Stock Code: 3713

Hsinjing Holding Co., Ltd.

2023

Annual Report

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Published on April 30, 2024

1. The Company's Spokesman, job title, contact information and email address

Name: Liu, Tsai-Neng

Job Title: Finance Senior Manager

Telephone: (03)658-1956

Email address: bruceliu@hsinjing-holding.com.tw

Proxy Spokesman, job title, contact information and email address 本

Name: Liao, Hsiao-Ching

Job Title: Accounting Manger

Telephone: (03)658-1956

Email address: ivian@hsinjing-holding.com.tw

2. Headquarter and branches

Headquarter: 3F-1, No. 193, Fuxing 2nd Rd., Zhubei City, Hsinchu County

Telephone: (03)658-1956

Fax: (03)658-0981

3. Stock transfer agency:

Name: Fubon Securities Co., Ltd.

Address: 11th Floor, No. 17, Xuchang Street, Zhongzheng District, Taipei City

Telephone: (02)23611300

Website: www.fbs.com.tw

4. **Name of independent auditors, name of the firm, address, telephone number, and website of the recent annual financial report:**

Name: KPMG

CPA: Lin, Heng-Sheng, Chen, Pei-Chi

Address:：68th Floor, No. 7, Section 5, Xinyi Road, Taipei City (Taipei 101)

Telephone: (02)8101-6666

Website: https://home.kpmg/tw/zh/home.html

5. Overseas Depositary Receipts: None

6. Company Official Website: www.hsinjing-holding.com.tw

Table of Contents

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 2023. The following is a brief report to the Shareholders on our 2023 operating results and the strategies for the Company’s future growth:

1. Business Results in 2023

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$760.17 million in 2023. The operating income was NT$4.23 million. Net loss after tax was NT$24.54 million, with earnings per share reaching NT$ (0.27). The Company’s business scopes include solar power system planning & design, solar panel installation, selling on solar PV modules and solar power plants or solar billing. Compared with the previous year, the revenue this year has decreased 40.42% and operating income has decreased 96.30% due to the decline in engineering revenue while the Company focuses on enhancing the capacity of the solar power plants this year.

(1) Business Results in 2023

Unit: NT$ in thousands; %

Item	2023	2022	Difference	Percentage%
Operating Revenue	760,169	1,275,870	(515,701)	(40.42)
Operating Profit	4,233	114,279	(110,046)	(96.30)
Non-operating Income (Expenses)	(28,191)	(42,309)	14,118	(33.37)
Net Income before Tax	(23,958)	71,970	(95,928)	(133.29)
Tax Expense	578	2,405	(1,827)	(75.97)
Net Income	(24,536)	69,565	(94,101)	(135.27)
Basic Earnings Per Share (NT$)	(0.27)	0.88	(1.15)	(130.68)

(2) Analysis of Financial Revenue, Expenditure and Profitability in 2023

Item		2023	2022
Financial structure (%)	Debt to assets ratio	75.62	71.74
	Ratio of long-term capital to property, plant and equipment	129.71	360.69
Solvency(%)	Current ratio	77.06	141.87
	Quick ratio	49.93	64.20
Profitability (%)	Return on total assets	(0.40)	3.93
	Return on Equity	(3.61)	10.60
	Net profit margin	(3.23)	5.45
	Earnings per share (NT$)	(0.27)	0.88

Key Production and Marketing Policies

a. As the Company is still outsourcing to manufacturers to maintain the Company's PV module brand, the Company has established strategic alliances with various domestic and international solar cell suppliers internally and externally to ensure the capacity and prices of solar cell procurement competitiveness.

b. Engaging development of large solar power plants and investments and stabilizing the quality of EPC engineering and services to enhance the Company’s sales revenue and profitability.

c. Environmental savings, development of green energy business are the Company’s key strategies and policies to proceed. Expanding business to the electricity sales services, supplying the electricity generated from solar power plants with Taiwan Power Company, promoting energy transition and developing the diversity of green energy.

d. Establish a systematic cycle of Plan-Do-Check-Act (PDCA) and relentlessly train personnel to improve quality, yield, productivity, and reduce costs.

Future management approach

a. PV Module

With an eye toward ensuring module quality and power generation efficiency and seizing price competitive advantages to reduce module purchase costs, the Company shall continue to maintain good collaborative relationships with domestic module manufacturers while ceaselessly exploring opportunities with module manufacturers in a third location of Southeast Asia.

b. Solar power station and EPC

   i. The company will continue to invest in the solar power plant business ranging from the business line, engineering, to quality assurance. In 2023, the self-owned power stations completed and connected to the grid have reached a capacity of 25.29MW, generating stable cash flow for the Company.

   ii. Ceaselessly commit resources in the EPC engineering business, providing one-stop services for power station clients through assisting clients in the planning, design, construction, and maintenance, thereby earning stable income for engineering. The total business capacity completed in 2023 was 10.4MW.

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
2008	1. Listed on Taipei Exchange. 2. Cash capital increase to NT$ 26,000 thousand with an increase in paid-in capital amounted to NT$276,000 thousand.
2009	1. Certified by UL, USA. 2. Private placement by offering common stock 200,000 thousand with an increase in paid-in capital amounted to NT$ 476,000 thousand. 3. Capital increase out of capital reserves to 47,600 thousand with an increase in paid-in capital amounted 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. Certified by VDE Testing and Certification Institute, Germany. 4. Approved subsidy of Energy Technologies Project by Bureau of Energy, Ministry of Economic Affairs. 5. Capital 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.

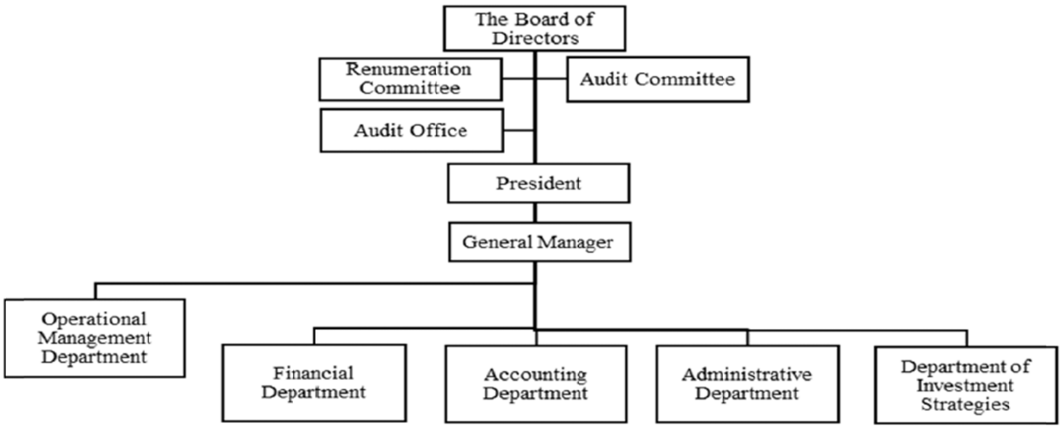
Year	Milestones
2018	Cash capital increase to 200,000 thousand, with paid-in capital increased to NT$ 780,900 thousand.
2019	Obtained VPC certification for high-efficiency modules in Taiwan (LRF film and PERC cells)
2020	To implement industrial holding, separate operation, and independent development, 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 thousand. 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	a. Responsible for treasury management to ensure business operation. b. Responsible for developing, contracting out construction projects and ensuring the execution of construction process.
Audit Office	a. Planning and designing the internal control systems. b. Performing and evaluating the internal audits. c. Providing audit reports and appropriate improvement suggestions to ensure the effectiveness of internal controls.
Finance Department	a. Responsible for planning funds and treasury management b. Responsible for the management of petty cash c. Responsible for business of bank credits d. Responsible for payments and receipts process
Accounting Department	a. Responsible for costs management b. Responsible for preparing costs related reports and vouchers c. Filing business tax
Administrative department	a. Responsible for requesting payments b. Responsible for official seals on contracts and documents c. Responsible for electricity revenue related business
Department of investment strategies	a. Responsible for short-term and long-term investment plans b. Execution on investment policies c. Responsible for the decisions, execution and performance reviews 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: April 30, 2024, Unit: Shares

Title	Nationality or place of registration	Name	Gener/ Age	Date of election /appointment to current term	Term of office	Commencement date of first term	Numbers of shares held at time of election		Numbers 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			Notes
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
President	Republic of China	Chao-Ching Investment Inc.	–	2022 6.28	3 years	2019.6.20	600,000	0.77	600,000	0.77	0	0	0	0	None	None	None	None	None	–
		Chao-Ching Investment Inc. Representative: Tzu, San-Te	Male 51-60	2022. 6.28	3 years	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

Title	Nationality or place of registration	Name	Gener/ Age	Date of election /appointment to current term	Term of office	Commencement date of first term	Numbers of shares held at time of election		Numbers 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			Notes
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Director	Republic of China	Tyntek Corporation	–	2022. 6.28	3 years	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 years	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 years	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	–

Title	Nationality or place of registration	Name	Gener/ Age	Date of election /appointment to current term	Term of office	Commencement date of first term	Numbers of shares held at time of election		Numbers 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			Notes
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Director	Malaysia	Lin, Shou-Lung	Male 41-50	2022. 6.28	3 years	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 years	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 years	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 years	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	—

Title	Nationality or place of registration	Name	Gener/ Age	Date of election /appointment to current term	Term of office	Commencement date of first term	Numbers of shares held at time of election		Numbers 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			Notes
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	Republic of China	Kuo, Yu-Hung	Male 61-70	2022. 6.28	3 years	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	—
Independent Director	Republic of China	Cho, Ming-Chin	Male 61-70	2022. 6.28	3 years	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	—

Note1: 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.

b. Major Shareholders of the Institutional Shareholders

March 31, 2024

Name of Institutional Shareholder	Major shareholders of the institutional shareholders
Chao-Ching Investment Inc.	Tzu, San-Te (50.00%); Chen, Pin-Yu (50.00%)
Tyntek Corporation	Ennostar Inc. (7.916%), Calystar Investment Corp. (2.692%), Fu, Pei-Wen (2.602%), Hsu, Ching-He (1.8601%), Hsieh, Chao-Pao (1.697%), Fu, Li-Yen-Kang (1.664%), Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds (1.418%), Hsiung, Shih-Chiang (1.384%), Advanced Starlight Advanced Integrated International Stock Index under custody of Chase Bank (1.291%)

c. Major Shareholders of the Institutional Shareholders

March 31, 2024

Name of Institutional Shareholder	Major shareholder of the institutional shareholders
Ennostar Inc.	AUO Corporation (12.40%) 、Lung-Li Investment Co., Ltd. (2.74%), Hong Lee Investment Co., Ltd. (2.17%), JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.22%), Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds (1.21%) 、Taiwan Life Insurance Co., Ltd. (1.01%), Tai Power Enterprise Corporation (0.93%), Citi Bank (Taiwan) in custody for the investment account of Planning Development National Fund Co., Ltd (0.89%), Tseng, Wan Ting(0.72%), United Microelectronics Corp. (0.71%)
Calystar Investment Corp.	Ennostar Inc. (100.00%)

d. 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	N/A	None

	● 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.		
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

f. The Diversification and Independence of the Board of Directors

(a) 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 candidate’s 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 values 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 7 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-fifth). There are 2 Board members concurrently holding the positions in the Company, which accounts for 22% of the Board members.

Below is 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	-	✓	-	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓

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								
Yu, Huai-Tse	Republic of China	Male	✓	-	✓	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Lin, Shou-Lung	Malaysia	Male	✓	✓	-	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Huang, Ya-Hui	Republic of China	Female	-	-	✓	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cheng, Kuo-Jung	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, ○: moderate competent)

(b) 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 44.44% 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 regularly 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, 2024; Unit: 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 concurrently 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			Note
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding 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
Chief Operating Officer	Republic of China	Chen, Tsing Hai	Male	2024/03/01	871,250	1.12	150,000	0.19	—	—	● Master, Department of Power Mechanical Engineering, National Tsing Hua University ● Electronic and Optoelectronic Research Lab, ITRI ● Senior Vice president and Chief of Staff, Lite-On IT Corporation ● General Manager,Tynsolar 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 concurrently 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			Note
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job title	Name	Relationship	
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	–	–	–	–
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	–	–	–	–
Finance Manager	Republic of China	Tsao, Ren-Hao	Male	2023/05/11	4,000	0.01	–	–	–	–	● Bachelor, Department of Accounting, Chung Yuan Christian University ● Assistant Manager, Audit Department in KPMG ● Audit Manager, Chinan Biomedical Technology, Inc	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 General 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

a. Remuneration to Ordinary Directors and Independent Directors

December 31, 2023; Unit: New Taiwan Dollars in thousands

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)		Pension (B)		Director remuneration (C)		Business execution expenses (D)				Salary, rewards, and special disbursements (E)		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	Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock	The Company	All consolidated entities	
President	President Chao-Ching Investment Inc. Representative: Tzu, San-Te	0	0	0	0	0	0	300	0	300 1.42	0	2,210	0	108	0	0	0	0	0	2,618 12.36	0	None
Director	Director Tyntek Corporation Representative: Chiu, Mei-Ling	0	0	0	0	0	0	300	0	300 1.42	0	0	0	0	0	0	0	0	0	300 1.42	0	None
Director	Yu, Huai-Tse	0	0	0	0	0	0	300	0	300 1.42	0	0	2,210	0	108	0	0	0	0	300 1.42	2,318 10.95	None
Director	Lin, Shou-Lung	0	0	0	0	0	0	300	0	300 1.42	0	0	993	0	55	0	0	0	0	300 1.42	1,048 4.95	None
Director	Huang, Ya-Hui	0	0	0	0	0	0	300	0	300 1.42	0	0	0	0	0	0	0	0	0	300 1.42	0	None
Independent Director	Cheng, Kuo-Jun	0	0	0	0	0	0	360	0	360 1.7	0	0	0	0	0	0	0	0	0	360 1.70	0	None
Independent Director	Li, Chuan-Lai	0	0	0	0	0	0	360	0	360 1.7	0	0	0	0	0	0	0	0	0	360 1.70	0	None
Independent Director	Kuo,Yu-Hung	0	0	0	0	0	0	360	0	360 1.7	0	0	0	0	0	0	0	0	0	360 1.70	0	None
Independent Director	Cho, Ming-Chin	0	0	0	0	0	0	360	0	360 1.7	0	0	0	0	0	0	0	0	0	360 1.70	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	

b. Remuneration to General Manager(s)

December 31, 2023; Unit: New Taiwan Dollars in thousands

Job title	Name	Salary (A)		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	2,028	0	108	0	182	0	0	0	0	0	2,318 10.95	0	None
General Manager, Tynsolar Corporation General Manager, Dingyu Solar Co., Ltd	Lin, Shih-Yang	0	1,683	0	103	0	147	0	0	0	0	0	1,933 9.13	None

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.) ~3,500,000(excl.)	Tzu, San-Te	None
NT$3,500,000(incl.) ~5,000,000(excl.)	None	None
NT$5,000,000(incl.) ~10,000,000(excl.)	None	None
NT$10,000,000(incl.) ~15,000,000(excl.)	None	None
NT$15,000,000(incl.) ~30,000,000(excl.)	None	None
NT$30,000,000(incl.) ~50,000,000(excl.)	None	None
NT$50,000,000(incl.) ~100,000,000(excl.)	None	None
NT$100,000,000 or above	None	None
Total	Tzu, San-Te	Lin, Shih-Yang

c. Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEx listed Company

December 31, 2023 Unit: New Taiwan Dollars in thousands

Job title	Name	Salary (A)		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 Amount in Cash	All consolidated entities Amount in Stock	
								Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock			
General Manager	Tzu, San-Te	2,028	0	108	0	182	0	0	0	0	0	2,318 10.95	0	None
General Manager, Tynsolar Corporation	Lin, Shih-Yang	0	1,683	0	103	0	147	0	0	0	0	0	1,933 9.13	None
President, Dingyu Solar Co., Ltd	Yu, Huai-Tse	0	2,028	0	108	0	182	0	0	0	0	0	2,318 10.95	None
Finance Senior Manager	youn, Tsai-Neng	1,250	0	76	0	189	0	0	0	0	0	1,515 7.16	0	None
Special Assistant to Chairman	Li, Ching-Ke	1,683	0	106	0	147	0	0	0	0	0	1,936 9.14	0	None

d. Employee profit sharing granted to the management team

The employee remuneration did not be distributed by the Company in 2023. The profit and loss appropriation proposal were approved by the Board of Directors on February 29, 2024, but has not yet been approved by the Shareholders' meeting.

e. 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: New Taiwan Dollars in Thousands

Job Title	2022				2023			
	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	2,555	-	3.72	-	2,940	-	13.89	-
General Manager & Deputy General	2,423	1,892	3.53	2.75	2,318	1,933	10.95	9.13

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

Since there are accumulated deficits, the Company has not paid the directors' (including independent directors) remuneration. Nevertheless, the Company reimburses for the directors' (including independent directors) traveling allowances in accordance with Article 22 of the Company's Articles of Incorporation, based on the extent of the directors' involvement and contribution to the Company's operation, considering industry standards, on the resolutions of the Board of Directors. If the Company has a profit for the fiscal year, the Company shall allocate no more than 5% of the above profit as remuneration to the directors by a resolution of the Board of the directors; however, if the Company has accumulated losses, the Company shall first allocate an amount to make up the losses, and then set aside the employee and directors' remuneration as specified in the preceding percentage. And the remuneration for general manager, vice general manager and managers shall be based on personal performance, contribution to the Company's operation and industry trends.

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 resolved 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 resolved 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 (A) board meetings were held in 2023, 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】	Note
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	5	0	71	
Director	Huang, Ya-Hui	6	0	86	
Independent Director	Li, Chuan-Lai	7	0	100	
Independent Director	Kuo, Yu-Hung	7	0	100	
Independent Director	Cheng, Kuo-Jun	7	0	100	
Independent Director	Cho, Ming-Chin	7	0	100	
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	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
Tzu, San-Te; Yu, Huai-Tse	Appointment of the President and Supervisors to the subsidiary, Hsinjing Renewable Energy Investment Co., 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, Chao-Ching Tech Corporation	Party in this case & Relation with personal interest	Vote withdrawal in accordance with the law
Tzu, San-Te; Yu, Huai-Tse	The Company's 2022 annual yearend bonus paid to the management team.	Party in this case & 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 2023.	Party in this case & 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 2023.	Party 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	January 2023 to December 2023	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 established.

(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 make transparency part of the Company policy.

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

a. 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)	Note
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	6	0	100	

Other matters to be recorded:

1. If any of the following circumstances occurs during the operation of the Audit Committee, the Board meeting date, meeting number, the proposal contents, the resolution of the Audit Committee and our company's handling of the Audit Committee's opinions shall be clearly described.

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

a. Below are the approved resolutions on the 3rd meeting of the 2nd term (January 9, 2023) Audit Committee:

The Company endorsed and guaranteed NT$40,000 thousand to the subsidiary, Tynsolar Corporation.

Review of the first list of the employee stock options for the non-managerial staff in 2023

b. Below are the approved resolutions on the 4th meeting of the 2nd term (March 30, 2023) Audit Committee:

- 2022 Business Report and Consolidated Financial Statements
- Evaluation for the independence to the appointed CPAs.
- Drafted the statement of the 2022 internal control system.
- Proceeded to the capital increase to the Company by private placement of shares.
- Drafted the Shareholders' Meeting Regulations
- Drafted the Board of Directors' Meeting Regulations
- Drafted Corporate Governance Practices and Guidelines

c. Below are the approved resolutions on the 5th meeting of the 2nd term (May 11, 2023) Audit Committee:

- 2023 Q1 Consolidated Financial Statements.
- Audit fee for financial statements prepared by CPAs.
- Termination on private placement of shares on the resolution made by the Shareholders' meeting on June 28, 2022.

The Company endorsed and guaranteed NT$65,000 thousand to the subsidiary, Tynsolar Corporation.

d. Below are the approved resolutions on the 6th meeting of the 2nd term (August 8, 2023) Audit Committee:

- 2023 Q2 Consolidated Financial Statements.
- Tynsolar endorsed and guaranteed NT$29,530 thousand to the subsidiary, Dingyu Solar Co., Ltd.
- The Company endorsed and guaranteed NT$215,000 thousand to the subsidiary, Tynsolar Corporation.

e. Below are the approved resolutions on the 7th meeting of the 2nd term (October 20, 2023) Audit Committee:

- Tynsolar loaned funds to Tailai Energy Co., Ltd NT$105,000 thousand.

f. Below are the approved resolutions on the 8th meeting of the 2nd term (November 10, 2023) Audit Committee:

- 2023 Q3 Consolidated Financial Statements.
- Tynsolar endorsed and guaranteed to Dingyu Solar Co., Ltd. NT$50,000 thousand.

(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
None			

3. Communication between independent Directors and internal audit managers and CPAs

(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 2023.

(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 2023.

(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 material 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 material 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?	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 emphasis 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 do 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 10-11. Diversity within the members of the Board of Directors has been disclosed on the Company's website.	No material 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>(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?</td><td>V
V
V</td><td></td><td>(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 2023 performance of Board of Directors has encouraging results.
(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 Audit Committee of the Company annually evaluates the independence and competency of its certified accountants: the 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 February 29, 2024, and was submitted and approved to the Board’s resolution on February 29, 2024 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>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>No</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>Yes</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>Yes</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>
</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	
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)?	V		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.	No material deviation.
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholder's section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company has set up a spokesperson as a communication channel with interested parties. Besides, the Company has also set up an Investor Page on the Company's website to provide shareholders and investors a Contact information and "Contact Us" mailbox. The website is: http://www.hsinjing-holding.com.tw/relation	No material deviation.
6. Has the Company appointed a professional shareholder services agent to manage matters related to its shareholder meetings?	V		The Company has appointed Fubon Securities Co., Ltd.as an agent for stock affairs to handle shareholder-related affairs.	No material deviation.
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.)? (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 V V		(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. (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.	No material deviation.
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 regularly convenes the labor-management conference, offers holiday bonus, organizes a meal to boost employee engagement, encourages employees to participate in various education and training, 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 material deviation.

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	

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 both Chinese and English version of the Rules of Procedure for Shareholders Meetings, Annual Report to Shareholders, and Annual Financial Report in English on the MOPS website in advance since 2023.

(2) The relevant information of the Company's finance, business, corporate governance and 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.

(3) 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 base 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 serving 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 Plans for the Management:

(1) The Management defined here is referred to the positions include and above the Assistant Vice President. The Management 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 Management of the Company must have the personality traits such as high execution skills, unbiased values, and integrity.

(2) To train the Management 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 evaluation 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 evaluation results as a reference for future succession plans.

(Table 1)

Below is the continuing education program for the directors and supervisors in 2023 and till the publication of the prospectus in 2024:

Job Title	Name	Date	Course Name	Hours	Total	Organizations (note)
Legal Person as Corporate Director Representative	Chiu, Mei-Ling	2023/08/17~ 2023/08/18	Net Zero Sustainable Talent Development Program, Strategies for Low-Carbon	9	15	A
		2023/08/15	Corporate Governance 3.0, Capital Market and Sustainable Finance	3		B
		2023/05/05	Establishment and Promotion of the Risk Management by the Directors and Supervisors	3		B
Director	Huang, Ya-Hui	2023/12/12	World Economic and Political Perspectives on Business and M&A Strategies	3	6	C
		2023/12/08	2023 Internal Insider Stock Trading Legal Compliance Orientation	3		D
Independent Director	Cho, Ming-Chin	2023/08/21	Corporate Governance Seminar	3	3	E
Independent Director	Cheng, Kuo-Jung	2023/08/21	Corporate Governance Seminar	3	6	E
		2023/05/05	Trend of Corporate Governance and Sustainable Development	3		A
Independent Director	Li, Chuan-Lai	2023/08/21	Corporate Governance Seminar	3	9	E
		2023/08/02	Corporate Governance Seminar	3		E
		2023/07/28	Business Judgement Rules and Case Studies	3		D
Independent Director	Kuo, Yu-Hung	2023/12/12	International Seminar of Corporate Governance, Developing New Governance Paradigms to Enhance Corporate Value	3	6	A
		2023/06/02	2023 Net Zero Summit held by Taishin	3		F

Note: A: Taiwan Corporate Governance Association
B: The Allied Association for Science Park Industries
C: Corporate Operating and Sustainable Development Association R.O.C.
D: Securities & Futures Institute (SFI) R.O.C.
E: Taiwan Academy of Banking and Finance
F: Chinese National Association of Industry and Commerce, Taiwan

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

(a) Information on Remuneration Committee Members

Title	Name	Professional Qualification 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 5~8 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

(b) 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:

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	2	0	100.00%	Re-elected on June 28, 2022.
Member	Li, Chuan-Lai	2	0	100.00%	Re-elected on June 28, 2022.
Member	Cheng, Kuo-Jung	2	0	100.00%	Re-elected on June 28, 2022.
Member	Cho, Ming-Chin	2	0	100.00%	Re-elected on June 28, 2022.

