	-	3.72	-
General Manager & Deputy General Manager	1,208	3,868	3.60	11.52	2,423	1,892	3.53	2.75

b. The correlation among the remuneration payment policy, standards and combinations, the procedures for setting the remuneration, the business performance, and the future risk:

The Company has not paid remuneration to Directors (including Independent Directors) due to accumulated losses. The total amount directors’ renumeration is based on their level of involvement in the Company’s operations and the value of their contributions, while the traveling expense is based on the industry average level for Directors in this sector.

The renumerations for General Manager, Deputy General Manager, and Managers are based on their job performance, the value of their contributions, and the industry average level in this sector.

The procedure of paying renumeration to Directors, Independent Directors, General Manager and Deputy General Manager and Managers is evaluated in compliance with the Article of Incorporation, Remuneration Committee Charter, Rules for Performance Evaluation of Board of Directors, Rules for Performance Evaluation of Managerial Staffs, and the proposal will be submitted to the Renumeration Committee for evaluation, and resoluted by the Board of Directors.

If the Company generates profit in a year, the Company shall set aside 1% and no more than 15% of the profit for employee compensation. No more than 5% of the profit shall be distributed to Directors as compensation. The above renumeration proposals shall be resoluted by the Board of Directors and be reported to the Shareholders’ meeting.

The remuneration of each Director and Managerial Staff is also evaluated and paid reasonably based on risk events such as the occurrence of moral hazard events or the negative impact on the Company's image, improper management, the abuse of Managerial Staffs, and their total of target achieved percentage. The Company will also review the renumeration policy, standard and structure of payment in a timely manner according to the operations and relevant laws and regulations.

4. Corporate Governance Status

(1) Operation of the Board of Directors

Seven board meetings were held in 2022, the attendance of Directors (including Independent Directors) is as follows:

Job title	Name	Actual no. of meetings attended B	No. of meetings with entrusted attendance	Actual attendance rate (%) 【B/A】	Remarks
President	Chao-Ching Investment Inc. Representative: Tzu,San-Te	7	0	100	
Director	Tyntek Corporation Representative: Chiu,Mei-Ling	7	0	100	
Director	Yu,Huai-Tse	7	0	100	
Director	Lin,Shou-Lung	7	0	100	
Director	Huang,Ya-Hui	3	0	100	New independent director re-elected on June 28, 2022.
Independent Director	Li,Chuan-Lai	7	1	100	
Independent Director	Kuo,Yu-Hung	7	0	100	
Independent Director	Cheng,Kuo-Jun	7	1	100	
Independent Director	Cho,Ming-Chin	3	1	100	New independent director re-elected on June 28, 2022.
Note: The actual attendance rate (%) is calculated based on the actual number of attendance during the employment period.					

Other matters to be recorded:

a. If any of the following circumstances occurs in the operation of the board meeting, please indicate the date of the board meeting, the session number, the contents of the motion, the opinions of all independent Directors and the Company's handling of the opinions of the Independent Directors:

(i) Matters listed in Article 14-3 of the Securities Exchange Act: All independent directors unanimously agreed with the matters listed in Article 14-3 of the Securities Exchange Act. The details of the resolutions shall be referred to (11) Important Resolutions of the Board Meetings.

(ii) Other than the aforementioned matters, the board resolutions which Independent Directors object to or have reservations about and there are records or written statements for them: The Company did not encounter any of the circumstances.

b. For the situation where a Director avoids a motion related to his/her own interests, please specify the Director's names, the contents of the motion, the reasons for the avoidance of interests and the voting results:

Name of Director	Resolution Content	Reasons for the avoidance of interests	Voting Results
Tzu,San-Te; Yu,Huai-Tse	Renumeration adjustments on each department of the Company.	Parties in this case & Relation with personal interest	Vote withdrawal in accordance with the law
Yu,Huai-Tse	Appointment of the President to the subsidiary, Yang-Fu International Co., Ltd	Party in this case & Relation with personal interest	Vote withdrawal in accordance with the law
Tzu,San-Te	Appointment of the President to the subsidiary, Hsinching Renewable Energy Co.,Ltd.	Party in this case & Relation with personal interest	Vote withdrawal in accordance with the law
Tzu,San-Te	Appointment of the President to the subsidiary, Hsinjing Solar Power Ltd.	Party in this case & Relation with personal interest	Vote withdrawal in accordance with the law
Yu,Huai-Tse	Appointment of the President to the subsidiary, Hsinjing Renewable Green Energy Co.,Ltd.	Party in this case & Relation with personal interest	Vote withdrawal in accordance with the law

Tzu,San-Te; Yu,Huai-Tse	Appointment of the President and Supervisors to the subsidiary, Hsinjing Renewable Energy Investment Co., Ltd.	Parties in this case & Relation with personal interest	Vote withdrawal in accordance with the law
Tzu,San-Te; Yu,Huai-Tse	The Company's 2021 annual year-end bonus paid to the management team.	Relation with personal interest	Vote withdrawal in accordance with the law
Tzu,San-Te; Yu,Huai-Tse	The Company's 2022 annual year-end bonus paid to the management team.	Relation with personal interest	Vote withdrawal in accordance with the law
Tzu,San-Te; Yu,Huai-Tse	Evaluation result of performance of the Company's management team on the first 6 months in 2022.	Relation with personal interest	Vote withdrawal in accordance with the law
Tzu,San-Te; Yu,Huai-Tse	Evaluation result of performance of the Company's management team on the last 6 months in 2022.	Relation with personal interest	Vote withdrawal in accordance with the law
Tzu,San-Te	Making of Endorsements/Guaranteest of NT$ 105,000 thousand to the subsidiary, Tynsolar Corporation	Relation with personal interest	Vote withdrawal in accordance with the law
Li,Chuan-Lai; Kuo,Yu-Hung; Cheng,Kuo-Jun; Cho,Ming-Chin	Employment of the members of the 2nd Renumeration Committee of the Company	Parties in this case & Relation with personal interest	Vote withdrawal in accordance with the law

c. Information on the cycle and period, scope, method and content of the Board of Directors' self-evaluation (or peer-evaluation) for TWSE/TPEx Listed Companies:

Board of Directors' Evaluation Status

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Annual	Jan.1, 2022~ Dec.31, 2022	Board's Self-evaluation and Director's Self-evaluation or peer evaluation	1. Board's Self-evaluation 2. Director's Self-evaluation	1. Knowledge of corporate goals and mission 2. Knowledge of Directors' responsibilities 3. Participation in Company operations 4. Internal relationship management and communication 5. Expertise and continuing education of Directors 6. Internal Control

d. The goals for strengthening the board's functions in the current and the previous year and assessment of the implementation:

(i) The company has amended the relevant regulations, measures and the Articles of Incorporation since 2020. In 2020 interim Board meeting, 3 independent directors have been elected; the Audie Committee was officially set up.

(ii) The Company set up independent directors on May 26, 2020. The independence and profession of the directors are helpful to oversee the Company's operations and strengthen the corporate governance. The tenure of independent directors shall not exceed more than 9 years.

(iii) The number and the composition of Board members are in compliance with regulations of competent authority. All the discussed matters are agreed by members' resolutions, and all the resolutions will be announced on the Company's website, annual report, and the MOPS website to to make transparency part of the Company policy.

(2) Operation of the Audit Committee and Participation of Superviosors

1. Operation of the Audit Committee

In most recent year, the Audit Committee held 6 meetings, and the attendance of Independent Directors is as follows:

Job title	Name	Actual no. of meetings attended (B)	No. of meetings with entrusted attendance	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Li,Chuan-Lai	6	0	100	
Independent Director	Kuo,Yu-Hung	6	0	100	
Independent Director	Cheng,Kuo-Jung	6	0	100	
Independent Director	Cho,Ming-Chin	2	0	100	New independent director re-elected on June 28, 2022.

Other matters to be recorded:

1. If any of the following circumstances occurs in the course of the Audit Committeendependent Directors is as follows:any's website, annual report, and thesession number, contents of the motion, as well as resolutions of the Audit Committee, and the Company's handling of the Audit Committee's opinions:

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

(i) Below are the approved resolutions on the 9th meeting of the 1st term (January 20, 2022) Audit Committee:
- Amendments to the Company's Operating Procedures of Endorsement/Guarantees.
- The Company increased the capital to NT$200,000 thousand to Tynsolar Corporation.
- The Company endorsed and guaranteed NT$30,000 thouand to the subsidiary, Tynsolar Corporation.
- Appointment of the President to Hsinching Renewable Energy Co.,Ltd.

(ii) Below are the approved resolutions on the 10th meeting of the 1st term (March 29, 2022) Audit Committee:
- 2021 Business Report and Consolidated Financial Statements
- Evaluation for the independence to the appointed CPAs.
- Drafted the statement of the 2020 internal control system.
- Proceeded to the capital increase to the Companuy by private placement of shares.
- Amendments to the Company's Regulations Governing the Acquisition and Disposal of Assets.

(iii) Below are the approved resolutions on the 11th meeting of the 1st term (May 12, 2022) Audit Committee:
- 2022 Q1 Consolidated financial statement.
- Termination on private placement of shares on the resolution made by the Shareholders' meeting on July 22, 2021.
- Audit fee for financial statements prepared by CPAs.

(iv) Below are the approved resolutions on the 12th meeting of the 1st term (June 17, 2022) Audit Committee:
- The Company endorsed and guaranteed NT$105,000 thouand to the subsidiary, Tynsolar Corporation.

(v) Below are the approved resolutions on the 1st meeting of the 2nd term (August 11, 2022) Audit Committee:
- 2022 Q2 Consolidated financial statement.

(vi) Below are the approved resolutions on the 2nd meeting of the 2nd term (November 13, 2022) Audit Committee:
- 2022 Q3 Consolidated financial statement.
- The Company endorsed and guaranteed NT$130,000 thouand to the subsidiary, Tynsolar Corporation.
- The Company increased the capital to NT$128,000 thousand to Hsinjing Renewable Energy Investment Co., Ltd through the subsidiary, Tynsolar Corporation.
- Appointment of the President to Yang-Fu International Co., Ltd

(2) Other than the aforementioned matters, the board resolutions approved by more than two-thirds of the Directors that were not approved by the Audit Committee: None.

2. In case of a conflict of interest in a matter under discussion wherein an independent Director chooses to recuse himself/herself, specify the independent Director's name, content of the motion, reasons for recusal and voting results:

Name of Director	Resolution Content	Reasons for the avoidance of interests	Voting Results
Li,Chuan-Lai; Kuo,Yu-Hung; Cheng,Kuo-Jun; Cho,Ming-Chin	Employment of the members of the 2nd Renumeration Committee of the Company	Parties in this case & Relation with personal interest	Vote withdrawal in accordance with the law

3. Communication between independent Directors and internal audit managers and accountants:

(1) The internal audit manager of the Company regularly communicates the results of the audit report with the Audit Committee members, and reports on the Audit Committee meeting each quarter. In case of special circumstance, the audit manager shall immediately report to the Audit Committee. No encounter of such special circumstance in 2022.

(2) The CPAs of the Company regularly report the quarterly audit results of the financial statements on the Audit Committee meeting each quarter. In case of special circumstance, the CPAs shall immediately report to the Audit Committee. No encounter of such special circumstance in 2022.

(3) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has stipulated the procedures of corporate governance in compliance of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. Please refer to the page of corporate governance on the Company's website.	No deviation.
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly? (2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders? (3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates? (4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V V V V		(1) The Company has a spokesman, acting spokesman, investor relations department, etc. to deal with shareholders' suggestions, disputes and other issues. (2) In compliance of Article 25 of the Securities and Exchange Act, the Company regularly reports the changes in equity of major shareholders to Taiwan Stock Exchange, and constantly keeps track of the shareholdings of the majority shareholders. The stock affairs are appointed to stock agencies; after the closing date, the shareholder list will be checked as to whether it is consistent with the declared information. (3) The Company has established "Related Party Transactions Measures" and "Supervision and Management of Subsidiaries Measures" to oversee and control the transactions with affiliated companies; it shall be effective to the risk control. (4) The Company has set "Procedures for Handling Material Inside Information-Operating Procedures and Critical Control Points to Prevent Insider Trading" to prevent insider trading. Meanwhile, the Company strictly requires and claims all employees to follow the procedure during employees' education and trainings.	No deviation.
3. Composition and responsibilities of the board of directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented? (2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee? (3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms? (4) Does the Company regularly evaluate its external auditors' independence?	V V V V		(1) The Company has set Article 20 in "Corporate Governance Practical Principles" and Procedures for Election of Directors to ensure boards' diversity. The members of the Board of Directors include but not limited to the gender, age, nationality, culture, professional background, expertise, and industry experience. The Company places an emphaisis on gender equality and some of them are female directors, or even a foreign national as the director. The members of Board have their own expertise in finance, accounting, and law, which is very helpful to the Company's development and operation. The Company has reached the goal: directors concurrently serving as company officers not exceed one-third of the total number of the board members and there shall be at least one female director in the Board. As for the gender, principal work experience and academic qualifications, tenure of independent directors, and age of the Board members, please refer to page 10-12. Diversity within the members of the Board of Directors has been disclosed on the Company's website. (2) The Company has set up the Remuneration Committee and the Audit Committee. The functional committee will be set up if it is necessary. (3) The Company has set "Rules for Performance Evaluation of Board of Directors and Supervisors". The result of evaluation is submitted to the Board of Directors at Q1 for every year. The 2022 performance of Board of Directors has encouraging results. (4) (4) The certified accountants the Company hire belong to one of the four major international accounting firms. Those who have direct or indirect personal interest conflict were recused from the appointment matters. The	No deviation.

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>Audit Committee of the Company annually evaluates the independence and competency of its certified accountants: tthe CPAs shall offer “Declaration on Independence” and “Audit Quality Indicators；AQI” in addition to the evaluation indicators as below form. The result of evaluation of the current year was discussed and approved by the Audit Committee on March 30, 2023, and was submitted and approved to the Board’s resolution on March 30, 2023 for the independence and competency of the CPAs. Evaluation on the CPA’s independence and competency is stated as following:
<table>
<tr><th>Evaluation Item</th><th>Evaluation Result</th><th>Independence</th></tr>
<tr><td>No direct or indirect substantial financial interest between the CPA and the Company</td><td>Yes</td><td>Yes</td></tr>
<tr><td>No borrowing/lending of fund and guarantee between the CPA and the Directors of the Company</td><td>Yes</td><td>Yes</td></tr>
<tr><td>Is there substantially close business relationship between the CPA and the Company, such as selling products or offering employment to the CPA?</td><td>No</td><td>Yes</td></tr>
<tr><td>Is there any potential employment relationship such as director, supervisor, management, or auditor exists, or any above-mentioned relationship occurs when the CPA audits the Company’s report?</td><td>No</td><td>Yes</td></tr>
<tr><td>Does the CPA know that whom will be employed as the members of audit team in the future?</td><td>No</td><td>Yes</td></tr>
<tr><td>Has the CPA never provided the Company with the audit service for consecutive seven years (the CPA shall undergo job rotations at least two years before returning to the original position).</td><td>Yes</td><td>Yes</td></tr>
<tr><td>Does the CPA provide the Company with non-audit service that may directly affect the audit?</td><td>No</td><td>Yes</td></tr>
</table></td><td></td></tr>
<tr><td>4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?</td><td>V</td><td></td><td>The Company has set up a department in charge of matters of corporate governance. On May 11, 2023, the Board has approved to set up a management of corporate governance department to host meetings of Audit Committee, the Board of Directors, and Shareholders. Furthermore,the department will assist the directors in their appointment, continuing education, information required for business execution, in compliance with laws and regulations, and preparation of meeting minutes of Board meetings and Shareholder meetings.</td><td>No deviation.</td></tr>
<tr><td>5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders’ questions and concerns on important corporate social responsibility issues?</td><td>V</td><td></td><td>The Company has set up a spokeperson as a communication channel with interested parties.Besides, the Company has also set up an Investor Page on the Company’s website to to provide shareholders and investors a Contact information and “Contact Us” mailbox. The website is: http://www.hsinjing-holding.com.tw/relation</td><td>No deviation.</td></tr>
<tr><td>6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?</td><td>V</td><td></td><td>The Company has appointed Fubon Securities Co., Ltd.as an agent for stock affairs to to handle shareholder-related affairs.</td><td>No deviation.</td></tr>
<tr><td>7. Information Disclosure
(1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?</td><td>
V

V</td><td></td><td>
(1) The Company has disclosed the Company overview and information related to financial matters and corporate governance on the Company’s website: http://www.hsinjing-holding.com.tw/
(2) The Company has appointed a dedicated person for the collection and disclosure of company information and implementing the spokesman system.</td><td>No deviation.</td></tr>
</table>

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V		(3) The Company publishes and reports financial reports for the first, second, and third quarters, annual financial report as well as its operating status for each month before the specified deadline.	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V V V V V		(1) The Company places great importance on employee rights by doing the following: a. regularly convenes the labor-management conference b. offers holiday bonus c. organizes a meal to boost employee engagement d. encourages employees to participate in various education and training e. arranges regular health checkups The investor relations, supplier relationship, rights and interests of interested parties are all in compliance with Regulations Governing Establishment of Internal Control Systems to implement corporate social responsibility. (2) The Company discloses information in accordance with regulations to ensure to protect the investors' rights and to fulfill the responsibilities of the Shareholders. (3) All directors of the Company have participated in corporate governance courses in accordance with regulations, and the results of trainings were remarkable. For more details, please see the table 1. (4) The risk management policy and the implementation of risk measurement standards of the Company are divided into different levels of management. If any special circumstance, the Company shall report to the Board immediately. (5) The Company has purchased the liability insurance for Directors.	No deviation.

9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)

(1) The Company has uploaded and disclosed the Rules of Procedure for Shareholders Meetings, Annual Report to Shareholders, and Annual Financial Report in English on the MOPS website since 2023.

(2) The relevant information of Shareholders' meeting is also available on the Company's website, including the meeting notice, annual report, handbook for annual meeting of Shareholders and minutes of meeting.

Policies on the diversification of the Board of Directors, management goal and its implementation status has already disclosed on the Company's website and the annual report.

Succession Planning for Board Members

The election and appointment of the Company's Directors is based on candidates' nominations. According to Article 20 of the Article of Incorporation, it stipulates that the composition of Board members shall based on the principle of diversity, and the percentage of directors who concurrently serve as the Company Managerial Staffs should not be exceedingly high. Meanwhile, the Company has also formulated a proper diversification policy based on its own operation, business model and development needs, which includes two main aspects: **basic qualifications and values** [gender, age, nationality and culture, etc.], **professional knowledge and skills** [professional background (such as law, accounting, industrial, finance, marketing or technology), professional skills and industrial experience, etc.]. "Rules for Performance Evaluation of Board of Directors" was also set up to execute the performance evaluation annually to ensure the effectiveness of the Board's operation. The performance evaluation of Directors will serve as a reference for nominating directors for re-election.

There are 9 members in the Board of Directors. Among them, 4 are independent directors, 2 directors concurrently serveing as managerial staffs. The Company has successfully implemented diversity in the composition of the Board members, including different professional experiences or backgrounds (each with expertise in finance, business, law, accounting, finance, technology, etc.), and the necessary knowledge, skills and competencies to perform their duties. In the future, the Company will continue to strengthen the diversity and facilitate the overall development of Board composition and the organization structure.

To plan for the succession of directors, in addition to cultivating internal senior managements to equip them with the management and professional capabilities to serve as directors, the Company also seeks external professionals for preparing the director's position. As for the candidates of independent directors, in compliance with the relevant laws, they must be equipped with experiences in business, legal, finance, accounting or business operation. The company also extensively searches for candidates who can be independent directors of the Company, which will be used as a reference for future selection of independent directors.

The successor shall not only be equipped with professional background and professional skills, but also must be competent in the business planning and business operation in the relevant industry. To enable the Board members to enhance their professions, acquire new knowledge, and strive for self-improvement, the Board members are encouraged to participate in various advanced trainings.

Succession Planning for Important Managerial Staffs

(1) The Managerial Staffs defined here is referred to the positions include and above the Assistant Vice President. The Managerial Staffs are responsible for the relevant business management within the organization, and each of them has a substitute when they are on leave. In addition to possessing the necessary professional skills and experience, the Managerial Staffs of the Company must have the personality traits such as high execution skills, unbiased values, and integrity.

(2) To train the Managerial Staffs and their substitutes, besides the professional skills courses, corporate governance-related courses, the trainings also include the participation of both the Board of Directors' meetings and regular internal management meetings, and on-the-job trainings on project management.

(3) The Company conducts employee performance evalution every year. Through daily observation and performance evaluation, the employees will be understood that what competency needs to be strengthened, their personal development needs and the Company's expectations, and use the evalution results as a reference for future succession planning.

(Table 1)

Below is the continuing education program for the directors and supervisors in 2022 and till the publication of the prospectus in 2023:

Job title	Name	Date	Course name	Study hours	Total hours	Organization (Note)
Legal Person as Corporate Director Representative	Chiu,Mei-Ling	2022/04/25	ESG Sustainable Finance: Trend & Strategic Management	3	9	D
		2022/04/26	Labor Dispute Prevention & Corporate Governance	3		A
		2022/05/03	Analysis of the Latest Corporate Governance Policies and Corporate Governance Evaluation System Practices	3		D
Diretor	Huang,Ya-Hui	2022/08/24	Corporate Upgrade and Transformation: Strategy and Its Management	3	6	E
		2022/08/31	The Importance of Intellectual Property Management to Corporate Governance	3		E
Independent Director	Li,Chuan-Lai	2022/09/16	Directors, Independent Directors and Supervisors: The Practice Advanced Seminar- Guide for Financial Statement and Neglect.	3	6	C
		2022/10/06	Corporate Governance and Securities Regulation	3		A
Independent Director	Kuo,Yu-Hung	2022/05/04	International Twin Summit	2	8	B
		2022/10/19	The 18th term of Corporate Governance Summit – Strengthen Duties and Functions of Boards to Enhance the Sustainable Value of Enterprises	6		A

Note: A: Taiwan Corporate Governance Association
B: Taiwan Stock Exchange
C: Securities & Futures Institute (SFI) R.O.C.
D: Accounting Research and Development Foundation R.O.C.
E: Corporate Operating and Sustainable Development Association R.O.C.

(4) If the Company has a Remuneration Committee, please disclose its composition, duties and operation:

(1) Information on Remuneration Committee Members

Capacity	Qualifications Name	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director & Convenor	Kuo,Yu-Hung	Please refer to page 5 for the Directors' and Supervisors' information.		None
Independent Director	Li,Chuan-Lai			None
Independent Director	Cheng,Kuo-Jung			None
Independent Director	Cho,Ming-Chin			None

(2) Operation of the Remuneration Committee

A. The Company's Remuneration Committee is composed of four people.

B. Current member's tenure: The tenure of office of this term Remuneration Committee is between June 28, 2022 to June 27, 2025. In 2023 the Remuneration Committee held three meetings (A), and the member qualifications and attendance are as follows:

Job title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B / A)(Note)	Remarks
Convenor	Kuo,Yu-Hung	3	0	100.00%	Re-elected on June 28, 2022.
Member	Li,Chuan-Lai	3	0	100.00%	Re-elected on June 28, 2022.
Member	Cheng,Kuo-Jung	3	0	100.00%	Re-elected on June 28, 2022.
Member	Cho,Ming-Chin	0	1	0.00%	Re-elected on June 28, 2022.

Other information required to be disclosed:
1. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.
2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

(5) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		The dedicated unit to be in charge of promoting sustainable development of the Company is divided according to their job responsibilities and functions to establish, coordinate and oversee the matters of social responsibility.	The legal and practical considerations shall be all in compliance with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?		V	The Company has not established ESG polices or system. However, the Company abides by relevant regulations, system, or measures and is committed to promoting various social activities.	The Company has provided education and training courses and on-the-job education and trainings held by Human Resources Department and promotes the Company's business philosophy in executive team meetings. Considering that the current operation goal of the Company is to pursue revenue growth and profit, there is no sustainable development policy and dedicated (part-time) units to promote sustainable development at present. However, in the future, the Company will take sustainable development practice into consideration and set up the relevant department based on actual needs so as to be more in line with the sustainable development practice principles of listed companies.
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	V		(1) The Company improves the environmental safety and health awareness of all employees at any time, publicizes and educates related concepts to implement the environmental policy and goals.	No deviation.
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		(2) The Company complies with the relevant environmental regulations and international standards; Furthermore, the Company is committed to optimizing resources utilization and efficiency and uses the materials with low environmental impact to achieve the sustainable use of the earth's resources in order to achieve the goal of reused resources, energy saving and carbon reduction, as the following examples carried out by the employees: A. Waste sorting B. Make good use of recycled paper C. Energy reduction in electricity and paper	No deviation.
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		(3) The Company is facing the potential risks posed by climate change which will directly or indirectly impact on operating results, in the following aspects: A. Shortage of resources B. Higher cost on raw materials C. Higher cost on logistics D. Landform Changes The Company has awared that climate change will be the major issue, which in turn formulates and publicizes contingency measures such as energy saving, carbon reduction, resource recovery and reuse and development of photovoltaic power stations.	No deviation.
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?		V	(4) The Company has been devoted to policies for greenhouse gas reduction by helping colleagues to cultivate the habit of turning off the lights when leaving the workplace. Furthermore, the Company is actively promoting to set up solar power system. The check of greenhouse gas reduction is still under preparation, and the relevant information will be disclosed after the preparation is done.	The legal and practical considerations shall be all in compliance with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
4. Social issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(1) The Company complies with Labor Standards Act that clearly stipulates the rights, obligations and welfare of employees to provide procedures for management and employees to follow, and protect the legitimate rights and interests of employees.	No deviation.
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		(2) The Company has set up "Management Measures for Employee Remuneration" and reward and punishment system to regularly evaluate employees' performance. If necessary, performance evaluation of employees will be improved and will be combined with the Sustainable Development Best Practice Principles.	No deviation.
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		(3) The Company is devoted to providing employees with a safe and healthy working environment, and necessary health and first aid facilities. The Company also enhances the awareness of a safe working environment to the employees so as to lower the risk of any hazard factors for employees' safety and health thus avoding occupational accidents. The company regularly organizes employee health checks and implements safety and health education and training necessary for employees to prevent any accidents. The Company had no occupational accidents in 2022.	No deviation.
(4) Has the Company established effective career development training programs for employees?	V		(4) The Company not only provides education and training for new employees and training pertinent to professional skills and job needs in accordance with laws and regulations, but also set up "Employee Orientation and Management Procedure" for employees to apply for orientations based on the procedure. The Company also encourages employees to implement relevant career development training programs by cooperating with the Company's operational goals and developments.	No deviation.
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		(5) The Company complies with the relevant laws and international standards on its products, service, marketing, and labels. The Company also complies with the confidentiality agreement, Personal Data Protection Act, and the other relevany laws and regulations for customer privacy. , The Company has also set up a page for interested parties and offer grievance procedure for complaints.	No deviation.
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		(6) The Company conducts supplier evaluations on a regular basis and requires suppliers to sign a "Commitment of Honest Cooperation" to facilitate joint efforts to improve sustainable development policies. If any violates to have a significant impact on both the environment and society, the Company has the right to terminate or rescind the contract at any time.	No deviation.
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		V	The Company does not fall within the scope of the law to prepare a sustainable report in 2022; therefore, the sustainability report is not yet prepared.	The legal and practical considerations shall be all in compliance with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: The Company has not set up any policy based on Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies. However, after the Company has evaluated the current operating status and relevant regulations, the Company has decided to implement the sustainable development on the basis of a step by step approach.				

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
7. Other important information to facilitate better understanding of the company's promotion of sustainable development: (1) In terms of corporate social responsibility, employment security, occupational health and safety are important issues to the Company. The Company always put its business philosophy into practice in the rights and interests of employees, providing employees with a good and safe working environment and reasonable benefits to create stability in the workplace and life. (2) Rights of the interested party: The Company regularly announces the operating and financial status in compliance with the regulations issued by the central authority. The implementationof the major policies must be made by resolutions of the Board of Directors. The Company has established relevant management measures for supplier relationships, and has effective communication channels with banks, other creditors, and suppliers. (3) Since one of the Company's businesses (i.e. green energy) is to lease electric field on the roof platform to the schools, the Company is able to give back the schools the repair and construction of the schools' hardware equipment, thus fulfuilling environmental corporate social responsibility.				

(6) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team? (2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies? (3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V V V		(1) To implement ethical corporate management policy, the Company has established "Procedures for Ethical Management and Guidelines", and the relevant information has been announced on the MOPS website as well as the Company's website. All directors and management have implemented the procedures. (2) The Company's "Code of Conduct for Employees" has stipulated to prevent bribery and prohibit illegal political donations to business activities with a high risk of being non-ethical. (3) The Company established "Code of Conduct for Employees" based on the relevant laws and regulations, with the aim of building up a culture of ethical corporate management and sound business development of the Company.	No deviation. No deviation. No deviation.
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts? (2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V V		(1) Since the Company established "Procedures for Ethical Management and Guidelines", the Company has included ethical conduct related clauses in all the business contracts. (2) According to Article 18 of "Procedures for Ethical Management and Guidelines", it stipulates that human resource department shall be the department in charge the ethical corporate management, and regularly report to the Board of Directors on its ethical corporate management policy and program.	No deviation. No deviation.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(3) The Company has set up appropriate communication and complaint channels to prevent conflict of interests in the daily operations.	No deviation.
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		(4) The Company has established effective accounting and internal control systems. The Board of Directors is responsible for conducting internal audits, implementing supervision mechanisms and risk control.	No deviation.
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		(5) The Company aperiodically announces and promotes to the employees with the importance of being ethical on management meetings and internal department meetings.	No deviation.
3. Implementation of Complaint Procedures (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	V		(1) The employees of the Company can report the violations of an ethical corporate management policy by phone, email and letter.	No deviation.
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V		(2) The Company has established the relevant procedures to prohibit retaliation against those who report or complain in good faith.	No deviation.
(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	V		(3) The Company has established the relevant procedures confidentiality mechanism to protect whistle-blowers from improper handling and retaliation for filing complaints	No deviation.
4. Strengthening Information Disclosure (1) Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The Company has uploaded “Code of Conduct for Employees” and “Procedures for Ethical Management and Guidelines on the Company’s website. Meanwhile, the Company has set up a page of implementation of its ethical corporate management policies to disclose the regular reports of the implementation status to the Board of Directors.	No deviation.
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: No deviation.				
6. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles): The Company abides by the laws and regulations of competent authorities such as the Company Act and the Securities Exchange Act as the basis for implementing honesty and integrity.				

(7) Inquiry on Corporate Governance Best Practice Principles and related regulations:

A. The Company has set up the below procedures and regulations in compliance with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies:
a. Rules of Procedure for Shareholders Meetings
b. Regulations Governing Procedure for Board of Directors Meetings
c. Procedures for Election of Directors and Supervisors
d. Regulations Governing the Acquisition and Disposal of Assets
e. Operating Procedures of Endorsement / Guarantees
f. Management of Loans to Others
g. Measures for Supervision and Management of Subsidiaries
h. Measures for Financial and Non-financial Information Management
i. Procedures for Handling Material Inside Information-Operating Procedures and Critical Control Points to Prevent Insider Trading
j. Procedures for Ethical Management and Guidelines
k. Remuneration Committee Charter
l. Audit Committee Charter
m. Code of Conduct for Employees
n. Corporate Governance Best Practice Principles

B. Please refer to the Company's website on finanace, business operations, and Corporate Governance Best Practice Principles: http://www.hsinjing-holding.com.tw
For more information on rules and procedures of Corporate Governance, please refer to the MOPS website: https://mops.twse.com.tw

(8) Other important information to enhance the understanding of the corporate governance of the Company:

A. To manage the disclosure of internal information of the Company, the Company has announced "Procedures for Handling Material Inside Information-Operating Procedures and Critical Control Points to Prevent Insider Trading" to all directors, management, and employees, and placed the Procedures on the Company's intranet announcement area for all colleagues to follow, to avoid any violations or insider trading.

B. All new appointed directors and management will be issued a handbook of "Regulations for Corporate Insider Equity in OTC and Emerging OTC Companies" written by Taipei Exchange to follow.

C. Below is the relevant certificates and licenses specified by the competent authority which is obtained by the personnel related to financial transparency:

Name of License	No. of people
Certified Internal Auditor CIA	1

(9) The implementation status of internal control shall be disclosed as follows:

A. Statement on Internal Control

Hsinjing Holding Co., Ltd.
Statement on Internal Control

Date: March 30, 2023

The Company (the Exchange) states the following with regard to its internal control system during fiscal year 2022, based on the findings of its self-assessment:

1. The Company (the Exchange) is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company (the Exchange) has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company (the Exchange) contains self-monitoring mechanisms, however, and the Company (the Exchange) takes corrective actions as soon as a deficiency is identified.
3. The Company (the Exchange) judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinbelow, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring activities. Each element further contains several items. Please refer to the Regulations for details.
4. The Company (the Exchange) has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company (the Exchange) believes that as of December 31, 2022 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for understanding the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and the major laws, regulations, and bylaws (see attached annex), if any, is listed in the Appendix— effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors Meeting of the Company (the Exchange) held on March 30, 2023, where 0 of the 9 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Hsinjing Holding Co., Ltd.

President（General Manager）: Tzu,San-Te

B. Is the Company required to commission an accountant to audit its internal control system, please disclose the accountant's audit report: None

(10)The punishment to the Company and its employees in accordance with the law, the Company's punishment to its employees for violation of the provisions of its internal control system, the major defects and the improvements made in the latest year and as of the date of publication of the annual report: None

(11) Important resolutions of the shareholders' meeting and the board meetings in the latest year and as of the date of publication of the annual report:

A. Important resolutions of the shareholders' meeting and the status of implementation

Date	Resolution of shareholders' meetings	Status of implementation
2022.6.28	(1) Acknowledgement of the Company's 2021 financial statements.	Approved by the resolution made in 2022 Shareholders' meeting.
	(2) Approved the amendment to the Company's Article of Incorporation.	Approved by Ministry of Economic Affairs on July 22, 2022, and has announced on the Company's website.
	(3) Approved the amendment to the Company's Rules of Procedure for Shareholders Meetings.	Approved by the resolution of 2022 Shareholders' meeting , and has announced on the Company's website. The Company's Rules of Procedure for Shareholders Meetings shall follow with the amended version.
	(4) Approved the amendment to the Company's Regulations Governing the Acquisition and Disposal of Assets	The information has been uploaded on both the MOPS website and the Company's website on June 28, 2022, and it shall follow with the amended version.
	(5) Approved the amendment to the Company's Operating Procedures of Endorsement / Guarantees	The information has been uploaded on both the MOPS website and the Company's website on June 28, 2022, and it shall follow with the amended version.
	(6) Approved the capital increase by private placement by offering common stock	The case was terminated by the resolution of the Board of Directors on May 11, 2023.
	(7) Re-election on directors and independent directors	The result of elections is as follows: Directors: • Chao-Ching Investment Inc. Representative: Tzu,San-Te • Tyntek Corporation Representative: Chiu,Mei-Ling • Yu,Huai-Tse • Lin,Shou-Lung • Huang,Ya-Hui Independent Directors: • Li,Chuan-Lai • Kuo,Yu-Hung • Cheng,Kuo-Jun • Cho,Ming-Chin Approved by Ministry of Economic Affairs on July 22, 2022, and has announced on the Company's website.
	(8) Release on non-competition clause of new appointed directors	Resoluted by 2022 Shareholders' meeting.

B. Important resolutions of the Board of Directors:

Date	Important resolutions
The 15th board meeting of the 1st -term Board of Directors January 20, 2022	(1) Amendment to the Rules Governing the Issuance and Exercise of Employee Stock Warrants (2) Amendment to Operating Procedures of Endorsement / Guarantees (3) Designation on the custodian of the special seal for endorsement and guarantee (4) Making of Endorsements/Guaranteest of NT$ 30,000 thousand to the subsidiary, Tynsolar Corporation (5) Appointment of the President to the subsidiary, Hsinching Renewable Energy Co.,Ltd. (6) Appointment of the President to the subsidiary, Hsinjing Renewable Green Energy Co.,Ltd.

The 16th board meeting of the 1st -term Board of Directors March 29, 2022	(1) The Company's 2021 financial statements and consolidated financial statements. (2) The Company's 2021 business report. (3) The Company's 2021 appropriation of profit or loss. (4) The assessment of the independence of CPAs. (5) Drafted 2021 Statement on Internal Control. (6) Set up 2022 operating goals and budget. (7) Drafted the proposal of capital increase by private placement of offering common stock. (8) Drafted amendment to the Company's Articles of Incorporation. (9) Drafted amendment to Rules of Procedure for Shareholders Meetings. (10) Drafted amendment to Regulations Governing the Acquisition and Disposal of Assets. (11) Drafted amendment to "Regulations of Occupational Safety and Quality Inspection Committee". (12) Re-election on directors and independent directors. (13) Release on non-competition clause of new appointed directors. (14) Accepted the nomination of directors and independent director candidates. (15) Accepted the Shareholder proposals on the Company's 2022 General Meeting of Shareholders. (16) The date, time, place and reason for the convening of the Company's 2022 annual general meeting of Shareholders. (17) Drafted the proposal of Rules for Performance Evaluation of Management". (18) Drafted the proposal of "Principles on Issuing Year-end Bonus" (19) Examined the questionnaire of 2021 Directors' self-evaluation. (20) Drafted the proposal that the Gernal Manager of the Company, Lin,Shih-Yang, will be concurrently holding the position of general manager at Dingyu Solar Co., Ltd.
The 17th board meeting of the 1st -term Board of Directors May 12, 2022	(1) The Company's 2022 Q1 consolidated financial statements. (2) Appointment fee of the certified accounting firm. (3) Termination on private placement of shares on the resolution made by the Shareholders' meeting on July 22, 2021. (4) Examined the qualification of candidates for directors and independent directors to be re-elected at the 2022 Annual General Meeting of Shareholders of the Company.
The 18th board meeting of the 1st -term Board of Directors June 17, 2022	(1) The Company endorsed and guaranteed NT$105,000 thouand to the subsidiary, Tynsolar Corporation.
The 1st board meeting of the 2nd -term Board of Directors June 28, 2022	(1) The election of the Company's President. (2) Employment of the members of the 2nd Renumeration Committee of the Company.
The 2nd board meeting of the 2nd -term Board of Directors August 11, 2022	(1) The Company's 2022 Q2 consolidated financial statements. (2) Employment of the members of the 1st Occupational Safety and Quality Assurance Committee. (3) Evaluation result of performance of the Company's management team on the first 6 months in 2022. (4) Renumeration adjustments on each department manager of the Company. (5) Accepted the proposal of employee stock ownership trusts.
The 3rd board meeting of the 2nd -term Board of Directors November 13, 2022	(1) The Company's 2022 Q3 consolidated financial statements. (2) Set up 2023 annual audit plan. (3) Endorsed and guaranteed NT$130,000 thouand to the subsidiary, Tynsolar Corporation. (4) Increased the capital to NT$128,000 thousand to Hsinjing Renewable Energy Investment Co., Ltd through the subsidiary, Tynsolar Corporation. (5) The disposal of shares on the subsidiary, Hsinching Renewable Energy Co.,Ltd. by Tynsolar Corporation and Hsinjing Renewable Energy. (6) Appointment of the President to Yang-Fu International Co., Ltd (7) Amendment to Procedures for Handling Material Inside Information-Operating Procedures and Critical Control Points to Prevent Insider Trading of the Company. (8) Set up Pre-approved Non-Assurance Services Provisions of the Code.

The 4th board meeting of the 2nd -term Board of Directors January 9, 2023	(1) Endorsed and guaranteed NT$40,000 thouand to the subsidiary, Tynsolar Corporation. (2) Established the subsidiary, Hsinjing Solar Power Ltd. by Tynsolar Corporation. (3) Appointment of the President to the subsidiary, Hsinjing Solar Power Ltd. (4) Appointment of the President and Supervisors to the subsidiary, Hsinjing Renewable Energy Investment Co., Ltd. (5) Evaluation result of performance of the Company's management team on the last 6 months in 2022. (6) The Company's 2022 annual year-end bonus paid to the management team. (7) Amendment to the 2023 Rules Governing the Issuance and Exercise of Employee Stock Warrants (8) Amendment to Employee Stock Ownership Trust and Contribution Plan
The 5th board meeting of the 2nd -term Board of Directors March 30, 2023	(1) The Company's 2022 financial statements and consolidated financial statements. (2) The Company's 2022 business report. (3) The Company's 2022 appropriation of profit or loss. (4) The assessment of the independence and appointment of CPAs. (5) 2022 Statement on internal control (6) Setting up 2023 operating goal and budget (7) The capital increase by private placement by offering common stock. (8) Amendment to Rules of Procedure for Shareholders Meetings. (9) Amendment to Regulations Governing Procedure for Board of Directors Meetings (10)Amendment to Corporate Governance Best Practice Principles (11)The date, time, place and reason for the convening of the Company's 2023 annual general meeting of Shareholders. (12)Accepted the Shareholder proposals on the Company's 2023 General Meeting of Shareholders.
The 6th board meeting of the 2nd -term Board of Directors May 11, 2023	(1) The Company's 2023 Q1 consolidated financial statements. (2) Professional Fees on the Company's certified CPAs. (3) Termination on private placement of shares on the resolution made by the Shareholders' meeting on June 28, 2022. (4) The Company endorsed and guaranteed NT$65,000 thouand to the subsidiary, Tynsolar Corporation. (5) Change on disposal of shares on the subsidiary, Hsinching Renewable Energy Co.,Ltd. by Tynsolar Corporation and Hsinjing Renewable Energy. (6) Capital reduction on the subsidiary, Tynsolar Corporation that allows the elimination of accumulated losses. (7) Appointment of a management to the Company's corporate governance.

(12) If the Directors or supervisors have different opinions about important resolutions adopted by the board in the latest year and as of the date of publication of the annual report, and there are records or written statements: None

(13) Summary of the resignation and dismissal of personnel relevant to the financial report in 2022 and as of the date of publication of the annual report (including the President, general manager, chief accountant, chief financial officer, internal audit manager, R&D Director, etc.): None.

5. Information on CPA (External Auditor) Professional Fees

(1) Information on CPA (External Auditor) and affiliated enterprises audit fee, non-audit fee and non-audit service:

Unit: NT $ thousand

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
KPMG Taiwan	Lin,Heng-Sheng Chen,Pei-Chi	2022.1.1~ 2022.12.31	2,550	450	3,000	Non-audit fees ─Tax Compliance Audit Fee

(2) If there is a change of the accounting firm, and in the year of the change the audit fee is lower than that in the previous year, please disclose the audit fees before and after the change and the reasons: N/A

(3) If the audit fee is reduced by more than 10% over that in the previous year, please disclose the amount of audit fee reduced, the proportion and reason for the reduction: N/A

6. Change of Accountants: The company shall disclose if there is any change of accountants in the last two years:

(1) For predecessor accountants: N/A

(2) For successor accountants: N/A

(3) Reply letter from the predecessor accountants to Article 10.5.1 and Article 10.5.2.3 of this standard: N/A

7. The Employment of the Company's Chairman, General Manager, Financial or Accounting Manager with the Firm of the Auditing CPA or Its Affiliated Businesses in the Past Year: None

8. Particulars about Changes in Shareholding and Equity Pledge of Directors, Managers and Shareholders Holding More than 10% of the Company's Shares in the Past Year and as of the Date of Publication of the Annual Report:

(1) Changes in Shareholding:

Job title	Name	2022		Current fiscal year as of April 30, 2023	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
President	Chao-Ching Investment Inc.	—	—	—	—
	Chao-Ching Investment Inc. Representative: Tzu, San-Te	—	—	—	—
Director	Tyntek Corporation	—	—	—	—
	Tyntek Corporation Representative: Chiu,Mei-Ling (Note 2)	—	—	—	—
Director	Yu,Huai-Tse	(2,000,000)	—	—	—
Director	Lin,Shou-Lung	—	—	—	—
Director	Huang,Ya-Hui	—	—	—	—
Independent Director	Li,Chuan-Lai (Note 1, Note 4)	—	—	—	—
Independent Director	Cheng,Kuo-Jung (Note 4)	—	—	—	—
Independent Director	Kuo,Yu-Hung (Note 4)	—	—	—	—
Independent Director	Cho,Ming-Chin	—	—	—	—
Shareholders with more than 10% of the Company's total shares	Tyntek Corporation	—	—	—	—

(2) Information on Transfers of Shareholding:

Name (Note 1)	Reason for transfer (Note 2)	Date of transaction	Counterparty	Relationship between the counterparty and the Company, directors, supervisors, managerial officers, and major shareholders	No. of shares	Transaction price
Yu,Huai-Tse	Disposal	2022/08/09	Chen,Ning-Chiao	Spouse	2,000,000	(Note 3) -

Note 1: Fill in the names of the directors, supervisors, and managerial officers, and the shareholders with greater than 10 percent shareholding.

Note 2: Specify whether the shares are acquired or disposed of.

Note 3: Donation without transaction price.

