Stock code: 6873

HD Renewable Energy Co., Ltd.

2022
Annual Report

Printed on May 24, 2023

Website where the annual report can be queried: Market Observation Post Systemhttp://mops.twse.com.tw

The Company websitehttps://www.hdrenewables.com/

I. Spokesperson and acting spokesperson of the Company

Spokesperson: Shih-Chang Chou
Title: President
Phone number: (02)2832-8057 extension 554
Email:jason.chou@hdrenewables.com

Acting spokesperson: Tzu-Ching Hsu
Title: Marketing Manager
Phone number: (02)2832-8057 extension 554
Email:Zac.Hsu@hdrenewables.com

II. Address and telephone number of head office, branch office, and factory

Address of Head Office: 5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City TEL:(02)2832-8057
Address of Taichung Office: 5F., No. 360, Sec. 2, Taiwan Blvd., North Dist., Taichung City TEL: (04)2255-8858
Address of Tainan Office: No. 260-1, Jialixing, Jiali Dist., Tainan City TEL: (06)726-0365
Address of Kaohisung Office: 3F-8, No. 56, Mingsheng 1st Rd., Xinxing Dist., Kaohisung City TEL: (07)222-9209
Address of Penghu Office: No. 20-1, Huiming New Village, PenghuHusi Township TEL: (06)926-3396

III. Stock transfer institution

Name: Stock Agency Department of SinoPac Securities
Address: 3rd Floor, No. 17 Bo'ai Road, Zhongzheng District, Taipei City
Website: https://securities.sinopac.com
Tel.:(02)2381-6288

IV. Name of Certified Public Accountants for financial report in the most recent year, and the name, address, website, and phone number of firm which Certified Public Accountants work for

Name of Certified Public Accountants: Accountant Chien-Hui Lu and Accountant Hai-Ning Huang
Firm name: KPMG TAIWAN
Address: 68th Floor, No. 7, Section 5, Xinyi Road, Xinyi District, Taipei City
Website: http://home.kpmg/tw
Tel.:(02)8101-6666

V. Name of the place where overseas securities are listed for trading and method to inquire the information of such overseas securities:

As of the publication date, the Company has no overseas securities which are listed for trading

VI. Company website: https://www.hdrenewables.com/

Contents

One. Report to Shareholders

Dear valued stakeholders,

Global market volatility and uncertainty in 2022 has tested HDRE's resilience once again. Due to the cohesive efforts of our management team and all our employees, HDRE achieved strong results over the last 12 months. Consolidated revenues of NTD 5.06 billion in fiscal 2022 represent a remarkable year-on-year growth of 88%. Gross profits also increased by 204.92%, with a record high earnings per share of 8.18 NTD. On behalf of the team at HDRE, we extend our gratitude to all the directors and shareholders for your support!

HDRE has been actively promoting the development of renewable energy businesses in Taiwan. In 2022, we achieved 168 MW of grid connection for our solar photovoltaic plants, expanded into mixed use solar and allied with the aquaculture sector to create a win-win situation with the fishing industry. Our retail electricity subsidiary, "Star Exchange", exceeded the 5 million kilowatt-hour mark in annual power supply. Our charge point operator brand, "Star Charger", has partnered with a leading convenience store chain, Family Mart Taiwan, actively expanding our services to cater to the growing number of electric vehicle owners. In the energy storage field, we established, "Star Energy Storage Solutions", to develop energy storage systems that will participate in Taiwan Power Company's real-time backup support services, effectively regulating load curves and implementing precise power dispatch and demand control. Additionally, we have actively invested in core technologies such as the "Smart Green Energy System TITAN", integrating our hardware through software services to create an energy Internet of Things in order to foster an energy-sharing ecosystem.

Due to the impact of climate change, HDRE has taken a more proactive approach to develop solutions for sustainability. In the processes of development, EPC, O&M, R&D, and smart monitoring systems, we aim to minimize ecological damage and work towards the sustainability of the company, environment, and society. Through our core values of professionalism, innovation, passion, and transparency, we are committed to providing clean energy for future generations.

I. Operating results for 2022

(I) Implementation results of business plan

Unit: NT$1,000

Item	2022	2021	Increase (decrease) in rate of change
Operating income	5,060,371	2,680,010	89%
Operating costs	3,913,837	2,304,004	70%
Gross profit	1,146,534	376,006	205%
Operating expenses	301,216	153,306	96%
Non-operating income and expenses	(32,823)	(3,969)	727%
Net profit before tax	812,495	218,731	271%
Net income after tax	648,152	166,481	289%
Net profit after tax (excluding non-controlling interests)	650,106	165,283	293%

(II) Budget execution status

Since the Company has not stipulated the 2022 financial forecast, this is not applicable.

(III) Financial income and expenditure situation

Unit: NT$1,000

Item	2022	2021	Rate of Change (%)
Net cash provided by (used in) operating activities	1,242,231	(188,087)	(760)%
Net cash inflow (outflow) from investing activities	(1,215,269)	(209,868)	479%
Net cash inflow (outflow) from financing activities	1,114,049	900,038	24%

(IV) Profitability analysis

Item (%)	2022	2021
Return on asset (%)	14.26	6.82
Return on shareholders' equity (%)	25.73	14.11
Ratio of net profit before tax to paid-in capital (%)	95.59	31.25
Net profit margin (%)	12.81	6.21
Basic earnings per share	8.18	3.02
Diluted earnings per share	7.99	2.99

(V) Research and development status

In order to strengthen the autonomy of power-related application systems and flexibly use various data, the Company has continued to develop its own cloud-based real-time monitoring system since 2019. Through the experience of its own power plants, the Company adjusted system functions and found out abnormal causes to increase power generation. In addition, the system has added functions required for power plant maintenance, including immediate feedback for maintenance and intelligent labor dispatch integration platform, to improve resource efficiency. In addition, the AI intelligent retrieval system of power plant data is developed to facilitate the query of various drawings and historical data of power plant. With the expansion of business forms, the Group added new intermediary services for electricity sales and visualization systems, energy storage management systems, auxiliary service generation operation systems, and charging pile operation systems, and continually invested in smart computing to meet market demand.

II. Summary of business plan for 2022

(I) Business policy, expected sales volume and its basis, as well as important production and sales policies

(1) Short-term business development plan

- Multi-purpose development, to construct electric power development and engineering

The engineering team of the Company has the ability of overall management, field design and implementation of optoelectronic system engineering in various fields (such as stratum subsidence area, lake pond surface, etc.), and also has the expertise of UHV construction. In the future, we will continue to enhance project management, improve quality and control construction cost.

In line with government policies, future photoelectric development will mainly focus on the fishery and electricity symbiosis. In addition to the implementation of environmental and community friendly, the design plan of the field also refers to the United Nations Sustainable Development Goals -- water purification and sanitation, emphasizing the recycling of water resources, and taking the aquaculture friendly construction method as the main axis, while meeting the actual needs of aquaculture operations, maximizing power generation benefits, and reducing long-term maintenance costs. At present, in Changhua, Chiayi and Tainan, there have been a number of large-scale development projects of fishery and electricity symbiosis.

- Solid foundation, to strengthen asset operating management

  The market trend in recent years will be mainly fishery and electricity symbiosis projects, which will test the subsequent operating ability. The Company has a completely independent breeding operation and design team, and integrates fishing and electricity planning, breeding management and other capabilities. In the future, it will develop towards diversified business applications and avoid competing the red sea by cutting price in the past. The Company has planned to establish a guaranteed purchase mechanism with strategic partners to stabilize sales, and set the integration of the fishery and aquaculture ecosystem as the medium-term goal, and cooperate with professional units, practitioners or channels in related fields in processing, sales and other aspects to improve the overall economic value of products. On the other hand, increase the scale of maintenance services, continuously improve the monitoring system, incorporate AI interpretation and automatic labor dispatch, and continuously increase new information investment to accurately maintain operations and improve service efficiency.

  The construction of power stations is a one-time income. However, in response to the changes in the energy market, the Company will focus not only on the enterprise end of green electricity sales and charging pile users, but also on the field operation and management service business in the future.

- Improve energy grid and smart power services

  Introduce Cloud, Big Data and other information technology to build a smart green energy management system to improve energy management efficiency and user interface friendliness; Expand the big green electricity sales, optimize the benefit of each degree of green electricity; Invest in energy storage operation, enter into Taipower grid auxiliary services and help customers accelerate the goal of net zero carbon emissions.

(2) Long-term business development plan

In the past, renewable energy was limited by cost factors and needed to be protected by national policies. However, through continuous innovation in technology and business models, the international community has gradually formed a consensus on the sustainable energy and net zero carbon emissions, and put it into action. In response to the domestic electricity liberalization policy, we aim to develop as a green and smart energy company, hoping to provide stable and sufficient low-carbon energy for the public while guaranteeing the long-term interests of shareholders and sustainable growth of the enterprise. Therefore, our operation strategy has been adjusted accordingly:

A. In the past, from the development of photoelectric field and EPC project construction, the profit was mainly one-time income; However, as the cost of green power generation is expected to generally decline, and its price still has a carbon premium, we shall continue to expand the generation capacity and try hard to win the sales market;

B. Continuously strengthen project cost control by introducing better generation efficiency modules and technologies; On the other hand, increase the diversity of renewable energy, in order to achieve the goal of reducing the average kilowatt-hour cost of electricity, and strengthen the competitiveness in the energy sales market;

C. To invest in energy storage devices and participate in the Taipower trading market, in addition to developing the pre-meter energy storage system at the transmission level and distribution level, we also plan to match green power wheeling with energy storage applications, expand the scope of green power supply and meet the demand of RE100, and lay the foundation for the subsequent operation mode of the virtual power plant. To meet the needs of future multiple applications of energy storage, we plan to develop energy storage system integration related business to ensure the long-term stability of energy storage system operation and the flexibility of providing multiple value-added services in the future;

D. Invest in cloud, AI and other technologies, integrate asset maintenance and operation management, green electricity sales, electric vehicle fast charging, energy storage services and fishery aquaculture management into the cloud platform for centralized management and scheduling, and provide supply and demand forecasting information to assist in power generation efficiency and maintenance management, optimize electricity sales ratio, and participate in Taipower auxiliary service trading market. And take the energy storage as the core to prepare for the future energy transfer market.

(II) The future development strategy of the company is affected by the external competitive environment, regulatory environment and the overall operating environment

With the rapid development of the domestic market from 2021 to 2025 supported by the government and the gradual improvement of relevant laws and regulations, the domestic renewable energy industry will continue to flourish. In the Company's forward-looking solar photovoltaic and wind power development business layout and case development holdings, as well as new business charging pile, green electricity sales and energy storage active development, based on objective conditions evaluation, the future sustainable profit power is not at risk; The Company's business strategy will continue to invest resources to strengthen solar photovoltaic and wind power development, engineering, maintenance and operation, green power sales, SI energy storage system and energy storage, so as to carry out advanced deployment in the future as the government's energy policy tends to improve and the knowledge and technology of power and environmental protection technology continue to update, reducing future risks and continue to deepen the Company's leading position in the industry and exploring the blue ocean of renewable energy.

2023 will be marked with even stronger energy demands, and HDRE will be here to provide energy solutions to help transition into a carbon neutral world. We will continue to strengthen our energy integration services while optimizing our processes in order to establish long-term core competencies. We are grateful for your continuous support and invite you to join us in moving forward and embracing new opportunities!

Edward Hsieh

Chair of the Board of Directors

Two. Company Profile

I. Establishment date: May 16, 2016

II. Company history:

The year	Milestones
May 2016	HD Renewable Energy Co., Ltd. was established with a paid in capital of NT$10,000 thousand.
July 2018	Hongbo Energy and Technology Co., Ltd. was established for the expansion of solar photovoltaic maintenance and operation services
August 2018	First water surface type solar photovoltaic system construction (about 4MW) was completed by the Company.
September 2018	MOU was signed with Shin Kong Chao Feng Co., Ltd. to obtain the development right for 300ha of land of the Chao Feng Ranch.
October 2018	Among point-shaped 660 projects in Pingtung County, about 130 projects were successfully developed and officially constructed.
November 2018	In response to the Company's business needs, the headquarters has relocated to the CBD Times Square Office Building in Xitun District, Taichung City. Executed capital increase by cash of NT$40,000 thousand, and paid-in capital of NT$50,000 thousand.
January 2019	MOU was signed with Shin Kong Chao Feng Co., Ltd. to obtain the development right for 75.3572ha of land of the Chao Feng Ranch and Resort. Solar photovoltaic power plant with approximately 400MW can be built, which is the largest single solar photovoltaic power plant in Taiwan.
March 2019	Executed capital increase by cash of NT$40,000 thousand, and paid-in capital of NT$90,000 thousand.
May 2019	Established Shukang Fishery Management Consulting Co., Ltd. to develop a project for the symbiosis of fishery and electricity.
June 2019	Executed capital increase by cash of NT$72,000 thousand, and paid-in capital of NT$162,000 thousand.
July 2019	Earnings were transferred to capital increase of NT$50,000 thousand, with a paid in capital of NT$212,000 thousand.
September 2019	Executed capital increase by cash of NT$25,000 thousand, and paid-in capital of NT$237,000 thousand.
October 2019	Undertook a 48.6MW ground type EPC project for a large-scale solar photovoltaic system in Xuejia District, Tainan City.
December 2019	Executed capital increase by cash of NT$18,000 thousand, and paid-in capital of NT$255,000 thousand.
February 2020	Completed the acquisition of Xiang Heng Green Co., Ltd. and developed the project of fishery and electricity symbiosis.
April 2020	Reached a tripartite cooperation with Taiwan Life Insurance and TransGlobe Life Insurance Inc. to together build the Green Energy Platform, namely establish Star Power Energy Corporation with a capital of NT$1,500,000 thousand.
July 2020	Officially started to construct 48.6MW ground type EPC project for the large-scale solar photovoltaic system in Xuejia District, Tainan City
September 2020	Earnings were transferred to capital increase of NT$135,142 thousand and capital reserve was transferred to capital increase of NT$109,858 thousand, with a paid in capital of NT$500,000 thousand and a rated capital of NT$800,000 thousand.

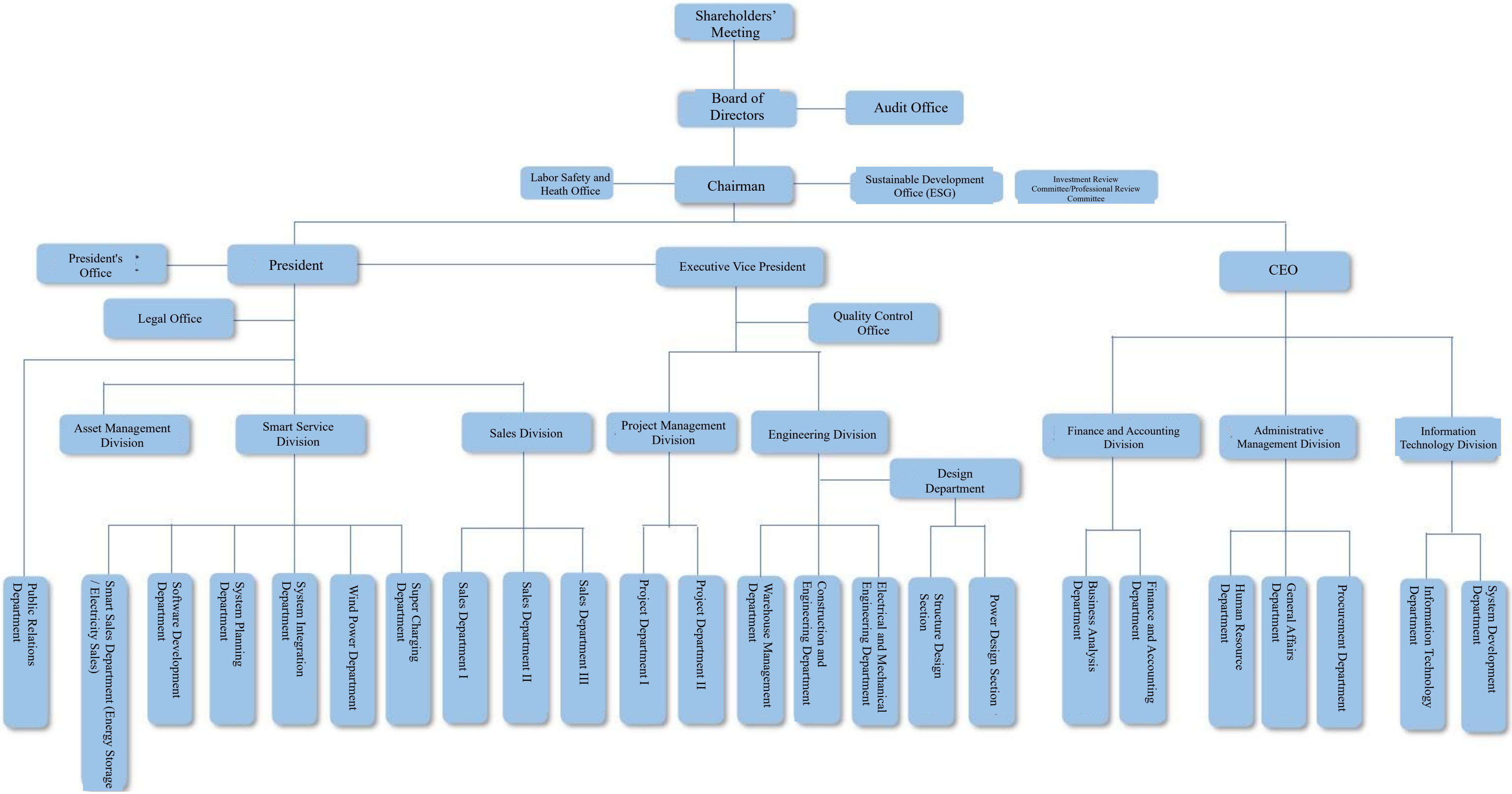
The year	Milestones
	The joint venture company Star Power Energy Corporation, i.e. the power generation platform, has been officially established, with a paid in capital of NT$500,000 thousand and a rated capital of NT$1,420,000 thousand. A memorandum of cooperation (MOU) was signed with MACQUARIE FORMOSA SOLAR CO., LTD.
November 2020	Signed a contract for power wheeling and sales with Taiwan Fixed Network Co., Ltd. under Taiwan Mobile Group, and officially started transfer of power supply and sales after obtaining a license letter in 2021.
December 2020	The subsidiary Star Exchange Co., Ltd. signed a letter of intent with E.sun Bank for cooperation in power wheeling and sales. The 69Kv step-up station project in Chiayi County has been completed and connected to the Taipower System. The 37.421MW grid-connection project of ground type EPC project for the large-scale solar photovoltaic system in Xuejia District, Tainan City has been completed.
April 2021	Obtained the electric power generation license for the "Aquastar Energy-YL Nanpowan" project.
June 2021	Signed a contract with Taiwan Power Company for the purchase and sale of surplus power as well as wheeling and sales of power for the "Aquastar Energy-YL Nanpowan" project
July 2021	Newly added power grid to provide power for users, and renew the "Aquastar Energy-YL Nanpowan" electric power generation license. Signed a contract for power wheeling and sales with Taiwan Fixed Network Co., Ltd. under Taiwan Mobile Group, to officially start transfer of power supply and sales.
August 2021	Subsidiary Star Exchange Co., Ltd. obtained the power sales license issued by the Ministry of Economic Affairs
September 2021	Handled cash capital increase of NT$160,000 thousand and employee stock option certificates of NT$20,000 thousand, with a paid in capital of NT$680,000 thousand.
November 2021	Public offering was approved by Taipei Exchange (TPEx). Handled cash capital increase of NT$20,000 thousand, with a paid in capital of NT$700,000 thousand and a rated capital of NT$1,000,000 thousand.
December 2021	Public offering and listing at the emerging stock market for trading approved by Taipei Exchange (TPEx) Established Star Charger Co., Ltd. to develop electric vehicle charging service. Sign a procurement contract for charging piles with eTreego Co., Ltd.
March 2022	Undertook the 28.4MW EPC project of the 11.4KV ground type photovoltaic integration field in Huhsi Township, Penghu County Entrusted GREENROCK ENERGY CO., LTD. to provide development services for the 204MW energy storage system project and obtain equity in the project company
May 2022	Handled cash capital increase of NT$150,000 thousand, with a paid in capital of NT$850,000 thousand and a rated capital of NT$1,000,000 thousand. Signed the contract for power wheeling and sales with 7.8 million kWh, with Cathay Life Insurance, a subsidiary of Cathay Financial Holdings.
June 2022	Reached a cooperation with Taiwan Life Insurance, TransGlobe Life Insurance Inc. and Fubon Life, to build the Green Energy Platform - Aquastar Energy Corporation with a capital of NT$600,000 thousand.

The year	Milestones
	Undertook the development and engineering of the “42.90MW project in Hsia-Shan-Tzu-Liao, Cigu District, Tainan” of Jihyun Green Energy Co., Ltd. Star Exchange Co., Ltd., a subsidiary of HDRE, signed a contract for purchase and sales of green power and its certificates with YUASA.
July 2022	Established the HDRE Situation Room at the headquarters in Taipei to showcase a smart energy dispatch system
August 2022	Established Star Aquaculture Co., Ltd., to invest in ecological aquaculture, creating the first "Fishery Taiwan Team" in Taiwan through production and sales strategies
October 2022	By creating the "Smart Green Power System TITAN" and importing AI algorithms to analyze the power generation and consumption data database, the optimal power generation and consumption model was simulated, and scheduling of multiple power generation fields and multiple electricity demands was matched in real-time. Combined with the direct energy management of the energy storage system, power scheduling and demand regulation was carried out. Jihyun Green Energy Co., Ltd., a subsidiary of Aquastar Energy Corporation, completed a joint loan of NT$208,900 thousand for the field in Cigu District, Tainan, co-sponsored by International Bills Finance Corporation (IBFC) and O-Bank, with Bank of Kaohsiung and Agricultural Bank of Taiwan as co-financing banks.
December 2022	Through the proposal of the application for the listing of shares on innovation board by review of Securities Listing Review Committee of Taiwan Stock Exchange Corporation, the Company applied for the listing with the capital of NT$850,000 thousand, and became the first energy company to be listed on the innovation board.
March 2023	HDRE is officially listed on the Taiwan Stock Exchange.

Three. Corporate Governance Report

I. Organization system

(I) The Company's organizational structure



(II) Businesses of each major department

<table>
<tr><th>Departments</th><th colspan="3">Main duties</th></tr>
<tr><td rowspan="5">Engineering Division</td><td>Electrical and Mechanical Engineering Department</td><td colspan="2">Establishment of electrical distribution drawings and new construction, expansion and improvement of wiring; communication and coordination of engineering interfaces and coordination with owners, technicians and third-party manufacturers.</td></tr>
<tr><td>Construction and Engineering Department</td><td colspan="2">Construction and management of land preparation, drainage, various civil construction and foundation works.</td></tr>
<tr><td>Warehouse Management Department</td><td colspan="2">Field materials receiving and distributing, loading, transportation and delivery for handover and other inventory managements.</td></tr>
<tr><td rowspan="2">Design Department</td><td>Power Design Section</td><td>Set up power generation efficiency planning and evaluation for power plant, and provide list of materials with cost estimations, and power diagram to negotiate with Taipower for certificates and grid-connection plan.</td></tr>
<tr><td>Structure Design Section</td><td>Design and planning of power plant module stand type, 3D drawing material details, and calculation analysis of selected structure of bracket base for typhoon, sheltered waters and other special terrains.</td></tr>
<tr><td rowspan="3">Sales Division</td><td>Sales Department I</td><td colspan="2">Feasibility analysis of partition change/ land change type projects, submission to the Investment Review Committee, execution of the project until the obtaining of development permit.</td></tr>
<tr><td>Sales Department II</td><td colspan="2">Feasibility analysis of permit use/ Class I and II land type projects, submission to the Investment Review Committee, and execution of the case until the obtaining of development permit.</td></tr>
<tr><td>Sales Department III</td><td colspan="2">Feasibility analysis of new project units' related projects, submission to the Investment Review Committee, and execution of the case until the obtaining of development permit.</td></tr>
<tr><td rowspan="2">Project Management Division</td><td>Project Department I</td><td colspan="2">Solar power project application process, progress control, project cost and budget control, pre-project planning and integration, procurement and contracting planning for the fishery and electricity symbiosis project.</td></tr>
<tr><td>Project Department II</td><td colspan="2">Application process, progress control, project cost and budget control, procurement and contracting planning for supercharging and energy storage projects.</td></tr>
<tr><td rowspan="4">Smart Service Division</td><td>System Integration Department</td><td colspan="2">Responsible for software, hardware and control system integration, testing and maintenance of energy storage system solutions, light-preservation application solutions, charging station solutions and demand management.</td></tr>
<tr><td>System Planning Department</td><td colspan="2">Responsible for project management, solution planning, product planning, system and control architecture planning for energy storage applications, charging pile management systems, green power sales and new business development.</td></tr>
<tr><td>Software Development Department</td><td colspan="2">Responsible for the planning and development of TITAN's smart energy management system, introducing AI prediction and scheduling algorithms, visualization system, reporting system, and situation center to integrate renewable energy generation, energy storage system, charging station system, fishery and electricity symbiosis system, demand management, and green power trading applications into the cloud management and scheduling platform.</td></tr>
<tr><td>Smart Sales</td><td colspan="2">1. Obsolete equipment and technology solution development and</td></tr>
</table>

	Department (Energy Storage/Electricity Sales)	evaluation, new field application development and corresponding solution evaluation, and bidding solution and planning management of Taipower auxiliary service. 2. Responsible for sales of green power and certificate, development and promotion of green power businesses, operation of auxiliary service platform, and construction of energy visualization management system, for the project.
	Wind Power Department	Wind farm development (site selection, appraisal, environmental assessment, establishment permitting, construction permitting), application process, contracting planning, and assistance in wind turbine related engineering, procurement, and maintenance, as well as answering the questions of the Electricity Sales Department about wind power energy sales.
	Super Charging Department	Responsible for business promotion, engineering, maintenance and customer service of electric vehicle supercharging station.
Finance and Accounting Division	Finance and Accounting Department	Accounting data collection and accounts processing; financial statement preparation, cost settlement and proposal of control plan; financial scheduling, financial information compilation, collation and analysis.
	Business Analysis Department	The Group's capital raising, utilization planning and execution, and management report preparation; the Group's budget preparation and operation and analysis of budget execution variance; the execution of external investment risk assessment agreement procedures.
Administrative Management Division	Human Resource Department	Plan human resources, handle salary and benefits, train and organize development strategy planning.
	Procurement Department	Supplier development, evaluation and importation, negotiation and contract management, delivery and schedule communication, and request for payment.
	General Affairs Department	Control the inventory of common supplies and send and receive correspondence.
Information Technology Division	Information Technology Department	Planning and maintenance of computer network architecture, ERP system and information equipment, authority setting, and drafting and implementation of information security mechanism.
	System Development Department	Solar power monitoring system maintenance and development, field monitoring system planning and development of software related to smart power service.
Asset Management Division	Asset operation management and post-investment management of customers-owned and self-owned renewable energy fields.	
Marketing Department	Communicate regularly with investors about the Company's financial and business information; coordinate news media, information disclosure and public relations activities.	
Sustainable Development Office	Responsible for research and development of environmental protection, give special emphasis on strategies and pathways to achieve net- zero carbon emissions, and making efforts to implement internal and external human rights protection and corporate governance strengthening.	
Legal Office	Legal work related to contract review, non-litigation matters, etc. of the project.	
Labor Safety and Heath Office	1. Research, supervision, guidance and continuous improvement of environmental safety and health management operation mechanism and management operations. 2. Consultation, planning and promotion of work safety and health, identification of	

	occupational safety and health regulatory requirements, and compilation of occupational safety and health suitability or training demand assessment for each unit. 3. Promote and maintain the Occupational Safety and Health Management System.
Quality Control Office	1. Planning and execution of various quality control matters of the company. 2. Promote and maintain the quality management system. 3. Implementation of quality record control.
President's Office	Responsible for the implementation of business strategies and ensure the effective operation of the organization and coordinating the short, medium and long term strategy planning of the Company.
Investment Review Committee/Professional Review Committee	Responsible for considering the establishment, rejection and disposal of the project, and discussing the total project price, budget, construction method and schedule.
Audit Office	Risk assessment and planning of enterprise internal control system, formulation of internal control system, preparation and implementation of audit plan and other matters in accordance with relevant laws and regulations.

II. Information on directors, presidents, vice presidents, assistants, heads of departments and branches

(I) Directors

May 2, 2023 Unit: Shares; %

Title	Nationality or place of incorporation	Name	Gender and age	Date of election	Term of office	Date of initial election	Shares held at the time of election		Number of shares held currently		Shares held by spouse, minor children currently		Shares held in the name of others		Major experiences (education)	Current positions in the Company and other companies	Other heads, directors or supervisors who have spouse relationship or relatives within the second-degree relationship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Taiwan	Titan Solar Co., Ltd.	-	2022.06.30	3 years	2018.12.10	11,326,144	13.32%	11,326,144	11.33%	-	-	-	-	-	-	-	-	-	-
Chairman	Taiwan	Representative: Yuan-Yi Hsieh	Male 41-50 years old	2022.06.30	3 years	2018.12.10	1,551,034	1.82%	1,688,487	1.69%	-	-	-	-	Bachelor in Economics, University of British Columbia Master in Financial Entrepreneurial Management, Berkshire College, City University of New York CEO of HD Renewable Energy Co., Ltd. Chairman of Titan Solar Co., Ltd. Chairman of Star Power Energy Corporation	Note 2	-	-	-	Note 1
Director	Taiwan	Titan Solar Co., Ltd.	-	2022.06.30	3 years	2018.12.10	11,326,144	13.32%	11,326,144	11.33%	-	-	-	-	-	-	-	-	-	-
Director	Taiwan	Representative: Shih-Chang Chou	Male 41-50 years old	2022.06.30	3 years	2018.12.10	962,092	1.13%	1,062,092	1.06%	-	-	-	-	Master of Sports Management, Chinese Culture University President of HD Renewable Energy Co., Ltd. Director of Titan Solar Co., Ltd. Supervisor of Star Power Energy Corporation Director of Titanos Asset Management Limited	Note 3	-	-	-	-
Director	Samoa	GREEN RIVER INTERNATIONAL LTD.	-	2022.06.30	3 years	2022.06.30	400,000	0.57%	477,000	0.48%	-	-	-	-	-	-	-	-	-	-
Director	Taiwan	Representative: Yi-Neng Hsu	Male 41-50 years old	2022.06.30	3 years	2021.11.19	-	-	-	-	-	-	477,000	0.48%	Bachelor in Department of Finance, University of British Columbia Chairman of GREEN RIVER WOOD & LUMBER MFG. LTD. Director of HD Renewable Energy Co., Ltd.	Chairman of GREEN RIVER WOOD & LUMBER MFG. LTD. Chairman of the Company of	-	-	-	-

	Nationality or place of incorporation	Name	Gender and age	Date of election	Term of office	Date of initial election	Shares held at the time of election		Number of shares held currently		Shares held by spouse, minor children currently		Shares held in the name of others		Major experiences (education)	Current positions in the Company and other companies	Other heads, directors or supervisors who have spouse relationship or relatives within the second-degree relationship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
																Shangshih Construction Co., Ltd. Supervisor of Shangsen Development Co., Ltd.				
Director	Taiwan	Power ZMC corporation	-	2022.06.30	3 years	2021.11.12	771,790	1.10%	971,790	0.97%	-	-	-	-	-	-	-	-	-	-
Director	Taiwan	Representative: Han Cheng	Female 31-40 years old	2022.06.30	3 years	2021.11.12	-	-	-	-	63,309	0.06%	-	-	Master, Graduate School of Accounting, National Taiwan University Certified Public Accountant of Honesty CPA Firm Senior Manager of Ernst & Young Associates Manager of Deloitte & Touche Director of Sun Rise E&T Co., Ltd. Director of HD Renewable Energy Co., Ltd.	Certified Public Accountant of Honesty CPA Firm Director of Sun Rise E&T Co., Ltd.	-	-	-	-
Independent	Taiwan	Liang-Yu Chang	Male 31-40 years old	2022.06.30	3 years	2021.11.12	-	-	-	-	-	-	-	-	Bachelor in Department of Finance, Yuan Ze University Chief Financial Officer of Aofeng Composites Corp. Secretary of the Board of Directors and Chief Auditor of Aofeng Technology Co., Ltd. (Cayman) Manager of KGI Investment Consulting (Shanghai) Co., Ltd Independent Director of HD Renewable Energy Co., Ltd.	Director of Chunchen Asset Management Co., Ltd Director of Aofeng Composites Corp.				-
Independent	Taiwan	Feng-Sheng Wu	Male 61-70 years old	2022.06.30	3 years	2022.06.30	100,000	0.14%	94,000	0.09%	-	-	-	-	Master, Graduate School of Sociology, National Taiwan University Chairman of Tang Eng Iron Works Co., Ltd. Vice Chairman of the National Business Committee of the Ministry of Economic Affairs	Chairman of Tang Eng Iron Works Co., Ltd.				-

	Nationality or place of incorporation	Name	Gender and age	Date of election	Term of office	Date of initial election	Shares held at the time of election		Number of shares held currently		Shares held by spouse, minor children currently		Shares held in the name of others		Major experiences (education)	Current positions in the Company and other companies	Other heads, directors or supervisors who have spouse relationship or relatives within the second-degree relationship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent	Taiwan	Jen-Hao Teng	Male 51-60 years old	2022.06.30	3 years	2022.06.30	-	-	-	-	-	-	-	-	Ph.D. in Electrical Engineering, National Sun Yat-sen University Professor, Department of Electrical Engineering, National Sun Yat-sen University Professor, Department of Electrical Engineering, I-Shou University	-				-

Note 1: The Chairman of the Board of Directors and the Chief Executive Officer (the top manager/president or the person equivalent in position) are one and the same person. In order to enhance operational efficiency and decision execution, the Company currently has the following specific measures:

(1) More than half of the directors of the Board of Directors are not also employees or managers.