Other matters 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 Develo
TWSE/TPEx Listed Companies and the Reasons

Item	Implementation status		
	Yes	No	Summary
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 manage 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.
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.
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.
(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
(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:

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
			A. Shortage of resources B. Higher cost on raw materials C. Higher cost on logistics D. Landform Changes The Company has aware 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.	
(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 review of greenhouse gas inventory is 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.
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 material 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 material 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 avoiding 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 2023.	No material 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	No material deviation.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
			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.	
(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 relevant laws and regulations for customer privacy., The Company has also set up a page for interested parties and offer grievance procedure for complaints.	No material 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 material 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 2023; 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.				
7. Other matters to facilitate better understanding of the company's promotions on sustainable development: (1) In terms of corporate social responsibility, employment security, occupational health and safety are significant 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 implementation of 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 fulfilling 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	
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?	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.	No material deviation.
(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?	V		(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.	No material deviation.
(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		(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 material 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?	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.	No material deviation.
(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		(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 material deviation.
(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 material 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	V		(4) The Company has established effective accounting and internal control systems. The Board of Directors is responsible for conducting internal audits, implementing	No material 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	
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? (5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	 V		supervision mechanisms and risk control. (5) The Company a periodically announces and promotes to the employees with the importance of being ethical on management meetings and internal department meetings	 No material deviation.
3. Implementation of Complaint Procedures (1) Has the company established specific whistleblowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers? (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 managed in a confidential manner? (3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	 V V V		 (1) The employees of the Company can report the violations of an ethical corporate management policy by phones, emails and letters. (2) The Company has established the relevant procedures to prohibit retaliation against those who report or complain in good faith. (3) The Company has established the relevant procedures confidentiality mechanism to protect whistle-blowers from improper handling and retaliation for filing complaints.	 No material deviation. No material deviation. No material 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 material 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 finance, business operations, and Corporate Governance Best Practice Principles: http://www.hsinjingholding.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 valuable 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 Certificate	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: February 29, 2024

The Company (the Exchange) states the following with regard to its internal control system during fiscal year 2023, 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, 2023 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 February 29, 2024, where 0 of the 9 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Hsinjing Holding Co., Ltd.

Chairman（General Manager）: Tzu, San-Te

B.The internal control audit report issued by the external auditor commissioned to conduct an internal control audit if any: 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. Major Resolutions of the Shareholders' Meeting and the Status of Implementation

Date	Major Resolutions of Shareholders' Meetings	Status of Implementation
2023.6.28	(1) Acknowledgement of the Company's 2022 financial statements	Approved by the resolution made in 2023 Shareholders' meeting.
	(2) Acknowledgement of the Company's 2022 Deficits Distribution	Approved by the resolution made in 2023 Shareholders' meeting.
	(3) Approved the amendment to the Company's Rules of Procedure for Shareholders Meetings.	Approved by the resolution of 2023 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 capital increase by private placement by offering common stock	The case was terminated by the resolution of the Board of Directors on February 29, 2024.

B. Major resolutions of the Board of Directors:

Date	Major Resolutions of Shareholders' Meetings
The 4th board meeting of the 2nd -term Board of Directors January 9, 2023	(1) Endorsed and guaranteed NT$40,000 thousand 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 thousand 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.
The 7th board meeting of the 2nd -term Board of Directors August 08, 2023	(1) The Company's 2023 Q2 consolidated financial statements (2) Tynsolar endorsed and guaranteed NT$29,530 thousand to Dingyu Solar Co., Ltd. (3) Endorsed and guaranteed NT$215,000 thousand to the subsidiary, Tynsolar Corporation (4) Appointment of the President to Megacrystal Co. Ltd. (5) Evaluation result of performance of the Company's management team on the first 6 months in 2023.
The 8th board meeting of the 2nd -term Board of Directors September 28, 2023	(1) Cooperation Agreement with Leader GUH Renewable Energy Co., Ltd.
The 9th board meeting of the 2nd -term Board of Directors October 20, 2023	(1) Cooperation Agreement with Tailai Energy Co., Ltd. (2) Tynsolar loaned funds to Tailai Energy Co., Ltd NT$105,000 thousand.
The 10th board meeting of the 2nd -term Board of Directors November 10, 2023	(1) The Company's 2023 Q3 consolidated financial statements (2) Set up 2024 annual audit plan. (3) Tynsolar endorsed and guaranteed NT$50,000 thousand to Dingyu Solar Co., Ltd. (4) Capital reduction and return of paid-in capital of Tynsolar (5) The Company acquired shares ownership of Dingyu Solar Co., Ltd. from Tynsolar.
The 11th board meeting of the 2nd -term Board of Directors January 25, 2024	(1) Evaluation result of performance of the Company's management team on the last 6 months in 2023. (2) The Company's 2023 annual year-end bonus paid to the management team. (3) Endorsed and guaranteed NT$40,000 thousand to the subsidiary, Tynsolar Corporation (4) Tynsolar endorsed and guaranteed NT$20,000 thousand to Dingyu Solar Co.
The7th board meeting of the 2nd -term Board of Directors February 29, 2024	(1) The Company's 2023 financial statements and consolidated financial statements. (2) The Company's 2023 business report (3) The Company's 2023 appropriation of profit or loss (4) The assessment of the independence and appointment of CPAs (5) Professional Fees on the Company's certified CPAs (6) 2023 Statement on internal control (7) Setting up 2024 operating goal and budget (8) Drafted amendments of the regulations of audit committee (9) Drafted standard operational protocol for responding to requests from directors (10) Termination on private placement of shares on the resolution made by the Shareholders 'meeting on June 27, 2023. (11) Drafted the proposal of capital increase by private placement of offering common stock. (12) Drafted the proposal of the appointment of Chen, Ching-Hai as Chief Operating Officer and the salary compensation

	(13) The date, time, place and reason for the convening of the Company's 2024 annual general meeting of Shareholders. (14) Accepted the Shareholder proposals on the Company’s 2024 General Meeting of Shareholders.
The 13th board meeting of the 2nd -term Board of Directors March 15, 2024	(1) Application of the credit limit to SinoPac Bank (2) Endorsed and guaranteed NT$507,550 thousand to the subsidiary, Tynsolar Corporation (3) Endorsed and guaranteed NT$45,000 thousand to the subsidiary, Dinyu Corporation

(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 2023 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 $ in thousands

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	2023.1.1~ 2023.12.31	2,360	580	2,940	Non-audit fees ─Tax Compliance Audit Fee and review notes on Employees Stock Options
	Chen,Pei-Chi					

(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	2023		Current fiscal year as of April 30, 2024	
		Shareholding Increase (or decrease)	Pledged shareholding Increase (or decrease)	Shareholding Increase (or decrease)	Pledged shareholding Increase (or decrease)
Chairman	Chao-Ching Investment Inc.	—	—	—	—
	Chao-Ching Investment Inc. Representative: Tzu, San-Te	—	—	—	—
Director	Tyntek Corporation	—	—	—	—
	Tyntek Corporation Representative: Chiu, Mei-Ling	—	—	—	—
Director	Yu, Huai-Tse	—	—	—	—
Director	Lin, Shou-Lung	—	—	—	—
Director	Huang, Ya-Hui	—	—	—	—
Independent Director	Li, Chuan-Lai	—	—	—	—
Independent Director	Cheng, Kuo-Jung	—	—	—	—
Independent Director	Kuo, Yu-Hung	—	—	—	—
Independent Director	Cho, Ming-Chin	—	—	—	—
Shareholders with more than 10% of the Company's total shares	Tyntek Corporation	—	—	—	—
General Manger	Tzu, San-Te	—	—	—	—
Chief Operation Officer	Chen, Ching-Hai	—	—	—	—
Special Assistant to GM	Li, Ching-Ke	—	—	—	—
Finance Manager	Liu, Tsai-Neng	—	—	—	—
Accounting Manager	Liao, Hsiao-Ching	—	—	—	—
Corporate Governance Manager	Tsao, Ren-Hao	—	—	—	—

(2) Transfers of Shareholding: None.
(3) Pledges on 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, 2024; 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	Chairman	—
	Person in charge: Tzu, San-Te	4,501,000	5.76	497,000	0.64	—	—	—	—	—
4	Yu, Huai-Tse	2,500,000	3.20	2,025,000	2.59	—	—	Chen, Ning-Chiao	Spouse	—
5	Chang, Chieh-Jui	2,217,000	2.84	—	—	—	—	—	—	—
6	Chen, Ning-Chiao	2,025,000	2.59	2,500,000	3.20	—	—	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	1,373,218	1.76	—	—	—	—	—	—	—
9	Yu, Ming-To	1,248,000	1.60	1,591,000	2.04	—	—	Pan, Wen-Ling	Spouse	—
10	Lin, Tzu-Yu	1,217,000	1.56	—	—	—	—	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, 2024, 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
Tynsolar Corporation	85,000,000	100%	—	—	85,000,000	100%
Hsinjing Renewable Energy Investment Co., Ltd	17,500,000	70.85%	7,200,000	29.15%	24,700,000	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 Solar Electronic Co., Ltd.	—	—	100,000	100%	100,000	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%
Chao-Ching Investment Inc.	—	—	10,000	100%	10,000	100%
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.	—	—	3,600,000	40%	3,600,000	40%
Tailai Energy Co., Ltd.	—	—	5,994,000	66.6%	5,994,000	66.6%

Note 1: Investments by using 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$ in thousands

Year /Month	Issued Price (dollar)	Authorized Capital		Paid-in Capital		Remarks		
		Share	Amount	Share	Amount	Source	Capital paid in by assets other than cash	Other
2020.02	10.00	150,000	1,500,000	78,090	780,900	Establishment	None	Note1

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

Unit: share

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

(2) Shareholder Composition

April 30, 2024

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	18	3,915	16	3,949
No. of shares held	0	0	24,517,103	53,217,147	355,750	78,090,000
Shareholding ratio	0.00%	0.00%	31.40%	68.15%	0.46%	100.00%

(3) Distribution of Shareholding

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

April 30, 2024
Unit: share

Range of no. of shares held	No. of shareholders	Shareholding (shares)	Shareholding (%)
1 to 999	1,332	203,494	0.26%
1,000 to 5,000	1,831	3,844,277	4.92%
5,001 to 10,000	315	2,507,220	3.21%
10,001 to 15,000	105	1,364,761	1.75%
15,001 to 20,000	77	1,415,810	1.81%
20,001 to 30,000	81	2,017,423	2.58%
30,001 to 40,000	38	1,326,000	1.70%
40,001 to 50,000	38	1,728,754	2.21%
50,001 to 100,000	57	3,980,919	5.10%
100,001 to 200,000	20	2,852,000	3.65%
200,001 to 400,000	25	7,427,718	9.51%
400,001 to 600,000	15	7,392,950	9.47%
600,001 to 800,000	2	1,273,000	1.63%
800,001 to 1,000,000	3	2,661,250	3.41%
Above 1,000,001	10	38,094,424	48.78%
Total	3,949	78,090,000	100.00%

(4) List of Major Shareholders

April 30, 2024
Unit: share

Shares / Name 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	2,217,000	2.84%
Chen, Ning-Chiao	2,025,000	2.59%
Pan, Wen-Ling	1,591,000	2.04%
Chien, Hsiang-Jung	1,373,218	1.76%
Yu, Ming-To	1,248,000	1.60%
Lin, Tzu-Yu	1,217,000	1.56%

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

Item \ Year			2022	2023	As of March 31, 2024
Market Price Per Share (Note 1)	Highest		38.70	34.50	26.00
	Lowest		23.80	23.00	22.05
	Average		30.92	28.48	23.90
Net Value Per Share (Note 2)	Before Distribution		8.73	8.47	8.37
	After Distribution		8.73	8.47	—
Earnings Per Share	Weighted Average Shares		78,090 thousand shares	78,090 thousand shares	78,090 thousand shares
	Earnings Per Share (Note 3)		0.88	(0.27)	(0.10)
Dividends Per Share	Cash Dividends		—	—	—
	Stock Dividends	Dividends from retained earnings	—	—	—
		Dividends from Capital Surplus	—	—	—
	Accumulated undistributed dividends (Note 4)		—	—	—
Return On Investment analysis	Price/earnings ratio (Note 5)		35.14	(105.48)	(239.00)
	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 42 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 everchanging 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 2023, the deficit after-tax was NT$21,172 thousand, with no undistributed surplus at the beginning of the period. The accumulated losses amounted to NT$248,294 thousand; after calculating the actuarial gains and losses of NT$454 thousand, the accumulated losses to be made up amounted to NT$269,012 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 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 loss in 2023. 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 amount 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 deficit after tax in 2023. 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 2022; therefore, no expense has been recognized.

(9) Buyback of Treasury Stock: None

2. Corporate Bond:

April 30, 2024

<table>
<tr><td colspan="2">Type of corporate bonds</td><td>1st Secured Convertible Bond</td></tr>
<tr><td colspan="2">Issue (transaction) date</td><td>2021/03/10</td></tr>
<tr><td colspan="2">Face value</td><td>NT$ 100 thousand</td></tr>
<tr><td colspan="2">Place of issue and trading</td><td>Taipei Exchange (TPEx)</td></tr>
<tr><td colspan="2">Issue price</td><td>113.92% of par value</td></tr>
<tr><td colspan="2">Issue amount</td><td>NT$ 500,000 thousand</td></tr>
<tr><td colspan="2">Coupon rate</td><td>0%</td></tr>
<tr><td colspan="2">Term</td><td>5 years, Maturity date: 2026/03/10</td></tr>
<tr><td colspan="2">Guarantor</td><td>Bank Sinopac Company Limited</td></tr>
<tr><td colspan="2">Trustee</td><td>Hua Nan Commercial Bank, Ltd.</td></tr>
<tr><td colspan="2">Underwriter</td><td>First Securities Incorporation</td></tr>
<tr><td colspan="2">Legal Counsel</td><td>N/A</td></tr>
<tr><td colspan="2">Auditor</td><td>N/A</td></tr>
<tr><td colspan="2">Redemption Method</td><td>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.</td></tr>
<tr><td colspan="2">Unredeemed balance</td><td>NT$38,600 thousand</td></tr>
<tr><td colspan="2">Conditions for redemption or early redemption</td><td>Please refer to Article 18 and Article 19 of Regulations Governing the Issuance of Convertible bonds.</td></tr>
<tr><td colspan="2">Restrictive covenants</td><td>None</td></tr>
<tr><td colspan="2">Name of rating agency, date and result of rating</td><td>N/A</td></tr>
<tr><td rowspan="2">Other rights</td><td>The monetary number of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date</td><td>None</td></tr>
<tr><td>The issuance and conversion, exchange, or subscription rules</td><td>Please refer to the Regulations Governing the Issuance of Convertible bonds.</td></tr>
<tr><td colspan="2">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.</td><td>Please refer to page 51-53 for the Convertible Bond</td></tr>
<tr><td colspan="2">Name of the custodian institution of the exchangeable underlying</td><td>None</td></tr>
</table>

Convertible Corporate Bonds

Type of Corporate Bonds		1st Secured Convertible Bond		
Item / Fiscal Year		2022	2023	As of April 30, 2024
Market price of convertible corporate bonds	Maximum	115.00	110.00	101.45
	Minimum	101.05	101.10	101.00
	Average	105.93	103.94	101.20
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, 2024

Type of employee share subscription warrants	1st employee share subscription warrants	2nd employee share subscription warrants
Effective registration date	2021/12/17	2023/ 7/24
Issue (handling) date	2022/1/21	2023/ 8/30
Number of units issued	500 units, with each unit consists of 1,000 shares of common stock	270 units, with each unit consists of 1,000 shares of common stock
Ratio of the number of issued subscriber shares to the total number of issued shares	0.64%	0.35%
Duration	5 years starting from the grant date for an employee stock option	5 years starting from the grant date for an employee stock option
Exercise method	Issuance of new shares	Issuance of new shares
Vesting period and percentage（%）	2 years: 50% 3 years: 75% 4 years: 100%	2 years: 50% 3 years: 75% 4 years: 100%
Number of shares subscribed through exercise of the warrants	0	0
Amount of the shares subscribed through exercise of the warrants (NT$)	0	0
Number of unexercised shares	500,000	270,000
Subscription price per share of the unexercised shares	NT$36.15	NT$24.75
Ratio of the number of unexercised shares to the total number of issued shares (%)	0.64%	0.35%
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.	The ratio of the number of unexecuted share subscriptions to the number of issued shares is only 0.35%. 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 thousand

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 thousand. 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 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		As of 2023 Q1	Projects ahead of time or falling behind schedule and the plan for correcting the situations
Investment on power plants	Amount Spent	Estimated	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	Estimated	100%	
		Actual	100%	
Creating sufficient working capital	Amount Spent	Estimated	184,556	
		Actual	184,556	
	Progress	Estimated	100%	
		Actual	100%	
Total	Amount spent	Estimated	569,615	
		Actual	569,615	
	Progress	Estimated	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 construction 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. Operational Highlights

1. Business Activities

(1) Business Scope

A. Main areas of business operations

H201010 Investment

B. Main revenue distribution

Unit: NT$ thousand

Product/Year	2022		2023	
	Amount	%	Amount	%
OEM (Note 1)	3,732	0.29	9,056	1.19
Products Sales (Note 2)	339,261	26.59	206,983	27.23
Electricity Sales	61,887	4.85	84,307	11.09
Construction Business	870,990	68.27	459,823	60.49
Total	1,275,870	100.00	760,169	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~540W 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. 410W~580W 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 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 play 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.

B. Industry overview on Taiwan solar power

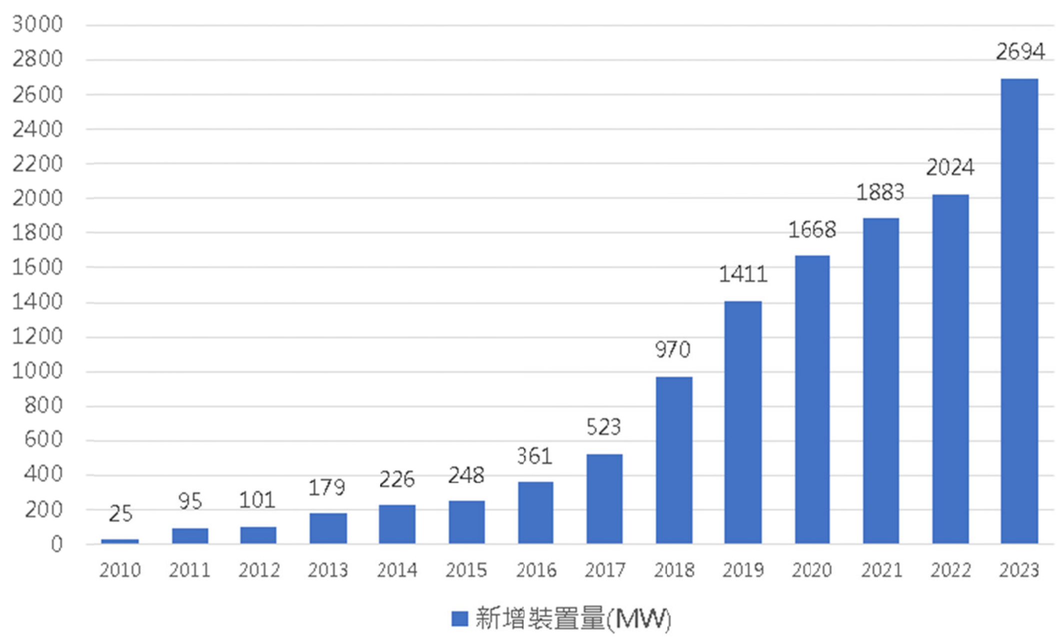
Despite the 40 years of history of photovoltaic products, Taiwan has only started to develop the photovoltaic industry since 1999. In 2004, Germany established a Feed-in Tariff (FIT) policy, which is financed through subsidies for renewable energies. Since then, EU countries were scrambling to follow 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 energy 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.

As of the end of 2023, the cumulative capacity of the solar photovoltaic energy had only reached 12GW, falling short of the ambition of 14GW by 2023 and 20GW by 2025. From the second half of 2023, in order to avoid the public pressure caused by the constructions before the elections, the progress of the solar power plants projects have been delayed. However, as long as the continuation of the regime and government policies, it is anticipated that the advancements in the solar power plants projects will proceed.

New Installments on Taiwan Solar Power Photovoltaic



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

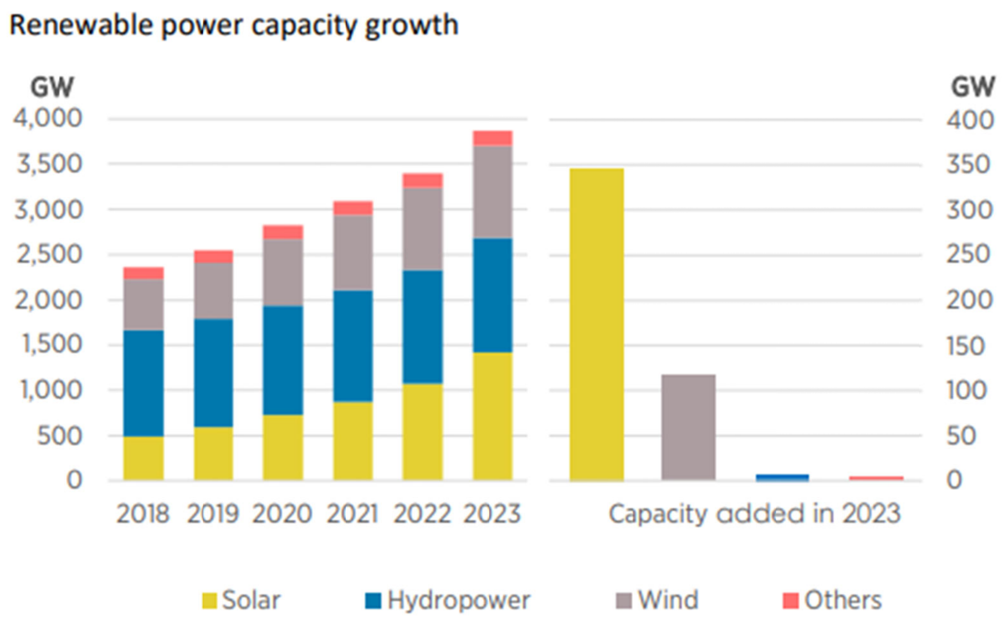
As all the industry players in multiple countries have actively invested in the solar photovoltaic industry, the cost of system construction has declined, and the price parity between solar photovoltaic and mains electricity has been partially realized.

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 have 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 number of installations. In addition, emerging markets including Indi, 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 strategies, brand plannings, financial structure and layouts of downstream outlets, to further expand the business integration between corporations. Only by taking economic scales 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.

C. Overview of Solar Power Industry

2018~2023 Overview of Global Solar Energy Systems Markets



Source: IRENA，Renewable capacity highlights 27 March 2024

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 crisis 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 and expanding factories also led to an excess supply phenomenon. This phenomenon has caused the solar photovoltaic industry to enter a restricting 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 colling down. Hence, the Pacific and India 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 demands, 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 Asia countries led by China since 2012, which causes the price to plummet, an excess supply, and double anti-competitive behaviors. These negative factors all led to production increase but value decreases in global solar photovoltaic market from 2014 to 2016. In 2016, the rush to installation of solar power drove by solar energy policies in China have 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 were 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 constructed as productive use of thermal energy.

The China government has regulated the long-term installation volume, subsidy amount and subsidy period of the China '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 attracts the investment and funds from many solar panel installation companies. Since 2020, China’s National Energy Bureau has been promoting “The 14th Five-Year Plan”, the capacity of solar photovoltaic has been increased rapidly, China’s increase in solar energy installations capacity was the equivalent of the global scale in 2022, which accounted for the three quarters of the global newly-added solar energy installations in 2023. With the advantages from the supports of the policies and considerable economic benefits, it is expected that China’s newly added renewable energy installations in 2028 can be accounted for nearly 60% of the global scale.

b. Overview of Solar Industry in Japan

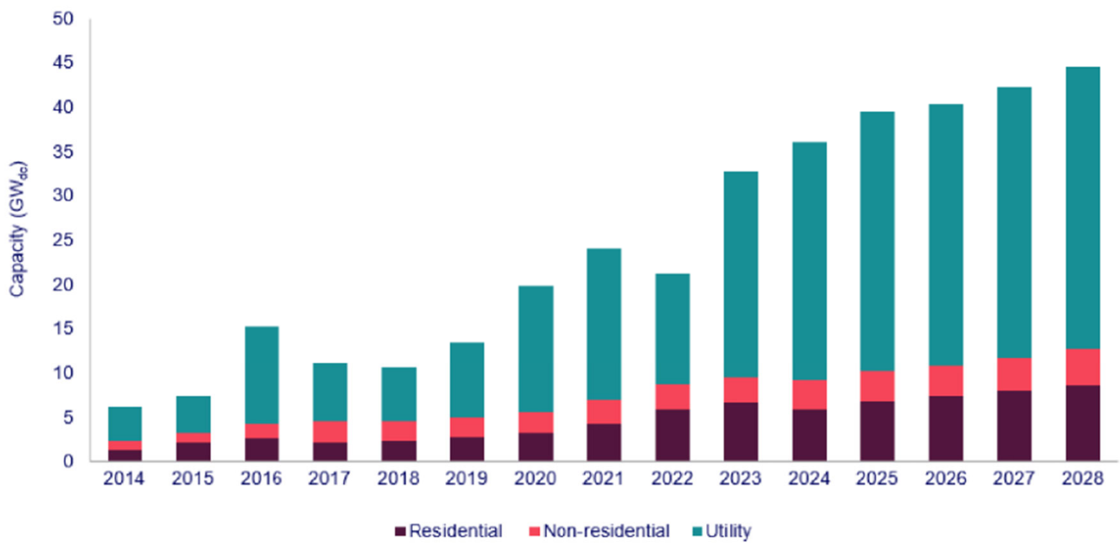
The Japan government has greatly changed its energy policies after Fukushima nuclear disaster. According to the energy white paper published in 2012, the Japan government has conducted reviews and investigations on the operational problems of nuclear power plants, such as how to properly use electricity, accidents in nuclear power plants, power system reforms, and formulated countermeasures. In July 2012, the Japan 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. Japan government published the 6th Strategic Energy Plan in 2021 which presented an outlook that aimed at 36~38% of the energy will be generated from the solar power and onshore wind power or other renewable energy. 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 the 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 regulations, from 2016 to 2018, solar photovoltaic installations in the United States maintained a certain level, ranging from 10 to 15GW. These favorable policies have driven some large and medium-sized enterprises to actively cooperate with the development of green energy and invest in the installations of solar power plans, including retail giants Target, Walmart, Costco, Apple, IKEA and Tesla; therefore, becoming the pioneers and promoters of large-scale power generated stations. With respect to the countries of enough sunshine, such as California, in 2018, its local government took the lead in passing the regulations which stipulate that from 2020, all new houses are required to equip with solar panels to achieve the goal of reducing carbon emissions.