(3) Pledges of Shareholding: None

9. Information on relationships among the top ten shareholders, their relationship to any of the other top 10 shareholders with which the person has a relationship of spouse or relative within the 2nd degree:

April 30, 2023；Unit: share

Order	Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which has a relationship of spouse or relative within the 2nd degree		Remarks
		Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
1	Tyntek Corporation	17,794,077	22.79	—	—	—	—	—	—	—
	Representative: Chiu,Mei-Ling	358,500	0.46	—	—	—	—	—	—	—
2	Tzu,San-Te	4,501,000	5.76	497,000	0.64	—	—	Hsinking Construction Ltd.	Director	—
3	Hsinking Construction Ltd.	3,628,129	4.65	—	—	—	—	Tzu,San-Te	President	—
	Person in charge: Tzu,San-Te	4,501,000	5.76	497,000	0.64	—	—	—	—	—
4	Yu,Huai-Tse	2,500,000	3.2	2,025,000	2.59	—	—	Chen,Ning-Chiao	Spouse	—
5	Chang,Chieh-Jui	2,218,841	2.84	—	—	—	—	—	—	—
6	Chen,Ning-Chiao	2,025,000	2.59	2,500,000	3.2	—	—	Yu,Huai-Tse	Spouse	—
7	Pan,Wen-Ling	1,591,000	2.04	1,248,000	1.60			Yu,Ming-To	Spouse	—
8	Chien,Hsiang-Jung	1,332,218	1.71	—	—	—	—	—	—	—
9	Yu,Ming-To	1,248,000	1.60	1,591,000	2.04	—	—	Pan,Wen-Ling	Spouse	—
10	Lin,Tzu-Yu	1,211,000	1.55	—	—	—	—	Tzu,San-Te	Parent (Mother)	—

10. Total comprehensive shareholding ratio for the number of shares held by the Company, the Company's Directors, managers and the Company directly or indirectly controlled by the Company in the same investment business.

April 30, 2023 Unit: share

Investee enterprise (Note 1)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Hsinjing Holding Co., Ltd.	98,090,000	100%	—	—	98,090,000	100%
Hsinjing Renewable Energy Investment Co., Ltd	17,500,000	87.06%	2,600,000	12.94%	20,100,000	100%
Hsinjing Solar Energy Systems Co., Ltd.	2,350,000	78.33%	150,000	5%	2,500,000	83.33%
Dingyu Solar Co., Ltd.	—	—	5,000,000	100%	5,000,000	100%
Suncruise Tech Co., Ltd.	—	—	2,700,000	100%	2,700,000	100%
Hsinjing Green Energy Co., Ltd.	—	—	500,000	100%	500,000	100%
Hsinjing Energy Co., Ltd.	—	—	5,700,000	100%	5,700,000	100%
Chaoyang Solar Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Hsukuang Photovoltaic Co., Ltd.	—	—	(Note 2)	51%	(Note 2)	51%
Yang-Fu International Co., Ltd.	—	—	205,000	100%	205,000	100%
San-Ting Renewable Energy Co.,Ltd.	—	—	5,720,000	40%	5,720,000	40%
Yabisi Solar Power Co., Ltd.	—	—	3,200,000	40%	3,200,000	40%
·Tailai Energy Co., Ltd.	—	—	1,715,000	49%	1,715,000	49%

Note 1: The investment made by the Company is the equity method.
Note 2: It is a limited company and therefore no share indicated.

IV. Capital and Shares

1. Capital and Shares

(1) Sources of Capital

Unit: Share/ thousand; NT$ thousand

Month/year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of capital	Capital paid in by assets other than cash	Other
2020.02	10.00	150,000	1,500,000	78,090	780,900	Establishment	None	Note 1

Note 1: Approval ref. No. 10901018350” dated Feb 27, 2020

Unit: share

Type of stock	Authorized Capital			Remarks
	Outstanding shares (Over-the-counter market)	Unissued shares	Total	
Registered shares	78,090,000	71,910,000	150,000,000	—

(2) Shareholder Composition

April 30, 2023

Unit: No. of people; No. of shares

Shareholder composition / Quantity	Government agencies	Financial institutions	Other legal entities	Individuals	Foreign institutions and foreign individuals	Total
No. of shareholders	0	0	20	4,123	17	4,160
No. of shares held	0	0	24,363,521	53,499,729	266,750	78,090,000
Shareholding ratio	0.00%	0.00%	31.20%	68.51%	0.29%	100.00%

(3) Distribution of Shareholding

Common Share
(Face value: NT$10/share)

April 30, 2023
Unit: share

Range of no. of shares held	No. of shareholders	Shareholding (shares)	Shareholding (%)
1 to 999	1,361	213,992	0.27%
1,000 to 5,000	1,973	4,056,199	5.19%
5,001 to 10,000	321	2,559,130	3.28%
10,001 to 15,000	123	1,581,294	2.02%
15,001 to 20,000	86	1,573,250	2.02%
20,001 to 30,000	82	2,043,131	2.62%
30,001 to 40,000	40	1,413,000	1.81%
40,001 to 50,000	31	1,422,247	1.82%
50,001 to 100,000	67	4,685,356	6.00%
100,001 to 200,000	26	3,850,011	4.93%
200,001 to 400,000	21	6,056,925	7.76%
400,001 to 600,000	13	6,357,950	8.14%
600,001 to 800,000	4	2,554,000	3.27%
800,001 to 1,000,000	2	1,674,250	2.14%
Above 1,000,001	10	38,049,265	48.73%
Total	4,160	78,090,000	100.00%

(4) List of Major Shareholders

April 30, 2023
Unit: share

Shares / Names of major shareholders	Shareholding (shares)	Shareholding (%)
Tyntek Corporation	17,794,077	22.79%
Tzu, San-Te	4,501,000	5.76%
Hsinking Construction Ltd.	3,628,129	4.65%
Yu,Huai-Tse	2,500,000	3.20%
Chang,Chieh-Jui	2,218,841	2.84%
Chen,Ning-Chiao	2,025,000	2.59%
Pan,Wen-Ling	1,591,000	2.04%
Chien,Hsiang-Jung	1,332,218	1.71%
Yu,Ming-To	1,248,000	1.60%
Lin,Tzu-Yu	1,211,000	1.55%

(5) Market Price, Net Worth, Earnings, and Dividends per Share for the Past Two Years

Item \ Fiscal year			2021	2022	Current year to March 31, 2023
Market price per share (Note 1)	Highest		59.90	38.70	34.50
	Lowest		30.05	23.80	28.10
	Average		41.37	30.92	29.93
Net worth per share (Note 2)	Before distribution		7.83	8.73	8.53
	After distribution		7.83	8.73	—
Earnings per share	Weighted average shares		78,090 thousand	78,090 thousand	78,090 thousand
	Earnings per share (Note 3)		0.43	0.88	(0.20)
Dividends per share	Cash dividends		—	—	—
	Stock dividends	Dividends from retained earnings	—	—	—
		Dividends from capital reserve	—	—	—
	Accumulated undistributed dividends (Note 4)		—	—	—
Return on investment analysis	Price/earnings ratio (Note 5)		96.21	35.14	(149.65)
	Price/dividend ratio (Note 6)		—	—	—
	Cash dividend yield (Note 7)		—	—	—

Note 1: List the highest and lowest market price of common shares in each fiscal year and calculate the average market price by weighing transacted prices against transacted volumes in each respective fiscal year.
Note 2: Calculate the net worth per share based on the number of outstanding shares at year-end. Calculate the amount of distribution based on the amount resolved by the board of directors or resolved in the next year's shareholders meeting.
Note 3: If retrospective adjustments are required because of issuance of stock dividends, the earnings per share should be disclosed in the amounts before and after the retrospective adjustments.
Note 4: If equity securities are issued with terms that allow undistributed dividends to be accrued and accumulated until the year the Company makes profit, the amount of cumulative undistributed dividends up until the current year should be disclosed separately.
Note 5: Price/earnings ratio = average closing price per share for the year / earnings per share.
Note 6: Price / dividend ratio = average closing price per share for the year / cash dividends per share.
Note 7: Cash dividend yield = cash dividend per share / average closing price per share for the year.

(6) Dividend Policy and Implementation Status

A. Dividend Policy

The Company’s dividend policy in the Article of Incorporation, Article 25 and Article 26,is stipulated as follows:

Article 25:

If the Company generates profit in a year, the Company shall set aside 1% and no more than 15% of the profit for employee compensation. If the Company has accumulated losses, such losses shall be covered first. The compensation is distributed in the form of either stock or cash to qualified employees of the Parent or subsidiaries of the Company who meet certain criteria, as determined by a Board resolution. No more than 5% of the profit shall be distributed to directors as compensation. The proposals for employee compensation and director compensation shall be submitted at the Shareholders’ meeting. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees’ and directors’ remuneration according to the aforementioned percentages. The compensation is distributed to qualified employees of the Parent or subsidiaries of the Company who meet certain criteria, as determined by a Board resolution.

Article 26:

The Company, when allocating its surplus profits after having paid all taxes and dues, shall first set aside ten percent of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Aside from the aforesaid legal reserve, the Company may, under its Articles of Incorporation or by resolution of the meeting of shareholders, set aside another sum as special reserve or the reserves can be reversed. In addition to the aforementioned allocations, the Board of Directors may also use the accumulated surplus from previous years for dividends and bonuses to be distributed to

Shareholders. The amount of distribution shall be proposed by the Board of Directors and submitted it at the Shareholders' meeting for resolution. The Company's dividend policy is determined by the plans of the Company's development, the Company's funding needs, long-term financial planning, and Shareholders' demand for cash inflow. Due to the ever-changing industrial environment, the Company's business growth stage and the aim to expand the business scale, the distribution of Shareholder dividends is given priority to stock dividends. Dividend payment shall be made primarily in cash or share and the cash dividend shall not be less than 10% of the total amount of dividends distributed. Cash dividend less than NT$ 0.1 per share shall be distributed in the form of stock dividends.

B. The proposed dividend distribution:

In 2022, the profit after-tax was 68,697 thousand, with no undistributed surplus at the beginning of the period. The accumulated losses to be make up was 317,030 thousand; after calculating the actuarial gains and losses of 39 thousand, the accumulated losses to be made up was 248,294 thousand. There was no dividend distribution.

C. Is there any significant change to be made to the dividend policy: None

(7) Impact of the Proposed Bonus Shares on the Company's Operating Performance and Earnings per Share: There were no bonus shares.

(8) Renumerations of Employees, Directors and Supervisors

A. The percentage or scope of the bonuses of Employees and Directors stipulated in the Articles of Incorporation:

If the Company generates profit in a year, the Company shall set aside 1% and no more than 15% of the profit for employee compensation. The compensation is distributed in the form of either stock or cash to qualified employees of the Parent or subsidiaries of the Company who meet certain criteria, as determined by a Board resolution. No more than 5% of the profit shall be distributed to directors as compensation. The proposals for employee compensation and director compensation shall be submitted at the Shareholders' meeting. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees' and directors' remuneration according to the aforementioned percentages. The compensation is distributed to qualified employees of the Parent or subsidiaries of the Company who meet certain criteria, as determined by a Board resolution.

B. The basis for the estimation of the amount of bonus of employees, Directors and Supervisors in the current period, and the accounting treatment if there is a difference between the actual employee bonus paid in shares or cash and the estimated amount:

a. Basis for estimating employee bonuses and remuneration for Directors and Supervisors: The Company generated net income in 2022. However, due to the accumulated losses, the Company did not distribute the remunerations for employees, Directors and Supervisors.

b. Calculation basis of the number of shares for stock dividend allotment: N/A (there is no stock dividend distributed in this period)

c. The accounting treatment if there is a difference between the actual employee renumeration and the estimated amount: After the end of the year, if there is a major change in the distribution amount resolved by the Board of Directors, the change will be adjusted to the original annual expense. If there is still any change in the amonut on the resolution date of the Shareholders' meeting, it will be treated as a change in accounting estimate, and will be adjusted and recorded in the resolution of the Shareholders' meeting.

C. Renumeration distribution as passed by the board meeting:

a. Renumeration of employees, Directors and Supervisors paid in shares or cash: The basis for the estimation of the amount of renumeration of employees, Directors and Supervisors in the current period, and the accounting treatment if there is a difference between the actual employee renumeration paid in shares or cash and the estimated amount, please describe the difference, the reason and the accounting treatment: The Company has after tax operating profit in 2022. However, due to the accumulated losses, the Company did not distribute the remunerations for employees,directors and supervisors.

b. Employee renumeration paid in shares as a percentage of the total amount of the current net profit after tax and the total employee renumeration: N/A

D. If there is a difference between the actual distribution of renumeration of employees, Directors and Supervisors (including the number of shares, the amount and the share price) in the previous year and the provision for the renumeration, please describe the difference, the reason and the accounting treatment:

The Company did not distribute the renumerations for employees, directors and supervisors in 2021; therefore, no expense has been recognized.

(9) Buyback of Treasury Stock: None

2. Corporate Bond:

Type of corporate bonds		1st Secured Convertible Bond
Issue (transaction) date		2021/03/10
Face value		NT$ 100 thousand
Place of issue and trading		Taipei Exchange (TPEx)
Issue price		113.92% of par value
Issue amount		NT$ 500,000 thousand
Coupon rate		0%
Term		5 years, Maturity date: 2026/03/10
Guarantor		Bank Sinopac Company Limited
Trustee		Hua Nan Commercial Bank, Ltd.
Underwriter		First Securities Incorporation
Attesting lawyer		N/A
Attesting CPA		N/A
Redemption method		Unless the bondholder converts the Secured Convertible Bond into ordinary shares of the Company in accordance with Article 10 of Regulations Governing the Issuance of Convertible bonds or repurchases in accordance with Article 19 of the relevant regulations, or unless the corporate bonds have been redeemed, the par value repaid at maturity shall be at full par value of 100% in cash.
Unredeemed balance		NT$ 500,000 thousand
Conditions for redemption or early redemption		Please refer to Article 18 and Article 19 of Regulations Governing the Issuance of Convertible bonds.
Restrictive covenants		None
Name of rating agency, date and result of rating		N/A
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	None
	The issuance and conversion, exchange, or subscription rules	Please refer to the Regulations Governing the Issuance of Convertible bonds.
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.		Please refer to page 51-53 in Convertible Bond Prospectus.
Name of the custodian institution of the exchangeable underlyings		None

Convertible Corporate Bonds

Type of corporate bonds		1st Secured Convertible Bond		
Item / Fiscal year		2021	2022	Current year to April 30, 2023
Market price of convertible corporate bonds	Maximum	126.50	115.00	106.90
	Minimum	105.10	101.05	104.00
	Average	118.06	105.93	105.45
Conversion price		NT$ 53.8	NT$ 53.8	NT$ 53.8
Issue (transaction) date and conversion price at issuance		Issued on March 10, 2021, at NT$ 53.8		
Method for performance of conversion obligations		Issuance of New Shares		

3. Preferred Shares: None

4. Overseas Depositary Receipts: None

5. Employee Share Subscription Warrants:

April 30, 2023

Type of employee share subscription warrants	1st employee share subscription warrants
Effective registration date	2021/12/17
Issue (handling) date	2022/1/21
Number of units issued	500 units, with each unit consists of 1,000 shares of common stock
Ratio of the number of issued subscribable shares to the total number of issued shares	0.64%
Duration	5 years starting from the grant date for an employee stock option
Exercise method	Issuance of new shares
Vesting period and percentage（%）	2 years: 50% 3 years: 75% 4 years: 100%
Number of shares subscribed through exercise of the warrants	0
Amount of the shares subscribed through exercise of the warrants (NT$)	0
Number of unexercised shares	500,000
Subscription price per share of the unexercised shares	NT$ 36.15
Ratio of the number of unexercised shares to the total number of issued shares (%)	0.64%
The effect on shareholders’ equity	The ratio of the number of unexecuted share subscriptions to the number of issued shares is only 0.64%. The overall assessment suggests that there shall be no significant impact on the Shareholders' equity.

6. Issuance of restricted share for employees: None

7. Issuance of New Shares for Merger, Acquisition or Exchange of Other Companies’ Shares: None

8. Financing Plans and Implementation

2021 Issuance Plan of Corporate Bond

(1) A description of the plans

A. Approval date and document number of the competent authority: Issued and effective on 28 January 2021 Order No. Financial Supervisory-Securities-Corporate-1090379945 of the Financial Supervisory Commission.

B. Total capital required: NT$ 569,615 thousands.

C. Source of capital:

a. Issuance of 5,000 secured convertible corporate bond at NT$ 100 thousand as the face value, for the total face value is NT$ 500,000 thousands. The issue price is 113.92% of the par value within the issuance period five years, the coupon rate 0%, and the total raised amount is NT$569,615 thousands.

b. The Company will increase the amount of bank borrowings to cope with insufficient funds raised due to insufficient issuance on secured convertible corporate bonds. If the the raised funds increase, the Company's working capital will help for investment in other power plants.

D. Progress of capital usage:

Unit: NT$ thousand

Project	Estimated Completion date	Total capital required	Estimated progress of capital usage			
			2021			
			Q1	Q2	Q3	Q4
Investing on power plants	2021 Q4	385,059	16,891	87,564	110,571	170,033
Strengthen working capital	2021 Q2	184,556	—	184,556	—	—
Total		569,615	16,891	272,120	110,571	170,033

E. The date on which the change to the plan was reported at a shareholders' meeting: N/A

F. The date on which such information was uploaded to the information disclosure website specified by the FSC:
On March 10, 2021, the relevant information on the listing of corporate bonds was uploaded to the website designated by the Securities and Futures Institute.

(2) Status of implementation:

A. With respect to funds usage under the plans referred to in the preceding subparagraph, the annual report shall (for the period as of the quarter preceding the date of publication of the annual report) analyze the status of implementation and compare actual benefits with expected benefits. Where implementation has failed to yield the expected progress or benefits, the annual report shall provide specific reasons for such failure, explain any effect it might have upon shareholders' equity, and outline the plan for correcting the situation:

Unit: NT$ thousand

Project	Status of implementation		Till 2023 Q1	Projects ahead of time or falling behind schedule and the plan for correcting the situations
Investment on power plants	Amount spent	Estimate	385,059	The Company issued 1st Secured Convertible Corporate Bonds. Fundraising was completed on March 8, 2021 with total NT$ 569,615 thousand. NT$ 385,059 thousand will be used for the investment on power plants. It was originally expected to complete the construction of the power plant by the end of 2021; however, due to rainy climate in South and the raising costs of raw materials, including modules, brackets, wires, steel structures and foundation piles, the plant construction was behind the schedule. As of the first quarter of 2023, the accumulated capital has been fully spent on the construction of power plants. In addition,enriching working capital has been completed as scheduled in the second quarter of 2021.
		Actual	385,059	
	Progress	Estimate	100%	
		Actual	100%	
Creating sufficient working capital	Amount spent	Estimate	184,556	
		Actual	184,556	
	Progress	Estimate	100%	
		Actual	100%	
Total	Amount spent	Estimate	569,615	
		Actual	569,615	
	Progress	Estimate	100%	
		Actual	100%	

a. Explain any effect it might have upon shareholders' equity

Due to climate conditions, cost of raw materials, and the accessibility of raw materials due to Covid-19, the investment on power plants was behind schedule. Despite this, the Company has been devoted to the contruction of power plants since 2023, and has achieved the progress of capital utilization; therefore, little impact on Shareholders' equity was found.

b. The plan for correcting the situation

The investment and construction of the power plants has been carried out successively. The completion on investment and construction of the power plants will be expected to bring out the positive benefits to the Company's revenue and profit.

B. If the funds are used to merge, acquire, or purchase another company through share acquisition, to expand fixed assets, or to acquire new property, plant and equipment, the annual report shall compare and explain property, plant and equipment, operating revenues, operating costs, and operating income:

Unit: NT$ thousand

Item	2020 (Before financing)	2021 (After financing)	2022 (After financing)
Operating revenue	169,021	675,649	1,275,870
Operating cost	127,823	546,057	1,064,378
Operating income	3,261	43,336	114,279

C. If the funds are invested in another company, the annual report shall describe the condition of the invested company and explain the effect of the investment upon gain or loss from investments: N/A.

D. If the funds are used to strengthen the Company's working capital or pay off debts, the annual report shall: (1) note any increase or decrease in the company's current assets, current liabilities, and total liabilities; (2) compare and explain the company's interest expenses, operating revenues, and earnings per share; and (3) analyze the company's financial structure:

The capital injection will greatly help the Company's operating turnover and strengthen the Company’s financial structure. The comparison of the financial structure is as follows:

Unit: NT$ thousand

Item		2020 (Before financing)	2021, Q2 (After financing)
Financial structure	Debt to assets ratio	32.54%	51.22%
	Fixed assets to long term funds ratio	196.76%	427.35%
Solvency	Current ratio	165.36%	463.80%
	Quick ratio	41.01%	270.95%

V. Operations Profile

1. Business Scope

(1) Business Scope

A. Main businesses

H201010 Investment

B. Business weighting:

Unit: NT$ thousand

Year / Product Types	2021		2022	
	Amount	%	Amount	%
OEM (Note 1)	19,955	2.95	3,732	0.29
Products Sales (Note 2)	107,261	15.87	339,261	26.59
Electricity Sales	38,889	5.76	61,887	4.85
Construction Business	449,620	66.55	870,990	68.27
Selling Power Plants	59,924	8.87	0	0.00
Total	675,649	100.00	1,275,870	100.00

Note 1: The income is mainly from the OEM of solar cell modules, and from trading of raw materials such as inverters and solar cells.

Note 2: The income is mainly from the sales on solar cell modules.

C. The Company's current products:

a. 340W~410W Monocrystalline Solar Cell Module.

b. Other customized modules.

c. Electricity sales of solar power plants.

d. Planning, design, installation on solar power systems.

D. Development plan for new products:

a. 380W~540W Monocrystalline Solar Cell Module

b.Development and construction of large-scale solar power plants.

(2) Industry overview

The company was formerly known as Tynsolar Corporation, which used to focus on the manufacture and sales of solar cell modules. Since 2017, the Company’s business scope has gradually undergone the transformation to solar power plant development and construction and selling electricity to public and enterprise. On February 27, 2020, the Company has become an investment holding corporation established by share conversion. The main business activity of Hsinjing Holding Co., Ltd is about investment. The business scopes under the subsidiaries include solar power plant development and construction and selling electricity to public and retailing enterprise. To be more detailed, the business scopes involved in the solar power plant initiate from the investment, development, construction, to final completion of construction of solar power plants, and ultimately sell the solar power plants or sell electricity to public and enterprise. Below is the industry overview and status:

A.Industry status and development

The solar photovoltaics encompass a diverse set of technologies; any products that use sunlight to stimulate the flow of electrons to generate electricity can be called a solar PV device. The industry chain of the solar PV manufacture industry includes polysilicon, silicon wafers, silicon cells, crystalline silicon PV modules, thin-film solar modules and downstream solar segment. A board definition of solar PV industry might cover peripheral materials, production equipment and system-related components, etc. Among them, solar cells plays a key role of the solar photovoltaic industry: light energy conversion efficiency and production cost are the key factors for manufacturers to stand out. The solar power plant is the final outlet for solar photovoltaic products. Furthermore, after the system service provider builds photovoltaic power stations, they will coordinate paralleling generator systems with the power company to obtain stable profits by selling electricity.

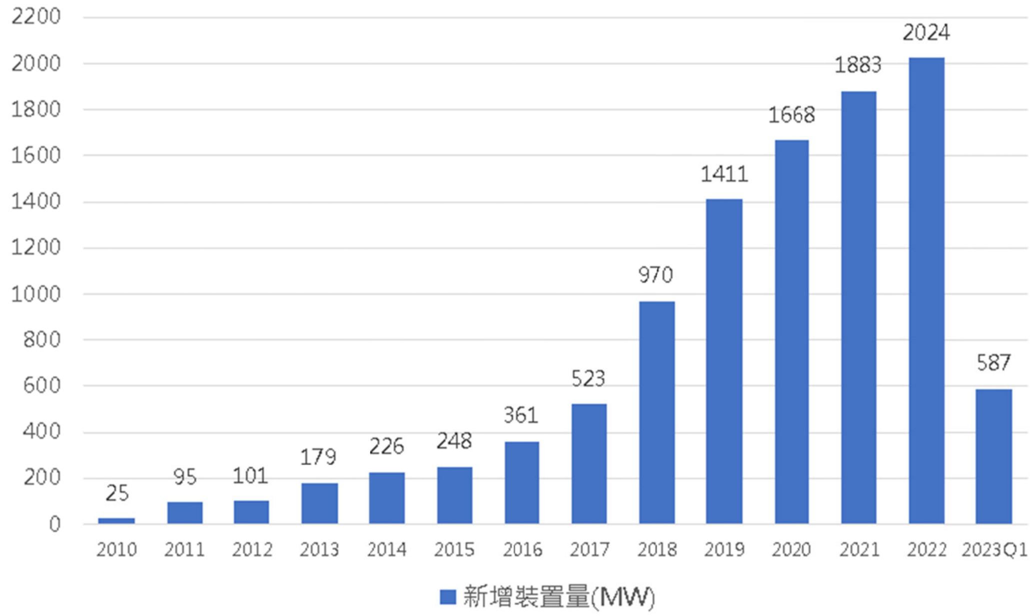
a. Industry overview on Taiwan solar power

Despite the 40 years of history of photovoltaic products, Taiwan has only started to develop the photovoltaic industry since 1999. In 2004, Germany established a Feed-in Tariff (FIT) policy, which is financed through subsidies for renewable energies. Since then, EU countries were scrambling to follow suit, and the demand for solar energy products has risen sharply, driving the rapid growth of the global solar photovoltaic industry, including Taiwan.The business of solar cells and solar PV modules was mainly the export markets. Benefiting from the awareness of environmental protection and green energy, plus the promotion of solar power generation in the EU countries, the solar photovoltaic industry was fast-growing in 2010. In 2011, European debt crisis happened, which negatively impacted the major solar energy demand countries in the EU.

Due to financial difficulties, EU countries have reduced or exempted subsidies for solar photovoltaics, resulting in weak demand in the European solar market. In addition, the rise of Chinese solar manufacturers has created an excess supply because of the increase of manufacturing production capacity, thereby followed by price collapse. The was the first crisis for Taiwan solar energy industry. From 2012 to the first half of 2016, the price of the global industrial supply chains was initiated based on the market mechanism. The selection survival of the fittest drove the stabilization of the market. With the U.S.'s anti-dumping against China, strong solar power market demand in Asia and the U.S. has led to a rebound of Taiwan's solar power output. However, since the last 6 months of 2016, the US ITC preferential treatment was expired; the rush to installation of solar power droved by solar energy policy subsidies in China has also come to an end: the excess supply occurred again. Despite some preferential policies in multiple countries, the fierce competition among manufacturers still existed; a vicious price war has buffeted the solar power industry. Therefore, the output value of Taiwan's solar energy industry fell into recession again, and has continued to the whole year of 2017. In 2018, the local government in the ROC (Taiwan) actively promoted solar energy industrial integration, plus the initial anti-dumping against China and Taiwan announced by the U.S. in early 2018; Taiwan's anti-dumping duty was only 1.07%, which was far lower than China's 61.61%. Other countries were also affected by tariffs under the restrictions of section 201 of the Trade Act of 1974, 19 USC 2251.

Subsequently, the local government in the ROC (Taiwan) initiated a plan called "Green Leap Forward" to assist domestic companies to develop the systems in the downstream of supply chains. Since 2016, the Taiwan government has been greatly supporting the domestic green enerey industry, adjusted upwards the capacity of solar energy and other renewable energy installations by revising the bidding procedures, and launched "Solar Photovoltaic: 2-year Promotion Plan" in the end of 2016. As the phase 1 of "Solar Photovoltaic: 2-year Promotion Plan" met the objective in 2018, the second phase continued in 2019 with the goal of reaching a cumulative 6.5GW in 2020 in a short term. In the mid-to long term, the ultimate goal by 2025 is to reach 20GW installed capacity, gradually complete the construction of smart grid, amend the Electricity Act, accelerate separation grids, and assist solar system manufacturers to obtain land power station and green power financing, etc. On the one hand, it assists domestic companies to establish solar power plant systems, and on the other hand, it also increases the proportion of green electricity generation in Taiwan. Besides the domestic market, the Taiwan government also encourages Taiwan suppliers to develop the global market and propose a total solution for exporting plants. Based on the domestic experience of developing solar power plants, the companies are expected to move from the domestic market to overseas, build their own channels and brands, and drive the upstream business such as solar cells and silicon wafer. Furthermore, through project subsidies on energy technology, the government has been continuing to encourage domestic enterprises to conduct low-carbon energy-saving technology research and development. It is hoped that through the above policies, all the companies can improve their technological advantages, win the oversea markets, strengthen the overall supply chain, and deepen cooperation with the global layout.

Taiwan Solar Photovoltaic New Installations



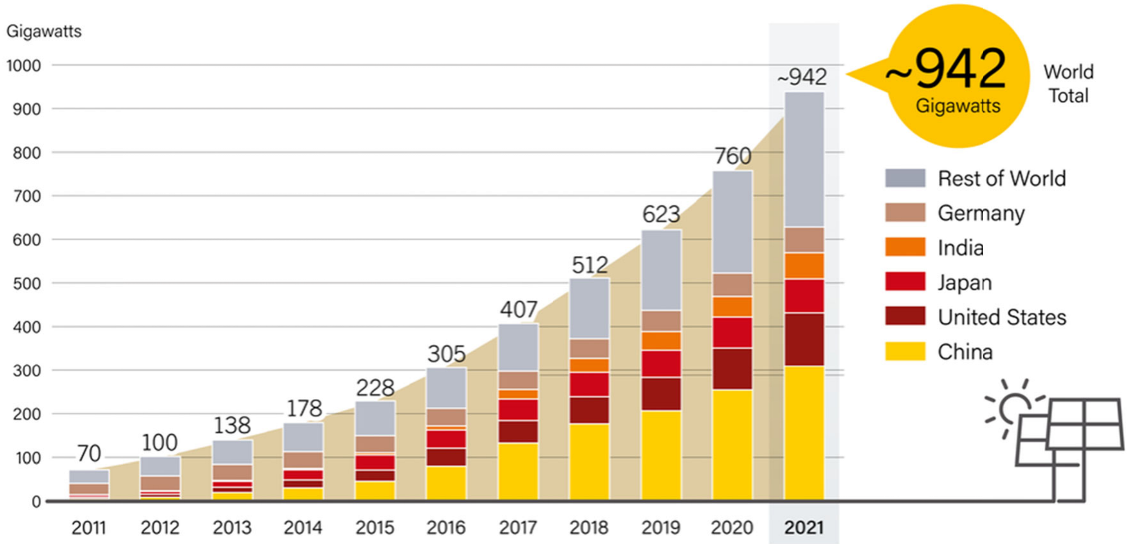
Source: Website of Bureau of Energy, Ministry of Economic Affairs, R.O.C.-
Statistics on Renewable energy installation capacity in March 2023

As all the industry players in multiple countries have actively invested in the solar photovoltaic industry, the cost of system construction has declined, and the price parity between solar photovoltaic and mains electricity has been partially realized. Since Europe and Japan have stepped into the solar power industry early, they have gradually lowered the purchase price of solar photovoltaics. In terms of China, India, the United States and Southeast Asian countries, their governments has been actively promoting solar power subsidy policies and related preferential measures under the priority of green energy and environmental protection. In 2016 and 2017, China's solar installations exceeded 30GW. Although there is a revised subsidy policy in 2018, it is expected to maintain a considerable amount of installations. In addition, emerging markets including India, South Africa, Chile, Southeast Asia, the Middle East and other regions are showing rapid growth in solar power business, which are effectively replacing the stagnation in growth in Europe. These regions are the driving force for maintaining the sustainable growth of the overall industry, which is conducive to the sales of high-efficiency solar cells in Taiwan, and will also affect the increase in shipments of Taiwan manufacturers. Therefore, benefiting from the stable demand of the European Union and the United States as well as the growing demand of other emerging markets, the overall industrial output value in Taiwan should increase and therefore drive the development of Taiwan's solar photovoltaic industry.

In the long run, driven by global carbon reduction pressure and huge demand for clean energy, shipments of solar products from Taiwan will still have room to grow in the future. At this stage, besides continuing to invest resources in technology and cost, for Taiwanese manufacturers, it is also necessary to strengthen investments in long-term business strategy, brand planning, financial structure and layout of downstream outlets, to further expand the business integration between corporations. Only by taking economies of scale and flexible business strategies as the cornerstone of future competition can we increase gross profit and maintain stable business performance in a volatile external environment.

b. Overview of solar industry

2011~2021 Overview of Global Solar Energy Systems Markets



Source: Renewables，2022 Global Status Report

Although solar photovoltaic products have been existing for 40 years, the industry began to rise since 2000. Since 2004, the solar energy industry of Germany has started to grow explosively after adopting the fixed-rate for the Feed-In Tariff (FIT) scheme, and EU countries have become pioneers in the solar energy industry. Although the growth gradually slowed down due to the financial tsunami in 2009, it reached the peak of the industry's first wave of prosperity in 2010.

However, the rapid development of the industry and investment in expanding factories also led to an excess supply phenomenon. This phenomenon has caused the solar photovoltaic industry to enter a restructuring period since 2011, and has also accelerated the pace of globalization of the solar industry. Since 2012, the growth of the European market has slowed down due to policy changes and the impact of European debt crisis, and the market has begun to shift outward from Europe. The demand is gradually shifting to the United States and the Asia-Pacific region because of the tax credit policy in the United States and Japan's generous FIT policy for medium and large systems. In 2013, due to the promulgation of a series of central policies, there was a huge demand in China, and its photovoltaic companies have begun to invest funds to build factories and equipment. Furthermore, Countries like India, Australia and Southeast Asia, due to high sunlight intensity, their solar energy industries are rising, which effectively replaces the EU countries and shows the market cooling down. Hence, tthe Pacific Rim and Indian Ocean regions have gradually become the first-tier markets for the photovoltaic industry.

In recent years, China manufacturers have expanded production at an alarming rate. However, despite the steady growth on market demand, the United States, the European Union and other regions, in order to protect their solar photovoltaic industry, have continuously imposed trade sanctions or investigations on Asian countries led by China since 2012, which causes the price to plummet, an excess supply, and double anti-competitive behaviours. These negative factors all led to production increase but value decrease in global solar photovoltaic market from 2014 to 2016. In 2016, the rush to installation of solar power droved by solar energy policy subsidies in China has also come to an end in the last 6 months. In 2017, the photovoltaic industry fell into a trough again, and photovoltaic manufacturers in each country all suffered huge financial losses. In 2018, the depression continued under the influences of U.S. section 201 of the

Trade Act of 1974, China 61 New Trade Deal and termination of MIP imposition in Europe. Finally, the solar industry was gradually recovering in 2019. In 2020, global solar installations was originally expected to be higher compared to the previous year, but increased uncertainties have occurred due to the impacts of a global trade war and Covid-19 epidemic. The following is a market overview of the main solar photovoltaic manufacturing and PV demand countries:

(a) Overview of solar industry in China

China has become a primary energy producer and consumer in recent years. Under the requirements of carbon reduction and energy security, China has been gradually adjusting the supply and demand structure of energy to fully integrate the energy supply system. China combines centralized solar, which refers to large-scale solar plant installations, with distributed generation, and in sunshine-rich areas such as Qinghai, Xinjiang, Gansu, and Inner Mongolia, large-scale solar plants have been contructed as productive use of thermal energy.

The China government has regulated the long-term installation volume, subsidy amount and subsidy period of the Mainland's solar energy industry, as well as additional funding subsidies for renewable power generation costs. Meanwhile, the China government also set up “Standard Conditions for Photovoltaic Manufacturing Industry”, which regulates that companies endorsed by Ministry of Industry and Information Technology shall be able to enjoy the credit of local banks and the protection of government export tax rebates. In addition to China's national financial subsidies for distributed energy resource (DER) systems, provincial and municipal units also come into play to propose their own subsidy programs to stimulate local development, which attacts the investment and funds from many solar panel installation companies. Since 2016, China’s National Energy Administration has been promoting “The 13th Five-Year Plan”, and updated “The 13th Five-Year Plan” in 2017. It was estimated by National Development and Reform Commission (NDRC) that before 2020, the target installation scale can reach 105GW, including 45 GW for ground-mounted solar panels and 60GW for distributed solar photovoltaics. In addition, 5GW-scale solar thermal power generation will also be built, making the new installation scale of solar power generation more than 110GW.

(b) Overview of solar industry in Japan

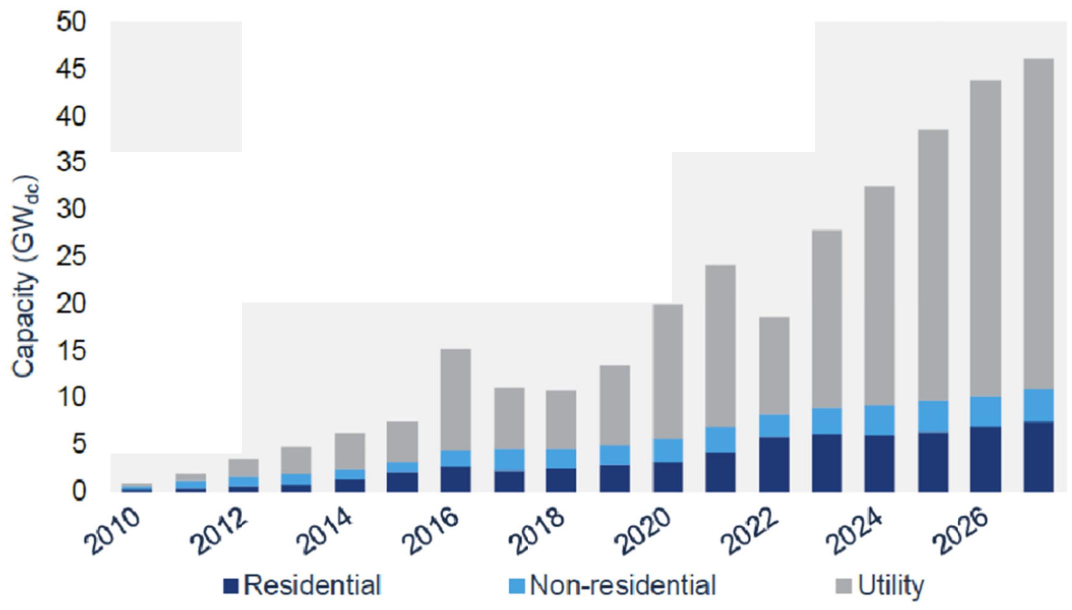
According to the statistics issued by IEK in the early of 2018, Japan is the fourth largest solar market in the world (the top five are China, the United States, India, Japan and Australia). The Japan government has greatly changed its energy policy after Fukushima nuclear disaster. According to the energy white paper published in 2012, the Japan government has conducted reviews and investigations on the operational problems of nuclear power plants, how to properly use electricity, accidents in nuclear power plants, power system reforms, and formulated countermeasures. In July 2012, the Japen government implemented “Renewable Energy Special Measures Act”, which aims to promote new energy technology innovation, reduce dependence on nuclear power and carbon dioxide gas emissions. The acquisition targets include solar energy, wind power, geothermal energy, and biomass power generation. Because of the government’s promotion, Japan's photovoltaic industry has developed rapidly, and the stable power purchase subsidy policy has driven a rapid jump in the number of photovoltaic installations.

(c) Overview of solar industry in United States

The United States has been one of the largest countries in solar photovoltaic installations over the years. In the end of 2015, the United States Government officially announced a policy called Investment Tax Credit (ITC), with the decrease tax payment of 30% of the cost of solar energy systems year by year, and the extension of the subsidy until 2022 from the original expiration date, the end of 2016. Under government's regulation, from 2016 to 2018, solar photovoltaic installations in the United States maintained a certain level, ranging from 10 to 15GW. These favorable policies has driven some large and medium-sized enterprises to actively cooperate with the development of green energy and invest in the installation of solar power plants, including retail giants Target, Walmart, Costco, and Apple, IKEA, Tesla, therefore becoming the pineeors and promoters of large-scale power generated stations. With respect to the countries of enough sunshine, for example, Calfornia, in 2018, its local government took the lead in passing the regulation which stipulates that from 2020, all new houses must be equipped with solar panels to achieve the goal of reducing carbon emissions.

At the end of 2016, Trump was elected president. Protectionism in the US solar industry has risen. Despite the downstream solar installations booming, the midstream and upstream are limited by the dumping of raw materials in Asia, and most solar cell manufacturers are facing financial losses. To cope with this situation, since 2018, the U.S. federal government has raised some import tariffs, especially tariffs on imported solar panels, steel and aluminum products. Take solar cells and solar PV modules as examples, tariffs will be implemented for a period of 4 years, with a 30% tariff imposed in the first year and then reduced by 5% each year. In addition to the original anti-dumping and anti-subsidy duties against China, it will seriously affect the cost of solar raw materials. Although it protects the domestic manufacturers in the United States, it will have a certain impact on the planned installation of solar photovoltaic devices.

2010~2027 Estimation on the number of U.S. solar PV installations



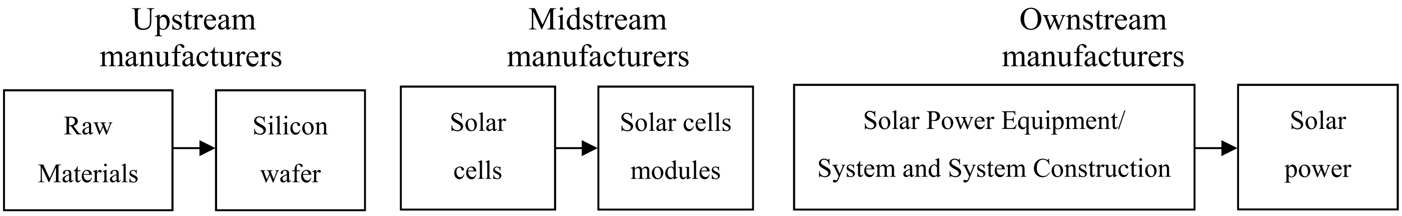
Source: Wood Mackenzie/SEIA "Solar Market Insight Report 2022 Q4"

B. Relationship among the industry's up, mid and down streams

Solar photovoltaic can be divided into two categories: flat PV panel and concentrated solar power. The typical products are flat PV panel, which includes crystalline silicon, thin-film silicon, compound thin film (including CdTe and CIGS technology), and the latest organic products (dye-sensitized solar cells and organic solar cells). In terms of flat panels, silicones manufacturing is classified as large scale industry with a relatively complete industrial supply chain. The upstream to downstream supply chain includes the production and sales of polysilicon, wafers, solar cells, PV modules, and systems.

Domestic companies in Taiwan engaged in the solar energy industry mainly focus on the manufacture of silicon wafers, solar cells and PV modules. The production process of silicon wafers and solar cells is simliar to that of semiconductors. Taiwan has a complete semiconductor supply chain, a rich experience of production, and adequate human and semiconductor resources. Therefore, the main business activity involved in companies in the solar energy industry in Taiwan is manufacturing of solar cells with the process similar to those of semiconductors.

Industrial Value Chain on Solar Energy



Source: Industrial Value Chain Platform.

C. Product development trends

a. Focus on Module Technology for High Efficiency and Low Cost

In recent two years, manufacturers from Taiwan have been very active in investing new solar cell technologies, especially Passivated Emitter and Rear Cells (PERC) with increased efficiency on both input and output, thus becoming a trend in energy-efficient technologies. However, due to the global market rapidly shifting to emerging countries such as China (the largest market in the world in 2017) and India (the third largest market in the world in 2017), those markets have a greater demand for low-priced products than energy efficient products, which price those energy efficient products close to the cost.

b. The next goal: Target 20GW installed capacity that promotes the production capacity to modules.

The number, distribution and density of Taiwan domestic solar photovoltaic manufacturers is still the highest in the world. In recent years, there have been quite a few strategic alliances and industry mergers on production capacity. For instance, in addition to the module of alliance initiated by Tsec Corporation at the end of 2016, on October 16, 2017, 3 Taiwan silicon cell manufacturers including Neo Solar Power, Gintech Energy Corporation, and Phoenix Silicon International Corporation have announced their strategic partnerships to officially complete the merger, and changed the name to United Renewable Energy Co., Ltd. for mutual benefits, to become an well-known enterprise for developing international competitiveness. After merger, the annual production capacity is estimated to reach 5GW (Gintech Energy Corporation: 2.2GW; Neo Solar Power: 1.6GW; Phoenix Silicon International Corporation: 1.2GW). In the next 2 to 3 years, it is planned to increase the combined module production capacity to 3GW, and will continue to deepen the integration of upstream and downstream industrial supply chains. In addition, tt is expected that the downstream activities in solar systems will have the opportunity to reach the annual target of 1GW within 5 years.

c. Valued added activity: Solar photovoltaic system combined with Information and Communications Technology.

Before cloud computing and internet, solar photovoltaic systems could still operate without any problem. In recent years, combined with the current trends, cloud and big data, historical electricity data can now be integrated and analyzed as a forecast for future power generation and consumption for the future of electricity liberalization. The use of information and communication technology is therefore leading the way to add value and becoming a new trend in the PV industry. Although it remains to be seen whether there will be significant outcomes in the short term, there will be more cases to attract more users with such value-added services in the future. The history of promotion on solar photovoltaics dates back to 10 more years ago. It was estimated the cumulative capacity of photovoltaics in 2018 may exceed 600GW, which highlights the increased importance of solar system intelligence: the key lies on how to be integrated and cost-competitive.