(2) The Board of Directors shall arrange for the directors to attend relevant corporate governance courses annually to enhance the effectiveness of the Board's operations.

(3) The independent directors fully discuss and make recommendations for the Board of Directors' reference in the functional committee to implement corporate governance.

Note 2: Yuan-Yi Hsieh is also CEO of HD Renewable Energy Co., Ltd.; Chairman of companies such as Da Fu Energy Co., Ltd., Zhong Fang Green Co., Ltd, Dan Deng Green Co., Ltd., Sunny Go Solar Co., Ltd., Ren Hua Green Co., Ltd., Yunn Deng Green Co., Ltd., You Deng Green Co., Ltd., Tian Jie ChargeTech Co., Ltd., Tian Sheng Green Co., Ltd., Tian Xi ChargeTech Co., Ltd., Tian Yu Green Co., Ltd., Tian Hui Energy Storage Co., Ltd., Tian Dong Energy Storage Co., Ltd., Tian Chang Energy Storage Co., Ltd., Tian Cheng Energy Storage Co., Ltd., Tian Hong Green Co., Ltd., Tian Hua ChargeTech Co., Ltd., Tian Yong Green Co., Ltd., Tian Yi Energy Storage Co., Ltd., Tian Fang ChargeTech Co., Ltd., Tian Tai ChargeTech Co., Ltd., Titan Solar Co., Ltd., Titan Energy Co., Ltd., Titan Asset Management Co., Ltd., Yin Deng Green Co., Ltd., Wen Deng Green Co., Ltd., Fang Deng Green Co., Ltd., Daytime Solar Energy Co., Ltd., Ri Xun Green Co., Ltd., Ri Xi Green Co., Ltd., Ri Fu Green Co., Ltd., Ru Jing Green Co., Ltd., Ri Zhi Green Co., Ltd., Ri Chen Green Co., Ltd., Ri Pu Green Co., Ltd., Ri Wei Green Co., Ltd., Ri Lu Green Co., Ltd., Ri Yu Green Co., Ltd., Ri Yun Green Co., Ltd., JPEK INTERNATIONAL CO., LTD., Xiang Heng Green Co., Ltd., Daybreak Fishery Management Consultants Co., Ltd., Daybreak FisheryTech Co., Ltd., Sunenginer Co., Ltd., SunGrounder Co., Ltd., Esun Energy Co., Ltd., HB O&M Co., Ltd., Ying Fa Energy Co., Ltd., Chang He Energy Co., Ltd., Star Pai ChargeTech Co., Ltd., Star Charger Co., Ltd., Star Energy Storage Solutions Co., Ltd., Star Chen ChargeTech Co., Ltd., Star He ChargeTech Co., Ltd., Star Power Energy Corporation, Star Exchange Co., Ltd., Star Duo ChargeTech Co., Ltd., Shin Yuan Energy Co., Ltd., Star Aquaculture Co., Ltd., Star Ting ChargeTech Co., Ltd., Star Energy Storage Co., Ltd., Star Jian ChargeTech Co., Ltd., Aquastar Energy Co., Ltd., Motech Power Alpha Co., Ltd., Huiju Energy Co., Ltd., and Xin Sheng Energy Develop Co., Ltd.; Directors of companies such as Ri Qing Green Co., Ltd., Ri Fa Green Co., Ltd., New Century Energy Co., Ltd., Dreamer Entertainment Production Co., Ltd., and Fengyuan Co., Ltd.

Note 3: Shih-Chang Chou is also president of HD Renewable Energy Co., Ltd.; Directors of companies such as Titan Solar Co., Ltd., JASON RENEWABLES CO., LTD., Star Aquaculture Co., Ltd., Star Energy Storage Co., Ltd., Aquastar Energy Co., Ltd., Xin Sheng Energy Develop Co., Ltd., and Huiju Energy Co., Ltd.; Supervisor of companies such as Da Fu Energy Co., Ltd., Zhong Fang Green Co., Ltd., Dan Deng Green Co., Ltd., Sunny Go Solar Co., Ltd., Ren Hua Green Co., Ltd., Yunn Deng Green Co., Ltd., Yun Deng Green Co., Ltd., You Deng Green Co., Ltd., Tian Jie ChargeTech Co., Ltd., Tian Sheng Green Co., Ltd., Tian Xi ChargeTech Co., Ltd., Tian Yu Green Co., Ltd., Tian Hui Energy Storage Co., Ltd., Tian Dong Energy Storage Co., Ltd., Tian Chang Energy Storage Co., Ltd., Tian Cheng Energy Storage Co., Ltd., Tian Hong Green Co., Ltd., Tian Hua ChargeTech Co., Ltd., Tian Yong Green Co., Ltd., Tian Yi Energy Storage Co., Ltd., Tian Fang ChargeTech Co., Ltd., Tian Tai ChargeTech Co., Ltd., Titan Energy Co., Ltd., Titan Asset Management Co., Ltd., Yin Deng Green Co., Ltd., Wen Deng Green Co., Ltd., Fang Deng Green Co., Ltd., Daytime Solar Energy Co., Ltd., Ri Xun Green Co., Ltd., Ri Xi Green Co., Ltd., Ri Fu Green Co., Ltd., Ru Jing Green Co., Ltd., Ri Zhi Green Co., Ltd., Ri Chen Green Co., Ltd., Ri Fa Green Co., Ltd., Ri Pu Green Co., Ltd., Ri Wei Green Co., Ltd., Ri Lu Green Co., Ltd., Ri Yu Green Co., Ltd., Ri Yun Green Co., Ltd., JPEK INTERNATIONAL CO., LTD., Xiang Heng Green Co., Ltd., Daybreak Fishery Management Consultants Co., Ltd., Daybreak Fishery Tech Co., Ltd., Sunenginer Co., Ltd., SunGrounder Co., Ltd., Esun Energy Co., Ltd., HB O&M Co., Ltd., Ying Fa Energy Co., Ltd., Chang He Energy Co., Ltd., Star Pai ChargeTech Co., Ltd., Star Charger Co., Ltd., Star Chen ChargeTech Co., Ltd., Star He ChargeTech Co., Ltd., Star Power Energy Corporation, Star Exchange Co., Ltd., Star Duo ChargeTech Co., Ltd., Shin Yuan Energy Co., Ltd., Star Ting ChargeTech Co., Ltd., Star Jian ChargeTech Co., Ltd., Motech Power Alpha Co., Ltd., Huiju Energy Co., Ltd., and Ju Wong Energy Storage Co., Ltd.

(II) Major shareholders among corporate shareholders:

Name of corporate shareholders	Major shareholders among corporate shareholders
Titan Solar Co., Ltd.	Yuan-Yi Hsieh holding 7.23% shares; Ru-Yi Hsieh holding 7.27% shares; Jason Renewables Co., Ltd. holding 30% shares; Fengyuan Co., Ltd. holding 44% shares; Jen-Kuang Hsieh holding 11.5% shares
Samoan company GREEN RIVER INTERNATIONAL LTD.	Yi-Neng Hsu holding 100% shares
Power ZMC corporation	Chang Shu-Wei holding 50% shares; Han Cheng holding 50% shares

(III) Major shareholders in the case that major shareholders among corporate shareholders are the legal person:

Name of legal persons	Major shareholders among corporate shareholders
Jason Renewables Co., Ltd.	Shih-Chang Chou holding 40% shares; Hsin-Yi Li holding 40% shares; Ying-Hsi Chou holding 10% shares; Ying-Chen Chou holding 10% shares
Fengyuan Co., Ltd.	Yuan-Yi Hsieh holding 50% shares; Ru-Yi Hsieh holding 50% shares

(IV) Disclosure of information on professional qualifications of directors and independence of independent directors

Conditions / Name	Professional qualifications and experience	Independent situation	The number of other public offering companies which he/she concurrently works for as an Independent Director
Representative of Titan Solar Co., Ltd.: Yuan-Yi Hsieh	For more information on relevant experiences (education), please refer to II. (I) Directors and supervisors; has rich experience in venture capital and business management ability, and does not have one of the circumstances under Article 30 of the Company Act.	(6)(8)(10)(11)	None
Representative of Titan Solar Co., Ltd.: Shih-Chang Chou	For more information on relevant experiences (education), please refer to II. (I) Directors and supervisors; has extensive knowledge of the renewable energy industry and business management capabilities, and does not have one of the circumstances described in Article 30 of the Company Act.	(6)(8)(10)(11)	None
Samoan company GREEN RIVER INTERNATIONAL LTD. Representative: Yi-Neng Hsu	For more information on relevant experiences (education), please refer to II. (I) Directors and supervisors; has experience in construction and development projects and financial management ability, does not have one of the circumstances described in Article 30 of the Company Act.	(1)(2)(4)(7)(8)(9)(10)(11)	None
Representative of Power ZMC corporation: Han Cheng	For more information on relevant experiences (education), please refer to II. (I) Directors and supervisors; has rich experience in accounting and financial tax planning, and coaching enterprises, and do not have one of the circumstances described in Article 30 of the Company Act.	(1)(2)(4)(7)(8)(9)(10)(11)	None

Conditions / Name	Professional qualifications and experience	Independent situation	The number of other public offering companies which he/she concurrently works for as an Independent Director
Liang-Yu Chang	For more information on relevant experiences (education), please refer to II. (I) Directors and supervisors; has accounting and financial analysis skills and business management skills, and does not have one of the circumstances described in Article 30 of the Company Act.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	None
Feng-Sheng Wu	For more information on relevant experiences (education), please refer to II. (I) Directors and supervisors; has accounting and financial analysis skills and business management skills, and does not have one of the circumstances described in Article 30 of the Company Act.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	None
Jen-Hao Teng	For more information on relevant experiences (education), please refer to II. (I) Directors and supervisors; has industrial professional capabilities and does not have one of the circumstances described in Article 30 of the Company Act.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	None

Note 1: Above directors and independent directors do not have any circumstances described in Article 30 of the Company Act.

Note 2: The independence of the directors during the two years prior to their election and during their term of office. (Those who are in line with this case are disclosed in the above table)

(1) Not an employee of the Company or its affiliated enterprises.

(2) Not a director or supervisor of the Company or its affiliated enterprises (except the case where the person is allowed to concurrently serve as the independent director of the Company and its parent company, subsidiaries or the same parent company’s subsidiaries in accordance with this Act or the laws and regulations in local country).

(3) Not a natural person shareholder who holds more than 1% of the total issued shares in the name of himself/herself, his/her spouse, minor children or others or a natural person shareholder with shareholding rate of the top ten.

(4) Not a manager listed under 1 or the spouse, relative within the second-degree relationship, or relative within the third-degree relationship listed under 2 and 3.

(5) Not a director, supervisor or employee of a corporate shareholder who directly hold more than 5% of the Company's total issued shares, or who is one of the top five holders of shares, or who has designated a representative as a director or supervisor of the Company in accordance with item 1 or 2 of Article 27 of the Company Act (except the case where the person is allowed to concurrently serve as the independent director of the Company and its parent company, subsidiaries or the same parent company’s subsidiaries in accordance with this Act or the laws and regulations in local country).

(6) Not a director, supervisor or employee of another company for which more than half of the directors or shares with voting rights of the Company and such company is controlled by the same person (except the case where the person is allowed to concurrently serve as the independent director of the Company and its parent company, subsidiaries or the same parent company’s subsidiaries in accordance with this Act or the laws and regulations in local country).

(7) Not a director, supervisor or employee of another company or organization whose chairman, president or the person equivalent in position is the same person or spouse to each other with that of the Company (except the case where the person is allowed to concurrently serve as the independent director of the Company and its parent company, subsidiaries or the same parent company’s subsidiaries in accordance with this Act or the laws and regulations in local country).

(8) Not a director, supervisor, manager or shareholder holding more than 5% of the shares of a specific company or organization that have financial or business dealings with the Company (except the case where the specific company or organization holds more than 20% and less

than 50% of the total issued shares of the Company, and the person is allowed to concurrently serve as the independent director of the Company and its parent company, subsidiaries or the same parent company's subsidiaries in accordance with this Act or the laws and regulations in local country).

(9) Not a professional, and the owner, partner, director, supervisor, manager and their spouse of sole proprietorship enterprise, partnership, company or organization related to business, legal, financial and accounting services, who provides audit for the Company or its affiliated enterprises or obtains cumulative remuneration of less than NT$500,000 in the last two years. However, it shall not be limited to the members of the Compensation Committee, the Public Takeover Review Committee or the Special Committee on Mergers and Acquisitions who perform their duties and responsibilities in accordance with the Securities and Exchange Act or the relevant laws and regulations of the Securities and Exchange Act and BUSINESS MERGERS AND ACQUISITIONS ACT.

(10) Not the spouse or relative within the second-degree relationship of other directors.

(11) Not have one of the circumstances in Article 30 of the Company Act.

(12) Does not have the circumstance where government, legal person or their representatives are elected as independent director in accordance with Article 27 of the Company Act.

(V) Diversity and independence of directors:

1. Diversity of Board of Directors:

The Company advocates and respects the policy of diversity of directors in order to strengthen corporate governance and promote the sound development of the composition and structure of the board of directors, and believes that the diversity policy will help enhance the overall effectiveness of the Company. In accordance with Article 23 of the Code of Practices for Corporate Governance and Article 2.1 of the Regulations Governing the Election of Directors and Independent Directors, Board members shall generally possess the knowledge, skills and qualities necessary for the performance of their duties. The Board of Directors shall have the following overall competencies: operational judgment, accounting and financial analysis, operational management, crisis management, industry knowledge, international market perspective, leadership and decision-making ability. As to the composition of the Board of Directors, the Company shall take into account the diversity and develop an appropriate diversity approach with respect to its operations, business model and development needs, including basic qualifications and values (e.g., gender, age, nationality and culture, etc.), as well as their respective professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The diversity policy of the current members of the Company's Board of Directors and its implementation are as follows:

Diversity items / Name of directors	Gender	Age	Seniority of Independent Directors		Industry Experience				Professional Competencies	
			Less than 3 years	More than 3 years	Business Management	Venture Capital	Green Energy Application and Registration	Construction Development	Finance and Accounting	Securities Finance
Representative of Titan Solar Co., Ltd.: Yuan-Yi Hsieh	Male	41-50 years old			V	V	V	V		
Representative of Titan Solar Co., Ltd.: Shih-Chang Chou	Male	41-50 years old			V	V	V	V		
Representative of Samoan company GREEN RIVER INTERNATIONAL LTD.: Yi-Neng Hsu	Male	41-50 years old			V	V		V		
Representative of Power ZMC corporation: Han Cheng	Female	31-40 years old			V				V	
Liang-Yu Chang	Male	31-40 years old	V		V	V			V	V
Feng-Sheng Wu	Male	61-70 years old	V		V	V				
Jen-Hao Teng	Male	51-60 years old	V				V	V		

2. Independence of the Board of Directors:

(1) Structure of the Board of Directors:

The Company has established a system for the selection of directors, and the procedures for the election of all directors are open and fair, in compliance with the provisions of the Company's “Articles of Incorporation”, the "Regulations Governing the Election of Directors and Independent Directors", “Code of Practices for Corporate Governance”, the "Rules Governing the Establishment of and Matters to be Followed by Independent Directors of Public Companies" and "Article 14-2 of the Securities and Exchange Act". The current composition of the Board of Directors is 3 independent directors (42.86%) and 4 non-independent directors (57.14%), of which 1 is a female director (14.29%) and 2 are employees (28.57%, less than one-third of all directors). All directors are not related to each other as spouses or relatives within the second-degree relationship, in accordance with Item 3, Article 26-3 of the Securities and Exchange Act. For information on each director's education, gender, professional qualifications, work experience and diversity, please refer to Three. II. (I) The disclosure of the names, education, shareholdings and nature of the directors and Three. II. (IV) The disclosure of professional qualifications and independence of independent directors.

(2) Independence of the Board of Directors:

The Board of Directors directs the Company's strategy, supervises the management, and is responsible to the Company and its shareholders. The Board of Directors exercises its authority in all operations and arrangements of the corporate governance system in accordance with laws and regulations, the Articles of Incorporation, or resolutions of shareholders' meetings. The Board of Directors of the Company emphasizes the function of independent operation and transparency, and the directors and independent directors are independent individuals who exercise their duties independently. Three independent directors also comply with the relevant laws and regulations, together with the authority of the Audit Committee, to monitor the effective implementation of the Company's internal controls, Appointment (Discharge) of Certified Public Accountants (CPAs) and their independence as well as proper preparation of the financial statements. In addition, in accordance with the Company's "Regulations Governing the Election of Directors and Independent Directors", the method of election of directors and independent directors is based on the cumulative voting method by secret ballot and the candidate nomination system, and the relevant acceptance procedures are conducted and announced in accordance with the laws, to protect the shareholders' rights and interests, avoid that the nomination rights are monopolistic and exorbitant excessively, and maintain independence.

The Company has established a system for evaluating the performance of the Board of Directors and conducts an annual internal self-evaluation of the Board of Directors and self-evaluation of the Board members; The performance evaluation of the Board of Directors includes five aspects: (1) participation in the Company's operation, (2) improvement of the quality of the Board of Directors' decisions, (3) composition and structure of the Board of Directors, (4) selection and continuing education of directors, and (5) internal control, etc. The self-assessment of board members includes six aspects: (1) mastery of corporate goals and tasks (2) knowledge of directors' duties and responsibilities (3) participation in corporate operations (4) internal relationship management and communication (5) professional and continuing education of directors and (6) internal control, etc. The results of the above-mentioned self-assessment are disclosed in the Company's annual report after they have been reported to the Board of Directors.

In addition, in order for the investing public to fully understand other operations of the Company's board of directors, relevant information has been disclosed in the Company's annual report or on the Market Observation Post System: (1) Board members' attendance at meetings (2) Board meetings and resolutions (3) Directors' continuing education (4) Changes in the shareholdings of Board members (including shareholding ratios, transfer of shares, and setting of pledges)

(VI) Presidents, vice presidents, assistants, heads of departments and branches

May 2, 2023 Unit: Shares; %

Title	Nationality	Name	Gender	Date of inauguration	Shares held		Shares held by spouse, minor children		Shares held in the name of others		Major experiences (education)	Current positions in other companies	Managers who have spouse relationship or relatives within the second-degree relationship			Circumstances under which the manager obtains the employee stock option certificates	Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
CEO	Taiwan	Yuan-Yi Hsieh	Male	2021/2/1	1,688,487	1.69%	-	-	-	-	Bachelor in Economics, University of British Columbia Master in Financial Entrepreneurial Management, City University of New York, Berkshire College Chairman of HD Renewable Energy Co., Ltd. Chairman of Titan Solar Co., Ltd. Chairman of Star Power Energy Corporation	Note 2	-	-	-	-	Note 1
President	Taiwan	Shih-Chang Chou	Male	2017/7/1	1,062,092	1.06%	-	-	-	-	Master of Sports Management, Chinese Culture University Director of HD Renewable Energy Co., Ltd. Director of Titan Solar Co., Ltd. Supervisor of Star Power Energy Corporation Director of Titanos Asset Management Limited	Note 3	-	-	-	-	-
Vice President of Administrative Management Division	Taiwan	Wei-Pin Huang	Male	2021/6/1	-	-	-	-	-	-	Department of Water Resources Engineering, National Cheng Kung University Vice President of Taiwan Tea Corporation Director of HD Renewable Energy Co., Ltd.	Supervisor of the Company of Xin Sheng Energy Develop Co., Ltd. Supervisor of Star Aquaculture Co., Ltd. Supervisor of Star Energy Storage Co., Ltd. Supervisor of Aquastar Energy Co., Ltd.	-	-	-	-	-
Vice President of Engineering Division	Taiwan	Yung-Ching Li	Male	2020/5/1	383,162	0.38%	-	-	-	-	Department of Civil Engineering, Kaohsiung Institute of Technology Engineer of RSEA Engineering Corporation Manager of Pao Ku Construction Co., Ltd. Assistant of Shangmin Construction Co., Ltd.	Supervisor of Channeng Engineering Co., Ltd.	-	-	-	-	-
Assistant of Sales Division	Taiwan	Chun-Yi Wu	Male	2020/9/1	196,978	0.20%	-	-	-	-	Bachelor in Department of Land Economics, National Chengchi University New construction project of Longtan Plant of Lion Pencil Co., Ltd. The First Urban Renewal Facilitator of New Taipei City	-	-	-	-	-	-
Special Assistant of President's Office	Taiwan	Hsien-Jung Cheng	Female	2021/4/1	137,280	0.14%	115,920	0.12%	-	-	Master in Structural Engineering, University of Sheffield, UK Engineer of Mutual Aid Construction Project Vice President of AUO Corp. Assistant of HD Renewable Energy Co., Ltd.	-	-	-	-	-	-

Title	Nationality	Name	Gender	Date of inauguration	Shares held		Shares held by spouse, minor children		Shares held in the name of others		Major experiences (education)	Current positions in other companies	Managers who have spouse relationship or relatives within the second-degree relationship			Circumstances under which the manager obtains the employee stock option certificates	Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
Assistant of Asset Management Division	Taiwan	Ting-Yi Kuan	Female	2022/12/28	10,000	0.01%	-	-	-	-	Department of Finance, Tamkang University Director of Energy Division 2 of AcBel Polytech Inc. Special Assistant to President of HD Renewable Energy Co., Ltd.	Director of HELIO DEVICE CORPORATION	-	-	-	-	-
Assistant of Procurement Department	Taiwan	Chi-Pi Li	Male	2021/4/19	80,000	0.08%	100,000	0.10%	-	-	Bachelor in Department of Power Mechanics, National Tsing Hua University Manager of AUO Corp. Executive Vice President of DR. RENEWABLE ENERGY MATERIAL TECH CORPORATION	-	-	-	-	-	-
Assistant of Project Management Division	Taiwan	Hui-Lan Yeh	Female	2020/6/1	152,214	0.15%	-	-	-	-	Department of Civil Engineering, Tungnan University Engineer of CTCI Smart Engineering Corporation Chief Engineer of Marketech International Corp. Construction Manager of Archbuild Construction Co., Ltd.	-	-	-	-	-	-
Assistant of Engineering Division	Taiwan	Tzu-Yen Hsieh	Female	2020/5/1	488,018	0.49%	-	-	-	-	Department of Pharmacy, Taipei Medical University	Chairman of Channeng Engineering Co., Ltd.	-	-	-	-	-
Assistant of Information Technology Division	Taiwan	Chih-Min Chung	Male	2022/5/19	30,000	0.03%	-	-	-	-	Department of Information Engineering, Chung Hua University Manager of UER TECHNOLOGY CORPORATION Senior Manager of XINGFOX ENERGY TECHNOLOGY CO., LTD. Senior Manager of Nidec Chaun-Choung Technology Corp.	-	-	-	-	-	-
Assistant of Smart Service Division	Taiwan	Tien-Tzu Lo	Male	2022/5/1	36,771	0.04%	4,771	0.01%			Ph.D. in Electrical Engineering, National Taiwan University President of Business Division, Delta Electronics, Inc. Director of the Energy Agency of the Industrial Technology Research Institute	-	-	-	-	-	-
Assistant of Super Charging Department	Taiwan	Yi-Kung Chen	Male	2022/12/1	39,000	0.04%	272,496	0.27%	-	-	Department of Horticulture, Chinese Culture University President of YCL ELECTRONICS CO., LTD. President of UNIGATE CORPORATION (H.K.) LIMITED Manager of KRETON CORPORATION	Director of AFFINITY ELECTRONICS CO., LTD.	-	-	-	-	-
Assistant of Administrative Management Division	Taiwan	Yu-Ching Tien	Female	2023/02/08	30,000	0.03%					Department of Economics, Chinese Culture University HR and Admin Director of Follow HR Business Partner of Wechain Co., Ltd. HR Assistant of Systemweb Technology Co., Ltd.						

Title	Nationality	Name	Gender	Date of inauguration	Shares held		Shares held by spouse, minor children		Shares held in the name of others		Major experiences (education)	Current positions in other companies	Managers who have spouse relationship or relatives within the second-degree relationship			Circumstances under which the manager obtains the employee stock option certificates	Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
Accounting Supervisor	Taiwan	Yen-Kai Liao	Male	2018/11/15	184,149	0.18%	-	-	-	-	Department of Accounting, National Dong Hwa University Assistant Manager of Deloitte & Touche	Chairman of Hsi To Fu Biotech Foods Co. Director of Xin Sheng Energy Develop Co., Ltd. Director of Star Energy Storage Co., Ltd. Director of Star Aquaculture Co., Ltd.	-	-	-	-	-
Audit Supervisor	Taiwan	Chin-Hao Chang	Male	2020/3/1	48,000	0.05%	-	-	-	-	Department of Accounting, National Dong Hwa University Assistant Manager of Deloitte & Touche Audit Supervisor of Taiwan Taomee Technology Co., Ltd. Audit Commissioner of WahLee Industrial Corp.	-	-	-	-	-	-

Note 1: The Chairman of the Board of Directors and the Chief Executive Officer (the top manager/president or the person equivalent in position) are one and the same person. In order to enhance operational efficiency and decision execution, the Company currently has the following specific measures:
(1) More than half of the directors of the Board of Directors are not also employees or managers.
(2) The Board of Directors shall arrange for the directors to attend relevant corporate governance courses annually to enhance the effectiveness of the Board's operations.
(3) The independent directors fully discuss and make recommendations for the Board of Directors' reference in the functional committee to implement corporate governance.

Note 2: Yuan-Yi Hsieh is also CEO of HD Renewable Energy Co., Ltd.; Chairman of companies such as Da Fu Energy Co., Ltd., Zhong Fang Green Co., Ltd, Dan Deng Green Co., Ltd., Sunny Go Solar Co., Ltd., Ren Hua Green Co., Ltd., Yunn Deng Green Co., Ltd., You Deng Green Co., Ltd., Tian Jie ChargeTech Co., Ltd., Tian Sheng Green Co., Ltd., Tian Xi ChargeTech Co., Ltd., Tian Yu Green Co., Ltd., Tian Hui Energy Storage Co., Ltd., Tian Dong Energy Storage Co., Ltd., Tian Chang Energy Storage Co., Ltd., Tian Cheng Energy Storage Co., Ltd., Tian Hong Green Co., Ltd., Tian Hua ChargeTech Co., Ltd., Tian Yong Green Co., Ltd., Tian Yi Energy Storage Co., Ltd., Tian Fang ChargeTech Co., Ltd., Tian Tai ChargeTech Co., Ltd., Titan Solar Co., Ltd., Titan Energy Co., Ltd., Titan Asset Management Co., Ltd., Yin Deng Green Co., Ltd., Wen Deng Green Co., Ltd., Fang Deng Green Co., Ltd., Daytime Solar Energy Co., Ltd., Ri Xun Green Co., Ltd., Ri Xi Green Co., Ltd., Ri Fu Green Co., Ltd., Ru Jing Green Co., Ltd., Ri Zhi Green Co., Ltd., Ri Chen Green Co., Ltd., Ri Pu Green Co., Ltd., Ri Wei Green Co., Ltd., Ri Lu Green Co., Ltd., Ri Yu Green Co., Ltd., Ri Yun Green Co., Ltd., JPEK INTERNATIONAL CO., LTD., Xiang Heng Green Co., Ltd., Daybreak Fishery Management Consultants Co., Ltd., Daybreak FisheryTech Co., Ltd., Sunenginer Co., Ltd., SunGrounder Co., Ltd., Esun Energy Co., Ltd., HB O&M Co., Ltd., Ying Fa Energy Co., Ltd., Chang He Energy Co., Ltd., Star Pai ChargeTech Co., Ltd., Star Charger Co., Ltd., Star Energy Storage Solutions Co., Ltd., Star Chen ChargeTech Co., Ltd., Star He ChargeTech Co., Ltd., Star Power Energy Corporation, Star Exchange Co., Ltd., Star Duo ChargeTech Co., Ltd., Shin Yuan Energy Co., Ltd., Star Aquaculture Co., Ltd., Star Ting ChargeTech Co., Ltd., Star Energy Storage Co., Ltd., Star Jian ChargeTech Co., Ltd., Aquastar Energy Co., Ltd., Motech Power Alpha Co., Ltd., Huiju Energy Co., Ltd., and Xin Sheng Energy Develop Co., Ltd.; Directors of companies such as Ri Qing Green Co., Ltd., Ri Fa Green Co., Ltd., New Century Energy Co., Ltd., Dreamer Entertainment Production Co., Ltd., and Fengyuan Co., Ltd.