At the end of 2016, Trump was elected president. Protectionism in the U.S. 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 manufactures are facing financial losses. To cope with this situation, since 2018, the U.S. federal government has imposed 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 installations of solar photovoltaic devices. In addition, the United States has nonetheless maintained trade barriers for solar energy and provides subsidies for both demand side and supply chains with President Joe Biden's Inflation Reduction Act (IRA) passed in 2022.

2014~2028 Estimation on the number of U.S. solar PV installations

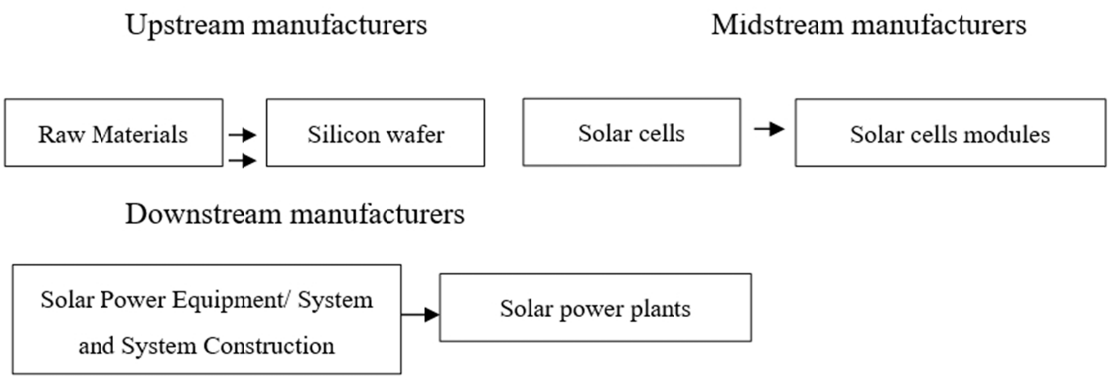


Resource: Wood Mackenzie/SEIA" Solar Market Insight Report Q4 2023"

B. Links between the upstream, midstream, and downstream segments of the industry 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 similar to that of semiconductors. Taiwan has a complete semiconductor supply chain, a rich experience of production, and adequate human talents 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 with High Efficiency and Low Cost

In recent years, manufacturers from Taiwan have been highly 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 and India which have a greater demand on low-priced products than high efficiency products, driving high-efficiency products to rapidly approach the actual costs.

b. The next goal: Targeting 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 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, three 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, becoming 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, it 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 problems. 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 become 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 promotions 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 the development of information and communication technology. By monitoring the sunshine recorder/thermometer in the systems and its corresponding power generations, these historical records can be used as information and experience to optimize the future installations. The information can be the most powerful evidence in helping system vendors and companies in development, construction, transactions, investments, and financing of the solar constructions.

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 easier assembly technology. The products are designed for the mass market. Since the assembly technology of the solar PV modules will determine their output power and lifespan, the key to 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 Electronics) of TÜV Rheinland in Germany. The Company has subsequently 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.

Being a system integrator, 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 maintenance. For those manufacturers without engineering experience, the cost of buying a power plant is relatively high. Moreover, 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 costs and quality of the construction. The Company has the exact advantage of engineering experience; being the first team to build power plants in Taiwan. With abundant experience in constructing power plants: from contacting landlords, signing contracts, designing, to operation and maintenance, 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 includes the integration of the resources of the group companies to optimize operation and management efficiency, enabling the companies subject to jurisdiction of the investments 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 capacity 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 Products Geographic Areas

Unit: NT$ thousand; %

Sales Area \ Year		2022		2023	
		Amount	%	Amount	%
Domestic Sales		1,275,870	100.00	760,169	100.00
International Sales	America	—	—	—	—
	Asia	—	—	—	—
	Europe	—	—	—	—
	Subtotal	—	—	—	—
Total		1,275,870	100.00	760,169	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 previous 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 construction of solar power plants and the development of electricity sales. According to the announcement of Bureau of Energy, Ministry of Economic Affairs, till the end of 2023, the installed capacity of solar photovoltaic power generation was 12,418MW. The installed capacity of the Company in 2023 was 25MW, with the market share 0.20%.

C. Future market supply and demand and growth

According to research of TrendForce, it is expected that the number of newly added global photovoltaic installations increase to 474GW by 16% annually which has significantly slowed down compared to the 59% of the growth rate in 2023. The estimated number of new installations as follows, 270GW in Asia Pacific, 90GW in Europe, 87GW in America and 28GW in Middle East and Africa. From perspectives of regional markets, the markets of photovoltaic industry in Asia Pacific area have been matured with overall growth expected to slow down. Countries in Europe had raised their future targets of long-term photovoltaic installations in 2023, implementing more favorable policies with their persistent determination towards energy transition, thus maintaining stable long-term growth. In the Americas, the main increased numbers of installations were still from the United States; however, due to the inability of the electricity grid infrastructure to keep up wit the growth in electricity consumption, they face a significant shortfall on electricity, the photovoltaic markets in the United States continues to experience a higher growth rate to increased demand for electricity consumption. As for Middle East and Africa markets, the demand of installations from Saudi Arabic, South African and the United Arab Emirates drives the overall region to maintain higher growth rate.

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

(1). 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. 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 nonrenewable 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 energy 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.

(2). 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 engaging in government public tender projects and 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	Household electricity consumption, streetlamps, 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 outsourcing 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 regulations, and the department in charge will conduct an assessment and report for approval. The constructions and installations are made either by the subsidiary or by 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 are any power plants with abnormal power generation. The modules will be cleaned and well-maintained to ensure good power generation efficiency.

C. Supply of Major Raw Materials

Main Materials	Main Suppliers	Status of Supply
Solar PV cell modules	Sunlx, United Renewable Energy Co., Ltd.	Normal

(4) Information on Major Suppliers/Customers

A. Details of Major Suppliers

Unit: NT$ thousand

	2022				2023				As of the 1st quarter, 2024			
Item	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship
1	Gold Sun Technology	519,771	36.80	None	Sunlx	205,101	23.95	None	United Renewable Energy Co., Ltd.	17,807	10.02	None
2	United Renewable Energy Co., Ltd.	208,615	14.77	None	United Renewable Energy Co., Ltd.	91,150	10.64	None	—	—	—	—
	Other	684,067	48.43		Other	560,270	65.41		Other	159,890	89.98	
	Net Purchases	1,412,453	100.00		Net Purchases	856,521	100.00		Net Purchases	177,697	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, in addition to the suppliers of solar cell raw materials, the Company has also contractors of constructions of solar power plants and has purchased materials needed for building solar power plants. The Company not only has a good partnership with the current suppliers and contractors, but also actively looking for other qualified suppliers and contractors.

B. Major Customers

Unit: NT$ thousand

	2022				2023				As of the 1st quarter of 2024			
Item	Name	Amount	Percentage of Annual Net Sales (%)	Relationship	Name	Amount	Percentage of Annual Net Sales (%)	Relationship	Name	Amount	Percentage of net sales as of the current fiscal year 2024, Q1	Relationship
1	Hsinking Construction Co., Ltd.	657,078	51.50	The same president	Hsinking Construction Co., Ltd.	298,836	39.31	The same president with the issuer.	Hsinking Construction Co., Ltd.	41,407	43.34	The same president
2	–	–	–	–	–	–	–	–	–	–	–	–
	Other	618,792	48.50		Other	461,333	60.69		Other	54,132	56.66	
	Net Sales	1,275,870	100.00		Net Sales	760,169	100.00		Net Sales	95,539	100.00	

Since 2017, the Company has gradually adjusted its business strategies to the development and constructions 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 gradually adjusted towards to the business of the development and constructions 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 Recent 2 Years

Unit: NT$ thousand

Output Value / Year / Main Products (or Department)	2022			2023		
	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 outsourced the relevant business to the vendors.

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

Unit: NT$ thousand

Sales Volume / Year / Main Products (or Department)	2022				2023			
	Local		Export		Local		Export	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Solar Cell Modules	31,532	339,261	—	—	36,516	178,185	—	—
EPC	—	870,990	—	—	—	459,823	—	—
Electricity Sales (Note 1)	—	61,887	—	—	—	84,307	—	—
Sales of Solar Plants	—	—	—	—	—	—	—	—
Other (note 2)	—	3,732	—	—	—	37,855	—	—
Total	—	1,275,870	—	—	—	760,169	—	—

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		2022	2023	As of March 31 2024
Number of employees	18	18	19	18
	49	55	46	52
	67	73	65	70
Average Age		38	39	40
Average service year		2.32	3.21	3.76
Academic	Ph.D.	0	0	0
	Master's degree	15	11	11
	College	79	55	49
	High School	3	2	2
	Below high school	3	2	2

4. Environmental Expenditure Information

The Company has received no loss or punishment because of environmental pollution till 2023 and 2024 as of the date of publication of the Annual Report.

5. Labor Relations

(1) The Company's employee welfare, advanced education, trainings, 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 gift vouchers, employee travel stipends, meal allowance, regular health checks, and the education and training allowance 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 latest information and professional skills at all times. On the other hand, the Company could arrange training courses (or the employees could propose the training courses) organized by consulting companies, training institutions, government, industrial and commercial organizations to improve the staffs' professions. Below is the list of courses, training expenditures, number of employees receiving external trainings and training hours in 2023:

Item	No. of employees receiving external training	Total Training Hours
Orientation trainings to newcomers	21	63
Professional trainings	7	27
Total	28	90

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 62 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 Company's pension account on a month 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 workflow 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 63 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 setting 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.

(b) Internal access, external services, and independent guest networks.

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

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

(e) 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 Term	Major Contents	Restrictive Clause
Credit Contracts	International Bills Finance Corporation	2023.08.02-2024.08.01	Commercial Paper Starting from 2021.07.21	Power plant equipment as loan guarantees.
	Taishin International Bank	2023.09.30-2024.09-30	Loan Agreement	Reimbursement account based on the use of the balance
	Cathay United Bank	2023.09.24-2024.09.24	Loan Agreement Starting from 2021.10.28	–
	First Bank	2022.04.15-2027.04.15 2022.04.20-2027.04.20 2023.09.23-2024.09.23 2023.07.31-2024.07.31 2023.10.27-2028.10.27 2023.10.19-2024.10.19	Loan Agreement Starting from 2022.04.26 Starting from 2022.04.27 Starting from 2023.11.15 Starting from 2023.09.18 Starting from 2023.10.30 Starting from 2023.12.26	Reimbursement account based on the use of the balance
	Bank of Kaohsiung	2023.05.19-2024.05.19 2023.07.21-2024.07.21	Loan Agreement Starting from 2023.06.01 Starting from 2023.08.04	Power plant equipment as loan guarantees Reimbursement accounts based on the use of the balance
	Taiwan Shin Kong Commercial Bank	2023.08.07-2024.08.07	Loan Agreement Starting from 2023.08.15	–
	The Shanghai Commercial & Savings Bank	2023.06.20-2024.06.20	Loan Agreement Starting from 2023.6.28	Reimbursement accounts based on the use of the balance
	E. Sun Commercial Bank	2022.08.04-2025.08.04 2022.12.27-2028.12.27	Loan Agreement Starting from 2022.09.26 Starting from 2023.01.18	Power plant equipment as loan guarantees
	Land Bank	2023.07.21-2024.07.21	Loan Agreement Starting from 2023.09.28	Power plant equipment as loan guarantees
	Bank SinoPac	2023.04.26-2024.04.30 2023.04.26-2024.04.30 2023.04.26-2024.04.30 2023.04.26-2024.04.30	Loan Agreement Starting from 2021.03.10 Starting from 2022.02.14 Starting from 2022.06.01 Starting from 2021.10.28	Power plant equipment as loan guarantees
	Hua Nan Commercial Bank	2023.06.12-2028.06.12 2023.11.01-2028.11.01	Loan Agreement Starting from 2023.06.29 Starting from 2023.11.15	–
	Mega Bank	2023.01.09-2024.01.08	Loan Agreement Starting from 2023.03.27	Reimbursement account based on the use of the balance

VI. Financial Information

1. Five-Year Financial Summary

(1) Consolidated Condensed Balance Sheets - Adopting International Reporting Standard

Unit: NT$ thousand

Item \ Year		Financial data for the last five years (Note1)					Financial information as of March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Current Assets		166,634	337,673	843,043	1,442,907	875,902	789,297
Property, Plant and Equipment		300,322	272,599	261,532	396,672	1,237,705	1,362,682
Invisible Assets		—	—	—	—	6,034	5,922
Other Assets		98,658	130,294	424,422	608,231	622,433	692,212
Total Assets		565,614	740,566	1,528,997	2,447,810	2,742,074	2,850,113
Current Liability	Before Distribution	53,411	204,204	390,227	1,017,068	1,136,622	1,655,370
	After Distribution	53,411	204,204	390,227	1,017,068	1,136,622	1,655,370
Noncurrent liabilities		22,962	36,779	517,835	738,915	937,055	534,184
Total Liabilities	Before Distribution	76,373	240,983	908,062	1,755,983	2,073,677	2,189,554
	After Distribution	76,373	240,983	908,062	1,755,983	2,073,677	2,189,554
Equity attributable to the parent company		489,241	494,145	611,800	681,824	661,791	653,571
Share Capital		780,900	780,900	780,900	780,900	780,900	780,900
Paid-in Capital		63,918	63,922	148,249	149,527	150,451	150,527
Retained Earnings	Before Distribution	(355,577)	(350,384)	(317,030)	(248,294)	(269,012)	(276,673)
	After Distribution	(355,577)	(350,384)	(317,030)	(248,294)	(269,012)	(276,673)
Other Equity		—	(293)	(319)	(309)	(548)	(1,183)
Treasury Shares		—	—	—	—	—	—
Non-controlling interest		—	5,438	9,135	10,003	6,606	6,988
Total Equity	Before Distribution	489,241	499,583	620,935	691,827	668,397	660,559
	After Distribution	489,241	499,583	620,935	691,827	668,397	660,559

Note 1: The information above was audited or reviewed by the independent auditors.

(2) Parent-Company-Only Condensed Balance Sheets - Adopting International Reporting Standard

Unit: NT$ thousand

Item \ Year		Financial data for the last five years (Note1)				
		2019	2020	2021	2022	2023
Current Assets		327,043	715	48,633	20,275	23,184
Property, Plant and Equipment		143,442	—	31	18	71
Invisible Assets		—	—	—	—	—
Other Assets		109,314	509,785	1,055,631	1,167,615	1,184,369
Total Assets		579,799	510,500	1,104,295	1,187,908	1,207,624
Current Liability	Before Distribution	78,427	16,355	3,891	2,499	2,661
	After Distribution	78,427	16,355	3,891	2,499	2,661
Noncurrent liabilities		12,131	—	488,604	503,585	543,172
Total Liabilities	Before Distribution	90,558	16,355	492,495	506,084	545,833
	After Distribution	90,558	16,355	492,495	506,084	545,833
Equity attributable to the parent company		—	—	—	—	—
Share Capital		780,900	780,900	780,900	780,900	780,900
Paid-in Capital		63,918	63,922	148,249	149,527	150,451
Retained Earnings	Before Distribution	(355,577)	(350,384)	(317,030)	(248,294)	(269,012)
	After Distribution	(355,577)	(350,384)	(317,030)	(248,294)	(269,012)
Other Equity		—	(293)	(319)	(309)	(548)
Treasury Shares		—	—	—	—	—
Total Equity	Before Distribution	489,241	494,145	611,800	681,824	661,791
	After Distribution	489,241	494,145	611,800	681,824	661,791

Note 1: The information above was audited by the independent auditors.

(3) Consolidated Comprehensive Income Statements - Adopting International Reporting Standard

Unit: NT$ thousand

Item \ Year	Financial data for the last five years (Note1)					Financial information as of March 31, 2024 (Note 1)
	2019	2020	2021	2022	2023	
Operating Revenue	280,755	169,021	675,649	1,275,870	760,169	95,539
Operating Gross Profit	68,184	41,198	118,395	208,926	136,092	13,415
Operating Income	(27,238)	3,261	43,336	114,279	4,233	(9,784)
Non-Operating Income and Expenses	14,812	1,362	(10,245)	(42,309)	(28,191)	2,505
Net Profit (Loss) before Tax	(12,426)	4,623	33,091	71,970	(23,958)	(7,279)
Net profit (loss) from continuing operations for the year	(59,717)	3,796	33,091	69,565	(24,536)	(7,279)
Loss from discontinued departments	—	—	—	—	—	—
Net Income (Loss) for the year	(59,717)	3,796	33,091	69,565	(24,536)	(7,279)
Other Comprehensive Income (after tax) for the year	979	(404)	207	49	215	(635)
Total Comprehensive Income for the year	(58,738)	3,392	33,298	69,614	(24,321)	(7,914)
Net income (loss) attributable to Shareholders of the parent company	(59,970)	5,119	33,583	68,697	(21,172)	(7,661)
Net income (loss) attributable to non-controlling interests	253	(1,323)	(492)	868	(3,364)	382
Total comprehensive income attributable to Shareholders of the parent company	(58,991)	4,900	33,700	68,746	(20,957)	(8,296)
Total comprehensive income attributable to non-controlling interests	253	(1,508)	(402)	868	(3,364)	382
Earnings Per Share	(0.77)	0.07	0.43	0.88	(0.27)	(0.10)

Note 1: The information above was audited or reviewed by the independent auditors.

(4) Parent-Company-Only Income Statement - Adopting International Financial Reporting Standards

Unit: NT$ thousand

Item \ Year	Financial data for the last five years (Note1)				
	2019	2020	2021	2022	2023
Operating Revenue	205,634	9,703	56,847	101,772	9,438
Operating Gross Profit	49,560	9,703	56,847	101,772	9,438
Operating Income	(28,374)	5,082	46,144	88,595	(6,381)
Non-Operating Income and Expenses	14,541	37	(12,561)	(19,898)	(14,791)
Net Profit (Loss) before Tax	(13,833)	5,119	33,583	68,697	(21,172)
Net profit (loss) from continuing operations for the year	(13,833)	5,119	33,583	68,697	(21,172)
Loss from discontinued departments	—	—	—	—	—
Net Income (Loss) for the year	(59,970)	5,119	33,583	68,697	(21,172)
Other Comprehensive Income (after tax) for the year	979	(219)	117	49	215
Total Comprehensive Income for the year	(58,991)	4,900	33,700	68,746	(20,957)
Net income attributable to the parent company	—	—	—	—	—
Net income attributable to non-controlling interests	—	—	—	—	—
Total comprehensive income attributable to owners of parent	—	—	—	—	—
Total comprehensive income, attributable to non-controlling interests	—	—	—	—	—
Earnings Per Share	(0.77)	0.07	0.43	0.88	(0.27)

Note 1: The information above was audited by the independent auditors.

(5) Auditing CPAs and Audit Opinions

Year	Accounting Firm	Names of CPA	Audit Opinion
2019	Deloitte & Touche Certified Public Accountants	Lin, Cheng-Chih, Chung, Ming-Yuan	Unqualified opinion. (Emphasized paragraphs or other paragraphs)- Emphasized paragraphs: Legal uncertainty on the future major litigations 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	KPMG in Taiwan (KPMG International Limited)	Lin, Heng-Sheng, Chen, Pei-Chi	Unqualified opinion
2024 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 CPA

2. Financial analysis for the last five years

Consolidated Financial Analysis - Adopting International Financial Reporting Standards

Analysis Item	Year	Financial Analysis for the last five years					As of March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Financial Structure analysis (%)	Debt ratio	13.50	32.54	59.39	71.74	75.62	76.82
	Long-term fund to property, plant and equipment ratio	170.55	196.76	435.42	360.69	129.71	87.68
Solvency (%)	Current ratio	311.98	165.36	216.04	141.87	77.06	47.68
	Quick Ratio	217.16	41.01	92.32	64.20	49.93	30.69
	Times interest earned	(15.47)	8.16	5.66	7.77	(0.37)	(0.81)
Operating performance	Accounts receivable turnover (times)	3.84	2.53	14.91	12.54	7.48	8.89
	Average collection days	95	144	24.49	29.11	48.79	41.06
	Average inventory turnover (times)	1.51	0.90	1.81	2.00	1.52	2.40
	Accounts payable turnover (times)	6.05	4.06	7.17	10.66	3.75	1.85
	Average days in sales	242	407	202.16	182.34	239.86	152.02
	Property, plant and equipment turnover (times)	1.23	0.59	2.53	3.88	0.93	0.29
	Total asset turnover (times)	0.45	0.26	0.60	0.64	0.29	0.14
Profitability analysis	Return on total assets (%)	(9.37)	0.66	3.42	3.93	(0.40)	(0.58)
	Return on equity (%)	(11.51)	0.77	5.91	10.60	(3.61)	(4.38)
	Pre-tax income to paid-in capital (%)	(1.59)	0.59	4.24	9.22	(3.07)	(3.73)
	Net profit margin (%)	(21.27)	2.25	4.90	5.45	(3.23)	(7.62)
	Earnings Per Share (NTD)	(0.77)	0.07	0.43	0.88	(0.27)	(0.10)
Cash flow	Cash flow ratio (%)	56.70	(3.33)	(38.64)	(44.41)	8.19	2.26
	Cash flow adequacy ratio (%)	(46.36)	14.56	4.11	3.42	2.75	9.16
	Cash reinvestment ratio (%)	4.71	(1.04)	(12.18)	(29.67)	5.38	2.81
Leverage	Operating leverage	(1.46)	4.12	1.54	1.29	11.17	(0.12)
	Financial leverage	0.97	1.25	1.20	1.10	(0.32)	0.71

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

1. Financial Structures:
   The Company had completed owned power plants in 2023, as of the end of 2023, some of the large-scaled power plants are still under constructions, which recognized in property, plants and equipment－work in process, resulted in lower long-term fund to property, plant and equipment ratio.
2. Solvency: The Company focused on the constructions of owned power plants, since the volume of EPC decease, the inventory is relatively decreased, resulted in lower current ratio in 2023. In addition, since the volume of EPC engineering decreased, the operating revenue is decreasing, resulted in net loss before tax and interests and lower times interest earned.
3. Operating performance: The main reason for the decrease in operating revenue, operating costs, resulting in lower AR turnover rates, higher average collection days, decreased inventory turnover rate, decreased AP turnover rate, increased average days in sales, decreased total assets turnover rate is because the Company focused on the constructions of owner power plants and the volume of EPC engineering relatively decreased. Moreover, the Company completed more owned power plants in 2023 with undergoing large-scaled owned power plants(, which recognized in plants, property and equipment－work in process), resulted in lower property, plant and equipment turnover in 2023.
4. Profitability Analysis: The Company focused on the constructions of owned power plants resulting in the volume of EPC engineering decreased, the operating revenue is decreasing; therefore, the Company had current net loss making lower return on total assets, return on equity, pre-tax income to paid-in capital, net profit margin and EPS.
5. Cash flows: Since the inventory turnover is favorable in 2023, generating net cash in operating activities, resulted in higher cash flow ratio and cash reinvestment ratio
6. Leverage: Owing to operating profit in 2023 being close to breakeven, the operating leverage increased significantly, and the financial leverage is negative after interest expenses.

Note 1: The information above was reviewed by the independent auditors.