System intelligence, simply put, is to let the system have the ability to learn. Through mass data, the system will be able to integrate the information and technical expertise to build a set of “intelligence”, and then enable it to predict, classify, or group the information. The reason the system intelligence becomes a hot topic is that all the companies want to find business wisdom from a large amount of data (Big Data) or use these assets to build intelligence after the growth on development of information and communication technology.

By monitoring the sunshine recorder/thermometer in the system and its corresponding power generation, these historical records can be used as information and experience to optimize the future installations. These infomation can be the most powerful evidence in helping system vendors and companies in development, construction, transaction, investment and financing of the solar fields.

D. Product competition

Module assembly is a part of relatively low capital investment in the industrial supply chain with the low start-up costs and easlier assembly technology. The products are designed for the mass market. Since the assembly technology of the solar PV modules will determine the their output power and lifespan, the key of assembly technology lies in the production stability and the quality control, which are also the keys to business success.

The Company was the first supplier to pass the IEC61215 test standard established by the IEEE (Institute of Electrical and Electeonics) of TÜV Rheinland in Germany. The Company has subquently obtained IEC61730 certification, UL1703 certification for the US and Canadian markets, and KIER certification for the Korean market. In addition, the Company is well-equipped with customizability with the developed products such as transparent solar cells modules, bifacial solar modules, and BIPV (Building Integrated Photovoltaic Module), with the quality, production capacity, and technology outranking the competitors. Compared with early competitors such as Motech Industries, Inc., whose products are built with single phase solar system, the operating costs of such companies are relatively high without the support of front end of PV module manufacturers.

By being a system manufacturer, the Company has the competitive advantage over other competitors in professional solar PV modules and experienced engineering team, to provide consistent services from raw materials, system design, to operation and maintainance. For those manufacturers without engineering experience, the cost of buying a power plant is relatively high. Furthermore, those companies will not usually take the building structure, location of construction (such as on the ground or on the roof), and construction methods (such as screw piles, etc.) into considerations. These factors are all related to the engineering experience, which will greatly affect the cost and quality of the construction. The Company has the exact advantage of engineering experience: we are the first team to build power plants in Taiwan. We have abountant experience in constructing power plants: from contacting landlords, signing contracts, designing, to operation and maintainance, we all have a good grasp of prices, and be able to build up a strong engineering and operations teams.

(3) Overview of Technology and R&D

Tynsolar Corporation used to focus on the manufacture and sales of solar cell modules. Since 2016, its business scope has gradually transformed into the development and construction of solar power plants and electricity sales. At the end of 2017, the production line was abolished, and there was no R&D department at the end of 2018. Hsinjing Holding Co., Ltd. was established on February 27, 2020 by share conversion. The business scope is mainly general investment and has no research and development needs. After the conversion, Tynsolar Corporation has become a 100% subsidiary of the company.

(4) Long-term and Short-term Development

A. Short-term business development

The goal of short-term business developments include the integration of the resources of the group companies to optimize operation and management efficiency, which enables the companies subject to jurisdiction of the investment holding company to share resources such as management of investment holding company and its information platform, and to improve the efficiency of resource utilization and operation management. By conducting the holding company as a platform to assist in the integration of the group's internal resources, it can avoid complicated approval procedures, facilitate the rapid organization and group decision-making, and enable each business entity to focus on its business. Moreover, under this platform, the Company can provide more services to customers, as well as maintain its independent operation and management rights. A good cooperative relationship with customers and suppliers is brought. Through the integration of resources, the Company can achieve information and knowledge sharing, and reduce costs to improve management efficiency and quality.

B. Long-term business development

a. A Total and consistent solution to enhance the Company’s competitiveness

In addition to having relevant certifications for high-efficiency solar cell modules, the Company also has the capacilty of producing high-efficiency solar cell modules, thereby controlling the quality of solar cell modules by itself. Moreover, the Company also has the ability to design and construct solar power plants, and be able to undertake solar power plant projects externally, so that it can offer a total solution on system services. This enables the Company to be more competitive over the industry peers in terms of the overall cost of solar systems and quality control of solar modules.

In recent years, the Taiwan government has continued to introduce policies to subsidize the development of green energy, which has promoted the construction of solar power plants in the domestic market and brought huge business opportunities for solar cell modules. Thus, by providing a total solution system service and investment for power plants, the Company shall receive greater business opportunities.

b. Grasp the efficiency advantages of power plants and pursue long-term stable benefits

The Company has continued to cooperate closely with contractors to reduce module production costs, and insist on quality control of the Company private brand. Along with the Company’s solar power plant design and construction capabilities, it can ensure the generation performance of solar power plants to meet expectations. Furthermore, the Company also continues to focus on the construction of solar power plants and electricity sales in order to obtain long-term stable income.

2. Market and Sales Overview

(1) Market analysis

A. Main product sales area:

Unit: NT$ thousand; %

Year / Sales area		2021		2022	
		Amount	%	Amount	%
Domestic Sales		675,649	100.00	1,275,870	100.00
International sales	U.S.	—	—	—	—
	Asia	—	—	—	—
	Europe	—	—	—	—
	Subtotal	—	—	—	—
Total		675,649	100.00	1,275,870	100.00

B. Market share

The previous business scope of the Company mainly focused on the production of solar cell modules. However, due to the excess supply of solar cell modules in recent years, the Company has been suffering a financial loss. After consideration, the Company has begun to strive for transformation since 2017. In 2019, the main business has changed to the development and contruction of solar power plants and the development of electricity sales. According to the announcement of Bureau of Engergy, Ministry of Economic Affairs, till the end of 2022, the installed capacity of solar photovoltaic power generation was 9,724MW. The installed capacity of the Company in 2022 was 13MW, with the market share 0.13%

C. Future market supply and demand and growth

According to the research of TrendForce EnergyTrend, with the large-scale release of new polysilicon production capacity, the prices of each component in the industrial supply chain have returned to the normal level. It is estimated that in 2023, the global solar installed capacity demand will increase significantly and reach 351GW, with the demand ranking as follows: 202.5GW in Asia Pacific, 68.6GW in Europe, 64.6GW in United States and 14.9GW in Middle East and Africa. Driven by the policies, the installed capacity in Asia Pacific countries such as China, Malaysia, and the Philippines is fast-growing. In terms of the countries like Japan, Australia, and South Korea, the growth of installed capacity is relatively mature and stable. Due to high electricity prices, policy support such as subsidies or tax rebates, and a general decrease in prices on solar panels, the European countires like Germany, the Netherlands, and Spain all have shown an increase on the installed capacity of solar energy. As for the parts of Americas, countries such as United States, Brazil and Chile have the highest percentage of the distribution on installed capacity. Finally, the solar energy market in the Middle East and Africa has shown steady growth, but its business is highly dependent on bidding projects, with the market demand dominated by large-scale ground-mounted PV power station projects. Countries include UAE, Saudi Arabia, South Africa and Israel as the major growth markets.

D. Competitive niches

a. In terms of solar power plant operations, the Company continues to cooperate with government policies to deepen the domestic market; meanwhile, the Company also invests in the construction of power plants by evaluating the Company's financial situation. Furthermore, the business scope of the Company and its subsidiaries also includes the construction of solar power plants and electricity sales. The businesses are not only bringing stable profits to the Company, but its power generation income also giving to government agencies for driving green energy to life and the society.

b. Maintaining a tight collaboration with EPC and striving for sales opportunities with other domestic power plant owners.

E. Favorable and unfavorable factors for development and countermeasures

a. Favorable factors

(a) Awareness of environmental protection promotes the market growth

Due to climate change, overexploitation, greenhouse gas emissions by factories and global warming, renewable energy has become one of the most booming industries that catch everyone’s attention. It is known that the use of solar cells will reduce carbon dioxide emissions; therefore, with the awareness of environmental protection, the demand for solar cells in the consumer market is expected to increase accordingly. On 11 March 2011, a nuclear accident occurred at the Fukushima Daiichi Nuclear Power Plant in Ōkuma, Fukushima, Japan. This accident has casted doubt globally on the safety of nuclear energy. The solar energy thus becomes the first choice for green energy.

(b) Improvement on solar technology: parity price of solar energy with mains electricity

Due to technological progress, the price of solar cells is gradually decreasing with the increased conversion efficiency. The conversion efficiency of module products has also been greatly improved through the improvement of materials, assembly process and testing technology. It is expected that the price parity between solar photovoltaic and mains electricity will be equal in value to one another, and soon will replace non-renewable energy. As it could be seen, the business opportunities for future demand on solar energy will continue to expand.

(c) Increasing demand on the domestic solar modules

The Taiwan government has been greatly supporting the domestic green enerey industry, and launched "Solar Photovoltaic: 2-year Promotion Plan" in 2016. As the phase 1 of "Solar Photovoltaic: 2-year Promotion Plan" met the objective in 2018, the second phase continued in 2019 with the goal of reaching a cumulative 6.5GW in 2020. Till 2022, the cumulative solar photovoltaic capacity has reached 9.7GW. In the long term, the ultimate goal by 2025 is to reach 20GW installed capacity through various preferential treatments to popularize the installation of solar power plants, which in turn drives the investment boom of domestic power plants.

b. Unfavorable factors and countermeasures

(a) Building a solar power plant requires a huge number of PV modules and solar cells. However, the price of those materials is easily fluctuated by the sales numbers of the international markets, supply and demand of solar cells, which in turn has a strong impact on the quotations and gross profit margins.

Countermeasure: The quantity of inventory will be controlled to a reasonable range based on the order demand. The Company will reflect the cost in the product quotation in a timely manner, so as to avoid the profit being affected by the fluctuation of the cell price. Meanwhile, the Company also develops multiple sources of supply to maintain cost competitiveness.

(b) The sites of solar power plant are not readily available

Countermeasure: The Company are actively promoting the widespread installation of solar photovoltaic systems. The Company will seek for collaborations with those who have the need to build solar power plants to diversify the sources of cases.

(2) Important usage of the main products and production process

A. Important usage of the main products

Main products	Usage
Solar PV cell modules	mains electricity, street lamps, traffic signs, building exterior walls or roofs, disaster response equipment and power generation devices, etc.

B. The production process of the main products

At present, the Company's solar cell modules are outsource manufacturing. The construction of systems for solar power plants is mainly developed by the Company's sales personnel, who participating in bidding, or recommending suitable projects from other manufacturers. The construction of systems is based on relevant internal control measures, and the department in charge will conduct an assessment, and report for approval. The construction and installation is made either by the subsidiary or by the outsourcing. After the construction is completed, the Company shall apply to the relevant authority for the registration form and start operation.

The Company's power plants are equipped with a monitoring system, which can monitor the power generation status of the power plants at any time. The personnel will immediately check the power generation status if there is any power plants with abnormal power generation. The modules will be cleaned and well-maintained to ensure good power generation efficiency.

(3) Supply of major raw materials

Main Materials	Main Source	Status of Supply
Solar PV cell modules	United Renewable Energy Co., Ltd. Gold Sun Technology Co., Ltd.	Normal

(4) Information on Major Suppliers/ Customersfor the Most Recent 2 Years

A. Information on Major Suppliers for the Most Recent 2 Years

Unit: NT$ thousand

	2021				2022				Up to the current fiscal year 2023, Q1			
Item	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases up to the preceding quarter of the current fiscal year 2022 (%)	Relationship with the issuer
1	United Renewable Energy Co., Ltd.	173,041	24.72	None	Gold Sun Technology Co., Ltd.	519,771	36.80	None	Sunlx	49,838	35.68	None
2	—	—	—	—	United Renewable Energy Co., Ltd.	208,615	14.77	None	—	—	—	—
	Others	527,034	75.28		Others	684,067	48.43		Others	89,825	64.32	
	Net purchases	700,075	100.00		Net purchases	1,412,453	100.00		Net purchases	139,663	100.00	

Since 2017, the Company has gradually adjusted its business strategy to the development and construction of solar power plants and the development of electricity sales. Therefore, besides the suppliers of solar cell raw materials, the Company also has contractors of construction of solar power plants, and started to purchase materials needed for building solar power plants. The Company not only has a good partnership with the current supplers and contractors, but also actively looking for other qualified suppliers and contractors.

B. Information on Major Customers for the Most Recent 2 Fiscal Years

Unit: NT$ thousand

	2021				2022				Up to the current fiscal year 2023, Q1			
Item	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of net sales up to the the current fiscal year 2023, Q1	Relationship with the issuer
1	Hsinking Construction Co., Ltd.	288,153	42.65	The same president with the issuer.	Hsinking Construction Co., Ltd.	657,078	51.50	The same president with the issuer.	Hsinking Construction Co., Ltd.	55,508	46.87	The same president with the issuer.
2	—	—	—	—	—	—	—	—	—	—	—	—
	Others	387,496	57.35		Others	618,792	48.50		Others	62,934	53.13	
	Net sales	675,649	100.00		Net sales	1,275,870	100.00		Net sales	118,442	100.00	

Since 2017, the Company has gradually adjusted its business strategy to the development and construction of solar power plants and the development of electricity sales, and stopped the production of solar cell modules in the end of 2018. After that, the primary customers can be segmented into three main types: customers related the development and construction of solar power plants, customers related to electricity sales, and customers for OEM business. Since 2018, the Company has also started to build its own power generation systems, and received the income from electricity sales.

(5) Production Volume and Value in the Most Recent 2 Fiscal Years

Unit: NT$ thousand

Output / Fiscal year / Main products ((or department))	2021			2022		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Solar Cell Modules (Outsourced)	—	—	—	—	—	—
Total	—	—	—	—	—	—

Note 1：Since 2017, the Company has gradually adjusted its business strategy to the development and construction of solar power plants and the development of electricity sales, and stopped the production of solar cell modules in the end of 2018. The raw materials for the development and construction of solar power plants are purchased from relevant upstream manufacturers or conduct a outsourcing approach.

(6) Sales Volume and Value in the Most Recent 2 Fiscal Years

Unit: NT$ thousand

Sales / Year / Main products (or department)	2021				2022			
	Local		Export		Local		Export	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Solar Cell Modules	25,799	107,261	–	–	31,532	339,261	–	–
EPC	–	449,620	–	–	–	870,990	–	–
Electricity sales (Note 1)	–	38,889	–	–	–	61,887	–	–
Selling solar plants	–	59,924	–	–	–	–	–	–
Others (Note 2)	–	19,955	–	–	–	3,732	–	–
Total	–	675,649	–	–	–	1,275,870	–	–

Note 1：The income is from electricity sales; therefore, the quantity is not aggregated.

Note 2：The income is from sales of other raw materials or service; due to inconsistent product measurement units, the quantity is not aggregated.

3. Employee Information (including the number of employees, average service year, average age, and academic distribution for the Past Two Years and as of the Publication of the Annual Report:

Year		2021	2022	Till March 31, 2023
Number of employees	Management	12	18	18
	Staff	38	49	52
	Total	50	67	70
Average age		36.1	38	37.8
Average service year		3.48	2.32	2.46
Academic distribution	Ph.D.	0	0	0
	Master's degree	12	15	14
	College	82	79	80
	High school	4	3	3
	Below high school	2	3	3

4. Environmental Expenditure Information:

The Company has received no loss or punishment because of environmental pollution till 2022 and 2023 as of the date of publication of the Annual Report.

5. Labor Relations

(1) The Company's employee welfare, advanced education, training, retirement system, the implementation status, labor agreements, and measures in protecting the rights and interests of employees

A. Employee welfare:

a. Adherence to labor insurance and National Health Insurance in compliance with regulations, and provides Group Health Insurance for all employees.

b. Offering employees birthday/festival cash gifts, employee travel subsidies, meal subsidies, regular staff health check, and the education and training subsidies etc.

B. Staff advanced study and training:

The Company has arranged pre-employment trainings to help new staffs familiarize with the working environment and job content. In the case of the on-the-job training, each department shall arrange appropriate trainings based on job needs. On the one hand, the staffs can receive the lastest information and professional skills at all times. On the other hand, the Company could arrange training courses (or the employees could propose the traning courses) organized by consulting companies, training institutions, government, industrial and commercial organizations to improve the staffs' professions. Below are the list of courses, training expenditures, number of employees receiving external trainings and training hours in 2022:

Item	No. of employees receiving external training	Total training hours
(1) Orientation training to newcomers	17	51
(2) Competency-based training	26	117
Total	43	168

C. Retirement system and its implementation

a. Prior to June 30, 2005, the Company had set up a Labor Welfare and Retirement in compliance with law and stipulated the types of retirement, payment standards and application procedures:

Employees are given two retired pay bases for each full year of working experience, and one base for each full year of working experience after the job tenure exceeds 15 years.

The total number of base numbers shall be no more than 45 for contributing the pensions.

b. Since July 1, 2005, the Company has fully implemented the n 45ear of working experience, and one base, in that the pension issued is followed by the prescribed wage classification table, and the Company shall contribute 6% of the monthly salary to the employees' pension account on a month basis set up by Bureau of Labor Insurance.

c. Voluntary Retirement

A worker may apply for voluntary retirement in any of the following situations:

(a) Where the worker attains the age of 55 and has worked for 15 years.
(b) Where the worker has worked for more than 25 years.
(c) Where the worker attains the age of 60 and has worked for 10 years.

D. Various measures to safeguard the rights and interests of all employees to ensure that the Companyees' pension account on a months to the relevant laws and regulations:

The Company is subject to the Labor Standards Act, in that all the employment procedures are strictly adhering to the Labor Standards Act. Both the Company and employees shall follow the employee handbook and relevant management regulations. The Company places a great importance on the employees' welfare and mutual communication. Therefore, since the Company's establishment, no labor disputes have occurred; the relations between the Company and employees are reasonably harmonious. The Company will still strengthen communication and coordination with the employees in the hope of promoting a more harmonious labor-capital relationship in future.

E. Code of Conduct or Ethics

Article 5 of the Company's Work Rules specifies the code of conduct for employees, stipulating that employees should abide by the following codes during their employment:

a. Comply with all laws, rules and regulations applicable to the Company.
b. Supervisors have the authority to command work flow and supervision.
c. Dedicated to their job.
d. With loyalty to the Company.
e. Salary discussions are prohibited among colleagues.
f. Do not take advantage of the convenience of the position to accept gifts, profit-seeking, and fraud or engage in other acts that damage the Company's rights and interests.
g. The employees of the Company shall wear their ID cards at all times in a visible manner when they are on the company premises and keeping the employee ID cards is mandatory.
h. Being groomed and neat in appearance. Treating your managers, colleagues and clients with respect. Projecting a positive attitude. Being polite. Showing good judgment.
i. Showing prudence and being ethical.
j. It is not allowed to bring ammunition, knives, guns, dangerous goods, contraband or items unrelated to the production into the workplace; without approval, it is not allowed to carry the Company's property out of the factory.
k. The employees shall comply with Occupational Safety and Health Act, and maintain the safety, hygiene and cleanliness of the workplace and its surrounding environment, and prevent theft, fire or other natural disasters.
l. Do not arbitrarily download or copy any software, and do not arbitrarily transmit harmful materials and inappropriate information through E-mail and the Internet.
m. During employment or after resignation, employees are obliged to keep confidential in terms of the business or technical know-how learned during the working period based on the obligation of loyalty and integrity, and shall not disclose, inform, deliver, transfer to others, or publish to the public.

F. Working environment and employee personal safety protection measures

The Company places a great importance on employees; therefore, the Company is devoted to a safe, hygienic and comfortable working environment. Meanwhile, employees are also encouraged to actively participate in industrial safety activities to enhance the overall awareness of industrial safety. This is a environmental decade of the development of environmental protection. Pollution prevention and control has become a major issue in business management. To effectively achieve industrial waste reduction and resource recycling, the Company holds relevant activities and proposes improvement plans which enhance the overall awareness of labor safety, thereby promoting a more comfortable and safer working environment. Most importantly, these activities and plans also apply to the protection of the environment.

(2) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None

6. Cyber security management

(1) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

A. Cyber security risk management framework

The responsible unit of the Company's information security is the information department which is directly under the General Manager. The information department has been set up a management with the relevant personnel, which is responsible for formulating internal information security policies, planning and implementing information security protection, and promoting and implementing information security policies. The audit office of the Company is an internal audit unit for information security supervision, regularly inspecting and tracking internal information security implementation status and improvement results in accordance with the internal control system. The accounting firm also conducts annual external audits on financial statement-related processes.

B. Information security policy

a. Purpose:

The purposes for the Company of seting up the stipulation in compliance with the relevant laws and regulations are to improve the information and communication security, to be able to provide reliable services, to ensure that the information asset is protected from risks such as tampering, disclosure, destruction, or loss due to external threats or improper management and use by internal personnel and to guarantee the confidentiality, integrity and availability of the information asset.

b. Management plan:

(a) Communication Security: Firewall and Unified Threat Management (UTM)

(b) System Security: Anti-hacking and anti-virus, regular update of user password and data backup

(c) Employees' Education Trainings: Regularly publicize information security related policies and regulations to employees.

c. Resources invested in cyber security management

(a) Communications Equipment: Firewall, antivirus for email protection and filtering. Internal access, external services, and independent guest networks.

(b) System: Sign up a maintenance contract, regular system security updates.

(c) Data: Making regular backups and offsite data storage

(d) Human Resources Invested in Cyber Security Management: Daily checks and backups, holding disaster recovery drills every six months, and publicizing information security related policies and regulations to employees at least once a year. Annual internal audit of the information cycle, and audit accounting, etc.

(2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

7. Important Contracts:

The contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts are either still effective or expired in the most recent fiscal year:

Contract Type	Counterparty	Contract Start and Ending Dates	Contents	Restrictive clauses
Power purchase agreements	Taiwan Power Company - Changhua City	2015.12.28-2035.12.27 2016.12.29-2036.12.28 2017.03.14-2037.03.13 2022.07.04-2042.07.03	The electricity of renewable energy power generation sold to Taiwan Power Company at the Feed-In Tariff, (FIT) calculated from the valuation date.	Do not resell electricity to others without permission.
	Taiwan Power Company - Yunlin County	2017.06.19-2037.06.18		
	Taiwan Power Company – Tainan City	2017.09.13-2037.09.12 2018.04.27-2038.04.26 2021.09.17-2041.09.16 2022.12.26-2042.12.25 2022.12.28-2042.12.27		
	Taiwan Power Company - Xinying District	2017.10.20-2037.10.19 2021.12.29-2041.12.28 2022.01.18-2042.01.17 2022.04.27-2042.04.26 2022.07.05-2042.07.04		
	Taiwan Power Company - Pingtung City	2017.12.27-2037.12.26 2018.01.26-2038.01.25 2018.01.26-2038.01.25 2018.09.11-2038.09.10 2018.10.31-2038.10.30 2018.12.19-2038.12.18 2018.12.28-2038.12.27 2019.02.25-2039.02.24 2019.03.04-2039.03.03 2019.03.22-2039.03.21 2019.05.02-2039.05.01 2019.05.02-2039.05.01 2019.06.28-2039.06.27 2019.08.01-2039.07.31 2019.08.20-2039.08.19		
	Taiwan Power Company - Chiayi City	2018.11.28-2038.11.27		
	Taiwan Power Company - Kaohsiung City	2018.12.24-2038.12.23 2019.06.28-2039.06.27		
	Taiwan Power Company – Taoyuan City	2018.12.26-2038.12.25 2019.03.27-2039.03.26 2021.12.30-2041.12.29		
	Taiwan Power Company - Hsinchu City	2022.05.20-2042.05.19		
	Taiwan Power Company - Taipei City	2021.12.30-2041.12.29 2022.03.18-2042.03.17		
	Taiwan Power Company - Hualien County	2022.06.30-2042.06.29		

Credit contract	International Bills Finance Corporation	2022.05.24-2023.05.23	Commercial paper. Starting from 2021.07.02.	Power plant equipment as loan guarantees.
	Taishin International Bank	2022.09.30-2023.09-30	Loan agreement. Starting from 2022.12.08.	Reimbursement account based on the use of the balance
	Cathay United Bank	2022.09.24-2023.09.24	Loan agreement. Starting from 2021.10.28.	–
	First Bank	2022.08.18-2023.08.18 2022.07.15-2023.07.15 2022.04.15-2027.04.15 2022.04.20-2027.04.20 2022.02.15-2023.02.15 2022.09.29-2023.09.29	Loan agreement. Starting from 2022.12.29. Starting from 2022.08.29. Starting from 2022.04.26. Starting from 2022.04.27. Starting from 2022.12.26. Starting from 2022.09.30.	Reimbursement account based on the use of the balance
	Bank of Kaohsiung Co., Ltd	2022.05.20-2023.05.13	Loan agreement. Starting from 2022.11.24.	Reimbursement account based on the use of the balance
	Taiwan Shin Kong Commercial Bank Co., Ltd.	2022.06.07-2023.06.07	Loan agreement. Starting from 2022.06.29.	–
	The Shanghai Commercial & Savings Bank, Ltd.	2022.06.21-2023.06.21	Loan agreement. Starting from 2022.07.01.	Reimbursement account based on the use of the balance
	E.Sun Commercial Bank, Ltd.	2022.08.04-2025.08.04	Loan agreement. Starting from 2022.09.26.	–
	KGI Bank Co., Ltd.	2022.07.20-2025.10.20	Loan agreement. Starting from 2022.12.15	Reimbursement account based on the use of the balance
	Bank SinoPac Co., Ltd.	2022.08.10-2023.04.30 2022.08.10-2023.04.30 2022.08.10-2023.04.30	Loan agreement. Starting from 2022.02.14. Starting from 2022.05.12. Starting from 2022.10.31.	Power plant equipment as loan guarantees. Reimbursement accounts based on the use of the balance.
	Hua Nan Commercial Bank, Ltd.	2020.05.07-2023.05.07	Loan agreement. Starting from 2020.05.07.	–
	Mei-Shan Farmers Association	2015.09.09-2025.09.09 2017.02.02-2032.02.02	Loan agreement. Starting from 2015.09.29. Starting from 2017.02.02.	Power plant equipment as loan guarantees
	Yuanta Commercial Bank Co., Ltd.	2021.04.26-2023.03.26 2021.04.26-2023.03.26 2021.07.05-2023.07.04	Auto loan agreement 24 installments 24 installments 24 installments	Transport equipment as loan guarantees

VI. Financial Profile

1. Condensed Balance Sheet and Consolidated Income statement for the Past Five Years

(1) Consolidated Condensed Balance Sheet - Adopting International Reporting Standards

Unit: NT$ thousand

Item \ Fiscal year		Financial Information for Most Recent 5 Fiscal Years (Note 1) 2018	2019	2020	2021	2022	Financial information as of March 31, 2023 of the current fiscal year (Note 1)
Current assets		414,201	166,634	337,673	843,043	1,442,907	1,366,410
Property, Plant and Equipment		155,266	300,322	272,599	261,532	396,672	395,174
Intangible assets		—	—	—	—	—	—
Other assets		125,310	98,658	130,294	424,422	608,231	651,367
Total assets		694,777	565,614	740,566	1,528,997	2,447,810	2,412,951
Current liabilities	Before distribution	138,142	53,411	204,204	390,227	1,017,068	986,262
	After distribution	138,142	53,411	204,204	390,227	1,017,068	986,262
Non-current liabilities		8,656	22,962	36,779	517,835	738,915	750,567
Total liabilities	Before distribution	146,798	76,373	240,983	908,062	1,755,983	1,736,829
	After distribution	146,798	76,373	240,983	908,062	1,755,983	1,736,829
Equity attributable to owners of the parent company		547,979	489,241	494,145	611,800	681,824	666,250
Share capital		780,900	780,900	780,900	780,900	780,900	780,900
Capital surplus		63,665	63,918	63,922	148,249	149,527	149,874
Retained earnings	Before distribution	(296,586)	(355,577)	(350,384)	(317,030)	(248,294)	(264,215)
	After distribution	(296,586)	(355,577)	(350,384)	(317,030)	(248,294)	(264,215)
Other equity		—	—	(293)	(319)	(309)	(309)
Treasury shares		—	—	—	—	—	—
Non-controlling interests		—	—	5,438	9,135	10,003	9,872
Total equity	Before distribution	547,979	489,241	499,583	620,935	691,827	676,122
	After distribution	547,979	489,241	499,583	620,935	691,827	676,122

Note 1: The information above was certified by the CPAs.

(2) Individual Condensed Balance Sheet - Adopting International Financial Reporting Standards

Unit: NT$ thousand

Item \ Fiscal year		Financial Information for Most Recent 5 Fiscal Years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		493,543	327,043	715	48,633	20,275
Property, Plant and Equipment		50,228	143,442	—	31	18
Intangible assets		—	—	—	—	—
Other assets		127,652	109,314	509,785	1,055,631	1,167,615
Total assets		671,423	579,799	510,500	1,104,295	1,187,908
Current liabilities	Before distribution	114,788	78,427	16,355	3,891	2,499
	After distribution	114,788	78,427	16,355	3,891	2,499
Non-current liabilities		8,656	12,131	—	488,604	503,585
Total liabilities	Before distribution	123,444	90,558	16,355	492,495	506,084
	After distribution	123,444	90,558	16,355	492,495	506,084
Equity attributable to owners of the parent company		—	—	—	—	—
Share capital		780,900	780,900	780,900	780,900	780,900
Capital surplus		63,665	63,918	63,922	148,249	149,527
Retained earnings	Before distribution	(296,586)	(355,577)	(350,384)	(317,030)	(248,294)
	After distribution	(296,586)	(355,577)	(350,384)	(317,030)	(248,294)
Other equity		—	—	(293)	(319)	(309)
Treasury shares		—	—	—	—	—
Total equity	Before distribution	547,979	489,241	494,145	611,800	681,824
	After distribution	547,979	489,241	494,145	611,800	681,824

Note 1: The information above was certified by the CPAs.

(3) Consolidated Income statement-Adopting International Financial Reporting Standards

Unit: NT$ thousand

Fiscal year / Item	Financial Information for Most Recent 5 Fiscal Years (Note 1)					Financial information as of March 31, 2023 of the current fiscal year (Note 1)
	2018	2019	2020	2021	2022	
Operating Revenue	382,271	280,755	169,021	675,649	1,275,870	118,442
Gross Profit	12,128	68,184	41,198	118,395	208,926	13,117
Operating Income	(67,295)	(27,238)	3,261	43,336	114,279	(12,663)
Non-operating income and expenses	(5,495)	14,812	1,362	(10,245)	(42,309)	(3,389)
Profit Before Income Tax	(72,790)	(12,426)	4,623	33,091	71,970	(16,052)
Net income for the period from continuing operations	(73,478)	(59,717)	3,796	33,091	69,565	(16,052)
Loss from discontinued operations	—	—	—	—	—	—
Net income (loss) for the period	(73,478)	(59,717)	3,796	33,091	69,565	(16,052)
Other comprehensive income (loss) for the period (net of Income Tax)	945	979	(404)	207	49	—
Total comprehensive income for the period	(72,533)	(58,738)	3,392	33,298	69,614	(16,052)
Net income attributable to owners of parent	(73,478)	(59,970)	5,119	33,583	68,697	(15,921)
Net income (loss) attributable to non-controlling interests	—	253	(1,323)	(492)	868	(131)
Total comprehensive income attributable to owners of parent	(72,533)	(58,991)	4,900	33,700	68,746	(15,921)
Total comprehensive income, attributable to non-controlling interests	—	253	(1,508)	(402)	868	(131)
Earnings per share	(1.16)	(0.77)	0.07	0.43	0.88	(0.20)

Note 1：The information above was certified by the CPAs.

(4) Individual Income Statement - Adopting International Financial Reporting Standards

Unit: NT$ thousand

Fiscal year / Item	Financial Information for Most Recent 5 Fiscal Years (Note 1)				
	2018	2019	2020	2021	2022
Operating Revenue	287,647	205,634	9,703	56,847	101,772
Gross Profit	8,236	49,560	9,703	56,847	101,772
Operating Income	(60,108)	(28,374)	5,082	46,144	88,595
Non-operating income and expenses	(13,370)	14,541	37	(12,561)	(19,898)
Profit Before Income Tax	(73,478)	(13,833)	5,119	33,583	68,697
Net income for the period from continuing operations	(73,478)	(13,833)	5,119	33,583	68,697
Loss from discontinued operations	—	—	—	—	—
Net income (loss) for the period	(73,478)	(59,970)	5,119	33,583	68,697
Other comprehensive income (loss) for the period (net of Income Tax)	945	979	(219)	117	49
Total comprehensive income for the period	(72,533)	(58,991)	4,900	33,700	68,746
Net income attributable to owners of parent	—	—	—	—	—
Net income (loss) attributable to non-controlling interests	—	—	—	—	—
Total comprehensive income attributable to owners of parent	—	—	—	—	—
Total comprehensive income, attributable to non-controlling interests	—	—	—	—	—
Earnings per share	(1.16)	(0.77)	0.07	0.43	0.88

Note 1: The information above was certified by the CPAs.

(5) Auditing CPAs and audit opinions

Year	Accounting firm	Auditing CPAs	Audit opinion
2018	Deloitte & Touche Certified Public Accountants	Tsai,Mei-Chen, Lin,Cheng-Chih	Unqualified opinion. (Emphasized paragraphs or other paragraphs)- Emphasized paragraphs: Legal certainty decreases on the future major litigation or regulatory measures.
2019	Deloitte & Touche Certified Public Accountants	Lin,Cheng-Chih, Chung,Ming-Yuan	Unqualified opinion. (Emphasized paragraphs or other paragraphs)- Emphasized paragraphs: Legal certainty decreases on the future major litigation or regulatory measures.
2020	KPMG in Taiwan (KPMG International Limited)	Lin,Heng-Sheng, Chen,Pei-Chi	Unqualified opinion. (Emphasized paragraphs or other paragraphs)- Emphasized paragraphs: Established Hsinjing Holding Co., Ltd. by share conversion. Others: The 2019 consolidated financial report was certified by other accountants.
2021	KPMG in Taiwan (KPMG International Limited)	Lin,Heng-Sheng, Chen,Pei-Chi	Unqualified opinion
2022	KPMG in Taiwan (KPMG International Limited)	Lin,Heng-Sheng, Chen,Pei-Chi	Unqualified opinion
2023, Q1	KPMG in Taiwan (KPMG International Limited)	Lin,Heng-Sheng, Chen,Pei-Chi	Opinion: Non-major subsidiaries or investments using the equity method have not been reviewed by accountants.

2. Financial analysis for the past five years

Consolidated Financial Analysis - Adopting International Financial Reporting Standards

Item	Fiscal year	Financial Information for the Most Recent 5 Years 2018	2019	2020	2021	2022	As of March 31, 2023 of the current fiscal year (Note 1)
Financial structure (%)	Debt to assets ratio	21.13	13.50	32.54	59.39	71.74	71.98
	Ratio of long-term capital to property, plant and equipment	358.50	170.55	196.76	435.42	360.69	361.03
Solvency (%)	Current ratio	298.01	311.98	165.36	216.04	141.87	138.54
	Quick ratio	108.01	217.16	41.01	92.32	64.20	50.26
	Times interest earned	29.86	(15.47)	8.16	5.66	7.77	(3.27)
Operating performance	Accounts receivable turnover (times)	7.09	3.84	2.53	14.91	12.54	5.17
	Average collection days	51	95	144	24.49	29.11	71
	Inventory turnover (times)	1.77	1.51	0.90	1.81	2.00	0.59
	Accounts payable turnover (times)	4.59	6.05	4.06	7.17	10.66	4.52
	Average days in sales	206	242	407	202.16	182.34	621
	Property, plant and equipment turnover (times)	2.55	1.23	0.59	2.53	3.88	1.20
	Total asset turnover (times)	0.61	0.45	0.26	0.60	0.64	0.19
Profitability	Return on total assets (%)	(11.39)	(9.37)	0.66	3.42	3.93	(2.15)
	Return on equity (%)	(16.13)	(11.51)	0.77	5.91	10.60	(9.39)
	Ratio of income before tax to paid-in capital (%)	(9.32)	(1.59)	0.59	4.24	9.22	(8.22)
	Net profit margin (%)	(19.22)	(21.27)	2.25	4.90	5.45	(13.55)
	Earnings per share (NT$)	(1.16)	(0.77)	0.07	0.43	0.88	(0.20)
Cash flow	Cash flow ratio (%)	(90.89)	56.70	(3.33)	(38.64)	(44.41)	(0.23)
	Cash flow adequacy ratio (%)	(48.05)	(46.36)	14.56	4.11	3.42	2.75
	Cash reinvestment ratio (%)	(15.39)	4.71	(1.04)	(12.18)	(29.67)	(0.15)
Leverage	Operating leverage	(0.65)	(1.46)	4.12	1.54	1.29	0.33
	Financial leverage	0.96	0.97	1.25	1.20	1.10	0.77

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)

1. Financial structure: The increase financing needs and increased borrowings were result from the increase of the Company's power plant construction projects. The increased advance construction receipts (for construction contracting business) (contract liabilities) and increase in lease liabilities recognized in accordance with IFRS 16 due to the acquisition of various government tenders all led to the increase in the ratio of liabilities to assets. In 2022, the ratio of long-term capital to property, plant and equipment decreased due to the increase in power plant equipment for sales of electricity that was previously served as inventory.
2. Solvency: The increase financing needs and increased borrowings in 2022 were result from the increase of the Company's power plant construction projects. The increased advance construction receipts (for construction contracting business) (contract liabilities) showed a decrease in current ratio and quick ratio. In 2022, the substantial increase in engineering revenue and sales revenue led to a substantial increase in net profit, which increased times interest earned.
3. Operating performance: In 2022, the increased construction projects led to a substantial increase in both operating revenue and operating costs, thereby leading to an increase in accounts payable turnover (times) and property, plant and equipment turnover (times).
4. Profitability: In 2022, along with the successive completion of large-scale power plant projects which recognized as income, the net profit margin increased 110% compared with the last year, resulting in a substantial increase in return on equity, ratio of income before tax to paid-in capital and earnings per share.
5. Cash flow: In 2022, the increased contruction projects led to an increase in contract asset, accounts receivable, and inventory, thereby resulting in an increase in operating cash flow followed by a decrease in cash reinvestment ratio.

Note 1: The information above was certified by the CPAs.

Individual Financial Analysis - Adopting International Financial Reporting Standards

Item		Financial Information for the Most Recent 5 Years (Note 1)				
Item	Fiscal year	2018	2019	2020	2021	2022
Financial structure (%)	Debt to assets ratio	20.92	15.62	3.20	44.60	42.60
	Ratio of long-term capital to property, plant and equipment	1151.11	349.53	–	3,549,690.32	6,585,605.56
Solvency (%)	Current ratio	450.93	417.00	4.37	1,249.56	811.00
	Quick ratio	260.00	388.82	3.72	1,220.94	765.35
	Times interest earned	(30.13)	(23.23)	–	7.36	11.44
Operating performance	Accounts receivable turnover (times)	3.88	1.60	–	–	–
	Average collection days	94	228	–	–	–
	Inventory turnover (times)	1.34	1.23	–	–	–
	Accounts payable turnover (times)	4.10	3.50	–	–	–
	Average days in sales	273	297	–	–	–
	Property, plant and equipment turnover (times)	2.95	2.12	0.00	0.00	0.00
	Total asset turnover (times)	0.46	0.33	0.00	0.00	0.00
Profitability	Return on total assets (%)	(12.09)	(9.51)	0.94	4.68	6.45
	Return on equity (%)	(16.13)	(11.56)	1.04	6.07	10.62
	Ratio of income before tax to paid-in capital (%)	(9.41)	(1.77)	0.66	4.30	8.80
	Net profit margin (%)	(25.54)	(29.16)	–	–	–
	Earnings per share (NT$)	(1.16)	(0.77)	0.07	0.43	0.88
Cash flow	Cash flow ratio (%)	(139.15)	6.88	(14.63)	(330.81)	(793.48)
	Cash flow adequacy ratio (%)	25.37	14.64	14.64	1.50	1.50
	Cash reinvestment ratio (%)	(20.96)	0.87	(0.48)	(1.17)	(1.67)
Leverage	Operating leverage	0.63	(0.10)	(0.91)	(0.23)	(0.15)
	Financial leverage	1.04	0.98	1.00	1.13	1.08

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)

1. Financial structure: The equipment of the Company owns a little financial value. After amortization and depreciation in 2022, the net decrease resulted in an increase in the ratio of long-term capital to property, plant and equipment.
2. Solvency: The decrease in current assets resulted in an decrease in both current ratio and quick ratio. In 2022, earnings before interest and taxes increased compared with the last year, thereby growing times interest earned.
3. Profitability: In 2022, because of the increase in construction projects and overall profit increased due to the completion of large-scale power plant projects by subsidiary, the investment income increased which makes the net profit increase by 105% compared with the previous year, thereby growing return on total assets, return on equity, ratio of income before tax to paid-in capital and earnings per share.
4. Cash flow: The Company's current liabilities has a relatively small amount, so the current liabilities were reduced after the relevant payment was made in 2022, resulting in a decrease in the cash flow ratio. Furthermore, the cash flow ratio was even lower because of the increase in cash outflows (payments) from operating activities.
5. Leverage: In 2022, the increase in investment income led to the increase in operating leverage.

Note 1: The information above was certified by the CPAs.

Note 2: The financial information disclosed in 2017 and 2018 was for Tynsolar Corporation. On Feb.27, 2020, Tynsolar became a 100% shareholding subsidiary and exchanged 1 ordinary share of Tynsolar for 1 ordinary share of the Company. The Company took over the stock trading and started to be listed on Taiwan Stock Exchange on with its Stock Code-3713.

Note 3: The financial ratios are calculated as follows:

1. Financial structure
   (1) Debt to assets ratio = total liabilities / total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
   (3) Times interest earned = earnings before tax and interest expenses / current interest expenses.

3.Operating performance

(1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).

(2) Average collection days = 365 / accounts receivable turnover.

(3) Inventory turnover = cost of goods sold / average inventory.

(4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).

(5) Average days in sales = 365 / inventory turnover.

(6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.

(7) Total asset turnover = net sales / average total assets.

4. Profitability

(1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.

(2) Return on equity = net income after tax / average total equity.

(3) Net profit margin = net income after tax / net sales.

(4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding. (Note 4)

5. Cash flow

(1) Cash flow ratio = net cash flows from operating activities / current liabilities.

(2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).

(3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital). (Note 5)

6. Leverage:

(1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 6).

(2) Financial leverage = operating income / (operating income – interest expenses).

Note 4: Special attention should be paid to the following when calculating earnings per share by the above equation:

1. The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.
2. If there is any cash capital increase or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semi-annual earnings per share of past years shall be retrospectively adjusted pro rata to the size of the capital increase, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the dividend shall be deducted from the net income after tax if there is net income after tax and no adjustment is required in case there is loss.

Note 5: Special attention shall be paid to the following when making the calculations for cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refers to the annual cash outflow used in capital investment.
3. Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4. Cash dividends include the cash dividends of common stock and preferred stock.
5. Gross property, plant and equipment refers to the total property, plant and equipment without deduction of accumulated depreciation.

Note 6: The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationally and consistently.

Note 7: If the Company’s shares have no par value or the par value per share is not NT$10, the paid-in capital involved in the calculation of the above ratio shall be replaced by the equity attributable to owners of the parent company on the balance sheet.

3. Audit Committee's Review Report of the Latest Financial Report

Hsinjing Holding Co., Ltd.

Audit Committee's Review Report

The Company's 2022 Business Report, Consolidated Financial Statements and Profit Distribution Table (appropriation of profit or loss) were issued by the Board of Directors. The CPAs Lin, Heng-Sheng and Chen, Pei-Chi of KPMG in Taiwan (KPMG International Limited) were retained to audit Hsinjing Holding Co., Ltd.'s Financial Statements and have issued an audit report relating to the Financial Statements. All the reports have been reviewed and determined to be correct and accurate by the Audit Committee members of Hsinjing Holding Co., Ltd. and are in compliance with relevant requirements of the Securities and Exchange Act 14-4.

We hereby submit this report for review.
Sincerely,
Hsinjing Holding Co., Ltd.
2023 Annual Shareholders' Meetings

Hsinjing Holding Co., Ltd.

Audit Committee

Convenor:Cheng,Kuo-Jung

March 30, 2023

4. Latest Consolidated Financial Statements: Please refer to page 89-page 147.

5. Latest Individual Financial Statements Audited and Certified by CPAs: Please refer to page 148-page 182.

6. If the Company and its affiliates encountered any financial difficulties in the most recent year and as of the date of publication of the annual report, please describe their impact on the financial status of the Company: None**.**

VII. Review and analyze financial position and financial performance, and assess the risks

1. Financial position:

Main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years, and the effect thereof:

Unit: NT$ thousand

Year / Item	2021	2022	Difference	
			Amount	%
Current assets	843,043	1,442,907	599,864	71.15
Property, plant and equipment	261,532	396,672	135,140	51.67
Other Assets	424,422	608,231	183,809	43.31
Total assets	1,528,997	2,447,810	918,813	60.09
Current liabilities	390,227	1,017,068	626,841	160.63
Total liabilities	908,062	1,755,983	847,921	93.38
Capital reserves	148,249	149,527	1,278	0.86
Retained earnings	(317,030)	(248,294)	68,736	(21.68)
Total shareholders' equity	620,935	691,827	70,892	11.42

Analysis of percentage change of increase or decrease:

1. Current assets: Mainly due to the increase in accounts receivable and contract assets as a result of the completion of site construction in 2022, and the increase in the purchase of modules and inverters to be put into projects or traded as commodities in response to the increase in market demand, resulting in the increase in inventory at the end of the period.
2. Property, plant and equipment: Mainly due to the increase in solar power plant equipment transferred from inventory to held for sale in 2022.
3. Other assets: Mainly due to the acquisition of various government tenders for the installation of solar power generation facilities resulting in the recognition of related right-to-use assets in accordance with IFRS 16.
4. Current liabilities: Mainly due to the increase in contract liabilities and accounts payable as a result of the increased investment in construction sites in 2022, as well as the increase in short-term loans in consideration of capital turnover.
5. Total shareholders' equity: Mainly due to the net income after tax in 2022.