Note 3: Shih-Chang Chou is also president of HD Renewable Energy Co., Ltd.; Directors of companies such as Titan Solar Co., Ltd., JASON RENEWABLES CO., LTD., Star Aquaculture Co., Ltd., Star Energy Storage Co., Ltd., Aquastar Energy Co., Ltd., Xin Sheng Energy Develop Co., Ltd., and Huiju Energy Co., Ltd.; Supervisor of companies such as Da Fu Energy Co., Ltd., Zhong Fang Green Co., Ltd., Dan Deng Green Co., Ltd., Sunny Go Solar Co., Ltd., Ren Hua Green Co., Ltd., Yunn Deng Green Co., Ltd., Yun Deng Green Co., Ltd., You Deng Green Co., Ltd., Tian Jie ChargeTech Co., Ltd., Tian Sheng Green Co., Ltd., Tian Xi ChargeTech Co., Ltd., Tian Yu Green Co., Ltd., Tian Hui Energy Storage Co., Ltd., Tian Dong Energy Storage Co., Ltd., Tian Chang Energy Storage Co., Ltd., Tian Cheng Energy Storage Co., Ltd., Tian Hong Green Co., Ltd., Tian Hua ChargeTech Co., Ltd., Tian Yong Green Co., Ltd., Tian Yi Energy Storage Co., Ltd., Tian Fang ChargeTech Co., Ltd., Tian Tai ChargeTech Co., Ltd., Titan Energy Co., Ltd., Titan Asset Management Co., Ltd., Yin Deng Green Co., Ltd., Wen Deng Green Co., Ltd., Fang Deng Green Co., Ltd., Daytime Solar Energy Co., Ltd., Ri Xun Green Co., Ltd., Ri Xi Green Co., Ltd., Ri Fu Green Co., Ltd., Ru Jing Green Co., Ltd., Ri Zhi Green Co., Ltd., Ri Chen Green Co., Ltd., Ri Fa Green Co., Ltd., Ri Pu Green Co., Ltd., Ri Wei Green Co., Ltd., Ri Lu Green Co., Ltd., Ri Yu Green Co., Ltd., Ri Yun Green Co., Ltd., JPEK INTERNATIONAL CO., LTD., Xiang Heng Green Co., Ltd., Daybreak Fishery Management Consultants Co., Ltd., Daybreak Fishery Tech Co., Ltd., Sunenginer Co., Ltd., SunGrounder Co., Ltd., Esun Energy Co., Ltd., HB O&M Co., Ltd., Ying Fa Energy Co., Ltd., Chang He Energy Co., Ltd., Star Pai ChargeTech Co., Ltd., Star Charger Co., Ltd., Star Chen ChargeTech Co., Ltd., Star He ChargeTech Co., Ltd., Star Power Energy Corporation, Star Exchange Co., Ltd., Star Duo ChargeTech Co., Ltd., Shin Yuan Energy Co., Ltd., Star Ting ChargeTech Co., Ltd., Star Jian ChargeTech Co., Ltd., Motech Power Alpha Co., Ltd., Huiju Energy Co., Ltd., and Ju Wong Energy Storage Co., Ltd.

III. Remuneration paid to directors, presidents, and vice presidents in the most recent year

(I) Remuneration of ordinary and independent directors

December 31, 2022; Unit: NT$1,000

Title	Name	Directors' Remuneration – Remuneration (A) – The Company	Directors' Remuneration – Remuneration (A) – All companies in the financial statements	Directors' Remuneration – Retirement Pension(B) – The Company	Directors' Remuneration – Retirement Pension(B) – All companies in the financial statements	Directors' Remuneration – Directors' Remuneration (C) – The Company	Directors' Remuneration – Directors' Remuneration (C) – All companies in the financial statements	Directors' Remuneration – Business Execution Expenses (D) – The Company	Directors' Remuneration – Business Execution Expenses (D) – All companies in the financial statements	Total amount of A, B, C and D and percentage in net income after tax (%) – The Company	Total amount of A, B, C and D and percentage in net income after tax (%) – All companies in the financial statements	Remuneration for part-time employees – Salaries, Bonuses and Special Expenses (E) – The Company	Remuneration for part-time employees – Salaries, Bonuses and Special Expenses (E) – All companies in the financial statements	Remuneration for part-time employees – Retirement Pension(F) – The Company	Remuneration for part-time employees – Retirement Pension(F) – All companies in the financial statements	Remuneration for part-time employees – Employee Remuneration (G) – The Company – Cash Amount	Remuneration for part-time employees – Employee Remuneration (G) – The Company – Share Amount	Remuneration for part-time employees – Employee Remuneration (G) – All companies in the financial statements – Cash Amount	Remuneration for part-time employees – Employee Remuneration (G) – All companies in the financial statements – Share Amount	Total amount of A, B, C, D, E, F and G and percentage in net income after tax – The Company	Total amount of A, B, C, D, E, F and G and percentage in net income after tax – All companies in the financial statements	Remuneration received from businesses other than subsidiaries or parent companies
Chairman	Titan Solar Co., Ltd. (Note 3)	-	-	-	-	5,120	5,120	-	-	5,120 0.79%	5,120 0.79%	-	-	-	-	-	-	-	-	5,120 0.79%	5,120 0.79%	-
Chairman	Yuan-Yi Hsieh (Note 3)	-	-	-	-	-	-	-	-	-	-	5,581	5,581	-	-	2,424	-	2,424	-	8,005 1.23%	8,005 1.23%	-
Representative of corporate director	Shih-Chang Chou (Note 3)	-	-	-	-	-	-	-	-	-	-	5,576	5,576	108	108	2,424	-	2,424	-	8,108 1.25%	8,108 1.25%	-
Director	Representative of Jason Renewables Co., Ltd.: Yi-Neng Hsu (Note 4) Representative of Samoan company GREEN RIVER INTERNATIONAL LTD.:Yi-Neng Hsu (Note 5) Representative of Power ZMC corporation: Han Cheng	-	-	-	-	1,590	1,590	-	-	1,590 0.24%	1,590 0.24%	-	-	-	-	-	-	-	-	1,590 0.24%	1,590 0.24%	-
Independent director	Liang-Yu Chang Hsiao-Tsun Chen (Note 4) Ting-Yang Huang (Note 4) Feng-Sheng Wu (Note 5) Jen-Hao Teng (Note 5)	-	-	-	-	2,225	2,225	-	-	2,225 0.34%	2,225 0.34%	-	-	-	-	-	-	-	-	2,225 0.34%	2,225 0.34%	-

Note 1: Please describe the paying policy, system, criteria and structure for the independent directors' remuneration, and the correlation with the amount of remuneration paid based on the responsibilities, risks and time commitment: The remuneration of the Company's independent directors consists of remuneration for the performance of their duties, travel expenses and remuneration to the directors in accordance with the Company's Articles of Incorporation. The Company may pay a fixed amount of remuneration to the independent directors for performing their duties for the Company, regardless of the Company's profit or loss; In accordance with the Company's Articles of Incorporation, if the Company earns a profit in a year (pre-tax profit deducts the profit before distributing the remuneration of employees and directors), 5% to 10% shall be set aside for employee compensation and not more than 3% for director compensation. Therefore, the remuneration of the Company's directors changes based on their individual performance, the Company's operating performance and the future operating risks.

Note 2: Except as disclosed in the form above, remuneration received by the directors of the Company for services rendered to all companies included in the financial statements (e.g., serving as consultants not belonging to employees) in the most recent year: None.

Note 3: The set remuneration rate of the corporate directors in Titan Solar Co., Ltd.in the period from January to April 2022 was more than 50%, so the remunerations of some corporate directors and their representatives were disclosed.Note 4: Resigned due to re-election on June 30, 2022.

Note 5: Appointed due to re-election on June 30, 2022.

Remuneration Range Form

Ranges of remuneration paid to each director of the Company	Name of directors			
	Total remuneration of the first four items (A+B+C+D)		Total remuneration of the first seven items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements H	The Company	All companies in the financial statements I
Less than NT$1,000,000	Yi-Neng Hsu(Representative of GREEN RIVER INTERNATIONAL LTD. and Jason Renewables Co., Ltd.), Liang-Yu Chang, Hsiao-Tsun Chen, Ting-Yang Huang, Feng-Sheng Wu, Jen-Hao Teng	Yi-Neng Hsu(Representative of GREEN RIVER INTERNATIONAL LTD. and Jason Renewables Co., Ltd.), Liang-Yu Chang, Hsiao-Tsun Chen, Ting-Yang Huang, Feng-Sheng Wu, Jen-Hao Teng	Yi-Neng Hsu(Representative of GREEN RIVER INTERNATIONAL LTD. and Jason Renewables Co., Ltd.), Liang-Yu Chang, Hsiao-Tsun Chen, Ting-Yang Huang, Feng-Sheng Wu, Jen-Hao Teng	Yi-Neng Hsu(Representative of GREEN RIVER INTERNATIONAL LTD. and Jason Renewables Co., Ltd.), Liang-Yu Chang, Hsiao-Tsun Chen, Ting-Yang Huang, Feng-Sheng Wu, Jen-Hao Teng
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	Han Cheng(Representative of Power ZMC corporation)	Han Cheng(Representative of Power ZMC corporation)	Han Cheng(Representative of Power ZMC corporation)	Han Cheng(Representative of Power ZMC corporation)
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)				
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)				
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	Titan Solar Co., Ltd.	Titan Solar Co., Ltd.	Titan Solar Co., Ltd., Yuan-Yi Hsieh, Shih-Chang Chou	Titan Solar Co., Ltd., Yuan-Yi Hsieh, Shih-Chang Chou
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)				
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)				
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)				
NT$100,000,000 (inclusive) or more				
Total	8 persons	8 persons	10 persons	10 persons

(II) Remuneration for President and Vice President

December 31, 2022;Unit: NT$1,000; 1,000 shares

Title	Name	Salary (A)		Retirement Pension (B)		Bonus and special expenses, etc. (C)		Employee compensation amount (D)				Total amount of A, B, C and D and percentage in net income after tax (%)		Remuneration received from businesses other than subsidiaries or parent companies
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash Amount	Share Amount	Cash Amount	Share Amount			
CEO	Yuan-Yi Hsieh	15,201	15,201	324	324	2,354	2,354	6,879	-	6,879	-	24,758 3.81%	24,758 3.81%	-
President	Shih-Chang Chou													
Vice President	Yung-Ching Li													
Vice President	Wei-Pin Huang													

Remuneration Range Form

Ranges of remuneration paid to each president and vice president of the Company	President and Vice President	
	The Company	All companies in the financial statements
Less than NT$1,000,000	-	-
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	-	-
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	-	-
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	Yung-Ching Li, Wei-Pin Huang	Yung-Ching Li, Wei-Pin Huang
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	Yuan-Yi Hsieh, Shih-Chang Chou	Yuan-Yi Hsieh, Shih-Chang Chou
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	-	-
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	-	-
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	-	-
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	-	-
NT$100,000,000 (inclusive) or more	-	-
Total	4 persons in total	4 persons in total

(III) Remuneration for the top five highest paid heads of TWSE/TPEx-Listed Companies: Not applicable.

(IV) Name and distribution status of the manager to whom employee compensation is distributed

December 31, 2022; Unit: NT$1,000

	Title (Note 1)	Name (Note 1)	Share Amount	Cash Amount	Total	Ratio of total amount to net profit after tax (%)
Manager	CEO	Yuan-Yi Hsieh	-	14,827	14,827	2.28%
	President	Shih-Chang Chou				
	Executive Vice President	Yung-Ching Li				
	Vice President	Wei-Pin Huang				
	Assistant	Chun-Yi Wu				
	Assistant	Tzu-Yen Hsieh				
	Assistant	Hui-Lan Yeh				
	Senior Assistant	Yen-Kai Liao				
	Assistant (Note 1)	Yen-Hsiang Wang				
	Assistant	Chi-Pi Li				
	Special Assistant	Hsien-Jung Cheng				
	Assistant (Note 2)	Shuo-Hsien Hsu				
	Assistant (Note 3)	Chih-Min Chung				
	Senior Assistant (Note 3)	Tien-Tzu Lo				
	Assistant (Note 4)	Ting-Yi Kuan				
	Assistant (Note 5)	Chih-Ta Tsai				
	Assistant (Note 6)	Yi-Kung Chen				

Note 1: Appointed on April 21, 2021 and resigned on January 31, 2023.
Note 2: Appointed on November 15, 2021 and resigned on May 15, 2022.
Note 3: Appointed on March 1, 2022.
Note 4: Appointed on December 28, 2022.
Note 5: Appointed on October 11, 2022.
Note 6: Appointed on November 1, 2022 and transferred to a subsidiary on January 31, 2023.

(V) An analysis of the ratio of the total amount of compensation paid to the Company’s directors, supervisors, presidents, and vice presidents in the past two years by the Company and all companies in the consolidated report to the net profit after tax of individual or some financial reports, and an explanation of the policies, standards, and combinations for payment of compensation, the procedures for setting compensation, and the correlation with business performance and future risks:

(1) Analysis of the ratio of the total remuneration paid to the Company’s directors, supervisors, presidents, and vice presidents by the Company and all companies in the consolidated financial report in the past two years to the net profit after tax of the parent company only financial report :

Unit: %

The year / Item	The ratio of total remuneration to net profit after tax in 2021		The ratio of total remuneration to net profit after tax in 2022	
	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report
Director (Note 1)	7.05%	7.05%	3.85%	3.85%
Supervisor	0.05%	0.05%	Not applicable	Not applicable
President, Vice President (Note 1)	8.88%	8.88%	3.81%	3.81%

Note 1: The total amount of directors' remuneration includes the portion of relevant remuneration received as the part-time employees, so there are double calculations regarding the total amount of remuneration for the president and vice president.

(2) Policies, standards, and combinations for remuneration, procedures for setting remuneration, and their correlation with business performance and future risks:

A. Policies, standards, and combinations for remuneration:

(a) The directors’ remuneration of the Company shall be determined by the board of directors in accordance with Article 22 of the Company's Articles of Incorporation, based on the degree of their participation in the Company's operations and the value of their contributions, and taking into account the usual standards of the industry; In addition, if the Company makes a profit in the current year, no more than 3% of the directors' remuneration shall be allocated in accordance with Article 26 of the Company's Articles of Incorporation. The Company regularly evaluates the remuneration of directors in accordance with the “Performance Evaluation Measures of the Board of Directors”, and the relevant performance evaluation and salary rationality are reviewed by the Compensation Committee and the Board of Directors.

(b) For the remuneration of the Company's managers, various work allowances and bonuses are provided in accordance with the salary and labor regulations as well as work rules. In order to care about and reward employees for their hard work, the relevant bonuses are also provided based on the Company's annual business performance, financial situation, operational status, and personal work performance; In addition, if the Company makes a profit in the current year, 5% to 10% shall be allocated as employee compensation in accordance with Article 26 of the Company's Articles of Incorporation. The performance evaluation items for manager bonus issuance include: I. Financial performance indicators: revenue and profit, achievement of budget goals, growth, and new markets; II. Non financial indicators: cultivation of elite talents, retention rate of personnel, compliance with laws and regulations.

Remuneration for operating performance is calculated based on the two major projects, and salary is adjusted at any time depending on the Company's operating conditions or salary adjustment policies.

(c) The combination of compensation provided by the Company shall be determined in accordance with the organizational rules of the Compensation Committee, including cash compensation, stock options, dividends, retirement benefits or resignation benefits, various allowances, and other measures with substantial rewards; Its scope is consistent with the guidelines for directors and managers' remuneration in the annual reports of public companies.

B. Procedure for setting remuneration:

(a) To regularly evaluate the salary and remuneration of directors and managers, the evaluation results shall be based on “Performance Evaluation Measures for the Board of Directors and Functional Committees” and “Salary and Remuneration Measures of Directors and Managers” of the Company.

(b) The performance evaluation and salary rationality of the Company's directors and managers are regularly evaluated and reviewed by the Compensation Committee and the Board of Directors on an annual basis. In addition to considering individual performance achievement rates and contributions to the Company, and taking into account the overall operational performance of the Company, the compensation system is reviewed at any time based on actual business conditions and relevant laws and regulations, to provide reasonable compensation. The actual amount of remuneration to be paid to directors and managers for the year 2022 is reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

C. Correlation with business performance and future risks:

(a) The review of the payment standards and systems related to the Company's remuneration policy is mainly based on the overall operational status of the Company, and the payment standards are determined based on performance achievement rate and contribution, in order to improve the overall organizational team efficiency of the Board of Directors and managers. In addition, we ensure that the compensation of the Company's management team is competitive in the industry by referring to peer compensation standards, to retain outstanding management talents.

(b) The performance objectives of the Company's managers are combined with the “risk control” to ensure that the possible risks within the scope of responsibility can be managed and prevented, and the results of the evaluation are given based on actual performance, combined with the relevant human resources and related salary and remuneration policies. The important decisions of the management team of the Company are made after balancing various risk factors, and the performance of the relevant decisions is reflected in the Company's profitability. Therefore, the compensation of the management team is related to the performance of risk control.

IV. Governance and operation situation of the Company

(I) Information on the operation of the board of directors
The board of directors has held 15 meetings in the recent year (2022), and the attendance of directors is as follows:

Title	Name	Actual number of attendance (attendance without voting rights) B	Number of attendance by proxy	Actual attendance (attendance without voting rights) rate (%) [B/A] (Note 2)	Remarks
Chairman	Titan Solar Co., Ltd. Representative: Yuan-Yi Hsieh	14	1	93%	Reelected on June 30, 2022.
Director	Titan Solar Co., Ltd. Representative: Shih-Chang Chou	13	2	87%	Reelected on June 30, 2022.
Director	Power ZMC corporation Representative: Han Cheng	14	1	93%	Reelected on June 30, 2022.
Director	Jason Renewables Co., Ltd. Representative: Yi-Neng Hsu	6	-	100%	Resigned on June 30, 2022. Should attend 6 times.
Director	Representative of Samoan company GREEN RIVER INTERNATIONAL LTD.:Yi-Neng Hsu	9	-	100%	Appointed on June 30, 2022. Should attend 9 times.
Independent director	Liang-Yu Chang	15	-	100%	Reelected on June 30, 2022.
Independent director	Hsiao-Tsun Chen	6	-	100%	Resigned on June 30, 2022. Should attend 6 times.
Independent director	Ting-Yang Huang	6	-	100%	Resigned on June 30, 2022. Should attend 6 times.
Independent director	Feng-Sheng Wu	8	1	89%	Appointed on June 30, 2022. Should attend 9 times.
Independent director	Jen-Hao Teng	8	1	89%	Appointed on June 30, 2022. Should attend 9 times.

Other items to be recorded:

I. If the operation of the board of directors involves any of the following circumstances, the date, period, content of the proposal, opinions of all independent directors, and the Company's handling of the opinions of independent directors shall be stated:

(I) The matters listed in Article 14-3 of the Securities and Exchange Act:

Date/Period of the Board of Directors' meeting	Proposal Content
The 17th meeting of the 3rd Board of Directors on February 25, 2022	1. Proposed application for credit line to BANK SINOPAC
	2. Proposed capital loan to subsidiary Wen Deng Green Co., Ltd.
	3. Proposed capital loan to subsidiary HB O&M Co., Ltd.
	4. Proposed capital loan to subsidiary Ru Jing Green Co., Ltd.
	5. Proposed capital loan to subsidiary Hoshuo Agricultural Biotechnology Co., Ltd.
	6. Proposed capital loan to subsidiary Dan Deng Green Co., Ltd.
	7. Proposed application for credit line to Sungnan Branch of Mega International Commercial Bank Co., Ltd.
	Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.
The 18th meeting of the 3rd Board of Directors on March 28, 2022	1. Amendment to the Articles of Incorporation of the Company
	2. Employee remuneration and directors' and supervisors' remuneration for 2021
	3. Company's 2021 Business Report and Parent company only and Consolidated Financial Reports
	4. Statement of the Company's internal control system
	5. Evaluation of the Company's ability to independently prepare financial reports
	6. The Company's 2022 budget
	7. Proposed to handle the first issuance of new shares by cash capital increase in 2022
	8. Proposed application for listing of the Company's shares
	9. Proposed to take new shares issued by cash capital increase as a source of shares for public underwriting before listing, and discussion on original shareholders giving up all subscriptions
	10. Comprehensive director re-election proposal
	11. Draft and accept proposals from more than 1% of shareholders and handle matters related to the nomination of candidates for directors (including independent directors)
	12. Proposal of lifting the non-compete for new directors of the Company
	13. Amendment to Regulations Governing the Election of Directors and Independent Directors
	14. Amendment to Rules and Procedures of Shareholders' Meetings
	15. Amendment to Procedures for Acquiring or Disposing of Assets
	16. Development and Equity Acquisition of Energy Storage System Project for Huiju Energy Co., Ltd.
	17. Proposed capital loan to subsidiary Yun Deng Green Co., Ltd.
	18. Proposed capital loan to subsidiary Star Charger Co., Ltd.
	19. Amendment to the Code of Practices on Corporate Social Responsibility
	20. Amendment to the Code of Practices for Corporate Governance
	21. Proposed application for credit line to BANK SINOPAC
	22. Date and agenda of the 2022 Shareholders' Meeting of the Company

		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.	
	The 19th meeting of the 3rd Board of Directors on April 29, 2022	1. Proposal of verifying the list of employees who are allowed to subscribe shares, and number of shares they can subscribe at the time of the Company's first cash capital increase in 2022	
		2. Proposed capital loan to subsidiary Hsin-Shih-Chi Energy Co., Ltd	
		3. Proposed capital loan to subsidiary Hsukang Fishery Management Consulting Co., Ltd.	
		4. Proposed capital loan to subsidiary Hsingte Energy Co., Ltd.	
		5. Proposed capital loan to subsidiary Xin Sheng Energy Develop Co., Ltd.	
		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.	
	The 20th meeting of the 3rd Board of Directors on May 18, 2022	1. The Company's 2021 earnings distribution	
		2. Nomination for director candidates	
		3. Review of candidates for directors (including independent directors)	
		4. Proposed application for medium and long-term credit line to Tianmu Branch of Shanghai Commercial Bank	
		5. Proposed to cancel the capital loan line to joint venture subsidiaries Fangteng Green Energy Co., Ltd., Chungfang Green Energy Co., Ltd., and Jenhua Green Energy Co., Ltd.	
		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.	
	The 21st meeting of the 3rd Board of Directors on June 10, 2022	1. Proposed appointment of 2022 Certified Public Accountants and their independent assessment	
		2. Proposed application for credit line to Mega Coupon Finance Co., Ltd.	
		3. Proposed application for credit line to CTBC Bank Co., Ltd.	
		4. The Company's consolidated financial report for the first quarter of 2022	
		5. Proposed capital increase in Huiju Energy Co., Ltd.	
		6. Procurement of optoelectronic modules for Hsia-Shan-Tzu-Liao Section, Cigu District, Tainan	
		7. Proposed capital loan to subsidiary Hsukang Fishery Management Consulting Co., Ltd.	
		8. Proposed acquisition and disposal of equity of Jihyun Green Energy Co., Ltd.	
		9. Proposal of capital increase in Aquastar Energy Corporation	
		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.	
	The 22th meeting of the 3rd Board of Directors on June 29, 2022	1. Proposed application for credit line to Far Eastern International Bank	
		2. Proposed application for credit line to Fubon Bank	
		3. Proposed application for credit line to BANK SINOPAC	
		4. Proposed acquisition of land in Hsinsheng Section, Cigu District, Tainan	

		5. Proposed capital loan to subsidiary Hsingte Energy Co., Ltd
		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.
	The 2nd meeting of the 4th Board of Directors on July 18, 2022	1. Appointment of members of the Company's Compensation Committee
		2. Proposed capital increase in Star Power Energy Corporation
		3. Proposed capital loan to subsidiary Yun Deng Green Co., Ltd.
		4. Procurement of optoelectronic modules for Hsia-Shan-Tzu-Liao Section, Cigu District, Tainan
		5. Proposed to cancel the capital loan line to the joint venture subsidiary, Jihyun Green Energy Co., Ltd.
		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.
	The 3rd meeting of the 4th Board of Directors on August 11, 2022	1. Amendment to the Articles of Incorporation of the Company
		2. The Company's consolidated financial report for the second quarter of 2022
		3. Formulation of the "Internal Major Information Processing Operating Procedures"
		4. Proposed capital increase in AcTek Energy Co., Ltd.
		5. Proposed application for credit line to Fubon Bank
		6. Proposed to change capital loan to subsidiary Shukang Fishery Management Consulting Co., Ltd.
		7. Proposed application for credit line to BANK SINOPAC
		8. Proposed to provide guarantee for subsidiary Star Charger Co., Ltd.
		9. Date and agenda of the 2022 Extraordinary Shareholders' Meeting of the Company
		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.
	The 4th meeting of the 4th Board of Directors on September 8, 2022	1. Proposal of salary adjustment for managers at assistant level and above in 2022
		2. Formulation of the "Performance Evaluation Measures for the Board of Directors and Functional Committees"
		3. Proposed capital increase in Star Energy Storage Solutions Co., Ltd.
		4. Proposed capital loan to subsidiary Jihchih Green Energy Co., Ltd
		5. Proposed capital loan to subsidiary Aquastar Energy Co., Ltd
		6. Proposed capital loan to subsidiary Yun Deng Green Co., Ltd.
		7. Proposed capital loan to subsidiary Xiang Heng Green Co., Ltd.
		8. Proposed application for credit line to Yuanshan Branch of Hua Nan Commercial Bank
		Extraordinary motion:
		1. Proposed application for credit line to Tianmu Branch of Shanghai Commercial Savings Bank (submitted by the Finance and Accounting Division)
		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.

	The 5th meeting of the 4th Board of Directors on September 27, 2022	1. Proposed to appoint the Company to request that the companies listed on the Innovation Board sponsor securities underwriters.	
		2. Distribution of performance bonus of the Company's managers.	
		3. Proposed application for the guarantee line and credit line to BANK SINOPAC	
		4. Proposed application for the credit line to Cathay United Bank Co., Ltd.	
		5. Procurement of optoelectronic modules in Gukeng Township, Yunlin County.	
		6. Proposed capital increase in Star Network Data Co., Ltd.	
		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.	
	The 6th meeting of the 4th Board of Directors on October 21, 2022	1. Statement of internal control system from January 1, 2022 to June 30, 2022.	
		2. Budget for the fourth quarter of 2022 to the first quarter of 2023.	
		3. Proposed revision of the rules of procedure for the board of directors.	
		4. Proposed to cancel the capital loan line of some subsidiaries of the Group.	
		5. Proposed application for medium and long-term credit line to Tianmu Branch of Shanghai Commercial Bank	
		6. Proposed capital increase in Star Network Data Co., Ltd.	
		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.	
	The 7th meeting of the 4th Board of Directors on November 14, 2022	1. The Company's consolidated financial report for the third quarter of 2022.	
		2. Proposed application for the increase of credit line to CTBC Bank Co., Ltd.	
		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.	
	The 8th meeting of the 4th Board of Directors on December 1, 2022	1. Proposed revision of the rules of procedure for the board of directors.	
		2. Proposed capital increase in Huiju Energy Co., Ltd.	
		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.	
	The 9th meeting of the 4th Board of Directors on December 28, 2022	1. Handling issuance of new shares by cash capital increase before initial listing	
		2. Audit Plan for 2023	
		3. Proposed to cancel the capital loan line of Hoshuo Agricultural Biotechnology Co., Ltd.	
		4. Proposed capital loan to subsidiary Xiang Heng Green Co., Ltd.	
		5. Proposed capital loan to subsidiary Yunteng Green Energy Co., Ltd	
		6. Proposed to rent Tianmu Office in Taipei from related parties	
		7. Proposed disposal of equity of joint venture company AcTek Energy Co., Ltd.	
		8. Evaluation of the possibility of payment recovery for the water surface-type solar photovoltaic system of Sunpower Energy Technology Co.,	

		Ltd.'s detention ponds at the Fourth Fangshui Road and Wanhsing, Changhua County
		9. Manager's year-end bonus distribution
		10. Proposed application for credit line to the Taiwan Cooperative Bank
		11. Proposed application for credit line to Sungnan Branch of Mega International Commercial Bank Co., Ltd.
		12. Proposed application for credit line to Shanghai Commercial Savings Bank
		13. Proposed application for credit line to O-Bank
		Opinions of all independent directors: No objections or reservations. The Company's handling of the opinions of independent directors: Not applicable. Resolution situation: Approved without objections, after consulting all attended directors by the chairman.

(II) Except for the aforementioned matters, other resolutions of the board of directors' meeting that have been opposed or reserved by independent directors and have records or written statements: None.

II. For the execution status of the director's avoidance of interest related proposals, the director's name, content of the proposal, reasons for the avoidance of interest related proposals, and participation in voting shall be stated:

Date of the Board of Directors' meeting	Proposal Content	Name of directors	Reasons for avoiding interests	Participation in voting
The 17th meeting of the 3rd Board of Directors on February 25, 2022	Proposal of issuing a negative commitment for financing on behalf of Tafu Energy Co., Ltd.	Yuan-Yi Hsieh, Shih-Chang Chou	The relevant personnel in this proposal, Yuan-Yi Hsieh and Shih-Chang Chou, are stakeholders, so they have temporarily left the seat for interest avoidance.	They did not participate in discussion and resolution in accordance with the laws, and resolution was approved without objections after consulting attending directors by the acting chairman.
The 18th meeting of the 3rd Board of Directors on March 28, 2022	Proposal of issuing a negative commitment for financing on behalf of Maohung Energy Co., Ltd. due to business transactions.	Yuan-Yi Hsieh	The relevant personnel in this proposal, Yuan-Yi Hsieh is stakeholders, so he has temporarily left the seat for interest avoidance.	They did not participate in discussion and resolution in accordance with the laws, and resolution was approved without objections after consulting attending directors by the acting chairman.
	Proposed to undertake the development and engineering service project of Fangteng Green Energy Co., Ltd.	Yuan-Yi Hsieh	The relevant personnel in this proposal, Yuan-Yi Hsieh is stakeholders, so	They did not participate in discussion and resolution in accordance with

		for field of the 11.4KV ground type photovoltaic integration of 9.8MW in Huhsi Township, Penghu County.		he has temporarily left the seat for interest avoidance.	the laws, and resolution was approved without objections after consulting attending directors by the acting chairman.	
		Proposed to undertake the development and engineering service project of Chungfang Green Energy Co., Ltd. for field of the 11.4KV ground type photovoltaic integration of 9.8MW in Huhsi Township, Penghu County.	Yuan-Yi Hsieh	The relevant personnel in this proposal, Yuan-Yi Hsieh is stakeholders, so he has temporarily left the seat for interest avoidance.	They did not participate in discussion and resolution in accordance with the laws, and resolution was approved without objections after consulting attending directors by the acting chairman.	
		Proposed to undertake the development and engineering service project of Jenhua Green Energy Co., Ltd. for field of the 11.4KV ground type photovoltaic integration of 9.8MW in Huhsi Township, Penghu County.	Yuan-Yi Hsieh	The relevant personnel in this proposal, Yuan-Yi Hsieh is stakeholders, so he has temporarily left the seat for interest avoidance.	They did not participate in discussion and resolution in accordance with the laws, and resolution was approved without objections after consulting attending directors by the acting chairman.	
	The 4th meeting of the 4th Board of Directors on September 8, 2022	Proposal of salary adjustment for managers at assistant level and above in 2022.	Yuan-Yi Hsieh, Shih-Chang Chou	The relevant personnel in this proposal, Yuan-Yi Hsieh and Shih-Chang Chou, are stakeholders, so they have temporarily left the seat for interest avoidance.	They did not participate in discussion and resolution in accordance with the laws, and resolution was approved without objections after consulting attending directors by the acting chairman.	
	The 5th meeting of the 4th Board of Directors on September 27, 2022	Distribution of performance bonus of the Company's managers.	Yuan-Yi Hsieh, Shih-Chang Chou	The relevant personnel in this proposal, Yuan-Yi Hsieh and Shih-Chang Chou, are stakeholders, so they have temporarily left	They did not participate in discussion and resolution in accordance with the laws, and resolution was approved without objections after	

			the seat for interest avoidance.	consulting attending directors by the acting chairman.
The 9th session of the 4th session on December 28, 2022	Proposed to rent Tianmu Office in Taipei from related parties.	Shih-Chang Chou	The relevant personnel in this proposal, Shih-Chang Chou is stakeholders, so he have temporarily left the seat for interest avoidance.	He did not participate in discussions and resolutions in accordance with the law, and resolution was approved without objections after consulting attended directors by the chairman.
	Manager's year-end bonus distribution.	Yuan-Yi Hsieh, Shih-Chang Chou	The relevant personnel in this proposal, Yuan-Yi Hsieh and Shih-Chang Chou, are stakeholders, so they have temporarily left the seat for interest avoidance.	They did not participate in discussion and resolution in accordance with the laws, and resolution was approved without objections after consulting attending directors by the acting chairman.