Parent-Company-Only Financial Analysis

Analysis Item		Financial analysis for the last five years (Note1) 2019	2020	2021	2022	2023
Financial structure analysis (%)	Debt ratio	15.62	3.20	44.60	42.60	45.20
	Long-term fund to property, plant and equipment ratio	349.53	—	3,549,690.32	6,585,605.56	1,697,130.99
Solvency (%)	Current ratio	417.00	4.37	1,249.56	811.00	871.25
	Quick Ratio	388.82	3.72	1,220.94	765.35	817.44
	Times interest earned	(23.23)	—	7.36	11.44	(2.20)
Operating performance	Accounts receivable turnover (times)	1.60	—	—	—	—
	Average collection days	228	—	—	—	—
	Average inventory turnover (times)	1.23	—	—	—	—
	Accounts payable turnover (times)	3.50	—	—	—	—
	Average days in sales	297	—	—	—	—
	Property, plant and equipment turnover (times)	2.12	0.00	0.00	0.00	0.00
	Total asset turnover (times)	0.33	0.00	0.00	0.00	0.00
Profitability analysis	Return on total assets (%)	(9.51)	0.94	4.68	6.45	(1.33)
	Return on equity (%)	(11.56)	1.04	6.07	10.62	(3.15)
	Pre-tax income to paid-in capital (%)	(1.77)	0.66	4.30	8.80	(2.71)
	Net profit margin (%)	(29.16)	—	—	—	—
	Earnings Per Share (NTD, Note2)	(0.77)	0.07	0.43	0.88	(0.27)
Cash flow	Cash flow ratio (%)	6.88	(14.63)	(330.81)	(793.48)	(144.42)
	Cash flow adequacy ratio (%)	14.64	14.64	1.50	1.50	3.24
	Cash reinvestment ratio (%)	0.87	(0.48)	(1.17)	(1.67)	(0.33)
Leverage	Operating leverage	(0.10)	(0.91)	(0.23)	1.00	1.00
	Financial leverage	0.98	1.00	1.13	1.08	0.49

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: Due to the amount of the equipment is relatively minor, long-term fund to property, plant and equipment ratio is lower when the Company acquired equipment in 2023.
2. Solvency: Due to accounts receivables in providing services to the subsidiaries, current assets increased and therefore the current rate and the quick ratio is higher in 2023. The Company had net loss before tax and interests, times interests earned turned to be negative in 2023.
3. Profitability analysis: The Group focused on the constructions of owned power plants and the volume of EPC engineering is relatively lower resulted in loss on investments, making decrease in return on assets, return on equity, pre-tax income to paid-in capital and EPS.
4. Cash flow: Since the Company had net cash used in operating activities in 2023, the Company's cash flow ratio and cash reinvestment ratio is higher.
5. Leverage: Owing to the loss in investments in 2023, the Company generated operating net loss resulted in decrease in operating leverage.

Note 1: The information above was audited by the independent auditors.

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.

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 2023 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.
2024 Annual Shareholders' Meetings

Hsinjing Holding Co., Ltd.
Audit Committee
Convenor: Cheng, Kuo-Jung

February 29, 2024

4. Latest Consolidated Financial Statements: Please refer to page 106-page 164.

5. Latest Individual Financial Statements Audited and Certified by CPAs: Please refer to page 165-page 200.

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 Analysis of Financial Position and Financial Performance and Risk

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

Item \ Year	2022	2023	Difference	
			Amount	%
Current Assets	1,442,907	875,902	(567,005)	(39.30)
Property, Plant and Equipment	396,672	1,237,705	841,033	212.02
Other Assets	608,231	628,467	20,236	3.33
Total Assets	2,447,810	2,742,074	294,264	12.02
Current Liabilities	1,017,068	1,136,622	119,554	11.75
Total Liabilities	1,755,983	2,073,677	317,694	18.09
Paid-In Capital	149,527	150,451	924	0.62
Retained Earnings	(248,294)	(269,012)	(20,718)	8.34
Total of Equity	691,827	668,397	(23,430)	(3.39)

Analysis of percentage change of increase or decrease:

1. Current assets: The Company focused on the constructions of owned solar power plants in 2023 resulted in decrease in inventory at the end of the period.
2. Property, plant and equipment: Primarily attributable to the work-in-progress of solar power plants, which the Company emphasized in 2023.
3. Current liabilities: The increase in capacity of owned solar power plants in 2023 resulted in higher accounts payables.

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	2022	2023	Increased (decreased) Amount	Net Change %
Operating Revenues	1,275,870	760,169	(515,701)	(40.42)
Costs of Goods Sold	1,064,378	630,285	(434,093)	(40.78)
Gross Profit (loss)	208,926	136,092	(72,834)	(34.86)
Operating Expenses	94,647	131,859	37,212	39.32
Net Other Gains and Loss	0	0	0	–
Operating income (loss)	114,279	4,233	(110,046)	(96.30)
Non-operating Income and Expenses	(42,309)	(28,191)	14,118	(33.37)
Net income (loss) before tax	71,970	(23,958)	(95,928)	(133.29)
Income tax expense	2,405	578	(1,827)	(75.97)
Net income (loss) before tax	69,565	(24,536)	(94,101)	(135.27)

Analysis of percentage change of increase or decrease:

1. Operating gross profit (lost): Mainly due to the expansion of the capacity of the owned power plants in 2023, resulting in decrease in EPC engineering revenue. Although the sales of electricity and the overall gross profit rate increased, the proportion of the electricity sales revenue to total operating revenue is relatively low, resulting in the overall gross profit decreased.
2. Operating expenses: Mainly because of the increase in employees, salary raise and discontinuation on some of the plant sites.
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 2023, resulting in an increase in valuation loss.

(2) 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) Analysis Cash Flows in the Recent Year

Unit: NTD thousand

Item \ Year	2022	2023	Increase (Decrease) Amount	Increase (Decrease) Percentage (%)
Net cash inflows (outflows) from operating activities	(451,644)	93,146	544,790	(120.62)
Net cash inflows (outflows) from investment activities	(121,215)	(453,892)	(332,677)	274.45
Net cash inflows (outflows) from financing activities	547,255	270,846	(276,409)	(50.51)
Net Cash Flow	(25,604)	(89,900)	(64,296)	251.12

Analysis of percentage change of increase or decrease:

The increase in net cash inflow from operating activities was mainly due to the expansion in capacity of the owned solar power plants in 2023 and the inventory turnover improved making decrease in inventory. The increase in net cash outflow was mainly due to the increase in constructions of owned solar power plants and the decrease in cash inflow in financing activities was mainly because the volume of EPC engineering decreased in 2023 and decrease in short-term loans.

(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	Corrective measures to be taken in response to illiquidity: Financing Plan
135,522	(30,242)	57,279	162,559	–	–

Analysis of the changes to cash flows 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 net cash outflow in operating activities; 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, 2023

Reinvestment 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	Wholesale and retail of other metallic building materials	850,000	881,272	Mainly from contracting projects and electricity sales	Due to the expansion on capacity of owned power plants, the electricity sales revenue increased while the engineering revenue decreased, but it remained profitable in 2023.	None	None
Hsinjing Renewable Energy Investment Co., Ltd.	Renewable energy Self-Use Power Generation Equipment	175,000	158,978	Use reinvestment company for project development and expansion of power plant investment	The loss on owned power plants of reinvestments decreased in 2023 and continued in the business of electricity sales revenue.	Continuing development of plants sites to increase stable electricity sales revenue.	None
Hsinjing Solar Energy Systems Co., Ltd.	Renewable energy Self-Use Power Generation Equipment	23,500	21,694	Mainly from contracting project	The main sales revenue is from contracting projects; however, due to decrease in EPC engineering, it generated in loss.	Continuing in evaluating development on expansion of capacity of owned power plants and EPC engineering to stabilize long-term and short-term revenue.	None
Dingyu Solar Co., Ltd.	Wholesale and retail of other metallic building materials	29,946	(29,721)	Mainly from contracting project and electricity sales	The main sales revenue is from contracting projects; however, due to decrease in EPC engineering, it generated in loss.	Continuing in evaluating development on expansion of capacity of owned power plants and EPC engineering to stabilize long-term and short-term revenue.	None

6. Risk Management

(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 Notes: none.

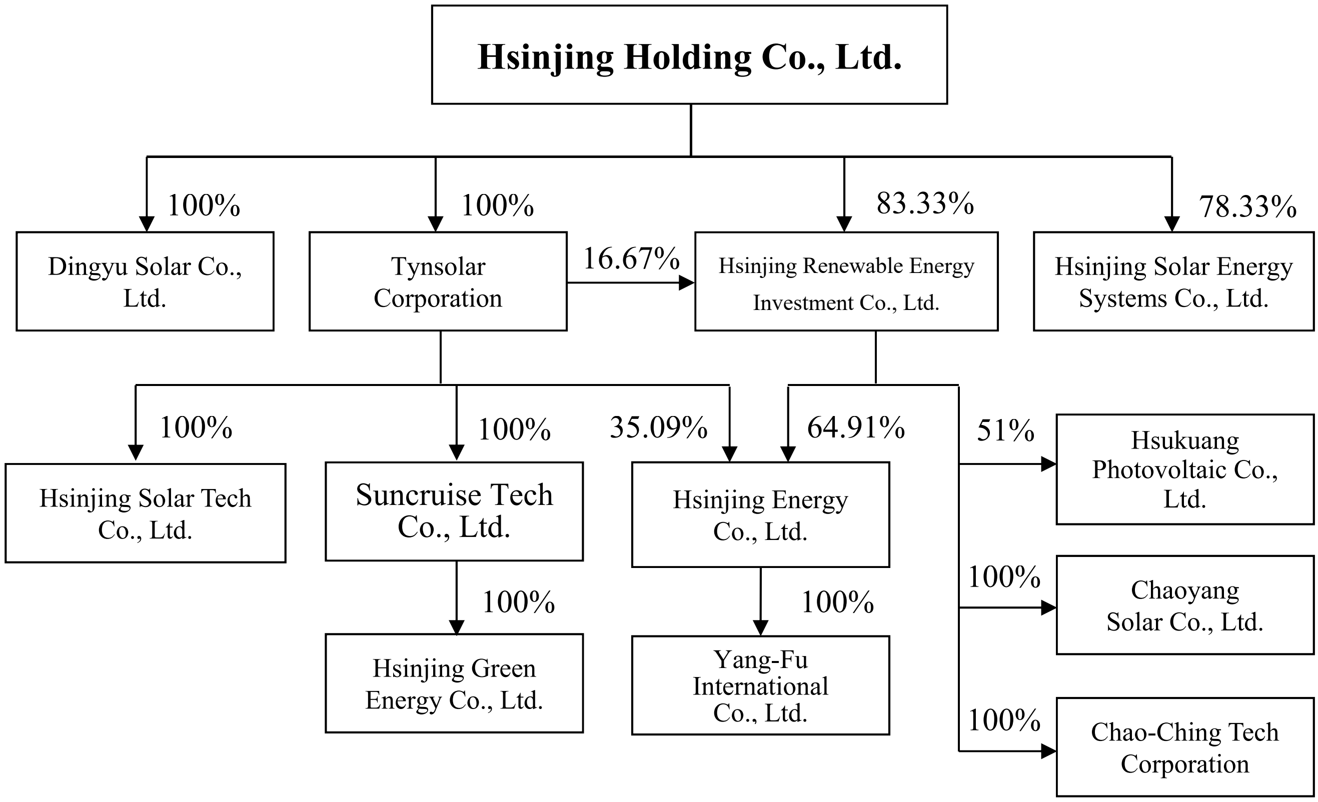
VIII. Special Disclosure

1. Summary of Affiliated Companies

(1) The Consolidated Business Report：

A.Organizational chart of the affiliates:

December 31, 2023



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

December 31, 2023, Unit: NT$ in Thousands/Thousand Shares

Name of Affiliate	Relationship	Shares held in the Company		Shares held by the Company in affiliates		
		Shares	%	Shares	%	Actual Investment Amount
Tynsolar Corporation	Subsidiary	0	0%	85,000	100%	850,000
Hsinjing Renewable Energy Investment Co., Ltd.	Subsidiary	0	0%	21,000	100%	210,000
Hsinjing Solar Energy Systems Co., Ltd.	Subsidiary	0	0%	2,350	78.33%	23,500
Dingyu Solar Co., Ltd.	Subsidiary	0	0%	5,000	100%	50,000
Suncruise Tech Co., Ltd.	Subsidiary	0	0%	2,700	100%	27,000
Hsinjing Green Energy Co., Ltd	Subsidiary	0	0%	500	100%	5,000
Hsinjing Solar Tech Co., Ltd.	Subsidiary	0	0%	100	100%	1,000
Hsukuang Photovoltaic Co., Ltd	Subsidiary	0	0%	Note	51%	4,080
Chaoyang Solar Co., Ltd.	Subsidiary	0	0%	Note	100%	16,000
Chao-Ching Tech Corporation	Subsidiary	0	0%	10	100%	100
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, establishment date, address, paid-in capital, and main business scope of each affiliate

December 31, 2023, Unit: NT$ in Thousand

Name of Affiliate	Establishment Date	Address	Paid-In Capital	Main Business Scope
Tynsolar Corporation	2006.8.25	3F.-1, No. 193, Fuxing 2nd Rd., Zhubei City, Hsinchu County	850,000	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	210,000	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
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
Suncruise Tech Co., Ltd.	2017.6.26	3F.-1, No. 193, Fuxing 2nd Rd., Zhubei City, Hsinchu County	27,000	Waste disposal and decommissioning
Hsinjing Green Energy Co., Ltd.	2020.11.3	6F.-1, No. 18, Taiyuan St., Zhubei City, Hsinchu County	5,000	Refuse-derived fuel
Hsinjing Solar Tech Co., Ltd.	2023.6.17	4th Floor, No. 28, Success 13th Street, Luchang Village, Zhubei City, Hsinchu County	1,000	Electricity Retailing
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
Chao-Ching Tech Corporation	2023.6.17	4th Floor, No. 28, Success 13th Street, Luchang Village, Zhubei City, Hsinchu County	100	Renewable energy self-use power generation
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
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, 2023; Unit: Thousand Shares; %

Name of Affliate	Job Title	Name or Representative	Share	Shareholding%
Tynsolar Corporation	Chairman	Hsinjing Holding Co., Ltd.- Tzu, San-Te	85,000	100
	General Manager	Lin, Shih-Yan	—	—
Hsinjing Renewable Energy Investment Co., Ltd.	Chairman	Hsinjing Holding Co., Ltd.- Yu, Huai-Tse	17,500	83.33
	Supervisor	Tynsolar Corporation- Tzu, San-Te	3,500	16.67
	General Manager	Yu, Huai-Tse	—	—
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	—	—
Dingyu Solar Co., Ltd.	Chairman	Hsinjing Holding Co., Ltd.- Yu, Huai-Tse	5,000	100
	General Manager	Lin, Shih-Yan	—	—
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 Solar Tech Co., Ltd.	Chairman	Tynsolar Corporation- Tzu, San-Te	100	100
	General Manager	Tzu, San-Te	—	—
Hsukuang Photovoltaic Co., Ltd.	Chairman	Hsinjing Renewable Energy Investment Co., Ltd.- Yu, Huai-Tse	註	51
	Director	Solarvest (Taiwan) Corporate Ltd.- Liu, Jun Jia	註	49
	General Manager	Yu, Huai-Tse	—	—
Chaoyang Solar Co., Ltd.	Director	Hsinjing Renewable Energy Investment Co., Ltd.- Yu, Huai-Tse	註	100
	General Manager	Yu, Huai-Tse	—	—
Chao-Ching Tech Corporation	Chairman	Hsinjing Renewable Energy Investment Co., Ltd.- Yu, Huai-Tse	10	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, 2023; Unit: NT% in thousands

Corporate Name	Capital	Total Assets	Total Liabilities	Net Value	Operating Revenue	Operating Profit	Profit or loss for the period	EPS
Tynsolar Corporation	850,000	2,378,033	1,448,496	929,537	909,357	75,687	77,523	0.91
Hsinjing Renewable Energy Investment Co., Ltd.	210,000	259,076	63,416	195,660	19,292	(1,260)	(1,260)	(0.06)
Hsinjing Solar Energy Systems Co., Ltd.	30,000	49,117	15,097	34,020	26,227	(3,939)	(4,163)	(1.39)
Dingyu Solar Co., Ltd.	50,000	661,138	630,956	30,182	302,576	(1,595)	(1,525)	(0.31)
Suncruise Tech Co., Ltd.	27,000	12,743	45	12,698	0	(37)	(251)	(0.09)
Hsinjing Solar Energy Systems Co., Ltd.	5,000	4,049	44	4,005	0	(279)	(259)	(0.52)
Hsinjing Solar Tech Co., Ltd.	1,000	921	0	921	0	(82)	(79)	(0.79)
Hsukuang Photovoltaic Co., Ltd.	8,000	65,848	56,329	9,519	6,011	2,746	1,368	1.71
Chaoyang Solar Co., Ltd.	16,000	61,277	46,123	15,154	184,195	359	203	0.13
Chao-Ching Tech Corporation	100	69	0	69	0	(32)	(31)	(3.13)
Hsinjing Energy Co., Ltd.	57,000	55,278	8	55,270	0	(353)	(1,483)	(0.26)
Yang-Fu International Co., Ltd.	2,050	21,478	18,638	2,840	3,557	1,091	496	2.42

The Consolidated Financial Statements of The Affiliates:

REPRESENTATION 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, 2023, 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.

Very truly yours,

San-Te Tzu
Chairperson
Hsinjing Holding Co., Ltd.
February 29, 2024

(2) Affiliation Report：
Relationship between the subordinate company and the controlling company

December 31, 2023

<table>
<tr><th rowspan="2">Name of controlling company</th><th rowspan="2">Reason for control</th><th colspan="3">Shareholdings and pledges of the controlling company</th><th colspan="2">The controlling company assigns employees as directors, supervisors or managers</th></tr>
<tr><th>Shares Held (in thousands)</th><th>%</th><th>Shares pledged</th><th>Title</th><th>Name</th></tr>
<tr><td>Tynsolar Corporation</td><td>Direct shareholding over 50%</td><td>85,000</td><td>100%</td><td>—</td><td>Chairman
General Manager</td><td>Tzu, San-Te
Lin, Shih-Yang</td></tr>
<tr><td>Hsinjing Renewable Energy Investment Co., Ltd.</td><td>Direct shareholding over 50%</td><td>21,000</td><td>100%</td><td>—</td><td>Chairman
Supervisor
General Manager</td><td>Yu, Huai-Tse Yu,
Tzu, San-Te
Huai-Tse</td></tr>
<tr><td>Hsinjing Solar Energy Systems Co., Ltd.</td><td>Direct shareholding over 50%</td><td>2,350</td><td>78.33%</td><td>—</td><td>Chairman
General Manager</td><td>Yu, Huai-Tse
Yu, Huai-Tse</td></tr>
<tr><td>Dingyu Solar Co., Ltd.</td><td>Indirect shareholding over 50%</td><td>5,000</td><td>100%</td><td>—</td><td>Chairman
General Manager</td><td>Yu, Huai-Tse
Lin, Shih-Yang</td></tr>
</table>

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
Suncruise Tech Co., Ltd.	Indirect shareholding over 50%	2,700	100%	—	Chairman General Manager	Yu, Huai-Tse
Hsinjing Green Energy Co., Ltd.	Indirect shareholding over 50%	500	100%	—	Chairman General Manager	Yu, Huai-Tse
Hsinjing Solar Tech Co., Ltd.	Indirect shareholding over 50%	100	100%	—	Chairman General Manager	Tzu, San-Te Tzu, San-Te
Chaoyang Solar Co., Ltd.	Indirect shareholding over 50%	Note	100%	—	Chairman General Manager	Yu, Huai-Tse Yu, Huai-Tse
Hsukuang Photovoltaic Co., Ltd.	Indirect shareholding over 50%	Note	51%	—	Chairman General Manager	Yu, Huai-Tse Yu, Huai-Tse
Chao-Ching Tech Corporation	Indirect shareholding over 50%	10	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 limited company

3. Financing: None

4. Asset Leasing:

December 31, 2023, Unite: NT$ in thousands

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		2023.2~20243.1	Operational leasing	Equal share	Monthly payment	—	(36)	Normal	—

5. Endorsements and guarantees:

December 31, 2023, Unit: NT$ in thousands

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	280,000	269,000	40.65%	187,783	Parent-subsidiary	—	—	—	Finance facilities due date	—	—
Tynsolar Corporation	Dingyu Solar Co., Ltd.	79,530	79,530	8.56%	50,000	Fellow Subsidiary	—	—	—	Finance facilities due date	—	—
Tynsolar Corporation	Hsinjing Holding Co., Ltd.	508,000	508,000	54.65%	508,000	Parent-subsidiary	Solar power plant and bank reserve account	—	272,062	Corporate Bond Maturity Date	—	—
Dingyu Solar Co., Ltd.	Hsinjing Holding Co., Ltd.	45,000	45,000	149.10%	45,000	Parent-subsidiary	Solar power plants and bank reserve account	—	43,971	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:

2.1 The Company's Board of Directors approved a cash capital increase through a private placement of common shares on February 29, 2024, and the related matters were as follows:

(1). 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.

(2). 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$24.52 as the reference price, and the private placement price was set at NT$20.

F. 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 offerees, and the actual number of shares to be subscribed will be determined after the external offerees are selected.

Offerees	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 requirements and to apply the application to the competent authorities for listing and trading of the private placement of common shares after the public offering.

(3). 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.

(4). 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 offerees 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 offerees 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 offerees may also change and may not all be concentrated in the same person.

d. The Company selected the offerees 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.

REPRESENTATION 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, 2023, 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.

Very truly yours,

San-Te Tzu
Chairperson
Hsinjing Holding Co., Ltd.
February 29, 2024

Independent Auditors' Report

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

Opinion

We have audited the accompanying consolidated financial statements of the Hsinjing Holding Co., Ltd., and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and consolidated cash flows for the years then ended 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.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the Group's consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matter for the Group's consolidated financial statements for the year ended December 31 is stated as follows:

Revenue Recognition
Please refer to Note 4(15), Revenue, and Note 6(21) to the consolidated financial statements for the disclosure of revenue recognition.

Description of key audit matter

The primary business of the Group is planning, designing and installation of solar power generation systems and the sales of various types of solar panel modules as well as units of solar power plants. Operating revenue is one of the significant matters in the consolidated financial statements and is a matter of concerns to users thereof. As a result, we determined the matter to be the key audit matter.

How the matter was addressed in our audit

Our principal audit procedures included the following, among others:

- Evaluating whether the accounting policy for revenue recognition was in compliance with the related reporting standards.
- Obtaining an understanding and evaluated design and tested the operating effectiveness of the

internal controls over the revenue.

- Selecting sales transactions within two time periods, one before and one after the reporting date and checking the revenue transaction records and all supporting source documents to assess whether the related transactions are recognized in the appropriate time periods.
- Evaluating whether there are material sales returns or allowances in the subsequent period.