2. Financial performance

(1) Main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years

Unit: NT$ thousand

Item \ Year	2021	2022	Increase (decrease) amount	Percentage change (%)
Operating revenues	675,649	1,275,870	600,221	88.84
Cost of goods sold	546,057	1,064,378	518,321	94.92
Gross profit (loss)	118,395	208,926	90,531	76.47
Operating expenses	75,059	94,647	19,588	26.10
Other gains and losses, net	0	0	0	–
Operating income (loss)	43,336	114,279	70,943	163.70
Non-operating income and expenses	(10,245)	(42,309)	(32,064)	312.97
Net income (loss) before tax	33,091	71,970	38,879	117.49
Income tax expense	0	2,405	2,405	–
Net income (loss) before tax	33,091	69,565	36,474	110.22

Analysis of percentage change of increase or decrease:

1. 1. Gross profit (loss): Mainly due to the completion of the large-scale power plant projects undertaken in 2022, as well as benefited from the government's green energy policy, which led to the rush to install solar power plants, which resulted in a significant increase in demand for solar modules and inverters, resulting in an overall increase in gross profit from product sales.
2. Operating expenses: Mainly due to the increase in construction volume in 2022, which led to the increase in employment expenses, and benefited from the government's green energy policy, which led to the rush to install solar power plants, which resulted in a significant increase in the demand for solar modules and inverters, and the products sold were mainly purchased from overseas suppliers, which led to the increase in import expenses and shipping costs due to the significant increase in procurement volume and the rise in international shipping costs at the same time.
3. Non-operating income and expenses: The main reasons were as follows
   (1) The value of the redemption rights of the Company's bonds was positively correlated with the Company's share price, and the Company's share price showed a downward trend in 2022, resulting in an increase in valuation loss.
   (2) In response to the significant increase in construction volume in 2022, the Company's bank loans also increased, resulting in an increase in servicing fees for obtaining bank loans or performance guarantee lines.
   (3) Due to the evaluation of the operating condition of the investee company, the impairment loss recognized in 2022 increased.

(2) Sales volume forecast and the basis therefor, effect upon the company's financial operations as well as measures to be taken in response:

The Company has not made any public financial forecast and therefore does not prepare to disclose the forecasted sales volume.

3. Cash flow:

(1) Describe and analyze cash flow changes during the most recent fiscal year

Unit: NT$ thousand

Item \ Year	2021	2022	Increase (decrease) change	
			Amount	(%)
Net cash inflows (outflows) from operating activities	(150,777)	(451,644)	(300,867)	199.54
Net cash inflows (outflows) from investment activities	(319,924)	(121,215)	198,709	(62.11)
Net cash inflows (outflows) from financing activities	670,749	547,255	(123,494)	(18.41)
Net Cash Flow	200,048	(25,604)	(225,652)	(112.80)

Analysis of percentage change of increase or decrease:

The increase in net cash outflow from operating activities was mainly due to the significant increase in construction volume of the construction sites in 2022, the related accounts receivable and contract assets not collected at the end of the period, and the increase in inventory invested in the construction sites; the decrease in net cash outflow from investing activities was mainly due to the acquisition of three invested companies using the equity method and one subsidiary in 2021 and the increase in restricted deposits guaranteed by the issuance of convertible bonds in 2022, resulting in a decrease in the above-mentioned activities; the decrease in net cash inflow from financing activities was mainly due to the issuance of convertible bonds in 2021, but no such activity in 2022.

(2) Corrective measures to be taken in response to illiquidity: The Company's capital is filled by financing activities and can be used flexibly, so there is no illiquidity problem.

(3) Liquidity analysis for the coming year

Unit: NT$ thousand

Cash, beginning of year (A)	Estimated net cash flow from operating activities (B)	Estimated cash inflow (outflow) from investment activities and financing activities (C)	Estimated cash surplus (deficit) (A)+(B)+(C)	Corrective measures to be taken in response to illiquidity	
				Investment plan	Financing plan
225,422	(56,071)	30,747	200,098	–	–

Analysis of percentage change in increase (decrease) for the coming year:

Operating activities were mainly due to the contracting of large-scale power plant projects and the construction of self-owned power plants, which required substantial costs and prepayments, resulting in an increase in inventory at the end of the period which resulted in a net cash outflow from operating activities for the year; investment and financing activities were mainly due to loans to finance the construction of power plants and self-owned power plants, resulting in cash inflows.

4. Effect upon financial operations of any major capital expenditures during the most recent fiscal year: None.

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

December 31, 2022

Re-investment Business	Main Business	Original Investment Amount	Balance Sheet Value	Investment Policy	Reason for profit or loss	Improvement Plan	Investment plans for the coming year
Tynsolar Corporation	Other Wholesale of Metal Construction Materials, retail	980,900	870,414	Mainly from contracting projects and electricity sales	Revenues from construction and product sales increased significantly, resulting in a profit for 2022	None	None
Hsinjing Renewable Energy Investment Co., Ltd.	Self-usage power generation equipment utilizing renewable energy industry	175,000	161,919	Use reinvestment company for project development and expansion of power plant investment	Although the investee companies have completed their self-usage power plants, however, it takes time for the benefits from electricity sales to ferment, so the short-term income generation is relatively less	Will continue to invest in project development with the aim of attracting more large-scale power plant projects for the Group	None
Hsinjing Solar Energy Systems Co., Ltd.	Self-usage power generation equipment utilizing renewable energy industry	23,500	23,097	Mainly from contracting project	The main source of revenue is to undertake power plant projects contracted from inter-group companies, and has already been achieving profitability in in 2022	None	None

6. Risk matters

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

A. Interest

The Group's working capital comes from not only the Company's own profits and shareholders' investment, but also from bank loans. Interest expenses mainly come from short-term loans raised from banks and financing for the construction of power plants, and the Group will continue to maintain good relationships with banks and pay attention to changes in market interest rates in order to obtain more favorable interest rates and reduce interest expenses.

B. Exchange rate

The fluctuation in the Group's exchange gain or loss is mainly due to the change in the exchange rate of NTD to USD, which accounts for a very low amount of operating revenue, and the Group's export sales ratio is very low. In the future, if the weight of export sales increases, foreign currency assets will be used to offset foreign currency liabilities in order to achieve a natural hedging effect, and the Group's financial unit maintains close contact with the foreign exchange departments of various financial institutions to closely monitor the trend of market exchange rates and will determine the appropriate timing of settlement or to retain foreign currency in order to reduce exchange risk.

C. Inflation

The Group will constantly keep track of upstream raw material price fluctuations, maintain good interaction with suppliers and customers, and make timely adjustments to product sales prices and the quantity of raw materials in stock in response to price fluctuations, which will reduce the effects of inflation.

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

The Company was established on February 27, 2020 through transfer of shares. The Company's major assets and profits are derived from its reinvestment business and do not engage in high-risk, highly leveraged investments. In addition, loans of funds to others, endorsements and guarantees, and derivative transactions are carried out in accordance with the "Procedures for Loaning of Funds to Others", "Procedures for Endorsements and Guarantees", and "Procedures for Acquisition or Disposal of Assets".

(3) Research and development work to be carried out in the future, and further expenditures expected for research and development work

Currently there is no R&D department, therefore, no R&D expenditures expected to be invested.

(4) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

The Company's main business is in the investment industry. The Company is constantly aware of important domestic and foreign policy and legal changes related to its own business and its reinvestment business, and in order to take immediate measures and adjust the related operation strategies.

Although solar power products have been available for 40 years, however, the development of the solar power industry in Taiwan has mainly started since 1999, and Germany has adopted the Feed-in Tariff (FIT) system since 2004, whereby the government acquires electricity and provides related subsidies, and various countries in the European Union have followed suit, the demand for solar power products has increased significantly, driving the rapid growth of the global solar power industry in our country, it helps the positive development of the industry in which the Company is engaged, the Company has formulated the relevant rules or procedures in accordance with the relevant laws and regulations, and implemented them in accordance with the rules set forth. At present, the Company is not significantly affected by changes in relevant domestic and foreign policies and laws, but the Company will always pay attention to the development of relevant domestic and foreign policies, and pay attention to the changes in relevant laws and regulations so that it can take early response measures.

(5) Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response

The Company is always concerned about the changes in the market environment and the development of industrial policies, and is always aware of the trend of market changes in order to adjust the Company's business strategies. As of the publication date of the annual report, the Company has not been affected by changes in technology and industrial changes that affect its financial operations.

(6) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response

The Company continues to comply with the relevant laws and regulations and has not yet encountered a corporate operating crisis due to a change in corporate image. However, a corporate crisis, if it occurs, may cause considerable damage to the Company, so the Company will continue to comply with and make every effort to implement various corporate governance requirements and consult with relevant experts in a timely manner in order to reduce the occurrence of such risks and the effects of such risks on the Company's financial operations.

(7) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

The Company has no plans to merge and acquire other companies in the most recent year and as of the date of publication of the annual report. If there are plans to merge and acquire companies in the future, the Company will carefully evaluate and consider the combined effect of the mergers to ensure the shareholders' interests.

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

(9) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

There is no concentration of the Company's sales customers and purchasing suppliers. However, the Company continues to maintain good cooperative relationships with various manufacturers and actively expands new customer sources, and has more than two purchasing suppliers, so the risk of concentration of purchasing or sales is not significant.

(10) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken

The Company was established on February 27, 2020 through transfer of shares with its subsidiary, Tynsolar Corporation. There has been no significant transfer or change of ownership of the Company's directors, supervisors or shareholders holding more than 10% of the shares. Any such transfer or replacement is a normal financial management practice of the shareholders and will not have any effect on the Company.

(11) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

The Company was established on February 27, 2020 through transfer of shares from its subsidiary, Tynsolar Corporation, and there has been no change in management for the most recent year or as of the publication date of the annual report.

(12) Litigious and non-litigious matters: None

(13) Other important risks, and mitigation measures being or to be taken: None

7. Other important matters: None.

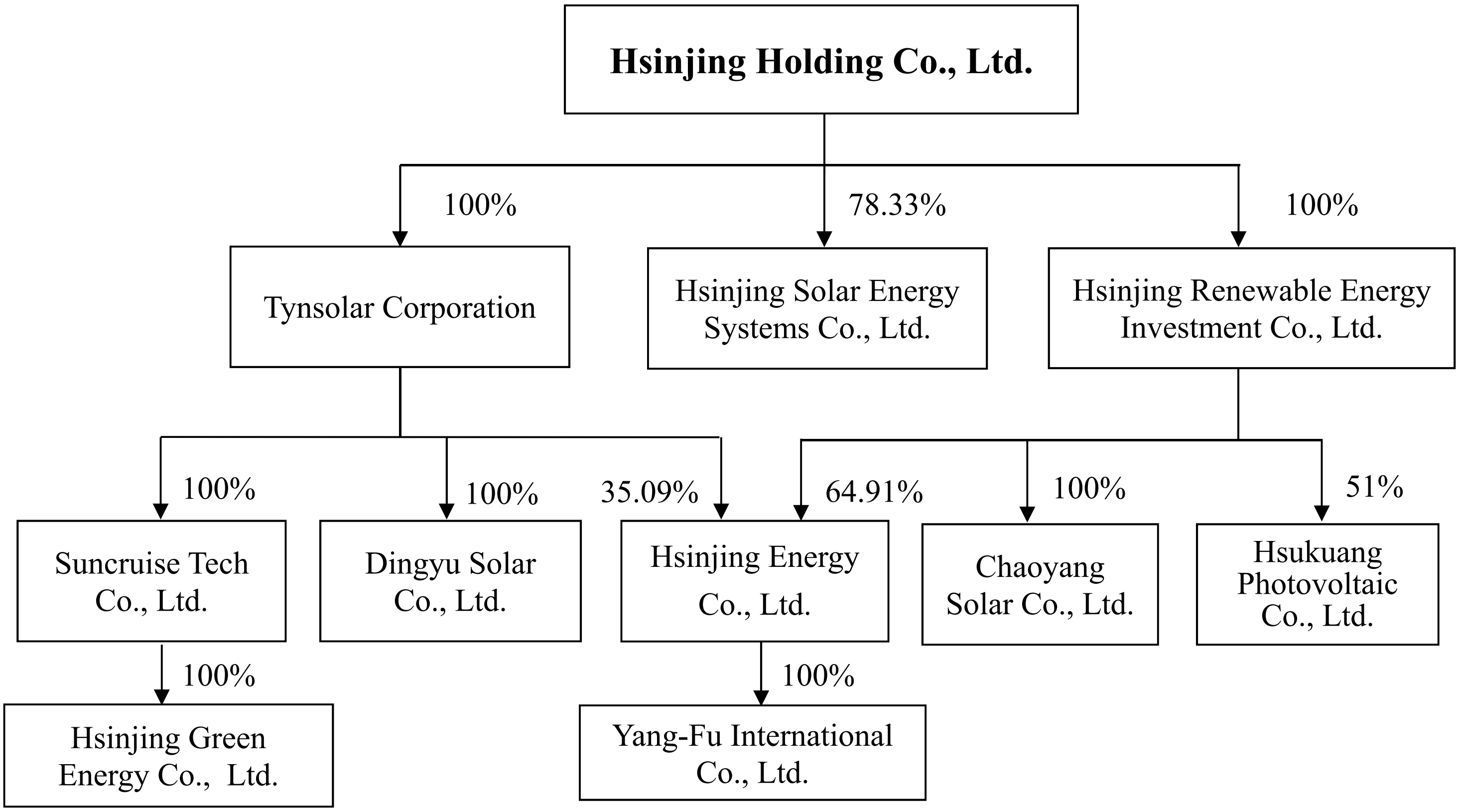
VIII. Special items to be included

1. Information related to the affiliates:：

(1) The Consolidated Business Report：

A. Organizational chart of the affiliates:

December 31, 2022



B. Relationship between the company and its affiliated enterprises, cross-shareholding ratios, numbers of shares held, and actual investment amounts:

December 31, 2022 Unit：NT$ Thousand/Thousand Shares

Name of Affiliate	Relationship with the Company	Shares held in the Company		Shares held by the Company in affiliates		
		Shares	%	Shares	%	Actual investment amounts
Tynsolar Corporation	Subsidiary	0	0%	98,090	100%	980,900
Hsinjing Renewable Energy Investment Co., Ltd.	Subsidiary	0	0%	17,500	100%	175,000
Hsinjing Solar Energy Systems Co., Ltd.	Subsidiary	0	0%	2,350	78.33%	23,500
Suncruise Tech Co., Ltd.	Subsidiary	0	0%	2,700	100%	27,000
Dingyu Solar Co., Ltd.	Subsidiary	0	0%	5,000	100%	50,000
Hsinjing Green Energy Co., Ltd.	Subsidiary	0	0%	500	100%	5,000
Hsukuang Photovoltaic Co., Ltd.	Subsidiary	0	0%	Note	51%	4,080
Chaoyang Solar Co., Ltd.	Subsidiary	0	0%	Note	100%	16,000
Hsinjing Energy Co., Ltd.	Subsidiary	0	0%	5,700	100%	57,000
Yang Fu International Co., Ltd.	Subsidiary	0	0%	205	100%	9,000

Note: It is a limited company.

C. Name, incorporation date, address, paid-in capital, and main business items of each affiliate

December 31, 2022 Unit：NT$ Thousand

Name of Affiliate	Date of incorporation	Address	Paid-in capital	Main business or production items
Tynsolar Corporation	2006.8.25	3F.-1, No. 193, Fuxing 2nd Rd., Zhubei City, Hsinchu County	980,900	R&D, manufacturing and sales of solar panel modules
Hsinjing Renewable Energy Investment Co., Ltd.	2020.3.31	7F., No. 1, Ningbo E. St., Zhongzheng Dist., Taipei City	175,000	Investment in renewable energy power plants
Hsinjing Solar Energy Systems Co., Ltd.	2020.4.1	7F., No. 1, Ningbo E. St., Zhongzheng Dist., Taipei City	30,000	Renewable energy self-use power generation equipment, energy technology services
Suncruise Tech Co., Ltd.	2017.6.26	3F.-1, No. 193, Fuxing 2nd Rd., Zhubei City, Hsinchu County	27,000	Waste disposal and decommissioning
Dingyu Solar Co., Ltd.	2016.7.20	3F.-1, No. 193, Fuxing 2nd Rd., Zhubei City, Hsinchu County	50,000	Other metal construction materials wholesale and retail
Hsinjing Green Energy Co., Ltd.	2020.11.3	6F.-1, No. 18, Taiyuan St., Zhubei City, Hsinchu County	5,000	Refuse-derived fuel
Hsukuang Photovoltaic Co., Ltd.	2019.4.24	6F.-1, No. 18, Taiyuan St., Zhubei City, Hsinchu County	8,000	Other metal construction materials wholesale and retail
Chaoyang Solar Co., Ltd.	2019.4.24	6F.-1, No. 18, Taiyuan St., Zhubei City, Hsinchu County	16,000	Other metal construction materials wholesale and retail
Hsinjing Energy Co., Ltd.	2017.2.10	3F., No. 41, Ln. 57, Dachang Rd., Pingzhen Dist., Taoyuan City	57,000	Renewable energy self-use power generation equipment, energy technology services
Yang-Fu International Co., Ltd.	2013.8.8	3F.-1, No. 193, Fuxing 2nd Rd., Zhubei City, Hsinchu County	2,050	Renewable energy self-use power generation equipment

D. Presumed to have a relationship of control and subordination where the shareholders in common: Not applicable.

E. The industries covered by the business operated by the affiliates overall and connections thereof: Mainly engaged in solar module manufacturing and related system construction and development.

F. Names of the directors, supervisors, and general manager of each affiliate

December 31, 2022 Unit: Thousand shares; %

Name of Affiliate	Title	Name or representative	Shares	%
Tynsolar Corporation	Chairman	Hsinjing Holding Co., Ltd.- Tzu,San-Te	98,090	100
	General Manager	Lin, Shih-Yan	—	—
Hsinjing Solar Energy Systems Co., Ltd.	Chairman	Hsinjing Holding Co., Ltd.- Yu,Huai-Tse	2,350	78.33
	Supervisor	Laijing Green Energy Technology Co., Ltd. – Hsu, Wen-Chi	500	16.67
	General Manager	Yu,Huai-Tse	—	—
Hsinjing Renewable Energy Investment Co., Ltd.	Chairman	Hsinjing Holding Co., Ltd.- Yu,Huai-Tse	17,500	100
	General Manager	Yu,Huai-Tse	—	—
Dingyu Solar Co., Ltd.	Chairman	Tynsolar Corporation- Yu,Huai-Tse	5,000	100
	General Manager	Lin Shih-Yang	—	—
Chaoyang Solar Co., Ltd.	Director	Hsinjing Renewable Energy Investment Co., Ltd.- Yu,Huai-Tse	Note	100
	General Manager	Yu,Huai-Tse	—	—
Hsukuang Photovoltaic Co., Ltd.	Chairman	Hsinjing Renewable Energy Investment Co., Ltd.- Yu,Huai-Tse	Note	51
	Director	Solarvest (Taiwan) Cprporate Ltd.- Liu Jun Jia	Note	49
	General Manager	Yu,Huai-Tse	—	—
Suncruise Tech Co., Ltd.	Chairman	Tynsolar Corporation- Yu,Huai-Tse	2,700	100
	General Manager	Yu,Huai-Tse	—	—
Hsinjing Green Energy Co., Ltd.	Chairman	Suncruise Tech Co., Ltd.- Yu,Huai-Tse	500	100
	General Manager	Yu,Huai-Tse	—	—
Hsinjing Energy Co., Ltd.	Chairman	Tynsolar Corporation- Tzu,San-Te	2,000	35.09
	Supervisor	Yu,Huai-Tse	—	—
	General Manager	Tzu,San-Te	—	—
Yang Fu International Co., Ltd.	Chairman	Hsinjing Energy Co., Ltd. - Yu,Huai-Tse	205	100
	General Manager	Yu,Huai-Tse	—	—

Note: It is a limited company.

G. Overview of the operations of the affiliates

December 31, 2022 Unit: NT$ thousand

Name	Capital	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Profit or loss for the period	Earnings per share
Tynsolar Corporation	980,900	2,123,372	1,238,767	884,605	1,240,397	134,735	112,480	1.15
Hsinjing Renewable Energy Investment Co., Ltd.	175,000	184,931	17,011	167,920	477	(833)	(13,018)	(0.72)
Hsinjing Solar Energy Systems Co., Ltd.	30,000	59,768	21,585	38,183	62,563	15,228	13,298	4.43
Suncruise Tech Co., Ltd.	27,000	12,999	50	12,949	1	(36)	(285)	(0.11)
Dingyu Solar Co., Ltd.	50,000	367,977	336,270	31,707	69,872	(74)	(254)	(0.05)
Hsinjing Green Energy Co., Ltd.	5,000	4,302	37	4,265	0	(267)	(263)	(0.53)
Hsukuang Photovoltaic Co., Ltd.	8,000	44,125	35,908	8,217	4,276	1,194	578	0.72
Chaoyang Solar Co., Ltd.	16,000	41,658	26,707	14,951	20,685	167	(913)	(0.57)
Hsinjing Energy Co., Ltd.	57,000	56,804	50	56,754	0	(116)	534	0.09
Yang-Fu International Co., Ltd.	2,050	23,658	20,373	3,285	3,453	1,661	1,045	5.10

(2) The Consolidated Financial Statements of The Affiliates:

Declaration

The Company's preparation of the consolidated financial statements of the affiliates pursuant to the provisions of the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for 2022 (January 1, 2022 to December 31, 2022) is the same as the preparation of the consolidated financial statements of the parent and subsidiary in accordance with IFRS 10 endorsed by the Financial Supervisory Commission. And relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, shall not be required to prepare separate consolidated financial statements of affiliates.

Company name: Hsinjing Holding Co., Ltd.
Chairman: Tzu,San-Te
Date: March 30, 2023

(3) Affiliation Report：

A. Relationship between the subordinate company and the controlling company

December 31, 2022

Name of controlling company	Reason for control	Shareholdings and pledges of the controlling company			The controlling company assigns employees as directors, supervisors or managers	
		Shares Held (in thousands)	%	Shares pledged	Title	Name
Tynsolar Corporation	Direct shareholding over 50%	98,090	100%	—	Chairman General Manager	Tzu,San-Te Lin, Shih-Yang
Hsinjing Solar Energy Systems Co., Ltd.	Direct shareholding over 50%	2,350	78.33%	—	Chairman General Manager	Yu,Huai-Tse Yu,Huai-Tse
Hsinjing Renewable Energy Investment Co., Ltd.	Direct shareholding over 50%	17,500	100%	—	Chairman General Manager	Yu,Huai-Tse Yu,Huai-Tse
Dingyu Solar Co., Ltd.	Indirect shareholding over 50%	5,000	100%	—	Chairman General Manager	Yu,Huai-Tse Lin, Shih-Yang
Chaoyang Solar Co., Ltd.	Indirect shareholding over 50%	Note	100%	—	Director General Manager	Yu,Huai-Tse Yu,Huai-Tse
Hsukuang Photovoltaic Co., Ltd.	Indirect shareholding over 50%	Note	51%	—	Chairman General Manager	Tzu,San-Te Tzu,San-Te
Suncruise Tech Co., Ltd.	Indirect shareholding over 50%	2,700	100%	—	Chairman General Manager	Yu,Huai-Tse Yu,Huai-Tse
Hsinjing Green Energy Co., Ltd.	Indirect shareholding over 50%	500	100%	—	Chairman General Manager	Yu,Huai-Tse Yu,Huai-Tse
Hsinjing Energy Co., Ltd.	Indirect shareholding over 50%	5,700	100%	—	Chairman Supervisor General Manager	Tzu,San-Te Yu,Huai-Tse Tzu,San-Te
Yang-Fu International Co., Ltd.	Indirect shareholding over 50%	205	100%	—	Chairman General Manager	Yu,Huai-Tse Yu,Huai-Tse

Note: It is a limited company.

B. Financing:

December 31, 2022 Unit: NT$ thousand

Financing Company	Counterparty	Relationship	Maximum Balance	Ending Balance	Amount Actually Drawn	Interest Rate	Total interest for the period	Financing Term	Reason for Financing	Acquire (provide) Collateral		Transaction Method	Allowance for Bad Debt
										Item	Amount		
Hsinjing Holding Co., Ltd.	Tynsolar Corporation	Parent-subsidiary	50,000	0	0	—	0	1 year	Operating capital	—		According to the regulations of the FSC	—

C. Asset Leasing:

December 31, 2022 Unit: NT$ thousand

Lessor Lessee	Relationship	Object		Lease Period	Nature of leasing	Basis of leasing price determination	Collection Method	Comparison with ordinary leasing price levels	Total leasing price for the current period	Collection /payment status for the period	Other special stipulations
		Name	Location								
Tynsolar Corporation Hsinjing Holding Co., Ltd.	Parent-subsidiary	Office- 3F.-1, No. 193, Fuxing 2nd Rd., Zhubei City, Hsinchu County		2022.2~2023.1	Operational leasing	Equal share	Monthly payment	—	(33)	Normal	—

D. Endorsements and guarantees:

December 31, 2022 Unit: NT$ thousand

Endorsement/ Guarantee Provider	Endorsement Guaranteed Parties	Maximum Balance	Period-end Balance		Amount Actually Drawn	Relationship	Collateral is provided for a guarantee			Terms and conditions or dates for rescinding the endorsement or guarantee obligation or withdrawing the collateral	Contingency loss amounts stated in the financial statements	Breach applicable operational rules
			Amount	Percentage of the net worth in the financial statements			Name	Quantity	Book value			
Hsinjing Holding Co., Ltd.	Tynsolar Corporation	185,000	185,000	27.13%	132,178	Parent-subsidiary	—	—	—	Financing Line Maturity Date	—	—
Tynsolar Corporation	Hsinjing Holding Co., Ltd.	508,000	508,000	57.43%	508,000	Parent-subsidiary	Solar power plant and bank reserve account	—	250,772	Corporate Bond Maturity Date	—	—
Dingyu Solar Co., Ltd.	Hsinjing Holding Co., Ltd.	45,000	45,000	141.92%	45,000	Parent-Sub-subsidiary	Solar power plants and bank reserve account	—	40,484	Corporate Bond Maturity Date	—	—

2. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(1) The Company's Board of Directors approved a cash capital increase through a private placement of common shares on March 30, 2023, and the related matters were as follows:

A. For long-term development, in response to industry trends and the Company's operational requirements, the Company proposed to issue 10,000 thousand shares of common stock through a private placement.

B. Matters related to this private placement were as follows:

a. Number of shares in private placement: Within the quota of 10,000 thousand shares, to be issued in two installments within one year starting from the date of the resolution of the shareholders' meeting.

b. Par value per share: NT$10.
c. Total monetary amount: Calculated based on the final private placement price.
d. The basis and reasonableness of the private placement pricing:
  (a) The reference price for the private placement of common shares is based on the simple average closing price of the common shares of the TWSE listed or TPEx listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. And the simple average closing price of the common shares of the TWSE listed or TPEx listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. The price is determined by the higher of the two calculations, and the actual issue price shall not be lower than 80% of the reference price.
  (b) The actual price of the private placement is within the range of not less than the percentage resolved at the shareholders' meeting, and the board of directors is authorized to determine the price depending on the circumstances of the specific persons to be selected and the market conditions in the future.
  (c) The aforementioned private placement price was determined in accordance with the "Directions for Public Companies Conducting Private Placements of Securities" and therefore should be reasonable.
  (d) Private placement price: Based on the simple average closing price of the common shares of the TWSE listed or TPEx listed company for the 30 business days, the Board of Directors calculated the price of NT$29.7 as the reference price, and the private placement price was set at NT$23.8.
e. The method for selecting the specific persons:
  It is proposed to the shareholders' meeting to authorize the Board of Directors to select specific persons in accordance with Article 43-6, Paragraph 1 of the Securities and Exchange Act and related laws and regulations, and currently the Company proposed the following information on internal placees, and the actual number of shares to be subscribed will be determined after the external placees are selected.

Placee	Relationship with the Company
Tzu,San-Te	Chairman of the Company
Yu,Huai-Tse	Director of the Company

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

Name of corporate shareholder	Major shareholder of corporate shareholder	The percentage of shareholders' shares held by corporate entities among the top10 shareholders and the relationship with the Company
Not applicable	Not applicable	Not applicable

f. The reasons for the necessity for conducting the private placement:
  (a) Reasons for not using a public offering: In order to raise capital in a time-efficient manner, to obtain long-term capital within the shortest period of time, and to introduce the actual requirements of strategic investors, and the rule of not freely transferable private placement securities for three years will ensure the long-term partnership between the Company and strategic investors, therefore, we proposed to raise capital from specific persons through private placement. In response to the trend of industry development and the Company's operational requirements, the private placement is quick and easy to obtain the required capital in a short period of time and in line with the investment partner arrangement, therefore, we proposed to conduct an issuance of new shares for cash through a private placement.
  (b) The limit on the private placement: Within the quota of 10,000 thousand shares, to be issued in two installments within one year starting from the date of the resolution of the shareholders' meeting.

(c) The use of the funds raised by the private placement, and the anticipated benefits: The funds raised will be used to build a solar power plant or to replenish working capital, which is expected to strengthen the Company's competitiveness and enhance its operating capability, and will positively contribute to the stability of the Company's operations and shareholders' equity.

g. Rights and obligations of the issuance of new shares: The rights and obligations of the new shares of the private placement in principle are the same as those of the Company's issued common shares, except that, under the Securities and Exchange Act, the common shares of the private placement shall not be freely transferable within three years after the issuance, except to the transferee as provided in Article 43-8 of the Securities and Exchange Act. After three years from the date of issuance, the Board of Directors is authorized to decide, depending on the prevailing conditions, whether to first obtain an approval letter from TWSE or Taipei Exchanges to comply with the listing or OTC rquirements and to apply the application to the competent authorities for listing and trading of the private placement of common shares after the public offering.

C. For the number of shares to be issued, the issuance price, the terms and conditions of the issuance, the amount to be raised, or other related matters, the resolution of the shareholders' meeting and the approval of the competent authorities shall be the final decision. In the event of future changes in laws and regulations, amendments approved by the competent authorities, adjustments based on operational evaluations or changes due to objective environmental factors, the board of directors is authorized to handle the matter at its sole discretion.

D. It is proposed that upon the approval of this proposal by the Shareholders' Meeting, the Chairman of the Board of Directors be authorized to sign all the deeds or documents and conduct all the necessary matters on behalf of the Company for the issue of the Private Placement Common Shares.

(2) Supplemental description of method of selecting the placees and its necessity and expected benefits, use of the funds by the private placement and anticipated benefits, and whether any change in management will occur:

A. Conduct this private placement of securities, method of selecting the placees and its necessity and anticipated benefits:

The Company conducted this private placement of securities on the premise that it would not cause significant changes in the Company's future management, and introduced strategic investors.

a. Selection Method and Purpose:

The Company conducted this private placement of securities, mainly because the Company's core business is the development of solar power plants and sales of electricity revenue services. The Company proposed to attract strategic investors without any change in management in order to respond to the long-term development and working capital requirements of the Company's business.

b. Necessity:

The Company's business is expanding rapidly, and the injection of private placement funds is beneficial to the stable growth of the Company's operations and the shareholders' equity, thus it is necessary.

c. Anticipated benefits:

It is expected to capitalize on the construction of solar power plants and enhance the expected benefits of operational efficiency.

B. The Company proposed to conduct this private placement of marketable securities in two tranches, the use of funds in each tranche and the expected benefits to be achieved in each tranche:

a. The use of first fund and anticipated benefits:

The funds raised will be used to build a solar power plant or to replenish working capital, which is expected to strengthen the Company's competitiveness and enhance its operating capacity, and will positively contribute to the stability of the Company's operations and shareholders' equity.

b. The use of second fund and anticipated benefits:
The funds raised will be used to build a solar power plant or to replenish working capital, which is expected to strengthen the Company's competitiveness and enhance its operating capacity, and will positively contribute to the stability of the Company's operations and shareholders' equity.

C. The Company conducted this private placement of securities, whether any change in management will occur:

a. The Company conducted this private placement of securities, limited to a maximum of 10,000 thousand shares. Although the amount of the private placement accounted for 12.8% of the current paid-in capital, it was still lower than the shareholding of the current directors and management team.

b. The actual number of shares to be issued and the amount to be raised will depend on the Company's needs for the construction of solar power plants.

c. The placees may also change and may not all be concentrated in the same person.

d. The Company selected the placees on the premise that it will not cause significant changes in the Company's future management, and can provide operating capital for the construction of solar power plants and contribute to future business development.
Therefore, after careful evaluation by the Company, there should not be any change in the management.

D. In summary, the Company assessed that this private placement of securities should have a positive effect on shareholders' equity.

3. Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

4. Other matters that require additional description: None.

IX. Any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Stock Code: 3713

Hsinjing Holding Co., Ltd. And Subsidiaries
Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021
And Independent Auditors' Report

Address: 3F.-1, No. 193, Fuxing 2nd Rd., Zhubei City, Hsinchu County, 302 Taiwan (R.O.C.)
Telephone: (03) 6581956

REPRESENTATIVE STATEMENT

The entities that are required to be included in the combined financial statements of the Hsinjing Holding Co., Ltd., as of and for the year ending on December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the within consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in such combined financial statements is included in the within consolidated financial statements. Consequently, the Hsinjing Holding Co., Ltd., and Subsidiaries do not separately prepare a set of combined financial statements.

Respectfully yours,

San-Te Tzu
Chairperson
Hsinjing Holding Co., Ltd.
March 30, 2023

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Hsinjing Holding Co., Ltd.:

Opinion
We, the undersigned, have audited the accompanying consolidated financial statements of the Hsinjing Holding Co., Ltd., and its subsidiaries (collectively the "Group"), which comprise the consolidated balance sheet as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the period from January 1 to December 31, 2022 and 2021, as well as notes to the consolidated financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements are compiled, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China and fairly represent the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and consolidated cash flows for the period from January 1 to December 31, 2022 and 2021.

Basis for Opinion
We conducted the within audits according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and the Standards on Auditing, of the Republic of China. Our responsibilities under the standards are more fully set forth in the Auditors' Responsibilities in Audits of Consolidated Financial Statements section of this report. We the practitioners at KPMG who are subject to the standards of independence have remained independent of the Group, and we have fulfilled the ethical responsibilities prescribed in The Norm of Professional Ethics for Certified Public Accountants of the Republic of China. We believe that the evidence we have obtained through the audits is adequate and sufficient to provide the basis for our opinion.

Key Audit Matters
"Key audit matters" are those areas that, in our professional judgment, were most important within the purview of the audit of the Group's consolidated financial statements for the year ending on December 31, 2022. As these matters have substantively been addressed in the context of our audit of the Group's consolidated financial statements as a whole and in the formation of our opinion thereon, we do not separately express any opinions on the matters. The key audit matters that, in our opinion, should be communicated in the Independent Audits' Report are as follows:

1. Sales Recognition

Please refer to Note 4, subdivision o, Revenue Recognition, and Note 6, subdivision u, Revenue from Customer Contracts, to these consolidated financial statements for the accounting policies concerning sales recognition and the relevant disclosure concerning revenue, respectively.

<u>Explanation:</u>
The primary business of the Group is the planning, design and installation of solar power generation systems and the sale of various types of solar panel modules as well as units of solar power plants. Operating revenue is one of the significant accounts in the consolidated financial statements and is a matter of concern to users thereof. Therefore, we recognized sales recognition was one of the key audit matters in our audit of the Group's consolidated financial statements.

Procedure:
Our principal audit procedures with respect to sales recognition included:

- Evaluating whether the accounting policy for sales recognition was in compliance with the relevant reporting standards.
- Understanding and assessing the system design and execution effectiveness of the internal control for revenue.
- Selecting sales transactions within a time period before and after the date of the financial statements and checking the revenue transaction records and associated certificates to assess whether the relevant transactions are recognized in the appropriate reporting period.
- Evaluating whether there are significant sales returns and discounts after the reporting period.

Relevant Information
We have audited and issued an opinion without reservation on the individual financial statements compiled by the parent company of the Hsinjing Holding Co., Ltd., for the years ending on December 31, 2022 and 2021.

Responsibilities of Management and Governing Bodies for the Consolidated Financial Statements
Management was responsible for the preparation of and a fair representation in the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for maintaining such internal procedures as it deems necessary for the preparation thereof, to ensure the consolidated financial statements were free of material misrepresentation, whether due to fraud or mistake.
In preparing the consolidated financial statements, management was also responsible for evaluating the Group's ability to continue as a going concern, disclosure of pertinent information, and implementation of going concern basis of accounting, unless management intended to liquidate or cease the operations of the Group, or there were no other practicable alternatives other than doing so.
The governing bodies of the Group, including the Audit Committee, were responsible for overseeing its financial reporting process.

Auditors' Responsibilities in Auditing the Consolidated Financial Statements
The objectives of our audit of the consolidated financial statements were to deduce reasonable assurance whether the consolidated financial statements as a whole were free of material misrepresentation, whether due to fraud or mistake, and to issue a report on our findings and opinion. Reasonable assurance denotes a high level of certainty, but is not a guarantee that an audit conducted according to the Standards on Auditing of the Republic of China would always ferret out a material misrepresentation when it existed in the consolidated financial statements. Misrepresentations can arise from fraud or mistake and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users who make such decisions on the basis of these consolidated financial statements.
We exercised professional judgment and maintained professional skepticism in conducting the audit pursuant to the Standards on Auditing of the Republic of China. In addition, we:

1. Identified and assessed potential material misrepresentations in the consolidated financial statements, whether due to fraud or mistake; planned and executed responsive procedures to the potentials thus identified; and deduced valid and sufficient evidence to form the bases for our opinion. Because fraud involves conspiracy, forgery, intentional omissions, deceitful representation, and/or matters beyond internal control, the probability of failing to identify a material misrepresentation as a result of fraud is higher than that as a result of mistake.

2. Attained an adequate understanding of the internal procedures that had bearings on the audit in planning for such auditorial procedures suitable for the circumstances, although the purpose was not to express any opinions concerning the efficacy of said internal procedures.
3. Evaluated the adequacy of the accounting policies and the reasonableness of the accounting estimates and relevant disclosures made by management.
4. Drew conclusion, based on evidence obtained from the audit, on the adequacy of the going concern basis of accounting implemented by management and the existence of material uncertainty whether there might be matters or circumstances that might cast significant doubt on the Group's ability to continue as a going concern. If we believed such a material uncertainty existed, we were required in the auditors' report to draw the attention of the users of the consolidated financial statements to the relevant disclosures made therein, or, in the case that the disclosures were deemed inadequate, to amend our opinion. Our conclusions are based on evidence obtained in the course of the audit up to the date of this auditors' report. Future events or conditions might nevertheless affect the ability of the Group to continue as a going concern.
5. Evaluated the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements fairly represent the underlying transactions and matters.
6. Expressed our opinion concerning the consolidated financial statements upon obtaining adequate and sufficient auditorial evidence on the financial status of the investees in investments accounted for using the equity method. We were responsible for the direction, supervision and execution of the auditorial activities and for deriving an opinion therefrom about the Group.

Matters we discussed with the governing bodies include planned scope and timing of the audit and important auditorial findings, including significant deficiencies in the internal procedures identified during the course of the audit.

We also provided the governing bodies with a statement that we the practitioners at KPMG who are subject to the standards of independence have complied with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China regarding independence, and communicated to the governing bodies all the relationships and other matters that might be deemed to affect the independence of the auditors, including relevant safeguards.

In the matters discussed with the governing bodies, we determined which matters were of the most significance in auditing the consolidated financial statements (i.e., the key audit matters) for the year ended on December 31, 2022. We discuss these matters in the auditors' report unless disclosure of the matters is forbidden by law or regulations or when, in extremely rare circumstances, we have determined that a particular matter should not be discussed in our report, in which case it should reasonably be inferred that the detrimental effects from the disclosure outweigh the public interest.

The engagement partners on the audit resulting in this independent auditors' report are Heng-Sheng Lin and Pei-Chi Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 30,2023

Hsinjing Holding Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEET

December 31, 2022 and 2021

In NTD thousands

Code	ASSETS	12/31/2022 Amount	%	12/31/2021 Amount	%
	Current Assets:				
1100	Cash and cash equivalents (n. 6, subd. a)	$ 225,422	9	251,026	17
1140	Contractual assets (n. 6, subd. u, n. 7)	240,449	10	49,150	3
1172	Accounts receivable (n. 6, subds. d, u)	72,985	3	16,927	1
1180	Accounts receivable – related parties, net (n. 6, subds. d, u, n. 7)	78,776	3	33,151	2
1200	Other receivables	546	-	-	-
1220	Income tax assets	44	-	18	-
130X	Inventory (n. 6, subd. e, n. 8)	683,705	28	374,461	24
1410	Prepayments	106,280	5	108,310	7
1470	Other current assets (n. 8, n. 9)	34,700	1	10,000	1
	Total current assets	1,442,907	59	843,043	55
	Non-current Assets:				
1517	Financial assets at fair value through other comprehensive income – non-current (n. 6, subd. c)	1,386	-	1,376	-
1550	Investments accounted for using the equity method (n. 6, subd. f, n. 7)	54,333	2	64,637	4
1600	Property, plant and equipment (n. 6, subd. j, n. 8)	396,672	16	261,532	17
1755	Right-of-use assets (n. 6, subd. k)	155,690	6	15,431	1
1805	Goodwill (n. 6, subd. h)	6,793	-	-	-
1920	Refundable deposits (n. 8, n. 9)	184,337	8	187,979	13
1990	Other non-current assets – others (n. 8, n. 9)	205,692	9	154,999	10
	Total non-current assets	1,004,903	41	685,954	45
	TOTAL ASSETS	$ 2,447,810	100	1,528,997	100

Code	LIABILITIES AND EQUITY	12/31/2022 Amount	%	12/31/2021 Amount	%
	Current Liabilities:				
2100	Short-term loans (n. 6, subd. l, n. 7, n. 8)	$ 649,047	27	149,483	10
2130	Contractual liabilities – current (n. 6, subd. u, n. 7)	204,309	8	117,973	7
2170	Accounts payable	107,154	5	90,616	6
2180	Accounts payable – related parties (n. 7)	113	-	2,261	-
2200	Other payables	22,427	1	12,993	1
2230	Income tax payable	2,405	-	-	-
2280	Lease liabilities – current (n. 6, subd. o, n. 7)	19,356	1	2,235	-
2322	Long-term loans due within one year (n. 6, subd. m, n. 7, n. 8)	9,710	-	14,192	1
2399	Other current liabilities	2,547	-	474	-
	Total current liabilities	1,017,068	42	390,227	25
	Non-current Liabilities:				
2500	Financial liabilities at fair value through profit or loss – non-current (n. 6, subds. b, n)	12,250	1	3,850	-
2540	Long-term loans (n. 6, subd. m, n. 7, n. 8)	103,909	4	9,296	1
2530	Bonds payable (n. 6, subd. n, n. 8)	491,335	20	484,754	32
2550	Liability reserve – non-current	9,402	-	6,111	-
2580	Lease liabilities – non-current (n. 6, subd. o, n. 7)	121,725	5	13,462	1
2640	Net defined benefit liabilities – non-current (n. 6, subd. p)	294	-	362	-
	Total non-current liabilities	738,915	30	517,835	34
	Total Liabilities	1,755,983	72	908,062	59
	Equity Attributable to Shareholders of the Parent Company (n. 6, subd. r):				
3110	Capital stock	780,900	32	780,900	51
3200	Capital surplus	149,527	6	148,249	10
3350	Deficit to be offset	(248,294)	(10)	(317,030)	(21)
3400	Others	(309)	-	(319)	-
	Subtotal offset	681,824	28	611,800	40
36XX	Non-controlling interests (n. 6, subd. i)	10,003	-	9,135	1
	Total Equity	691,827	28	620,935	41
	TOTAL LIABILITIES AND EQUITY	$ 2,447,810	100	1,528,997	100

The accompanying notes are an integral part of the individual financial statements.