III. TWSE/TPEx-Listed Companies should disclose information such as the evaluation cycle and period, evaluation scope, method, and evaluation content of the Board's self (or peer) evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Executing once a year	From January 1, 2022 to December 31, 2022	Performance evaluation of the board of directors, individual board members, and functional committees (Remuneration Committee and Audit Committee)	Internal self-evaluation of the board of directors, self-evaluation of board members, and self-evaluation of functional committee members	Performance evaluation of the board of directors: including the degree of participation in the operation of the Company, the quality of decision-making of the board of directors, the composition and structure of the board of directors, the selection and continuing education of directors, and internal control. Performance evaluation of individual directors: including the mastery of the Company's objectives and tasks, directors' awareness of their responsibilities, their participation in the

				Company's operations, internal relationship management and communication, directors' professional and continuing education, and internal control. Performance evaluation of functional committees: the degree of participation in the Company's operations, functional committees' awareness of their responsibilities, the decision-making quality of functional committees, the composition and selection of members of functional committees, and internal control.

IV. The goal of strengthening the functions of the board of directors in the current and most recent years (such as establishing an Audit Committee, improving information transparency, etc.) and the evaluation of the implementation status: The Company has established a Compensation Committee and an Audit Committee to assist the board of directors in fulfilling their supervisory responsibilities.

(II) The operation of the Audit Committee or the participation of supervisors in the operation of the board of directors

1. Operation of the Audit Committee:

The Audit Committee has held 14 meetings in the past year (2022), and the attendance of independent directors is as follows:

Title	Name	Number of actual attendance B	Number of attendance by proxy	Actual attendance rate (%) [B/A] (Note 1, note 2)	Remarks
Convener	Hsiao-Tsun Chen	6	-	100%	Resigned on June 30, 2022. Should attend 6 times.
Convener	Liang-Yu Chang	14	-	100%	Reelected on June 30, 2022; and was recommended as the convener on July 18, 2022.
Committee member	Ting-Yang Huang	6	-	100%	Resigned on June 30, 2022. Should attend 6 times.
Committee member	Feng-Sheng Wu	7	1	88%	Appointed on June 30, 2022. Should attend 8 times.
Committee member	Jen-Hao Teng	7	1	88%	Appointed on June 30, 2022. Should attend 8 times.
Other items to be recorded:					

I. If there are any of the following circumstances in the operation of the Audit Committee, the date, period, content of the proposal, objections, reservations, or significant suggestions from independent directors regarding project content, resolution results of the Audit Committee, and the Company's handling of the opinions of the Audit Committee should be stated.

(I) The items listed in Article 14-5 of the Securities and Exchange Act:

Date/period of meeting of the Audit Committee	Proposal Content	Objections, reservations, or significant suggestions from independent directors regarding project content	Matters that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors
The 3rd meeting of the 1st Board of Directors on February 25, 2022	1. Proposed application for credit line to BANK SINOPAC	-	-
	2. Proposed capital loan to subsidiary Wen Deng Green Co., Ltd.	-	-
	3. Proposed capital loan to subsidiary HB O&M Co., Ltd.	-	-
	4. Proposed capital loan to subsidiary Ru Jing Green Co., Ltd.	-	-
	5. Proposed capital loan to subsidiary Hoshuo Agricultural Biotechnology Co., Ltd.	-	-
	6. Proposed capital loan to subsidiary Dan Deng Green Co., Ltd.	-	-
	7. Proposed application for credit line to Sungnan Branch of Mega International Commercial Bank Co., Ltd.	-	-
	Audit Committee resolution result: All independent directors attending the Audit Committee's meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 17th meeting of the 3rd board of directors (February 25, 2022).		
The 4th meeting of the 1st Board of Directors on March 28, 2022	1. Amendment to the Articles of Incorporation of the Company	-	-
	2. Company's 2021 Business Report and Parent company only and Consolidated Financial Report	-	-
	3. Statement of the Company's internal control system	-	-
	4. Evaluation of the Company's ability to independently prepare financial reports	-	-
	5. The Company's 2022 budget	-	-
	6. Proposed to handle the first issuance of new shares by cash capital increase in 2022	-	-
	7. Proposed application for listing of the Company's shares.	-	-
	8. Proposed to take new shares issued by cash capital increase as a source of shares for public underwriting before listing, and discussion on original shareholders giving up all subscriptions	-	-
	9. Amendment to Regulations Governing the Election of Directors and Independent Directors	-	-
	10. Amendment to Rules and Procedures of Shareholders' Meetings	-	-
	11. Amendment to Procedures for Acquiring or Disposing of assets	-	-
	12. Development and equity acquisition of energy storage system project for Huiju Energy Co., Ltd.	-	-
	13. Proposed capital loan to subsidiary Yun Deng Green Co., Ltd.	-	-
	14. Proposed capital loan to subsidiary Star Charger Co., Ltd.	-	-

		15. Amendment to the Code of Practices on Corporate Social Responsibility	-	-
		16. Amendment to the Code of Practices for Corporate Governance	-	-
		17. Proposed application for credit line to BANK SINOPAC	-	-
		Audit Committee resolution result: All independent directors attending the Audit Committee's meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 18th meeting of the 3rd board of directors (March 28, 2022).		
	The 5th meeting of the 1st Board of Directors on April 29, 2022	1. Proposed capital loan to subsidiary Hsin-Shih-Chi Energy Co., Ltd	-	-
		2. Proposed capital loan to subsidiary Shukang Fishery Management Consulting Co., Ltd.	-	-
		3. Proposed capital loan to subsidiary Hsingte Energy Co., Ltd	-	-
		4. Proposed capital loan to subsidiary Hsinsheng Energy Development Co., Ltd	-	-
		Audit Committee resolution result: All independent directors attending the Audit Committee's meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 19th meeting of the 3rd board of directors (April 29, 2022).		
	The 6th meeting of the 1st Board of Directors on May 18, 2022	1. The Company's 2021 earnings distribution	-	-
		2. Proposed application for medium and long-term credit line to Tianmu Branch of Shanghai Commercial Bank	-	-
		3. Proposed to cancel the capital loan line to joint venture subsidiaries Fangteng Green Energy Co., Ltd., Chungfang Green Energy Co., Ltd., and Jenhua Green Energy Co., Ltd.	-	-
		Audit Committee resolution result: All independent directors attending the Audit Committee's meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 20th meeting of the 3rd board of directors (May 18, 2022).		
	The 7th meeting of the 1st Board of Directors on June 10, 2022	1. Proposed appointment of 2022 Certified Public Accountants and their independent assessment	-	-
		2. Proposed application for credit line to Mega Coupon Finance Co., Ltd.	-	-
		3. Proposed application for credit line to CTBC Bank Co., Ltd.	-	-
		4. The Company's consolidated financial report for the first quarter of 2022	-	-
		5. Proposed capital increase in Huiju Energy Co., Ltd.	-	-
		6. Procurement of optoelectronic modules for Hsia-Shan-Tzu-Liao Section, Cigu District, Tainan	-	-
		7. Proposed capital loan to subsidiary Hsukang Fishery Management Consulting Co., Ltd.	-	-
		8. Proposed acquisition and disposal of equity of Jihyun Green Energy Co., Ltd.	-	-
		9. Proposal of capital increase in Aquastar Energy Corporation	-	-
		Audit Committee resolution result: All independent directors attending the Audit Committee's meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 21st meeting of the 3rd board of directors (June 10, 2022).		
	The 8th meeting of the 1st Board of Directors on June 29, 2022	1. Proposed application for credit line to Far Eastern International Bank	-	-
		2. Proposed application for credit line to Fubon Bank	-	-
		3. Proposed application for credit line to BANK SINOPAC	-	-
		4. Proposed acquisition of land in Hsinsheng Section, Cigu District, Tainan	-	-
		5. Proposed capital loan to subsidiary Hsingte Energy Co., Ltd	-	-

		Audit Committee resolution result: All independent directors attending the Audit Committee's meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 22nd meeting of the 3rd board of directors (June 28, 2022).		
	The 1st meeting of the 2nd Board of Directors on July 18, 2022	1. Proposed capital increase of Star Power Energy Corporation	-	-
		2. Proposed capital loan to subsidiary Yun Deng Green Co., Ltd.	-	-
		3. Procurement of optoelectronic modules for Hsia-Shan-Tzu-Liao Section, Cigu District, Tainan	Member Wu: It is recommended that relevant departments strengthen their inspection to avoid affecting the project reporting rate. Member Deng: Please pay attention to the progress of module procurement.	-
		4. Proposed to cancel the capital loan line to the joint venture subsidiary, Jihyun Green Energy Co., Ltd.	-	-
		Audit Committee resolution result: All independent directors attending the Audit Committee's meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 2nd meeting of the 4th board of directors (July 18, 2022).		
	The 2nd meeting of the 2nd Board of Directors on August 11, 2022	1. Amendment to the Articles of Incorporation of the Company	-	-
		2. The Company's consolidated financial report for the second quarter of 2022	-	-
		3. Formulation of the "Internal Major Information Processing Operating Procedures"	-	-
		4. Proposed capital increase in AcTek Energy Co., Ltd.	-	-
		5. Proposed application for credit line to Fubon Bank	-	-
		6. Proposed to change capital loan to subsidiary Shukang Fishery Management Consulting Co., Ltd.	-	-
		7. Proposed application for credit line to BANK SINOPAC	-	-
		8. Proposed to provide guarantee for subsidiary Star Charger Co., Ltd.	-	-
		Audit Committee resolution result: All independent directors attending the Audit Committee's meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 3rd meeting of the 4th board of directors (August 11, 2022).		
	The 3rd meeting of the 2nd Board of Directors on September 8, 2022	1. Proposed capital increase in Star Energy Storage Solutions Co., Ltd.	Member Wu: It is recommended that the revenue plan mentioned in the investment evaluation materials must be fulfilled, the progress of each phase must be mastered, and the arrangement of each revenue project should be successfully completed within the next year and a half.	-

		2. Proposed capital loan to subsidiary Jihchih Green Energy Co., Ltd	-	-
		3. Proposed capital loan to subsidiary Aquastar Energy Co., Ltd	-	-
		4. Proposed capital loan to subsidiary Yun Deng Green Co., Ltd.	-	-
		5. Proposed capital loan to subsidiary Xiang Heng Green Co., Ltd.	-	-
		6. Proposed application for credit line to Yuanshan Branch of Hua Nan Commercial Bank	Member Wu: It is recommended to consider that interest rates are being raised internationally and the central bank may also follow up in the future. The stability of interest rate levels is crucial to the operational costs of projects. It is expected that the finance and accounting departments work hard to reduce interest rate when negotiating medium and short-term credit lines with banks.	-
		Extraordinary motion:	-	-
		1. Proposed application for credit line to Tianmu Branch of Shanghai Commercial Savings Bank (submitted by the Finance and Accounting Division)	-	-
		Audit Committee resolution result: All independent directors attending the Audit Committee’s meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 4th meeting of the 4th board of directors (September 8, 2022).		
	The 4th meeting of the 2nd Board of Directors on September 27, 2022	1. Proposed to appoint the Company to request that the companies listed on the Innovation Board sponsor securities underwriters.	-	-
		2. Proposed application for guarantee line and credit line to BANK SINOPAC	-	-
		3. Proposed application for credit line to Cathay United Bank Co., Ltd.	-	-
		4. Procurement of optoelectronic modules in Gukeng Township, Yunlin County.	Member Wu: It is recommended that relevant departments have a clear understanding of the delivery period.	-
		5. Proposed capital increase in Star Network Data Co., Ltd.	-	-
		Audit Committee resolution result: All independent directors attending the Audit Committee’s meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 5th meeting of the 4th board of directors (September 27, 2022).		
	The 5th meeting of the	1. Statement of internal control system from January 1, 2022 to June 30, 2022.	-	-

	2nd Board of Directors on October 21, 2022	2. Budget for the fourth quarter of 2022 to the first quarter of 2023.	-	-
		3. Proposed revision of the rules of procedure for the board of directors.	-	-
		4. Proposed to cancel the capital loan line of some subsidiaries of the Group.	-	-
		5. Proposed application for medium and long-term credit line to Tianmu Branch of Shanghai Commercial Bank	-	-
		6. Proposed capital increase in Star Network Data Co., Ltd.	-	-
		Audit Committee resolution result: All independent directors attending the Audit Committee's meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 6th meeting of the 4th board of directors (October 21, 2022).		
	The 6th meeting of the 2nd Board of Directors on November 14, 2022	1. The Company's consolidated financial report for the third quarter of 2022	-	-
		2. Proposed application for the increase of credit line to CTBC Bank Co., Ltd.	-	-
		Audit Committee resolution result: All independent directors attending the Audit Committee's meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 7th meeting of the 4th board of directors (November 14, 2022).		
	The 7th meeting of the 2nd Board of Directors on December 1, 2022	1. Proposed revision of the rules of procedure for the board of directors.	-	-
		2. Proposed capital increase in Huiju Energy Co., Ltd.	-	-
		Audit Committee resolution result: All independent directors attending the Audit Committee's meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 8th meeting of the 4th board of directors (December 1, 2022).		
	The 8th meeting of the 2nd Board of Directors on December 28, 2022	1. Handling issuance of new shares by cash capital increase before initial listing	-	-
		2. Audit Plan for 2023	-	-
		3. Proposed to cancel the capital loan line of Hoshuo Agricultural Biotechnology Co., Ltd.	-	-
		4. Proposed capital loan to subsidiary Xiang Heng Green Co., Ltd.	-	-
		5. Proposed capital loan to subsidiary Yunteng Green Energy Co., Ltd	-	-
		6. Proposed to rent Tianmu Office in Taipei from related parties	-	-
		7. Proposed disposal of equity of joint venture company AcTek Energy Co., Ltd.	-	-
		8. Evaluation of the possibility of payment recovery for the water surface-type solar photovoltaic system of Sunpower Energy Technology Co., Ltd.'s detention ponds at the Fourth Fangshui Road and Wanhsing, Changhua County	-	-
		9. Proposed application for credit line to the Taiwan Cooperative Bank	-	-
		10. Proposed application for credit line to Sungnan Branch of Mega International Commercial Bank Co., Ltd.	-	-
		11. Proposed application for credit line to Shanghai Commercial Savings Bank	-	-
		12. Proposed application for credit line to O-Bank	-	-
		Audit Committee resolution result: All independent directors attending the Audit Committee's meeting agree to pass the resolution. The handling of the opinions of the Audit Committee by the Company: approved by all attending directors at the 9th meeting of the 4th board of directors (December 28, 2022).		

(II) Except for the aforementioned matters, other resolutions that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors: None.

(III) The Audit Committee held 14 meetings in 2022, and the main matters considered include:

(1) Formulate or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
(2) Assessment of the effectiveness of the internal control system.
(3) According to Article 36-1 of the Securities and Exchange Act, establish or amend the procedures for handling major financial business activities such as acquiring or disposing of assets, engaging in transactions of derivatives, lending funds to others, endorsing or providing guarantees for others.
(4) Matters involving the interests of the directors themselves.
(5) Significant asset or derivative transactions.
(6) Significant capital loans, endorsements, or guarantees provided.
(7) Offering, issuing, or privately placing securities with equity nature.
(8) Appointment, dismissal, or remuneration of certified public accountants.
(9) Appointment and dismissal of financial, accounting, or internal audit supervisors.
(10) The annual financial report signed or sealed by the chairman, manager, and accounting supervisor, as well as the financial report for the second quarter that must be audited and certified by a certified public accountant.
(11) Other major matters specified by the Company or regulatory authority.

(IV) Review financial reports:

The board of directors has prepared the Company's 2021 annual business report, financial statements, and earnings distribution proposal, among which the financial statements have been audited by KPMG TAIWAN, with an audit report issued. The above business report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee and are deemed to be consistent.

(V) Evaluate the effectiveness of the internal control system:

The Audit Committee assessed the effectiveness of the policies and procedures of the Company's internal control system (including financial, operational, risk management, compliance with laws and regulations and other control measures), and reviewed the regular reports of the Company's audit department, certified public accountants and management. The Audit Committee believes that the Company's risk management and internal control system is effective, and the Company has adopted necessary control mechanisms to supervise and correct violations.

(VI) Appoint Certified Public Accountant:

The Audit Committee is tasked with overseeing the independence of certified public accountants to ensure the fairness of financial statements. Generally speaking, except for tax related services or specially approved projects, the firm which Certified Public Accountants work for is not allowed to provide other services to the Company. All services provided by the firm which Certified Public Accountants work for must be approved by the Audit Committee.

According to the Company's “Code of Practices for Corporate Governance”, it is necessary to select the professional and independent Certified Public Accountants, and regularly evaluate their independence, professionalism, and competence. Evaluate the independence, professionalism, and competence of certified public accountants, and evaluate whether they are related parties, have business or financial interests with the Company. On June 10, 2022, at the 7th meeting of the 1st Audit Committee and the 21st meeting of the 3rd Board of Directors, it was reviewed and approved that Certified Public Accountants Chien-Hui Lu and Hai-Ning Huang of KPMG TAIWAN both meet the independence evaluation standards and are qualified to serve as the Certified Public Accountants for financial and tax of the Company.

II. For the execution status of the independent director's avoidance of interest related proposals, the independent director's name, content of the proposal, reasons for the avoidance of interest related proposals, and participation in voting shall be stated: none.

III. The communication situation between independent directors, internal audit supervisors, and accountants (including major matters, methods, and results of communication regarding the Company's financial and business conditions).
   (I) After the completion of the audit project, the Company submits audit reports to the independent directors in accordance with the laws, and the independent directors have no objections.
   (II) The Company's auditors attend every Audit Committee's meeting and prepare audit reports at regular board of directors' meetings. Independent directors have no objections to the reported items.
   (III) The Company's independent directors and certified public accountants communicate and understand financial report content and other items in person or in writing.

(III)Governance and operation situation of the Company, and differences from the Code of Governance Practices for TWSE/TPEx Listed Companies as well as its reasons

Items assessed	Operation situation			Differences from the Code of Governance Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
I. Does the Company establish and disclose the Code of Practices for Corporate Governance in accordance with the Code of Governance Practices for TWSE/TPEx Listed Companies?	V		On November 22, 2021, the board of directors of the Company decided to adopt the Code of Practices for Corporate Governance, strengthen and improve the internal control system in accordance with the Code of Practices for Corporate Governance, improve information transparency, and safeguard the rights and interests of shareholders and stakeholders. The Code of Practices for Corporate Governance has been placed on the Company's website under "Corporate Governance" for shareholders to query.	No differences.
II. Equity structure and shareholders' equity of the Company (I) Does the Company establish internal operating procedures to handle shareholder suggestions, doubts, disputes, and litigation matters, and implement them in accordance with the procedures?	V		The Company has spokesperson, acting spokesperson, and stock affair department that can handle matters related to shareholders; If legal issues are involved, they will be referred to the Company's legal department or legal advisor for handling.	No differences.
(II) Does the Company have a list of the major shareholders who actually control the Company and the ultimate controllers of the major shareholders?	V		The Company regularly grasps the list of major shareholders of the Company based on the shareholder register provided by the stock agency during the cessation of transfer. Regularly disclose the situation of shareholders holding more than 10% of shares related to pledges and changes in equity holdings in accordance with regulations.	No differences.
(III) Does the Company establish and implement a risk control and firewall mechanism with affiliated enterprises?	V		The Company has established procedures and relevant management measures for transactions with related party, and handles them in accordance with relevant laws and regulations, so as to effectively establish risk control.	No differences.
(IV) Does the Company establish internal regulations that prohibit insiders from using non-public information in the market to buy or sell securities?	V		The Company has established the "Operation Measures for Handling Internal Major Information" and the "Measures for Preventing Insider Management", which strictly prohibit insiders from using unpublished information in the market to	No differences.

Items assessed	Operation situation			Differences from the Code of Governance Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			buy and sell securities, and regularly propagandize the Securities and Exchange Act and relevant regulations related to insider norms to insiders.	
III. Composition and responsibilities of the Board of Directors (I) Does the board of directors formulate diversity policies, specific management objectives, and implemented them?	V		1. At the 14th meeting of the 3rd board of directors on November 22, 2021, the Company adopted the "Code of Practices for Corporate Governance", which stipulates diversity policies in Article 23. For the composition of the board of directors, the Company should consider diversity and formulate appropriate diversification policies based on its own operations, operational models, and development needs. Policies should include but not be limited to two aspects: basic conditions and values (gender, age, nationality, ethnic group, and culture), as well as professional knowledge and skills (such as law, accounting, industry, finance, marketing, or technology). 2. The Board of Directors directs the Company's strategy, supervises the management, and is responsible to the Company and its shareholders. The Board of Directors exercises its authority in all operations and arrangements of the related corporate governance system in accordance with laws and regulations, the Articles of Incorporation, or resolutions of shareholders' meetings. All directors and members of the Company possess the necessary knowledge, skills, literacy, and industrial decision-making and management abilities to carry out businesses. The Company continues to arrange diversified training courses for its board members to enhance their decision-making quality, supervisory ability, and strengthen the functions of the board of directors. In addition, the Company also pays attention to gender equality in the composition of the board of	No differences.

Items assessed	Operation situation			Differences from the Code of Governance Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			directors. There is one female director. The Company will aim to achieve the goal of 25% female directors. 3. The current board of directors of the Company consists of 7 directors, including 4 non-independent directors (including 1 female director) and 3 independent directors. All of 7 directors are of Taiwan nationality. All members of board of directors of the Company has acquired operational judgment skills, accounting and financial analysis skills, operational management skills, crisis management skills, industrial knowledge, international market outlook, leadership and decision-making abilities, etc.; 6 members have experience in business management, 5 members have experience in venture capital, 3 members have experience in green energy application and registration, 4 members have experience in construction development, 2 members have professional skills in financial accounting, and 1 member has experience in securities finance; diversity policies in the composition of the board of directors have been implemented as stipulated in the Company's governance code. 4. The board of directors has formulated the diversity policies on member composition and disclosed it on the Company's website and Market Observation Post System.	
(II) Does the Company voluntarily establish various functional committees in addition to setting up Compensation Committee and Audit Committees in accordance with the laws?	V		The Company has established a Compensation Committee and an Audit Committee in accordance with the laws. The remaining corporate governance operations are operated by various departments according to their responsibilities. In the future, other functional committees will be established in	No differences.

Items assessed	Operation situation			Differences from the Code of Governance Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			accordance with the Company's corporate governance needs in a timely manner.	
(III) Does the Company establish a performance evaluation measures and its evaluation way for the board of directors, conduct annual and regular performance evaluations, and submit the results of performance evaluation to the board of directors for reference in individual director salaries and nomination for reappointment?	V		The Company has established a "Board Performance Evaluation Measures", which includes the performance evaluation of the overall board of directors, individual director members, and functional committees; The evaluation ways include internal self-evaluation by the board of directors, self-evaluation by board members, and performance evaluation by appointing external professional institutions, experts, or in other appropriate ways; According to the Measures, regular performance evaluations are conducted annually and completed before the end of the first quarter of the following year, as a reference for selecting or nominating directors and committee members; And the performance evaluation results of individual directors and functional committee members are used as a reference for determining their individual salary and compensation. The performance evaluation of the board of directors, board members, and functional committees in 2022 was completed in the first quarter of 2023, and was reported at the 12th meeting of the 4th board of directors on April 18, 2023. The evaluation score for the year 2022 ranges from 95.58 to 98.10, which is considered good.	No differences.
(IV) Does the Company regularly evaluate the independence of certified public accountants?	V		The Audit Committee of the company shall evaluate the independence and suitability of its certified accountants annually. In addition to the "Statement of Transcendent Independence" provided by the certified accountants annually, the accounting unit of the company shall evaluate it according to the Audit Quality Index (AQIs), Certified Public Accountant Act and Article10 independence evaluation item of Professional Code Bulletin, as shown in Note 1. It is confirmed that the accountants have no financial interest or	No difference.

Items assessed	Operation situation			Differences from the Code of Governance Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			business relationship with our company other than visa and tax case fees, that the accountants' family members do not violate the independence requirement, and that the accountants and the firm have better experience and training hours than the industry average levels by referring to the AQI index information. The results of the latest annual evaluation were discussed and approved by the Audit Committee on April 18, 2023, and reported to the Board of Directors on April 18, 2023 for the approval of the independence and suitability of accountants.	
IV. Do TWSE/TPEx Listed Companies allocate competent and appropriate number of corporate governance personnel, and designate a corporate governance supervisor to be responsible for corporate governance related affairs (including but not limited to providing directors and supervisors with necessary information to perform business, assisting directors and supervisors in complying with laws and regulations, handling matters related to board of directors' meeting and shareholders' meeting in accordance with the laws, and preparing minutes of board of directors' meeting and shareholders' meeting)?	V		The Company's stock affair department mainly lead and is responsible for corporate governance matters, and each department is entrusted to hierarchically implement various corporate governance matters according to their respective responsibilities. In the future, the position as corporate governance supervisor will be arranged as needed.	It is expected that the corporate governance directors will be set up before the end of June, 2023, and others are undifferentiated.
V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up stakeholder zones on the Company's website, and properly respond to important corporate social responsibility issues concerned by stakeholders?	V		The Company has spokespersons and acting spokespersons as communication channels with stakeholders. And there is a contact area on the Company's website, where opinions can be exchanged at any time.	No differences.
VI. Does the Company appoint a professional stock agency to handle shareholder affairs?	V		The Company appoints a professional stock agency - Stock Agency Department of SinoPac Securities to handle various share affairs of the Company.	No differences.

Items assessed	Operation situation			Differences from the Code of Governance Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
VII. Information disclosure (I) Does the Company establish a website to disclose financial business and corporate governance information?	V		The Company has set up a website to disclose various financial and business information, as well as information related to corporate governance.	No differences.
(II) Does the Company adopt other methods of information disclosure (such as setting up an English website, appointing a dedicated person to collect and disclose the Company information, implementing a spokesperson system, and loading the information on the process of legal person briefing on the Company's website)?	V		The Company has designated a dedicated person to be responsible for collecting and disclosing the Company information, and implementing the spokesperson system.	No differences.
(III) Does the Company announce and report its annual financial report within two months after the end of the accounting year, and announce and report its financial reports for the first, second, and third quarters and operating conditions for each month in advance before the prescribed deadline?	V		The Company has completed relevant financial reports and operating conditions for each month within the specified period.	No differences.
VIII. Does the Company have other important information that can help to understand the Company's governance and operation (including but not limited to employee rights and interests, care for employee, relation with investor, relation with supplier, rights of stakeholders, directors and supervisors' further education, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors)?	V		(I) Employee rights and interests: The Company has established multiple employee welfare policies and management procedures, which comply with local regulations on labor-capital relations, labor conditions, and social responsibility, and safeguard multiple rights and interests of employees. (II) Employee care: In order to make employees have more choices in leisure activities, the Company provides employee with chances of club activities and signs contracts with multiple leisure and sports centers for physical fitness of employees. The Company also regularly conducts employee health checks and provides medical consultations to maintain their physical and mental health, and continuously improves their work	No differences.

Items assessed	Operation situation			Differences from the Code of Governance Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			environment to meet international standards. Therefore, all employees are able to fulfill the work agreed with the Company according to their wishes, without physical or psychological coercion, and without discrimination based on any race, gender, age, religion or political orientation. (III) Relation with investor: The Company has stock affair department and spokesperson responsible for handling relevant stock affairs, shareholder suggestions, and disputes. (IV) Relation with supplier: The Company has signed procurement contracts with suppliers and has always maintained good relationships with suppliers. (V) Rights of stakeholders: The Company has a spokesperson, and stakeholders can communicate through the Company's website, telephone, and fax. If it is necessary to assess whether to summarize and state the difference of the operation of the item from Code of Governance Practices of TWSE/TPEx Listed Companies as well as its reasons, spokesperson can also directly contact and discuss with the stakeholders. (VI) Situation of directors and supervisors' further education: All directors of the Company have industry professional background and practical experience in operation management, and the Company regularly arranges directors to participate in seminars related to corporate governance themes. (VII) Implementation of risk management policies and risk measurement standards: The Company focuses on its own main business, promotes implementation of various policies in accordance with relevant laws and regulations, and establishes various standard operation execution	

<table>
<tr><th rowspan="2">Items assessed</th><th colspan="3">Operation situation</th><th rowspan="2">Differences from the Code of Governance Practices for TWSE/TPEx Listed Companies as well as its reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract description</th></tr>
<tr><td></td><td></td><td></td><td>specifications so as to reduce and avoid any possible risks.
(VIII) Implementation of customer policies: The Company has operation locations in Taiwan to provide channels for customer inquiries or services, so we can maintain good relationships with customers and generate company profits.
(IX) The situation where the Company purchases liability insurance for directors: The Company has already purchased liability insurance for directors.</td><td></td></tr>
<tr><td colspan="5">IX. Please explain the improvement situation according to the corporate governance evaluation results released by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the latest year, and put forward priority matters and measures for those that have not been improved: The Company is a company listed on emerging stock market in 2022, so it is not included in the companies to be assessed.</td></tr>
</table>

Note 1: Standards for assessing the independence of CPAs

I. Review of essential elements for independence					
Item No.	Appraisal content	Please check one box			Remarks
		Yes	No	N/A	
01	The CPA himself/herself or his/her spouse or minor children have no relationship with the Company in investing or sharing financial interests.	V			
02	The CPA himself/herself or his/her spouse or minor children do not have any capital loans with the Company. However, this restriction shall not apply if the client is a financial institution and has normal dealings.	V			
03	The accounting firm has not issued a reliable service report on the effective operation of the financial information system designed or assisted in its implementation.	V			
04	CPAs or members of the audit service team have not been a director or manager of the Company, or have not served as any position that has a significant impact on audit cases, at present or in the last two years.	V			
05	CPAs have no significant items that directly affect the audit cases, for the non-audit services provided by the Company.	V			
06	CPAs or members of the audit service team have not advertised or brokered the stocks or other securities issued by the Company.	V			
07	CPAs or members of the audit service team do not represent the Company in defending legal cases or other disputes with third parties, except for business permitted by laws and regulations.	V			
08	CPAs or members of the audit service team have no spouse, direct blood relatives, direct affinities, or collateral blood relatives within the second-degree relationship with directors, managers, or personnel who have a significant impact on the audit cases.	V			
09	The joint CPAs who have left office for less than one year have not served as directors, managers or positions that have a significant impact on audit cases of the Company.	V			
10	CPAs or members of the audit service team do not receive gifts or special offers of significant value from the Company or its directors, managers or major shareholders.	V			
11	CPAs are not currently employed by the client or the person under investigation to perform regular work, receive fixed salaries, or serve as a director or supervisor.	V			
12	TWSE/TPEx Listed Companies: CPAs have not provided audit services for the Company for seven consecutive years. Non-TWSE/TPEx Listed Companies: CPAs have not provided audit services for the Company for 10 consecutive years.	V			

II. Review of independent operation					
Item No.	Appraisal content	Please check one box			Remarks
		Yes	No	N/A	
01	When a CPA has a direct or significant indirect interest in the commissioned matter, which affects its fairness and independence, the CPA has avoided and failed to undertake the matter.	V			
02	The CPA shall maintain formal independence as well as substantive independence in providing audit, review, double-check or project review of the financial statements and in making opinion books.	V			
03	Members of the audit service team, shareholders of other joint CPA or corporate accounting firms, accounting firms, firm’s affiliated enterprises, and alliance firms also maintain independence from the Company.	V			
04	CPAs perform professional services with integrity and rigor.	V			
05	When performing professional services, CPAs hold a fair and objective stance and have also avoided prejudice, conflicts of interest or interested relationship from affecting professional judgment.	V			
06	The CPA has no stance that affects integrity, fairness, and objectivity due to a lack or loss of independence.	V			

(IV) Composition and operation of the Compensation Committee:

1. Information on members of the Compensation Committee

Identity (Note 1)	Conditions / Name	Professional qualifications and experience	Independent situation (Note 2)	The number of other public offering companies which he/she concurrently works for as a member of its Compensation Committee	Remarks
Independent director	Liang-Yu Chang (Convener)	For more information on relevant experiences (education), please refer to II. Information on directors, supervisors, presidents, vice presidents, assistants, heads of departments and branches (I). Directors and supervisors; Has the ability of accounting, financial analysis and enterprise operation & management.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	None	-
Independent director	Feng-Sheng Wu	For more information on relevant experiences (education), please refer to II. Information on directors, supervisors, presidents, vice presidents, assistants, heads of departments and branches (I). Directors and supervisors; Has the ability of accounting, financial analysis and enterprise operation & management.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	None	-
Independent director	Jen-Hao Teng	For more information on relevant experiences (education), please refer to II. Information on directors, supervisors, presidents, vice presidents, assistants, heads of departments and branches (I). Directors and supervisors; has industrial professional capabilities.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	None	-

Note 1: For identity, please fill in director, independent director or others.