Other Matter

We have also audited the parent company only financial statements of Hsinjing Holding Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within MediaTek Inc. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG
Taipei, Taiwan (Republic of China)
February 29, 2024

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Hsinjing Holding Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEET

December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
	ASSETS	Amount	%	Amount	%
	Current Assets:				
1100	Cash and cash equivalents (note 6(1))	$ 135,522	5	225,422	9
1140	Contractual assets－current (note 6(21) and 7)	302,311	11	240,449	10
1172	Accounts receivables (note 6(4) and 6(21))	39,279	1	72,985	3
1180	Accounts receivables－related parties (note 6(4), 6(21) and 7)	11,567	-	78,776	3
1200	Other receivables	-	-	546	-
1210	Other receivables from related parties (note 7)	35,000	1	-	-
1220	Current tax assets	1,097	-	44	-
130X	Inventories (note 6(5), 8 and 9))	130,016	5	683,705	28
1410	Prepayments	178,398	7	106,280	5
1470	Other current assets (note 8)	42,712	2	34,700	1
	Total current assets	875,902	32	1,442,907	59
	Non-current Assets:				
1517	Financial assets at fair value through other comprehensive income – noncurrent (note 6(3))	1,147	-	1,386	-
1550	Investments accounted for using the equity method (note 6(6))	97,188	4	54,333	2
1600	Property, plant and equipment (note 6(10) and 8)	1,237,705	45	396,672	16
1755	Right-of-use assets (note 6(11))	180,748	7	155,690	6
1780	Intangible assets (note 6(8))	6,034	-	-	-
1805	Goodwill (note 6(8))	-	-	6,793	-
1920	Refundable deposits	86,619	3	184,337	8
1975	Net defined benefit assets－noncurrent (note 6(16))	187	-	-	-
1990	Other non-current assets－others (note 8)	256,544	9	205,692	9
	Total non-current assets	1,866,172	68	1,004,903	41
	Total assets	$ 2,742,074	100	2,447,810	100

		December 31, 2023		December 31, 2022	
	LIABILITIES AND EQUITY	Amount	%	Amount	%
	Current Liabilities:				
2100	Short-term loans (note 6(12), 7 and 8)	$ 716,707	26	649,047	27
2130	Contract liabilities－current (note 6(21) and 7)	93,289	3	204,309	8
2150	Notes payable	11,940	-	-	-
2170	Accounts payable	213,169	8	107,154	5
2180	Accounts payable－related parties (note 7)	603	-	113	-
2200	Other payables	13,653	1	22,427	1
2220	Other payables to related parties (note 7)	399	-	-	-
2230	Current tax liabilities	496	-	2,405	-
2280	Lease liabilities－current (note 6(15) and 7)	65,372	2	19,356	1
2322	Long-term liabilities－current portion (Notes 6(13), 7 and 8)	19,685	1	9,710	-
2399	Other current liabilities	1,309	-	2,547	-
	Total current liabilities	1,136,622	41	1,017,068	42
	Non-current Liabilities:				
2500	Financial liabilities at fair value through profit or loss－noncurrent (note 6(2) and 6(14))	15,500	1	12,250	1
2540	Long-term bank loans (Notes 6(13), 7 and 8)	345,389	13	103,909	4
2530	Bonds payable (note 6(14) and 8)	497,951	18	491,335	20
2550	Provision－noncurrent	13,598	1	9,402	-
2580	Lease provisions－noncurrent (note 6(15) and 7)	64,617	2	121,725	5
2640	Net defined benefit liabilities－noncurrent (note 6(16))	-	-	294	-
	Total non-current liabilities	937,055	35	738,915	30
	Total liabilities	2,073,677	76	1,755,983	72
	Equity attributable to owners of the parent (note 6(18)):				
3110	Common stock	780,900	28	780,900	32
3200	Capital surplus	150,451	5	149,527	6
3350	Unappropriated accumulated deficit	(269,012)	(9)	(248,294)	(10)
3400	Other equity	(548)	-	(309)	-
	Equity attributable to owners of the parent	661,791	24	681,824	28
36XX	Non-controlling interests (note 6(9))	6,606	-	10,003	-
	Total equity	668,397	24	691,827	28
	Total liabilities and equity	$ 2,742,074	100	2,447,810	100

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

Chairman (Legal Representative): Chao-Ching Investment Inc. Representative: Tzu, San-Te General Manager: Tzu, San-Te Accounting Manager: Liao, Hsiao-Ching

Hsinjing Holding Co., Ltd.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

		2023			2022	
			Amount	%	Amount	%
4000	**Operating Revenue (note 6(21) and 7)**	$	760,169	100	1,275,870	100
5000	**Operating Cost (note 6(5) and 7)**		630,285	83	1,064,378	84
5910	Less: Unrealized gain and loss from sale (note 6(6))		-	-	(2,869)	-
5920	Add: Realized gain and loss from sale (note 6(6))		6,208	1	303	-
	Gross Profit		136,092	18	208,926	16
	Operating Expenses (note 6(15), 6(16) and 7)):					
6100	Selling		12,472	2	17,384	1
6200	General and Administrative		118,775	15	78,916	6
6450	Expected credit loss(gain) (note 6(4))		612	-	(1,653)	-
	Total Operating Expenses		131,859	17	94,647	7
	Operating Profit		4,233	1	114,279	9
	Non-operating Income and Expenses (note 6(23))					
7100	Interest income		2,186	-	518	-
7010	Other income		1,140	-	132	-
7020	Other gains and losses		(2,694)	-	(33,077)	(3)
7050	Financial costs		(17,547)	(2)	(10,630)	(1)
7060	Share of profit of associates and joint ventures accounted for using the equity method		(11,276)	(2)	748	-
	Total Non-operating Income and Expenses		(28,191)	(4)	(42,309)	(4)
7900	**Net income before income tax**		(23,958)	(3)	71,970	5
7950	**Less: Income tax expense (note 6(17))**		578	-	2,405	-
	Net Income		(24,536)	(3)	69,565	5
8300	**Other Comprehensive Income (Loss):**					
8310	**Items that will not be reclassified subsequently to profit or loss**					
8311	Remeasurement of defined benefit obligation		454	-	39	-
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income		(239)	-	10	-
	Total items that will not be reclassified subsequently to profit or loss		215	-	49	-
8300	**Other Comprehensive Income (Loss), Net of Income Tax**		215	-	49	-
	Total Comprehensive Income	$	(24,321)	(3)	69,614	5
	Net Income Attributable to:					
8610	Shareholders of the parent company	$	(21,172)	(3)	68,697	5
8620	Non-controlling interests		(3,364)	-	868	-
		$	(24,536)	(3)	69,565	5
	Comprehensive Income Attributable to:					
8710	Shareholders of the parent company	$	(20,957)	(3)	68,746	5
8720	Non-controlling interests		(3,364)	-	868	-
		$	(24,321)	(3)	69,614	5
	Earnings Per Share (NT$, Note 6(20))					
9750	**Basic(diluted) earnings per share (NT$)**	$	(0.27)		0.88	

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

Chairman (Legal Representative): Chao-Ching Investment Inc. Representative: Tzu, San-Te   General Manager: Tzu, San-Te   Accounting Manager: Liao, Hsiao-Ching

Hsinjing Holding Co., Ltd., and Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the years ended December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent						
				Others			
	Common stock	Capital Surplus	Unappropriated ccumulated deficit	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 as of January 1, 2022	$ 780,900	148,249	(317,030)	(319)	611,800	9,135	620,935
Net income	-	-	68,697	-	68,697	868	69,565
Other comprehensive income	-	-	39	10	49	-	49
Total comprehensive income	-	-	68,736	10	68,746	868	69,614
Share-based payment transactions	-	1,278	-	-	1,278	-	1,278
Balance as of December 31, 2022	780,900	149,527	(248,294)	(309)	681,824	10,003	691,827
Net loss	-	-	(21,172)	-	(21,172)	(3,364)	(24,536)
Other comprehensive income	-	-	454	(239)	215	-	215
Total comprehensive income	-	-	(20,718)	(239)	(20,957)	(3,364)	(24,321)
Share-based payment transactions	-	924	-	-	924	-	924
Increase (decrease) in non-controlling interests	-	-	-	-	-	(33)	(33)
Balance as of December 31, 2023	**$ 780,900**	**150,451**	**(269,012)**	**(548)**	**661,791**	**6,606**	**668,397**

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

Chairman (Legal Representative): Chao-Ching Investment Inc. Representative: Tzu, San-Te   General Manager: Tzu, San-Te   Accounting Manager: Liao, Hsiao-Ching

Hsinjing Holding Co., Ltd., and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

	2023	2022
Cash Flows from Operating Activities:		
Income(loss) before income tax	$ (23,958)	71,970
Adjustments for:		
Income and expenses		
Depreciation expense	43,068	32,582
Amortized expense	670	-
Expected credit losses(gain)	612	(1,653)
Net loss on financial assets and liabilities at fair value through profit or loss	3,250	8,400
Financial costs	17,547	10,630
Interest income	(2,186)	(518)
Share-based compensation costs	924	1,278
Share of loss(profits) of associates and joint ventures accounted for using the equity method	11,276	(748)
Losses (gain) on disposal of property, plant and equipment	(65)	15
Gain recognized in bargain purchase transaction	(672)	-
Impairment loss (gain) on non-financial assets	(12,116)	12,116
Unrealized gain on sales from associates	-	2,869
Realized gain on sales from associates	(6,208)	(303)
Total adjustments to reconcile profit	56,100	64,668
Changes in operating assets and liabilities:		
Contractual assets	(61,862)	(191,299)
Accounts receivables	33,094	(54,028)
Receivables from related parties	67,209	(45,625)
Other receivables	(34,454)	(546)
Inventory	139,846	(407,624)
Prepayments	(72,118)	2,030
Other current assets	(272)	(613)
Contractual liabilities	(111,020)	86,336
Notes payables	11,940	-
Accounts payables	106,015	16,538
Payables from related parties	490	(2,148)
Other payables	(8,375)	7,884
Net defined benefit assets	(187)	-
Other current liabilities	922	2,073
Net defined benefit liabilities	160	(29)
Total adjustments	127,488	(522,383)
Cash generated from operating activities:	103,530	(450,413)
Interest received	2,186	518
Dividends received	1,731	2,250
Interest paid	(10,760)	(3,974)
Income tax paid	(3,541)	(25)
Net cash generated (used) in operating activities	93,146	(451,644)
Cash Flows from Investing Activities:		
Acquisition of investments accounted for using the equity method	(37,538)	(5,880)
Acquisition of subsidiary	-	(9,000)
Acquisition of property, plant and equipment	(455,586)	(37,054)
Disposal of property, plant and equipment	106	10
Decrease in refundable deposits	97,718	3,642
Proceeds from business combinations	-	1,847
Increase in other financial assets	(7,740)	(24,087)
Increase in other noncurrent financial assets	(50,734)	(50,834)
Decrease (increase) in equipment prepayments	(118)	141
Net cash used in investing activities	(453,892)	(121,215)
Cash Flows from Financing Activities:		
Increase in short-term borrowings	608,120	912,111
Decrease in short-term borrowings	(494,632)	(412,547)
Increase in long-term borrowings	247,141	93,573
Repayment of long-term borrowings	(41,514)	(19,904)
Payments of lease liabilities	(48,236)	(25,978)
Change in non-controlling interests	(33)	-
Net cash generated in financing activities	270,846	547,255
Net Decrease in Cash and Cash Equivalents	(89,900)	(25,604)
Cash and Cash Equivalents at beginning of year	225,422	251,026
Cash and Cash Equivalents at end of year	$ 135,522	225,422

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

Chairman (Legal Representative): Chao-Ching Investment Inc. Representative: Tzu, San-Te General Manager: Tzu, San-Te Accounting Manager: Liao, Hsiao-Ching

Hsinjing Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022.

(Amounts in thousands of New Taiwan dollars unless otherwise stated)

1. Company History

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 were 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 means of share exchange with one common stock of the Company for each common stock of TYNSOLAR. The share exchange 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 February 29, 2024.

3. New standards, amendments and interpretations adopted:

(1) The impact of the International Financial Reporting Standards ("IFRS") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have been adopted
The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- 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"

(2) The impact of IFRS issued by the FSC but not yet effective

The Group assess that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Boards (IASB), but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Content of amendment	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	To be determined by IASB

The Group is currently evaluating the impact of the abovementioned 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
- Amendment to IFRS 17, "Initial application of IFRS 17 and IFRS 9 comparative information"
- Amendment to IFRS 21, "Lack of Exchangeability"

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies presented in the consolidated financial statements are summarized as follows. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(1) Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "Regulations") and the International Financial Reporting Standards, the International Accounting Standards, IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (collectively the "Standards").

(2) Basis of Preparation

A. Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical basis:

(a) Financial instruments at fair value through profit or loss are measured at fair value,
(b) Financial assets at fair value through other comprehensive income at fair value,
(c) The defined benefit liabilities(assets) are measured at fair value of the plan assets less the present value of the defined benefit obligations.

B. Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(3) Basis of Consolidation

A. Preparation principle of consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control 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 will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

Upon the loss of control, the Group derecognizes the carrying amounts of the assets and liabilities of the subsidiary. Any interest retained in the former subsidiary is measured at fair value when control is lost. The gain or loss is measured as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained non-controlling investment in the former subsidiary at the date when the Company losses control; and (ii) the aggregate of the carrying amount of the former subsidiary's assets, liabilities and non-controlling interests at the date when the Group losses control. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

B. The subsidiaries in the consolidated financial statements

The detail information of the subsidiaries at the end of reporting period was as follows:

			Percentage of Ownership		
Name of Investor	**Name of Investee**	**Main Business and Products**	**December 31, 2023**	**December 31, 2022**	**Note**
The Company	TYNSOLAR Corporation ("TYNSOLAR")	Research and development, manufacturing and sales of solar panel modules	100.00%	100.00%	
The Company	Hsinjing Renewable Energy Investment Co., Ltd. (Hsinjing Renewable Energy)	Renewable energy Self-Use Power Generation Equipment	83.33%	100.00%	(note 1)
The Company	Hsinjing Solar Energy Systems Co., Ltd. (Hsinjing Solar Energy)	Renewable energy Self-Use Power Generation Equipment	78.33%	78.33%	
The Company	Dingyu Solar Co., Ltd. (Dinyu Solar)	Wholesale and retail of other metallic building materials	100.00%	- %	(note 4)
Hsinjing Renewable Energy	Hsukuang Photovoltaic Co., Ltd. (Hshukuang Photovoltaic)	Wholesale and retail of other metallic building materials	51.00%	51.00%	
Hsinjing Renewable Energy	Chaoyang Solar Co., Ltd. ("Chaoyang Solar")	Wholesale and retail of other metallic building materials	100.00%	100.00%	
Hsinjing Renewable Energy	Hsinjing Energy Co., Ltd. (Hsinjing Energy)	Renewable energy Self-Use Power Generation Equipment	64.91%	64.91%	
Hsinjing Renewable Energy	Chao-Ching Tech Corporation (Chao Ching Corp.)	Renewable energy Self-Use Power Generation Equipment	100.00%	- %	(note 2)
TYNSOLAR Corporation	Hsinjing Renewable Energy	Renewable energy Self-Use Power Generation Equipment	16.67%	- %	(note 1)
TYNSOLAR Corporation	Suncruise Tech Co., Ltd. ("Suncruise Tech")	Waste removal and decommissioning	100.00%	100.00%	
TYNSOLAR Corporation	Dingyu Solar Co., Ltd. (Dinyu Solar)	Wholesale and retail of other metallic building materials	- %	100.00%	(note 4)
TYNSOLAR Corporation	Hsinjing Energy Co., Ltd. (Hsinjing Energy)	Renewable energy Self-Use Power Generation Equipment	35.09%	35.09%	
TYNSOLAR Corporation	Hsinjing Solar Tech Co., Ltd. (Hsinjing Solar Tech)	Electricity Retailing	100.00%	- %	(note 3)
Suncruise Tech	Hsinjing Clean Energy Co., Ltd. (Hsinjing Clean Energy)	Waste removal and decommissioning	100.00%	100.00%	
Hsinjing Energy	Yangfu International Co., Ltd. (Yangfu International)	Renewable energy Self-Use Power Generation Equipment	100.00%	100.00%	

Note 1: In January, February and November of 2023, Hsinjing Renewable Energy increased its capital by cash in which TYNSOLAR Corporation subscribed to the new shares, resulting in ownership percentage of Hsinjing Renewable Energy by the Company and TYNSOLAR Corporation amounting 83.33% and 16.67%, respectively.

Note 2: Hsinjing Renewable Energy established its newly 100% owned subsidiary, Chao-Ching Corporation, authorized by the Ministry of Economic Affairs on June 17, 2023, wherein it was included in the consolidated financial statements since its inception.

Note 3: TYNSOLAR Corporation established its newly 100% owned subsidiary, Hsinjing Solar Tech, authorized by the Ministry of Economic Affairs on June 17, 2023, wherein it was included in the consolidated financial statements since its inception.

Note 4: The Company purchased 100% of the shares of Dinyu Solar in November 2023, wherein it was included in the consolidated financial statements since its inception.

C. Subsidiaries not included in the consolidated financial statements: None.

(4) 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.

Exchange differences are generally recognized in profit or loss.

(5) Classification of Current and Non-current Assets and Liabilities

An asset is classified as current under one of the following criteria, and all other assets that are classified as non-current.

A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
B. It is held primarily for purpose of trading;
C. It is expected to be realized within twelve months after the reporting period; or
D. The asset is cash or cash equivalent unless the asset is otherwise restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities that are classified as non-current.

A. It is expected to be settled in the normal operating cycle;
B. It is held primarily for the purpose of trading;
C. It is expected to be settled within twelve months of the reporting period; or
D. It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of the liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(6) Cash and Cash Equivalent

Cash and cash equivalents comprise cash, cash in bank and time deposits with maturities of less than three months. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(7) Financial Instruments

Accounts receivables 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 component) 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 receivables that do not involve significant financial components are measured initially at their transaction prices.

A. 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:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is 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) 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, 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 that are determined to have a low credit risk on the reporting date; and
- 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 receivables 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.

(d)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.

B. Financial liabilities and equity instruments

(a)Classification of 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 instruments

An equity instrument is any contract that recognizes the Group's residual interest of assets 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 New Taiwan Dollar), 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.

(8) Inventory

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

Inventories are measured at the lower of cost and net realizable. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs, and other costs, calculated on 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.

(9) 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.

(10) 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 characteristics, (a). the parties are bound by a contractual arrangement; and (b). 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 returns 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 accounting policies of the equity method, please refer to Note 6(6).

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.

(11) Property, Plant and Equipment

A. 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.

B. Subsequent costs

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

C. 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 methods, useful lives and residual values at each reporting date and adjusted if appropriate.

(12) 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.

A. 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 in-substance fixed payment;
(b) variable lease payment that depend on an index or rate, measured initially using the index or rate at the commencement date;
(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 lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(a) there is a change in future lease payments arising from the change in an index or rate; or
(b) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
(c) there is a change of its assessment on a purchase option; or
(d) there is a change of its assessment on whether it will exercise an extension or termination option; or
(e) there is any lease modification.

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 presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

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.

B. Lessor

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 asset, and as operating lease if it does not. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset.

(13) 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 and contract 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.

(14) Provision

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest cost.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(15) 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:

A. Sale of goods

The Group’s sales of goods is from 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 warranties on products sold, thereby having an obligation to refund for defects, and recognizes them as provision for warranties 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.

B. Services

Revenue from services is recognized when the services are rendered.

C. Electricity sales

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

D. Construction

The Group engages in contracting for the construction of power plants with specifications specified by the customer. The Group recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract, and only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognizes will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

E. Financial components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(16) Employee Benefits

A. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

B. Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(17) Share-based Payment

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 to reflect the number of awards for 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 Group's share-based payment is the date on which the Group and the employee agree on the subscription price and the number of shares to be subscribed.

(18) 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:

A. 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

B. 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:

A. There is a right by law to offset the period's income tax assets and income tax liabilities; and

B. 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.

(19) 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.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments. 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 components of non-controlling interest are measured at their acquisition-date fair values unless another measurement basis is required by the IFRSs endorsed by the FSC.

(20) Earnings Per Share

The Group accounts for the basic and diluted earnings per share attributable to the ordinary shareholders of the Company's common stock. The basic earnings per share is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company's common stock by the weighted-average number of common shares outstanding during the period. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as convertible bonds and employee stock options.

(21) Operating 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 consists of standalone financial information.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated 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. Contents of Significant Accounts

(1) Cash and Cash Equivalents

		December 31, 2023	December 31, 2022
Cash on hand	$	102	55
Demand deposits		135,290	225,367
Time deposits		130	-
	$	135,522	225,422

Please refer to note6(24) for the sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

(2) Financial liabilities at fair value through profit or loss

		December 31, 2023	December 31, 2022
Financial liabilities that must be measured at fair value through profit or loss – noncurrent			
Issuance of convertible bonds with put option	$	15,500	12,250

Please refer to Note 6(23) for the amount recognized in profit or loss based on fair value remeasurement.

(3) Financial assets at fair value through other comprehensive income—noncurrent

	December 31, 2023	December 31, 2022
Equity instruments measured at fair value through other comprehensive income:		
Domestic non-publicly traded stock -Chinghung Green Energy Co., Ltd.	$ 639	874
Domestic non-publicly traded stock - Liho Energy Co., Ltd.	508	512
Total	$ 1,147	1,386

a. 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.

b. The abovementioned financial assets were not pledged as collateral for long-term loans or financing facilities.

(4) Accounts Receivables

	December 31, 2023	December 31, 2022
Accounts receivables	$ 39,903	72,997
Accounts receivables from related parties	11,567	78,776
Less: Loss allowance	(624)	(12)
	$ 50,846	151,761

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The expected credit losses of the Group's accounts receivable are analyzed as follows:

	December 31, 2023		
	Account receivable carrying amount	Weighted average credit loss ratio	Loss allowance provision
Current	$ 50,846	0%	-
Overdue 121~365 days	624	100%	(624)
	$ 51,470		(624)

	December 31, 2022		
	Account receivable carrying amount	Weighted average credit loss ratio	Loss allowance provision
Current	$ 136,504	0%	-
Overdue 1~30 days	1,904	0%	-
Overdue 31~120 days	13,365	0.09%	(12)
	$ 151,773		(12)

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

		2023	2022
Balance on January 1	$	12	1,665
Impairment loss (gains) recognized		612	(1,653)
	$	**624**	**12**

The Group’s accounts receivable motioned above were not pledged as collateral.

(5) Inventories

		December 31, 2023	December 31, 2022
Power plant construction in progress	$	20,575	483,457
Merchandise		109,441	200,248
	$	**130,016**	**683,705**

The details of the cost of goods sold were as follows:

		2023	2022
Inventories that have been sold	$	584,002	1,036,237
Others		46,283	28,141
	$	**630,285**	**1,064,378**

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

(6) Investments Accounted for Using the Equity Method

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

		December 31, 2023	December 31, 2022
Associates	$	21,360	12,927
Joint venture		75,828	41,406
	$	**97,188**	**54,333**

The related information of the major associate to the Group was as follows:

			Percentage of Ownership	
Name of Associate	**Nature of Relationship with the Group**	**Main Business Venue/Country of Incorporation**	**December 31, 2023**	**December 31, 2022**
Yabisi Solar Power	The main business is the operation of renewable energy self-use power-generating equipment and the development of solar power plant-related business for the Group	Taiwan	40.00%	40.00%
Santing Energy	The main business is the operation of renewable energy self-use power-generating equipment and the development of solar power plant-related business for the Group	Taiwan	40.00%	40.00%

Tailai Energy	The main business is the operation of renewable energy self-use power-generating equipment and the development of solar power plant-related business for the Group	Taiwan	66.60%	40.60%

A. Yabisi Solar Power Co., Ltd. (Yabisi Solar Power)

(a) The Group acquired 40.00% of the shares of Yabisi Solar Power on April 2021 from Leader GUH Renewable Energy Sdn. Bhd. (Leader GUH) and entered into a joint venture agreement, recognized using the equity method.

(b) Da Zhan Corporation had disposed 60% of the shares of Yabis Solar Power to the third party, thereafter the joint agreement between Da Zhan and the Group had been terminated and thereafter the financial asset was reclassified from joint venture to associate using equity method.

(c) The Group participated the cash capital increase of Yabis Solar Power with 40% of shares holding on August 2023.

(d) Summary of Yabisi Solar Power's financial information

	December 31, 2023	December 31, 2022
Current assets	$ 54,188	42,007
Non-current assets	9,185	37,599
Current liabilities	(9,973)	(88)
Net assets	**$ 53,400**	**79,518**
Share of net assets attributable to the Group	$ 21,360	31,807
Accumulated impairment loss	-	(12,116)
Write off unrealized gains (losses) from downstream transactions	-	(5,786)
Carrying amount of equity in joint venture	**$ 21,360**	**13,905**

	2023	2022
Operating revenue	**$ -**	**-**
Net income(loss) for the period	$ (36,117)	(244)
Other comprehensive income	-	-
Total of comprehensive income	**$ (36,117)**	**(244)**
Total comprehensive income attributable to the Group	**$ (14,447)**	**(97)**

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 was rejected in May, Yabis Solar Power filed administrative litigation again in June, the legal proceedings were pending.

In light of the circumstances, the Group considered its investments using equity method had been impaired and recognized an impairment loss of $12,116 thousand under other gains and losses in 2022. The case had been rejected in May 2023, the Group recognized loss in investments on the basis of shares of the ownership, remeasured and reversed the aforementioned impairment loss of $12,116 thousand and recognized it under other gains and loss. Please refer to Note 6(23) for more information.

B. Tailai Energy Co., Ltd. (Tailai Energy)

(a) In September 2021, the Group acquired 36.22% of the shares of Tailai Energy. However, the Group was not the single largest shareholder of Tailai Energy and, therefore, was deemed to only have significant influence over the associate.

(b) In December 2022, the Group increased its ownership of Tailai Energy to 40.60% by participating in the cash capital increase with $5,880 thousand.

(c) The Group resigned a new joint venture agreement with Tailai Energy in November 2023 and acquired shares of Taili Energy from its original shareholders by cash in 9,538 thousand and therefore the Group increased its ownership to 66.60%. However, according to the agreement, the resolution should be approved by the board of directors, therefore the Group does not have control over Tailai Energy and reclassified it from associate to joint venture using equity method.

(d) Summary of Tailai Energy's financial information

		December 31, 2023	December 31, 2022
Current assets	$	33,696	28,890
Non-current assets		41,702	5,921
Current liabilities		(43,360)	(5,398)
Net assets	$	32,038	29,413
Net assets attributable to noncontrolling interests	$	21,338	11,942
Goodwill		2,192	985
Carrying amount of equity in joint venture	$	23,530	12,927

		2023	2022
Operating revenue	$	-	-
Net income for the period	$	2,626	(2,950)
Other comprehensive income		-	-
Total comprehensive income	$	2,626	(2,950)
Total comprehensive income attributable to owners of the Group	$	1,065	(1,078)

C. Santing Energy Co., Ltd. (Santing Energy)

(a) The Group joint had a venture agreement with Da Zhan Co. and acquired 40.00% of the shares of Santing Energy in April 2021 and recognized it with equity method.

(b) In the first quarter of 2023, the Group increased its ownership of Santing Energy by participating in the cash capital increase with $24,000 thousand.

(c) Summary of Santing Energy's financial information

		December 31, 2023	December 31, 2022
Current assets	$	58,012	14,678
Non-current assets		306,933	292,496
Current liabilities		(16,738)	(45,307)
Non-current liabilities		(198,837)	(173,434)
Net assets	$	149,370	88,433
Net assets attributable to noncontrolling interests	$	59,748	35,374
Write off unrealized gains (losses) from downstream transactions		(7,554)	(7,977)

Goodwill	104	104
Carrying amount of equity in joint venture	$ 52,298	27,501

	2023	2022
Operating revenue	$ 31,208	24,935
Net loss for the period	$ 5,265	4,808
Other comprehensive income	-	-
Total comprehensive income	$ 5,265	4,808
Total comprehensive income attributable to the Group	$ 2,106	1,923

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

(7) Share of changes in equities of subsidiaries

a. Tynsolar acquired shares of Hsinjing Renewable Energy in January, February and November 2023 by cash paid-in, respectively, resulting in increase of ownership of Hsinjing Renewable Energy to 83.33% and 16.67%, respectively held by the Company and Tynsolar.

b. The Company acquired 100% of the shares of Dingyu Solar from Tynsolar in November 2023, resulting Tynsolar lost the control over Dingyu since the date of acquisition, and Dinyu Solar has become 100% of the ownership held by the Company.