Hsinjing Holding Co., Ltd.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
January 1 to December 31, 2022 and 2021

In NTD Thousands

		2022		2021	
		Amount	**%**	**Amount**	**%**
4000	**Operating Revenue (n. 6, subds. u, n. 7)**	$ 1,275,870	100	675,649	100
5000	**Operating Cost (n. 6, subd. e, n. 7)**	1,064,378	84	546,057	81
5910	Less: Unrealized sales profit and loss (n. 6, subd. f)	(2,869)	-	(11,359)	(2)
5920	Add: Realized sales profit and loss (n. 6, subd. f)	303	-	162	-
	Gross Profit	208,926	16	118,395	17
	Operating Expenses (n. 6, subds. o, p, n. 7):				
6100	Marketing	17,384	1	11,816	2
6200	General and Administrative	78,916	6	64,113	9
6450	Gain (loss) on reversal of expected credit impairment (n. 6, subd. d)	(1,653)	-	(870)	-
	Total Operating Expenses	94,647	7	75,059	11
	Income from Operations	114,279	9	43,336	6
	Non-operating Income and Expenses (n. 6, subd. w):				
7100	Interest income	518	-	218	-
7010	Other income	132	-	2,570	-
7020	Other gains and losses	(33,077)	(3)	(7,999)	(1)
7050	Finance costs	(10,630)	(1)	(7,105)	(1)
7060	Share of profits of subsidiaries and associates	748	-	2,071	-
	Total Non-operating Income and Expenses	(42,309)	(4)	(10,245)	(2)
7900	**Net Operating Income Before Income Tax**	71,970	5	33,091	4
7950	**Less: Income Tax Expense (n. 6, subd. q)**	2,405	-	-	-
	Net Income	69,565	5	33,091	4
8300	**Other Comprehensive Income (Loss):**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurement of defined benefit obligation	39	-	233	-
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income	10	-	(26)	-
	Total items that will not be reclassified subsequently to profit or loss	49	-	207	-
8300	**Other Comprehensive Income (Loss), Net of Income Tax**	49	-	207	-
	Total Comprehensive Income	$ 69,614	5	33,298	4
	Net Income Attributable to:				
8610	Shareholders of the parent company	$ 68,697	5	33,583	4
8620	Non-controlling interests	868	-	(492)	-
		$ 69,565	5	33,091	4
	Comprehensive Income Attributable to:				
8710	Shareholders of the parent company	$ 68,746	5	33,700	4
8720	Non-controlling interests	868	-	(402)	-
		$ 69,614	5	33,298	4
	Basic Earnings per Share (NT$) (n. 6, subd. t)				
9750	**Diluted Earnings per Share (NT$)**	$ 0.88		0.43	

The accompanying notes are an integral part of the individual financial statements.

Hsinjing Holding Co., Ltd., and Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
January 1 to December 31, 2022 and 2021

In NTD Thousands

	Equity Attributable to Shareholders of the Parent Company						
				Others			
	Capital Stock, Common Shares	Capital Surplus	Retained Earnings (Deficit to Be Offset)	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity Attributable to Shareholders of the Parent Company	Non-controlling Interests	Total Equity
Balance, January 1, 2021	$ 780,900	63,922	(350,384)	(293)	494,145	5,438	499,583
Net income (loss)	-	-	33,583	-	33,583	(492)	33,091
Other comprehensive income (loss)	-	-	143	(26)	117	90	207
Total comprehensive income (loss)	-	-	33,726	(26)	33,700	(402)	33,298
Equity components – stock options recognized for issuance of convertible bonds	-	84,584	-	-	84,584	-	84,584
Share of changes in equities of subsidiaries	-	(257)	(372)	-	(629)	629	-
Increase (decrease) in non-controlling interests	-	-	-	-	-	3,470	3,470
Balance, December 31, 2021	780,900	148,249	(317,030)	(319)	611,800	9,135	620,935
Net income (loss)	-	-	68,697	-	68,697	868	69,565
Other comprehensive income (loss)	-	-	39	10	49	-	49
Total comprehensive income (loss)	-	-	68,736	10	68,746	868	69,614
Share-based payment transactions	-	1,278	-	-	1,278	-	1,278
Balance, December 31, 2022	**$ 780,900**	**149,527**	**(248,294)**	**(309)**	**681,824**	**10,003**	**691,827**

The accompanying notes are an integral part of the individual financial statements.

Hsinjing Holding Co., Ltd., and Subsidiaries
CONSOLIDATED STATEMENT OF CASH FLOWS
January 1 to December 31, 2022 and 2021

In NTD thousands

	2022	2021
Cash Flows from Operating Activities:		
Income before income tax	$ 71,970	33,091
Adjustments for:		
Income and expenses		
Depreciation expense	32,582	23,260
Bargain purchase gains (losses)	-	(10)
Expected credit impairment loss (reversal of impairment loss)	(1,653)	(870)
Net loss on financial assets and liabilities at fair value through profit or loss	8,400	4,500
Finance expense	10,630	7,105
Interest income	(518)	(218)
Share-based compensation costs	1,278	-
Share of profits of associates and joint ventures	(748)	(2,071)
Impairment loss (gain) on property, plant and equipment	15	183
Impairment loss (gain) on investments	-	(87)
Impairment loss (gain) on non-financial assets	12,116	-
Unrealized loss (gain) on sales to/from associates	2,869	11,359
Realized loss (gain) on sales to/from associates	(303)	(162)
Transfer of overdue accounts payable to other income	-	(1,515)
Total profits and attritions	64,668	41,474
Changes in operating assets and liabilities:		
Contractual assets	(191,299)	(49,150)
Accounts receivable	(54,028)	(14,195)
Accounts receivable – related parties	(45,625)	(6,703)
Other receivables	(546)	-
Inventory	(407,624)	(140,600)
Prepayments	2,030	(88,236)
Other current assets	(613)	356
Contractual liabilities	86,336	42,834
Accounts payable	16,538	32,457
Accounts payable – related parties	(2,148)	(2,181)
Other payables	7,884	2,860
Liability reserve	-	(406)
Other current liabilities	2,073	(79)
Net defined benefit liabilities	(29)	(35)
Total adjustments	(522,383)	(181,604)
Cash generated from operations	(450,413)	(148,513)
Interest received	518	218
Dividends received	2,250	-
Interest paid	(3,974)	(1,822)
Income tax paid	(25)	(660)
Net cash generated (used) in operating activities	(451,644)	(150,777)
Cash Flows from Investing Activities:		
Acquisition of investments accounted for using the equity method	(5,880)	(73,530)
Disposal of investments accounted for using the equity method	-	2,800
Acquisition of equity interests in subsidiaries	(9,000)	(37,000)
Acquisition of property, plant and equipment	(37,054)	(9,006)
Disposal of property, plant and equipment	10	476
Refundable deposits refunded (paid)	3,642	(63,003)
Cash inflows from consolidation	1,847	20,263
Increase in other financial assets	(24,087)	(6,000)
Increase in other non-current financial assets	(50,834)	(154,782)
Decrease (increase) in prepayments for equipment	141	(142)
Net cash generated (used) in investing activities	(121,215)	(319,924)
Cash Flows from Financing Activities:		
Increase in short-term loans	912,111	170,585
Decrease in short-term loans	(412,547)	(51,102)
Proceeds from issuance of bonds	-	563,335
Long-term loans secured	93,573	10,740
Repayment of long-term loans	(19,904)	(22,586)
Repayment of lease principal	(25,978)	(3,693)
Changes in non-controlling interests	-	3,470
Net cash generated (used) in financing activities	547,255	670,749
Net Increase (decrease) in Cash and Cash Equivalents	(25,604)	200,048
Cash and Cash Equivalents, Beginning of Year	251,026	50,978
Cash and Cash Equivalents, End of Year	$ 225,422	251,026

The accompanying notes are an integral part of the individual financial statements.

Hsinjing Holding Co., Ltd. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan dollars unless specified otherwise)

1. GENERAL

The Hsinjing Holding Co., Ltd., (the "Company") was incorporated with the Taiwan Ministry of Economic Affairs on February 27, 2020, with address registered at 3F-1, No. 193, Fuxing 2nd Road., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.). The principal business of the Company and its subsidiaries (collectively the "Group") involves the planning, design and installation of solar power generation systems and the sale of various types of solar panel modules as well as units of solar power plants.

The articles of incorporation of the Company was proposed by the Board of Directors of the TYNSOLAR Corporation (stock code 3562) ("TYNSOLAR") on May 9, 2019, and filed upon resolution at its general shareholders' meeting on June 20, 2019. The Company acquired 100% of the shares of TYNSOLAR by way of share swap, with one common share of the Company for every common share of TYNSOLAR for consideration. The share swap transaction was completed on February 27, 2020, on which date TYNSOLAR ended its listing and public offering and became a 100%-owned subsidiary of the Company, which common stock simultaneously has been listed and traded under stock code 3713.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved for issuance by the Board of Directors on March 30, 2023.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

a. Effects from the Application of New and Revised Standards and Interpretations Endorsed and Issued into Effect by the Financial Supervisory Commission

Effective January 1, 2022, the Group has applied the following newly revised international financial reporting standards, which do not significantly affect the consolidated financial statements.

- Amendments to the International Accounting Standards (IAS) 16, "Property, Plant and Equipment – Proceeds Before Intended Use"
- Amendments to IAS 37, "Onerous Contracts – Cost of Fulfilling a Contract"
- Annual Improvements to International Financial Reporting Standards (IFRS) 2018-2020
- Amendments to IFRS 3, "Reference to the Conceptual Framework"

b. Effects from Non-application of Standards Endorsed and Issued into Effect by the FSC

The Group finds that the application of the following newly international financial reporting standards which have been promulgated since January 1, 2023, will not significantly affect the consolidated financial statements.

- Amendments to IAS 1, "Disclosure of Accounting Policies"
- Amendments to IAS 8, "Definition of Accounting Estimates"
- Amendments to IAS 12, "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

c. New and Revised Standards and Interpretations Not Yet Endorsed and Issued into Effect by the Financial Supervisory Commission

The standards and interpretations which have been promulgated or amended by the International Accounting Standards Board (IASB) and which have not been endorsed and issued into effect by the Financial Supervisory Commission (FSC) might affect the Group as follows:

New or Revised Standards	Summary of Key Provisions	Effective Date
IFRS 10 and Amendments to IAS 28, "Sales or Contributions of Assets Between an Investor and Its Associate/Joint Venture"	The revision clarifies that when an investor transfers its subsidiary to an associate or joint venture, if the assets sold or invested constitute a business, the investor is deemed to have lost control of the business and should recognize all gains or losses; if the assets do not constitute a business, the investor should calculate the unrealized gain or loss in proportion to its ownership and defer the recognition of partial gains or losses.	Pending IASB decision
Amendments to IAS 1, "Classification of Liabilities as Current or Non-current"	The current IAS 1provides that liabilities for which a company does not have an unconditional right to defer settlement for at least 12 months after the reporting period should be classified as current. The amendment removes the requirement that the right be unconditional and, instead, requires that the right exist as of the last date of the reporting period and must be substantive. The amendment clarifies how a company should classify liabilities that are settled by the issuance of its own equity instruments (e.g. convertible bonds).	January 1, 2024
Amendments to IAS 1, "Non-current Liabilities with Covenants"	Upon review and revision of certain provisions of the 2020 amendment to IAS 1, the new amendment clarifies that only the contractual terms which must be complied with on or before the reporting date will affect the classification of liabilities as current or non-current. The contractual terms with which a company must comply after the reporting date (i.e., prospective terms) do not affect the classification of liabilities on the reporting date. However, when non-current liabilities are subject to prospective contractual terms, the company shall disclose information to help users of the financial statements understand the risk for repayment of said liabilities within 12 months after the reporting date.	January 1, 2024

The Group is currently evaluating the impact of the aforementioned standards and interpretations on the Group's financial condition and operational outcome and will disclose the relevant impact upon completion of the evaluation.

The Group finds that the following new and revised standards which have not been endorsed by the FSC will not significantly affect the consolidated financial statements.

- IFRS 17, "Insurance Contracts," and Amendments to IFRS 17
- Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback"

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the accompanying consolidated financial statements, which apply categorically to the entire reporting period thus covered, are summarized as follows:

a. Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations") and the IFRS, the IAS, IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the FSC (collectively the "Standards").

b. Bases for Preparation

1) Measurement bases

The accompanying consolidated financial statements are prepared on the basis of historical cost, except the following key items in the balance sheet:

a) Financial assets at fair value through profit or loss are measured at fair value.
b) Financial assets at fair value through other comprehensive income are measured at fair value.
c) Net defined benefit liabilities (assets) are measured by deducting the current value of defined benefit obligation from pension plan assets at fair value.

2) Functional and presentation currencies

The Group and its associates and subsidiaries use the prevailing currency of the principal economic environment in which it conducts business as its functional currency. Monetary values in the accompanying consolidated financial report are presented in the Company's functional currency, the New Taiwan dollar (NTD). All the financial data expressed in NTD are in thousands of NTD unless specified otherwise.

c. Bases for Consolidation

1) Bases for the consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by it (i.e., its subsidiaries). The Company controls an entity through investment when it is exposed to variable returns from sources involving the entity or is entitled to such variable returns and when it can influence such variable returns through its rights in the entity in which it invests.

The financial statements of a subsidiary are incorporated into the consolidated financial statements from the date the Company begins to exercise control over the subsidiary and until the date it ceases control over the latter. The transactions, balances and any unrealized profit or loss among consolidated entities extinguish upon preparation of the consolidated financial statements. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a negative balance

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group.

Changes in the Group's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of the former subsidiary are derecognized from the consolidated financial statements at the carrying amounts as of the date of the loss of control, and the remaining investment in the former subsidiary is remeasured at its fair value as of the date of the loss of control. The disposal gain or loss is the difference between (1) the sum of the fair values of the consideration received and the remaining investment in the former subsidiary as of the date of the loss of control and (2) the sum of the carrying amounts of the assets and liabilities of the subsidiary as of the date of the loss of control. All the amounts previously recognized in other comprehensive income that are related to the subsidiary are accounted for on the same basis as that required if the Group were to dispose of the relevant assets or liabilities directly.

2) Subsidiaries included in the consolidated financial statements

The following subsidiaries are included in the consolidated financial statements:

Name of Investor	Name of Investee	Nature of Business	Percentage of Ownership 12/31/2022	Percentage of Ownership 12/31/2021	Note
Hsinjing Holding Co., Ltd.	TYNSOLAR Corporation (“TYNSOLAR”)	Research and development, manufacturing and sales of solar panel modules	100.00%	100.00%	-
Hsinjing Holding Co., Ltd.	Hsinjing Renewable Energy Investment Co., Ltd. (Hsinjing Renewable Energy)	Renewable energy private generation equipment	100.00%	100.00%	
Hsinjing Holding Co., Ltd.	Hsinjing Solar Energy Systems Co., Ltd. (Hsinjing Solar Energy)	Renewable energy private generation equipment	78.33%	78.33%	(Note 1)
Hsinjing Renewable Energy Investment Co., Ltd.	Hsukuang Photovoltaic Co., Ltd. (Hshukuang Photovoltaic)	Wholesale and retail of other metallic building materials	51.00%	51.00%	(Note 2)
Hsinjing Renewable Energy Investment Co., Ltd.	Chaoyang Solar Co., Ltd. (“Chaoyang Solar”)	Wholesale and retail of other metal building materials	100.00%	100.00%	(Note 3)
Hsinjing Renewable Energy Investment Co., Ltd.	Hsinjing Energy Co., Ltd. (Hsinjing Energy)	Renewable energy private generation equipment	64.91%	64.91%	(Note 4)
TYNSOLAR Corporation	Suncruise Tech Co., Ltd. (“Suncruise Tech”)	Waste removal and decommissioning	100.00%	100.00%	
TYNSOLAR Corporation	Dingyu Solar Co., Ltd. (“Dingyu Solar”)	Wholesale and retail of other metal building materials	100.00%	100.00%	
TYNSOLAR Corporation	Hsinjing Energy Co., Ltd. (Hsinjing Energy)	Renewable energy private generation equipment	35.09%	35.09%	(Note 4)
Suncruise Tech Co., Ltd.	Hsinjing Clean Energy Co., Ltd. (Hsinjing Clean Energy)	Waste removal and disposal	100.00%	100.00%	
Hsinjing Energy Co., Ltd.	Yangfu International Co., Ltd. (Yangfu International)	Renewable energy private generation equipment	100.00%	- %	(Note 5)

Note 1: On June 1, 2021, Hsinjing Solar Energy increased its capital by cash in which the Company subscribed to its new shares so that, effective the date of said subscription, the Company’s ownership of the it became 78.33%, and the non-controlling interest in it is shared by Laijing Green Technology Co. Ltd. and Hsinking Construction Co., Ltd., with 16.67% and 5.00% ownership, respectively.

Note 2: On January 8, 2021, Hshukuang Photovoltaic increased its capital by cash in which Hsinjing Renewable Energy subscribed to its new shares so that, effective the date of said subscription, Hshukuang Photovoltaic’s ownership has been shared by Hsinjing Renewable Energy and Dingyu Solar with 19.12% and 31.88% of its shares, respectively. Subsequently on June 1, 2021, Hsinjing Renewable Energy purchased all the shares held by Dingyu Solar and increased its ownership to 51.00%.

Note 3: On June 1, 2021, Hsinjing Renewable Energy purchased all of Chaoyang Solar’s shares held by Dingyu Solar so that Chaoyang Solar is now 100% owned by Hsinjing Renewable Energy.

Note 4: Hsinjing Energy was originally an associate to TYNSOLAR through investment using the equity method, and, subsequently on April 1, 2021, its remaining shares were subscribed to by Hsinjing Renewable Energy, and itself consolidated into the Group on the same date, with 64.91% of its shares owned by Hsinjing Renewable Energy and 35.09% by TYNSOLAR.

Note 5: On June 15, 2022, Hsinjing Energy acquired 100% of the shares of Yangfu International and was consolidated into the Group on the same date.

3) Subsidiaries not included in the consolidated financial statements: None.

d. Foreign Currencies

Transactions using foreign currencies are recognized in NTD at the exchange rates prevailing on the dates of the respective transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the exchange rates prevailing on the reporting period's end date ("the reporting date"). Non-monetary items measured at fair value that are denominated in foreign currencies are translated into NTD at the exchange rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are translated at the exchange rates on the dates of the respective transactions.

The differences resulting from exchange rates are typically recognized in profit or loss.

e. Guidelines for classification of Assets and Liabilities into Current and Non-current

An asset is classified current if it is any of the following. All assets that are not current are non-current assets.

1) The asset is expected to be realized in the normal operating cycle or intended to be sold or consumed;
2) The asset is held primarily for trading purposes;
3) The asset is expected to be realized within 12 months of the reporting period; or
4) The asset is cash or cash equivalent, unless it is otherwise restricted from being traded or used to settle a liability for at least twelve months after the reporting period.

A liability is classified current if it is any of the following. All liabilities that are not current are non-current liabilities.

1) The liability is expected to be settled in the normal operating cycle;
2) The liability is maintained primarily for trading purposes;
3) The liability is expected to be settled within 12 months of the reporting period; or
4) The liability is not attached with an unconditional right to defer settlement for at least 12 months after the reporting period. The classification is not affected if the terms of the liability may, at the option of the counterparty, be settled through the issuance of equity instruments.

f. Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and subject to a minimal risk of value variation. Time deposits that meet the foregoing definition and are held to meet short-term cash commitments rather than for investment or other purposes are reported as cash equivalents.

g. Financial Instruments

Accounts receivable are recognized initially when incurred. All other financial assets and financial liabilities are recognized initially when the Group becomes a party to the contractual provisions of the financial instruments. Financial assets (other than accounts receivable which do not involve a significant financial element) or financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance thereof. Accounts receivable that do not involve significant financial elements are measured initially at their transaction prices.

1) Financial assets

For the purchase or sale of financial assets consistent with customary trading practices, the Group categorically accounts for all purchases and sales of the financial assets that are classified in the same categories on the date of the transaction or settlement.

Financial assets are classified on initial recognition as financial assets carried at amortized cost, investments in debt instruments measured at fair value through other comprehensive income, investments in equity instruments measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss. The Group will reclassify all of the affected financial assets effective the first day of the next reporting period only when the Group changes its operating models for managing financial assets.

a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is not designated as at fair value through profit or loss, and it meets the following criteria:

- The financial asset is held pursuant to an operating model which purpose is to receive cash flow under the contractual terms.
- The financial asset under the contractual terms is to generate cash flow on a specific date and solely for the purpose of repaying the principal and interest on the outstanding sum of principal.

These assets are subsequently measured at their initially recognized values plus or minus the cumulative amortization using the effective interest method, adjusted for the amortized cost of any loss allowances. Interest income, foreign currency exchange gains or losses and impairment losses are recognized in profit or loss. On derecognition, the gains or losses are recognized in profit or loss.

b) Financial assets measured at fair value through other comprehensive income

On initial recognition, the Group may make an irrevocable choice to report subsequent changes in the fair value of investments in equity instruments not held for trading purposes in other comprehensive income. The aforesaid choice is made on an instrument-by-instrument basis.

Investments in equity instruments are subsequently measured at fair value. Dividend income (unless it clearly reflects a partial recovery of investment costs) is recognized in profit or loss, while the other net gains or losses are recognized in other comprehensive income and are not reclassified to profit or loss. On derecognition, the accumulated amount of other comprehensive income is reclassified to profit or loss

Dividend income from equity investments is recognized on the date the Group has the right to receive the dividends (usually the ex-dividend date).

c) Business model evaluation

Financial assets held for trading purposes or managed and their performance evaluated on a fair-value basis are measured at fair value through profit or loss.

d) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, refundable deposits and other financial assets).

Loss allowance for the following financial assets is measured based on the value of the expected credit loss over 12 months, while loss allowance for others is measured based on the value of the expected credit loss over the life of the asset:

- Debt securities determined to have a low credit risk on the reporting date.
- Other debt securities and bank deposits which credit risk (i.e., the risk of default over the expected life of the financial instruments) has not increased significantly since initial recognition.

Loss allowance on accounts receivable and contract assets is measured based on the value of the expected credit loss over the life of the contract.

In determining whether there has been a significant increase in credit risk since initial recognition, the Group takes into account reasonable information based on evidence that are available without undue cost or input, including qualitative and quantitative data and analyses based on the Group's past experience, credit evaluations and prospective information.

The Group assumes that the credit risk on a financial asset has increased significantly if payments are overdue for more than 120 days under the contractual terms.

The Group considers a financial asset to be in default if payments are overdue for more than 365 days under the contractual terms.

Expected credit losses over the life of the instrument are the expected credit losses arising from all possible defaults over the expected life of the instrument

Expected credit loss over twelve months is the expected credit loss arising from a possible default of the financial instrument within twelve months after the reporting date, or a shorter period if the expected life of the financial instrument is less than twelve months.

The maximum time period for measuring expected credit losses is the maximum contractual period during which the Group is exposed to credit risk.

The expected credit loss is a weighted estimate of the probability of credit loss over the expected life of the financial instrument. Credit losses are measured at the present value of all the cash shortfalls, which is the difference between the cash flows that the Group can receive under the contracts and those that it expects to receive. Expected credit losses are discounted based on the effective interest rates of the financial assets.

On each reporting date the Group assesses whether financial assets measured at amortized cost are impaired. A financial asset is credit-impaired if one or more events have occurred which have an adverse effect on the estimated future cash flows of the financial asset. Evidence that a financial asset is credit-impaired includes observable information as follows:

- Significant financial difficulties of the borrower or issuer;
- Defaults, such as delays or overdue for more than 365 days;
- The Group has made concessions that it otherwise would not have considered but for some economic or contractual reasons related to the borrower's financial difficulties;
- The borrower is likely to file for bankruptcy or undertake other financial reorganization; or
- Loss of an active market for the financial asset due to financial difficulties

Allowance for loss on financial assets measured at amortized cost is deducted from the carrying amount of the assets.

The Group reduces the total carrying amount of a financial asset when it cannot reasonably expect to recover all or part of the financial asset. For personal accounts, the Group’s policy, based on past experience in recovery, is to write off the total carrying amount of the financial asset when it has been overdue for more than 365 days. For corporate accounts, the Group assesses the timing and amount of write-off on a case-by-case basis based on whether recovery is reasonably expected. The Group does not expect any material reversal of the amount that has thus been written off. However, financial assets that have been written off are still enforceable to comply with the Group's procedures for recovering past due amounts.

e) Derecognition of financial assets
The Group derecognizes a financial asset only when the contractual rights to cash flows from the asset expires, or when the financial asset has been transferred and nearly all the risks and rewards related to the ownership of the asset have been transferred to another entity, or, if nearly all the risks and rewards related to the ownership thereof have neither been transferred nor retained, when control of the financial asset is no longer retained.
When entering into a transaction to transfer a financial asset, the Group continues to recognize a financial asset on its balance sheet if it retains all or nearly all the risks and rewards related to the ownership of the transferred financial asset.

2) Financial liabilities and equity instruments

a) Classification as debt or equity
Debt and equity instruments issued by the Group are classified as financial liabilities or equity based on the substance of the contractual agreements and the definition of financial liabilities.

b) Equity Transactions
An equity instrument is any contract that recognizes the Group's remaining interest in an asset from which all of its liabilities are deducted. Equity instruments issued by the Group are recognized at the acquisition price less direct issue costs.

c) Compound financial instruments
The compound financial instruments issued by the Group are convertible bonds with stock option (denominated in NTD), for which the number of shares issued does not vary with changes in their fair value.
The amount initially recognized of the liability component of the compound financial instrument is measured at the fair value of similar financial liabilities that do not include equity conversion rights. The amount initially recognized of the equity component is measured as the difference between the fair value of the compound financial instrument and the fair value of its liability component. Any directly attributable transaction costs are split between the liability and equity components in proportion to the carrying amounts of the liabilities and equity initially recognized.
Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured after initial recognition.
Interests related to financial liabilities are recognized as profit or loss. Financial liabilities are reclassified to equity upon conversion and no gain or loss is recognized thereon.

d) Financial liabilities
Financial liabilities are classified as measured either at amortized cost or at fair value through profit or loss. Financial liabilities are classified as measured at fair value through profit or loss if they are held for trading, are derivative instruments or are so designated at initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value, and the associated net gains and losses, including any interest expense, are recognized in profit or loss.
Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and exchange gain or loss are recognized in profit or loss. Any gain or loss upon derecognition is also recognized in profit or loss.

e) Derecognition of financial liabilities
The Group derecognize a financial liability when the contractual obligations pertaining thereto expire or are discharged or cancelled. When the terms of a financial liability are amended and the cash flows per the liability are materially different upon amendment, the pre-amendment financial liability is derecognized and the amended liability is recognized at fair value based on the amended terms.
When a financial liability is derecognized, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

f) Offsetting financial assets and financial liabilities
Financial assets and financial liabilities are offset and presented on a net basis in the balance sheet only when the Company has a legally enforceable right to do so and intends to settle on a net basis or to realize the assets and settle the liabilities at the same time.

h. Inventory

The Group's inventories consist of merchandise and power plants under construction. The necessary pre-construction expenditures, actual construction costs and clearly attributable construction expenses are calculated on a plant-by-plant basis and are recorded as "power plants under construction".

Inventories are measured at its cost or net realizable value, whichever is lesser. Cost includes the cost of acquisition, production or processing, plus other associated costs, incurred in bringing the inventory to the location and condition in which it becomes available for use, and calculated per individual identification method.

Net realizable value is the estimated selling price under normal operations less the estimated costs necessary to complete the project and to make the sale.

i. Investments in Associates

An associate is an entity over which the Group has significant influence, but not control or joint control, in its financial and operating policies.

The Group's equity interest in an associate is recognized using the equity method. Under the equity method, the original acquisition is recognized at cost, and the cost of investment includes the transaction cost. The carrying amount of an investment in an associate includes the goodwill recognizable at the time of investment, less any accumulated impairment loss.

The consolidated financial statements include the amount of profit or loss and other comprehensive income of the associates, recognized in proportion to the Company’s equity interest in each associate during the time in which the Group retains said signification influence and after adjustments to attain conformity to the Group's accounting policies. When there is a change in equity in an associate not recognized as profit or loss nor other comprehensive income that does not proportionally affect the Group's share in the associate, the Group recognizes the change in equity corresponding to its equity interest in the associate as capital surplus in proportion to its holdings.

Unrealized gains and losses arising from transactions between the Group and its associates are recognized in its financial statements only to the extent of equity interest in the associates not owned by the Group. The Group ceases to recognize an associate’s losses when its share of such losses equals or exceeds its equity interest in the associate. Thereafter the Group recognizes additional losses and associated liabilities only to the extent of any legal or constructive obligations incurred or of any payments made on behalf of the investee.

When an associate issues new shares, if the Group does not subscribe to the shares in proportion to its ownership of the associate that results in a change in the percentage of the ownership and causes the net equity in the investment to increase or decrease, the amount of increase or decrease will adjust capital surplus and investments accounted for using the equity method. If the adjustment is to reduce capital surplus, but the balance of capital surplus from investments accounted for using the equity method is insufficient, the difference is debited from retained earnings. However, in the event that the Group does not subscribe in proportion to its ownership and it results in a reduction of its equity interest in the associate, the amount previously recognized in other comprehensive income as related to the associate will be reclassified in proportion to the decrease, the basis of accounting therefor being the same as that required for direct disposal of relevant assets or liabilities by the associate.

j. Joint Arrangement

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement is either a joint operation or a joint venture and has the following characteristics:

- the parties are bound by a contractual arrangement; and
- the contractual arrangement gives two or more of those parties joint control of the arrangement.

IFRS 11, "Joint Arrangement," defines joint control as the contractually agreed sharing of control of an agreement, which exists only when decisions about the relevant activities (i.e., activities which have a significant impact on the return of the agreement) require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e., the joint venturer) have rights to the net assets of the arrangement—not rights to the assets and obligations to the liabilities. A joint venturer shall recognize its interest in the joint venture as an investment and apply the equity method of accounting to the investment pursuant to IAS 28, unless the enterprise is exempt from applying the equity method of accounting under said standard. For the equity method of accounting please refer to Note 6, subdivision f.

In determining the classification of the joint arrangement, the Group takes into account the structure of the arrangement, the legal form of the separate vehicle, the terms of the contractual arrangement and other facts and circumstances. When the facts or circumstance change, the Group reevaluates whether the type of joint arrangement to which it is a party has changed.

k. Property, Plant and Equipment

1) Recognition and measurement

Items of property, plant and equipment are measured at cost, including capitalized borrowing costs, less accumulated depreciation and any accumulated impairment.

If the major components of property, plant and equipment have different service lives, they are deemed separate items (primary components) of property, plant and equipment.

Gain or loss upon disposal of property, plant and equipment is recognized in profit or loss.

2) Subsequent costs

Subsequent expenditures are capitalized only if it is likely that future economic benefits will flow into the Company.

3) Depreciation

Depreciation is calculated as the cost of an asset less its residual value and is recognized in profit or loss over the estimated useful lives of each component using the straight-line method.

The estimated useful lives for the current and comparative periods are as follows:

a) Machines and equipment 4 ~ 20 years
b) Transportation equipment 5 years
c) Office equipment 3 ~ 10 years
d) Lease improvements 3 ~ 15 years
e) Other equipment 3 ~ 20 years

The Group reviews the depreciation method, useful life and residual value at each reporting and makes appropriate adjustments as necessary.

l. Leases

The Group assesses, on the date a contract is entered into, whether a contract is a lease or includes a lease. If a contract transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract is a lease or includes a lease.

1) Lessee

The Group recognizes a right-of-use asset and a lease liability on the commencement date of the lease. A right-of-use asset is measured initially at cost, which comprises the original measurement of the lease liability, adjusted for any lease payments made on or before the commencement date of the lease, plus the original direct costs incurred and the estimated costs for dismantling and removing and restoring the subject asset, whether by itself or to its location, and less any lease incentives received

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date of the lease to either the end of the useful life or the end of the lease term, whichever is sooner, of the right-of-use asse. In addition, the Group periodically assesses whether a right-of-use asset is impaired and addresses any impairment loss incurred and, when lease liability is remeasured, adjusts the right-of-use asset accordingly.

Lease liabilities are measured initially at present value of the lease payments outstanding on the date the lease is entered into. The discount rate is set to the implied interest rate of the lease if it is readily determinable and, if it is not, to the Group's incremental borrowing rate. In general, the Group uses its incremental borrowing rate as the discount rate

Lease payments included in the measurement of lease liabilities are fixed payments.

a) fixed payment, including real fixed payment;
b) variable lease payment that depend on some index or rate, measured initially using the index or rate at the commencement date of each lease;
c) the expected payment of the balance of the lease deposit; and
d) the price or penalty to pay to exercise purchase option or lease termination option upon a reasonable amount of certainty that it will be exercised.

The interest for lease liabilities is subsequently calculated using the effective interest method and will be remeasured when:

a) the index or rate used to determine lease payments has changed that causes future lease payments to change;
b) the expected payment of the balance of the lease deposit has changed;
c) the expectation concerning the purchase option for the subject asset has changed;
d) the expectation whether to exercise the option to extend or terminate the lease has changed that causes the expectation of the duration of the lease to change; or
e) the subject, scope or other terms of the lease have changed.

When a lease liability is remeasured as a result of changes in the index or rate used to determine lease payments, changes in the balance of the lease deposit and changes in the assessment of purchase, extension or termination options, as described above, the carrying amount of the right-of-use asset shall be adjusted accordingly, and, when the carrying amount of the right-of-use asset is reduced to zero, the remaining amount upon remeasurement is recognized in profit or loss.

When the scope of the lease is narrowed upon amendment, the carrying amount of the right-of-use asset is reduced to reflect the termination of the lease in full or in part, and the difference between the carrying amount and the remeasurement amount of the lease liability is recognized in profit or loss.

The Group itemizes right-of-use assets and lease liabilities that do not meet the definition of investment properties in separate lines in the balance sheet.

The Group elects not to recognize office equipment lease in short-term leases, nor leases of low-value assets, as right-of-use assets or lease liabilities and, instead, recognizes the relevant lease payments as expenses on a straight-line basis over the lease term.

2) Lesser

Transactions in which the Group is the lessor are classified as finance lease if, on the date the lease was entered into, the lease contract transfers nearly all the risks and rewards associated with the ownership of the subject asset, and as operating lease if it does not. In said assessment, the Group considers pertinent specific indicators such as whether the lease term covers a significant portion of the economic life of the subject asset.

m. Impairment of non-financial assets

The Group assesses at each reporting whether there is any indication that the carrying amount of non-financial assets (other than inventories, contract assets and deferred income tax assets) may have been impaired. If any such indication exists, the recoverable amount of the asset will then be assessed. Goodwill is assessed for impairment on an annual basis.

In detecting impairment, a group of assets with cash inflows that are predominantly independent of other individual assets or groups of assets is treated as the smallest identifiable group of assets. Goodwill acquired in a business combination is allocated to each cash-generating unit or group of cash-generating units that is expected to benefit from the overall effect of the combination.

The recoverable amount is the fair value of an individual asset or cash-generating unit less its value in use or disposal costs, whichever is higher. In assessing value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, an impairment loss is recognized for the difference.

The impairment loss is recognized immediately in profit or loss, after first reducing the carrying amount of the goodwill allocated to the cash generating unit and then reducing the carrying amount of each asset in proportion to the carrying amount of all the assets in the unit.

Impairment losses for goodwill are not reversed. Non-financial assets other than goodwill are reversed only to the extent not exceeding the carrying amount of the asset, net of depreciation or amortization, which would have been recognized had impairment losses not been recognized therefor in the prior years.

n. Liability Reserve

A liability reserve is recognized when the Company is exposed, by a present obligation resulting from a past event, to the likelihood under which it is required to direct an outflow of economic resources to settle the obligation in the future, when the amount of the obligation can reliably be estimated. The liability reserve is discounted at a pre-tax discount rate that reflects the market's current assessments of the time value of money and the risks specific to the liability, with amortization of the discount being recognized as interest expense.

Warranty liability reserve is recognized upon the sale of goods or services. The reserve is measured based on historical warranty information and all possible outcomes weighted by their respective probabilities.

o. Revenue Recognition

Revenue is measured as the consideration to which one expects to be entitled for transferring goods or services. The Group recognizes an item in revenue when it has performed the obligation by transferring control of the goods or services to customers. The Group's primary sources of revenue are described as follows:

1) Product sales

The Group's revenue from sales is from the sales of products. The Group recognizes an item in revenue when it has transferred control of a product. The transfer of control of the product means that the product has been delivered to the customer who then has the sole discretion over the marketing channel and price of the product and to whom no outstanding obligation needs to be performed for the customer's acceptance of the product. Delivery occurs when the product is delivered to the specified location at which the risks of obsolescence and loss are transferred to the customer and when the customer has accepted the product in accordance with the sales contract, the terms of acceptance have lapsed, or the Group has objective evidence that all the conditions for acceptance have been met.

The Group provides general warranties on products sold, thereby having an obligation to refund for defects, and recognizes them as warrantee liability reserve at the time of sale.

The Group recognizes accounts receivable upon delivery of goods because the Group has an unconditional right to receive consideration at that point in time.

2) Services

Revenue from services is recognized when the services are rendered.

3) Electricity sales

Revenue from electricity sales is recognized when charged based on the actual number of kilo-watt hours sold and the rates therefor.

4) Construction

The Group engages in contracting for the construction of power plants with specifications specified by the customer. As the assets are under the customer's control when the construction begins, the customer pays specific amounts of money according to the schedule agreed upon. The Group recognizes construction revenue only to the extend that the accumulated revenue reaches where it is highly probable that there will be no signification reversal thereof, or recognizes it in lump sum upon completion. If the revenue recognized is not yet due, a contract asset is recognized and, when there is a unconditional right to the consideration, the contract asset is transferred to accounts receivable.

5) Financial components

The Group expects that the time interval between the transfer of goods or services to a customer and the payment for the goods or services by the customer will not exceed one year for all customer contracts. Therefore, the Group does not adjust the transaction price for the time value of money.

p. Employee Benefits

1) Defined contribution plans

The contribution obligation for defined contribution pension plans is recognized as an expense over the period of service rendered by the employees.

2) Defined benefit plans

The Group's net obligation for defined benefit plans is calculated for each plan by discounting the amounts of future benefits earned by employees for the current or the preceding period to the present value, less the fair value of any plan assets.

The defined benefit obligation is actuarially determined annually by a certified actuary using the projected unit benefit method. When the result of the calculation is likely to be beneficial to the Group, the asset is recognized to the extent of the present value of any economic benefits available in the form of refund of contributions from the plan or reduction in future contributions to the plan. The present value of the economic benefits is calculated by taking into account any minimum contribution funding requirements.

The remeasurement of the net defined benefit liability, which includes actuarial gains and losses, compensation on plan assets (excluding interest), and any change in the asset ceiling effect (excluding interest) is recognized immediately in other comprehensive income and accumulated in retained earnings. The Group determines the net interest expense (or income) on the net defined benefit liability (or asset) using the net defined benefit liability (or asset) and the discount rate determined at the beginning of the annual reporting period. Net interest expense and other expenses for defined benefit plans are recognized in profit or loss.

When a plan is amended or curtailed, the change in benefits related to the previous service cost or the curtailment benefit or loss is recognized immediately in profit or loss. The Group recognizes a gain or loss on the settlement of a defined benefit plan at the time of the settlement.

3) Short-term employee benefits

A short-term employee benefit obligation is recognized as an expense when the subject services are being rendered. The amount is recognized as a liability if the Group has a present legal or constructive obligation to pay for services rendered by the employees in the past and if the obligation can reliably be estimated.

q. Share-based payment arrangements

The expense for equity-settled share-based payment arrangement is recognized, and the relative equity interest increased, over the vesting period of the award based on the fair value as of the date of the grant. The expense recognized is adjusted for the number of awards which are expected to meet the service conditions and non-market vesting conditions, and the final amount recognized is measured based on the number of awards which are expected to meet the service conditions and non-market vesting conditions as of the date of vesting. A non-vesting condition relating to the share-based payment award is reflected in the measurement of the fair value of the share-based payment award at the date of grant and no adjustment is required to be made to verify the difference between the expected and actual results. The date of grant of the Company's share-based payment is the date on which the Company and the employee agree on the subscription price and the number of shares to be subscribed.

r. Income Tax

Income tax consists of the current and deferred income taxes. The current and deferred income taxes are recognized in profit or loss, except when they relate to business combinations or items directly recognizable in equity or in other comprehensive income.

The current income tax includes the estimated income tax payable or tax refund receivable based on the current year taxable income (or loss), with any adjustments for the preceding year's income tax payable or tax refund receivable. The amount is determined as the best estimate of the amount expected to be paid or received pursuant to the statutory or substantively enacted tax rate on the reporting date.

Deferred income tax is recognized and determined from the temporary differences between the carrying amounts of assets and liabilities for purposes of financial reporting and their tax bases. Deferred income tax is not recognized for temporary differences arising from the following:

1) Assets or liabilities that are not initially recognized in a business combination and do not affect the accounting profit or taxable income (or loss) at the time of the transaction; and
2) Temporary differences arising from investments in subsidiaries, associates and joint ventures where the Group can control the timing of the reversal of the temporary difference and where it is most likely that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized for unused tax losses and unused income tax credits in the next reporting period, with deductible temporary differences, to the extent that taxable income will most likely be available in the future. Deferred income tax assets are reassessed on subsequent reporting dates on which such assets may be written down to the extent that the relevant income tax benefit will be less likely to be realized and on which such write-down may be reversed to the extent that it appears sufficient taxable income will most likely be available.

Deferred income tax is measured based on the tax rate at the time the temporary difference is expected to be reversed, using the statutory tax rate or rate prescribed by substantive legislation.

Deferred income tax assets and deferred income tax liabilities are offset only if both of the following conditions are met:

1) There is a right by law to offset the period's income tax assets and income tax liabilities; and
2) The deferred income tax assets and deferred income tax liabilities pertain to one of the following taxable entities which are subject to income taxation by the same taxing authority:
   a) the same taxable entity; or
   b) different taxable entities, provided that each entity intends to settle each period's income tax liabilities with the period's income tax assets on a net basis, or to realize such assets and settle such liabilities at the same time, in each future period in which significant amounts of deferred income tax assets and significant amounts of deferred income tax liabilities are expected to be recovered and settled respectively.

s. Business Combination

The Group uses the acquisition method for each business combination. Goodwill is measured at the fair value of the consideration transferred as of the date of acquisition, including the amount attributable to any non-controlling interest in the acquiree, less the net amount of identifiable assets acquired and liabilities assumed, which is generally at fair value. If the net balance is negative, the Group reevaluates whether all assets acquired and liabilities assumed have been correctly identified before recognizing the gain on bargain purchase in profit or loss.

Except for those related to the issuance of debt or equity instruments, transaction costs associated with a business combination shall be recognized as expenses of the Group immediately when incurred.
If the non-controlling interest in the acquiree is a present ownership interest and the holder is entitled to a proportionate share of the net assets of the business at the time of liquidation, the Group elects, on a transaction-by-transaction basis, to measure it at fair value as of the date of acquisition or with the present equity instrument’s proportionate share in the recognized amount of the acquiree’s identifiable net assets.
Other non-controlling interests are measured at their fair values as of the date of acquisition or on other bases in accordance with the provisions of the IFRS recognized by the FSC.

t. Earnings Per Share

The Group accounts for the basic and diluted earnings per share attributable to equity holders of the Company's common stock. The basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company's common stock by the weighted-average number of common shares outstanding during the period. The diluted earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company's common stock by the weighted-average number of common shares outstanding, after adjusting each first for all the potential dilutive effects of the common shares.

u. Segment Information

An operating segment is a component of the Group that engages in business activities that may generate revenues and incur expenses, including those revenues and expenses related to transactions with other components of the Group. The Group’s chief operational decision-maker regularly reviews the operational outcomes of all operating segments to make decisions concerning the allocation of resources to the segments and to evaluate their performance. Each operating segment maintains its individual financial information.

5. KEY SOURCES OF UNCERTAINTY FOR CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTION

The preparation of the within individual financial statements requires management to make judgments, estimates and assumptions which affect the application of accounting policies and the amounts of assets, liabilities, revenues and expenses reported. Actual outcomes may differ from the estimates.
Management reviews estimates and underlying assumptions on an ongoing basis and recognizes changes in accounting estimates in the period of change and in the future periods affected.
The Group’s accounting policies do not involve critical judgments and there is no information about uncertainties in assumptions and estimates that have a significant risk of causing a material adjustment in the following year.