Note 2: Members who meet the following conditions two years before their election and during their term of office are disclosed in the above table.

(1) Not an employee of the Company or its affiliated enterprises.

(2) Not a director or supervisor of the Company's affiliated enterprises (except the case where the person is allowed to concurrently serve as the independent director of the Company and its parent company, subsidiaries or the same parent company's subsidiaries in accordance with this Act or the laws and regulations in local country).

(3) Not a natural person shareholder who holds more than 1% of the total issued shares in the name of himself/herself, his/her spouse, minor children or others or a natural person shareholder with shareholding rate of the top ten.

(4) Not a manager listed under (1) or the spouse, relative within the second-degree relationship, or relative within the third-degree relationship listed under (2) and (3).

(5) Not a director, supervisor or employee of a corporate shareholder who directly hold more than 5% of the Company's total issued shares, or who is one of the top five holders of shares, or who has designated a representative as a director or supervisor of the Company in accordance with item 1 or 2 of Article 27 of the Company Act (except the case where the person is allowed to concurrently serve as the independent director of the Company and its parent company, subsidiaries or the same parent company's subsidiaries in accordance with this Act or the laws and regulations in local country).

(6) Not a director, supervisor or employee of another company for which more than half of the directors or shares with voting rights of the Company and such company is controlled by the same person (except the case where the person is allowed to concurrently serve as the independent director of the Company and its parent company, subsidiaries or the same parent company's subsidiaries in accordance with this Act or the laws and regulations in local country)

(7) Not a director, supervisor or employee of another company or organization whose chairman, president or the person equivalent in position is the same person or spouse to each other with that of the Company (except the case where the person is allowed to concurrently serve as the independent director of the Company and its parent company, subsidiaries or the same parent company's subsidiaries in accordance with this Act or the laws and regulations in local country).

(8) Not a director, supervisor, manager or shareholder holding more than 5% of the shares of a specific company or organization that have financial or business dealings with the Company (except the case where the specific company or organization holds more than 20% and less than 50% of the total issued shares of the Company, and the person is allowed to concurrently serve as the independent director of the Company and its parent company, subsidiaries or the same parent company's subsidiaries in accordance with this Act or the laws and regulations in local country).

(9) Not a professional, and the owner, partner, director, supervisor, manager and their spouse of sole proprietorship enterprise, partnership, company or organization related to business, legal, financial and accounting services, who provides audit for the Company or its affiliated enterprises or obtains cumulative remuneration of less than NT$500,000 in the last two years. However, it shall not be limited to the members of the Compensation Committee, the Public Takeover Review Committee or the Special Committee on Mergers and Acquisitions who perform their duties and responsibilities in accordance with the Securities and Exchange Act or the relevant laws and regulations of the Securities and Exchange Act and BUSINESS MERGERS AND ACQUISITIONS ACT.

(10) Not have one of the circumstances in Article 30 of the Company Act.

2. Information on the operation of Compensation Committee

(1) There are three members of the Compensation Committee of the Company.

(2) The term of office of committee members is from July 18, 2022 to June 29, 2025. The Compensation Committee has held 6 meetings in the recent year (2022) (A), and the qualifications and attendance of the committee members are as follows:

Title	Name	Number of actual attendance B	Number of attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Convener	Liang-Yu Chang	6	-	100%	Reelected on July 18, 2022; and was recommended as the convener on September 8, 2022.
Committee member	Hsiao-Tsun Chen	3	-	100%	Resigned on June 30, 2022. Shall be present for 3 times.
Committee member	Ting-Yang Huang	3	-	100%	Resigned on June 30, 2022. Shall be present for 3 times.
Committee member	Feng-Sheng Wu	3	-	100%	Appointed on July 18, 2022. Shall be present for 3 times.
Committee member	Jen-Hao Teng	2	1	67%	Appointed on July 18, 2022. Shall be present for 3 times.

Other items to be recorded:

I. If the Board of Directors does not adopt or amend the recommendations of Compensation Committee, it shall specify the date, period, content of the proposal, resolution results of the Board of Directors, and the Company's handling of the opinions of the Compensation Committee (If the recommendations for salary and compensation approved by Board of Directors are superior to that of the Compensation Committee, the situation and reasons for the differences shall be explained): None.

II. If any member has any objection or reservation to the resolution of the Compensation Committee and there is a record or written statement, the date and period of the Compensation Committee, the content of the proposal, all members' opinions and the handling of members' opinions shall be stated: None.

III. Responsibilities of Remuneration Committee

The Compensation Committee of the Company faithfully performs the following functions and powers with the attention of a kind manager, and submits its suggestions to the Board of Directors for discussion:

1. Regularly review the organizational regulations of the Compensation Committee and propose amendment suggestions.
2. Establish and regularly review policies, systems, standards, and structures for the performance evaluation as well as salary and remuneration of the Company's directors and managers.
3. Regularly review and determine the salary and remuneration of directors and managers of the Company.
4. Other proposals submitted for discussion by the Board of Directors.

IV. Information on meetings of the Compensation Committee

Information that the Compensation Committee of the Company has held meetings, reviewed and evaluated the salary and remuneration of the Company in the past year is as follows:

Date/period of meeting of the Remuneration Committee	Proposal Content	Resolution results	The Company's handling of the opinions of the Remuneration Committee
The 3rd meeting of the 1st Board of Directors on March 28, 2022	1. Employee remuneration and directors' and supervisors' remuneration for 2021.	Approved after consulting all attended members by the chairman for agreement.	Submitted to the Board of Directors and approved after the consent of all attended directors.
The 4th meeting of the 1st Board of Directors on April 29, 2022	1. Proposal of verifying the list of employees who are allowed to subscribe shares, and number of shares they can subscribe at the time of the Company's first cash capital increase in 2022. 2. Commission of managers of the Company.	Approved after consulting all attended members by the chairman for agreement.	Submitted to the Board of Directors and approved after the consent of all attended directors.
The 5th meeting of the 1st Board of Directors on May 18, 2022	1. Commission of managers of the Company.	Approved after consulting all attended members by the chairman for agreement.	Submitted to the Board of Directors and approved after the consent of all attended directors.
The 1st meeting of the 2nd Board of Directors on September 8, 2022	1. Election of convener for meeting of the 2nd Compensation Committee of the Company. 2. Managers' salary adjustment in 2022. 3. Formulation of the "Performance Evaluation Measures for the Board of Directors and Functional Committees".	Approved after consulting all attended members by the chairman for agreement.	Submitted to the Board of Directors and approved after the consent of all attended directors.
The 2nd meeting of the 2nd Board of Directors on September 27, 2022	1. Distribution of performance bonus of the Company's managers. 2. Proposed appointment of the manager of Star Aquaculture Co., Ltd.	Approved after consulting all attended members by the chairman for agreement.	Submitted to the Board of Directors and approved after the consent of all attended directors.
The 3th meeting of the 2nd Board of Directors on December 28, 2022	1. Appointment of Mr. Yi-Kung Chen as the Assistant of the Company's Super Charging Department 2. Appointment of Ms. Ting-Yi Kuan as Assistant of the Company's Asset Management Division 3. Manager's year-end bonus distribution	Approved after consulting all attended members by the chairman for agreement.	Submitted to the Board of Directors and approved after the consent of all attended directors.

(V) Implementation of the Company's promotion of sustainable development and the differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons:

Items assessed	Execution status			Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
I. Does the Company have a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is authorized by the Board of Directors, handled by senior management and supervised by the Board of Directors?	V		The Company holds a Board of Directors at least once a quarter, and the highest governance unit is responsible for discussing the operations (including ESG promotion) of the Company and its subsidiaries actually operated (HB O&M Co., Ltd., Star Exchange Co., Ltd., and companies for various fields). The Company's sustainable development policy was submitted to the 5th meeting of the 3rd Board of Directors in 2021 and announced to all colleagues. In addition, 2021 was the first preparation year, and the sustainability report was actively compiled. The Sustainable Development Office served as the coordinating unit, and the Company's first sustainability report was completed in the second half of 2022 and uploaded to the Company's official website. The preparation of the sustainability report in 2022 has also started; As of the publication date of the annual report, the questionnaire on ESG major issues has been issued, and relevant major issues that are valued by stakeholders have been collected and counted, and senior executives have been convened to prepare risk assessments for each major issue before submitting them to the Board of Directors.	No significant differences
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations and formulate relevant risk management policies or strategies in accordance with the principle of materiality?	V		In 2021, the Company set up a Sustainable Development Office, and its organizational rank is directly subordinate to the Chairman, so that the Chairman can immediately grasp the execution progress. As the core unit of ESG promotion, the business scope of the Sustainable Development Office includes: serving as a cross departmental resource integration and communication platform, formulating medium and long-term sustainable development plans, identifying relevant sustainable issues, formulating strategies, annual projects and execution programs, preparing sustainable development budgets, tracking the execution effectiveness of each unit, etc.	No significant differences

Items assessed	Execution status			Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			The Sustainable Development Office must report to the Board of Directors at least once a year, and the Company's sustainable development policy has been submitted to the 5th meeting of the 3rd Board of Directors on May 28, 2021. The Sustainable Development Office also conducts analysis based on the materiality principle of the sustainability report, communicates with internal and external stakeholders, and integrates the assessment data of each department and subsidiary to assess the significant ESG issues, formulate risk management policies for effective identification, measurement, assessment, supervision and control, and take specific action programs to reduce the impact of related risks. Based on the assessed risks, relevant risk management policies and strategies are formulated as follows: 1. The Company has been introducing ISO14001 environmental management verification since the beginning of 2023, and is expected to actively engage in energy management by introducing ISO50001 the third quarter of 2023. 2. Since 2023, the climate risk identification process constructed by TCFD has been introduced in the preparation of sustainability report, and climate risks and opportunities have been discussed across departments. 3. According to ISO14064-1, starting from 2022, greenhouse gas emission and removal will be regularly inspected annually and the impact on the Company's operations need to be examined. According to the 2023 inventory results, by means of carbon reduction measures, the Company has effectively reduced emission of Categories 1 and 2 greenhouse gas. 4. All offices and Tafu field have introduced and verified the ISO9001 and ISO45001 "Occupational Health and Safety" management systems simultaneously in 2022. In addition, fire drills as well as labor safety education and training are held regularly every year to cultivate employees' ability of emergency response and self-safety management. In 2023, for	

Items assessed	Execution status			Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			the newly added the energy storage field in Liuying District, Tainan City, the ISO9001 and ISO45001 management systems will be introduced and verified.	
III. Environmental issues (I) Does the Company establish an appropriate environmental management system according to its industrial characteristics?	V		As mentioned above, all office locations of the Company have established the ISO14001 environmental management system since February 2023, and it is expected to obtain third-party verification in the fourth quarter. In addition, the Company took 2021 as the first inventory year, conducted greenhouse gas inventory according to ISO 14064-1 specifications, and obtained BSI certification in May 2022. It is expected that greenhouse gas inventory will be continuously conducted every year, and the results will be published in the sustainability report and the Company's website.	No significant differences
(II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on environmental load?	V		The Company is committed to promoting renewable energy to enter daily life and become popular, with the mission of "smart green energy, readily available". In 2022, the Company used a total of 263,382 kWh of electric power in its fixed operating premises and staff quarters. In order to continuously reduce carbon emissions from operating activities, green power wheeling in Taipei headquarters was completed in August 2022 and the green power utilization reached 42.5% in 2022, while green power wheeling in Taichung Office began in February 2023 with the total annual green power utilization of 70% at least. In addition, according to the temperature results of third-party verification in 2022, compared with the previous year, carbon emissions per capita decreased from 3.39 to 2.22 in term of carbon dioxide equivalence at a decrease rate of 34.5%; carbon productivity (the revenue generated per ton of carbon emissions) also increased from 10.37 million to 23.8 million at an increase rate of 130%.In the operation activities of the construction, in order to reduce unnecessary waste of resources, the Company carried out the construction in the most environmental and economic way according to the environmental characteristics of the field. In 2021, we comprehensively required the recycling and reusing of engineering fences and pallets, and the use of steel molds	No significant differences

<table>
<tr><th rowspan="2">Items assessed</th><th colspan="3">Execution status</th><th rowspan="2">Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract description</th></tr>
<tr><td></td><td></td><td></td><td>or system molds to reduce the wastes generated by the loss of traditional wooden mold plates.</td><td></td></tr>
<tr><td>(III) Does the Company assess the present and future potential risks and opportunities posed by climate change and take relevant measures to address them?</td><td>V</td><td></td><td>The Company has designated the Sustainable Development Office as the climate change management unit, which reports directly to the Chairman of the Board of Directors, and annually studies and reviews the Company's climate change strategy and goals, and manages climate change risks and opportunities.
Since 2023, the Company has assessed the risks and opportunities of climate change for the Company under the TCFD proposal framework and expects to complete its latest climate risk assessment, including physical risks and transition risks, in mid-year.
In order to reduce the climate risk factor, the Company also identifies feasible opportunities and develops countermeasures in parallel. For climate change mitigation, the Company is developing green operations, energy management, and carbon information disclosure projects; to adapt to climate changes, the Company is also strengthening basic measures and building sustainable operation capabilities.</td><td>No significant differences</td></tr>
<tr><td>(IV) Does the Company compile statistics on GHG emissions, water consumption and total weight of waste for the past two years, and formulate policies for greenhouse gas reduction, water use reduction or other waste management?</td><td>V</td><td></td><td>The Company carried out the first greenhouse gas survey inventory in 2021 in all areas of Taiwan and Penghu business offices and completed the inspections of Category 1, 2 and 3 specified in ISO14064-1 and the third-party verification.
<u>Greenhouse Gas Emissions in Last 2 Years:</u>
(Information under Category 1 and 2 covers all HD business offices and Category 3 covers indirect greenhouse gas emissions from transport)
Unit: tons of CO2e
<table><tr><th>Year</th><th>Category 1</th><th>Category 2</th><th>Category 3</th><th>Total Emissions</th></tr><tr><td>2021</td><td>147.4101</td><td>110.9375</td><td>97.6581</td><td>356.0057</td></tr><tr><td>2022</td><td>93.4242</td><td>119.2747</td><td>129.8187</td><td>342.5176</td></tr></table></td><td>No significant differences</td></tr>
</table>

<table>
<tr><th rowspan="2">Items assessed</th><th colspan="3">Execution status</th><th rowspan="2">Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract description</th></tr>
<tr><td></td><td></td><td></td><td>The Company has completed the 2022 annual GHG inventory and third-party verification in accordance with ISO 14064-1, and the emissions for Category 1, 2 and 3 are 93.4242, 119.2747 and 129.8187 tons of carbon dioxide equivalent, respectively.

Water Consumption in Last 2 Years:
(Covers all HD business offices)
Unit: cubic meter (kWh)
<table><tr><td>Year</td><td>Total Water Consumption</td></tr><tr><td>2021</td><td>1,002</td></tr><tr><td>2022</td><td>2,694</td></tr></table>
Besides, to strengthen the management of water resources, the subsidiary Star Aquaculture Co., Ltd. has planned a complete sensor system to monitor water consumption in real time, and all water is discharged after recycling and purification.
For waste, the Company adopts the friendly method and the construction of the field is based on the principle of minimizing the change of the original landform. The waste generated in the operation process of the Company is quite limited, but in order to fully implement the policy of saving and reducing waste, the Company has generally adopted the recycling of engineering fences and pallets in 2021, used steel molds or system molds and reused them to reduce the waste consumed by traditional wooden molds.</td><td></td></tr>
<tr><td>IV. Social issues
(I) Does the company establish relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</td><td>V</td><td></td><td>The policy on sustainable development covering compliance with international human rights norms was approved at the 5th meeting of the 3rd Board of Directors on May 28, 2021 and signed by the Chairman on behalf of the Board of Directors.
In addition, the Company has included the human rights policy in the mandatory course for employees, which shall be completed by all employees at the time of joining the Company. Specific contents include:
• Do not discriminate against workers during hiring, promotion, awards, training opportunities, job placement,</td><td>No significant differences</td></tr>
</table>

Items assessed	Execution status			Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			wages, benefits, discipline, termination, and retirement, on the basis of race, skin color, age, sex, sexual orientation, race, disability, religious belief, political affiliation, union membership, national origin, or marital status. • Do not require a woman to take a pregnancy test or to discriminate against a pregnant worker, unless required by local laws or regulations. • Do not require workers or prospective workers to receive a discriminatory drug test, unless required by local laws or regulations or to ensure workplace safety. • Misconduct or violations including workplace bullying, sexual harassment, physical punishment, mental coercion, physical coercion, or abusive language are strictly prohibited. • Prohibition of child labor (under the age of 15), prohibition of overtime work at night for underage employees, and respect for labor voluntariness and freedom of association/speech In November 2022, the Company's Human Rights Policy was also formulated and signed by the chairman's representative, then was uploaded to the Company's official website for publication. It emphasizes that respect for human rights is one of HD core values. It is formulated and updated in accordance with the United Nations Universal Declaration of Human Rights, the United Nations Global Covenant, the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights in the Work, and the laws and regulations in the places where the business offices are located. On the basis of the principles of protection, respect and redress human rights, take actions consistent with the Code of Conduct in the Responsible Business Alliance to demonstrate the importance of human rights issues. In addition, this Policy is applicable to the business activities, products and services of all HD RE related companies and subsidiaries, and extends to all	

Items assessed	Execution status			Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			stakeholders in the value chain, including employees, customers, suppliers, partners and joint ventures. What's more, the Policy also sets out the complaint mechanism and whistleblower protection: "HD RE protects the human rights of its employees and all stakeholders by ensuring their rights to complain, inform or complain about any human rights violations they believe may occur, and to seek redress for any human rights violations.New employees in 2022: 91, current employees in 2022: 154; the training on human rights and labor rights for 91 persons were provided in 2022.	
(II) Does the company establish and implement reasonable employee benefit measures (including salary, vacation and other benefits) and appropriately reflect operational performance or results in employee compensation?	V		**<u>Employee remuneration</u>** • Overall remuneration policy The Company's remuneration is determined by referring to the market salary level, the domestic economic price trend and the Company's operation results to maintain the overall competitiveness of the remuneration, and the overall average salary adjustment for the 2022, including supervisory and non-supervisory positions, is 4.6%. • Year-end and performance bonuses The year-end bonus and performance bonus of the Company are determined by the Chairman and the Board of Directors according to the annual business operation status and personal work performance respectively. The performance evaluation is conducted once during the first and second half of the year respectively, and the scope of evaluation includes knowledge and skills related to the job. • Regulations regarding employee remuneration In accordance with the Company's Articles of Incorporation, 5% to 10% of the annual profit shall be set aside for employee remuneration. However, if the Company has accumulated losses, it shall retain the compensatory amount in advance. Employee remuneration may also be paid to employees of controlling or subordinate companies who meet certain criteria.	No significant differences

Items assessed	Execution status			Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			Welfare measures In addition to the statutory labor insurance, health insurance, new pension system, occupational disaster insurance and other protections, the Company also provides group insurance for employees; in addition to salary, the Company's employees enjoy two festivals (Mid-Autumn Festival and Dragon Boat Festival) bonuses, site attendants enjoy free staff dormitory, and the following benefits provided by the Staff Welfare Committee: 1. Gift money (gifts) for three festivals 2. Birthday gift money, wedding and funeral benefits 3. Annual Travel Grant of Domestic or Overseas Employees 4. Annual year-end dinner 5. Regular dinner for each quarter 6. Provide annual subsidies for education and further education for employees 7. Occasional festivities 6. Provide annual subsidies for education and further education for employees 7. Free staff quarters (for site attendants only) 8. Occasional festivities **Workplace diversity** The Company values multiculturalism, and the employment policy is based on job requirements, professionalism and development potential, without differentiation due to gender or race. In 2022, one employee with physical or mental disabilities was employed by the Company. The female employees accounted for 45.4% of the total number of employees, and the female senior executives at the assistant level or above accounted for 18.8%.	

Items assessed	Execution status			Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
(III) Does the company provide a safe and healthy working environment for its employees and provide regular safety and health education for them?	V		Management system for occupational health and safety 1. Overall policy The Company follows laws and regulations on occupational safety and health as well as the scope of management system for occupational health and safety, to manage occupational safety and health within the organization: 1.1 The Company introduced ISO9001 (quality management system) in 2022 and completed the system verification of the solar energy project. It is expected that energy storage will be used as the verification project of the occupational safety and quality management system in 2023 to ensure the implementation of the management system. 1.2 The aforementioned ISO9001 and ISO45001 management systems have been implemented and certified in 2021 and 2022. In order to implement the commitment of environmental sustainability, ISO14001 environmental management system has been introduced in 2023. It is expected that the introduction will be completed in Q4 and energy storage project will be selected as the verification scope and it will be included in the verification scope of other projects. The Company shall carry out the occupational safety and health compliance, the identification of laws and regulations, the implementation review of environmental safety and health and quality management plan regularly, as well as drinking water monitoring and operating environment monitoring regularly to meet the compliance of its regulations. 1.4 Measurement and supervision of environmental safety and quality management performance: Regularly submit the management performance reports of the project contractors' management systems to their supervisors every month; report on the overall environmental safety and quality management performance at the Safety and Health Committee meeting	No significant differences

Items assessed	Execution status			Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			every quarter, including a description of the next quarter's proposed implementation plan. 1.5 The rest of the environmental safety and health and quality management are carried out in accordance with the existing procedures and documents, and internal audits and management system verification are conducted annually to confirm their effectiveness and compliance.2. Operation procedure In order to ensure the Company's operation development, standards compliance and its environmental safety and quality management requirements, the procedure documents are formulated to meet the requirements of laws and regulations and management system, as follows: 2.1 ISO 9001: 1 manual, 30 procedure documents, 38 regulations and plans, 201 execution forms, and other procedures are integrated into the files of other departments for management and implementation; 2.2 45001: After integration with ISO 9001 management system, the following documents are formulated, including 1 manual, 12 procedure documents, 8 regulations and plans, 96 execution forms, and other procedures are integrated into the files of other departments for management and implementation; 2.3 The management system mentioned above will be subject to annual internal audit and verification to ensure that it shall meet the requirements of the laws, regulations and management system, and to achieve the continuous improvement. 3. Educational training The Company conducts various safety, health and quality education and training courses, from safety and health education and training courses for new employees (basic	

Items assessed	Execution status			Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			knowledge of volunteer and management system) to professional courses (fire, elevated, electrical, contractor operation management, quality...etc.); including courses on employee health management issues, as well as education and training before the project approval of contractors; as of March 2023, a total of 1313 participants have attended and 1813 hours of courses have been completed, which are included in the annual education and training, to be continuously implemented. 4. Number of work injuries, ratio and handling methods 4.1 The Company promises to establish a safe and secure workplace, to strengthen the concept of hazard prevention, to formulate the Control Procedures for Accidents, Non-conformities and Corrective Measures and the Control Procedures for Safety and Health Emergency Response, and to promote them in education and training; there have been no occupational disasters at present. 4.2 In addition to the formulation and implementation of procedures, "Occupational Disaster Reporting Statistics" and "Disaster-Free Working Hours Statistics" are conducted on a monthly basis and announced to the organization's internal supervisors; as of February 2023, the statistics of total disaster-free working hours are as follows: 4.2.1 Monthly statistics of disaster-free working hours (on non-project sites): 330,952 hours. 4.2.2Monthly statistics of disaster-free working hours (on project sites): 145,840 hours.	
(IV) Does the company have an effective career development program for its employees?	V		The Company has established a complete functional training, including newcomer training, professional certification training, supervisor training, etc. In 2022, a total of 739 people completed career training, with a total of 2,448 hours. In addition, regular performance interviews are held every year, and supervisors and employees are required to discuss and set up	No significant differences

Items assessed	Execution status			Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			individual annual capacity development plans to assist employees in their career development through regular reviews and feedback.	
(V) Does the Company follow relevant laws and regulations and international standards, and develop a policy and complaint procedure to protect the rights of consumers or customers with regard to customer health and safety, customer privacy, marketing and labeling of products and services?	V		The Company has established the "Solar Energy Business Development Management Program" to issue satisfaction surveys to customers upon completion of each project; the "Renewable Energy Asset Management Service Program" to issue customer satisfaction surveys to investors, and the "Green Power Sales Management Program" to conduct satisfaction surveys to customers who purchase the Company's green power, regularly review customer feedback, and handle customer complaints or quality abnormalities; in the case of construction issues, they will be transferred to the project staff or engineering unit staff to conduct surveys, and then the business department will consolidate the survey results and reply to customers.	No significant differences
(VI) Does the Company have a supplier management policy that requires suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights issues, and how is it implemented?	V		In order to ensure the safety and health capability of suppliers and contractors, the Company has established the "Management Procedures for Suppliers and Contractors" and "Management Procedures for Contracting and Outsourcing Safety and Health", and conducts environmental as well as safety and health surveys and evaluations of suppliers and contractors at the initial stage, and conducts annual performance evaluations (measurements) of suppliers and contractors, and the evaluation results will be included in the selection criteria of suppliers and contractors to ensure their environmental safety and health capability and commitment to jointly maintain the environment and safety and health; The Procurement Department has carried out the primary evaluation and re-evaluation of suppliers and contractors in 2022. By the date of publication of the annual report, 53 suppliers were evaluated, accounting for 82% of purchase amount in 2022. In addition, the sustainable supply chain management was launched in March, 2023, and the "Code of Conduct for Suppliers" was issued. As of early April, 33 suppliers had signed it up.	No significant differences

Items assessed	Execution status			Differences from the Code of Sustainable Development Practices for TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
V. Does the Company make reference to international standards or guidelines for the preparation of reports, for example, sustainability reports, that disclose non-financial information about the Company? Does the former report have a third-party verification or assurance opinion?	V		In 2022, the Company prepared the Sustainability Report in accordance with GRI and "Procedures for Listed Companies to Compile and Report Sustainability Report", and will introduce new ones into TCFD and SASB.	No significant differences
VI. If the Company has established its own code of sustainable management in accordance with the "Code of Sustainable Development Practices for TWSE/TPEx Listed Companies", please describe the differences of its operation from the established code: The Company has established the "Code of Sustainable Development Practices" in accordance with the "Code of Sustainable Development Practices for TWSE/TPEx Listed Companies", and the differences of its operation from the code are as described above.				
VII. Other important information to help understand the implementation of the promotion of sustainable development: None.				

(VI) Compliance with the Code of ethical management and differences from the Code of Ethical Management of TWSE/TPEx Listed Companies as well as its reasons

Items assessed	Operation situation			Differences from the Code of Ethical Management of TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
I. Establish ethical management policies and programs				
(I) Does the Company establish an ethical management policy approved by the Board of Directors, and clearly state the policy and practice of ethical management in the bylaws and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the management policy?	V		The Company has a "Code of Ethical Management" and a "Code of Ethical Management Procedures and Conduct" approved by the Board of Directors and disclosed on the Company's website. The "Work Rules" stipulate that all employees should clearly understand and abide by the code of ethics and personal integrity, and perform their duties with honesty, integrity and professionalism.	No significant differences.
(II) Does the Company establish a mechanism to assess the risk of dishonest acts, regularly analyze and evaluate the business activities within the scope of business that have a higher risk of dishonest acts, and accordingly formulate a plan to prevent dishonest acts, which at least covers the preventive measures for the acts mentioned in Item 2 of Article 7 of the "Code of Ethical Management for TWSE/TPEx Listed Companies"?	V		The Company has established a disciplinary and grievance system for non-compliance such as the "Code of Ethical Management", "Operating Procedures and Conduct Guidelines for Ethical Management", "Work Rules", and "Employee Reward and Punishment Rules". No director, manager, employee, appointee, or person having substantial control of the Company shall commit any dishonest act in violation of good faith, wrongfulness, or breach of fiduciary duty in order to obtain or maintain benefits. The directors and managers of the Company operate with ethical management as their primary principle. If any decision or transaction involves a conflict of interest for themselves, the directors and managers are prohibited from voting due to the principle of interest avoidance.	No significant differences.
(III) Does the Company specify the operation procedures, conduct guidelines, disciplinary and grievance systems for non-compliance in its dishonesty prevention program, and implement them, and regularly review and revise the previously disclosed program?	V		The Company has established a "Code of Ethical Conduct", which defines the operation procedures, disciplinary and grievance systems for violations of the Code of Conduct, and implements them.	No significant differences.
II. Implementation of ethical management				

Items assessed	Operation situation			Differences from the Code of Ethical Management of TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
(I) Does the Company evaluate the integrity records of its counterparties and specify the integrity terms in the contracts it enters into with them?	V		The Company and its suppliers have signed "Code of Conduct for Suppliers", which sets forth an anti-corruption, bribery and extortion policy.	No significant differences.
(II) Does the Company set up a special unit under the Board of Directors to promote honest corporate management, and report regularly (at least once a year) its policies for honest management, plans to prevent dishonest practices and their implementation to the Board of Directors ?		V	The Company does not establish a dedicated (part-time) unit under the board of directors to promote corporate integrity management, and regularly report its integrity management policies, plans to prevent dishonest practices and their implementation to the board of directors. However, each department has fulfilled the social responsibilities that the enterprise should fulfill within its scope of duties.	Not establish yet
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate channels of representation, and implement them?	V		The Company has established policies to prevent conflicts of interest, provided appropriate channels of representation, and implemented them.	No significant differences.
(IV) Does the Company establish effective accounting and internal control systems to implement ethical management, and have the internal audit department formulated relevant audit plans based on the evaluation results of the risk of dishonest behavior, and used them to verify the compliance with the plan to prevent dishonest behavior, or entrusted CPAs to carry out audits?	V		The Company has established an effective accounting system and internal control system, and the internal audit department conducts regular audit or entrusts CPAs to perform audit.	No significant differences.
(V) Does the Company regularly conduct internal and external education and training on ethical management?	V		The Company actively promotes and educates employees through various occasions regarding the concept and attitude of integrity, fairness, transparency, self-discipline and responsibility in ethical management	No significant differences.
III. The operation situation of the Company's reporting system				
(I) Does the Company establish a specific reporting and reward system, establish convenient reporting channels, and assign appropriate stakeholders responsible for handling whistleblowers?	V		The internal communication channels of the Company, include sexual harassment complaint mailbox, corporate governance mailbox, employee comment mailbox, etc., and dedicated personnel are assigned to handle the report and complaint cases. Unless otherwise provided by law, appropriate protection and confidentiality measures shall be taken for the individual and	No significant differences.