(8) Business Combination

A. Acquisition of subsidiaries

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.

B. Acquisition of net identifiable assets

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

	Yangfu International
Cash and cash equivalents	$ 1,847
Accounts receivables	377
Property, plant and equipment	18,745
Right-of-use assets	2,944
Intangible assets	6,704
Other payables	(1,529)
Lease liabilities	(2,954)
Long-term loans	(16,462)
Fair value of investees	$ 9,672
Share of the identifiable assets acquired by the Company	$ 9,672

As of December 31, 2022, new information about the facts and circumstances that existed on the acquisition date has not yet obtained, therefore the Company recognized goodwill amounted to $6,793 thousand based on the provision for assets and liabilities existing at the acquisition date.

In 2023, the fair value of identifiable assets on the acquisition date was remeasured and adjusted the value of goodwill, property, plant and equipment and intangible assets, recognized gain in bargain purchase transaction amounted to $672 thousand.

C. Gain in bargain purchase transaction

The detailed information of gain in bargain purchase transaction is as follows:

	Yangfu International
Consideration transferred	$ 9,000
Less: Fair value of identifiable assets	(9,672)
Gain in bargain purchase	$ (672)

(9) Subsidiaries that have non-controlling interests that are material to the Group

The related information of the subsidiaries that have non-controlling interests that are material to the Group was as follows:

Subsidiary Name	Main Business Venue/Country of Incorporation	Percentage of ownership and voting rights December 31, 2023	December 31, 2022
Hsinjing Solar Energy	Taiwan	21.67%	21.67%

The following information of the aforementioned subsidiaries have been prepared in accordance with the IFRSs endorsed by the FSC. Included in this information are the fair value adjustment made during the acquisition and the relevant difference in accounting principles between the Group and its subsidiaries as at the acquisition date. Intra-group transactions were not eliminated in this information.

	December 31, 2023	December 31, 2022
Current assets	$ 47,838	57,819
Noncurrent assets	1,279	1,948
Current liabilities	(8,097)	(21,584)
Noncurrent liabilities	(7,000)	-
Net assets	$ 34,020	38,183
Share of net assets attributable to non-controlling interests	$ 7,371	8,273
Less: unrealized gains on sales	(1,371)	**(1,885)**
Carrying amount of noncontrolling interests at the end of the period	$ 6,000	6,388

	2023	2022
Operating revenue	$ 26,227	62,563
Net income (loss) for the period	$ (4,163)	13,298
Other comprehensive income	-	-
Total comprehensive income	$ (4,163)	13,298
Net income (loss) attributable to noncontrolling interests for the period	$ (902)	2,881
Total comprehensive income attributable to non-controlling interests	$ (902)	2,881

(10) Property, Plant and Equipment

The movements of the property, plant and equipment of the Group were as follows:

	Machinery equipment	Transportation equipment	Office equipment	Lease improvement	Other equipment	Construction in progress	Total
Costs or recognized costs:							
Balance, January 1, 2023	$ 455,993	12,466	15,774	-	4,011	-	488,244
Additions	5,523	2,420	3,717	-	589	447,362	459,611
Disposals	(2,632)	(138)	(634)	-	(455)	-	(3,859)
Reclassification	195,363	-	-	-	-	223,899	419,262
Balance, December 31, 2023	$ 654,247	14,748	18,857	-	4,145	671,261	1,363,258
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
Depreciation and impairment losses:							
Balance, January 1, 2023	$ 71,110	3,442	13,688	-	3,332	-	91,572
Depreciation	32,798	2,647	2,811	-	459	-	38,715
Disposals	(2,632)	(97)	(634)	-	(455)	-	(3,818)
Reclassification	(916)	-	-	-	-	-	(916)
Balance, December 31, 2023	$ 100,360	5,992	15,865	-	3,336	-	125,553
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
Disposals	(35,491)	(42)	(42)	(490)	-	-	(36,065)
Balance, December 31, 2022	$ 71,110	3,442	13,688	-	3,332	-	91,572
Carrying amounts:							
Balance, December 31, 2023	$ 553,887	8,756	2,992	-	809	671,261	1,237,705
Balance, January 1, 2022	$ 249,341	7,041	4,012	26	1,112	-	261,532
Balance, December 31, 2022	$ 384,883	9,024	2,086	-	679	-	396,672

A. The amounts of interest capitalized on borrowing costs for the years ended on December 31, 2023 and 2022, were insignificant.

B. The reclassification was due to transfer in from inventories.

C. Please refer to note 8 for guarantees for borrowing facilities and convertible bonds as of December 31, 2023 and 2022.

(11) Right-of-use Assets

The movements of right-of-use assets of the Group were as follows:

	Buildings	Transportation equipment	Total
Costs for right-of-use assets			
Balance, January 1, 2023	$ 166,095	3,498	169,593
Additions	37,145	-	37,145
Disposals	-	(3,498)	(3,498)
Balance, December 31, 2023	**$ 203,240**	**-**	**203,240**
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**
Accumulated depreciation for right-of-use assets			
Balance, January 1, 2023	$ 11,103	2,800	13,903
Depreciation	3,655	698	4,353
Disposals	-	(3,498)	(3,498)
Reclassification	7,734	-	7,734
Balance, December 31, 2023	**$ 22,492**	**-**	**22,492**
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**
Carrying amounts:			
December 31, 2023	**$ 180,748**	**-**	**180,748**
January 1, 2022	**$ 13,313**	**2,118**	**15,431**
December 31, 2022	**$ 154,992**	**698**	**155,690**

During 2022, the Group secured a lease contract for the installation of photovoltaic power generation equipment on real estate owned by the government 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.

(12) Short-term loans

	December 31, 2023	December 31, 2022
Guaranteed bank loans	$ 652,507	584,847
Other guaranteed loans	64,200	64,200
	$ 716,707	**649,047**
Unused credit	**$ 1,794,591**	**2,334,754**
Interest rate range, end of period	**0.5%~3.3%**	**1.75%~3.175%**

A. The other guaranteed loans as of December 31, 2023 and 2022, were guaranteed by the Group's commercial paper amounted to $64,200 thousand.

B. 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.

C. 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.

(13) Long-term bank loans

	December 31, 2023				
	Currency	**Interest rate range**	**Year due**		**Amount**
Guaranteed bank loans	NTD	0.5%~2.6%	116~127	$	365,074
Less: portion due in one year					(19,685)
Total				$	345,389
Unused credit				$	2,344,203

	December 31, 2022				
	Currency	**Interest rate range**	**Year due**		**Amount**
Guaranteed bank loans	NTD	1.970%~2.885%	112~121	$	113,619
Less: portion due in one year					(9,710)
Total				$	103,909
Unused credit				$	3,692,895

A. 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.

B. Please refer to notes 7 and 8 for details on the bank loan guarantees that are cosigned by the key management personnel of the Group or for which assets were pledged as collaterals.

(14) Bonds payable

The Group's bonds payable were as follows:

		December 31, 2023	**December 31, 2022**
Total guaranteed convertible bonds	$	500,000	500,000
Less: Discount on bonds payable－unamortized amount		(2,049)	(8,665)
Balance of bonds payable, end of period	$	497,951	491,335
Embedded derivatives－call and put options (recognized in financial liabilities at fair value through profit or loss)	$	15,500	12,250
Equity components－conversion rights (reported as capital surplus -stock options)	$	84,584	84,584

		2023	2022
Embedded derivatives－call and put options remeasured at fair value through profit or loss (recognized in other profit or loss)	$	(3,250)	(8,400)
Interest expense	$	6,616	6,581

Please refer to Note 6(23), 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 issuance costs amounting $6,280 thousand. The key terms for the bonds are as follows:

A. Issue Period: Five years (from March 10, 2021, to March 10, 2026)

B. Repayment Method: 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.

C. 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.

D. 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.

E. 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.

(15) Lease Liabilities

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

	December 31, 2023	December 31, 2022
Current	$ 65,372	19,356
Noncurrent	$ 64,617	121,725

Please refer to Note 6(24), for the maturity analyses of financial instruments.

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

	2023	2022
Interest expense for lease liabilities	$ 1,497	1,208
Various lease payments excluded from measurement of lease liabilities	$ 3,640	2,088
Short-term lease expenses	$ 2,322	2,547
Expense for low-value lease assets (excluding low-value leases in short-term leases	$ 1,277	1,168

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

	2023	2022
Total cash out-flow from leases	$ 56,972	32,989

A. Lease of 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.

B. 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 refer to Note 7 for information on the guarantees cosigned by the key management of the Group to the lessors.

(16) Employee Benefits

A. Defined benefit plans

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 338	777
Fair value of plan assets	(525)	(483)
Net defined benefit liability (assets)	$ (187)	294

The Group contributed to the Bank of Taiwan's Labor Retirement Reserve Fund as defined benefit plan. 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 reporting date, the balance in the Group’s labor pension reserve funds account in the Bank of Taiwan's was $525 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) Movement in the present value of the defined benefit obligation

The movements in the present value of the Group's defined benefit obligation for the years ended on December 31, 2023 and 2022 were as follows:

	2023	2022
Defined benefit obligation, January 1	$ 777	780
Service cost and interest for the period	11	6
Remeasurement of net defined benefit liability (assets)	(450)	(9)
Defined benefit obligation, December 31	**$ 338**	**777**

(c) Movement in the fair value of plan assets

The movements in the fair value of the Group 's defined benefit plan assets for the years ended on December 31, 2023 and 2022, were as follows:

	2023	2022
Fair value of plan assets, January 1	$ 483	418
Interest income	7	3
Amount contributed to the plan	31	32
Expected return on planned assets	4	30
Fair value of plan assets, December 31	**$ 525**	**483**

(d) Expenses recognized in profit or loss

For the years ended on December 31, 2023 and 2022, the Company recognized the following expenses:

	2023	2022
Current service cost	**$ 4**	**3**

	2023	2022
Operating expenses	**$ 4**	**3**

(e) Actuarial assumptions

The Group's key actuarial assumptions at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.30%	1.41%
Future salary increase rate	3.50%	3.50%

The Group expects to make contributions of $31 thousand to the defined benefit plans within one year from the reporting date in 2023.
The weighted-average duration of the defined benefit obligation is 13.6 years.

(f)Sensitivity analysis

If there was a change in the actuarial assumption, the impact on the present value of the defined benefit obligation as of December 31, 2023 and 2022 would be as follows:

	Impact on present value of defined benefit obligations	
	Increase	**Decrease**
December 31, 2023		
0.25% change in discount rate	$ (14)	15
0.50% change in future salary increase rate	28	(26)
December 31, 2022		
0.25% change in discount rate	(28)	29
0.50% change in future salary increase rate	57	(53)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the consolidated balance sheets.

The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet for the years of 2023 and 2022 are the same.

(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.

B. Defined contribution plans

The Group's domestic subsidiaries allocated 6% of each employees' monthly wages to the labor pension personal account at the Bureau of Labor Insurance, Ministry of Labor (the Bureau of Labor Insurance) in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations thereafter.

For the years ended on December 31, 2023 and 2022, the Group’s pension expenses under the defined contribution pension plan were $2,808 thousand and $2,459 thousand, respectively, which have been transferred to the Bureau of Labor Insurance. ◦

(17) Income Tax

A. 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, 2023 and 2022, were as follows:

		2023	2022
Income tax expenses for the period			
Current period	$	578	2,405
Income tax expenses	$	578	2,405

(b) Reconciliations of income tax expense and profit before income taxes for the years ended on December 31, 2023 and 2022 were as follows:

		2023	2022
Net income before income tax	$	(23,958)	71,970
Income tax based on the Group's domestic tax rate	$	(4,792)	14,394
Domestic investment losses (gains) under the equity method		2,255	(149)
Tax-exempt income		(351)	-
Permanent differences		548	308
Tax losses not recognized in the prior period		(10,531)	(24,896)
Tax losses from unrecognized deferred income tax assets		(227)	3,065
Unrecognized changes in temporary differences		(2,770)	4,840
Surtax on unappropriated retained earnings		160	-
Prior-year adjustment		(77)	-
Other expenses		16,363	4,843
Income tax expense	$	578	2,405

B. Deferred income tax assets and liabilities

(a) Unrecognized deferred income tax assets

The following items were unrecognized deferred income tax assets:

		December 31, 2023	December 31, 2022
Deductible temporary differences	$	29,867	31,601
Tax loss		389,053	521,015
	$	418,920	552,616

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 Group would generate sufficient taxable income to be used for such temporary differences.

(c) The expiration years for the tax losses that had not been recognized by the Group as deferred income tax assets as of December 31, 2023, were as follows:

Year of loss	Unused loss carryforward	Expiration year
2013	$ 76,128	2023
2016	85,760	2026
2017	58,307	2027
2018	71,834	2028
2019	30,692	2029
2020	24,498	2030
2021	16,530	2031
2022	18,395	2032
2023	6,909	2033
	$ 389,053	

C. Examination and approval

The income tax returns of the Company and its subsidiaries had been examined and assessed by the tax authority through 2021.

(18) Capital and Other Equity

A. Common stock

As of December 31, 2023 and 2022, 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.

B. Capital surplus

The details of balance of the Company's capital surplus were as follows:

	December 31, 2023	December 31, 2022
Share premium	$ 57,138	57,138
Employee stock option	8,729	7,805
Conversion rights	84,584	84,584
Total	**$ 150,451**	**149,527**

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.

C. 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(22), 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 27, 2023, and June 28, 2022, the Company resolved the proposal for deficit offset for the years ended on December 31, 2022, and December 31, 2021.

(19) Share-based payment

On January 9, 2023, and August 13, 2021, the Board of Directors resolved to issue 270 and 500 units of employee stock option warrants, respectively; each unit eligible to subscribe to 1,000 shares of the Group's common stock. The options may be granted to qualified employees of the Group. Issuance of the warrants had been reported to and approved by the Securities and Futures Bureau of the FSC, and all warrants were issued on August 30, 2023 and January 21, 2022, respectively.

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, 2023, the information related to the share-based payment was as follows:

	2023	2022
Date granted	2023.8.30	2022.1.21
Number of units granted	270	500
Contract duration	5 years	5 years
Vesting period	Next 2 to 4 years	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:

	2023	2022
Exercise price (NT$)	24.75	36.15
Duration (year)	5 years	5 years
Price at grant (NT$)	24.75	36.15
Expected volatility (%)	40.86%	37.79%
Expected dividend rate (%)	(Note 1)	(Note 1)
Risk-free interest rate (%)	(Note 2)	(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 August 30, 2023 and January 21, 2022, respectively.

(20) Earnings Per Share

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

	2023	2022
Basic earnings per share		
Net income attributable to shareholders of the parent company	$ (21,172)	68,697
Weighted-average number of shares outstanding during the year	78,090	78,090
Basic earnings per share (NT$)	$ (0.27)	0.88
Diluted earnings per share		
Net income attributable to shareholders of the parent company (Diluted)	$ (21,172)	68,697
Weighted-average number of shares outstanding during the year (Note)	78,090	78,090
Diluted earnings per share (NT$)	$ (0.27)	0.88

Note: The Company's convertible bonds and employee stock option warrants issued in the year of 2023 and 2022 were anti-dilutive and therefore were not included in the calculation of diluted earnings per share based on the weighted average number of shares outstanding.

(21) Revenue from contracts with the customers

A. The details of revenue were presented by segments as follows:

		2023	2022
Major geographical markets:			
Taiwan	$	760,169	1,275,870
Major product/service lines:			
Electricity	$	84,307	61,887
Merchandize		206,983	339,261
Services		9,056	3,732
Constructions		459,823	870,990
	$	760,169	1,275,870

B. Contractual balances

		December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable	$	39,903	72,997	18,592
Accounts receivable–related parties		11,567	78,776	33,151
Less: loss allowance		(624)	(12)	(1,665)
Total	$	50,846	151,761	50,078
Contract assets	$	302,311	240,449	49,150
Contract liabilities－power plant sales	$	73,093	173,347	101,814
Contract liabilities－Merchandize sales		20,196	30,962	16,159
Total	$	93,289	204,309	117,973

Please refer to note 6(4) for the disclosure on accounts receivable and the impairment.

The balances of contract liabilities as of January 1, 2023 and 2022, were recognized as income in the amounts of $187,503 and $104,582, respectively, for the years ended on December 31, 2023 and 2022.

(22) 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, 2023 and 2022, 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.

(23) Non-operating Revenue and Expenses

A. Interest income

The Group's interest income was as follows:

	2023	2022
Interests from bank deposits	$ 2,186	518

B. Other income

The Company's other income was as follows:

	2023	2022
Bargain purchase gains	$ 672	-
Dividends	7	-
Others	461	132
	$ 1,140	132

C. Other gains and losses

The Group's other gains and losses were as follows:

	2023	2022
Gains (losses) on disposal of property, plant and equipment	$ 65	(15)
Foreign exchange losses	(474)	(1,712)
Net loss on financial assets and liabilities at fair value through profit or loss	(3,250)	(8,400)
Handling fees	(11,151)	(10,812)
Impairment gain (loss) on non-financial assets using equity method	12,116	(12,116)
Other gains and losses	-	(22)
	$ (2,694)	(33,077)

D. Financial costs

The Group's financial costs were as follows:

	2023	2022
Interest on bank loans	$ 9,263	2,766
Interest compensation	6,616	6,581
Interest on lease liabilities	1,497	1,208
Interest on settled liabilities	171	75
	$ 17,547	10,630

(24) Financial Instruments

A. Credit risk

(a) Maximum amount of credit risk exposure

The Group's maximum exposure to credit risk was mainly from the carrying amount of financial assets.

(b) Concentration of credit risk

The Group's potential credit risk is derived primarily from cash and cash equivalents, financial assets carried at amortized cost and accounts receivable (including related parties). 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 end of the reporting period, the Company’s maximum credit risk exposure is mainly from the carrying amount of financial assets recognized in the consolidated balance sheets.

B. 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 and excluding the impact of netting agreements:

	Carrying amount	Contract cash flow	within one year	1~5 years	Over 5 years
December 31, 2023					
Non-derivative financial liabilities					
Short-term loans	$ 716,707	735,361	735,361	-	-
Accounts payable (including related parties)	225,712	225,712	225,712	-	-
Other payables (including related parties)	14,052	14,052	14,052	-	-
Lease liabilities	129,989	142,795	67,233	24,157	51,405
Long-term loans due in one year	19,685	27,804	27,804	-	-
Long-term bank loans	345,389	378,682	-	239,087	139,595
Bonds payable	497,951	500,000	-	500,000	-
	$ 1,949,485	2,024,406	1,070,162	763,244	191,000
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

The Group does not expect that the cash flows could occur significantly earlier or at significantly different amounts.

(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:

	December 31, 2023			December 31, 2022		
	Foreign currency	**Exchange rate**	**TWD**	**Foreign currency**	**Exchange rate**	**TWD**
Financial assets						
Monetary items						
US dollar	$ 45	USD/NTD = 30.705	1,386	45	USD/NTD = 30.71	1,370

(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, 2023 and 2022, 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 $11 thousand, respectively, for the years ended on December 31, 2023 and 2022.

(c) Exchange gains or losses on monetary items

The Group disclosed information on the foreign currency exchange gains or losses on monetary items in summary. The realized and unrealized foreign exchange gains or losses (including realized and unrealized) are $(474) thousand and ($1,712) thousand, respectively, for the years ended on December 31, 2023 and 2022.

D. 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 $10,818 thousand and $7,627 thousand for the years ended on December 31, 2023 and 2022, respectively.

E. Fair value information

(a) Fair value and carrying amounts

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 categories 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):

	December 31, 2023				
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	$ 1,147	-	-	1,147	1,147
Financial liabilities at fair value through profit or loss	$ 15,500	-	15,500	-	15,500
Financial liabilities at amortized cost					
Convertible bonds	$ 497,951	-	483,900	-	483,900

	December 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	$ 491,355	-	474,250	-	474,250

(b) Valuation techniques for financial instruments measured at fair value

The methods and assumptions used by the Group to estimate the financial instruments measured at fair value are as follows:

(i) Non-derivative financial instruments

The financial instruments held by the Company are measured using the quoted price in an active market.

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 sheets.

(ii) 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.

(iii) Reconciliation of Level 3 fair values

	Financial assets at fair value through other comprehensive income
January 1, 2023	$ 1,386
Recognized in other comprehensive income	(239)
December 31, 2023	**$ 1,147**
January 1, 2022	$ 1,376
Recognized in other comprehensive income	10
December 31, 2022	**$ 1,386**

The abovementioned total gains or losses was recognized as unrealized valuation loss on financial assets at fair value through other comprehensive income.

(iv) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group 's financial instruments that use Level 3 inputs to measure the fair value include financial assets at fair value through other comprehensive income - equity 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.

Quantified information of significant unobservable inputs was as follows:

Item	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 December 31, 2023 and December 31, 2022)	·The higher the discount for lack of marketability, the lower the fair value

(25) Financial Risk Management

A. 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 information, please refer to the relevant notes.

B. 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.

C. Credit risk

Credit risk is the risk of financial loss arising from the failure of the Group's customers or financial instrument counterparties to meet their contractual obligations. It is inherent primarily in the Group's accounts receivables.

(a) Investments

The credit risk in bank deposits, fixed-income investments and other financial instruments is measured and monitored by the Group's finance department. Considering that the Group deals only with banks and other external parties with good credit standing and with above investment grade financial institutions, corporate organization, management is not expecting non-compliance issues and 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. Considering 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, 2023 and 2022.

D. 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 refer to note 6(12) and note 6(13) for the Group’s unused short-term and long-term financing facilities as of December 31, 2023 and 2022.

E. 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 values of financial 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) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowing transactions that are denominated in the functional currencies of functional currencies of the Group, primarily the NTD. The currencies used in these transactions 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.

(26) 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, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 2,073,677	1,755,983
Less: cash and cash equivalents	(135,522)	(225,422)
Net liabilities	**$ 1,938,155**	**1,530,561**
Total capital	**$ 668,397**	**691,827**
Liability-to-capital ratio	**289.97%**	**221.23%**

The debt-to-capital ratio had increased as of December 31, 2023, 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 followings are related parties that have had transactions with the Company during the periods covered in the consolidated financial statements:

Name of related party	Relation with the Company
Liho Energy Co., Ltd.	Associate
Tailai Energy Co., Ltd.	Joint venture
Santing Energy Co., Ltd.	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
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
Yungjing Energy Co., Ltd.	The Company's chairperson is person in charge
Chaojing Solar Energy System Co., Ltd.	The Company's chairperson is person in charge
Chaojing 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
Hsinjing Lian Co., Ltd.	The Company's director is person in charge
Chiayo Energy Co.	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
Hueida Energy Corporation	The spouse of the Company's director is person in charge
Solarvest (Taiwan) Co., Ltd.	The parent company of the Company's associate
San-Te Tzu	Key management personnel
Huai-Tse Yu	Key management personnel

B. Significant Transactions with Related Parties

(a). Operating revenue

The Group's significant sales to related parties were as follows:

	2023	2022
Hsinking Construction Co., Ltd.	$ 298,836	657,078
Hsinhsin Investment Co., Ltd.	36,169	-
Hueida Energy Corporation	17,339	-
Santing Energy Co., Ltd.	5	51,829
Others	8,225	107,101
	$ 360,574	816,008

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.

(b). Purchases

The Group's purchases from related parties were as follows:

	2023	2022
Hsinking Construction Co., Ltd.	$ 4,529	4,375

The prices of goods purchased from related parties were set per terms of the agreements between the parties.

(c). Receivables

The Company's receivables from related parties were as follows:

Item	Related party	December 31, 2023	December 31, 2022
Receivables	Hsinking Construction Co., Ltd.	$ 9,179	22,799
Receivables	Hsinhsin Investment Co., Ltd.	1,774	-
Receivables	Hsinjing Photovoltaic Co., Ltd.	101	21,173
Receivables	Heng Huei Energy Consulting Co., Ltd.	39	21,416
Receivables	Luxon Energy Co. Ltd.	-	13,364
Receivables	Others	474	24
		$ 11,567	78,776

(d). Payables

The Company's payables to related parties were as follows:

Item	Related party	December 31, 2023	December 31, 2022
Payable	Hsinking Construction Co., Ltd.	$ 421	113
Payable	Chiayo Energy Co.	182	-
Other payable	Hsinking Construction Co., Ltd.	399	-
		$ 1,002	113

(e). Contractual assets

Item	Related party	December 31, 2023	December 31, 2022
Contract assets	Hsinking Construction Co., Ltd.	$ 188,437	167,445
Contract assets	Hsinhsin Investment Co., Ltd.	17,235	-
Contract assets	Hueida Energy Corporation	6,936	-
Contract assets	Santing Energy Co., Ltd.	-	30,782
		$ 212,608	198,227

(f). Contractual liabilities

The Group received prepayment from related parties as follows:

Item	Related party	December 31, 2023	December 31, 2022
Contract liabilities	Hsinking Construction Co., Ltd.	$ 64,272	89,274
Contract liabilities	Others	1,584	3,536
		$ 65,856	92,810

(g). Property transactions

The Group purchased transportation equipment during June 2023 from Chiayo Energy Co., and Hsinjing Energy Co., Ltd. totaling (taxes excluded) amounted to 476 thousand and 238 thousand, respectively. As of December 31, 2023, the related payment had been paid, please refer to note 6(10) for more information of property, plant and equipment.