6. SIGNIFICANT ACCOUNTS

a. Cash and Cash Equivalents

	12/31/2022	12/31/2021
Cash on hand	$ 55	239
Demand deposits	225,367	221,787
Time deposits	-	29,000
	$ 225,422	251,026

Please refer to Note 6, subdivision x, for the disclosure of interest rate risk and sensitivity analysis of the Group's financial assets and liabilities.

b. Financial liabilities at fair value through profit or loss

		12/31/2022	12/31/2021
Financial liabilities that must be measured at fair value through profit or loss – non-current:			
Issuance of convertible bonds with put option	$	12,250	3,850

Please refer to Note 6, subdivision w, for the amount recognized in profit or loss based on fair value remeasurement.

c. Financial assets at fair value through other comprehensive income—non-current

		12/31/2022	12/31/2021
Equity instruments measured at fair value through other comprehensive income:			
Domestic unlisted (not OTC) company stock -Ch'inghung Green Energy Co., Ltd.	$	874	883
Domestic unlisted (not OTC) company stock - Liho Energy Co., Ltd.		512	493
Total	$	1,386	1,376

1) The Group held these equity instruments not for trading purposes but as long-term strategic investments and had thus designated them as measured at fair value through other comprehensive income.
2) The financial assets in the above were not pledged as security for long-term loans or financing facilities.

d. Accounts Receivable

		12/31/2022	12/31/2021
Accounts receivable	$	72,997	18,592
Accounts receivable – related parties		78,776	33,151
Less: loss allowance		(12)	(1,665)
	$	151,761	50,078

The Group took a simplified approach to estimate expected credit losses for all accounts receivable, which was to measure the expected credit losses over the life of the contract. For purposes of the measurement, these accounts receivable were grouped, upon incorporation of prospective information, by the common credit risk characteristics that represent the customer's ability to pay all the amounts due under the terms of the contract. The expected credit losses of the Group's accounts receivable are analyzed as follows:

	12/31/2022			
		Account receivable carrying amount	Weighted average expected credit loss ratio	Allowance for credit loss over life of contract
Not past due	$	136,504	0%	-
1-30 days past due		1,904	0%	-
31-120 days past due		13,365	0.09%	(12)
	$	151,773		(12)

	12/31/2021			
		Account receivable carrying amount	Weighted average expected credit loss ratio	Allowance for credit loss over life of contracts
Not past due	$	23,014	0%	-
1-30 days past due		6,473	0%	-
31-120 days past due		14,659	0%	-
121-365 days past due		5,944	0.20%	(12)
More than 365 days past due		1,653	100%	(1,653)
	$	51,743		(1,665)

The changes in the allowances for loss on accounts receivable were as follows:

		2022	2021
Balance, beginning of period	$	1,665	10,623
Impairment losses recognized (reversed)		(1,653)	(892)
Amounts written off as uncollectible during the year		-	(8,066)
	$	12	1,665

As of December 31, 2022 and 2021, none of the Group's accounts receivable was pledged as collateral.

e. Inventories

		12/31/2022	12/31/2021
Power plant under construction	$	483,457	353,425
Merchandise		200,248	21,036
	$	683,705	374,461

The cost of sales:

		2022	2021
Transfer of inventory sold	$	1,036,237	525,710
Others		28,141	20,347
	$	1,064,378	546,057

Please see Note 8 for details on the inventories pledged by the Group as collaterals for loans as of December 31, 2022 and 2021.

f. Investments Accounted for Using the Equity Method

The Group's investments accounted for using the equity method as of the reporting date were as follows:

		12/31/2022	12/31/2021
Associates	$	12,927	8,125
Joint venture		41,406	56,512
	$	54,333	64,637

1) Associates

In September 2021, the Group acquired 36.22% of the shares of an associate, Tailai Energy Co., Ltd. (Tailai Energy), for $8,330 thousand in cash. Subsequently in December 2022, the Group increased its ownership of Tailai Energy to 40.60% by participating in the latter's cash capital increase with $5,880 thousand. However, the Group was not the single largest shareholder of Tailai Energy and, therefore, was deemed to only have significant influence over the associate.

Information on the associates of significant importance to the Group was as follows:

Name of Associate	Nature of Relationship with the Group	Main Business Venue/Country of Incorporation	Percentage of Ownership 2022.12.31	Percentage of Ownership 2021.12.31
Tailai Energy	The main business is the operation of renewable energy private power-generating equipment and the development of solar power plant-related business for the Group	Taiwan	40.60%	36.22%

The aggregate financial information on associates of significant importance to the Group, which had been adjusted for amounts reported in the associates' financial statements prepared per IFRS standards to reflect the fair-value adjustments made upon the Group's acquisition of equity interest in the associates and the adjustments for differences in accounting policies, was as follows:

		12/31/2022	12/31/2021
Current assets	$	28,890	20,361
Non-current assets		5,921	5,921
Current liabilities		(5,398)	(5,919)
Net assets	$	29,413	20,363
Net assets attributable to noncontrolling interests	$	16,486	12,238
Net assets attributable to owners of investee companies	$	12,927	8,125

		2022	2021
Operating revenue	$	-	-
Net loss for the period	$	(2,950)	(2,194)
Other comprehensive income		-	-
Total comprehensive income	$	(2,950)	(2,194)
Total comprehensive income attributable to noncontrolling interests	$	(1,872)	(1,989)
Total comprehensive income attributable to owners of investee companies	$	(1,078)	(205)

2) Joint ventures
   a) The Group acquired 40.00% of the shares of Santing Energy Co., Ltd. (Santing Energy) from its former shareholders for $3,000 thousand on April 1, 2021, and, subsequently, participated in a joint cash capital increase for $30,200 thousand in proportion to its shareholding.
   b) The Group acquired 40.00% of the shares of Yabisi Solar Power Co., Ltd. (Yabisi Solar Power) from its former shareholders for $2,000 thousand on April 1, 2021, and, subsequently, participated in a joint cash capital increase for $30,000 thousand in proportion to its shareholding.
   c) The Group entered into a joint venture agreement with Leader GUH Renewable Energy Sdn. Bhd. for Santing Energy and Yabisi Solar Power, and, because the agreement was for joint control, it was recognized using the equity method.

      The following table summarizes the financial positions of the companies in the aforementioned joint venture as set forth in their own financial statements, adjusted for fair value adjustments and differences in accounting policy at the time of acquisition.

      (1) Summary of Santing Energy's financial information

	12/31/2022	12/31/2021
Percentage of ownership interest	40.00%	40.00%
Current assets	$ 14,678	40,800
Non-current assets	292,496	213,363
Current liabilities	(45,307)	(13,788)
Non-current liabilities	(173,434)	(151,124)
Net assets	$ 88,433	89,251
Share of net assets attributable to the Group	$ 35,374	35,701
Write off unrealized gains (losses) from downstream transactions	(7,977)	(5,411)
Goodwill	104	104
Carrying amount of equity in joint venture	$ 27,501	30,394

	2022	2021
Operating revenue	$ 24,935	23,946
Net profit for the period	$ 4,808	5,779
Other comprehensive income	-	-
Total comprehensive income	$ 4,808	5,779
Total comprehensive income attributable to the Group	$ 1,923	2,605

(2) Summary of Yabisi Solar Power's financial information:

		12/31/2022	12/31/2021
Percentage of ownership interest		40.00%	40.00%
Current assets	$	42,007	24,658
Non-current assets		37,599	55,554
Current liabilities		(88)	(451)
Net assets	$	79,518	79,761
Share of net assets attributable to the Group	$	31,807	31,904
Accumulated impairment loss		(12,116)	-
Write off unrealized gains (losses) from downstream transactions		(5,786)	(5,786)
Carrying amount of equity in joint venture	$	13,905	26,118

		2022	2021
Operating revenue	$	-	-
Net loss for the period	$	(244)	(312)
Other comprehensive income		-	-
Total comprehensive income	$	(244)	(312)
Total comprehensive income attributable to the Group	$	(97)	(105)

In August 2021, Yabisi Solar Power obtained a letter of consent from the National Property Administration of the Ministry of Finance in July 2021 for its application for the development of state-owned land and obtained a letter of consent from the Tainan City government for its application for the installation of power generation facilities. However, Yabisi Solar Power received a letter from the Tainan City government in December 2022 terminating the aforementioned development project. In January 2023, Yabisi Solar Power filed a petition for relief and the legal proceedings were pending.

In light of said circumstances, the Group considered its investments using the equity method had been impaired and recognized an impairment loss of $12,116 thousand under "Other gains and losses." Please refer to Note 6, subdivision w.

3) None the Group's investments accounted for under the equity method was pledged as collateral.

g. Changes in ownership interests in subsidiaries

1) Acquisition of additional equity interests in subsidiaries

On June 1, 2021, the Group's subsidiary Hsinjing Solar Energy conducted a capital increase by cash in which the Group subscribed to the new shares and increased its ownership of the subsidiary from 55.00% to 78.33%.

2) Organizational restructuring of subsidiaries

On January 8, 2021, Hshukuang Photovoltaic, a subsidiary of which the Group is the grandparent, increased its capital by cash in which the Company's subsidiary Hsinjing Renewable Energy subscribed to its new shares so that, effective the date of said subscription, Hshukuang Photovoltaic's ownership was shared by Hsinjing Renewable Energy and Dingyu Solar with 19.00% and 32.00% of its shares, respectively. Subsequently on June 1, 2021, Hsinjing Renewable Energy purchased all the shares held by Dingyu Solar and increased its ownership to 51.00%.

3) Changes in the Company's ownership interests in the subsidiaries
Effects attributable to the parent company's ownership interests are as follows:

	2021		
	Hsinjing Solar Energy		Hsinjing Renewable Energy
Capital surplus	$	(264)	7
Retained earnings		(365)	(7)
Recognized changes in ownership interest in subsidiaries	$	**(629)**	**-**

h. Business Consolidation

1) Acquisition of subsidiaries

On April 1, 2021, the Group acquired 64.91% of the shares of Hsinjing Energy from an unrelated party for $37,000 thousand in cash and obtained control over the company, in which the Group increased its equity interest from 35.09% to 100%, thereby merging Hsinjing Energy into the Group as of the date of acquisition.

On June 15, 2022, the Group acquired 100% of the shares of Yangfu International at a contract price of $9,000 thousand and obtained control over the company, thereby merging Yangfu International into the Group as of the date of acquisition.

2) Acquisition of identifiable net assets

The fair values of the identifiable assets acquired and liabilities assumed on the date of acquisition were as follows:

	Yangfu International		Hsinjing Energy
Cash and cash equivalents	$	1,847	20,263
Accounts receivable		377	-
Tax refund receivable		-	79
Property, plant and equipment		17,984	-
Right-of-use assets		2,944	-
Refundable deposits		-	36,195
Other payables		(1,529)	(181)
Lease liabilities		(2,954)	-
Long-term loans		(16,462)	-
Fair value of investees	**$**	**2,207**	**56,356**
Share of the identifiable assets acquired by the Company	**$**	**2,207**	**36,581**

The fair values of the assets and liabilities acquired by the Group from Yangfu International were tentative, and the amounts are subject to final valuation.

The Group would continue to review the accounts listed in the above during the measurement period. If new information becomes available within one year of the date of acquisition relating to facts and circumstances existing on the date of acquisition that would implicate an adjustment to the provisional amounts identified in the above or any additional liability reserve existing on the date of acquisition, the accounting for the acquisition would be modified.

3) Goodwill

The goodwill recognized for the acquisition of Yangfu International was as follows:

Transfer consideration	$	9,000
Less: fair value of identifiable assets		(2,207)
	$	6,793

i. Subsidiaries in Which the Group Has Significant Non-controlling Interest

The non-controlling interests in subsidiaries that were significant to the Group were as follows:

Subsidiary Name	Main Business Venue/Country of Incorporation	Percentage of ownership and voting rights	
		12/31/2022	12/31/2021
Hsinjing Solar Energy	Taiwan	21.67%	21/1.67%

A summary of the financial information on the subsidiary, which has been prepared in accordance with the IFRSs recognized by the FSC and reflects the fair value adjustments made by the Group on the date of acquisition and the adjustments for differences in accounting policies, and which represents the amounts before intra-group transactions have been written off, is as follows:

		12/31/2022	12/31/2021
Current assets	$	57,819	70,418
Non-current assets		1,948	2,698
Current liabilities		(21,584)	(47,997)
Non-current liabilities		-	(234)
Net assets	$	38,183	24,885
Share of net assets attributable to non-controlling interests	$	8,273	5,392
Less: unrealized gain on sales		(1,885)	-
Carrying amount of non-controlling interests at end of period	$	6,388	5,392

		2022	2021
Operating revenue	$	62,563	157,551
Net profit (loss) for the period	$	13,298	(2,212)
Other comprehensive income		-	414
Total comprehensive income	$	13,298	(1,798)
Net profit (loss) attributable to Non-controlling interests for the period	$	2,881	(334)
Total comprehensive income attributable to non-controlling interests	$	2,881	(244)

j. Property, Plant and Equipment

The changes in the cost, depreciation and impairment losses of property, plant and equipment for the years ended on December 31, 2022 and 2021, were as follows:

	Machinery equipment	Transportation equipment	Office equipment	Lease improvement	Other equipment	Total
Costs or recognized costs:						
Balance, January 1, 2022	$ 333,365	8,448	15,403	490	3,447	361,153
Acquisition through business combination	17,984	-	-	-	-	17,984
Additions	35,229	4,085	413	-	564	40,291
Disposals	(35,491)	(67)	(42)	(490)	-	(36,090)
Reclassification	104,906	-	-	-	-	104,906
Balance, December 31, 2022	$ 455,993	12,466	15,774	-	4,011	488,244
Balance, January 1, 2021	$ 369,345	2,194	15,014	490	3,895	390,938
Additions	970	7,015	478	-	543	9,006
Disposals	(36,950)	(761)	(89)	-	(991)	(38,791)
Balance, December 31, 2021	$ 333,365	8,448	15,403	490	3,447	361,153
Depreciation and impairment losses:						
Balance, January 1, 2022	$ 84,024	1,407	11,391	464	2,335	99,621
Depreciation	22,577	2,077	2,339	26	997	28,016
Disposal	(35,491)	(42)	(42)	(490)	-	(36,065)
Balance, December 31, 2022	$ 71,110	3,442	13,688	-	3,332	91,572
Balance, January 1, 2021	$ 105,993	275	9,213	301	2,557	118,339
Depreciation	14,981	1,234	2,267	163	769	19,414
Disposal	(36,950)	(102)	(89)	-	(991)	(38,132)
Balance, December 31, 2021	$ 84,024	1,407	11,391	464	2,335	99,621
Carrying amounts:						
Balance, December 31, 2022	$ 384,883	9,024	2,086	-	679	396,672
Balance, January 1, 2021	$ 263,352	1,919	5,801	189	1,338	272,599
Balance, December 31, 2021	$ 249,341	7,041	4,012	26	1,112	261,532

1) The amounts of interest capitalized on borrowing costs for the years ended on December 31, 2022 and 2021, were insignificant.
2) The reclassification was due to transfer from inventories.
3) Please see Note 8 for guarantees for borrowing facilities and convertible bonds as of December 31, 2022 and 2021.

k. Right-of-use Assets

The changes in the costs and depreciation of the Group's leased premises and buildings and transportation equipment were as follows:

	Premises and buildings	Transportation equipment	Total
Costs for right-of-use assets			
Balance, January 1, 2022	$ 17,639	4,064	21,703
Acquisition through business combination	2,944	-	2,944
Additions	141,881	-	141,881
Reclassification	6,526	-	6,526
Disposals	(2,895)	(566)	(3,461)
Balance, December 31, 2022	$ 166,095	3,498	169,593
Balance, January 1, 2021	$ 17,907	3,094	21,001
Additions	-	1,534	1,534
Disposals	(268)	(564)	(832)
Balance, December 31, 2021	$ 17,639	4,064	21,703
Accumulated depreciation for right-of-use assets			
Balance, January 1, 2022	$ 4,326	1,946	6,272
Depreciation	3,146	1,420	4,566
Other reductions	(2,895)	(566)	(3,461)
Reclassification	6,526	-	6,526
Balance, December 31, 2022	$ 11,103	2,800	13,903
Balance, January 1, 2021	$ 2,313	945	3,258
Depreciation	2,281	1,565	3,846
Other reductions	(268)	(564)	(832)
Balance, December 31, 2021	$ 4,326	1,946	6,272
Carrying amounts:			
December 31, 2022	$ 154,992	698	155,690
January 1, 2021	$ 15,594	2,149	17,743
December 31, 2021	$ 13,313	2,118	15,431

During 2022, the Group secured a lease contract for the installation of photovoltaic power generation equipment on state-owned real property to serve as the location for the installation of photovoltaic power generation equipment. Therefore, a right-of-use asset and a lease liability were recognized.

l. Short-term Loans

	12/31/2022	12/31/2021
Guaranteed bank loans	$ 584,847	113,483
Other guaranteed loans	64,200	36,000
	$ 649,047	149,483
Unused credit	$ 2,334,754	374,815
Interest rate range, end of period	1.75%~3.175%	0.61%~2.30%

1) The other guaranteed loans as of December 31, 2022 and 2021, were guaranteed by the Group's commercial paper of $64,200 thousand and $36,000 thousand, respectively.
2) The Group secured higher amounts of the loans because some of the banks required the Group to pledge the contracted projects as collaterals when the loans were provided.
3) Please refer to Notes 7 and 8 for details on the bank loan guarantees that are cosigned by the key management of the Group or for which assets were pledged as collaterals.

m. Long-term Loans

	12/31/2022			
	Currency	Interest rate range	Year due	Amount
Guaranteed bank loans	NTD	1.970%~2.885%	2023~2032	$ 113,619
Less: portion due in one year				(9,710)
Total				$ 103,909
Unused credit				$ 3,692,895

	12/31/2021			
	Currency	Interest rate range	Year due	Amount
Guaranteed bank loans	NTD	1.845%~2.015%	2023	$ 13,179
Loans from non-financial institutions	NTD	3.500%	2022	10,309
Less: portion due in one year				(14,192)
Total				$ 9,296
Unused credit				$ 179,438

1) The Group secured higher amounts of the loans because some of the banks required the Group to pledge the contracted projects as collaterals when the loans were provided.
2) Please refer to Notes 7 and 8 for details on the bank loan guarantees that are cosigned by the key management of the Group or for which assets were pledged as collaterals.

n. Bonds payable

The Group's bonds payable were as follows:

	12/31/2022	12/31/2021
Total guaranteed convertible bonds	$ 500,000	500,000
Less: unamortized discount on bonds payable	(8,665)	(15,246)
Balance of bonds payable, end of period	$ 491,335	484,754
Embedded derivatives-put and call options (recognized in financial liabilities at fair value through profit or loss)	$ 12,250	3,850
Equity components - conversion rights (reported as capital surplus -stock options)	$ 84,584	84,584

	2022	2021
Embedded derivatives-put and call options remeasured at fair value through profit or loss (recognized in other profit or loss)	$ (8,400)	(4,500)
Interest expense	$ 6,581	5,283

Please see Note 6, subdivision w, for valuation gains or losses recognized for put and call options.

Please refer to Note 8 for details on the assets pledged by Company to guarantee the issuance of convertible bonds.

On March 10, 2021, the Company issued its first domestic guaranteed convertible bonds for a total of $569,615 thousand, of which $563,335 thousand was fully collected after deducting $6,280 thousand in issuance costs. The key terms for the bonds are as follows:

1) Tenor: Five years (from March 10, 2021, to March 10, 2026).
2) Repayment: Except in the case of conversion to the Company's common stock, exercise of put option, premature redemption or cancellation upon repurchase, the Company repays the principal in cash at maturity based on the face value of the bond.
3) Redemption: The Company may redeem the bonds from the holders in the following circumstances:
   a) From the day after the third month of issuance to 40 days before the expiration of the issuance period, if the closing price of the Company's common stock in the centralized trading market exceeds the prevailing conversion price by more than 30% (inclusive) for 30 consecutive business days, the Company may redeem all the outstanding counts of the convertible bonds in cash at their face value.
   b) From the day after the third month of issuance to 40 days before the expiration of the issuance period, if the outstanding counts of the convertible bonds are less than 10% of those originally issued, the Company may redeem all the outstanding counts of the convertible bonds in cash at their face value.
4) Put option:
   The Company sets the next date after three years shall have passed since the issuance of the aforementioned convertible bonds to be the base date for the holders to sell back the convertible bonds. Holders may require the Company to redeem the convertible bonds in their possession at 101.51% of the face value in accordance with the regulations set by the Company.
5) Conversion:
   a) From the next date after three years shall have passed since the issuance of the bonds until the maturity date, holders of the aforementioned convertible bonds may convert the bonds to shares of the Company's common stock in accordance with the Company's conversion regulations.
   b) Conversion price:
      The conversion price per share for the Company's convertible bonds is $53.80.
      In the event there is a change in the shares of the Company's common stock after the issuance of the bonds, the conversion price will be adjusted according to the formula set forth in the Company's conversion regulations.

o. Lease Liabilities

The Carrying amounts of the Group's lease liabilities were as follows:

	12/31/2022	12/31/2021
Current	$ 19,356	2,235
Non-current	$ 121,725	13,462

Please see Note 6, subdivision x, for the maturity analyses of financial instruments.

The lease-related amounts recognized in profit or loss were as follows:

	2022	2021
Interest expense for lease liabilities	$ 1,208	402
Various lease payments excluded from measurement of lease liabilities	$ 2,088	1,867
Short-term lease expenses	$ 2,547	3,380
Expense for low-value lease assets (excluding low-value leases in short-term leases	$ 1,168	737

The amounts recognized in the statement of cash flows were as follows:

	2022	2021
Total cash out-flow from leases	$ 32,989	10,079

1) Lease of premises and buildings

The Group leased buildings for use as offices for a period of one to three years and leased state-owned real properties for the installation of solar-powered photovoltaic equipment for a period of 20 years. The Group did not have preferential right to purchase the lease property at the end of the lease and, under the contract, should not lease, sublease, assign or otherwise make the lease property available to a third party in whole (including the right to use parking spaces) or in part without the consent of the lessors.

2) Other leases

The Group leased transportation equipment for a period of three years. Some of the lease agreements provided the Group with the option to purchase the lease assets at the end of the lease period. The metering equipment leased by the Group is of short-term and low-value lease. The Group has elected to apply the exemption from recognition and not to recognize the right-of-use assets and lease liabilities to which it relates. Please see Note 7 for information on the guarantees cosigned by the key management of the Group to the lessors.

p. Employee Benefits

1) Defined benefit plans

A reconciliation of the present value of the Group's defined benefit obligation to the fair value of plan assets was as follows:

	12/31/2022	12/31/2021
Present value of defined benefit obligation	$ 777	780
Fair value of plan assets	(483)	(418)
Net defined benefit liability (assets)	$ 294	362

The Group's defined benefit plan is contributed to the Bank of Taiwan's Labor Retirement Reserve Fund. The retirement payment for each employee under the Labor Standards Law is calculated based on the base figure obtained from years of service and the average salary for the six months prior to retirement.

a) Plan assets composition
The Group's retirement fund under the Labor Standards Act is managed by the Ministry of Labor, Bureau of Labor Funds. According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the minimum annual earnings to be distributed from the fund shall not be less than the earnings calculated based on the two-year time deposit rate of the local bank.

As of the date of reporting, the balance in the Group's labor pension reserve funds account in the Bank of Taiwan's was $483 thousand. Please visit the Bureau of Labor Funds' website for information on the utilization of the labor retirement fund assets including the fund yield and fund asset allocation.

b) Changes in the present value of the defined benefit obligation
The changes in the present value of the Group's defined benefit obligation for the years ended on December 31, 2022 and 2021 were as follows:

	2022	2021
Defined benefit obligation, January 1	$ 780	1,005
Service cost and interest for the period	6	3
Remeasurement of net defined benefit liability (assets)	(9)	(228)
Defined benefit obligation, December 31	**$ 777**	**780**

c) Changes in the fair value of plan assets
The changes in the fair value of the Company's defined benefit plan assets for the years ended on December 31, 2022 and 2021, were as follows:

	2022	2021
Fair value of plan assets, January 1	$ 418	375
Interest income	3	2
Remeasurement of net defined benefit liability (assets)	-	5
Amount contributed to the plan	32	36
Expected return on planned assets	30	-
Fair value of plan assets, December 31	**$ 483**	**418**

d) Expenses recognized in profit or loss
For the years ended on December 31, 2022 and 2021, the Company reported the following expenses:

	2022	2021
Service costs	**$ 3**	**1**

	2022	2022
Operating expenses	**$ 3**	**1**

e) Actuarial assumptions

The key actuarial assumptions taken to determine the present value of the Group's defined benefit obligation at the end of the financial reporting period were as follows:

	12/31/2022	12/31/2021
Discount rate	1.41%	0.78%
Future salary increase rate	3.50%	3.50%

The Group expects to contribute $31 thousand to the defined benefit plan within one year from the reporting date in 2022.

The weighted-average duration of the defined benefit plan is 14.5 years.

f) Sensitivity analysis

The effect of changes in the key actuarial assumptions as of December 31, 2022 and 2021, on the present value of the defined benefit obligation is as follows:

	Effect on the defined benefit obligation	
	Increase	**Decrease**
December 31, 2022		
0.25% change in discount rate	$ (28)	29
0.50% change in future salary increase rate	57	(53)
December 31, 2021		
0.25% change in discount rate	(32)	34
0.50% change in future salary increase rate	66	(61)

The foregoing sensitivity analysis assesses the effect of changes in each individual assumption ceteris paribus. In reality, changes in multiple assumptions may intertwine. The sensitivity analysis is consistent with the methodology used to calculate the net defined benefit liabilities in the balance sheet.

The methodology used and assumptions taken in the sensitivity analysis in the current period are the same as those used in the previous period.

g) In calculating the present value of the defined benefit obligation, the Group shall exercise judgment and estimation to determine the relevant actuarial assumptions, including the employee turnover and future payroll changes, as of the date of the balance sheet. Any changes in actuarial assumptions could materially affect the amount of the Group’s defined benefit obligation

2) Defined contribution plans

Pursuant to the Labor Pension Act, the Group contributes 6% of each employee's monthly wages under the defined contribution plan to an individual labor pension account administered by the Bureau of Labor Insurance. Upon contributing the specific amount to the Bureau of Labor Insurance under the plan, the Group has no further legal or constructive obligation for any additional payments.

For the years ended on December 31, 2022 and 2021, the Group’s pension expenses under the defined contribution pension plan were $2,459 thousand and $1,950 thousand, respectively, which have been transferred to the Bureau of Labor Insurance.

q. Income Tax

1) The Group's income tax expenses were as follows:

a) Details on the Group's income tax expenses for the years ended on December 31, 2022 and 2021, were as follows:

	2022	2021
Income tax expenses for the period		
Incurred	$ 2,405	-
Income tax expenses	$ 2,405	-

b) A reconciliation of the Group's income tax expenses to net income before income tax for the years ended on December 31, 2022 and 2021, was as follows:

	2022	2021
Net income before income tax	$ 71,970	33,091
Income tax based on the Group's domestic tax rate	$ 14,394	6,618
Domestic investment gains (losses) under the equity method	(149)	(414)
Permanent differences	308	(8)
Tax losses not recognized in the prior period	(24,896)	(12,133)
Tax losses from unrecognized deferred income tax assets	3,065	6,004
Unrecognized changes in temporary differences	4,840	(38)
Other expenses	4,843	(29)
Income tax expense	$ 2,405	-

2) Deferred income tax assets and liabilities

a) Unrecognized deferred income tax assets

The following was not recognized as deferred income tax assets:

	12/31/2022	12/31/2021
Deductible temporary differences	$ 31,601	96,485
Tax loss	521,015	736,292
	$ 552,616	832,777

Tax loss refers to that, pursuant to the Income Tax Act, losses approved by the tax authority for the previous ten years may be deducted from the net income for the current year before income tax is assessed. The items were not recognized as deferred income tax assets because it was not probable that the Company would generate sufficient taxable income to be used for such temporary differences.

b) The deductible periods for the tax losses that had not been recognized by the Group as deferred income tax assets as of December 31, 2022, were as follows:

Year incurred	Loss undeducted		Last deductible year
2012	$	76,924	2022
2013		128,784	2023
2016		85,760	2026
2017		58,307	2027
2018		71,834	2028
2019		30,692	2029
2020		29,106	2030
2021		21,213	2031
2022		18,395	2032
	$	521,015	

c) Status on income tax returns
The income tax returns of Company and its subsidiaries have been cleared by the tax authorities through the year ended on December 31, 2020.

r. Capital and Other Equity

1) Capital stock
As of December 31, 2022 and 2021, the Company's total authorized capital was $1,500,000 thousand in 150,000 thousand shares with a par value of $10 per share. There were 78,090 thousand issued shares.

2) Capital surplus
The balance of the Company's capital surplus was as follows:

	12/31/2022		12/31/2021
Share premium on issue	$	57,138	57,138
Employee stock option		7,805	6,527
Conversion rights		84,584	84,584
Total	$	149,527	148,249

Pursuant to the Company Act, capital surplus shall first be applied to cover losses before realized capital surplus may be distributed as new shares or cash in proportion to the shareholders' original shares. The realized capital surplus referred to the preceding sentence includes the proceeds from issuance of shares in excess of par value and the proceeds from the receipt of gifts. Pursuant to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital surplus that may be capitalized each year shall not exceed 10% of the paid-in capital.

3) Retained earnings and dividend policy

Pursuant to the earnings distribution policy in the Company's Articles of Incorporation, if there are any profits in the Company's annual final accounts, the Company shall first reserve taxes to be paid by law and offset accumulated losses and then set aside 10% of the remainder as the legal capital reserve. However, if the legal capital reserve has reached the amount of the Company's paid-in capital, it may no longer be set aside, and the remainder may be recognized in, or reversed from, the special capital reserve as required by law. If there is any remaining balance, the Board of Directors shall prepare a proposal for the distribution of the surplus, together with the accumulated undistributed earnings, as dividends to the shareholders and submit it to the shareholders for resolution. The policy on the distribution of remuneration to employees, directors and supervisors as set forth in the Company's Articles of Incorporation is described in Note 6, subdivision v, "Remuneration for Employees, Directors and Supervisors."

The Company's Articles of Incorporation also prescribe that the Company's dividend policy shall be in line with current and future development plans, taking into consideration the Company's future capital requirements and long-term financial planning, while meeting the shareholders' needs for cash inflows, etc. The distribution of dividends to shareholders may be made in cash or stock. Since the Company is in a volatile industrial environment and is in the growth stage of the corporate life cycle, stock dividends are preferred for dividend distribution to shareholders, provided that cash in the dividend distribution shall not be less than 10% of the total amount of the dividends, although stock dividends may be distributed instead if the cash dividend is less than $0.10 per share.

a) Earnings distribution

At the annual shareholders' meetings on June 28, 2022, and July 22, 2021, the Company resolved the proposal for loss make-up for the years ended on December 31, 2021, and December 31, 2020.

s. Share-based payments

On August 13, 2021, the Board of Directors resolved to issue 500 units of employee stock option warrants, each unit entitled the holder to subscribe to 1,000 shares of the Group's common stock. The grant was limited to the Group's full-time employees who met certain criteria. Issuance of the warrants had been reported to and approved by the Securities and Futures Bureau of the FSC, and all warrants were issued as of January 21, 2022, with a fair value of $9.434 on the date of the grant.

Except where the number of shares to which the warrant holder can subscribe has been revoked in whole or in part, upon the expiration of two, three and four years of service of the employee stock options granted by the Company, the cumulative percentage of stock options exercisable shall be 50%, 75% and 100%, respectively. The stock options shall be valid for a period of five years from the date of granting the stock options to employees and shall not be transferred, pledged, gifted to others, or otherwise disposed of, except by reason of inheritance.

If a stock option holder violates the employment contract or company regulations or engages in other critically neglectable acts after the Company has granted the stock options to the employee, the Company has the right to withdraw and cancel the warrants for which the stock options have not yet been exercised.

As of December 31, 2022, the Group had the following share-based payment transaction:

Type	Equity Settlement Stock Option
Date granted	01/21/2022
Number of units granted	500
Contract duration	5 years
Vesting period	Next 2 to 4 years

The factors considered by the Company in estimating the fair value of employee stock options on the date of the grant using the Monte Carlo Simulation are summarized as follows:

	Stock Option
Contract price (NTD$)	36.15
Duration (year)	5 years
Price at grant (NTD$)	36.15
Expected volatility (%)	37.79%
Expected dividend rate (%)	(Note 1)
Risk-free interest rate (%)	(Note 2)

Note 1: The expected dividend rate was not included in the calculation because, according to the Company's stock option plan, the stock option price would be adjusted equally with the dividends distributed.

Note 2: The risk-free interest rate was the forward interest rate calculated using the Svensson model for each maturity of government bonds announced by the OTC on January 21, 2022.

t. Earnings Per Share

The calculations of the Group’s basic earnings per share and diluted earnings per share were as follows:

	2022	2021
Basic earnings per share		
Net income attributable to holders of the Company's common stock	$ 68,697	33,583
Weighted-average number of outstanding common shares	78,090	78,090
Basic earnings per share (NTD$)	$ 0.88	0.43
Diluted earnings per share		
Net income attributable to holders of the Company's common stock (diluted)	$ 68,697	33,583
Weighted-average number of outstanding common shares (Note)	78,090	78,090
Diluted earnings per share (NTD$)	$ 0.88	0.43

Note: The Company's convertible bonds and employee stock option warrants as of December 31, 2022, were anti-dilutive and therefore were not included in the calculation of diluted earnings per share based on the weighted average number of common shares outstanding.

u. Revenue from Customer Contracts

1) Revenue by categories

	2022	2021
Major regional markets:		
Taiwan	$ 1,275,870	675,649

	2022	2021
Main product/service line:		
Power plant sales	$ -	59,924
Electricity sales	61,887	38,889
Merchandize sales	339,261	107,261
Services	3,732	19,955
Constructions	870,990	449,620
	$ 1,275,870	675,649
Recognition timing		
Fixed-time fulfillment of contract obligations	$ 1,275,870	675,649

2) Contractual balances

	12/31/2022	12/31/2021	01/01/2021
Accounts receivable	$ 72,997	18,592	12,463
Accounts receivable – related parties	78,776	33,151	26,448
Less: loss allowance	(12)	(1,665)	(10,623)
Total	$ 151,761	50,078	28,288
Contract assets	$ 240,449	49,150	-
Contract liabilities – power plant sales	$ 173,347	101,814	75,139
Contract liabilities – Merchandize sales	30,962	16,159	-
Total	$ 204,309	117,973	75,139

Please see Note 6, subdivision d, for a disclosure on accounts receivable and the impairment thereof.

The beginning balances of contract liabilities as of January 1, 2022 and 2021, were recognized as income in the amounts of $104,582 and $73,259, respectively, for the years ended on December 31, 2022 and 2021.

The changes in contract assets and contract liabilities mainly resulted from the differences between the term at which the Group transfers goods or services to the customers to fulfill its performance obligations and the time at which the customers pay for the goods or services.

v. Remuneration for employees, directors and supervisors

Pursuant to the Company's Articles of Incorporation, 1% to 15% of the annual profit shall be appropriated as compensation to employees and up to 5% as compensation to directors and supervisors. However, the Company should reserve the amount of compensation in advance if it still has accumulated losses. The aforementioned employees' remuneration includes that of the employees of the Company’s subsidiaries which meet the predefined criteria.

For the years ended December 31, 2022 and 2021, the Company did not provide for compensation to employees and directors because of accumulated losses. Please visit the Market Observation Post System for relevant information

w. Non-operating Revenue and Expenses

1) Interest income

The Group's interest income was as follows:

	2022	2021
Bank deposits	$ 518	218

2) Other income

The Company's other income was as follows:

	2022	2021
Rental income	$ -	66
Bargain purchase gains	-	10
Write-off of gains from overdue payables	-	1,515
Other income	132	979
	$ 132	2,570

3) Other gains and losses

The Group's other gains and losses were as follows:

	2022	2021
Gains on disposal of investments	$ -	87
Gains (losses) on disposal of property, plant and equipment	(15)	(183)
Foreign exchange gains (losses)	(1,712)	71
Valuation loss on financial assets and liabilities at fair value through profit or loss	(8,400)	(4,500)
Fees expenses	(10,812)	(3,474)
Impairment loss on investments using the equity method	(12,116)	-
Other gains and losses	(22)	-
	$ (33,077)	(7,999)

4) Financial costs

The Group's financial costs were as follows:

	2022	2021
Interest on bank loans	$ 2,766	1,420
Interest compensation	6,581	5,283
Interest on lease liabilities	1,208	402
Interest on settled liabilities	75	-
	$ 10,630	7,105

x. Financial Instruments

1) Credit risk

a) Maximum amount of credit risk exposure

The carrying amount of financial assets represents the maximum amount of credit risk exposure.

b) Credit risk concentration

The Group's primary potential credit risk arises from financial products such as cash and cash equivalents, accounts receivable and financial assets carried at amortized cost. The Group's cash and cash equivalents and financial assets carried at amortized cost are held at various financial institutions. The Company controls its exposure to the credit risk at each financial institution and believes that the Company's cash and cash equivalents and financial assets in possession are not subject to significant concentration of credit risk. As of the date of the balance sheet, the maximum amount of the Company’s exposure to credit risk as a result of potential financial losses due to non-performance by transaction counter-parties was mainly the carrying amount of financial assets recognized in its individual balance sheet.

2) Liquidity risk

Liquidity risk is the risk that the Group will not be able to pay cash or other financial assets to settle financial liabilities and will not be able to meet its obligations.

The following table shows the contract maturities for financial liabilities, including estimated interest but excluding the effect of netting agreements:

	Carrying amount	Contract cash flow	Less than one year	One to five years	Over five years
December 31, 2022					
Non-derivative financial liabilities					
Short-term loans	$ 649,047	665,383	665,383	-	-
Accounts payable (including related parties)	107,267	107,267	107,267	-	-
Other payables	22,427	22,427	22,427	-	-
Lease liabilities	141,081	153,830	20,662	83,123	50,045
Long-term loans due in one year	9,710	12,319	12,319	-	-
Long-term loans	103,909	111,228	-	66,015	45,213
Bonds payable	491,335	500,000	-	500,000	-
	$ 1,524,776	1,572,454	828,058	649,138	95,258
December 31, 2021					
Non-derivative financial liabilities					
Short-term loans	$ 149,483	152,026	152,026	-	-
Accounts payable (including related parties)	92,877	92,877	92,877	-	-
Other payables	12,993	12,993	12,993	-	-
Lease liabilities	15,697	18,371	2,569	4,631	11,171
Long-term loans due in one year	14,192	14,507	14,507	-	-
Long-term loans	9,296	10,042	-	4,204	5,838
Bonds payable	484,754	500,000	-	500,000	-
	$ 779,292	800,816	274,972	508,835	17,009

The Group does not expect the timing of the cash flows in the maturity analysis to be significantly earlier or the actual amounts to be significantly different.

3) Exchange rate risk

a) Exchange rate risk exposure

The financial assets and liabilities of the Group that were exposed to significant foreign currency exchange rate risk were as follows:

	12/31/2022				12/31/2021			
	Foreign	Rate		Domestic	Foreign	Rate		Domestic
Financial assets								
Monetary items								
US dollar	$ 45	USD/NTD =	30.71	1,370	43	USD/NTD =	27.68	1,184

b) Sensitivity Analysis

The exchange rate risk for the Group's monetary items arises primarily from foreign currency denominated cash and cash equivalents and accounts receivable, which generate foreign exchange gains or losses when translated. As of December 31, 2022 and 2021, if NTD had weakened or strengthened by 1% against the U.S. dollar, with all other factors held constant and the same assumption applied to both periods, net income would have decreased or increased by $11 thousand and $9 thousand, respectively, for the years ended on December 31, 2022 and 2021.

c) Exchange gains or losses on monetary items

The Group disclosed information on the foreign currency exchange gains or losses on monetary items in the aggregate. The realized and unrealized foreign exchange gains or losses (in parentheses) are $71 thousand and ($1,712) thousand, respectively, for the years ended on December 31, 2022 and 2021.

4) Interest rate risk

The exposure of Group's financial assets and financial liabilities to interest rate risk is discussed in the foregoing Liquidity Risk section in this note. The following sensitivity analysis is based on the interest rate risk of derivative and non-derivative instruments on the reporting date. For floating rate liability, the analysis assumes that the amount of the liability outstanding on the reporting date is outstanding for the entire year. The fluctuation rate used in internal reporting of interest rates to the Group’s key management is 1% in increase or decrease, which also represents management's expectation of the reasonably possible fluctuation in interest rates.

If interest rates had increased or decreased by 1%, with all other factors held constant, the Group's net income would have decreased or increased by $7,627 thousand and $1,730 thousand for the years ended on December 31, 2022 and 2021, respectively.

5) Fair value analysis

a) Types of financial instruments and fair values

The management of the Group considers that the carrying amounts of the Group's financial assets and financial liabilities measured at amortized cost in the consolidated financial statements approximate their fair values.

The Group's financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amounts and fair values, including fair value hierarchy information, of different types of financial assets and financial liabilities are presented as follows (the carrying amount of a financial instrument not carried at fair value is a reasonable approximation of fair value, and the disclosure of fair value information on lease liabilities is not required under the regulations):

	12/31/2022				
	Carrying Amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	$ 1,386	-	-	1,386	1,386
Financial liabilities at fair value through profit or loss	$ 12,250	-	12,250	-	12,250
Financial liabilities at amortized cost Convertible bonds	$ 491,335	-	474,250	-	474,250

	12/31/2021				
	Carrying Amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	$ 1,376	-	-	1,376	1,376
Financial liabilities at fair value through profit or loss	$ 3,850	-	3,850	-	3,850
Financial liabilities at amortized cost Convertible bonds	$ 484,754	-	486,850	-	486,850

b) Fair value valuation techniques for financial instruments carried at fair value

The methods and assumptions used by the Group to estimate the instruments measured at fair value are as follows:

(1) Non-derivative financial instruments

If there is a public quotation on a financial instrument in the active market, the fair value of the instrument will be based on the quotation.

The fair values of listed equity instruments and of debt instruments with quotations in the active market are based on the market prices announced by the major exchanges and, for instruments that are deemed popular, by the government bond OTC trading locations. A financial instrument has a public quotation in the active market if quotations can be obtained, timely and routinely, from exchanges, brokers, underwriters, industry associations, pricing services or the competent authority and if the price represents those of actual and normal fair market transactions. If the aforementioned conditions are not met, the market is considered inactive. Generally, a large bid-ask spread, a significant increase in the bid-ask spread, or a low volume of transactions are all indicators of an inactive market.

The financial instruments held by the Group are classified according to the valuation source used to determine their fair value as follows:

Financial instruments without active market: The fair value of an unlisted (not over-the-counter) stock investment is estimated using the comparable-listed-company market approach, the primary assumption for which is measurement based on the value multiplier derived from the net worth of the investee and the market price quoted by comparable listed (over-the-counter) companies. The estimate is adjusted for the effect of discount for lack of marketability on the equity instrument.

Except the aforementioned financial instruments with quotes in active markets, the fair values of all other financial instruments are obtained using the valuation techniques or by reference to quoted prices from counterparties. The fair value obtained through the valuation techniques may be determined by reference to the current fair values of other financial instruments with similar substantive conditions and characteristics, or using the discounted cash flow method, or using other valuation techniques, including computation using models (e.g., OTC reference yield curve, Reuters average quote on commercial paper rates) built on market information available as of the date of the consolidated balance sheet.

(2) Derivative financial instruments
Derivative financial instruments are evaluated based on the valuation models, such as the discount method and option pricing model, commonly accepted by market participants. The Group's convertible bond redemption rights are evaluated using the binary tree convertible valuation model.

c) Table of changes in Level 3

	At fair value through other comprehensive income
January 1, 2022	$ 1,376
Recognized in other comprehensive income	10
December 31, 2022	**$ 1,386**
January 1, 2021	$ 1,402
Recognized in other comprehensive income	(26)
December 31, 2021	**$ 1,376**

The foregoing total gains or losses was reported in “unrealized valuation loss on financial assets at fair value through other comprehensive income.”

d) Quantitative information on fair value measurements of significant unobservable input (Level 3)
The Group's fair value measurements classified as Level 3 apply primarily to financial assets measured at fair value through other comprehensive income - equity securities investments.

The majority of the Group's fair values that are classified as Level 3 have only one single significant unobservable input, and only investments in equity instruments without an active market have multiple significant unobservable inputs. Significant unobservable inputs to investments in equity instruments with no active market are not correlated with one another as they are independent of any other.

The quantitative information of significant unobservable input values is listed below:

Asset	Valuation technique	Significant unobservable input	Relationship between signification unobservable input and fair value
Financial assets at fair value through other comprehensive income - investments in equity instruments with no active	Comparable listed company approach	·Discount for lack of marketability (20% for 12/31/2022 and 12/31/2021)	·The higher the lack of marketability, the lower the fair value

y. Financial Risk Management

1) Overview

The Group is exposed to the following risks due to the use of financial instruments:

a) Credit risk

b) Liquidity risk

c) Market risk

This Note presents information on the Group's exposure to each of the risks in the above and the Group's objectives, policies and procedures for measuring and managing the risks. For further quantitative disclosures, please refer to the respective notes to the individual financial statements.

2) Risk management framework

The Board of Directors is solely responsible for the control and supervision of the risk management mechanism of the Group. The Group's financial management department provides services to each business unit, coordinates access to domestic and international financial markets, and monitors and manages the financial risks associated with the Group's operations through internal risk reports that analyze risk exposure according to the level and breadth of risk.

3) Credit risk

Credit risk is the risk of financial loss arising from the failure of the Group's customers or financial instrument counter-parties to meet their contractual obligations. It is inherent primarily in the Group's customer accounts receivable.

a) Investments

The credit risk in bank deposits, fixed-income investments and other financial instruments is measured and monitored by the Company's finance department. The Company's transactional and contractual counter-parties are financial institutions and corporate organizations with outstanding credit ratings so as to cast no significant doubt about their performance and, thus, to give rise to no significant credit risk.

b) Accounts receivable and other receivables

The Group has established a customer credit policy under which the Group individually analyzes the credit rating of each new customer before granting payment and trade conditions and related terms. The Group obtains extrinsic information in a timely manner from sources such as credit rating agencies and banks with which it does business in the process of review. The credit lines of the Group’s customers are established on an individual basis, each of which approved by the responsible authority under the credit policy. The lines are reviewed periodically and customers who do not meet the Group’s benchmark credit rating may only transact with the Group on a prepayment basis.

The Group is not exposed to significant credit risk in any group of counterparties having similar characteristics. In light of the industry outlook and characteristics at present, the Group conducts a risk assessment for each sales counterparty with which it transacts only after such assessment. Customers deemed high risk are monitored, and the payment terms with high-risk customers are prepayment or accounts receivable with insurance.

c) Guarantee

Except the mutual endorsements and guarantees between the Group and its 100%-owned subsidiaries, the Group had not provided any endorsement or guarantee as of December 31, 2022 and 2021.