Items assessed	Operation situation			Differences from the Code of Ethical Management of TWSE/TPEx Listed Companies as well as its reasons
	Yes	No	Abstract description	
			the information and privacy provided by the whistleblower. If the report is true, the Company will severely punish the illegal behavior.	
(II) Does the Company establish standard operating procedures for investigating and accepting whistleblowing matters, measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	V		The Company has established appeal procedures and relevant confidentiality mechanisms for handling reported matters.	No significant differences.
(III) Does the Company take measures to protect whistleblowers from improper handling due to whistleblowing	V		Unless otherwise provided by laws, the Company takes appropriate protection and confidentiality measures for the individuals who report and the information and privacy provided.	No significant differences.
IV. Strengthen information disclosure				
Does the Company disclose the content and effectiveness of its established Code of Ethical Management on its website and Market Observation Post System?	V		The Company has established a website and disclosed the “Code of Ethical Management” and “Operating Procedures and Guidelines for Ethical Management”, and has promptly announced and updated relevant information on Market Observation Post System in accordance with the laws.	No significant differences.
V. If the Company has established its own code of ethical management in accordance with the “Code of Ethical Management of TWSE/TPEx Listed Companies”, please describe the differences of its operation from the established code: The Company has established the “Code of Ethical Management” in accordance with the ‘’Code of Practice for Corporate Social Responsibility of TWSE/TPEx Listed Companies”, and the differences of its operation from the Code are described above.				
VI. Other important information that helps to understand the operation of Company's ethical management: (such as the Company's review and revision of its established Code of Ethical Management, etc.): None.				

(VII) If the Company has established a corporate governance code and related regulations, its inquiry method should be disclosed: please go to the Market Observation Post System or the Company's official website for inquiry.

(VIII) Other important information that is sufficient to enhance understanding of corporate governance operations may be disclosed together:
Status of directors' continuing education in 2022 and as of the date of publication of the annual report:

<table>
<tr><th>Title</th><th>Name</th><th>Date of continuing education</th><th>Host unit</th><th>Course name</th><th>Number of hours of continuing education</th></tr>
<tr><td>Chairman</td><td>Yuan-Yi Hsieh</td><td rowspan="5">2022.07.29</td><td rowspan="5">Taiwan Corporate Governance Association</td><td rowspan="2">Corporate Governance and Securities Regulations</td><td rowspan="2">3</td></tr>
<tr><td>Director</td><td>Shih-Chang Chou</td></tr>
<tr><td>Director</td><td>Han Cheng</td><td rowspan="3">Looking at Insider Trading from the Perspective of Inspection and Investigation</td><td rowspan="3">3</td></tr>
<tr><td>Director</td><td>Yi-Neng Hsu</td></tr>
<tr><td>Independent director</td><td>Liang-Yu Chang</td></tr>
<tr><td rowspan="2">Independent director</td><td rowspan="2">Feng-Sheng Wu</td><td>2022.08.25</td><td>Securities & Futures Institute, Taiwan</td><td>Introduction and Case Analysis of Short Term Transactions by Company Insiders</td><td>3</td></tr>
<tr><td>2022.08.26</td><td>Taiwan Corporate Governance Association</td><td>How the Audit Committee supervises the effectiveness of internal control</td><td>3</td></tr>
<tr><td rowspan="3">Independent director</td><td rowspan="3">Jen-Hao Teng</td><td>2022.07.15</td><td rowspan="2">Accounting Research and Development Foundation, Taiwan</td><td>ESG Information Disclosure Trends and Related Standards</td><td>3</td></tr>
<tr><td>2022.08.02</td><td>How to Analyze Key Financial Information of Enterprises and Strengthen Crisis Warning Ability</td><td>3</td></tr>
<tr><td>2022.10.19</td><td>Corporate Operating and Sustainable Development Association, Taiwan</td><td>Legal norms and risk responsibilities that cannot be ignored by directors, supervisors, and insiders under corporate governance</td><td>3</td></tr>
</table>

(IX) Implementation of internal control system:

1. Internal Control Statement:

HD Renewable Energy Co., Ltd.
Statement of Internal Control System

Date: March 2, 2023

Based on the results of our self-assessment, we only declare that our internal control system for the year 2022 is as follows.

I. The Company recognizes that it is the responsibility of the Board of Directors and the Manager to establish, implement and maintain a system of internal control and that the Party has established such a system. The purpose is to achieve the effect and efficiency of operation (including profit, performance and protection of asset security, etc.), reliability of financial report and compliance of relevant laws so as to provide reasonable assurance.

II. The internal control system has inherent limitations, and no matter how well designed, an effective internal control system can only provide reasonable assurance of the achievement of the above three objectives; furthermore, the effectiveness of the internal control system may change due to changes in circumstances and conditions. However, the Company's internal control system has a self-monitoring mechanism and the Company will take corrective action once deficiencies are identified.

III. The Company determines whether the design and execution of its internal control system are effective based on the determination items for internal control system effectiveness specified in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (the "Regulations Governing"). The judgment items of the internal control system adopted in the Regulations Governing are divided into five components based on the management control process: 1. control environment, 2. risk assessment and response, 3. control operations, 4. information and communication, and 5. supervision. Each component includes a number of items. Please refer to the "Regulations Governing" for the aforementioned items.

IV. The Company has used the above internal control system judgment items to examine the effectiveness of the design and implementation of the internal control system.

V. Based on the results of the aforementioned examination, the Company concluded that the internal control system (including supervision and management of subsidiaries) as of December 31, 2022, including the knowledge of the effectiveness of operations and the degree of achievement of efficiency targets, the reliability of financial reporting and compliance with relevant laws and regulations, was designed and implemented in an effective manner, and that it could reasonably ensure the achievement of the aforementioned targets.

VI. This statement will be the main content of the Company's annual report and public statement, and will be made public. If any of the above information is disclosed in a false or concealed manner, it will be subject to legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. This statement was approved by the Board of Directors on March 2, 2023, and none of the seven directors present objected to it.

HD Renewable Energy Co., Ltd.
Chairman: Yuan-Yi Hsieh
President: Shih-Chang Chou

2. For those who have appointed an accountant to conduct a project review of the internal control system, the accountant's report should be disclosed: None. The Company listed on the Innovation Board on March 6, 2023 and will appoint an accountant to issue a project review report within three fiscal years from the next year of listing (2024) in accordance with the law.

(X) For the most recent fiscal year and up to the date of publication of the annual report, if the Company and its internal personnel have been punished according to laws, or the Company has punished its internal personnel for violating the provisions of the internal control system, and the punishment results may have a significant impact on shareholders' equity or securities prices, the content of the punishment, major deficiencies and improvements shall be listed: None.

(XI) Important resolutions of the shareholders' meeting and board of directors for the most recent year and up to the date of publication of the annual report:

1. Important resolutions of the shareholders' meeting and their implementation status

Date	Important resolution matters	Execution status
2022/06/30	1. Proposal of the Company's 2021 Operating Report and Financial Statement is submitted for ratification. 2. The distribution of earnings for the year 2021 of the Company is submitted for ratification. 3. Amendment to the Articles of Incorporation of the Company. 4. Proposed application for listing of the Company's shares. 5. Proposed to take new shares issued by cash capital increase as a source of shares for public underwriting before listing, and discussion on original shareholders giving up all subscriptions. 6. Amendment to Regulations Governing the Election of Directors and Independent Directors. 7. Amendment to Rules and Procedures of Shareholders' Meetings. 8. Amendment to Procedures for Acquiring or Disposing of assets. 9. Comprehensive director re-election proposal. 10. Proposal of lifting the non-compete for new directors of the Company.	1. Resolution passed. 2. The resolution was passed to issue a cash dividend of NT$2 per share. 3. Resolution passed. 4. The resolution was passed and was officially listed on the exchange on March 6, 2023. 5. Resolution passed. 6. The resolution was passed and announced on the Company's website. 7. The resolution was passed and announced on the Company's website. 8. The resolution was passed and announced on the Company's website. 9. Resolution passed. 10. Resolution passed.
2022/09/28	1. Amendment to the Articles of Incorporation of the Company.	1. Resolution passed.

2. Important resolution matters of the board of directors

Date	Important resolution matters
2022/02/25	1. Proposed application for credit line to BANK SINOPAC 2. Proposal of issuing a negative commitment for financing on behalf of Tafu Energy Co., Ltd. 3. Proposed to transact with Pan Hsin Commercial Bank to obtain financing and open various deposit accounts

Date	Important resolution matters
	4. Proposed to transact with Chang Hwa Commercial Bank to obtain financing and open various deposit accounts 5. Proposed capital loan to subsidiary Wen Deng Green Co., Ltd. 6. Proposed capital loan to subsidiary HB O&M Co., Ltd. 7. Proposed capital loan to subsidiary Ru Jing Green Co., Ltd. 8. Proposed capital loan to subsidiary Hoshuo Agricultural Biotechnology Co., Ltd. 9. Proposed capital loan to subsidiary Dan Deng Green Co., Ltd. 10. Proposed to establish an Smart Service Division and adjust the Company's organizational structure 11. Proposed application for credit line to Sungnan Branch of Mega International Commercial Bank Co., Ltd.
2022/03/28	1. Amendment to the Articles of Incorporation of the Company 2. Employee remuneration and directors' and supervisors' remuneration for 2021 3. Company's 2021 Business Report and Parent company only and Consolidated Financial Report 4. Statement of the Company's internal control system 5. Evaluation of the Company's ability to independently prepare financial reports 6. The Company's 2022 budget 7. Proposed to handle the first issuance of new shares by cash capital increase in 2022 8. Proposed application for listing of the Company's shares 9. Proposed to take new shares issued by cash capital increase as a source of shares for public underwriting before listing, and discussion on original shareholders giving up all subscriptions 10. Comprehensive director re-election proposal 11. Draft and accept proposals from more than 1% of shareholders and handle matters related to the nomination of candidates for directors (including independent directors) 12. Proposal of lifting the non-compete for new directors of the Company 13. Amendment to Regulations Governing the Election of Directors and Independent Directors 14. Amendment to Rules and Procedures of Shareholders’ Meetings 15. Amendment to Procedures for Acquiring or Disposing of Assets 16. Proposal of issuing a negative commitment for financing on behalf of Maohung Energy Co., Ltd. due to business transactions 17. Proposed to establish a Software Development Department, System Integration Department, and System Planning Department and adjust the Company's organizational structure 18. Meili Taiwan Public Welfare Cooperation Project 19. Proposed to undertake the development and engineering service project of Fangteng Green Energy Co., Ltd. for field of the 11.4KV ground type photovoltaic integration of 9.8MW in Huhsi Township, Penghu County. 20. Proposed to undertake the development and engineering service project of Chungfang Green Energy Co., Ltd. for field of the 11.4KV ground type photovoltaic integration of 9.8MW in Huhsi Township, Penghu County

Date	Important resolution matters
	21. Proposed to undertake the development and engineering service project of Jenhua Green Energy Co., Ltd. for field of the 11.4KV ground type photovoltaic integration of 9.8MW in Huhsi Township, Penghu County 22. Development and Equity Acquisition of Energy Storage System Project for Huiju Energy Co., Ltd. 23. Proposed capital loan to subsidiary Yun Deng Green Co., Ltd. 24. Proposed capital loan to subsidiary Star Charger Co., Ltd. 25. Amendment to the Code of Practices on Corporate Social Responsibility 26. Amendment to the Code of Practice for Corporate Governance 27. Proposed application for credit line to BANK SINOPAC 28. Date and agenda of the 2022 Shareholders' Meeting of the Company
2022/04/29	1. Proposal of verifying the list of employees who are allowed to subscribe shares, and number of shares they can subscribe at the time of the Company's first cash capital increase in 2022 2. Proposed capital loan to subsidiary Hsin-Shih-Chi Energy Co., Ltd 3. Proposed capital loan to subsidiary Hsukang Fishery Management Consulting Co., Ltd. 4. Proposed capital loan to subsidiary Hsingte Energy Co., Ltd. 5. Proposed capital loan to subsidiary Xin Sheng Energy Develop Co., Ltd. 6. Revision of the Company's organizational structure 7. Commission of managers of the Company
2022/05/18	1. The Company's 2021 earnings distribution 2. Nomination for director candidates 3. Review of candidates for directors (including independent directors) 4. Proposal of termination of the head of the New Business Division 5. Proposal of organizational structure adjustment 6. Proposed application for medium and long-term credit line to Tianmu Branch of Shanghai Commercial Bank 7. Proposed to cancel the capital loan line to joint venture subsidiaries Fangteng Green Energy Co., Ltd., Chungfang Green Energy Co., Ltd., and Jenhua Green Energy Co., Ltd. 8. Proposed to negotiate with Tung Wei Construction Co., Ltd. to establish a data center
2022/06/10	1. Proposed appointment of 2022 Certified Public Accountants and their independent assessment 2. Proposed application for credit line to Mega Coupon Finance Co., Ltd. 3. Proposed application for credit line to CTBC Bank Co., Ltd. 4. The Company's consolidated financial report for the first quarter of 2022 5. Proposed capital increase in Huiju Energy Co., Ltd. 6. Procurement of optoelectronic modules for Hsia-Shan-Tzu-Liao Section, Cigu District, Tainan 7. Proposed capital loan to subsidiary Hsukang Fishery Management Consulting Co., Ltd. 8. Optoelectronic Investment Joint Venture Agreement with Aquastar Energy Corporation for fishery and electricity symbiosis 9. Proposed acquisition and disposal of equity of Jihyun Green Energy Co., Ltd. 10. Proposal of capital increase in Aquastar Energy Corporation 11. Joint Venture Agreement with Ankang Data Co., Ltd.

Date	Important resolution matters
	12. Evaluation of the possibility of developing and recovering engineering funds for the 702 project in Hsinchuang, project in Kaolang, and project in Changchih of Gigastorage Corporation
2022/06/29	1. Proposal of organizational structure adjustment 2. Proposed application for credit line to Far Eastern International Bank 3. Proposed application for credit line to Fubon Bank 4. Proposed application for credit line to BANK SINOPAC 5. Proposed to undertake the development and engineering service of the field of “42.90MW project in Hsia-Shan-Tzu-Liao, Cigu District, Tainan” project of Jihyun Green Energy Co., Ltd. 6. Proposed acquisition of land in Hsinsheng Section, Cigu District, Tainan 7. Proposed capital loan to subsidiary Hsingte Energy Co., Ltd
2022/06/30	1. Proposal of the selection of Chairman by the 4th Board of Directors of the Company
2022/07/18	1. Appointment of members of the Company's Compensation Committee 2. Proposed amendment to Ankang Data Joint Venture Agreement 3. Proposed capital increase of Star Power Energy Corporation 4. Proposed capital loan to subsidiary Yun Deng Green Co., Ltd. 5. Procurement of optoelectronic modules for Hsia-Shan-Tzu-Liao Section, Cigu District, Tainan 6. Proposed adjustment of approval authority 7. Proposed to cancel the capital loan line to the joint venture subsidiary, Jihyun Green Energy Co., Ltd.
2022/08/11	1. Change of location of the Company 2. Amendment to the Articles of Incorporation of the Company 3. The Company's consolidated financial report for the second quarter of 2022 4. Formulation of the “Internal Major Information Processing Operating Procedures” 5. Proposed adjustment of the contract price for the solar photovoltaic development project of Taiwan Sugar Corporation’s land in Gukeng Township, Yunlin County 6. Proposed capital increase in AcTek Energy Co., Ltd. (hereinafter referred to as “AcTek Energy”) 7. Proposed application for credit line to Fubon Bank 8. Proposed to change capital loan to subsidiary Shukang Fishery Management Consulting Co., Ltd. (hereinafter referred to as ‘’Shukang Fishery”) 9. Proposed application for credit line to BANK SINOPAC 10. Proposed guarantee for subsidiary Star Charger Co., Ltd. (hereinafter referred to as “Star-EV-Charge”) 11. Date and agenda of the 2022 Extraordinary Shareholders’ Meeting of the Company
2022/09/08	1. Proposal of salary adjustment for managers at assistant level and above in 2022 2. Formulation of the “Performance Evaluation Measures for the Board of Directors and Functional Committees” 3. Proposed capital increase in Star Energy Storage Solutions Co., Ltd. (hereinafter referred to as “Star Energy Storage Solutions”)

Date	Important resolution matters
	4. Proposal of Joint Venture Agreement with Star Network Data Co., Ltd. (hereinafter referred to as “Hsingwang Data”) 5. Proposed capital loan to subsidiary Jihchih Green Energy Co., Ltd (hereinafter referred to as “Jihchih”) 6. Proposed capital loan to subsidiary Star Exchange Co., Ltd. (hereinafter referred to as “Aquastar”) 7. Proposed capital loan to subsidiary Yun Deng Green Co., Ltd. (hereinafter referred to as “Yun-Teng”) 8. Proposed capital loan to subsidiary Xiang Heng Green Co., Ltd. (hereinafter referred to as “Hsiangheng”) 9. Proposed application for credit line to Yuanshan Branch of Hua Nan Commercial Bank 10. Handling the procurement of 200MW batteries and PCS for the energy storage project in Liuying District, Tainan City, on behalf of its subsidiary Star Energy Storage Solutions Co., Ltd. (hereinafter referred to as “Star Energy Storage Solutions”) Extraordinary motion: 1. Proposed application for credit line to Tianmu Branch of Shanghai Commercial Savings Bank (submitted by the Finance and Accounting Division)
2022/09/27	1. Proposed to appoint the Company to request that the companies listed on the Innovation Board sponsor securities underwriters. 2. Distribution of performance bonus of the Company's managers. 3. Proposed appointment of manager of Star Aquaculture Co., Ltd. (hereinafter referred to as “Hsingyuan Fishery”). 4. Proposed application for guarantee line and credit line to BANK SINOPAC 5.Proposed application for credit line to Cathay United Bank Co., Ltd. 6. Procurement of optoelectronic modules in Gukeng Township, Yunlin County. 7. Proposed capital increase in Star Network Data Co., Ltd. (“Hsingwang Data”).
2022/10/21	1. Statement of internal control system from January 1, 2022 to June 30, 2022 Budget for the fourth quarter of 2022 to the first quarter of 2023 3. Proposed revision of the rules of procedure for the board of directors 4. Proposed to make resolution on turn-key project of 200MW energy storage project in Liuying District, Tainan City, as well as procurement of ultra-high voltage equipment and engineering construction for such project, on behalf of the subsidiary, Huiju Energy Co., Ltd. 5. Proposed to cancel the capital loan line of some subsidiaries of the Group 6. Proposed application for medium and long-term credit line to Tianmu Branch of Shanghai Commercial Bank 7. Proposed capital increase in Star Network Data Co., Ltd.
2022/11/14	1. The Company's consolidated financial report for the third quarter of 2022 2. Proposed application for the increase of credit line to CTBC Bank Co., Ltd.
2022/12/01	1. Making resolution on acquisition and procurement of equipment for energy storage project in Liuying District, Tainan City, on behalf of the

Date	Important resolution matters
	subsidiary, Huiju Energy Co., Ltd. (hereinafter referred to as “Huichu Energy”). 2. Proposed authorization for directors to sign audit reports 3. Proposed revision of the rules of procedure for the board of directors 4. Proposed capital increase in Huiju Energy Co., Ltd. (hereinafter referred to as “Huichu Energy”)
2022/12/28	1. Handling issuance of new shares by cash capital increase before initial listing 2. Audit Plan for 2023 3. Proposed to cancel the capital loan line of Hoshuo Agricultural Biotechnology Co., Ltd. 4. Proposed capital loan to subsidiary Xiang Heng Green Co., Ltd. (hereinafter referred to as “Hsiangheng Green Energy”) 5. Proposed capital loan to subsidiary Yunn Deng Green Co., Ltd. (hereinafter referred to as “Yunteng Green Energy”) 6. Proposed to rent Tianmu Office in Taipei from related parties 7. Obtaining the management rights of land on fishery-electricity symbiosis test and breeding base of Fisheries Research Institute, from Shukang Fishery Management Consulting Co., Ltd., on behalf of subsidiary, Star Aquaculture Co., Ltd. 8. Proposed disposal of equity of joint venture company AcTek Energy Co., Ltd. (hereinafter referred to as “AcTek”) 9. Evaluation of the possibility of payment recovery for the water surface-type solar photovoltaic system of (hereinafter referred to as “Sunpower”) Sunpower Energy Technology Co., Ltd.’s detention ponds at the Fourth Fangshui Road and Wanhsing, Changhua County 10. Manager's year-end bonus distribution 11. Appointment of Mr. Yi-Kung Chen as the Assistant of the Company’s Super Charging Department 12. Appointment of Ms. Ting-Yi Kuan as Assistant of the Company’s Asset Management Division 13. Proposed application for credit line to the Taiwan Cooperative Bank 14. Proposed application for credit line to Sungnan Branch of Mega International Commercial Bank Co., Ltd. 15. Proposed application for credit line to Shanghai Commercial Savings Bank 16. Proposed application for credit line to O-Bank
2023/02/17	1. Reaffirmation of appointed spokesperson and acting spokesperson of the Company 2. Proposal to reaffirm Ms. Yu-Ching Tien as Assistant of the Administrative Management Division of the Company 3. Proposal of reviewing the list of cash capital increase managers who are allowed to subscribe shares, and number of shares they can subscribe before the Company listed on innovation board. 4. Proposed application for credit line to Chang Hwa Commercial Bank 5. Proposed to handle the credit line to Pan Hsin Commercial Bank 6. Proposal to cancel the capital loan line of Hsingte Energy Co., Ltd. (hereinafter referred to as “Hsingte Energy”) 7. Proposed capital loan to subsidiary Wen Deng Green Co., Ltd. (hereinafter referred to as “Wenteng Green Energy”)

Date	Important resolution matters
	8. Proposed capital loan to subsidiary Jihhsun Green Energy Co., Ltd (hereinafter referred to as “Jihhsun Green Energy”)
2023/03/02	1. Employee remuneration and directors' remuneration for 2022 2. Proposal of the Company’s 2022 Operating Report and Financial Statement 3. Statement of the Company's internal control system 4. The Company's 2023 budget 5. Date and agenda of the 2023 Shareholders’ Meeting of the Company
2023/04/18	1.Proposed application of the equity of Beseye Holding Co., Ltd. 2. Proposed entrusting Sencundian Engineering Co., Ltd. to undertake the e-dReg energy storage project of Haoru Electric Power Co., Ltd. 3. Approved the Yundeng’s development and engineering contracting project in Xiashan Ziliao, Qigu District, Tainan City 4. Internal rotation of the accountants of the accounting firm signed with the Company and 2023 Annual Assessment of Accountant Independence and Suitability 5. Proposed application for the line of credit for its subsidiary-- Huiju Energy Co., Ltd. 6. Proposed application for credit line to Shanghai Commercial Savings Bank
2023/05/10	1. Proposed capital increase in Star Energy Storage Co., Ltd. 2. The Company's Consolidated Financial Report for the First Quarter of 2023 3. The Company's 2022 Earnings Distribution 4. Revision Proposal of Endorsement Guarantee Operation Procedure 5. Adjustment of the Company's Organizational Structure 6. Proposed application for credit line to China Bills Finance Co., Ltd. 7. Proposed cancellation of the capital loan to subsidiary Yunn Deng Green Co., Ltd. (hereinafter referred to as “Yunteng Green Energy”) 8. Proposed increase of reasons for holding Shareholders’ Meeting in 2023

(XII) For the most recent fiscal year and up to the date of publication of the annual report, if a director or supervisor has different opinions on important resolutions passed by the board of directors and there are records or written statements, the main content is: there is no such situation.

(XIII) Summary of resignations and dismissals of the Company's chairman, president, accounting supervisor, financial supervisor, internal audit supervisor, corporate governance supervisor, and research and development supervisor for the most recent year and up to the date of printing of the annual report: There are no such incidents.

V. Information of Certified Public Accountants’ fees

Information of Certified Public Accountants’ fees

Unit: NT$1,000

Name of accounting firm	CPAs' name	Period of audit by CPAs	Audit fees	Non-audit fees	Total	Remarks
KPMG TAIWAN	Chien-Hui Lu Hai-Ning Huang	2022	3,420	2,170	5,590	-

Note: Non-audit fees include NT$ 1,750 thousand for project review of IPO internal control system, NT$ 220 thousand for audit advance and NT$ 200 thousand for TP service.

(I) If the accounting firm is replaced and the audit fees paid for the year of replacement are reduced compared to the audit fees paid for the previous year, the amount, proportion, and reasons for the decrease in audit fees shall be disclosed: there is no such situation.

(II) If the audit fees have decreased by more than 15% compared to the previous year, the amount, proportion, and reasons for the decrease in audit fees should be disclosed: there is no such situations.

VI. Information on changing CPAs:

(I) Information on predecessor accountant

<table>
<tr><td>Change Date</td><td colspan="4">It was approved by the Board of Directors on April 18, 2023.</td></tr>
<tr><td>Change Reasons and Description</td><td colspan="4">In order to maintain the independence of accountants and implement the internal rotation mechanism of the firm, the issuing accountants of the financial report were changed from Chien-Hui Lu and Hai-Ning Huang to Chun-Yuan Wu and Hai-Ning Huang from the first quarter of 2023.</td></tr>
<tr><td rowspan="3">Note: The appointor or accountant terminates or does not accept the appointment</td><td colspan="2">Party
Situation</td><td>Accountant</td><td>Appointor</td></tr>
<tr><td colspan="2">Initiative termination of appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td colspan="2">No acceptance of renewal appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>Opinions and reasons for issuing audit reports other than unqualified opinions within the last two years</td><td colspan="4">Not applicable</td></tr>
<tr><td rowspan="6">Opinions against issuer</td><td rowspan="4">Yes</td><td>-</td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td>-</td><td colspan="2">Disclosure of financial reports</td></tr>
<tr><td>-</td><td colspan="2">Audit scope or steps</td></tr>
<tr><td>-</td><td colspan="2">Other -</td></tr>
<tr><td>None</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Description</td></tr>
<tr><td>Others disclosed
(Item 1 (4)~ Item 1 (7), Paragraph 6, Article 10 of the Standard disclosed)</td><td colspan="4">None</td></tr>
</table>

(II) Information on Successor Accountant

Accounting Firm Name	KPMG TAIWAN
CPAs' name	Certified Public Accountants Chun-Yuan Wu and Hai-Ning Huang
Appointment Date	It was approved by the Board of Directors on April 18, 2023
Matters and results of advice on the accounting treatment method, or accounting principles of specific transactions and the possible issuance of financial reports prior to appointment	Not applicable
Written opinions of the successor accountant on matters of disagreement with the predecessor accountant	Not applicable

(III) Reply of predecessor accountant on the issues of Item 1 and Item 1 (3), Paragraph 6, Article 10 of the Standard : not applicable.

VII. Whether the chairman, president, or manager responsible for financial or accounting affairs of the Company has worked in the firm which the Certified Public Accountants worked for or its affiliated enterprises within the past year: There is no such situation.

VIII. Equity transfer and changes in equity pledge of Directors, Supervisors, Managers and shareholders with a shareholding ratio of more than 10%, in the most recent fiscal year and as of the date of publication of the annual report:

(I) Situation of changes in equity

Unit: share

Title	Name	2022		As of May 2, 2023	
		Increase (decrease) in number of shares held	Increase (decrease) in pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in pledged shares
Chairman	Representative of Titan Solar Co., Ltd.: Yuan-Yi Hsieh	-	(8,000,000)	-	-
Director	Representative of Titan Solar Co., Ltd.: Shih-Chang Chou				
Director (Note 1)	Representative of Jason Renewables Co., Ltd.: Yi-Neng Hsu	-	-	-	-
Director (Note 2)	Representative of Samoan company GREEN RIVER INTERNATIONAL LTD.:Yi-Neng Hsu	77,000	-	-	-
Director	Power ZMC corporation Representative: Han Cheng	-	-	200,000	-
Independent director	Liang-Yu Chang	-	-	-	-
Independent Director (Note 2)	Feng-Sheng Wu	(6,000)	-	-	-
Independent Director (Note 2)	Jen-Hao Teng	-	-	-	-

Title	Name	2022		As of May 2, 2023	
		Increase (decrease) in number of shares held	Increase (decrease) in pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in pledged shares
Independent Director (Note 1)	Hsiao-Tsun Chen	-	-	Not applicable	Not applicable
Independent Director (Note 1)	Ting-Yang Huang	-	-	Not applicable	Not applicable
CEO	Yuan-Yi Hsieh	280,420	-	33	-
President	Shih-Chang Chou	100,000	-	-	-
Vice President	Wei-Pin Huang	-	-	-	-
Vice President	Yung-Ching Li	127,082	-	-	-
Assistant	Tzu-Yen Hsieh	178,938	-	-	-
Assistant	Yen-Kai Liao	20,000	-	(200,000)	-
Assistant	Chun-Yi Wu	(270,000)	-	70,000	-
Assistant	Hsien-Jung Cheng	30,000	-	-	-
Assistant (Note 3)	Yen-Hsiang Wang	55,100	-	Not applicable	Not applicable
Assistant	Chi-Pi Li	-	-	-	-
Assistant	Hui-Lan Yeh	14,214	-	28,000	-
Assistant (Note 4)	Shuo-Hsien Hsu	-	-	Not applicable	Not applicable
Assistant (Note 5)	Tien-Tzu Lo	16,771	-	20,000	-
Assistant (Note 5)	Chih-Min Chung	30,000	-	-	-
Assistant (Note 6)	Ting-Yi Kuan	-	-	10,000	-
Assistant (Note 7)	Yi-Kung Chen	9,000	-	30,000	-
Assistant (Note 8)	Chih-Ta Tsai	-	-	10,000	-

Note 1: Resigned after being re-elected at the shareholders' meeting on June 30, 2022.
Note 2: Appointed after being re-elected at the shareholders' meeting on June 30, 2022.
Note 3: Resigned on January 31, 2023.
Note 4: Resigned on May 15, 2022.
Note 5: Appointed on March 1, 2022.
Note 6: Appointed on December 28, 2022.
Note 7: Appointed on November 1, 2022 and transferred to a subsidiary on January 31, 2023.
Note 8: Appointed on October 11, 2022.