(h). Rental expenses

	2023	2022
Hsinking Construction Co., Ltd.	$ 50	60

(i). Loans

The Company loan funds to Tailai Energy Co., Ltd. authorized by a resolution by the board of directors in October 2023, totaling 105,000 thousand. As of December 31, 2023, the actual usage amount was 35,000 thousand with interest rate of 3% and recognized under other receivables from related parties.

C. The actual usage amount incurred by the Group with key management acting as joint and several guarantors were as follows:

a. Loans

Related party category/name	December 31, 2023	December 31, 2022
Key management	$ 1,045,422	747,243

b. Lease liabilities

Related party category/name	December 31, 2023	December 31, 2022
Key management	$ -	716

D. Transactions Involving Key Management Personnel

Compensation for key management personnel was as follows:

	2023	2022
Short-term employee benefit	$ 10,277	8,176
Post-employment benefit	425	434
	$ 10,702	8,610

8. Assets Pledged as Collateral

The carrying amount of the assets pledged by the Group were as follows:

Asset	Collateral pledged for	December 31, 2023	December 31, 2022
Inventory—power plant under construction	Long-term bank loan	$ -	13,308
Other financial assets—current (restricted bank deposit)	Short-term loan	41,827	34,087
Property, plant and equipment—transportation equipment	Long-term bank loan	-	2,252
Property, plant and equipment－machine equipment	Bonds payable	208,849	223,091
Property, plant and equipment－machine equipment	Long-term bank loan	154,583	68,496
Property, plant and equipment－machine equipment	Long-term bank loan	77,047	79,855
Property, plant and equipment－construction in progress	Long-term bank loan	167,540	-
Other financial assets—noncurrent (Restricted bank deposit)	Long-term bank loan	3,251	1,880
Other financial assets—noncurrent (Restricted bank deposit)	Performance bond	23,999	23,898
Other financial assets—noncurrent (Pledged certificates of deposit and restricted bank deposits)	Bonds payable	229,100	179,838
		$ 906,196	626,705

9. Contingencies and Commitments

A. Significant commitments

	December 31, 2023	December 31, 2022
Issued but unused letters of credit	$ -	12,228
Committed lease agreement	$ 72,700	46,500
Acquisition of inventory—power plant under construction	$ 1,061,036	499,429

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. Subsequent events: None.

12. Other

A. The employee benefits, depreciation and amortization expenses are summarized by function as follows:

By Function / By item	2023 Classified as Operating costs	2023 Classified as Operating expenses	2023 Total	2022 Classified as Operating costs	2022 Classified as Operating expenses	2022 Total
Employee benefits						
Salaries	-	54,619	54,619	-	47,936	47,936
Labor and Health Insurance	-	5,605	5,605	-	4,719	4,719
Pension	-	2,812	2,812	-	2,462	2,462
Directors' remuneration	-	2,940	2,940	-	2,900	2,900
Other employee benefits	-	3,096	3,096	-	2,724	2,724
Depreciation	34,998	8,070	43,068	24,270	8,312	32,582
Amortization	-	670	670	-	-	-

13. Other disclosure

A. Information on significant transactions :

The following is the information on significant transactions required by the "Regulation Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to the parties

(In thousands of New Taiwan Dollars)

No. (Note 4)	Name of lender	Name of borrower	Account name	Related party	Highest balance Of financing to other parties during the period	Ending balance	Actual usage amount during the period	Interest rate during the period	Purposes of fund financing for the borrower (note5)	Transaction amount for Business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing	Note
1	TYNSOLAR Corporation	Tailai Eneregy Co., Lt	Other receivables – related parties	Yes	105,000	105,000	35,000	3%	2	-	Operating demand	-		-	185,907	371,815	Note1, 2
1	TYNSOLAR Corporation	Paiyang Solar Energy Co., Ltd.	Other receivables	No	19,444	19,444	17,111	0%	1	19,444		17,111		-	185,907	371,815	Note 1, 2, 3

Note 1: According to 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 2: According to 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 3: 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 4: Items are ordered as follows:

a) 0 for issuer.
b) Investees are listed in accordance with names and in sequential order starting with 1.

Note 5: Nature for financing is represented as follows:

a) 1 represents those companies with business transaction with the Company.
b) 2 represent those companies with short-term financing needs.

(ii) Endorsements and guarantees:

(In thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement: Company Name	Counter-party of guarantee and endorsement: Relationship with the Company (note4)	Limitation on amount of guarantees and endorsements for a specific enterprise (note 1, 2, 3)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (note 1, 2, 3)	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
0	Hsinjing Holding Co., Ltd.	TYNSOLAR Corporation	2	1,323,581	280,000	269,000	187,783	-	40.65%	1,323,581	Y	N	N
1	TYNSOLAR Corporation	Dingyu Solar Co., Ltd.	4	1,394,305	79,530	79,530	50,000	-	8.56%	1,394,305	N	N	N
1	TYNSOLAR Corporation	Hsinjing Holding Co., Ltd.	3	1,394,305	508,000	508,000	508,000	272,062	54.65%	1,394,305	N	Y	N
2	Dingyu Solar Co., Ltd.	Hsinjing Holding Co., Ltd.	3	45,272	45,000	45,000	45,000	43,971	149.10%	45,272	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) companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract pursuant to the Consumer Protection Act for each other.

(iii). Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with the Company	Account	Ending balance				Highest percentage of ownership during the year	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	508	7.69%	508	7.69%	
TYNSOLAR Corporation	Chinghung Green Energy Co., Ltd. stock	Person in charge was the Company's director	Financial assets at fair value through other comprehensive income – non-current	120,000	639	19.35%	639	19.35%	

(iv). The cumulative amount of acquisition or disposal of the same marketable securities that exceeded $300 million or 20% of the paid-in capital: None.

(v). Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi). Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii). Related-party transactions for purchases and sales with amount exceeding the lower of NT$100 million or 20% of the capital stock:

(In thousands of New Taiwan Dollars)

Company name	Related party	Nature of relationship	Transaction detail				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase / sales	Amount	Percentage to total	Payment terms	Unit price	Payment terms	Ending Balance	Percentage of total notes/accounts receivable (payable)	
TYNSOLAR Corporation	Hsinking Construction Co., Ltd.	Person in charge is the Company's chairperson	Sales	298,836	32.86 %	Net 90 days	-		9,179	8.11%	Note1
Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	Fellow subsidiary	Sales	294,509	97.33 %	Net 90 days	-		137,551	99.64%	Note2
Chaoyang Solar	TYNSOLAR Corporation	Fellow subsidiary	Sales	174,361	94.66 %	Net 90 days	-		-	-%	Note2

Note 1: Amount of the contract asset is $188,437, which is 62.57% of total contract assets.
Note 2: The inter-company transactions and balances had been eliminated in the consolidated financial statements.

(viii). Accounts receivable from related parties with amounts exceeding the lower of $100 million or 20% of the capital stock:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	Fellow subsidiary	137,551	284.98%	-		-	-

Note: The inter-company transactions and balances had been eliminated in the consolidated financial statements.

(ix). Transactions involving derivative financial instruments: Please refer to Note 6(14).

(x). Business relationships and significant intercompany transactions:

No. (Note 1)	Company name	Counterparty	Nature of relationship (Note 2)	Intercompany transactions			
				Account	Amount	Terms	Percentage of consolidated operating revenue or total assets
0	Hsinjing Holding Co., Ltd.	Dingyu Solar Co., Ltd.	1	Other receivables from related parties	12,381	Per negotiated agreement	0.45%
0	Hsinjing Holding Co., Ltd.	Dingyu Solar Co., Ltd.	1	Service income	18,000	Per negotiated agreement	2.37%
0	Hsinjing Holding Co., Ltd.	TYNSOLAR Corporation	1	Service income	12,000	Per negotiated agreement	1.58%
1	TYNSOLAR Corporation	Dingyu Solar Co., Ltd.	3	Sales revenue−related parties	88,303	Per negotiated agreement	11.62%
1	TYNSOLAR Corporation	Dingyu Solar Co., Ltd.	3	Account receivable−related parties	51,482	Per negotiated agreement	1.88%
1	TYNSOLAR Corporation	Hsinjing Renewable Energy Investment Co., Ltd	3	Construction receivables−related parties	6,662	Per negotiated agreement	0.24%
1	TYNSOLAR Corporation	Hsinjing Renewable Energy Investment Co., Ltd	3	Construction income from related parties	62,516	Per negotiated agreement	8.22%
1	TYNSOLAR Corporation	Hsukuang Photovoltaic Co., Ltd.	3	Construction receivables from related parties	5,782	Per negotiated agreement	0.21%
1	TYNSOLAR Corporation	Hsukuang Photovoltaic Co., Ltd.	3	Construction income from related parties	24,953	Per negotiated agreement	3.28%
2	Hsinjing Solar Energy Systems Co., Ltd.	TYNSOLAR Corporation	3	Account receivable from related parties	10,635	Per negotiated agreement	0.39%
2	Hsinjing Solar Energy Systems Co., Ltd.	TYNSOLAR Corporation	3	Construction receivables from related parties	22,577	Per negotiated agreement	0.82%
2	Hsinjing Solar Energy Systems Co., Ltd.	TYNSOLAR Corporation	3	Construction income from related parties	22,553	Per negotiated agreement	2.97%
3	Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	3	Construction receivables from related parties	137,551	Per negotiated agreement	5.02%
3	Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	3	Contract liabilities	447,268	Per negotiated agreement	16.31%
3	Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	3	Contract assets	55,499	Per negotiated agreement	2.02%
3	Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	3	Service income	23,640	Per negotiated agreement	3.11%
3	Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	3	Construction income – related parties	270,869	Per negotiated agreement	35.63%
4	Chaoyang Solar Co., Ltd.	TYNSOLAR Corporation	3	Contract liabilities	14,495	Per negotiated agreement	0.53%
4	Chaoyang Solar Co., Ltd.	TYNSOLAR Corporation	3	Sales revenue−related parties	174,361	Per negotiated agreement	22.94%
4	Chaoyang Solar Co., Ltd.	Hsinjing Renewable Energy Investment Co., Ltd.	3	Contract liabilities	9,834	Per negotiated agreement	1.29%

Note 1: Items are ordered as follows:

a) 0 for issuer.

b) Investees are listed in accordance with names and in sequential order starting with 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. Information on investees

Information on investees (excluding information on investees in Mainland China) for the year ended on December 31, 2023, was as follows:

In thousands of New Taiwan Dollars /shares

Investor company	Investee company	Location	Principal business and products	Original investment amount		Ending balance			Highest percentage of ownership during the year (%)	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying amount				
The Company	TYNSOLAR Corporation	Hsinchu County	Other metallic building materials wholesale and retail	850,000	980,900	85,000	100.00%	881,272	100.00%	77,523	43,449	(Note 1)
The Company	Hsinjing Renewable Energy Investment Co., Ltd.	Taipei City	Renewable energy self-use generating equipment	175,000	175,000	17,500	83.33%	158,978	100.00%	(1,260)	(2,941)	(Note 1)
The Company	Hsinjing Solar Energy Systems Co., Ltd.	Taipei City	Renewable energy self-use generating equipment	23,500	23,500	2,350	78.33%	21,694	78.33%	(4,163)	(1,403)	(Note 1)
The Company	Dingyu Solar Co., Ltd.	Hsinchu County	Other metallic building materials wholesale and retail	29,946	-	5,000	100.00%	(29,721)	100.00%	(1,525)	(59,667)	(Note 1)
TYNSOLAR Corporation	Dingyu Solar Co., Ltd.	Hsinchu County	Other metallic building materials wholesale and retail	-	50,000	-	- %	-	100.00%	(1,525)	24,050	(Note 1)
TYNSOLAR Corporation	Suncruise Tech Co., Ltd.	Hsinchu County	Waste removal and decommissioning	27,000	27,000	2,700	100.00%	9,656	100.00%	(251)	(251)	
TYNSOLAR Corporation	Hsinjing Energy Co., Ltd.	Hsinchu County	Renewable energy self-use generating equipment	20,000	20,000	2,000	35.09%	19,393	35.09%	(1,483)	(520)	
TYNSOLAR Corporation	Hsinjing Renewable Energy Investment Co., Ltd.	Taipei City	Renewable energy private power generating equipment	35,000	-	3,500	16.67%	34,850	16.67%	(1,260)	(150)	
TYNSOLAR Corporation	Hsinjing Solar Tech Co., Ltd.	Hsinchu County	Electricity Retailing	1,000	-	100	100.00%	921	100.00%	(79)	(79)	
Suncruise Tech Co., Ltd.	Hsinjing Clean Energy Co., Ltd.	Hsinchu County	Waste removal and decommissioning	5,000	5,000	500	100.00%	4,005	100.00%	(259)	(259)	
Hsinjing Renewable Energy Investment Co., Ltd.	Chaoyang Solar Co., Ltd.	Hsinchu County	Other metallic building materials wholesale and retail	19,364	19,364	(Note2)	100.00%	15,154	100.00%	203	203	
Hsinjing Renewable Energy Investment Co., Ltd.	Hsukuang Photovoltaic Co., Ltd.	Hsinchu County	Other metallic building materials wholesale and retail	4,048	4,048	(Note2)	51.00%	4,855	51.00%	1,368	698	
Hsinjing Renewable Energy Investment Co., Ltd.	Hsinjing Energy Co., Ltd.	Hsinchu County	renewable energy self-use power-generating equipment	37,000	37,000	3,700	64.91%	35,877	64.91%	(1,483)	(963)	

Investor company	Investee company	Location	Principal business and products	Original investment amount		Ending balance			Highest percentage of ownership during the year (%)	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying amount				
Hsinjing Renewable Energy Investment Co., Ltd.	Chao Ching Co., Ltd.	Hsinchu County	renewable energy self-use power-generating equipment	100	-	10	100.00%	69	100.00%	(31)	(31)	
Hsinjing Renewable Energy Investment Co., Ltd.	Santing Energy Co., Ltd.	Hsinchu County	renewable energy self-use power-generating equipment	57,200	33,200	5,720	40.00%	59,852	40.00%	5,265	2,106	
Hsinjing Renewable Energy Investment Co., Ltd.	Yabisi Solar Power Co., Ltd.	Taipei City	renewable energy self-use power-generating equipment	36,000	32,000	3,600	40.00%	21,360	40.00%	(36,117)	(14,447)	
Hsinjing Renewable Energy Investment Co., Ltd.	Tailai Energy Co., Ltd.	Hsinchu County	renewable energy self-use power-generating equipment	23,748	14,210	2,331	66.60%	23,530	66.60%	2,626	1,065	
Hsinjing Energy Co., Ltd.	Yangfu International Co., Ltd.	Hsinchu County	renewable energy self-use power-generating equipment	9,000	9,000	205	100.00%	8,873	100.00%	496	496	

Note 1: The investment income or loss recognized in the current period included realized (unrealized) gains or losses between associates had been eliminated 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

A. 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 sheets and the consolidated statement of comprehensive income.

B. Main customer information

The Group's customers who accounted for 10% or more of the operating revenue for the years ended on December 31, 2023 and 2022, were as follows:

	2023	2022
Customer A	$ 298,836	657,078

Independent Auditors' Report

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

Opinion

We have audited the financial statements of Hsinjing Holding Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the financial statements, including the summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the Company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there is no key audit matter to communicate in the Independent Auditors' Report.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit and Risk Committee) are responsible for overseeing the Company's financial reporting process.

Responsibilities of Management and Those Charged with Governance for the Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG
Taipei, Taiwan (Republic of China)
February 29, 2024

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

Hsinjing Holding Co., Ltd.
BALANCE SHEETS
As of December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars)

		December 31, 2023			December 31, 2022	
	ASSETS		**Amount**	**%**	**Amount**	**%**
	Current Assets:					
1100	Cash and cash equivalents (note 6(1))	$	6,221	1	17,527	2
1210	Other receivables from related parties (note 7)		15,531	1	1,599	-
1470	Other current assets		1,432	-	1,149	-
	Total of current assets		23,184	2	20,275	2
	Non-current Assets:					
1517	Financial assets at fair value through other comprehensive income – noncurrent (note 6(3))		508	-	512	-
1550	Investments accounted for using the equity method (note 6(4) and 6(5))		1,061,944	88	1,055,430	89
1600	Property, plant and equipment		71	-	18	-
1980	Other financial assets – noncurrent (note 8)		121,917	10	111,673	9
	Total non-current assets		1,184,440	98	1,167,633	98
	Total assets	$	1,207,624	100	1,187,908	100
	LIABILITIES AND EQUITY					
	Current Liability:					
2200	Other payables	$	2,465	-	2,333	-
2300	Other noncurrent assets		196	-	166	-
	Total current liabilities		2,661	-	2,499	-
	Non-current Liabilities					
2500	Financial liabilities at fair value through profit or loss – noncurrent (note 6(2))		15,500	1	12,250	1
2530	Bonds payable (note 6(6) and 8))		497,951	42	491,335	42
2650	Credit balance for investments accounted for using equity method (note 6(4))		29,721	2	-	-
	Total non-current liabilities		543,172	45	503,585	43
	Total Liabilities		545,833	45	506,084	43
	Equity (note 6(9)):					
3110	Common Stock		780,900	65	780,900	66
3200	Capital Surplus		150,451	12	149,527	12
3350	Unappropriated accumulated deficit		(269,012)	(22)	(248,294)	(21)
3400	Other equity		(548)	-	(309)	-
	Total equity		661,791	55	681,824	57
	Total liabilities and equity	$	1,207,624	100	1,187,908	100

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

Chairman (Legal Representative): Chao-Ching Investment Inc. General Manager: Tzu, San-Te
Accounting Manager: Liao, Hsiao-Ching
Representative: Tzu, San-Te

Hsinjing Holding Co., Ltd.
STATEMENT OF COMPREHENSIVE INCOME
For the years ended December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

		2023		2022	
		Amount	%	Amount	%
4000	**Operating Revenue (note 6(12) and 7)**	$ 9,438	100	101,772	100
	Gross Profit	9,438	100	101,772	100
	Operating Expenses (note 6(7) and 6(10)):				
6200	General and Administrative	15,819	168	13,177	13
	Total Operating Expenses	15,819	168	13,177	13
	Operating Profit	(6,381)	(68)	88,595	87
	Non-operating Income and Expenses (note 6(14))				
7100	Interest income	550	6	155	-
7010	Other income	7	-	-	-
7020	Other gains and losses	(8,732)	(92)	(13,472)	(13)
7050	Financial costs	(6,616)	(70)	(6,581)	(6)
	Total Non-operating Income and Expenses	(14,791)	(156)	(19,898)	(19)
	Net income before income tax	(21,172)	(224)	68,697	68
7950	**Less: Income tax expense (note 6(8))**	-	-	-	-
	Net Income	(21,172)	(224)	68,697	68
8300	**Other Comprehensive Income (Loss):**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(4)	-	19	-
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method	219	2	30	-
8300	**Other Comprehensive Income (Loss), Net of Income Tax**	215	2	49	-
8500	**Total Comprehensive Income**	$ (20,957)	(222)	68,746	68
	Earnings Per Share (NT$, Note 6(11))				
9750	**Basic(diluted) earnings per share (NT$)**	$ (0.27)		0.88	

The accompanying notes are an integral part of the financial statements.
Chairman (Legal Representative): Chao-Ching Investment Inc. General Manager: Tzu, San-Te
Accounting Manager: Liao, Hsiao-Ching
Representative: Tzu, San-Te

Hsinjing Holding Co., Ltd., and Subsidiaries
STATEMENT OF CHANGES IN EQUITY
For the years ended December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars)

9

	Common stock	Capital Surplus	Unappropriated accumulated deficit	Gain on Equity Instruments at Fair Value Through Other Comprehensive Income	Total Equity
Balance as of January 1, 2022	$ 780,900	148,249	(317,030)	(319)	611,800
Net income	-	-	68,697	-	68,697
Other comprehensive income	-	-	39	10	49
Total comprehensive income	-	-	68,736	10	68,746
Share-based payment transactions	-	1,278	-	-	1,278
Balance as of December 31, 2022	780,900	149,527	(248,294)	(309)	681,824
Net loss	-	-	(21,172)	-	(21,172)
Other comprehensive income	-	-	454	(239)	215
Total comprehensive income	-	-	(20,718)	(239)	(20,957)
Share-based payment transactions	-	924	-	-	924
Balance as of December 31, 2023	**$ 780,900**	**150,451**	**(269,012)**	**(548)**	**661,791**

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

Chairman (Legal Representative): Chao-Ching Investment Inc. General Manager: Tzu, San-Te Accounting Manager: Liao, Hsiao-Ching Representative: Tzu, San-Te

Hsinjing Holding Co., Ltd., and Subsidiaries
STATEMENT OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars)

	2023	2022
Cash Flows from Operating Activities:		
Income(loss) before income tax	$ (21,172)	68,697
Adjustments for:		
Income and expenses		
Depreciation expense	30	13
Net loss on financial assets and liabilities at fair value through profit or loss	3,250	8,400
Interest expenses	6,616	6,581
Interest income	(550)	(155)
Dividend income	(7)	-
Share-based compensation costs	924	1,278
Share of loss(profits) of associates and joint ventures accounted for using the equity method	20,562	(101,772)
Total adjustments to reconcile profit	30,825	(85,655)
Changes in operating assets and liabilities:		
Other receivables from related parties	(13,932)	(1,599)
Prepayments	(283)	(35)
Other payables	132	(1,458)
Other current liabilities	30	66
Total adjustments	16,772	(88,681)
Cash generated from operating activities:	(4,400)	(19,984)
Interest received	550	155
Dividends received	7	-
Net cash used in operating activities	(3,843)	(19,829)
Cash Flows from Investing Activities:		
Acquisition of investments accounted for using the equity method	(29,946)	-
Proceeds from return of capital by investees using equity method	32,810	-
Acquisition of property, plant and equipment	(83)	-
Increase in other financial assets	(10,244)	(10,163)
Net cash used in investing activities	(7,463)	(10,163)
Cash Flows from Financing Activities		
Net cash generated in financing activities	-	-
Net Decrease in Cash and Cash Equivalents	(11,306)	(29,992)
Cash and Cash Equivalents at beginning of year	17,527	47,519
Cash and Cash Equivalents at end of year	**$ 6,221**	**17,527**

The accompanying notes are an integral part of the financial statements.
Chairman (Legal Representative): Chao-Ching Investment Inc. General Manager: Tzu, San-Te
Accounting Manager: Liao, Hsiao-Ching
Representative: Tzu, San-Te

Hsinjing Holding Co., Ltd.
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022
(Amounts in thousands of New Taiwan dollars unless otherwise stated)

1. Company History

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 investment.

The articles of incorporation of the Company were proposed by the Board of Directors of the resolution at its general shareholders' meeting on June 20, 2019. The Company acquired 100% of the shares of TYNSOLAR by means of share exchange with one common stock of the Company for each common stock of TYNSOLAR. The share exchange 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 financial statements were approved for issuance by the Board of Directors on February 29, 2024.

3. New standards, amendments and interpretations adopted:

(1) The impact of the International Financial Reporting Standards ("IFRS") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have been adopted

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- 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"

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform－Pillar Two Model Rules"

(2) The impact of IFRS issued by the FSC but not yet effective

The Company assess that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Boards (IASB), but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Content of amendment	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	To be determined by IASB

The Company is currently evaluating the impact of the abovementioned 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 financial statements.

- IFRS 17, "Insurance Contracts," and Amendments to IFRS 17
- Amendment to IFRS 17, "Initial application of IFRS 17 and IFRS 9 comparative information"
- Amendment to IFRS 21, "Lack of Exchangeability"

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies presented in the parent-company-only financial statements are summarized as follows. The following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

(1) Statement of Compliance

The accompanying parent-company-only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations").

(2) Basis of Preparation

A. Basis of measurement

Except for the following significant accounts, the parent-company-only financial statements have been prepared on a historical basis:

(a) Financial instruments at fair value through profit or loss are measured at fair value,

(b) Financial assets at fair value through other comprehensive income at fair value,

B. Functional and presentation currency

The functional currency of each entity is determined based on the primary economic environment in which the entity operates. The parent-company-only financial statements are presented in New Taiwan Dollars, which is the Company's functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(3) 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.

Exchange differences are generally recognized in profit or loss.

(4) Classification of Current and Non-current Assets and Liabilities

An asset is classified as current under one of the following criteria, and all other assets that are classified as non-current.

A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
B. It is held primarily for purpose of trading;
C. It is expected to be realized within twelve months after the reporting period; or
D. The asset is cash or cash equivalent unless the asset is otherwise restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities that are classified as non-current.

A. It is expected to be settled in the normal operating cycle;
B. It is held primarily for the purpose of trading;
C. It is expected to be settled within twelve months of the reporting period; or
D. It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of the liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(5) Cash and Cash Equivalent

Cash and cash equivalents comprise cash, cash in bank and time deposits with maturities of less than three months. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(6) Financial Instruments

Accounts receivables 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 component) 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 receivables that do not involve significant financial components are measured initially at their transaction prices.