4) Liquidity risk

The Group manages and maintains sufficient amounts of cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. Management of the Group monitors the use of financing facilities with the banks and ensures compliance with the terms of loan agreements.

Bank loans are an important source of liquidity for the Group. Please see Note 6, subdivisions l and m, for the Group’s unused short-term and long-term financing facilities as of December 31, 2022 and 2021.

5) Market risk

Market risk is the risk that subjects the Group’s earnings or the values of the financial instruments it holds to the influence of changes in the market price, such as changes in exchange rates, interest rates or prices of equity instruments. The goal of market risk management is to control the degree of exposure to market risk within acceptable levels and to optimize investment returns.

a) Exchange rate risk

The Group is exposed to exchange rate risk in the sales, purchase and borrowing transactions that are not denominated in the functional currencies of the respective companies in the Group, which primary functional currency is the NTD. The principal currencies in which these transactions are denominated are NTD and the U.S. dollar.

b) Interest rate risk

The Group borrows funds at both fixed and floating interest rates, which give rise to fair value change risk and cash flow risk. The Group manages interest rate risk by maintaining an appropriate mix of interest rates.

z. Capital Management

The Group's objectives in capital management are to ensure the ability to continue as a going concern in order to continue to provide compensations to shareholders and profits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust its capital structure, the Group may adjust the dividends paid to shareholders, reduce capital with refunds to shareholders, issue new shares, or sell assets to settle liabilities.

The Group bases its capital control on the liability to capital ratio. This ratio is calculated by dividing net liability by total capital. Net liability is total liabilities as shown in the balance sheet less cash and cash equivalents. Total capital is the sum of all components of equity (i.e., capital stock, capital surplus, retained earnings and other equity).

The debt-to-capital ratio as of December 31, 2022 and 2021, were as follows:

	12/31/2022	12/31/2021
Total liabilities	$ 1,755,983	908,062
Less: cash and cash equivalents	(225,422)	(251,026)
Net liabilities	**$ 1,530,561**	**657,036**
Total capital	**$ 691,827**	**620,935**
Liability-to-capital ratio	**221.23%**	**105.81%**

The debt-to-capital ratio had increased as of December 31, 2022, mainly due to the increase in the number and scale of the Group's investments in the construction of power plants and in contracts of power plant projects, for which capital utilization the Group increased borrowings from banks that resulted in the increase in liabilities.

7. RELATED PARTY TRANSACTIONS

a. Related Party Names and Relations

The related parties with whom the Group had transactions during the period covered by the within consolidated financial statement were as follows:

Name	Relation
Liho Energy Co., Ltd.	Associate
Tailai Energy Co., Ltd.	Associate
Santing Energy Co., Ltd.	Joint venture
Yabisi Solar Power	Joint venture
Hsinking Construction Co., Ltd.	The Company's chairperson is person in charge
Hsinjing Photovoltaic Co.. Ltd.	The Company's chairperson is person in charge
Chaojing Green Energy Co., Ltd.	The Company's chairperson is person in charge
Chaojing Energy Co, Ltd.	The Company's chairperson is person in charge
Hsinjing Systems Development Co., Ltd.	The Company's chairperson is person in charge
Lichan Photovoltaic Co., Ltd.	The Company's chairperson is person in charge
Hsinjing Green Energy Co., Ltd.	The Company's chairperson is person in charge
Hsinking Energy Co., Ltd.	The Company's chairperson is person in charge
Heng Huei Energy Consulting Co., Ltd	The Company's chairperson is person in charge
Luxon Energy Co., Ltd.	The Company's chairperson is person in charge
Hsinjing Energy Co., Ltd.	The Company's director is person in charge
Jihsheng Photovoltaic Co., Ltd.	The Company's director is person in charge
Hsingjih Energy Co., Ltd.	The Company's director is person in charge
Hsinhsin Investment Co., Ltd.	The Company's director is person in charge
Yungjing Solar Energy Co., Ltd.	The Company's chairperson's relative within second degree is person in charge
Solarvest (Taiwan) Co., Ltd.	Associate's parent company
San-Te Tzu	Key management personnel
Huai-Tse Yu	Key management personnel

b. Significant Transactions with Related Parties

1) Operating revenue

The Group's significant sales to related parties were as follows:

	2022	2021
Hsinking Construction Co., Ltd.	$ 657,078	288,153
Santing Energy Co., Ltd.	51,829	50,363
Other related parties	107,101	46,889
	$ 816,008	385,405

The prices of goods sold to related parties were set per agreements between the parties, and the payment terms were the same as those for ordinary transactions.

2) Purchases

The Group's purchases from related parties were as follows:

	2022	2021
Hsinking Construction Co., Ltd.	$ 4,375	16,597

The prices of goods purchased from related parties were set per terms of the agreements between the parties.

3) Receivables

The Company’s receivables from related parties were as follows:

Item	Related party	12/31/2022	12/31/2021
Receivables	Hsinking Construction Co., Ltd.	$ 22,799	19,280
Receivables	Liho Energy Co., Ltd.	-	13,869
Receivables	Luxon Energy Co. Ltd.	13,364	-
Receivables	Hsinjing Photovoltaic Co.. Ltd.	21,173	-
Receivables	Heng Huei Energy Consulting Co., Ltd.	21,416	-
Receivables	Other related parties	24	2
		$ 78,776	33,151

4) Payables

The Company’s payables to related parties were as follows:

Item	Related party	12/31/2022	12/31/2021
Payables	Hsinking Construction Co., Ltd.	$ 113	2,261

5) Contractual assets

Item	Related party	12/31/2022	12/31/2021
Contract assets	Hsinking Construction Co., Ltd.	$ 167,445	49,150
Contract assets	Santing Energy Co., Ltd.	30,782	-
		$ 198,227	49,150

6) Contractual liabilities
The Group received prepayment from related parties as follows:

Item	Related party	12/31/2022	12/31/2021
Contract liabilities	Hsinking Construction Co., Ltd.	$ 89,274	90,649
Contract liabilities	Other related parties	3,536	-
		$ 92,810	90,649

7) Property transactions
a) Acquisition of investments accounted for using the equity method
The Group acquired investments accounted for using the equity method from related parties as follows:

		2022		
Related party category and name	**Financial statement account**	**Number of shares transacted**	**Subject of transaction**	**Acquisition price**
Associate—Tailai Energy Co., Ltd.	Investments accounted for using the equity method	588,000	Shares used in cash capital increase by Tailai Energy	5,880

		2021		
Related party category and name	**Financial statement account**	**Number of shares transacted**	**Subject of transaction**	**Acquisition price**
Key management	Investments accounted for using the equity method	300,000	Shares of Santing Energy	3,000
Associate—Hsinjing Photovoltaic Co., Ltd.	Investments accounted for using the equity method	200,000	Shares of Yabisi Solar Power	2,000
Associate— Tailai Energy Co., Ltd.	Investments accounted for using the equity method	833,000	Shares used in cash capital increase by Tailai Energy Co., Ltd.	8,330

8) Rental expenses

	2022	2021
Hsinking Construction Co., Ltd.	$ 60	60

c. The actual amounts of expenditure incurred by the Group with key management acting as joint and several guarantors were as follows:

1) Loans

Related party category/name	12/31/2022	12/31/2021
Key management	$ 747,243	172,971

2) Lease liabilities

Related party category/name	12/31/2022	12/31/2021
Key management	$ 716	2,144

d. Transactions Involving Key Management Personnel

Compensation for key management personnel was as follows:

	2022	2021
Short-term employee benefit	$ 8,176	8,732
Post-employment benefit	434	382
	$ 8,610	9,114

8. PLEDGED ASSETS

The carrying values of the assets pledged by the Group were as follows:

Asset	Collateral pledged for	12/31/2022	12/31/2021
Inventory—power plant under construction	Long-term bank loan	$ 13,308	10,149
Other current assets (restricted bank deposit)	Short-term loan	-	4,000
Other financial assets—current (restricted bank deposit)	Short-term loan	34,087	6,000
Property, plant and equipment—transportation equipment	Other long-term loan	2,252	3,312
Property, plant and equipment machine equipment	Bonds payable	223,091	237,332
Property, plant and equipment machine equipment	Long-term bank loan	68,496	-
Property, plant and equipment machine equipment	Other short-term loan	79,855	-
Refundable deposits	Other long-term loan	-	3,000
Other financial assets—non-current (Restricted bank deposit)	Long-term bank loan	1,880	200
Other financial assets—non-current (Restricted bank deposit)	Performance guarantee	23,898	21,193
Other financial assets—non-current (Pledged certificates of deposit and restricted bank deposits)	Bonds payable	179,838	133,389
		$ 626,705	418,575

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

a) The Group's unrecognized significant contractual commitments were as follows:

	12/31/2022	12/31/2021
Issued but unused letters of credit	$ 12,228	11,436
Committed lease agreement	$ 46,500	-
Acquisition of inventory—power plant under construction	$ 499,429	509,210

b) Significant power purchase and sale contracts

The Group and the Taiwan Power Company (TPC) has entered into a power purchase and sales agreement under which TPC purchases electricity from the Group on a monthly basis at the contracted price, with the date of the initial integration of each unit as the starting date for metering. The contract is irrevocable and has a term of 20 years.

10. LOSS DUE TO MAJOR DISASTER: NONE.

11. SIGNIFICANT POST-PERIOD EVENTS: NONE.

12. OTHER MATTERS

a. The employee benefits, depreciation and amortization expenses are summarized by function as follows:

Function / Nature	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Salaries and Wages	-	47,936	47,936	-	37,222	37,222
Labor and Health Insurance	-	4,719	4,719	-	3,672	3,672
Pension	-	2,462	2,462	-	1,951	1,951
Directors' remuneration	-	2,900	2,900	-	2,390	2,390
Other employee benefits	-	2,724	2,724	-	1,890	1,890
Depreciation	24,270	8,312	32,582	15,784	7,476	23,260
Amortization	-	-	-	-	-	-

13. ADDITIONAL DISCLOSURE

a. Material Transactions

Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Group should disclose information regarding material transactions for the year ended on December 31, 2022, as follows:

1) Financing

In NTD thousands

No. (Note 6)	Financing company	Counterparty	Financial statement account	Related party	Maximum balance for the period	Ending balance	Amount actually drawn in the period	Interest rate	Nature for financing (Note 7)	Transaction amount	Reason for financing	Allowance for losses	Collateral		Financing limit for each borrowing company	Financing company's total financing amount	Note
													Item	Value			
0	Hsinjing Holding Co., Ltd.	TYNSOLAR Corporatio	Other receivables – related parties	Yes	50,000	-	-	0	2	-	Operating capital	-	-	-	272,730	272,730	Notes 1, 2, 8
1	TYNSOLAR Corporation	Paiyang Solar Energy Co., Ltd.	Other receivables	No	19,444	19,444	17,111	0	1	19,444		17,111	-	-	176,921	353,842	Notes 3, 4, 5

Note 1: According to the Company's "Procedures for Lending Funds to Others," when funds are lent to companies or businesses with short-term financing needs, the amount of each individual loan shall not exceed 40% of the Company's net worth.

Note 2: According to the Company's "Procedures for Lending Funds to Others," the total amount of funds lent to others shall not exceed 40% of the Company's net worth.

Note 3: According to subsidiary TYNSOLAR Corporation's "Procedures for Lending Funds to Others," when funds are lent to companies or businesses with short-term financing needs, the amount of each individual loan shall not exceed 20% of the Company's net worth.

Note 4: According to subsidiary TYNSOLAR Corporation's "Procedures for Lending Funds to Others," the total amount of funds lent to others shall not exceed 40% of the Company's net worth.

Note 5: Upon assessment of the probability of future recovery, the Company had recognized an impairment loss for $17,111 thousand on other receivables from Paiyang Solar Energy Co., Ltd.

Note 6: Items are ordered as follows:

a) 0 for issuer.

b) The investee companies are numbered individually in order, starting with the Arabic number 1.

Note 7: Nature for financing is represented as follows:

a) 1 for those with whom the Company does business.

b) 2 if there is a need for short-term financing.

Note 8: The transaction listed has been written off in the preparation of the consolidated financial statements.

2) Endorsements and guarantees:

In NTD thousands

No.	Endorsement/ guarantee provider	Guaranteed party		Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Notes	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1, 2, 3)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of relationship (Note 4)										
0	Hsinjing Holding Co., Ltd.	TYNSOLAR Corporation	2	1,363,648	185,000	185,000	132,178	-	27.13%	1,363,648	Y	N	N
1	TYNSOLAR Corporation	Hsinjing Holding Co., Ltd.	3	1,326,908	508,000	508,000	508,000	250,772	57.43%	1,326,908	N	Y	N
2	Dingyu Solar Co., Ltd.	Hsinjing Holding Co., Ltd.	3	47,560	45,000	45,000	45,000	40,484	141.92%	47,560	N	Y	N

Note 1: According to the Company's "Procedures for Endorsement and Guarantee", when the Company provides endorsement or guarantee, the amount endorsed or guaranteed for a single company shall not exceed 40% of the Company's net worth and, if the endorsement or guarantee is for a company in which the Company directly or indirectly holds 100% of the voting shares, shall not exceed 200% of the Company's net worth. In all cases the total amount of endorsement and guarantee provided by the Company shall not exceed 200% of its net worth.

Note 2: According to the "Procedures for Endorsement and Guarantee" of the Company's subsidiary TYNSOLAR Corporation, when it provides endorsement or guarantee, the amount endorsed or guaranteed for a single company shall not exceed 20% of its net worth and, if the endorsement or guarantee is for a company in which it directly or indirectly holds 100% of the voting shares, or for a company which directly or indirectly holds 100% of its voting shares, shall not exceed 150% of its net worth. In all cases the total amount of endorsement and guarantee provided by it shall not exceed 150% of its net worth.

Note 3: According to the "Procedures for Endorsement and Guarantee" of the Company's subsidiary Dingyu Solar Co., Ltd., when it provides endorsement or guarantee, the amount endorsed or guaranteed for a single company shall not exceed 20% of its net worth and, if the endorsement or guarantee is for a company in which it directly or indirectly holds 100% of the voting shares, or for a company which directly or indirectly holds 100% of its voting shares, shall not exceed 150% of its net worth. In all cases the total amount of endorsement and guarantee provided by it shall not exceed 150% of its net worth.

Note 4: The relationship between the endorser and endorsed, or the guarantor and guarantee, are categorized as follows:

a) business transaction counterparties;
b) a company in which the endorser/guarantor directly or indirectly holds more than 50% of the voting shares;
c) a company which directly or indirectly holds more than 50% of the endorser's/guarantor's voting shares;
d) a company in which the endorser/guarantor directly or indirectly holds more than 90% of the voting shares, or vice versa;
e) a company that is mutually guaranteed with an inter-operator or co-constructor according to the terms of a contract as required by the construction under the contract;
f) a company guaranteed by all the shareholders in proportion to their shares in a joint investment; and
g) inter-operators engaging in contractual performance guarantee and joint and several guarantees for pre-sale contracts under the Consumer Protection Act.

3) Marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures:

Holder name	Marketable security type and name	Relationship with the issuer	Financial statement account	End of period				Maximum percentage of ownership during period	Note
				Shares/units	Carrying amount	Percentage of ownership	Fair value		
Hsinjing Holding Co., Ltd.	Liho Energy Co., Ltd. stock	Person in charge is the Company's director	Financial assets at fair value through other comprehensive income – non-current	50,000	512	7.69%	512	7.69%	
TYNSOLAR Corporation	Ch'inghung Green Energy Co., Ltd.. stock	Person in charge is the Company's director	Financial assets at fair value through other comprehensive income – non-current	120,000	874	19.35%	874	19.35%	

4) The cumulative amount of acquisition or disposal of the same marketable securities that exceeded $300 million or 20% of the paid-in capital: None.

5) Acquisition of real properties in an amount that exceeded $300 million or 20% of the paid-in capital: None.

6) Disposal of real properties in an amount that exceeded $300 million or 20% of the paid-in capital: None.

7) Total purchase from or sales to related parties in an amount that exceeded $100 million or 20% of the paid-in capital:

In NTD thousands

Company name	Related party	Nature of relationship	Transaction detail				Abnormal transaction		Notes/accounts receivable or payable		Note
			Purchase/ sales	Amount	Percentage to total	Payment terms	Unit price	Payment terms	Balance	Percentage to total	
TYNSOLAR Corporation	Hsinking Construction Co., Ltd.	Person in charge is the Company's chairperson	Sales	657,078	51.50 %	Net 90 days	-		22,799	15.02%	Note

Note: Amount of the contract asset is $167,445, which is 69.64% of total contract assets.

8) Accounts receivable from related parties in an amount that exceeded $100 million or 20% of paid-in capital: None.

9) Transactions involving derivative financial instruments: Please refer to Note 6, subdivision n.

10) Business relationships and significant transactions between parent and subsidiary:

No. (Note 1)	Company name	Counterparty	Nature of relationship (Note 2)	Parent-subsidiary transactions			
				Financial statement account	Amount	Terms	Percentage of consolidated net revenue or total assets
1	TYNSOLAR Corporation	Dingyu Solar Co., Ltd.	3	Construction receivables – related parties	34,188	Per negotiated agreement	1.40%
1	TYNSOLAR Corporation	Hsinjing Solar Energy Systems Co., Ltd.	3	Sales income – related parties	9,877	Per negotiated agreement	0.77%
1	TYNSOLAR Corporation	Dingyu Solar Co., Ltd.	3	Sales income – related parties	7,384	Per negotiated agreement	0.58%
1	TYNSOLAR Corporation	Hsinjing Renewable Energy Investment Co., Ltd.	3	Contract liabilities	23,443	Per negotiated agreement	0.96%
2	Hsinjing Solar Energy Systems Co., Ltd.	TYNSOLAR Corporation	3	Construction receivables – related parties	26,551	Per negotiated agreement	1.08%
2	Hsinjing Solar Energy Systems Co., Ltd.	TYNSOLAR Corporation	3	Construction income – related parties	24,101	Per negotiated agreement	1.89%
2	Hsinjing Solar Energy Systems Co., Ltd.	TYNSOLAR Corporation	3	Contract liabilities	6,724	Per negotiated agreement	0.27%
3	Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	3	Construction receivables – related parties	69,134	Per negotiated agreement	2.82%
3	Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	3	Other receivables – related parties	11,742	Per negotiated agreement	0.48%
3	Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	3	Contract liabilities	241,253	Per negotiated agreement	9.86%
3	Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	3	Contract assets	6,582	Per negotiated agreement	0.27%
3	Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	3	Service income	28,938	Per negotiated agreement	2.27%
3	Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	3	Construction income – related parties	32,912	Per negotiated agreement	2.58%
4	Chaoyang Solar Co., Ltd.	TYNSOLAR Corporation	3	Contract liabilities	24,323	Per negotiated agreement	0.99%
4	Chaoyang Solar Co., Ltd.	TYNSOLAR Corporation	3	Sales income – related parties	20,685	Per negotiated agreement	1.62%

Note 1: Items are ordered as follows:
a) 0 for issuer.
b) The investee companies are numbered individually in order, starting with the Arabic number 1.

Note 2: The types of relationship with the counterparty are as follows:
a) 1 for parent to subsidiary.
b) 2 for subsidiary to parent.
c) 3 for subsidiary to subsidiary.

Note 3: For each transaction, only the sales and receivable accounts are disclosed and the corresponding purchase and payable accounts are omitted here to avoid redundancy.

b. Investments

Information on the Group's investees for the year ended on December 31, 2022, was as follows (excluding investees located in mainland China):

In thousands of NTD/shares

Investor company	Investee company	Location	Principal business and products	Original investment amount		Balance as of December 31, 2022			Net income (loss) of investee company	Share of investee's profit or loss	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying amount			
The Company	TYNSOLAR Corporation	Hsinchu County	Other metallic building materials wholesale and retail	980,900	980,900	98,090	100.00%	870,414	112,480	109,945	(Note 1)
The Company	Hsinjing Renewable Energy Investment Co., Ltd.	Taipei City	Renewable energy private power generating equipment	175,000	175,000	17,500	100.00%	161,919	(13,017)	(13,017)	
The Company	Hsinjing Solar Energy Systems Co., Ltd.	Taipei City	Renewable energy private power generating equipment	23,500	23,500	2,350	78.33%	23,097	13,298	4,844	(Note 1)
TYNSOLAR Corporation	Dingyu Solar Co., Ltd.	Hsinchu County	Other metallic building materials wholesale and retail	50,000	50,000	5,000	100.00%	5,896	(255)	(14,067)	(Note 1)
TYNSOLAR Corporation	Suncruise Tech Co., Ltd.	Hsinchu County	Waste removal and decommissioning	27,000	27,000	2,700	100.00%	9,709	(285)	(285)	
TYNSOLAR Corporation	Hsinjing Energy Co., Ltd.	Hsinchu County	Renewable energy private power generating equipment	20,000	20,000	2,000	35.09%	19,914	534	187	
Suncruise Tech Co., Ltd.	Hsinjing Clean Energy Co., Ltd.	Hsinchu County	Waste removal and decommissioning	5,000	5,000	500	100.00%	4,265	(263)	(263)	

Investor company	Investee company	Location	Principal business and products	Original investment amount		Balance as of December 31, 2022			Net income (loss) of investee company	Share of investee's profit or loss	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying amount			
Hsinjing Renewable Energy Investment Co., Ltd.	Chaoyang Solar Co., Ltd.	Hsinchu County	Other metallic building materials wholesale and retail	19,364	19,364	(Note 2)	100.00%	14,951	(913)	(913)	
Hsinjing Renewable Energy Investment Co., Ltd.	Hsukuang Photovoltaic Co., Ltd.	Hsinchu County	Other metallic building materials wholesale and retail	4,048	4,048	(Note 2)	51.00%	4,191	578	295	
Hsinjing Renewable Energy Investment Co., Ltd.	Hsinjing Energy Co., Ltd.	Hsinchu County	Renewable energy private power generating equipment	37,000	37,000	3,700	64.91%	36,840	534	347	
Hsinjing Renewable Energy Investment Co., Ltd.	Santing Energy Co., Ltd.	Hsinchu County	Renewable energy private power generating equipment	33,200	33,200	3,320	40.00%	35,478	4,808	1,923	
Hsinjing Renewable Energy Investment Co., Ltd.	Yabisi Solar Power Co., Ltd.	Taipei City	Renewable energy private power generating equipment	32,000	32,000	3,200	40.00%	19,691	(244)	(97)	
Hsinjing Renewable Energy Investment Co., Ltd.	Tailai Energy Co., Ltd.	Hsinchu County	Renewable energy private power generating equipment	14,210	8,330	1,421	40.60%	12,927	(2,950)	(1,078)	
Hsinjing Energy Co., Ltd.	Yangfu International Co., Ltd.	Hsinchu County	Renewable energy private power generating equipment	9,000	-	205	100.00%	10,078	1,045	1,334	

Note 1: The investment income or loss recognized in the current period included unrealized gains or losses between associates, which were written off in the preparation of the consolidated financial statements.

Note 2: A limited liability company.

c. **Investments in Mainland China: None.**

d. **Major Shareholders**

Shareholder Shares	Total shares owned	Percentage of ownership
TYNTECK Corporation	17,794,077	22.79%
San-Te Tzu	4,501,000	5.76%

14. OPERATING SEGMENTS INFORMATION

1) General information

The Group produces solar modules and installs solar power-generating systems. Its principal business activities are the research and development, manufacturing and sales of various types of solar panel modules, construction of solar power plants and ownership of solar power stations, all within a single industry in which it specializes. The operating segments information is consistent with the consolidated financial statements. Please refer to the consolidated balance sheet and the consolidated statement of comprehensive income.

2) Main customer information

The Group's customers who accounted for 10% or more of the operating revenue for the years ended on December 31, 2022 and 2021, were as follows:

	2022	2021
Customer A	$ 657,078	288,153

Stock Code: 3713

Hsinjing Holding Co., Ltd.

Parent Company Only Financial Statements for the Years Ended December 31, 2022 and 2021

And Independent Auditors' Report

Address: 3F.-1, No. 193, Fuxing 2nd Rd., Zhubei City, Hsinchu County, 302 Taiwan (R.O.C.)

Telephone: (03) 6581956

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Hsinjing Holding Co., Ltd.:

Opinion

We, the undersigned, have audited the accompanying individual financial statements of the parent company of the Hsinjing Holding Co., Ltd., (the "Company") which comprise the balance sheet as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the period from January 1 to December 31, 2022 and 2021, as well as notes to the individual financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying individual financial statements are compiled, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and fairly represent the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and cash flows for the period from January 1 to December 31, 2022 and 2021.

Basis for Opinion

We conducted the within audits according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and the Standards on Auditing, of the Republic of China. Our responsibilities under the standards are more fully set forth in the Auditors' Responsibilities in Audits of Individual Financial Statements section of this report. We the practitioners at KPMG who are subject to the standards of independence have remained independent of the Company, and we have fulfilled the ethical responsibilities prescribed in The Norm of Professional Ethics for Certified Public Accountants of the Republic of China. We believe that the evidence we have obtained through the audits is adequate and sufficient to provide the basis for our opinion.

Key Audit Matters

"Key audit matters" are those areas that, in our professional judgment, were most important within the purview of the audit of the Company's individual financial statements for the year ending on December 31, 2022. As these matters have substantively been addressed in the context of our audit of the Company's individual financial statements as a whole and in the formation of our opinion thereon, we do not separately express any opinions on the matters. We have determined that there is no key audit matter which needs to be communicated in the Independent Auditors' Report.

Responsibilities of Management and Governing Bodies for the Individual Financial Statements

Management was responsible for the preparation of and a fair representation in the individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for maintaining such internal procedures as it deems necessary for the preparation thereof, to ensure the individual financial statements were free of material misrepreentation, whether due to fraud or mistake.

In preparing the individual financial statements, management was also responsible for evaluating the Company's ability to continue as a going concern, disclosure of pertinent information, and implementation of the going concern basis of accounting, unless management intended to liquidate or cease the operations of the Company, or there were no other practicable alternatives other than doing so.

The governing bodies of the Company, including the Audit Committee, were responsible for overseeing its financial reporting process.

Auditors' Responsibilities in Auditing the Individual Financial Statements

The objectives of our audit of the individual financial statements were to deduce reasonable assurance whether the individual financial statements as a whole were free of material misrepresentation, whether due to fraud or mistake, and to issue a report on our findings and opinion. Reasonable assurance denotes a high level of certainty, but is not a guarantee that an audit conducted according to the Standards on Auditing of the Republic of China would always ferret out a material misrepresentation when it existed in the individual financial statements. Misrepresentations can arise from fraud or mistake and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users who make such decisions on the basis of these individual financial statements.

We exercised professional judgment and maintained professional skepticism in conducting the audit pursuant to the Standards on Auditing of the Republic of China. In addition, we:

1. Identified and assessed potential material misrepresentations in the individual financial statements, whether due to fraud or mistake; planned and executed responsive procedures to the potentials thus identified; and deduced valid and sufficient evidence to form the bases for our opinion. Because fraud involves conspiracy, forgery, intentional omissions, deceitful representation, and/or matters beyond internal control, the probability of failing to identify a material misrepresentation as a result of fraud is higher than that as a result of mistake.

2. Attained an adequate understanding of the internal procedures that had bearings on the audit in planning for such auditorial procedures suitable for the circumstances, although the purpose was not to express any opinions concerning the efficacy of said internal procedures

3. Evaluated the adequacy of the accounting policies and the reasonableness of the accounting estimates and relevant disclosures made by management.

4. Drew conclusion, based on evidence obtained from the audit, on the adequacy of the going concern basis of accounting implemented by management and the existence of material uncertainty whether there might be matters or circumstances that might cast significant doubt on the Company's ability to continue as a going concern. If we believed such a material uncertainty existed, we were required in the auditors' report to draw the attention of the users of the individual financial statements to the relevant disclosures made therein, or, in the case that the disclosures were deemed inadequate, to amend our opinion. Our conclusions are based on evidence obtained in the course of the audit up to the date of this auditors' report. Future events or conditions might nevertheless affect the ability of the Company to continue as a going concern.

5. Evaluated the overall presentation, structure and content of the individual financial statements, including the notes, and whether the individual financial statements fairly represent the underlying transactions and matters.

6. Expressed our opinion concerning the individual financial statements upon obtaining adequate and sufficient auditorial evidence on the financial status of the investees in investments accounted for using the equity method. We were responsible for the direction, supervision and execution of the auditorial activities and for deriving an opinion therefrom about the Company.

Matters we discussed with the governing bodies include planned scope and timing of the audit and important auditorial findings, including significant deficiencies in the internal procedures identified during the course of the audit.

We also provided the governing bodies with a statement that we the practitioners at KPMG who are subject to the standards of independence have complied with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China regarding independence, and communicated to the governing bodies all the relationships and other matters that might be deemed to affect the independence of the auditors, including relevant safeguards.

In the matters discussed with the governing bodies, we determined which matters were of the most significance in auditing the individual financial statements (i.e., the key audit matters) for the year ended on December 31, 2022. We discuss these matters in the auditors' report unless disclosure of the matters is forbidden by law or regulations or when, in extremely rare circumstances, we have determined that a particular matter should not be discussed in our report, in which case it should reasonably be inferred that the detrimental effects from the disclosure outweigh the public interest.

The engagement partners on the audit resulting in this independent auditors' report are Heng-Sheng Lin and Pei-Chi Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 30,2023

Hsinjing Holding Co., Ltd.

BALANCE SHEET

December 31, 2022 and 2021

In NTD thousands

		12/31/2022		12/31/2021	
	ASSETS	**Amount**	**%**	**Amount**	**%**
	Current Assets:				
1100	Cash and cash equivalents (n. 6, subd. a)	$ 17,527	2	47,519	4
1210	Other receivables – related parties (n. 7)	1,599	-	-	-
1470	Other current assets	1,149	-	1,114	-
	Total current assets	20,275	2	48,633	4
	Non-current Assets:				
1517	Financial assets at fair value through other comprehensive income – non-current (n. 6, subd. c)	512	-	493	-
1550	Investments accounted for using the equity method (n. 6, subds. d, e)	1,055,430	89	953,628	87
1600	Property, plant and equipment	18	-	31	-
1980	Other financial assets – non-current (n. 8)	111,673	9	101,510	9
	Total non-current assets	1,167,633	98	1,055,662	96
	TOTAL ASSETS	**$ 1,187,908**	**100**	**1,104,295**	**100**
	LIABILITIES AND EQUITY				
	Current Liability:				
2200	Other payables	$ 2,333	-	3,791	-
2300	Other non-current assets	166	-	100	-
	Total current liabilities	2,499	-	3,891	-
2500	Financial liabilities at fair value through profit or loss – non-current (n. 6, subd. b)	12,250	1	3,850	-
2530	Bonds payable (n. 6, subds. f, n. 8)	491,335	42	484,754	45
	Total non-current liabilities	503,585	43	488,604	45
	Total Liabilities	506,084	43	492,495	45
	Equity (n. 6, subd. i)				
3110	Capital stock	780,900	66	780,900	71
3200	Capital surplus	149,527	12	148,249	13
3350	Deficit to be offset	(248,294)	(21)	(317,030)	(29)
3400	Others	(309)	-	(319)	-
	Total Equity	681,824	57	611,800	55
	TOTAL LIABILITIES AND EQUITY	**$ 1,187,908**	**100**	**1,104,295**	**100**

The accompanying notes are an integral part of the individual financial statements.

Hsinjing Holding Co., Ltd.
STATEMENT OF COMPREHENSIVE INCOME
January 1 to December 31, 2022 and 2021

In NTD thousands

		2022		2021	
		Amount	%	Amount	%
4000	**Operating Revenue (n. 6, subd. l)**	$ 101,772	100	56,847	100
	Gross Profit	101,772	100	56,847	100
	Operating Expenses (n. 6, subds. g, j, n. 7):				
6200	General and administrative	13,177	13	10,703	20
	Total Operating Expenses	13,177	13	10,703	20
	Income from Operations	88,595	87	46,144	80
	Non-operating Income and Expenses (n. 6, subd. n)				
7100	Interest income	155	-	158	-
7020	Other gains and losses	(13,472)	(13)	(7,436)	(13)
7050	Finance costs	(6,581)	(6)	(5,283)	(8)
	Total Non-operating Income and Expenses	(19,898)	(19)	(12,561)	(21)
	Net Operating Income Before Income Tax	68,697	68	33,583	59
7950	**Less: Income Tax Expense (n. 6, subd. h)**	-	-	-	-
	Net Income	68,697	68	33,583	59
8300	**Other Comprehensive Income (Loss):**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	19	-	(2)	-
8330	Share of other comprehensive income (loss) of subsidiaries and associates	30	-	119	-
8300	**Other Comprehensive Income (Loss), Net of Income Tax**	49	-	117	-
8500	**Total Comprehensive Income**	**$ 68,746**	**68**	**33,700**	**59**
	Basic Earnings per Share (NT$) (n. 6, subd. k)				
9750	**Diluted Earnings per Share (NT$)**	**$ 0.88**		**0.43**	

The accompanying notes are an integral part of the individual financial statements.

Hsinjing Holding Co., Ltd.
STATEMENT OF CHANGES IN EQUITY
January 1 to December 31, 2022 and 2021

In NTD Thousands

	Capital Stock Common Shares	Capital Surplus	Retained Earnings (Deficit to Be Offset)	Profit (Loss) on Investments in Equity Instruments at Fair Value Through Other Comprehensive Income	Total Equity
Balance, January 1, 2021	$ 780,900	63,922	(350,384)	(293)	494,145
Net Income	-	-	33,583	-	33,583
Other comprehensive income (loss)	-	-	143	(26)	117
Total comprehensive income (loss)	-	-	33,726	(26)	33,700
Equity components – stock options recognized for issuance of convertible bonds	-	84,584	-	-	84,584
Share of changes in equities of subsidiaries	-	(257)	(372)	-	(629)
Balance, December 31, 2021	780,900	148,249	(317,030)	(319)	611,800
Net income	-	-	68,697	-	68,697
Other comprehensive income (loss)	-	-	39	10	49
Total comprehensive income (loss)	-	-	68,736	10	68,746
Share-based payment transactions	-	1,278	-	-	1,278
Balance, December 31, 2022	**$ 780,900**	**149,527**	**(248,294)**	**(309)**	**681,824**

The accompanying notes are an integral part of the individual financial statements.

Hsinjing Holding Co., Ltd.
STATEMENT OF CASH FLOWS
January 1 to December 31, 2022 and 2021

In NTD thousands

		2022	2021
Cash Flows from Operating Activities:			
Income before income tax	$	68,697	33,583
Adjustments for:			
Income and expenses			
Depreciation expense		13	8
Net loss on financial assets and liabilities at fair value through profit or loss		8,400	4,500
Interest expense		6,581	5,283
Interest income		(155)	(158)
Share-based compensation costs		1,278	-
Share of profits of subsidiaries, associates and joint ventures		(101,772)	(56,847)
Total profits and attritions		(85,655)	(47,214)
Changes in operating assets and liabilities:			
Other receivables – related parties		(1,599)	-
Prepayments		(35)	(1,007)
Other payables		(1,458)	1,515
Other current liabilities		66	90
Total adjustments		(88,681)	(46,616)
Cash generated from operations		(19,984)	(13,033)
Interest received		155	158
Net cash generated (used) in operating activities		(19,829)	(12,875)
Cash Flows from Investing Activities:			
Acquisition of investments accounted for using the equity method		-	(388,000)
Acquisition of property, plant and equipment		-	(39)
Increase of other financial assets		(10,163)	(101,510)
Net cash generated (used) in investing activities		(10,163)	(489,549)
Cash Flows from Financing Activities:			
Proceeds from issuance of bonds		-	563,335
Increase (decrease) in other payables – related parties		-	(14,000)
Net cash generated (used) in financing activities		-	549,335
Net Increase (decrease) in Cash and Cash Equivalents		(29,992)	46,911
Cash and Cash Equivalents, Beginning of Year		47,519	608
Cash and Cash Equivalents, End of Year	**$**	**17,527**	**47,519**

The accompanying notes are an integral part of the individual financial statements.

Hsinjing Holding Co., Ltd.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan dollars unless specified otherwise)

1. GENERAL

The Hsinjing Holding Co., Ltd. (the "Company") was incorporated with the Taiwan Ministry of Economic Affairs on February 27, 2020, with address registered at 3F-1, No. 193, Fuxing 2nd Road., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.). The principal business of the Company is general investment.

The Articles of Incorporation of the Company were proposed by the Board of Directors of the TYNSOLAR Corporation (stock code 3562) (hereinafter "TYNSOLAR") on May 9, 2019, and filed upon resolution at its general shareholders' meeting on June 20, 2019. The Company acquired 100% of the shares of TYNSOLAR by way of share swap, with one common share of the Company for every common share of TYNSOLAR for consideration. The share swap transaction was completed on February 27, 2020, on which date TYNSOLAR ended its listing and public offering and became a 100%-owned subsidiary of the Company, which common stock simultaneously has been listed and traded under stock code 3713.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying individual financial statements were approved for issuance by the Board of Directors on March 30, 2023.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

a. Effects from the Application of New and Revised Standards and Interpretations Endorsed and Issued into Effect by the Financial Supervisory Commission

Effective January 1, 2022, the Company has applied the following newly revised international financial reporting standards, which do not significantly affect the individual financial statements.

- Amendments to the International Accounting Standards (IAS) 16, "Property, Plant and Equipment – Proceeds Before Intended Use"
- Amendments to IAS 37, "Onerous Contracts – Cost of Fulfilling a Contract"
- Annual Improvements to International Financial Reporting Standards (IFRS) 2018-2020
- Amendments to IFRS 3, "Reference to the Conceptual Framework"

b. Effects from Non-application of Standards Endorsed and Issued into Effect by the Financial Supervisory Commission

The Company finds that the application of the following international financial reporting standards which have been promulgated since January 1, 2023, will not significantly affect the individual financial statements.

- Amendments to IAS 1, "Disclosure of Accounting Policies"
- Amendments to IAS 8, "Definition of Accounting Estimates"
- Amendments to IAS 12, "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

c. New and Revised Standards and Interpretations Not Yet Endorsed and Issued into Effect by the Financial Supervisory Commission

The standards and interpretations which have been promulgated or revised by the International Accounting Standards Board (IASB) and which have not been endorsed and issued into effect by the Financial Supervisory Commission (FSC) might affect the Company as follows:

New or Revised Standards	Summary of Key Provisions	Effective Date
IFRS 10 and Amendments to IAS 28, "Sales or Contributions of Assets Between an Investor and Its Associate/Joint Venture"	The revision clarifies that when an investor transfers its subsidiary to an associate or joint venture, if the assets sold or invested constitute a business, the investor is deemed to have lost control of the business and should recognize all gains or losses; if the assets do not constitute a business, the investor should calculate the unrealized gain or loss in proportion to its ownership and defer the recognition of partial gains or losses.	Pending IASB decision
Amendments to IAS 1, "Classification of Liabilities as Current or Non-current"	The current IAS 1provides that liabilities for which a company does not have an unconditional right to defer settlement for at least 12 months after the reporting period should be classified as current. The amendment removes the requirement that the right be unconditional and, instead, requires that the right exist as of the last date of the reporting period and must be substantive. The amendment clarifies how a company should classify liabilities that are settled by the issuance of its own equity instruments (e.g. convertible bonds).	January 1, 2024
Amendments to IAS 1, "Non-current Liabilities with Covenants"	Upon review and revision of certain provisions of the 2020 amendment to IAS 1, the new amendment clarifies that only the contractual terms which must be complied with on or before the reporting date will affect the classification of liabilities as current or non-current. The contractual terms with which a company must comply after the reporting date (i.e., prospective terms) do not affect the classification of liabilities on the reporting date. However, when non-current liabilities are subject to prospective contractual terms, the company shall disclose information to help users of the financial statements understand the risk for repayment of said liabilities within 12 months after the reporting date.	January 1, 2024

The Company is currently evaluating the impact of the aforementioned standards and interpretations on the Company's financial condition and operational outcome and will disclose the relevant impact upon completion of the evaluation.

The Company finds that the following new and revised standards which have not been endorsed by the FSC will not significantly affect the consolidated financial statements.

- IFRS 17, "Insurance Contracts," and Amendments to IFRS 17
- Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback"

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the accompanying individual financial statements, which apply categorically to the entire reporting period thus covered, are summarized as follows:

a. Statement of Compliance

The accompanying individual financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the “Regulations”).

b. Bases for Preparation

1) Measurement bases
   The accompanying individual financial statements are compiled on the basis of historical cost, except the following key items in the balance sheet:
   a) Financial assets at fair value through profit or loss are measured at fair value.
   b) Financial assets at fair value through other comprehensive income are measured at fair value.
2) Functional and presentation currencies
   The Company and its units of operation use the prevailing currency of the principal economic environment in which it conducts business as its functional currency. Monetary values in the accompanying individual financial report is presented in the Company’s functional currency, the New Taiwan dollar (NTD). All the financial data expressed in NTD are in thousands of NTD unless specified otherwise.

c. Foreign Currencies

Transactions using foreign currencies are recognized in NTD at the exchange rates prevailing on the dates of the respective transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the exchange rates prevailing on the reporting period’s end date (“the reporting date”). Non-monetary items measured at fair value that are denominated in foreign currencies are translated into NTD at the exchange rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are translated at the exchange rates on the dates of the respective transactions.

The differences resulting from exchange rates are typically recognized in profit or loss.

d. Guidelines for classification of Assets and Liabilities into Current and Non-current

An asset is classified current if it is any of the following. All assets that are not current are non-current assets.

1) The asset is expected to be realized in the normal operating cycle or intended to be sold or consumed;
2) The asset is held primarily for trading purposes;
3) The asset is expected to be realized within 12 months of the reporting period; or
4) The asset is cash or cash equivalent, unless it is otherwise restricted from being traded or used to settle a liability for at least twelve months after the reporting period.

A liability is classified current if it is any of the following. All liabilities that are not current are non-current liabilities.

1) The liability is expected to be settled in the normal operating cycle;
2) The liability is maintained primarily for trading purposes;
3) The liability is expected to be settled within 12 months of the reporting period; or
4) The liability is not attached with an unconditional right to defer settlement for at least 12 months after the reporting period. The classification is not affected if the terms of the liability may, at the option of the counterparty, be settled through the issuance of equity instruments.

e. Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and subject to a minimal risk of value variation. Time deposits that meet the foregoing definition and are held to meet short-term cash commitments rather than for investment or other purposes are reported as cash equivalents.

f. Financial Instruments

Accounts receivable and debt securities issued are recognized initially when incurred. All other financial assets and financial liabilities are recognized initially when the Company becomes a party to the contractual provisions of the financial instruments. Financial assets (other than accounts receivable which do not involve a significant financial element) or financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance thereof. Accounts receivable that do not involve significant financial elements are measured initially at their transaction prices.

1) Financial assets

   For the purchase or sale of financial assets consistent with customary trading practices, the Company categorically accounts for all purchases and sales of the financial assets that are classified in the same manner on the date of the transaction or settlement.

   Financial assets are classified on initial recognition as financial assets measured at amortized cost, investments in debt instruments measured at fair value through other comprehensive income, investments in equity instruments measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss. The Company will reclassify all of the affected financial assets effective the first day of the next reporting period only when the Company changes its operating models for managing financial assets

   a) Financial assets measured at amortized cost

      A financial asset is measured at amortized cost if it is not designated as measured at fair value through profit or loss and meets both of the following criteria:

      - The financial asset is held pursuant to an operating model which purpose is to receive cash flow under the contractual terms.
      - The financial asset under the contractual terms is to generate cash flow on a specific date and solely for the purpose of repaying the principal and interest on the outstanding sum of principal.

      These assets are subsequently measured at their initially recognized values plus or minus the cumulative amortization using the effective interest method, adjusted for the amortized cost of any loss allowances. Interest income, foreign currency exchange gains or losses and impairment losses are recognized in profit or loss. On derecognition, the gains or losses are recognized in profit or loss.

b) Financial assets measured at fair value through other comprehensive income
On initial recognition, the Company may make an irrevocable choice to report subsequent changes in the fair value of investments in equity instruments not held for trading purposes in other comprehensive income. The aforesaid choice is made on an instrument-by-instrument basis.
Investments in equity instruments are subsequently measured at fair value. Dividend income (unless it clearly reflects a partial recovery of investment costs) is recognized in profit or loss, while the other net gains or losses are recognized in other comprehensive income and are not reclassified to profit or loss.
Dividend income from equity investments is recognized on the date the Company has the right to receive the dividends (usually the ex-dividend date).

c) Business model evaluation
Financial assets held for trading purposes or managed and their performance evaluated on a fair-value basis are measured at fair value through profit or loss.

d) Derecognition of financial assets
The Company derecognizes a financial asset only when the contractual rights to cash flows from the asset expires, or when the financial asset has been transferred and nearly all the risks and rewards related to the ownership of the asset have been transferred to another entity, or, if nearly all the risks and rewards related to the ownership thereof have neither been transferred nor retained, when control of the financial asset is no longer retained.
When entering into a transaction to transfer a financial asset, the Company continues to recognize a financial asset on its balance sheet if it retains all or nearly all the risks and rewards related to the ownership of the transferred financial asset.