(II) Information on whether the party whom equity is transferred to is the related party: None.

(III) Information on whether the counterparty of the equity pledge is a related party: None.

IX. Information on the shareholders with the top ten shareholding ratios, who are related parties or spouses, and relatives in a second-degree relationship with each other:

May 2, 2023 Unit: shares; %

Name	Shares held by own		Shares held by spouse, minor children		Total shares held in the name of others		The names and relationships of the top ten shareholders who have relationships with each other or are spouses or relatives within the second-degree relationship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or full name)	Relationship	-
Titan Solar Co., Ltd.	11,326,144	11.33%	-	-	-	-	Yuan-Yi Hsieh Yuan-Ju-Yi Co., Ltd.	The legal representative and the person in charge of the Company are the same person The legal representative and the person in charge of such company are father and son	-
Titan Solar Co., Ltd. Representative: Yuan-Yi Hsieh	1,688,487	1.69%	-	-	-	-	Jen-Kuang Hsieh	Father and son	-
Fubon Financial Holding Venture Capital Co., Ltd	7,441,177	7.44%	-	-	-	-	-	-	-
Representative of Fubon Financial Holding Venture Capital Co., Ltd: Ming-Chung Tsai	-	-	-	-	-	-	-	-	-
Yuan-Ju-Yi Co., Ltd.	7,177,448	7.18%	-	-	-	-	Jen-Kuang Hsieh Titan Solar Co., Ltd.	Legal Representative The legal representative and the person in charge of such company are father and son	-
Yuan-Ju-Yi Co., Ltd. Representative: Jen-Kuang Hsieh	1,879,917	1.88%	1,321,045	1.32%	-	-	Yuan-Yi Hsieh	Father and son	-
Hungcheng Investment Co., Ltd.	5,888,792	5.89%	-	-	-	-	-	-	-
Hungcheng Investment Co., Ltd. Representative: Hui Cheng	42,330	0.04%	33,553	0.03%	-	-	-	-	-
Shihlin Electric & Engineering Corporation	4,800,000	4.80%	-	-	-	-	-	-	-
Representative of Shihlin Electric & Engineering Corporation: Yu-Jui Hsu	-	-	-	-	-	-	-	-	-
Shen-Chih Cheng	4,473,214	4.47%	-	-	-	-	-	-	-
Mingwei Development Co., Ltd.	4,328,000	4.33%	-	-	-	-	-	-	-

Name	Shares held by own		Shares held by spouse, minor children		Total shares held in the name of others		The names and relationships of the top ten shareholders who have relationships with each other or are spouses or relatives within the second-degree relationship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or full name)	Relationship	-
Representative of Mingwei Development Co., Ltd.: Shen-Chih Cheng	4,473,214	4.47%	-	-	-	-	-	-	-
Taiwan Life Insurance Co., Ltd.	2,900,000	2.90%	-	-	-	-	-	-	-
Representative of Taiwan Life Insurance Co., Ltd.: Ssu-Kuo Huang	-	-	-	-	-	-	-	-	-
Lienho Investment Co., Ltd.	2,052,773	2.05%	-	-	-	-	-	-	-
Lienho Investment Co., Ltd. Representative: Lien-Chi Chang	-	-	-	-	-	-	-	-	-
Jen-Kuang Hsieh	1,875,917	1.88%	1,321,045	1.32%	-	-	Yuan-Ju-Yi Co., Ltd. Yuan-Yi Hsieh	Legal Representative Father and son	-

X. The number of shares held by the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same reinvestment business, and the combined calculation of the comprehensive shareholding ratio:

December 31, 2022 Units: Shares; %

Reinvestment business	Investment of the Company		Investment of Directors, Supervisors, Managers and Direct or Indirectly Controlled Businesses		Consolidated Investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
You Deng Green Co., Ltd.	40,000	100%	-	-	40,000	100%
Ri Zhi Green Co., Ltd.	800,000	100%	-	-	800,000	100%
Ri Wei Green Co., Ltd.	1,000,000	100%	-	-	1,000,000	100%
Ri Qing Green Co., Ltd.	291,353	34.44%	-	-	291,353	34.44%
HB O&M Co., Ltd.	3,000,000	100%	-	-	3,000,000	100%
Xiang Heng Green Co., Ltd.	3,900,000	100%	-	-	3,900,000	100%
Ri Yu Green Co., Ltd.	530,000	100%	-	-	530,000	100%
Ri Xi Green Co., Ltd.	40,000	100%	-	-	40,000	100%
Ru Jing Green Co., Ltd.	200,000	100%	-	-	200,000	100%
Ri Lu Green Co., Ltd.	250,000	100%	-	-	250,000	100%
Ri Pu Green Co., Ltd.	40,000	100%	-	-	40,000	100%
Wen Deng Green Co., Ltd.	5,000,000	100%	-	-	5,000,000	100%
Yunn Deng Green Co., Ltd.	1,500,000	100%	-	-	1,500,000	100%
Titan Asset Management Co., Ltd.	10,000	100%	-	-	10,000	100%
Yun Deng Green Co., Ltd.	2,000,000	40%	-	-	2,000,000	40%
Yin Deng Green Co., Ltd.	10,000	100%	-	-	10,000	100%
Dan Deng Green Co., Ltd.	150,000	100%	-	-	150,000	100%
Ri Chen Green Co., Ltd.	60,000	100%	-	-	60,000	100%
New Century Energy Co., Ltd.	-	100%	-	-	-	100%
Chang He Energy Co., Ltd.	510,000	100%	-	-	510,000	100%
Star Exchange Co., Ltd.	2,000,000	100%	-	-	2,000,000	100%
Star Power Energy Corporation	25,200,000	20%	-	-	25,200,000	20%
Ri Xun Green Co., Ltd.	540,000	100%	-	-	540,000	100%
Ri Fa Green Co., Ltd	5,600,000	40%	-	-	5,600,000	40%
Star Energy Storage Solutions Co., Ltd.	16,000,000	80%	-	-	16,000,000	80%
Shin Yuan Energy Co., Ltd.	10,000	100%	-	-	10,000	100%
Xin Sheng Energy Develop Co., Ltd.	200,000	100%	-	-	200,000	100%
Aquastar Energy Co., Ltd.	6,000,000	10%	-	-	6,000,000	10%
Star Charger Co., Ltd.	1,000,000	100%	-	-	1,000,000	100%
Star Network Data Co., Ltd.	37,890,343	49%	-	-	37,890,343	49%
Tian Hua FisheryTech Co., Ltd.	10,000	100%	-	-	10,000	100%
Tian Fang FisheryTech Co., Ltd.	10,000	100%	-	-	10,000	100%
Tian Tai FisheryTech Co., Ltd.	10,000	100%	-	-	10,000	100%
Tian Jie FisheryTech Co., Ltd.	10,000	100%	-	-	10,000	100%
Tian Xi FisheryTech Co., Ltd.	10,000	100%	-	-	10,000	100%
Tian Hui FisheryTech Co., Ltd.	10,000	100%	-	-	10,000	100%
Tian Yi FisheryTech Co., Ltd.	10,000	100%	-	-	10,000	100%
Tian Cheng FisheryTech Co., Ltd.	10,000	100%	-	-	10,000	100%
Tian Dong FisheryTech Co., Ltd.	10,000	100%	-	-	10,000	100%
Tian Chang FisheryTech Co., Ltd.	10,000	100%			10,000	100%
Tian Yu FisheryTech Co., Ltd.	10,000	100%			10,000	100%
Tian Yong FisheryTech Co., Ltd.	10,000	100%			10,000	100%
Tian Hong FisheryTech Co., Ltd.	10,000	100%			10,000	100%
Tian Sheng FisheryTech Co., Ltd.	10,000	100%			10,000	100%
Star Energy Storage Co., Ltd.	102,000	100%			102,000	100%
Star Aquaculture Co., Ltd.	900,000	90%			900,000	90%

Reinvestment business	Investment of the Company		Investment of Directors, Supervisors, Managers and Direct or Indirectly Controlled Businesses		Consolidated Investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Huiju Energy Co., Ltd.	10,296,000	99%			10,296,000	99%
Daybreak FisheryTech Co., Ltd.	60,000	100%			60,000	100%
Ri Fu Green Co., Ltd.	260,000	100%			260,000	100%
Ying Fa Energy Co., Ltd.	99,000	99%	-	-	99,000	99%

Four. Fund Raising

I. Capital and shares

(I) Source of share capital

Units: Shares; New Taiwan dollars: NT$

Date	Issue price (NT$)	Authorized share capital		Paid-in share capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Use of property other than cash to offset stock dividends	Others
May 2016	10	1,000,000	10,000,000	1,000,000	10,000,000	Established capital of NT$10,000,000	-	Note 1
January 2019	10	25,000,000	250,000,000	5,000,000	50,000,000	Cash capital increase of NT$40,000,000	-	Note 2
March 2019	10	25,000,000	250,000,000	9,000,000	90,000,000	Cash capital increase of NT$40,000,000	-	Note 3
June 2019	17	25,000,000	250,000,000	16,200,000	162,000,000	Cash capitalincrease of NT$72,000,000	-	Note 4
July 2019	10	35,000,000	350,000,000	21,200,000	212,000,000	Transfer of earnings to capital increase of NT$50,000,000	-	Note 5
September 2019	20	35,000,000	350,000,000	23,700,000	237,000,000	Cash capital increase of NT$25,000,000	-	Note 6
December 2019	30	35,000,000	350,000,000	25,500,000	255,000,000	Cash capital increase of NT$18,000,000	-	Note 7
September 2020	10	80,000,000	800,000,000	50,000,000	500,000,000	Transfer of earnings to capital increase of NT$135,141,630 Transfer of capital reserve to capital increase of NT$109,858,370	-	Note 8
September 2021	42	80,000,000	800,000,000	68,000,000	680,000,000	Employee share option conversion of NT$20,000,000 Cash capital increase of NT$160,000,000	-	Note 9
November 2021	46	100,000,000	1,000,000,000	70,000,000	700,000,000	Cash capital increase of NT$20,000,000	-	Note 10
May 2022	82	100,000,000	1,000,000,000	85,000,000	850,000,000	Cash capital increase of NT$150,000,000	-	Note 11
March 2023	110	200,000,000	2,000,000,000	100,000,000	1,000,000,000	Cash capital increase of NT$150,000,000	-	Note 12

Note 1: 2016.05.16 FSJSZ No. 10507387400
Note 2: 2019.01.03 FSJSZ No. 10807002400
Note 3: 2019.03.27 FSJSZ No. 10807158630
Note 4: 2019.06.19 FSJSZ No. 10807303500
Note 5: 2019.07.31 FSJSZ No. 10807412650
Note 6: 2019.09.30 FSJSZ No. 10807526150
Note 7: 2019.12.16 FSJSZ No. 10807677830
Note 8: 2020.11.12 FSJSZ No. 10901206010
Note 9: 2021.10.12 FSJSZ No. 11001184450
Note 10: 2021.12.02 FSJSZ No. 11001222080
Note 11: 2022.05.23 FSJSZ No. 11101085720
Note 12: 2023.03.20 FSJSZ No. 11230038820

May 2, 2023 Unit: Shares

Type of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common shares	100,000,000	100,000,000	200,000,000	-

General information about the reporting system

Type of securities	Estimated issue amount		Issued amount		Purpose of issue and expected benefits of the issued portion	Unissued portion scheduled for issuance	Remarks
	Total number of shares	Approved amount	Number of shares	Price			
No such situation.							

(II) Shareholder structure

May 2, 2023 Unit: persons; shares; %

Shareholder structure / Quantity	Government agencies	Financial institutions	Other legal persons	Individuals	Foreign institutions and foreigners	Total
Number of people	0	5	47	1,587	15	1,654
Number of shares held	0	3,866,196	52,903,210	39,748,674	3,481,920	100,000,000
Shareholding ratio	0%	3.87%	52.90%	39.75%	3.48%	100.00%
Note: Shareholding ratio of enterprise funded by Mainland China of the Company is 0%.						

(III) Diversification of shareholding

May 2, 2023 Unit: persons; shares; %

Shareholding grades	Number of shareholders	Number of shares held	Shareholding ratio
1 to 999	232	38,082	0.04%
1,000 to 5,000	858	1,818,345	1.82%
5,001 to 10,000	169	1,372,721	1.37%
10,001 to 15,000	73	951,894	0.95%
15,001 to 20,000	69	1,277,088	1.28%
20,001 to 30,000	58	1,544,533	1.54%
30,001 to 50,000	65	2,654,799	2.66%
50,001 to 100,000	41	2,962,102	2.96%
100,001 to 200,000	33	4,858,251	4.86%
200,001 to 400,000	14	3,911,855	3.91%
400,001 to 600,000	13	6,437,301	6.44%
600,001 to 800,000	7	4,720,521	4.72%
800,001 to 1,000,000	2	1,971,790	1.97%
1,000,001 or more	20	65,480,718	65.48%
Total (Note)	1,654	100,000,000	100%

Special shares

May 2, 2023 Unit: persons; shares; %

Shareholding grades	Number of shareholders	Number of shares held	Shareholding ratio
No such situation.			

(IV) List of major shareholders

May 2, 2023 Unit: Shares; %

Shares / Name of major shareholders	Number of shares held	Shareholding ratio
Titan Solar Co., Ltd.	11,326,144	11.33%
Fubon Financial Holding Venture Capital Co., Ltd	7,441,177	7.44%
Yuan-Ju-Yi Co., Ltd.	7,177,448	7.18%
Hungcheng Investment Co., Ltd.	5,888,792	5.89%
Shihlin Electric&Engineering Corp	4,800,000	4.80%
Shen-Chih Cheng	4,473,214	4.47%
Mingwei Development Co., Ltd.	4,328,000	4.33%
Taiwan Life Insurance Co., Ltd.	2,900,000	2.90%
Lienho Investment Co., Ltd.	2,052,773	2.05%
Jen-Kuang Hsieh	1,875,917	1.88%

(V) Share price, net worth, earnings, dividends and related information per share for the last two years

Unit: NT$; Shares

Item / The year			2021	2022	Year 2023 ended March 31
Price per share (Note 1)	Highest		Not TWSE/TPEx Listed	Not TWSE/TPEx Listed	160.00
	Lowest		Not TWSE/TPEx Listed	Not TWSE/TPEx Listed	121.00
	Average		Not TWSE/TPEx Listed	Not TWSE/TPEx Listed	144.00
Net value per share	Before distribution		23.46	39.46	50.39
	After distribution		23.46	34.75	Not yet distributed
Earnings per share	Weighted average number of shares		54,800,000	79,452,055	90,000,000
	Earnings per share (yuan)	Before adjustment	3.02	8.18	0.82
		After adjustment	Not applicable	Not applicable	Not applicable
Dividend per share (Note 2)	Cash dividends (NT$)		2	4	Not yet distributed
	Gratuitous allotment of shares	Allotment of shares by earnings	-	-	Not yet distributed
		Allotment of shares by capital reserve	-	-	Not yet distributed
	Accumulated unpaid dividends		-	-	Not applicable
Investment return analysis (Note 3)	P/E ratio		Not TWSE/TPEx Listed	Not TWSE/TPEx Listed	Not applicable
	Principal-to-interest ratio		Not TWSE/TPEx Listed	Not TWSE/TPEx Listed	Not applicable
	Cash dividend yield		Not TWSE/TPEx Listed	Not TWSE/TPEx Listed	Not applicable

Source: Consolidated financial statements for 2021 and 2022 audited by certified public accountants.

Note 1: The data of share prices are provided by the Stock Exchange.

Note 2: The distribution of earning in 2022 was approved by the Board of Directors on May 10, 2023, and is to be submitted to the 2023 Annual Shareholders' Meeting.

Note 3: PE ratio = Average closing price per share/ Earnings per share for the year; principal-to-interest ratio = Average closing price per share/ Cash dividend per share for the year; cash dividend yield = Cash dividend per share/ Average closing price per share for the year.

(VI) Company dividend policy and implementation status

1. Dividend policy as defined in the Company's Articles of Incorporation:
   If there is any surplus in the Company's final accounts, the Company shall pay tax in accordance with the laws and make up for the deficit, and then set aside 10% as legal surplus reserve; however, when the accumulated legal surplus reserve has reached the Company's paid-in capital, it may not be set aside. In addition, the Company sets aside or reverses the special surplus reserve as required by law, and if there is any remaining balance, the remaining balance is combined with the accumulated undistributed surplus at the beginning of the period, and the Board of Directors prepares a proposal for appropriation of the surplus and submits it to the shareholders' meeting for resolution to distribute dividends to shareholders.
   The Company's business is currently in the stage of operational growth. In the future, the Company will continue to meet the needs of capital expenditure, business expansion and sound financial planning in order to achieve sustainable development. Based on the Company's future capital expenditure budget and capital requirements, the Company's dividend policy is to distribute no less than 10% of the distributable surplus as dividends to shareholders, of which the distribution ratio of cash dividends shall be no less than 10% of the total dividends to shareholders. However, if the Company has significant investment plans and no other financial support is available, the Board of Directors may not pay cash dividends if the Board of Directors prepares and the shareholders resolve to do so.
2. Implementation status:
   The proposed distribution of earnings for 2022 was approved at the Board of Directors' meeting held on May 10, 2023, and the total cash dividends to be distributed to shareholders is NT$ 400,000,000 (cash dividend of NT$ 4 per share). According to the regulations in Article 27 of the company regulations, if the Company's surplus is distributed in cash, the Board of Directors is authorized to resolve and report to the Shareholders' meeting on June 30, 2023.
3. If a significant change in dividend policy is expected, it should be stated: None.

(VII) Impact of the proposed gratuitous allotment of shares at the Shareholders' Meeting on the Company's operating results and earnings per share
The Company does not propose gratuitous allotment of shares, so it is not applicable.

(VIII) Remuneration for employees, directors and supervisors

1. The percentage or scope of remuneration for employees, directors and supervisors as set forth in the Articles of Incorporation:

   Article 26 of the Company's Articles of Incorporation stipulates that the Company shall appropriate 5% to 10% of employees' remuneration and no more than 3% of directors' and supervisors' remuneration, if there is any remaining balance after the Company's income before tax for the current year deducting the allocation of employees' remuneration and directors' and supervisors' remuneration is retained to cover accumulated losses. The determination of employee remuneration and the ratio of remuneration to directors and supervisors shall be made by a resolution of the Board of Directors with at least two-thirds of the directors present and a majority of the directors present, and reported to the shareholders' meeting.

   The aforementioned employee remuneration may be paid in the form of shares or cash, and such remuneration may be paid to employees of controlling or subordinate companies who meet certain criteria, as determined by the Board of Directors.

2. The basis for estimating the amount of remuneration to employees, directors and supervisors, the basis for calculating the number of shares for employee remuneration distributed by shares, and the accounting treatment if the actual amount of distribution differs from the estimated amount:

   The remuneration to employees and directors and supervisors for the year 2021 is estimated based on the distribution conditions set forth in the Company's Articles of Incorporation. If the actual amount of the distribution subsequently passed by resolution at the Board of Directors' meeting differs from the estimated amount, it will be recorded as profit or loss in the following year.

3. The Board of Directors approved the distribution of remuneration:

   (1) The amount of employees' remuneration and directors' and supervisors' remuneration was distributed in cash or shares. If the amount differs from the amount estimated in the year in which the expense is recognized, the amount of the difference, the reason for the difference and the treatment of the difference should be disclosed:

   The distribution of employees' remuneration and directors' remuneration for the year 2022 was approved by the Board of Directors' meeting on March 2, 2023, with the distribution of employees' remuneration in the amount of NT$ 71,481 thousand and directors' remuneration in the amount of NT$ 8,935 thousand, which are no difference from amount recognized.

   (2) The amount of employee remuneration distributed in shares and its proportion in the total amount of net income after tax and total employee remuneration in the individual or some financial reports for the period: There is no employee remuneration distributed in shares, so it is not applicable.

4. The actual distribution of compensation to employees, directors and supervisors in the previous year (including the number of shares distributed, the amount and the price of the shares), the difference between the distribution and the recognition of remuneration to employees, directors and supervisors, and the amount of the difference, the reasons for the difference and the treatment of the difference:

   Through resolution at the Board of Directors' meetings on May 28, 2022, the distribution of NT$11,980 thousand in cash to employees and NT$2,800 thousand in cash to directors and supervisors for 2021 was approved. There is no difference between actual distribution amount and amount recognized.

(IX) The Company bought back the Company's shares: No such situation.

II. Handling of corporate bonds: No such situation.

III. Handling of special shares: No such situation.

IV. Handling of overseas depository receipts: No such situation.

V. Handling of employee stock option certificates:

(I) The Company's employee stock option certificates that have not yet expired: All of them have been executed and there is no such situation.

(II) The name, acquisition and subscription of managers who have acquired employee stock option certificates and employees whose subscription shares by acquired employee stock option certificate account for top ten, as of the publication date of the annual report:

Unit: NT$1,000; 1,000 shares

<table>
<tr><th rowspan="2"></th><th rowspan="2">Title(Note 1)</th><th rowspan="2">Name</th><th rowspan="2">Number of shares acquired</th><th rowspan="2">Ratio of the number of shares acquired to the total number of shares issued (Note 4)</th><th colspan="4">Executed (Note 2)</th><th colspan="4">Not executed (Note 2)</th></tr>
<tr><th>Number of shares subscribed</th><th>Subscription price (Note 5)</th><th>Amount of share subscription</th><th>Ratio of the number of shares subscribed to the total number of shares issued (Note 4)</th><th>Number of shares subscribed</th><th>Subscription price (Note 6)</th><th>Amount of share subscription</th><th>Ratio of the number of shares subscribed to the total number of shares issued (Note 4)</th></tr>
<tr><td rowspan="6">Manager</td><td>CEO</td><td>Yuan-Yi Hsieh</td><td rowspan="6">2,000</td><td rowspan="6">2.35%</td><td rowspan="6">2,000</td><td rowspan="6">42</td><td rowspan="6">84,000</td><td rowspan="6">2.35%</td><td rowspan="6">-</td><td rowspan="6">-</td><td rowspan="6">-</td><td rowspan="6">-</td></tr>
<tr><td>President</td><td>Shih-Chang Chou</td></tr>
<tr><td>Assistant</td><td>Chun-Yi Wu</td></tr>
<tr><td>Assistant</td><td>Yen-Hsiang Wang</td></tr>
<tr><td>Assistant</td><td>Hui-Lan Yeh</td></tr>
<tr><td>Accounting Supervisor</td><td>Yen-Kai Liao</td></tr>
<tr><td>Employees (Note 3)</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

Note 1: Including managers and employees (if they have left or died, they should be specified), individual names and titles should be disclosed, but their acquisition and subscriptions should be disclosed in aggregate.

Note 2: The number of columns will be adjusted according to the actual number of issues.

Note 3: Employees whose subscription shares by acquired employee stock option certificate account for top ten refer to employees other than the manager.

Note 4: The total number of issued shares refers to the number of shares listed in the Ministry of Economic Affairs' change registration data.

Note 5: The price of the executed employee share options should be disclosed as the price of the share options at the time of execution.

Note 6: The unexecuted employee share option price shall be disclosed as the price calculated and adjusted in accordance with the issuance method.

(III) Handling of new shares with restricted employee rights: No such situation.

VI. Handling of issuance of new shares by acquiring and transferring the shares of other companies: No such situation.

VII. Implementation of fund utilization plan:

As of the quarterly period prior to the publication date of the annual report, the Company has completed all of its previous capital raising and securities issuance plans in accordance with the progress of capital utilization, except for the pre-initial IPO cash capital increase in 2023, which

has not yet been completed, and the Company has not engaged in any private placement of securities, Therefore, the details of the plan, the source and use of funds and the achievement of benefits before the initial listing on the Innovation Board in 2023 are as follows:
Cash capital increase plan before the initial listing on the Innovation Board in 2023:

(I) Content of the plan

1. Approval date and document number of the competent authority: January 10, 2023, Taizheng Shangyi Zi No. 1121800028.
2. Total capital of the plan needed: NT$1,650,000 thousand
3. Source of funds for the plan: By cash capital increase, issue 15,000 thousand new shares of common shares, with a par value of NT$10 per share, at a price of NT$110 per share, with an estimated total raising amount of NT$1,650,000 thousand.
4. Planned project and scheduled fund utilization progress:

Unit: NT$1,000

Item	Estimated completion date	Total funds required	Projected capital utilization progress 2023		
			Second Quarter	Third Quarter	Fourth Quarter
Enhancement of working capital	Fourth Quarter of 2023	1,650,000	330,000	495,000	825,000

5. Expected possible benefits:

The Company intends to raise NT$1,650,000 thousand in cash capital to be used to fund its operations in the first quarter of 2023. The progress of capital utilization will be based on the timeline required for reporting and raising capital, and the capital will be used to support the Company's operational needs as soon as it is available. This will not only increase the long-term capital stability, but also improve the financial structure and reduce the operating risks of the Company, which will help to enhance the flexibility of the Company's capital deployment and its future development in the medium and long term. Therefore, the benefits of the cash capital increase should be reasonable.

(II) Execution status

1. Implementation status

Unit: NT$1,000; %

Item	Implementation status		March 31, 2023	Progress ahead or behind, reasons and improvement plans (Note)
Enhancement of working capital	Amount used	Estimated	-	The Company completed the capital raising in March 2023 and listed its shares on March 6, 2023. Since the capital is available at the end of the quarter, it is expected that the operation plan will be implemented in the second quarter of 2023.
		Actual	-	
	Execution progress	Estimated	-	
		Actual	-	

2. Explanation of benefitsUnit: NT$1,000; New Taiwan dollars; %

Item / year		2022 (before capital raising)	First quarter of 2023 (after execution of capital raising)
Basic financial information	Current assets	3,650,891	5,527,325
	Current liabilities	1,886,117	1,773,793
	Total liabilities	2,116,173	2,037,969
	Operating income	5,052,656	576,332
	Interest expense	(11,694)	(3,745)
	Earnings per share	8.18	0.82
Debt-paying ability	Mobility ratio	193.57	311.61
	Quick ratio	115.28	195.66
Financial structure	Ratio of long-term capital to property, plant and equipment	857.54	1,215.76
	Debt ratio	38.69	28.64

Source: Parent Company Only Financial Statements Audited or Reviewed by Accountants.

As shown in the above table, the Company has raised NT$1,650,000 thousand in the first quarter of 2023 as a result of the initial pre-listing cash capital increase, which was received in full in March 2023, resulting in a significant increase in current assets, current ratio, quick ratio, long-term capital to property, plant and equipment ratio, and a decrease in debt ratio as of March 2023, indicating that the financial structure has performed well and is not different from the estimated benefits. There is no difference with the expected performance. The operating income for the first quarter of 2023 increased by 5.35% compared to the same period last year, mainly due to the progress of capital utilization of the plan, which is expected to be implemented from the second quarter of 2023 to the fourth quarter of 2023, so the performance of the benefits as of the first quarter of 2023 should be reasonable.

Five. Operational Overview

I. Business content

(I) Business scope

1. Main business content

The Company is mainly engaged in solar photovoltaic field development, system planning, power plant construction, maintenance and power plant acquisition, and the business items are as follows:

CC01010 Power generation, transmission, distribution machinery manufacturing
D101011 Electric Power Generation
D101060 Self-usage power generation equipment utilizing renewable energy industry
E599010 Piping Engineering
E601010 Electric Appliance Construction
E601020 Electric Appliance Installation
E603010 Cable Installation Engineering
E603040 Fire Safety Equipment Installation Engineering
E603050 Automatic Control Equipment Engineering
E603090 Lighting Equipments Construction
E604010 Machinery Installation
EZ05010 Instrument and Meters Installation Engineering
EZ99990 Other Engineering
F106040 Wholesale of Plumbing Materials
F113030 Wholesale of Precision Instruments
F113060 Wholesale of Measuring Instruments
F117010 Wholesale of Fire Safety Equipment
F206040 Retail Sale of Plumbing Materials
F213040 Retail Sale of Precision Instruments
F213050 Retail Sale of Measuring Instruments
F217010 Retail Sale of Fire Safety Equipment
F401010 International Trade
IG03010 Energy Technical Services
ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Main Product Business Ratio

Unit: NT$1,000

Item	2021		2022	
	Amount	Proportion	Amount	Proportion
Engineering Contract Income	2,488,844	92.87%	4,850,552	95.85%
Labor Income	141,980	5.30%	181,765	3.60%
Electricity Sales and Other Operating Income	49,186	1.83%	28,054	0.55%
Total	2,680,010	100.00%	5,060,371	100.00%

3. Current items of products (services)

Development, design and project contracting of all kinds of solar photovoltaic fields; field operation maintenance services, asset management services, fishery and cultivation management services; and renewable energy sales business.

4. New products (services) to be development

Invest in energy storage equipment and installation, and participation in the Taipower grid ancillary service tendering. At the same time, we have established the foundation for subsequent virtual power plant operation models. We also develop the operation services for electric vehicle charging pile operation service such that through intelligent system and data use, we are able to further assist customers in their green energy management.

(II) Industrial profile

1. The current situation and development of the industry

In recent years, the government has actively promoted Taiwan's energy transformation program by focusing on non-nuclear homes and green development, thus driving the overall development of the green energy industry. First, the "Energy Development Agenda" has been revised to ensure balanced development with energy security, green economy, environmental sustainability and social equity. A number of energy policies have been introduced successively. For example, construct an efficient, independent and diversified energy mix, and make good use of various energy characteristics to configure a reasonable structure at each stage of energy transformation; Strengthen energy security early warning and emergency response mechanism to ensure the stability and security of energy supply; Expand the setting of renewable energy, strengthen the incentive for green energy development, build a friendly environment for the development of renewable energy, give consideration to environmental and ecological protection, encourage the setting of decentralized power supply that helps balance regional supply and demand, so as to accelerate the development of renewable energy.

In response to the international trend of net zero carbon emissions, it is expected that Taiwan will also need to accelerate its energy transition. In addition to continuously expanding the capacity of green energy installations, the "2025 renewable energy development target" includes achieving 20GW solar photovoltaics, 5.5GW offshore wind, and 2.08GW hydropower by 2025. In addition, in terms of energy storage and smart system integration, in aspect of the policies, the government will continue to deploy energy storage equipment in conjunction with the setting of renewable energy to dispatch and stabilize the power generation and demand of renewable energy, thus providing the flexibility and backup capacity of the power grid system. Besides, the government will stabilize the supply of domestic energy demand through investment in regional energy storage and rolling review of energy storage demand. In addition, through the installation of smart grids and smart meters, more efficient time-based tariffs will be promoted, and the pricing mechanism will guide all sectors to reduce energy use during peak hours. At the same time, it will help to increase the incentive for low-carbon energy use, thus stimulating the installation demand of renewable energy installations.

At present, the photovoltaic power generation industry has cancelled the solar energy bidding mechanism, and after the amendment to the Electricity Act, in the power generation market, based on the principle of green energy first, renewable energy can be sold to users through power wheeling, direct supply and renewable-energy-based electricity retailing enterprises; Transmission and distribution is carried out by state-owned enterprises, to ensure the grid is used by the public fairly; At the electricity sales end, users will be free to choose to buy electricity from the electricity retailing utility enterprises, the renewable energy power generation enterprises or the renewable-energy-based electricity retailing enterprises. In this way, it is also expected to stimulate the accelerated development of the renewable energy industry.