A. 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 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 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 at fair value through profit or loss, and it meets the following criteria:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is 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. 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 Company has the right to receive the dividends (usually the ex-dividend date).

(c) 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.

B. 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.

(7) 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 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 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.

When an associate issues new shares, if the Company 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 Company 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.

(8) Investments in subsidiaries

When preparing the parent-company-only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using equity method. Under equity method, profit, other comprehensive income and equity in the parent-company-only financial statements are equivalent to those of the profit, other comprehensive income and equity which are contributed to the owners of the parent in the consolidated financial statements.

The change in the parent's ownership interest in its subsidiaries that do not result in a loss of control are accounted as equity transactions.

(9) Property, Plant and Equipment

A. 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.

B. Subsequent costs

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

C. 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) Office equipment 3 years

The Company reviews the depreciation methods, useful lives and residual values at each reporting date and adjusted if appropriate.

(10) Employee Benefits

A. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

B. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(11) Share-based Payment

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 to reflect the number of awards for 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.

(12) 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 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:

A. 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
B. 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:

A. There is a right by law to offset the period’s income tax assets and income tax liabilities; and
B. 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.

(13) Earnings Per Share

The Company accounts for the basic and diluted earnings per share attributable to the ordinary shareholders of the Company's common stock. The basic earnings per share is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company's common stock by the weighted-average number of common shares outstanding during the period. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as convertible bonds and employee stock options.

(14) Operating Segment Information

The Company has disclosed segment information in the consolidated financial statements and does not reiterate here in the individual financial statements.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated 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. Contents of Significant Accounts

(1) Cash and Cash Equivalents

	December 31, 2023	December 31, 2022
Demand deposits	$ 6,221	17,527

(2) Financial liabilities at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial liabilities that must be measured at fair value through profit or loss – noncurrent		
Issuance of convertible bonds with put option	$ 15,500	12,250

Please refer to Note 6(14) for the amount recognized in profit or loss based on fair value remeasurement.

(3) Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Equity instruments measured at fair value through other comprehensive income:		
Domestic non-publicly traded stock - Liho Energy Co., Ltd.	$ 508	512

a. 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.

b. The abovementioned financial assets were not pledged as collateral for long-term loans or financing facilities.

(4) 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:

	December 31, 2023	December 31, 2022
Subsidiaries	$ 1,061,944	1,055,430
Credit balance of investments accounted for using equity method	(29,721)	-
	$ 1,032,223	1,055,430

A. Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2023.

B. Collateral

As of December 31, 2023 and 2022, none of the Company's investments accounted for under equity method was pledged as collateral.

(5) Share of changes in equities of subsidiaries

A. The Company’s subsidiary, Hsinjing Renewable Energy, increased its capital paid-in by cash in January, February and November of 2023 subscribed by TYNSOLAR, the Company’s subsidiary. The ownership of shares of Hsinjing Renewable Energy by the Company and by TYNSOLAR was increased to 83.33% and 16.67%, respectively.

B. The Company acquired 100% of shares of Dinyu Corp. from TYNSOLAR, thereafter TYNSOLAR lost control of Dinyu Corp. which had become 100% of shares of the Company.

(6) Bonds payable

The details of the Company's bonds payable were as follows:

	December 31, 2023	December 31, 2022
Total of guaranteed convertible bonds	$ 500,000	500,000
Less: unamortized discount on bonds payable	(2,049)	(8,665)
Bonds payable, end of period	$ 497,951	491,335
Equity components – conversion rights	$ 84,584	84,584

Please refer to note 6(14) 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 issuance costs amounting $6,280 thousand. The key terms for the bonds are as follows:

A. Issue Period: Five years (from March 10, 2021 to March 10, 2026)
B. Repayment Method: 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.
C. 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.

D. 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.

E. 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.

(7) Employee Benefits

A. Defined benefit plans

Pursuant to the Labor Pension Act, the Company contributes 6% of each employee's monthly salary to employees' pension accounts. 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, 2023 and 2022, the Company's pension expenses under the defined contribution pension plan were $437 thousand and $405 thousand, respectively, which have been transferred to the Bureau of Labor Insurance.

(8) Income Tax

A. Income tax expenses

(a) The breakdown of the Company's income tax expenses for the years ended on December 31, 2023 and 2022, was as follows:

	2023	2022
Income tax expenses	$ -	-

(b) Reconciliations of income tax expense and profit before income taxes for the years ended on December 31, 2023 and 2022 were as follows:

	2023	2022
Net income before income tax	$ (21,172)	68,697
Income tax based on the Company's domestic tax rate	$ (4,235)	13,739
Non-deductible expenses	7	7
Tax-exempt income	(1)	-
Domestic investment losses (gains) under the equity method	4,112	(20,354)
Tax losses from unrecognized deferred income tax assets	(1,856)	3,612
Unrecognized changes in temporary differences	1,973	2,996
Income tax expense	$ -	-

B. Deferred income tax assets

The following was not recognized as deferred income tax assets:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 34,629	24,764
Tax loss	26,850	36,132
	$ 61,479	60,896

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 temporary differences.

The expiration years for the tax losses that had not been recognized by the Company as deferred income tax assets as of December 31, 2023, were as follows:

Year of loss	Unused loss carryforward	Expiration year
2021	$ 8,790	2031
2022	18,060	2032
	$ 26,850	

C. Examination and approval

The income tax returns of the Company had been examined and assessed by the tax authority through 2021.

(9) Capital and Other Equity

A. Common stock

As of December 31, 2023 and 2022, 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 and all the payments for shares subscribed to have been received.

B. Capital surplus

The details of balance of the Company’s capital surplus were as follows:

	December 31, 2023	December 31, 2022
Share premium	$ 57,138	57,138
Employee stock option	8,729	7,805
Conversion rights	84,584	84,584
	$ 150,451	**149,527**

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.

C. 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(13), 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 plannings and 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, stock dividends are preferred for dividend distribution to shareholders if the cash dividend rate is less than 10% of the total amount of the dividends. Stock dividends would be distributed if the cash dividend is less than $0.10 per share.

(a) Earnings distribution

At the annual shareholders' meetings on June 27, 2023, and June 28, 2022, the Company resolved the proposal for deficit offset for the years ended on December 31, 2022, and December 31, 2021.

(10) Share-based payment

On January 9, 2023, and August 13, 2021, the Board of Directors resolved to issue 270 and 500 units of employee stock option warrants, respectively; each unit eligible to subscribe to 1,000 shares of the Company's common stock. The options may be granted to qualified employees of the Company. Issuance of the warrants had been reported to and approved by the Securities and Futures Bureau of the FSC, and all warrants were issued on August 30, 2023 and January 21, 2022, respectively.

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, 2023, the information related to the share-based payment was as follows:

	2023	2022
Date granted	2023.8.30	2022.1.21
Number of units granted	270	500
Contract duration	5 years	5 years
Vesting period	Next 2 to 4 years	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:

	2023	2022
Exercise price (NT$)	24.75	36.15
Duration (year)	5 years	5 years
Price at grant (NT$)	24.75	36.15
Expected volatility (%)	40.86%	37.79%
Expected dividend rate (%)	(Note 1)	(Note 1)
Risk-free interest rate (%)	(Note 2)	(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 August 30, 2023 and January 21, 2022, respectively.

(11) **Earnings Per Share**

The calculations of the Company's basic earnings per share and diluted earnings per share were as follows:

	2023	2022
Basic earnings per share		
Net income attributable to shareholders of the parent company	$ (21,172)	68,697
Weighted-average number of shares outstanding during the year	78,090	78,090
Basic earnings per share (NT$)	$ (0.27)	0.88
Diluted Earnigs Per Share		
Net income attributable to shareholders of the parent company (Diluted)	$ (21,172)	68,697
Weighted-average number of shares outstanding during the year (Note)	78,090	78,090
Diluted Earnings Per Share (NT$)	$ (0.27)	0.88

Note: The Company's convertible bonds and employee stock option warrants issued in the year of 2023 and 2022 were anti-dilutive and therefore were not included in the calculation of diluted earnings per share based on the weighted average number of shares outstanding.

(12) Revenue from contracts with the customers

	2023	2022
Major geographical markets:		
Taiwan	$ 9,438	101,772
Major product/service lines:		
Investment	$ (20,562)	101,772
Services	30,000	-
	$ 9,438	101,772

(13) 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, 2023 and 2022, 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.

(14) **Non-operating Revenue and Expenses**

A. Interest income

		2023	2022
Interests from bank deposits	$	550	155

B. Other income

		2023	2022
Dividends	$	7	-

C. Other gains and losses

		2023	2022
Net loss on financial assets and liabilities at fair value through profit or loss	$	(3,250)	(8,400)
Handling fees		(5,483)	(5,076)
Foreign exchange losses		1	4
	$	(8,732)	(13,472)

D. Financial costs

		2023	2022
Interest compensation	$	6,616	6,581

(15) Financial Instruments

A. Credit risk

(a) Maximum amount of credit risk exposure

The Company's maximum exposure to credit risk was mainly from the carrying amount of financial assets.

(b) Concentration of credit risk

The Company's potential credit risk is derived primarily from cash and cash equivalents, financial assets carried at amortized cost and accounts receivable. 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 end of the reporting period, the Company’s maximum credit risk exposure is mainly from the carrying amount of financial assets recognized in the parent-company-only balance sheets.

B. Liquidity risk

The following table shows the contract maturities for financial liabilities, including estimated interest and excluding the impact of netting agreements:

	Carrying amount	Contract cash flow	within one year	1~5 years	Over 5 years
December 31, 2023					
Other payables	$ 2,465	2,465	2,465	-	-
Bonds payable	497,951	500,000	-	500,000	-
	$ 500,416	**502,465**	**2,465**	**500,000**	**-**
December 31, 2022					
Other payables	$ 2,333	2,333	2,333	-	-
Bonds payable	491,335	500,000	-	500,000	-
	$ 493,668	**502,333**	**2,333**	**500,000**	**-**

The Company does not expect that the cash flows could occur significantly earlier or at significantly different amounts.

C. Fair value information

(a) Fair value and carrying amounts

The management of the Company considers that the carrying amounts of the Company's financial assets and financial liabilities measured at amortized cost in the consolidated financial statements approximate their fair values.

The Company’s financial 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 categories 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):

	December 31, 2023				
	Carrying	Fair value			
	Amount	Level 1	Amount	Level 1	Amount
Financial assets at fair value through other comprehensive income	**$ 508**	**-**	**-**	**508**	**508**
Financial liabilities at fair value through profit or loss	**$ 15,550**	**-**	**15,550**	**-**	**15,550**
Financial liabilities at amortized cost					
Convertible bonds	**$ 497,951**	**-**	**483,900**	**-**	**483,900**

	December 31, 2022				
	Carrying	Fair value			
	Amount	Level 1	Amount	Level 1	Amount
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

(b) Valuation techniques for financial instruments measured at fair value

(i) Non-derivative financial instruments

The financial instruments held by the Company are measured using the quoted price in an active market.

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.

(ii) 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.

(iii) Reconciliation of Level 3 fair values

	Financial assets at fair value through other comprehensive income
January 1, 2023	$ 512
Recognized in other comprehensive income	(4)
December 31, 2023	**$ 508**
January 1, 2022	$ 493
Recognized in other comprehensive income	19
December 31, 2022	**$ 512**

(iv) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure the fair value include financial assets at fair value through other comprehensive income - equity investments.

The majority of 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.

Quantified information of significant unobservable inputs was as follows:

Item	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 December 31, 2023 and December 31, 2022)	·The higher the discount for lack of marketability, the lower the fair value

(16) Financial Risk Management

A. 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 information, please refer to the relevant notes.

B. 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.

C. Credit risk

Credit risk is the risk of financial loss arising from the failure of the Company's customers or financial instrument counterparties to meet their contractual obligations. It is inherent primarily in the Company's accounts receivables.

(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. Considering that the Company deals only with banks and other external parties with good credit standing and with above investment grade financial institutions, corporate organization, management is not expecting non-compliance issues and significant credit risk.

D. Liquidity risk

The Company manages and maintains sufficient amounts of cash and cash equivalents to support the Company's operations and mitigate the impact of cash flow fluctuations. Management of the Company monitors the use of financing facilities with the banks and ensures compliance with the terms of loan agreements.

(17) 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, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 545,833	506,084
Less: cash and cash equivalents	(6,221)	(17,527)
Net liabilities	$ 539,612	488,557
Total capital	$ 661,791	681,824
Liability-to-capital ratio	81.54%	71.65%

7. Related-party transactions

A. Related Party Names and Relations

The followings are related parties that have had transactions with the Company during the periods covered in the consolidated financial statements:

Name of related party	Relation with the Company
Dingyu Solar Co., Ltd.	Subsidiary
TYNSOLAR Corporation	Subsidiary

B. Significant Transactions with Related Parties

(a). Service income

		2023	2022
TYNSOLAR Corporation	$	18,000	-
Dingyu Solar Co., Ltd.		12,000	-
	$	30,000	-

(b). Accounts receivable from related parties

The Company's accounts receivables from related parties were as follows:

Item	Related party		December 31, 2023	December 31, 2022
Other receivables	Dingyu Solar Co., Ltd.	$	12,381	449
Other receivables	TYNSOLAR Corporation		3,150	1,150
		$	15,531	1,599

(c). Rental expense

		2023	2022
Dingyu Solar Co., Ltd.	$	-	3
TYNSOLAR Corporation		36	33
	$	36	36

C. Transactions Involving Key Management Personnel

Compensation for key management personnel was as follows:

		2023	2022
Short-term employee benefit	$	6,609	4,426
Post-employment benefit		214	215
	$	6,823	4,641

8. **Assets Pledged as Collateral**

The carrying amount of the assets pledged by the Company were as follows:

Asset	Collateral pledged for		December 31, 2023	December 31, 2022
Other financial assets—noncurrent (Pledged certificates of deposit and restricted bank deposits)	Bonds payable	$	121,917	111,673

9. Contingencies and Commitments: None.

10. Loss Due to Major Disaster: None.

11. Subsequent events: None.

12. Other

A. The employee benefits, depreciation and amortization expenses are summarized by function as follows:

By Function / By item	2023 Classified as Operating costs	2023 Classified as Operating expenses	2023 By item	2022 Classified as Operating costs	2022 Classified as Operating expenses	2022 By item
Employee benefits						
Salaries	-	10,063	10,063	-	9,598	9,598
Labor and Health Insurance	-	663	663	-	541	541
Pension	-	437	437	-	405	405
Directors' remuneration	-	2,940	2,940	-	2,900	2,900
Other employee benefits	-	218	218	-	193	193
Depreciation	-	30	30	-	13	13
Amortization	-	-	-	-	-	-

The Company's number of employees and additional information on employee benefit expense for the years ended on December 31, 2023 and 2022, were as follows:

	2023	2022
Number of employees	15	14
Number of directors who were not employees	8	8
Average employee benefit costs	$ 1,626	1,790
Average employee salaries expenses	$ 1,438	1,600
Adjustments to average employee salaries	(10.13)%	68.42%
Remuneration of supervisor	$ -	-

Remuneration policies for directors, managerial personnel and employees were as follows:

Compensation includes basic salary (including base salary, meal allowance, special circumstances allowance, etc.), year-end bonus and performance incentive payments, among others.

A. Principles of Remuneration Policy

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.

B. 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 on the basis of the production value, sales and other operational performance targets.

13. Additional Disclosures

A. Information on significant 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, 2023, as follows:

i. Loans to the parties

(In thousands of New Taiwan Dollars)

No. (Note 4)	Name of lender	Name of borrower	Account name	Related party	Highest balance Of financing to other parties during the period	Ending balance	Actual usage amount during the period	Interest rate during the period	Purposes of fund financing for the borrower (note5)	Transaction amount for Business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
1	TYNSOLAR Corporation	Tailai Energy Corporation	Other receivables – related parties	Yes	105,000	105,000	35,000	3%	2	-	Operating demand	-	-	-	185,907	371,815	Note1, 2
1	TYNSOLAR Corporation	Paiyang Solar Energy Co., Ltd.	Other receivables	No	19,444	19,444	17,111	0%	1	19,444		17,111	-	-	185,907	371,815	Note 1, 2, 3

Note 1: According to 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 2: According to 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 3: Based on 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 4: Items are ordered as follows:
a) 0 for issuer.
b) Investees are listed in accordance with names and in sequential order starting with 1.

Note 5: Nature for financing is represented as follows:
a) 1 represents those companies with business transaction with the Company.
b) 2 represents those companies with short-term financing needs .

Hsinjing Holding Co., Ltd.

NOTES TO FINANCIAL STATEMENTS

ii. Endorsements and guarantees:

(In thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (note 1, 2, 3)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (note 1, 2, 3)	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
		Company Name	Relationship with the Company (note4)										
0	Hsinjing Holding Co., Ltd.	TYNSOLAR Corporation	2	1,323,581	280,000	269,000	187,783	-	40.65%	1,323,581	Y	N	N
1	TYNSOLAR Corporation	Dingyu Solar Co., Ltd.	4	1,394,305	79,530	79,530	50,000	-	8.56%	1,394,305	N	N	N
1	TYNSOLAR Corporation	Hsinjing Holding Co., Ltd.	3	1,394,305	508,000	508,000	508,000	272,062	54.65%	1,394,305	N	Y	N
2	Dingyu Solar Co., Ltd.	Hsinjing Holding Co., Ltd.	3	45,272	45,000	45,000	45,000	43,971	149.10%	45,272	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) companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract pursuant to the Consumer Protection Act for each other.

iii. Marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures:

Name of holder	Category and name of security	Relationship with the Company	Account	Ending balance				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 – noncurrent	50,000	508	7.69%	508	-
TYNSOLAR Corporation	Chinghung Green Energy Co., Ltd. stock	Person in charge was the Company's director	Financial assets at fair value through other comprehensive income – noncurrent	120,000	639	19.35%	639	

(iv). The cumulative amount of acquisition or disposal of the same marketable securities that exceeded $300 million or 20% of the paid-in capital: None.

(v). Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi). Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii). Related-party transactions for purchases and sales with amount exceeding the lower of NT$100 million or 20% of the capital stock:

(In thousands of New Taiwan Dollars)

Company name	Related party	Nature of relationship	Transaction detail				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/sales	Amount	Percentage to total	Payment terms	Unit price	Payment terms	Ending Balance	Percentage of total notes/accounts receivable (payable)	
TYNSOLAR Corporation	Hsinking Construction Co., Ltd.	Person in charge is the Company's chairperson	Sales	298,836	32.86 %	Net 90 days	-		9,179	8.11%	Note1
Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	Fellow subsidiary	Sales	294,509	97.33 %	Net 90 days	-		137,551	99.64%	Note2
Chaoyang Solar	TYNSOLAR Corporation	Fellow subsidiary	Sales	174,361	94.66 %	Net 90 days	-		-	-%	Note2

Note 1: Amount of contractual asset is $188,437 which is 62.57% of total contract assets.
Note 2: The inter-company transactions and balances had been eliminated in the consolidated financial statements.

(viii). Accounts receivable from related parties with amounts exceeding the lower of $100 million or 20% of the capital stock:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
Dingyu Solar Co., Ltd.	TYNSOLAR Corporation	Fellow subsidiary	137,551	284.98%	-		-	-

Note: The inter-company transactions and balances had been eliminated in the consolidated financial statements.

(ix). Transactions involving derivative financial instruments: Please refer to Note 6(6).

B. Information on investees

Information on investees (excluding information on investees in Mainland China) for the year ended on December 31, 2023, was as follows:

In thousands of New Taiwan Dollars /shares

Investor company	Investee company	Location	Principal business and products	Original investment amount		Ending balance			Highest percentage of ownership during the year (%)	Net income (losses) of investee	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying amount			
The Company	TYNSOLAR Corporation	Hsinchu County	Other metallic building materials wholesale and retail	850,000	980,900	85,000	100.00%	881,272	77,523	43,449	(Note 1)
The Company	Hsinjing Renewable Energy Investment Co., Ltd.	Taipei City	Renewable energy self-use generating equipment	175,000	175,000	17,500	83.33%	158,978	(1,260)	(2,941)	(Note 1)
The Company	Hsinjing Solar Energy Systems Co., Ltd	Taipei City	Renewable energy self-use generating equipment	23,500	23,500	2,350	78.33%	21,694	(4,163)	(1,403)	(Note 1)
The Company	Dingyu Solar Co., Ltd	Hsinchu County	Other metallic building materials wholesale and retail	29,946	-	5,000	100.00%	(29,721)	(1,525)	(59,667)	(Note 1)
TYNSOLAR Corporation	Dingyu Solar Co., Ltd	Hsinchu County	Other metallic building materials wholesale and retail	-	50,000	-	- %	-	(1,525)	24,050	(Note 1)
TYNSOLAR Corporation	Suncruise Tech Co., Ltd.	Hsinchu County	Waste removal and decommissioning	27,000	27,000	2,700	100.00%	9,656	(251)	(251)	
TYNSOLAR Corporation	Hsinjing Energy Co., Ltd.	Hsinchu County	Renewable energy self-use generating equipment	20,000	20,000	2,000	35.09%	19,393	(1,483)	(520)	
TYNSOLAR Corporation	Hsinjing Renewable Energy	Taipei City	Renewable energy self-use generating equipment	35,000	-	3,500	16.67%	34,850	(1,260)	(150)	
TYNSOLAR Corporation	Hsinjing Solar Tech Co., Ltd.	Hsinchu County	Electricity Retailing	1,000	-	100	100.00%	921	(79)	(79)	
Suncruise Tech Co., Ltd.	Hsinjing Clean Energy Co., Ltd.	Hsinchu County	Waste removal and decommissioning	5,000	5,000	500	100.00%	4,005	(259)	(259)	
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%	15,154	203	203	
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%	X` 4,855	1,368	698	
Hsinjing Renewable Energy Investment Co., Ltd.	Hsinjing Energy Co., Ltd.	Hsinchu County	Renewable energy self-use generating equipment	37,000	37,000	3,700	64.91%	35,877	(1,483)	(963)	
Hsinjing Renewable Energy Investment Co., Ltd.	Chao-Ching Tech Corporation	Hsinchu County	Renewable energy self-use generating equipment	100	-	10	100.00%	69	(31)	(31)	
Hsinjing Renewable Energy Investment Co., Ltd.	Santing Energy Co., Ltd.	Hsinchu County	Renewable energy self-use generating equipment	57,200	33,200	5,720	40.00%	59,852	5,265	2,106	

Investor company	Investee company	Location	Principal business and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying amount			
Hsinjing Renewable Energy Investment Co., Ltd.	Yabisi Solar Power Co., Ltd.	Taipei City	Renewable energy self-use generating equipment	36,000	32,000	3,600	40.00%	21,360	(36,117)	(14,447)	
Hsinjing Renewable Energy Investment Co., Ltd.	Tailai Energy Co., Ltd.	Hsinchu County	Renewable energy self-use generating equipment	23,748	14,210	2,331	66.60%	23,530	2,626	1,065	
Hsinjing Energy Co., Ltd.	Yangfu International Co., Ltd.	Hsinchu County	Renewable energy self-use generating equipment	9,000	9,000	205	100.00%	8,873	496	496	

Note 1: The investment income or loss recognized in the current period included realized (unrealized) gains or losses between associates had been eliminated 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

The Company has provided the operating segments disclosure in the consolidated financial statements.

Hsinjing Holding Co., Ltd.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan / shares)

Item	Balance, January 2023		Additions in investment		Decrease in Investment		Gains (losses) on investment	Other (Note1)	Balance, December 2023			Net asset value	Collateral
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Ownership	Amount		
TYNSOLAR Corporation	98,090	$ 870,414	-	-	13,090	(32,810)	43,449	219	85,000	100.00%	881,272	881,272	Nil
Hsinjing Renewable Energy Investment Co., Ltd.	17,500	161,919	-	-	-	-	(2,941)	-	17,500	83.33%	158,978	158,978	Nil
Hsinjing Solar Energy Systems Co., Ltd.	2,350	23,097	-	-	-	-	(1,403)	-	2,350	78.33%	21,694	21,694	Nil
Dingyu Solar Co., Ltd	-	-	5,000	29,946	-	-	(59,667)	29,721	5,000	100.00%	-	(29,721)	Nil
Total		$ 1,055,430		29,946		(32,810)	(20,562)	29,940			1,061,944	1,032,223	

Note1: The loss on equity at fair value through other comprehensive income, remeasurement of the defined benefit obligations and adjustments on credit balance of equity investment to investments accounted for using equity method recognized by the investee.

Hsinjing Holding Co., Ltd.
Statement of Other Payables
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Salaries and bonuses payable	$ 1,925
Others (other payables with the amount less than 5% of other payables)	540
Total	$ 2,465

Statement of Osperating Expenses

Item	General and Administrative
Salaries and bonuses payable	$ 13,003
Others (other expenses with the amount less than 5% of operating expenses)	2,816
Total	$ 15,819

For statement of cash and cash equivalents, please refer to note 6(1).
For the statement of operating revenue, please refer to note 6(12).
For the statement of non-operating revenue and expenses, please refer to note 6(14).

Hsinjing Holding Co., Ltd.

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

Representative: Tzu, San-Te