2) Financial liabilities and equity instruments

a) Classification as debt or equity
Debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definition of financial liabilities.

b) Equity transactions
An equity instrument is any contract that recognizes the Company's remaining interest in an asset from which all of its liabilities are deducted. Equity instruments issued by the Company are recognized at the acquisition price less direct issue costs.

c) Compound financial instruments
The compound financial instruments issued by the Company are convertible bonds with stock option (denominated in NTD), for which the number of shares issued does not vary with changes in their fair value.
The amount initially recognized of the liability component of the compound financial instrument is measured at the fair value of similar financial liabilities that do not include equity conversion rights. The amount initially recognized of the equity component is measured as the difference between the fair value of the compound financial instrument and the fair value of its liability component. Any directly attributable transaction costs are split between the liability and equity components in proportion to the carrying amounts of the liabilities and equity initially recognized.
Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured after initial recognition.
Interests related to financial liabilities are recognized as profit or loss. Financial liabilities are reclassified to equity upon conversion and no gain or loss is recognized thereon.

d) Financial liabilities

Financial liabilities are classified as measured either at amortized cost or at fair value through profit or loss. Financial liabilities are classified as measured at fair value through profit or loss if they are held for trading, are derivative instruments or are so designated at initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value, and the associated net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and exchange gain or loss are recognized in profit or loss. Any gain or loss upon derecognition is also recognized in profit or loss.

e) Derecognition of financial liabilities

The Company derecognize a financial liability when the contractual obligations pertaining thereto expire or are discharged or cancelled. When the terms of a financial liability are amended and the cash flows per the liability are materially different upon amendment, the pre-amendment financial liability is derecognized and the amended liability is recognized at fair value based on the amended terms.

When a financial liability is derecognized, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

f) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and presented on a net basis in the balance sheet only when the Company has a legally enforceable right to do so and intends to settle on a net basis or to realize the assets and settle the liabilities at the same time.

g. Investments in Associates

An associate is an entity over which the Company has significant influence, but not control or joint control, in its financial and operating policies.

The Company's equity interest in an associate is recognized using the equity method. Under the equity method, the original acquisition is recognized at cost, and the cost of investment includes the transaction cost. The carrying amount of an investment in an associate includes the goodwill recognizable at the time of investment, less any accumulated impairment loss.

The individual financial statements include the amount of profit or loss and other comprehensive income of the associates, recognized in proportion to the Company’s equity interest in each associate during the time in which the Company retains said signification influence and after adjustments to attain conformity to the Company's accounting policies. When there is a change in equity in an associate not recognized as profit or loss nor other comprehensive income that does not proportionally affect the Company's share in the associate, the Company recognizes the change in equity corresponding to its equity interest in the associate as capital surplus in proportion to its holdings.

Unrealized gains and losses arising from transactions between the Company and its associates are recognized in its financial statements only to the extent of equity interest in the associates not owned by the Company. The Company ceases to recognize an associate’s losses when its share of such losses equals or exceeds its equity interest in the associate. Thereafter the Company recognizes additional losses and associated liabilities only to the extent of any legal or constructive obligations incurred or of any payments made on behalf of the investee.

h. Investments in Subsidiaries

In preparing the individual financial statements, the Company uses the equity method of accounting relating to investees over which it has control. Under the equity method, the apportionment of current profit or loss and other comprehensive income in the individual financial statements is the same as the apportionment of current profit or loss and other comprehensive income attributable to the shareholders of the Company in the consolidated financial statements, and the shareholders' equity in the individual financial statements is the same as the equity attributable to the shareholders of the Company in the consolidated financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as equity transactions among the shareholders.

i. Property, Plant and Equipment

1) Recognition and measurement

Items of property, plant and equipment are measured at cost, including capitalized borrowing costs, less accumulated depreciation and any accumulated impairment.

If the major components of property, plant and equipment have different service lives, they are deemed separate items (primary components) of property, plant and equipment.

Gain or loss upon disposal of property, plant and equipment is recognized in profit or loss.

2) Subsequent costs

Subsequent expenditures are capitalized only if it is likely that future economic benefits will flow into the Company.

3) Depreciation

Depreciation is calculated as the cost of an asset less its residual value and is recognized in profit or loss over the estimated useful lives of each component using the straight-line method.

The estimated useful lives for the current and comparative periods are as follows:

Office equipment	3 years

The Group reviews the depreciation method, useful life and residual value at each reporting and makes appropriate adjustments as necessary.

j. Employee Benefits

1) Defined contribution plans

The contribution obligation for defined contribution pension plans is recognized as an expense

2) Short-term employee benefits

A short-term employee benefit obligation is recognized as an expense when the subject services are being rendered. The amount is recognized as a liability if the Company has a present legal or constructive obligation to pay for services rendered by the employees in the past and if the obligation can reliably be estimated.

k. Share-based payment arrangements

The expense for equity-settled share-based payment arrangement is recognized, and the relative equity interest increased, over the vesting period of the award based on the fair value as of the date of the grant. The expense recognized is adjusted for the number of awards which are expected to meet the service conditions and non-market vesting conditions, and the final amount recognized is measured based on the number of awards which are expected to meet the service conditions and non-market vesting conditions as of the date of vesting.

A non-vesting condition relating to the share-based payment award is reflected in the measurement of the fair value of the share-based payment award at the date of grant and no adjustment is required to be made to verify the difference between the expected and actual results.

The date of grant of the Company's share-based payment is the date on which the Company and the employee agree on the subscription price and the number of shares to be subscribed.

l. Income Tax

Income tax consists of the current and deferred income taxes. The current and deferred income taxes are recognized in profit or loss, except when they relate to business combinations or items directly recognizable in equity or in other comprehensive income.

The current income tax includes the estimated income tax payable or tax refund receivable based on the current year taxable income (or loss), with any adjustments for the preceding year's income tax payable or tax refund receivable. The amount is determined as the best estimate of the amount expected to be paid or received pursuant to the statutory tax rate or rate prescribed by substantive legislation as of the reporting date.

Deferred income tax is recognized and determined from the temporary differences between the carrying amounts of assets and liabilities for purposes of financial reporting and their tax bases. Deferred income tax is not recognized for temporary differences arising from the following:

1) Assets or liabilities that are not initially recognized in a business combination and do not affect the accounting profit or taxable income (or loss) at the time of the transaction; and
2) Temporary differences arising from investments in subsidiaries, associates and joint ventures where the Company can control the timing of the reversal of the temporary difference and where it is most likely that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized for unused tax losses and unused income tax credits in the next reporting period, with deductible temporary differences, to the extent that taxable income will most likely be available in the future. Deferred income tax assets are reassessed on subsequent reporting dates on which such assets may be written down to the extent that the relevant income tax benefit will be less likely to be realized and on which such write-down may be reversed to the extent that it appears sufficient taxable income will most likely be available.

Deferred income tax is measured based on the tax rate at the time the temporary difference is expected to be reversed, using the statutory tax rate or rate prescribed by substantive legislation.

Deferred income tax assets and deferred income tax liabilities are offset only if both of the following conditions are met:

1) There is a right by law to offset the period's income tax assets and income tax liabilities; and
2) The deferred income tax assets and deferred income tax liabilities pertain to one of the following taxable entities which are subject to income taxation by the same taxing authority:
   a) the same taxable entity; or
   b) different taxable entities, provided that each entity intends to settle each period's income tax liabilities with the period's income tax assets on a net basis, or to realize such assets and settle such liabilities at the same time, in each future period in which significant amounts of deferred income tax assets and significant amounts of deferred income tax liabilities are expected to be recovered and settled respectively.

m. Earnings Per Share

The Company accounts for the basic and diluted earnings per share attributable to equity holders of the Company's common stock. The basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company's common stock by the weighted-average number of common shares outstanding during the period. The diluted earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company's common stock by the weighted-average number of common shares outstanding, after adjusting each first for all the potential dilutive effects of the common shares.

n. Segment Information

The Company has disclosed segment information in the consolidated financial statements and does not reiterate here in the individual financial statements.

5. KEY SOURCES OF UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the within individual financial statements requires management to make judgments, estimates and assumptions which affect the application of accounting policies and the amounts of assets, liabilities, revenues and expenses reported. Actual outcomes may differ from the estimates.

Management reviews estimates and underlying assumptions on an ongoing basis and recognizes changes in accounting estimates in the period of change and in the future periods affected.

The Company’s accounting policies do not involve critical judgments and there is no information about uncertainties in assumptions and estimates that have a significant risk of causing a material adjustment in the following year.

6. SIGNIFICANT ACCOUNTS

a. Cash and Cash Equivalents

	12/31/2022	12/31/2021
Demand deposits	$ 17,527	18,519
Time deposits	-	29,000
	$ 17,527	47,519

b. Financial liabilities at fair value through profit or loss

	12/31/2022	12/31/2021
Financial liabilities that must be measured at fair value through profit or loss – non-current:		
Issuance of convertible bonds with put option	$ 12,250	3,850

Please refer to Note 6, subdivision n, for the amount recognized in profit or loss based on fair value remeasurement.

c. Financial assets at fair value through other comprehensive income

	12/31/2022	12/31/2021
Equity instruments measured at fair value through other comprehensive income:		
Domestic unlisted (over-the-counter) company stock - Liho Energy Co., Ltd.	$ 512	493

1) The Company held these equity instruments not for trading purposes but as long-term strategic investments and had thus designated them as measured at fair value through other comprehensive income.
2) The financial assets in the above were not pledged as collateral for long-term loans or financing facilities.

d. Investments Accounted for Using the Equity Method

The Company's investments accounted for using the equity method as of the reporting date were as follows:

	12/31/2022	12/31/2021
Subsidiaries	$ 1,055,430	953,628

1) Subsidiaries
Please refer to the consolidated financial statements for the year ended December 31, 2022.
2) Collateral
As of December 31, 2022 and 2021, none of the Company's investments accounted for under the equity method was pledged as collateral.

e. Changes in ownership interests in subsidiaries

1) Acquisition of additional equity interests in subsidiaries
On June 1, 2022, the Company's subsidiary Hsinjing Solar Energy Systems Co., Ltd. (hereinafter Hsinjing Solar Energy) conducted a capital increase by cash in which the Company subscribed to the new shares and increased its ownership of the subsidiary from 55.00% to 78.33%
2) Organizational restructuring of subsidiaries
On January 8, 2021, the Company's subsidiary Hsukuang Photovoltaic Co., Ltd. (hereinafter Hshukuang Photovoltaic) conducted a capital increase by cash in which the Company's subsidiary Hsinjing Renewable Energy Investment Co., Ltd. (hereinafter Hsinjing Renewable Energy) subscribed to the new shares so that, effective the date of said subscription, the ownership of Hshukuang Photovoltaic had been shared by Hsinjing Renewable Energy and Dingyu Solar Co., Ltd. (hereinafter Dingyu Solar) with 19.12% and 31.88% of its shares, respectively. Subsequently on June 1, 2021, Hsinjing Renewable Energy purchased all the shares held by Dingyu Solar and increased its ownership to 51.00%.
3) Changes in the Company's ownership interests in the subsidiaries
The effect on equity attributable to the parent company was as follows:

	2021	
	Hsinjing Solar Energy	**Hsinjing Renewable Energy**
Capital surplus	$ (264)	7
Retained earnings	(365)	(7)
Recognized changes in ownership interest in subsidiaries	**$ (629)**	**-**

f. Bonds payable

The details of the Company's bonds payable were as follows:

	12/31/2022	12/31/2021
Total of guaranteed convertible bonds	$ 500,000	500,000
Less: unamortized discount on bonds payable	(8,665)	(15,246)
Bonds payable, end of period	$ 491,335	484,754
Equity components – conversion rights	$ 84,584	84,584

Please refer to Note 6, subdivision n, for the valuation gains or losses recognized for put and call options.

Please refer to Note 8 for details on the assets pledged by Company to guarantee the issuance of convertible bonds.

On March 10, 2021, the Company issued its first domestic guaranteed convertible bonds for a total of $569,615 thousand, of which $563,335 thousand was fully collected after deducting $6,280 thousand in issuance costs. The key terms for the bonds were as follows:

1) Tenor: Five years (from March 10, 2021, to March 10, 2026).
2) Repayment: Except in the case of conversion to the Company's common stock, exercise of put option, premature redemption or cancellation upon repurchase, the Company repays the principal in cash at maturity based on the face value of the bond.
3) Redemption: The Company may redeem the bonds from the holders in the following circumstances:
   a) From the day after the third month of issuance to 40 days before the expiration of the issuance period, if the closing price of the Company's common stock in the centralized trading market exceeds the prevailing conversion price by more than 30% (inclusive) for 30 consecutive business days, the Company may redeem all the outstanding counts of the convertible bonds in cash at their face value.
   b) From the day after the third month of issuance to 40 days before the expiration of the issuance period, if the outstanding counts of the convertible bonds are less than 10% of those originally issued, the Company may redeem all the outstanding counts of the convertible bonds in cash at their face value.
4) Put option:
   The Company sets the next date after three years shall have passed since the issuance of the aforementioned convertible bonds to be the base date for the holders to sell back the convertible bonds. Holders may require the Company to redeem the convertible bonds in their possession at 101.51% of the face value in accordance with the regulations set by the Company.
5) Conversion:
   a) From the next date after three years shall have passed since the issuance of the bonds until the maturity date, holders of the aforementioned convertible bonds may convert the bonds to shares of the Company's common stock in accordance with the Company's conversion regulations.
   b) Conversion price:
      The conversion price per share for the Company's convertible bonds is $53.80.
      In the event there is a change in the shares of the Company's common stock after the issuance of the bonds, the conversion price will be adjusted according to the formula set forth in the Company's conversion regulations.

g. Employee Benefits

Defined contribution plans

Pursuant to the Labor Pension Act, the Company contributes 6% of each employee's monthly wages under the defined contribution plan to an individual labor pension account administered by the Bureau of Labor Insurance. Upon contributing the specific amount to the Bureau of Labor Insurance under the plan, Company has no further legal or constructive obligation for any additional payments.

For the years ended on December 31, 2022 and 2021, the Company's pension expenses under the defined contribution pension plan were $405 thousand and $270 thousand, respectively, which have been transferred to the Bureau of Labor Insurance.

h. Income Tax

1) Income tax expenses

a) The breakdown of the Company's income tax expenses for the years ended on December 31, 2022 and 2021, was as follows:

	2022	2021
Income tax expenses	$ -	-

b) A reconciliation of the Company's income tax expenses to net income before income tax for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Net income before income tax	$ 68,697	33,583
Income tax based on the Company's domestic tax rate	$ 13,739	6,717
Non-deductible expenses	7	3
Investment benefits under the equity method	(20,354)	(13,949)
Tax loss on unrecognized deferred income tax assets, current period	3,612	2,693
Changes in temporary differences not recognized	2,996	4,536
Income tax expenses	$ -	-

2) Deferred income tax assets

The following was not recognized as deferred income tax assets:

	12/31/2022	12/31/2021
Deductible temporary differences	$ 24,764	9,783
Tax loss	36,132	18,072
	$ 60,896	27,855

Tax loss refers to that, pursuant to the Income Tax Act, losses approved by the tax authority for the previous ten years may be deducted from the net income for the current year before income tax is assessed. The items were not recognized as deferred income tax assets because it was not probable that the Company would generate sufficient taxable income to be used for such temporary differences.

The tax losses not recognized by the Company as deferred income tax assets as of December 31, 2022, and the time periods in which they may be deducted from net income were as follows:

Year	Loss Amount		Deductible Until
2020	$	4,608	2030
2021		13,464	2031
2022		18,060	2032
	$	36,132	

3) Income tax standing
The Company's income tax returns have been cleared by the tax authorities through the year ending on December 31, 2020.

i. Capital and Other Equity

1) Capital stock
As of December 31, 2012 and 2011, the Company's total authorized capital was $1,500,000 thousand in 150,000 thousand shares with a par value of $10 per share. There were 78,090 thousand issued shares, all of which have been subscribed to.

2) Capital surplus
The balance of the Company’s capital surplus was as follows:

		12/31/2022	12/31/2021
Share premium on issue	$	57,138	57,138
Employee stock option		7,805	6,527
Convertible bonds with stock option		84,584	84,584
	$	149,527	148,249

Pursuant to the Company Act, capital surplus shall first be applied to cover losses before realized capital surplus may be distributed as new shares or cash in proportion to the shareholders’ original shares. The realized capital surplus referred to the preceding sentence includes the proceeds from issuance of shares in excess of par value and the proceeds from the receipt of gifts. Pursuant to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital surplus that may be capitalized each year shall not exceed 10% of the paid-in capital.

3) Retained earnings and dividend policy
Pursuant to the earnings distribution policy in the Company's Articles of Incorporation, if there are any profits in the Company's annual final accounts, the Company shall first reserve taxes to be paid by law and offset accumulated losses and then set aside 10% of the remainder as the legal capital reserve. However, if the legal capital reserve has reached the amount of the Company's paid-in capital, it may no longer be set aside, and the remainder may be recognized in, or reversed from, the special capital reserve as required by law. If there is any remaining balance, the Board of Directors shall prepare a proposal for the distribution of the surplus, together with the accumulated undistributed earnings, as dividends to the shareholders and submit it to the shareholders for resolution. The policy on the distribution of remuneration to employees, directors and supervisors as set forth in the Company’s Articles of Incorporation is described in Note 6, subdivision m, “Remuneration for Employees, Directors and Supervisors.”

The Company's Articles of Incorporation also prescribe that the Company's dividend policy shall be in line with current and future development plans, taking into consideration the Company's future capital requirements and long-term financial planning, while meeting the shareholders' needs for cash inflows, etc. The distribution of dividends to shareholders may be made in cash or stock. Since the Company is in a volatile industrial environment and is in the growth stage of the corporate life cycle, stock dividends are preferred for dividend distribution to shareholders, provided that cash in the dividend distribution shall not be less than 10% of the total amount of the dividends, although stock dividends may be distributed instead if the cash dividend is less than $0.10 per share.

a) Earnings distribution

At the annual shareholders' meetings on June 28, 2022, and July 22, 2021, the Company resolved the proposal for loss make-up for the years ended on December 31, 2021, and December 31, 2020.

j. Share-based payments

On August 13, 2021, the Board of Directors resolved to issue 500 units of employee stock option warrants, each unit entitled the holder to subscribe to 1,000 shares of the Company's common stock. The grant was limited to the Company's full-time employees who met certain criteria. Issuance of the warrants had been reported to and approved by the Securities and Futures Bureau of the FSC, and all warrants were issued as of January 21, 2022, with a fair value of $9.434 on the date of the grant.

Except where the number of shares to which the warrant holder can subscribe has been revoked in whole or in part, upon the expiration of two, three and four years of service of the employee stock options granted by the Company, the cumulative percentage of stock options exercisable shall be 50%, 75% and 100%, respectively. The stock options shall be valid for a period of five years from the date of granting the stock options to employees and shall not be transferred, pledged, gifted to others, or otherwise disposed of, except by reason of inheritance.

If a stock option holder violates the employment contract or company regulations or engages in other critically neglectable acts after the Company has granted the stock options to the employee, the Company has the right to withdraw and cancel the warrants for which the stock options have not yet been exercised.

As of December 31, 2022, the Company had the following share-based payment transaction:

Type	Equity Settlement Stock Option
Date granted	01/21/2022
Number of units granted	500
Contract duration	5 years
Vesting period	Next 2 to 4 years

The factors considered by the Company in estimating the fair value of employee stock options on the date of the grant using the Monte Carlo Simulation are summarized as follows:

	Stock Option
Contract price (NTD$)	36.15
Duration (year)	5 years
Price at grant (NTD$)	36.15
Expected volatility (%)	37.79%
Expected dividend rate (%)	(Note 1)
Risk-free interest rate (%)	(Note 2)

Note 1: The expected dividend rate was not included in the calculation because, according to the Company's stock option plan, the stock option price would be adjusted equally with the dividends distributed.

Note 2: The risk-free interest rate was the forward interest rate calculated using the Svensson model for each maturity of government bonds announced by the OTC on January 21, 2022.

k. Earnings Per Share

The calculations of the Company's basic earnings per share and diluted earnings per share were as follows:

	2022	2021
Basic earnings per share		
Net income attributable to holders of the Company's common stock	$ 68,697	33,583
Weighted-average number of outstanding common shares (in thousands)	78,090	78,090
Basic earnings per share (NTD$)	$ 0.88	0.43
Diluted earnings per share		
Net income attributable to holders of the Company's common stock	$ 68,697	33,583
Weighted-average number of outstanding common shares (in thousands) (Note)	78,090	78,090
Diluted earnings per share (NTD$)	$ 0.88	0.43

Note: The Company's convertible bonds and employee stock option warrants were anti-dilutive and therefore were not included in the calculation of diluted earnings per share based on the weighted average number of common shares outstanding.

l. Revenue from Customer Contracts

	2022	2021
Major regional markets:		
Taiwan	$ 101,772	56,847
Main product/service line:		
Investment income	$ 101,772	56,847

m. Remuneration for employees, directors and supervisors

Pursuant to the Company's Articles of Incorporation, if the Company makes a profit, 1% to 15% of the annual profit shall be appropriated as compensation to employees and up to 5% as compensation to directors and supervisors. However, the Company should reserve the amount of compensation in advance if it still has accumulated losses. The aforementioned employees' remuneration includes that of the employees of the Company's subsidiaries which meet the predefined criteria.

For the years ended December 31, 2022 and 2021, the Company did not provide for compensation to employees and directors because of accumulated losses. Please visit the Market Observation Post System for relevant information

n. Non-operating Revenue and Expenses

1) Interest income

The Company’s interest income was as follows:

		2022	2021
Bank deposits	$	155	158

2) Other gains and losses

The Company’s other gains and losses were as follows:

		2022	2021
Financial assets and liabilities at fair value through profit or loss			
Valuation loss	$	(8,400)	(4,500)
Fees expense		(5,076)	(2,936)
Foreign exchange gains		4	-
	$	(13,472)	(7,436)

3) Financial costs

The Company’s financial costs were as follows:

		2022	2021
Interest compensation	$	6,581	5,283

o. Financial Instruments

1) Credit risk

a) Maximum amount of credit risk exposure

The carrying amount of financial assets represents the maximum amount of credit risk exposure.

b) Credit risk concentration

The Company's primary potential credit risk arises from financial products such as cash and cash equivalents and financial assets carried at amortized cost. The Company's cash and cash equivalents and financial assets carried at amortized cost are held at various financial institutions. The Company controls its exposure to the credit risk at each financial institution and believes that the Company's cash and cash equivalents and financial assets in possession are not subject to significant concentration of credit risk. As of the date of the balance sheet, the maximum amount of the Company’s exposure to credit risk as a result of potential financial losses due to non-performance by transaction counter-parties was mainly the carrying amount of financial assets recognized in its individual balance sheet.

2) Liquidity risk

The following table shows the contract maturities for financial liabilities, including estimated interest but excluding the effect of netting agreements:

	Carrying amount	Contract cash flow	Less than one year	One to five years	Over five years
December 31, 2022					
Non-derivative financial liabilities					
Other payables	$ 2,333	2,333	2,333	-	-
Bonds payable	491,335	500,000	-	500,000	-
	$ 493,668	502,333	2,333	500,000	-
December 31, 2021					
Other payables	$ 3,791	3,791	3,791	-	-
Bonds payable	484,754	500,000	-	500,000	-
	$ 488,545	503,791	3,791	500,000	-

The Company does not expect the timing of the cash flows in the maturity analysis to be significantly earlier or the actual amounts to be significantly different

3) Fair value analysis

a) Types of financial instruments and fair values

The Company's management believes that the carrying amounts of the Company's financial assets and financial liabilities measured at amortized cost in its individual financial statements approximate their fair values.

The Company's financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amounts and fair values, including fair value hierarchy information, of different types of financial assets and financial liabilities are presented as follows (the carrying amount of a financial instrument not carried at fair value is a reasonable approximation of fair value, and its fair value information is not required to be disclosed under the regulations):

	12/31/2022				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	$ 512	-	-	512	512
Financial liabilities at fair value through profit or loss	$ 12,250	-	12,250	-	12,250
Financial liabilities at amortized cost					
Convertible bonds	$ 491,335	-	474,250	-	474,250

	12/31/2021				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	$ 493	-	-	493	493
Financial liabilities at fair value through profit or loss	$ 3,850		3,850		3,850
Financial liabilities at amortized cost					
Convertible bonds	$ 484,754	-	486,850	-	486,850

b) Fair value valuation techniques for financial instruments carried at fair value

(1) Non-derivative financial instruments

If there is a public quotation on a financial instrument in the active market, the fair value of the instrument will be based on the quotation. The fair values of listed equity instruments and of debt instruments with quotations in the active market are based on the market prices announced by the major exchanges and, for instruments that are deemed popular, by the government bond OTC trading locations.

A financial instrument has a public quotation in the active market if quotations can be obtained, timely and routinely, from exchanges, brokers, underwriters, industry associations, pricing services or the competent authority and if the price represents those of actual and normal fair market transactions. If the aforementioned conditions are not met, the market is considered inactive. Generally, a large bid-ask spread, a significant increase in the bid-ask spread, or a low volume of transactions are all indicators of an inactive market.

The financial instruments held by the Company are classified according to the valuation source used to determine their fair value as follows:

Financial instruments without active market: The fair value of an unlisted (not over-the-counter) stock investment is estimated using the comparable-listed-company market approach, the primary assumption for which is measurement based on the value multiplier derived from the net worth of the investee and the market price quoted by comparable listed (over-the-counter) companies. The estimate is adjusted for the effect of discount for lack of marketability on the equity instrument.

(2) Derivative financial instruments

Derivative financial instruments are evaluated based on the valuation models, such as the discount method and option pricing model, commonly accepted by market participants. The Company's convertible bond redemption rights are evaluated using the binary tree convertible valuation model.

c) Table of changes in Level 3

	At fair value through other comprehensive income	
January 1, 2022	$	493
Recognized in other comprehensive income		19
December 31, 2022	**$**	**512**
January 1, 2021	$	495
Recognized in other comprehensive income		(2)
December 31, 2021	**$**	**493**

d) Quantitative information on fair value measurements of significant unobservable input (Level 3)

The Company's fair value measurements classified as Level 3 apply primarily to financial assets measured at fair value through other comprehensive income - equity securities investments.

The Company's fair values that are classified as Level 3 have only one single significant unobservable input, and only investments in equity instruments without an active market have multiple significant unobservable inputs. Significant unobservable inputs to investments in equity instruments with no active market are not correlated with one another as they are independent of any other.

The quantitative information of significant unobservable input values is listed below:

Asset	Valuation technique	Significant unobservable input	Relationship between signification unobservable input and fair value
Financial assets at fair value through other comprehensive income - investments in equity instruments with no active market	Comparable listed company approach	• Discount for lack of marketability (20% for 12/31/2022 and 12/31/2021)	• The higher the lack of marketability, the lower the fair value

p. Financial Risk Management

1) Overview

The Company is exposed to the following risks due to the use of financial instruments:

a) Credit risk

b) Liquidity risk

c) Market risk

This Note presents information on the Company's exposure to each of the risks in the above and the Company's objectives, policies and procedures for measuring and managing the risks. For further quantitative disclosures, please refer to the respective notes to the individual financial statements.

2) Risk management framework

The Board of Directors is solely responsible for the control and supervision of the risk management mechanism of the Company. The Company's financial management department provides services to each business unit, coordinates access to domestic and international financial markets, and monitors and manages the financial risks associated with the Company's operations through internal risk reports that analyze risk exposure according to the level and breadth of risk.

3) Credit risk

Credit risk is the risk of financial loss arising from the failure of the Company's customers or financial instrument counter-parties to meet their contractual obligations. It is inherent primarily in the Company's investments in securities.

a) Investments

The credit risk in bank deposits, fixed-income investments and other financial instruments is measured and monitored by the Company's finance department. The Company's transactional and contractual counter-parties are financial institutions and corporate organizations with outstanding credit ratings so as to cast no significant doubt about their performance and, thus, to give rise to no significant credit risk.

4) Liquidity risk

The Company manages and maintains sufficient amounts of cash and cash equivalents to support the its operations and mitigate the impact of cash flow fluctuations. Management of the Company monitors the use of bank facilities and ensures compliance with the terms of the loan agreements.

q. Capital Management

The Company's objectives in capital management are to ensure the ability to continue as a going concern in order to continue to provide compensations to shareholders and profits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust its capital structure, the Company may adjust the dividends paid to shareholders, reduce capital with refunds to shareholders, issue new shares, or sell assets to settle liabilities.

The Company bases its capital control on the liability to capital ratio. This ratio is calculated by dividing net liability by total capital. Net liability is total liabilities as shown in the balance sheet less cash and cash equivalents. Total capital is the sum of all components of equity (i.e., capital stock, capital surplus, retained earnings and other equity).

The debt-to-capital ratio as of December 31, 2022 and 2021, were as follows:

	12/31/2022	12/31/2021
Total liabilities	$ 506,084	492,495
Less: cash and cash equivalents	(17,527)	(47,519)
Net liabilities	$ 488,557	444,976
Total capital	$ 681,824	611,800
Liability-to-capital ratio	71.65%	72.73%

7. RELATED PARTY TRANSACTIONS

a. Related Party Names and Relations

The related parties with whom the Company had transactions during the period covered by the within consolidated financial statement were as follows:

Name	Relation
Dingyu Solar Co., Ltd.	Subsidiary
TYNSOLAR Corporation	Subsidiary

b. Significant Transactions with Related Parties

1) Other receivables – related parties

The Company's other receivables from related parties were as follows:

Account	Related party	12/31/2022	12/31/2021
Other receivables – related parties	Dingyu Solar Co., Ltd.	$ 449	-
Other receivables – related parties	TYNSOLAR Corporation	1,150	-
		$ 1,599	-

2) Rental expenses

	2022	2021
Dingyu Solar Co., Ltd.	$ 3	36
TYNSOLAR Corporation	33	-
	$ 36	36

3) Transactions concerning key management personnel

Remuneration of key management personnel included:

	2022	2021
Short-term employee benefits	$ 4,426	4,635
Post-employment benefits	215	142
	$ 4,641	4,777

8. PLEDGED ASSETS

The carrying values of the assets pledged by the Company were as follows:

Asset	Collateral pledged for	12/31/2022	12/31/2021
Other financial assets – non-current (Pledged certificates of deposit and restricted bank deposit)	Bonds payable	$ 111,673	101,510

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS: NONE.

10. LOSS DUE TO MAJOR DISASTER: NONE.

11. SIGNIFICANT POST-PERIOD EVENTS: NONE.

12. OTHER MATTERS

a. The employee benefits, depreciation, depletion and amortization expenses are summarized by function as follows:

Function / Nature	2022 Operating costs	2022 Operating expenses	2022 Total	2021 Operating costs	2021 Operating expenses	2021 Total
Employee benefit expense						
Salaries and Wages	-	9,598	9,598	-	5,698	5,698
Labor and Health Insurance	-	541	541	-	390	390
Pension	-	405	405	-	270	270
Directors' remuneration	-	2,900	2,900	-	2,280	2,280
Other employee benefits	-	193	193	-	178	178
Depreciation	-	13	13	-	8	8
Amortization	-	-	-	-	-	-

The Company's number of employees and additional information on employee benefit expense for the years ended on December 31, 2022 and 2021, were as follows:

	2022	2021
Number of employees	14	12
Number of non-employee directors	8	6
Average employee benefit expense	$ 1,790	1,089
Average employee salaries and wages	$ 1,600	950
Adjustments to average employee salaries and wages	68.42%	309.48%
Supervisor remuneration	$ -	-

Information on the Company's employee compensation policy, applicable to directors, manages and employees, is provided as follows:
Compensation includes basic salary (including base salary, meal allowance, special circumstances allowance, etc.), year-end bonus and performance incentive payments, among others.

1) Principles of Remuneration Policy Development
Standards of payroll shall be established so that employee salaries are paid based on the market reality and the Company's organizational structure and conditions of operation, and adjusted as appropriate according to the dynamics of the labor market, changes in industry outlook and the economy as a whole, and government regulations. Salaries and compensation are based on academic experience, professional knowledge and skills, professional experience, and individual performance without regard to age, gender, race, religion, political affiliation, marital status, or union affiliation.

Bonus is distributed according to the performance of the Company's operation as well as the performance of the individual employees.
The starting salaries for workers without working experience and foreign workers are in compliance with government regulations.

2) Employee compensation policy, procedures for determining compensation, and the employee compensation percentage or range set forth in the Articles of Incorporation which relates to operation performance or result: If the Company makes a profit, 1% to 15% of the annual profit shall be appropriated as compensation to employees and up to 5% as compensation to directors and supervisors. However, the Company should reserve the amount of compensation in advance if it still has accumulated losses. The compensation policy for the president, vice presidents and certain managerial positions is based on, among others, the company's business strategy and profitability and employee performance and individual contribution with reference also to standards in the labor market and is implemented upon proposal by the Renumeration Committee and approval by the Board of Directors.
The Company maintains a reward system to incentivize employee performance and awards production performance incentives, instant bonuses and, commensurate with its profitability, year-end bonuses according the production, sales and other operational performance targets.

13. ADDITIONAL DISCLOSURE

a. Material Transactions

Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company should disclose information regarding material transactions for the year ended on December 31, 2022, as follows:

1) Financing

In NTD thousands

No. (Note 6)	Financing company	Counterparty	Financial statement account	Related party	Maximum balance for the period	Ending balance	Amount actually drawn in the period	Interest rate	Nature for financing (Note 7)	Transaction amount	Reason for financing	Allowance for losses	Collateral		Financing limit for each borrowing company	Financing company's total financing amount	Note
													Item	Value			
0	Hsinjing Holding Co., Ltd.	TYNSOLAR Corporation	Other receivables – related parties	Yes	50,000	-	-	-	2	-	Operating capital	-	-	-	272,730	272,730	Notes 1, 2, 8
1	TYNSOLAR Corporation	Paiyang Solar Energy Co., Ltd.	Other receivables	No	19,444	19,444	17,111	0	1	19,449		17,111	-	-	176,921	353,842	Notes 3, 4, 5

Note 1: According to the Company's "Procedures for Lending Funds to Others," when funds are lent to companies or businesses with short-term financing needs, the amount of each individual loan shall not exceed 40% of the Company's net worth.
Note 2: According to the Company's "Procedures for Lending Funds to Others," the total amount of funds lent to others shall not exceed 40% of the Company's net worth.
Note 3: According to subsidiary TYNSOLAR Corporation's "Procedures for Lending Funds to Others," when funds are lent to companies or businesses with short-term financing needs, the amount of each individual loan shall not exceed 20% of the Company's net worth.
Note 4: According to subsidiary TYNSOLAR Corporation's "Procedures for Lending Funds to Others," the total amount of funds lent to others shall not exceed 40% of the Company's net worth.
Note 5: Upon assessment of the probability of future recovery, the Company had recognized an impairment loss for $17,111 thousand on other receivables from Paiyang Solar Energy Co., Ltd.
Note 6: Items are ordered as follows:
a) 0 for issuer.
b) The investee companies are numbered individually in order, starting with the Arabic number 1.
Note 7: Nature for financing is represented as follows:
a) 1 for those with whom the Company does business.
b) 2 if there is a need for short-term financing.
Note 8: The transaction listed has been written off in the preparation of the consolidated financial statements.

2) Endorsements and guarantees:

In NTD thousands

No.	Endorsement /guarantee provider	Guaranteed party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Notes 1,2, 3)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1, 2, 3)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of relationship (Note 4)										
0	Hsinjing Holding Co., Ltd.	TYNSOLAR Corporation	2	1,363,648	185,000	185,000	132,178	-	27.13%	1,363,648	Y	N	N
1	TYNSOLAR Corporation	Hsinjing Holding Co., Ltd.	3	1,326,908	508,000	508,000	508,000	250,772	57.43%	1,326,908	N	Y	N
2	Dingyu Solar Co., Ltd.	Hsinjing Holding Co., Ltd.	3	47,560	45,000	45,000	45,000	40,484	141.92%	47,560	N	Y	N

Note 1: According to the Company's "Procedures for Endorsement and Guarantee", when the Company provides endorsement or guarantee, the amount endorsed or guaranteed for a single company shall not exceed 40% of the Company's net worth and, if the endorsement or guarantee is for a company in which the Company directly or indirectly holds 100% of the voting shares, shall not exceed 200% of the Company's net worth. In all cases the total amount of endorsement and guarantee provided by the Company shall not exceed 200% of its net worth.

Note 2: According to the "Procedures for Endorsement and Guarantee" of the Company's subsidiary TYNSOLAR Corporation, when it provides endorsement or guarantee, the amount endorsed or guaranteed for a single company shall not exceed 20% of its net worth and, if the endorsement or guarantee is for a company in which it directly or indirectly holds 100% of the voting shares, or for a company which directly or indirectly holds 100% of its voting shares, shall not exceed 150% of its net worth. In all cases the total amount of endorsement and guarantee provided by it shall not exceed 150% of its net worth.

Note 3: According to the "Procedures for Endorsement and Guarantee" of the Company's subsidiary Dingyu Solar Co., Ltd., when it provides endorsement or guarantee, the amount endorsed or guaranteed for a single company shall not exceed 20% of its net worth and, if the endorsement or guarantee is for a company in which it directly or indirectly holds 100% of the voting shares, or for a company which directly or indirectly holds 100% of its voting shares, shall not exceed 150% of its net worth. In all cases the total amount of endorsement and guarantee provided by it shall not exceed 150% of its net worth.

Note 4: The relationship between the endorser and endorsed, or the guarantor and guarantee, are categorized as follows:

a) business transaction counterparties;
b) a company in which the endorser/guarantor directly or indirectly holds more than 50% of the voting shares;
c) a company which directly or indirectly holds more than 50% of the endorser's/guarantor's voting shares;
d) a company in which the endorser/guarantor directly or indirectly holds more than 90% of the voting shares, or vice versa;
e) a company that is mutually guaranteed with an inter-operator or co-constructor according to the terms of a contract as required by the construction under the contract;
f) a company guaranteed by all the shareholders in proportion to their shares in a joint investment; and
g) inter-operators engaging in contractual performance guarantee and joint and several guarantees for pre-sale contracts under the Consumer Protection Act.

3) Marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures:

Holder name	Marketable security type and name	Relationship with the issuer	Financial statement account	End of period				Note
				Shares/units	Carrying amount	Percentage of ownership	Fair value	
Hsinjing Holding Co., Ltd.	Liho Energy Co., Ltd. stock	Person in charge is the Company's director	Financial assets at fair value through other comprehensive income – non-current	50,000	512	7.69%	512	
TYNSOLAR Corporation	Ch'inghung Green Energy Co., Ltd. stock	Person in charge is the Company's director	Financial assets at fair value through other comprehensive income – non-current	120,000	874	19.35%	874	

4) The cumulative amount of acquisition or disposal of the same marketable securities that exceeded $300 million or 20% of the paid-in capital: None.

5) Acquisition of real properties in an amount that exceeded $300 million or 20% of the paid-in capital: None.

6) Disposal of real properties in an amount that exceeded $300 million or 20% of the paid-in capital: None.

7) Total purchase from or sales to related parties in an amount that exceeded $100 million or 20% of the paid-in capital:

In NTD thousands

Company name	Related party	Nature of relationship	Transaction detail				Abnormal transaction		Notes/accounts receivable or payable		Note
			Purchase/ sales	Amount	Percentage to total	Payment terms	Unit price	Payment terms	Balance	Percentage to total	
TYNSOLAR Corporation	Hsinking Construction Co., Ltd.	Person in charge is the Company's chairperson	Sales	657,078	51.50%	Net 90 days	-		22,799	15.02%	Note

Note: Amount of the contract asset is $167,445, which is 69.64% of total contract assets.

8) Accounts receivable from related parties in an amount that exceeded $100 million or 20% of paid-in capital: None.

9) Transactions involving derivative financial instruments: Please refer to Note 6, subdivision f.

b. Investments

Information on the Company's investees for the year ended on December 31, 2022, was as follows (excluding investees located in mainland China):

In thousands of NTD/shares

Investor company	Investee company	Location	Principal business and products	Original investment amount		Balance as of December 31, 2022			Net income (loss) of investee company	Share of investee's profit or loss	Note
				December 31, 2022	December 31, 2021	Shares	Ownership percentage	Carrying amount			
The Company	TYNSOLAR Corporation	Hsinchu County	Other metallic building materials wholesale and retail	980,900	980,900	98,090	100.00%	870,414	112,480	109,945	(Note 1)
The Company	Hsinjing Renewable Energy Investment Co., Ltd.	Taipei City	Renewable energy private power generating equipment	175,000	175,000	17,500	100.00%	161,919	(13,017)	(13,017)	
The Company	Hsinjing Solar Energy Systems Co., Ltd.	Taipei City	Renewable energy private power generating equipment	23,500	23,500	2,350	78.33%	23,097	13,298	4,844	(Note 1)
TYNSOLAR Corporation	Dingyu Solar Co., Ltd.	Hsinchu County	Other metallic building materials wholesale and retail	50,000	50,000	5,000	100.00%	5,896	(255)	(14,067)	(Note 1)
TYNSOLAR Corporation	Suncruise Tech Co., Ltd.	Hsinchu County	Waste removal and decommissioning	27,000	27,000	2,700	100.00%	9,709	(285)	(285)	
TYNSOLAR Corporation	Hsinjing Energy Co., Ltd.	Hsinchu County	Renewable energy private power generating equipment	20,000	20,000	2,000	35.09%	19,914	534	187	
Suncruise Tech Co., Ltd.	Hsinjing Clean Energy Co., Ltd.	Hsinchu County	Waste removal and decommissioning	5,000	5,000	500	100.00%	4,265	(263)	(263)	
Hsinjing Renewable Energy Investment Co., Ltd.	Chaoyang Solar Co., Ltd.	Hsinchu County	Other metallic building materials wholesale and retail	19,364	19,364	(Note 2)	100.00%	14,951	(913)	(913)	
Hsinjing Renewable Energy Investment Co., Ltd.	Hsukuang Photovoltaic Co., Ltd.	Hsinchu County	Other metallic building materials wholesale and retail	4,048	4,048	(Note 2)	51.00%	4,191	578	295	
Hsinjing Renewable Energy Investment Co., Ltd.	Hsinjing Energy Co., Ltd.	Hsinchu County	Renewable energy private power generating equipment	37,000	37,000	3,700	64.91%	36,840	534	347	
Hsinjing Renewable Energy Investment Co., Ltd.	Santing Energy Co., Ltd.	Hsinchu County	Renewable energy private power generating equipment	33,200	33,200	3,320	40.00%	35,478	4,808	1,923	
Hsinjing Renewable Energy Investment Co., Ltd.	Yabisi Solar Power Co., Ltd.	Taipei City	Renewable energy private power generating equipment	32,000	32,000	3,200	40.00%	19,691	(244)	(97)	
Hsinjing Renewable Energy Investment Co., Ltd.	Tailai Eneregy Co., Ltd.	Hsinchu County	Renewable energy private power generating equipment	14,210	8,330	1,421	40.60%	12,927	(2,950)	(1,078)	
Hsinjing Energy Co., Ltd.	Yangfu International Co., Ltd.	Hsinchu County	Renewable energy private power generating equipment	9,000	-	205	100.00%	10,078	1,045	1,334	

Note 1: The investment income or loss recognized in the current period included unrealized gains or losses between associates, which were written off in the preparation of the consolidated financial statements.

Note 2: A limited liability company.

c. **Investments in Mainland China: None.**

d. **Major Shareholders**

Shares / Shareholder	Total shares owned	Percentage of ownership
TYNTEK Corporation	17,794,077	22.79%
San-Te Tzu	4,501,000	5.76%

14. OPERATING SEGMENTS INFORMATION

Please refer to the consolidated financial statements for the year ended on December 31, 2022.

Hsinjing Holding Co., Ltd.
STATEMENT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
January 1 to December 31, 2022

In thousands of NTD/shares

Investee Company	Beginning balance		Increase		Decrease		Gains (losses) on investment	Other changes (Note 1)	Ending balance			Net equity	Guarantees or pledges
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Ownership	Amount		
TYNSOLAR Corporation	98,090	$ 760,439	-	-	-	-	109,945	30	98,090	100.00%	870,414	870,414	None
Hsinjing Renewable Energy Investment Co., Ltd.	17,500	174,936	-	-	-	-	(13,017)	-	17,500	100.00%	161,919	161,919	None
Hsinjing Solar Energy Systems Co., Ltd.	2,350	18,253	-	-	-	-	4,844	-	2,350	78.33%	23,097	23,097	None
Total		$ 953,628		-		-	101,772	30			1,055,430	1,055,430	

Note 1: Remeasurement of the valuation loss on equity instruments at fair value through other comprehensive income and the defined benefit obligations recognized by the investee.

Hsinjing Holding Co., Ltd.
STATEMENT OF OTHER PAYABLES
December 31, 2022

In NTD thousands

Item	Amount
Salaries and bonuses payable	$ 2,268
Others (all less than 5%)	65
Total	$ 2,333

STATEMENT OF OPERATING EXPENSES

Item	Management
Salaries and bonuses payable	$ 10,408
Others (all less than 5%)	2,769
Total	$ 13,177

Please refer to Note 6, subdivision a, for details on cash and cash equivalents.

Please refer to Note 6, subdivision l, for details on operating revenue.

Please refer to Note 6, subdivision n, for details on non-operating revenue and expenses.

Hsinjing Holding Co., Ltd.

Chairman (Legal Representative): Chao-Ching Investment Inc.

Representative: Tzu, San-Te