On April 12, 2019, the Legislative Yuan passed the amendment to the "Renewable Energy Development Act", reconfirming the installation target of this green energy power generation device, in addition to ensuring that the domestic solar energy industry will have a certain proportion of the stable domestic demand market, and will not fluctuate greatly with the international environment. In the amendment to the Renewable Energy Development Act, the system of guaranteed purchase of green electricity (Feed-In Tariff, FIT) is also introduced to gradually guide the green electricity market to liberalization, and it is stipulated that large electricity users must set up renewable energy with a certain installation capacity to drive the demand for green electricity to increase.

On January 1, 2021, the "Power Users Above a Certain Contractual Capacity shall Set up Regulations for the Management of Renewable Energy Power Generation Equipment" came into effect. Large power users with a contracted capacity of 5,000KW are required to complete the installation of 10% of the contracted capacity of renewable energy within 5 years. According to statistics, the contract capacity of Taiwan's top 50 power users is as high as 4.6 GW. Through conversion, the potential demand for green electricity in the market is at least 580 million KWH/year. Even assuming that the capacity factor of offshore wind power is converted, the market demand can be as high as 1.7 billion kWh/year; At present, private green electricity in Taiwan is still mainly supplied by Taipower, but the market demand of Corporate Renewable Power Purchase Agreements (CPPA) cannot be met, so we choose to use the green electricity produced by solar photovoltaic. Such business is expected to grow.

In July 2021, the European Commission proposed the world's first "Carbon Tariff" plan, i.e. Carbon Border Adjustment Mechanism (CBAM), which would impose carbon tariffs on imported products from countries with low carbon emissions and environmental protection standards. According to the resolution of the European Parliament in June 2022, which is expected to be implemented for three years from 2023, importers of regulated products will have to declare their carbon emissions and officially pay carbon tariffs from 2026, that is, they will have to buy carbon emission permits, the price of which will be linked to the EU Emissions Trading System (ETS). According to the EU carbon tariff scheme, carbon tariffs can be reduced if the country producing products has implemented carbon pricing, and even can be exempted if the country producing products has better carbon emission standards than the EU.

The "General Statement of Taiwan 2050 Net Zero Emissions Path and Strategy" issued by National Development Council on March 30, 2022 mentioned that the growth of global energy demand is slowing, but electrification has become the main trend of net zero, and the development of people's livelihood industries as well as information and communication systems will drive the continuous growth of electricity demand. Therefore, the power demand planning of major countries in the world shows a growth trend. The total electricity demand is expected to be about 500 billion kWh by 2050; Of this, 60%-70% is expected to be supplied by renewable energy, with solar power and wind power as the main sources of supply. Each of them requires an installation capacity of 40GW. As Taiwan moves towards net zero carbon, the renewable energy industry will continue to grow rapidly.

(2) Correlation among the upper, middle and lower industries

The energy industry can be divided into three functions: "Power Generation", "Transmission and Distribution", and "Electricity Sales". In response to the liberalization policy of domestic electricity, except for the "Transmission and Distribution" business, which is still exclusively occupied by Taipower, the other "Power Generation" and "Electricity Sales" have been opened to renewable energy companies. The Company aims to be a smart green power company, and the association of the Group's businesses with the industrial chain will be divided into the following categories:

A. Electric power development and construction

Upstream of the photoelectric equipment includes: Silicon wafer/chip manufacturers, solar cell manufacturers, and power generation device and system operators; The field development services include statutory assessment, technical feasibility assessment, environmental and social impact assessment, investment benefit assessment, and application approval by various competent authorities, etc. The engineering and construction after developing contain the design, construction of civil pipelines, electrical and mechanical works, etc. After complication, they will be delivered to the electric power generation operators.

B. Power asset management

The renewable energy which is mainly based on light and wind compares with the energy output by thermal power and nuclear energy, can generate electricity and parallel internal and external power grids for use by itself as long as the equipment is completed and maintained in normal condition, without the need to purchase raw materials. In particular, operation maintenance services of field are important, to ensure that the efficiency of generation can be maintained, such as regular maintenance, cleaning, weeding, equipment maintenance and replacement, which are mainly provided to the electric power generation operators (i.e., the plant owners); In the future, with the development of fishery and electricity symbiosis as the mainstream, fishery cultivation management service will also become an indispensable link in the industrial chain, connecting various functions such as field design, breeding, processing, sales, and channel management, so as to ensure that the policy of "Breeding First and Photoelectric Second" as required by the government is met.

C. Power service business

(a) Electricity sales platform services

The upstream industry is electric power generation operator of the renewable energy while the customer-side is the power consumption users (including households, enterprises and individuals). According to the current system in Taiwan, direct power supply or transmission is required through Taipower grid. However, customers may need to purchase certain green power (including certificates) due to various reasons such as power large user clause, RE100 or ESG. Therefore, relevant services can be provided through electricity sellers.

(b) Electric vehicle charging services

In recent years, the emerging electric vehicle industry has increased the demand for charging services. Since charging pile operation services must integrate compliant equipment, parallel grid, information transmission and online cash flow service, in addition to power and electricity transmission and distribution enterprises, the suppliers of charging equipment, information service and cash flow service are also needed. In terms of equipment, they at least include charging gun head, wires, terminal, electrical protection device, touch screen, communication module, etc. The main domestic pile suppliers are eTreego, Delta, Fortune Electric, Phihong, etc. After selecting the right place to complete the construction and parallel, through the Taipower grid, power is supplied for providing electric vehicle owners with charging services.

(c) Grid auxiliary services

In order to cope with the impact of intermittent power generation of renewable energy on the stability of grid, it is necessary to build energy storage system in the grid. However, the current electricity transmission and distribution business in Taiwan is still exclusively occupied by Taipower, so the service object of this type of business is only Taipower. The energy storage system mainly includes battery module, energy management system, power regulator, and energy storage battery system, etc. In recent years, well-known manufacturers at home and abroad have also invested in it, such as Delta, Tesla and Wärtsilä etc. The owner of the energy storage field can choose to participate in the bidding for grid auxiliary services of Taipower. If the owner wins the bidding and provides quality services, can charge Taipower service fees according to the price for bid won.

(3) Various development trends of products

A. Electric power development and construction

(a) Development business: "Two Uses for One Site" is the development principle of photoelectric field

The Council of Agriculture has pledged to develop 8GW ground type solar power plants by 2025, to meet the government's overall goal of 14GW. It also announced plans to promote water-based solar farms, listing about 7,000 hectares of potential sites. In terms of energy policy, "Two Uses for One Site", such as fishery and electricity symbiosis, agriculture and electricity symbiosis and roof type, is taken as the key point of future photoelectric field development.

Fishery and electricity symbiosis is "based on fishery, supplemented by optoelectronics". Therefore, aquaculture operation should be considered from the development stage. In addition to the overall design of the field, operational issues such as subsequent fishery aquaculture and production, sales channels, cold-chain transportation, processing and treatment should also be considered.

(b) Engineering and construction: Take overall contracting as the mainstream, and emphasize more on the quality of the project

Due to the increasingly complex types of construction projects, this industry is further developed to facility optoelectronics from the optoelectronics at water surface, special geological areas. In order to reduce risk and costs, comprehensive and overall professional engineering services will become the mainstream of the market. For the future field construction, the enterprises will emphasize the consideration of design, construction, civil engineering, mechanical, electromechanical and other related majors, to provide integrated professional engineering services for meeting each customer's unique needs. Due to the integration of different interfaces and the high cost of investment, the management ability and construction quality of the turnkey project will seriously affect the operation performance of the field over the next 20 years.

B. Asset management business: The field is outsourced for professional maintenance and operation, so asset management will rise

Since the photoelectric field is more scattered and complex than the centralized power plant field, the subsequent management cost is not easy to control. Therefore, professional maintenance and operation companies appear in the market. The service content of photoelectric field maintenance mainly includes inspection, maintenance, cleaning, repair, troubleshooting, etc. As the field is scattered and usually located in remote areas, the status of equipment and whether it can be managed in time will affect the power generation efficiency of the field.

In accordance with the government's policy of Fishery and Electricity Symbiosis, aquaculture management will be also one of the emerging projects of energy-related asset management services in the future.

Cultivation involves a high degree of expertise and experience. For example, the design of breeding ponds, species selection, seed selection, feed, temperature, water quality management, disease control, etc., need to be managed by a full-time team.

In addition, green finance and responsible investment have flourished in recent years, and a large amount of market capital has entered the field of renewable energy. Professional investment institutions are in great need of management teams with substantial operation ability to operate on behalf of them, so as to obtain expected or even earn excess returns. However, the daily administration of asset operation management, from lease management, collection and payment, account processing, to the supervision and improvement of the overall performance of the field, is also more complex, and it is expected that the business demand of this part will continue to grow.

C. Power service business

(a) Green electricity sales platform: green electricity demand continues to grow, and renewable energy power generation costs are expected to decline. The World Energy Outlook 2021 released by the Internal Energy Agency in October 2021 pointed out that the current new energy economy, such as solar energy, wind energy and electric vehicles, has been booming, but its progress is still far from enough to reduce global carbon emissions to net zero. Among them, the energy industry emits three-quarters of the world's greenhouse gases, resulting in an increase of 1.1°C. In the future, population growth and economic development will further drive energy demand. At present, the speed of energy industry transformation is still unable to meet the low-carbon challenge, so four aspects are proposed to accelerate carbon reduction commitments:

- Accelerate the decarbonization of power generation, including accelerating the deployment of solar and wind power, rational use of nuclear power, power infrastructure, abandoning coal-fired power, and developing the transportation and heating electrification facilities;
- Enhance energy efficiency from the aspects of material technology and public behavior;
- Reduce methane emissions during the use of petrochemical energy;
- Innovate clean energy scientific and technology

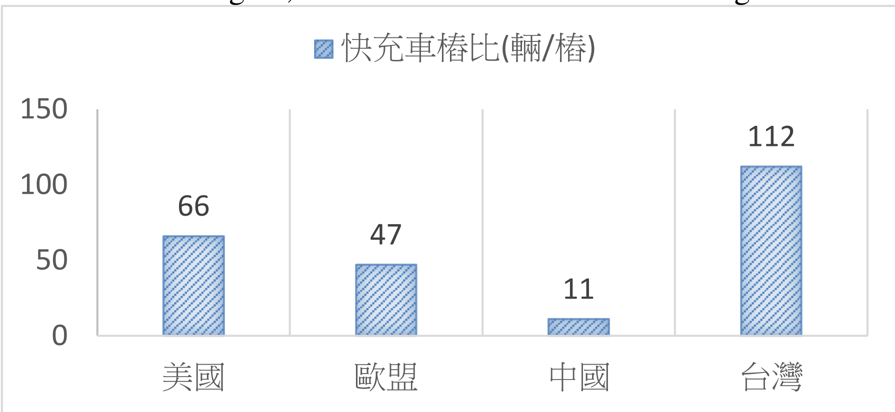
In November 2021, the United Nations Climate Change Conference (COP 26) reached the Glasgow Climate Pact, which also started the legalization and obligation of global coal reduction actions. Together with the global methane emission reduction initiative spearheaded by the United States and the European Union, about 100 countries have pledged to reduce methane emissions by 30% by 2030 compared with 2020 levels. There is a clear international consensus and target for reducing fossil fuels. Based on the above urgent international carbon reduction targets, the demand for green electricity must grow rapidly.

On the other hand, according to the IEA World Energy Outlook 2021, the cost of generating electricity from low-carbon sources will continue to fall, with the exception of rising electricity costs from coal and natural gas. Especially, the electricity generation cost of other solar power will be 0.035 USD/kWh to 0.055 USD/kWh in 2020, and may be reduced to 0.015 USD/kWh to 0.03 USD/kWh in 2050, even lower than land wind power to become the most cost competitive energy category.

(b) Electric vehicle charging services: Taiwan charging pile set behind the international level, and the policy will be clear to catch up with it.

According to the IEA Global EV Outlook 2021 and the Company's own statistics, the ratio of "Number of pure electric vehicles/Number of fast charging piles" by region as of 2020 is approximately as follows:

From the above figure, it can be seen that even excluding the data of



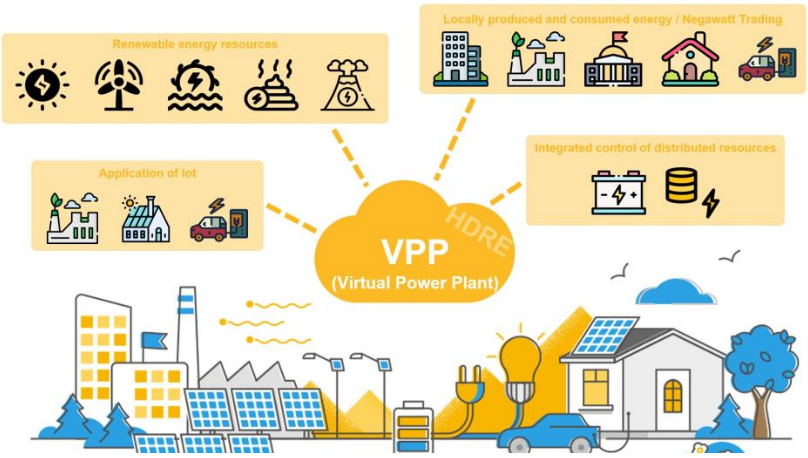
China, the number of fast charging piles in Taiwan is far behind the level of the European Union. On the other hand, the proportion of pure electric vehicles in Taiwan in 2020 was 1.58%, which was slightly higher than 1.57% in the United States, but much lower than 5.44% in the European Union and 4.58% in China. According to EV Volumes, the global electric vehicles in the first half of 2021 grew by 168% compared with the first half of 2020. It is expected that electric vehicles will enter a stable and rapid growth.

According to the Ministry of Economic Affairs' public charging pile construction blueprint, it will be divided into three stages: short, medium and long term. The first stage aims to build 7,200 public charging piles for slow charging and 600 for fast charging, totaling 7,800 public charging piles by 2025. The second stage of "Accelerated Expansion Period" from 2026 to 2030, the main targets include providing subsidies and strengthening the resilience of the grid; The third stage, 2031 to 2040, is the "Application Development Period", when the subsidies are expected to be canceled, return to the market mechanism, and the government turns to invest in research and development of new technologies.

(c) Energy storage system integration: the rise of the domestic auxiliary service market, the realization of the virtual power plant concept

It can be predicted from the adjustment direction of the Electricity Act that in order to meet the energy development goal of 2025, the change of intermittent renewable energy up to 20% will inevitably require the addition of energy storage equipment as an important tool to stabilize the grid. Through the introduction of regulation reserve, real time reserve, and supplemental reserve services, the power management system is used to improve the reliability of Taiwan's power system and maintain a stable power supply.

VPP (virtual power plant) is a dynamic and real-time integration of distributed generating units, controllable load and energy storage equipment through supporting regulation and communication technologies. In some ways, virtual power plants can be seen as an advanced model of centralized regional power management; with a large number of different types of energy sources, the construction of virtual power plants will play an important role in improving Taiwan's electricity market system, not only with the stable output and bulk sales characteristics of traditional power plants, but also with the complementary nature of diverse power integration and rich regulation means. Virtual power plants will play an important role in the future green energy grid.



(4) Competition situation

Based on the policy of reaching 20% of renewable energy, 20GW of solar power generation, and phasing out the operation of nuclear power generation equipment by 2025, the demand for solar photovoltaic system installation in Taiwan is gradually expanding, and the upstream industry such as silicon wafer and silicon chip industry, and the midstream industry such as solar cell and module industry have entered into the downstream solar photovoltaic system installation and solar power generation field. Among the competing suppliers, there are many suppliers who have returned to the Taiwan market with overseas experience in power plant installation, as well as those who have joined hands with foreign investors to set up plants.

Due to the increase in the number of competing suppliers and the yearly decline in the announced barge rate, system setting suppliers must maintain a certain profit margin while taking into account the quality of the system in order to find a niche in an intensely competitive market and operate sustainably. However, in response to the global trend of carbon neutrality and net-zero carbon emissions, the demand for renewable energy is expected to surge, and the demand of corporate customers for intermediary organization of green power procurement will grow rapidly in the near future. The Group has already obtained the power sales license in August 2021, and has successfully completed the green power wheeling, thus seizing the opportunity in advance.

(III) Technology and R&D overview

(1) Technology level and R&D of the business

In order to strengthen the autonomy of power-related application systems and flexibly use various data, the Company has continued to develop its own cloud-based real-time monitoring system since 2019. Through the experience of its own power plants, the Group adjusted system functions and found out abnormal causes to increase power generation. In addition, the system has added functions required for power plant maintenance, including immediate feedback for maintenance and intelligent labor dispatch integration platform, to improve resource efficiency. In addition, the AI intelligent retrieval system of power plant data is developed to facilitate the query of various drawings and historical data of power plant. With the expansion of business forms, the Group added new intermediary services for electricity sales and visualization systems, energy storage management systems, auxiliary service generation operation systems, and charging pile operation systems, and continually invested in smart computing to meet market demand.

(2) R&D personnel and their academic experience

A. Education distribution of R&D personnel

Unit: persons

Year		2020		2021		2022	
		Number of people	%	Number of people	%	Number of people	%
Education level	Master (inclusive) or above	2	66.67	2	40	4	66.67
	College	1	33.33	3	60	2	33.33
	High school (inclusive) or below	0	0	0	0	0	0
	Total	3	100	5	100	6	100
Average length of service (years)		0.4		0.5		1.16	

(3) R&D expenses and technologies or products successfully developed in each of the last five years

A. R&D expenses for each of the last five years

Unit: NT$1,000; %

The year	R&D expenses	Net operating income	Ratio of R&D expenses to net operating income
2018	-	526,455	-
2019	-	1,155,566	-
2020	3,369	2,298,059	0.15%
2021	4,748	2,680,010	0.18%
2022	15,463	5,060,371	0.31%

Source: Consolidated financial statements audited and certified by certified public accountants in each year.

B. Technologies or products developed successfully

The year	Product	Function (description of use)
2019	Cloud monitoring system	Solar power plant monitoring
2020	Maintenance, AI intelligent retrieval system	Systems related to field maintenance
2021	Electricity service management system	Information on integration of power generation and customer consumption
2022	Charging station operation and management platform Agent platform for power trading Situation center	Charging management for charging station users Tendering and resource management in current market Monitoring platform for integrating power generation, storage and charging

(IV) Long and short-term business development plan

(1) Short-term business development plan

- Multi-purpose development, to construct electric power development and engineering

  The engineering team of the Company has the ability of overall management, field design and implementation of optoelectronic system engineering in various fields (such as stratum subsidence area, lake pond surface, etc.), and also has the expertise of UHV construction. In the future, we will continue to enhance project management, improve quality and control construction cost.

  In line with government policies, future photoelectric development will mainly focus on the fishery and electricity symbiosis. In addition to the implementation of environmental and community friendly, the design plan of the field also refers to the United Nations Sustainable Development Goals -- water purification and sanitation, emphasizing the recycling of water resources, and taking the aquaculture friendly construction method as the main axis, while meeting the actual needs of aquaculture operations, maximizing power generation benefits, and reducing long-term maintenance costs. At present, in Changhua, Chiayi and Tainan, there have been a number of large-scale development projects of fishery and electricity symbiosis.

- Solid foundation, to strengthen asset operating management

  The market trend in recent years will be mainly fishery and electricity symbiosis projects, which will test the subsequent operating ability. The Company has a completely independent breeding operation and design team, and integrates fishing and electricity planning, breeding management and other capabilities. In the future, it will develop towards diversified business applications and avoid competing by cutting price in the past. The Company has planned to establish a guaranteed purchase mechanism with strategic partners to stabilize sales, and set the integration of the fishery and aquaculture ecosystem as the medium-term goal, and cooperate with professional units, practitioners or channels in related fields in processing, sales and other aspects to improve the overall economic value of products. On the other hand, increase the scale of maintenance services, continuously improve the monitoring system, incorporate AI interpretation and automatic labor dispatch, and continuously increase new information investment to accurately maintain operations and improve service efficiency.

  The construction of power stations is a one-time income. However, in response to the changes in the energy market, the Group will focus not only on the enterprise end of green electricity sales and charging pile users, but also on the field operation and management service business in the future.

- Improve energy grid and smart power services

  Introduce Cloud, Big Data and other information technology to build a smart green energy management system to improve energy management efficiency and user interface friendliness; Expand the big green electricity sales, optimize the benefit of each degree of green electricity; Invest in energy storage operation, enter into Taipower grid auxiliary services and help customers accelerate the goal of net zero carbon emissions.

(2) Long-term business development plan

In the past, renewable energy was limited by cost factors and needed to be protected by national policies. However, through continuous innovation in technology and business models, the international community has gradually formed a consensus on the sustainable energy and net zero carbon emissions, and put it into action. In response to the domestic electricity liberalization policy, we aim to develop as a green and smart energy company, hoping to provide stable and sufficient low-carbon energy for the public while guaranteeing the long-term interests of shareholders and sustainable growth of the enterprise. Therefore, our operation strategy has been adjusted accordingly:

A. In the past, from the development of photoelectric field and EPC project construction, the profit was mainly one-time income; However, as the cost of green power generation is expected to generally decline, and its price still has a carbon premium, we shall continue to expand the generation capacity and try hard to win the sales market;
B. Continuously strengthen project cost control by introducing better generation efficiency modules and technologies; On the other hand, increase the diversity of renewable energy, in order to achieve the goal of reducing the average kilowatt-hour cost of electricity, and strengthen the competitiveness in the energy sales market;
C. To invest in energy storage devices and participate in the Taipower trading market, in addition to developing the pre-meter energy storage system at the transmission level and distribution level, we also plan to match green power wheeling with energy storage applications, expand the scope of green power supply and meet the demand of RE100, and lay the foundation for the subsequent operation mode of the virtual power plant. To meet the needs of future multiple applications of energy storage, we plan to develop energy storage system integration related business to ensure the long-term stability of energy storage system operation and the flexibility of providing multiple value-added services in the future;
D. Invest in cloud, AI and other technologies, integrate asset maintenance and operation management, green electricity sales, electric vehicle fast charging, energy storage services and fishery aquaculture management into the cloud platform for centralized management and scheduling, and provide supply and demand forecasting information to assist in power generation efficiency and maintenance management, optimize electricity sales ratio, and participate in Taipower auxiliary service trading market. And take the energy storage as the core to prepare for the future energy transfer market.

II. Overview of market as well as production and sales

1. Market analysis

(1) Sales (supply) areas of the Company's major products (services)

Unit: NT$1,000

The year Sales area	2021		2022	
	Amount	Proportion (%)	Amount	Proportion (%)
Domestic sales	2,680,010	100	5,060,371	100
Foreign sales	-	-	-	-
Total	2,680,010	100	5,060,371	100

(2) Market share

According to the latest statistics of renewable energy from the Bureau of Energy, the cumulative capacity of new solar power installations was 2,024MW in 2022, and the Company's engineering performance (including EPC projects and self-owned fields) was 142MW in 2022, with a market share of approximately 7%.

(3) Supply and demand situation as well as growth of the market in the future

According to the plan to promote solar photovoltaic power from the National Development Council, Executive Yuan, in order to follow the international trend that countries make energy saving and carbon reduction a priority in their governance and use renewable energy to drive the development of a green economy; at the same time, considering that 98% of Taiwan's energy comes from imports and is an independent power grid system, it is important to enhance energy autonomy and diversification. In order to take into account energy security, green economy and environmental sustainability, the government has included the green energy industry as one of the "5+2" industry innovation projects. On the one hand, the industry innovation program meets the needs of Taiwan's next generation and strives for balanced development in the north, middle and south during the development process, so that all industries can have development opportunities in the north, middle and south, and is promoted through the industrial colony approach, linking with foreign industrial colonies, bringing in international talents and connecting to international markets.

In the face of global climate anomalies, countries around the world are embarking on a wave of green energy revolutions, hoping to decouple energy from carbon emissions and move toward a sustainable development path. Following the wave of green revolution, Taiwan has set the goal of energy transformation by 2025, and has made the development of renewable energy and non-nuclear homes an important policy direction. The Executive Yuan passed the promotion plan on October 27, 2016, and is committed to achieving the target of 20% of renewable energy generation by 2025, among which capacity of solar power installations takes the highest percentage, 66.3%, and planning a clear target and promotion path: 6.5GW of installation capacity in the short term (until 2020) and 20GW in the long term (until 2025) (of which, roof type 3GW and ground type 17GW). Through the promotion of green energy technology industry, the Company expects to serve as a new engine for energy transformation and economic development in Taiwan.

(4) Competitive niche

A. Electric power development and construction

In terms of field development, it is estimated that the Company has a total of 470MW of fields with development rights of more than 10MW. In the future, the Group will continue to focus on "fishery and electricity symbiosis" fields in accordance with the policy, with 1 GW as the phased development target, in order to enrich the Group's power generation capacity; the engineering team is capable of turnkey and implementation of solar power system engineering, and the subsidiary Changho Power also specializes in extra-high voltage construction. In the past, the Group also constructed the fields with water surface floating platform type, in addition to fields with ground type, land subsidence areas and roof type. In view of the increasing complexity of optoelectronic fields in the future, a team with turnkey and highly integrated capabilities will be the first choice in the market, and the Company will be able to serve the engineering needs of the industry; On the other hand, the Company has both development and engineering capabilities and will be able to effectively control the cost of field construction.

B. Asset management business

The joint venture platform's power generation assets are mainly entrusted to the Company. Compared to most asset management companies in the market, the Company's management service team is able to meet daily administrative needs and also has first-line corporate operation experience. Therefore, from the investment stage, the Company is able to grasp the development schedule, risks, design planning, and even the maintenance management of the 20-year operation period, and can effectively track the performance of the field after investment to maximize the benefits for investors.

In the case of field maintenance, the team of the subsidiary, HB O&M Co., Ltd., provides professional real-time maintenance services. With quarterly inspections and annual maintenance, regular module cleaning, spot checks and troubleshooting, supplemented by the cloud monitoring and AI data analysis system under development, the Company also formulates "field histories" for individual power plants and proposes individualized maintenance recommendations and service contents to effectively improve power generation efficiency. In the future, the number of renewable energy fields will continue to increase and the demand for related services will grow accordingly. The Company's maintenance capacity is expected to achieve economies of scale and effectively reduce related costs.

In view of the fact that fishery and electricity symbiosis has become the mainstream of optoelectronic development, the asset management service will also cover how to ensure the fact of breeding, combine with the members who have breeding operation and technology to join, and build the integrated service of production and sales of fishery and electricity symbiosis farms, and implement all aspects such as the selection of breeding species, the design of farms, and even the post-breeding operation, the establishment of multiple channels, primary processing and cold chain logistics system; The Company's team provides one-stop service for the planning of fishery and electric sustainable symbiosis fields, from the assessment of breeding conditions, site design, project preparation and reporting operations, the introduction of technological information equipment and database, the reduction of labor burden, the establishment of a management system combined with ERP and the introduction of a breeding history system to improve product transparency and economic value, and to ensure the sustainable development of breeding.

C. Smart power service business

(a) Electricity sales platform services

The increasing supply capacity of the Company's joint venture platform will serve as the best guarantee for the expansion of green power sales business; and Star Exchange Co., Ltd., as an open and shared green power intermediary platform, not only helps customers to obtain green power and certificates, but also provides value-added energy management services through power visual data. The Company has completed the signing of 3,941 KWh of green electricity contracts as of the end of December 2022, owing to the Group's sufficient supply of green electricity and the increasing demand for green electricity.

(b) Electric vehicle charging services

The Company continues to develop the potential demand for green electricity, and at a time when the electric vehicle market is growing rapidly, the Company has set up Star-EV-Charge to develop the operation of electric vehicle charging piles, expand the electricity retail channel, and accelerate the deployment of electric vehicle infrastructure to enhance the overall brand value.

(c) Grid auxiliary services

In order to strengthen the stability of green energy supply and participate in grid auxiliary services, in addition to the gradual installation of energy storage systems in accordance with the size of the fields, the Company now has 500MW of field rights and will select suitable fields for investment in Taipower's FM auxiliary service transactions before evaluation to create higher value for shareholders. On the other hand, we have launched various FM standby and demand response solutions in conjunction with the construction of energy storage systems, and have participated in self-built or assisted customers to participate in the electricity auxiliary service trading market.

(5) Favorable and unfavorable factors of development prospect as well as countermeasures

A. Favorable factors

a. Development business: Through early strategic planning, study of relevant laws and regulations, judgment of policy trends, and rigorous professional evaluation of feasibility, the Company has been able to acquire fields at a lower cost in the early stage and effectively improve its competitiveness in the industry in the future.

The Company's project development capability is in line with the development of national policies, mainly focusing on fishery and electricity symbiosis projects, large-scale land change projects and wind power; In line with the government's plan to promote water-based solar farms, the Company has set up its own professional team to ensure that the facts of aquaculture are the prerequisite for the integration of fish and light, to build a sustainable aquaculture business environment by adhering to the principle of "aquaculture as the mainstay and photovoltaics as a supplement"; The Group has established systematic and standard operating procedures and continued to build a cloud platform database, including water quality, temperature, bait delivery and growth data, to make full use of technological tools to enhance the competitiveness of aquaculture and to pass on experience.

b. Engineering construction business: According to the report of Infolink in 2021, the Company was ranked among the top 10 solar system manufacturers in Taiwan in 2020, achieving the short-term target of engineering business. The next stage of the medium and long term business goal is to become a high-quality supplier of system integration services; According to the professional division of labor, the electric contract engineering and construction engineering business is split, providing ODM/OEM services to meet the needs of customers. After receiving the field information from the customer, the feasibility of implementation is confirmed through field investigation and professional evaluation analysis, and the team is sent to carry out layout design and electrical planning, which can simulate the most appropriate configuration and maximum power generation of the field. The engineering management of the Company includes land preparation, civil construction, water conservation, electrical and pipeline design, structural design, and even back-end procurement, warehousing and logistics support as well as construction, such as: pre-construction project planning, explanation meeting for start, safety implementation and solid supervision management in construction phase, as well as acceptance and warranty after completion.

In addition to the original solar photovoltaic system project, the Company plans to invest in energy dispatch and integration services, energy storage system engineering setup and land wind power engineering setup. At present, energy storage equipment is evaluated to cooperate with international major manufacturers to explore the construction demand of the energy auxiliary service market. The construction of onshore wind power field includes wind turbine equipment, communication, power control and civil engineering projects. Based on the long-term development strategy, the Company will expand its wind power engineering business including soil construction, mechanical and electrical systems as well as line installation.

c. Maintenance monitoring service: The Company's maintenance team has two major advantages:

(a) Maintenance ERP dispatching workers system:
Self-developed maintenance dispatching workers system, convenient management according to standardized maintenance service process, including visual time management, automatic warning of abnormal events, etc. In the future, scheduling and inventory management will also be optimized, and the maintenance team will be notified automatically on a regular basis to quickly perform relevant tasks.

(b) Multi-foothold fast service:
The Company has set up maintenance stations in Tainan and Pingtung, and plans to send technical teams in Changhua, Kaohsiung and Hualien to serve the field nearby. The decentralized location planning allows maintenance personnel to come to the field for support as soon as they receive system alerts. At the same time, the center of each location can contract non-core labor services to the local community in a long-term collaboration mode. Providing additional job opportunities for local residents also encourages the public to participate in the operation of green energy field and exert positive social influence.

B. Unfavorable factors and countermeasures

a. Scarcity of land resources
Countermeasures: Due to land scarcity and legal restrictions, for the solar energy field development, we mainly focus on fishery and electricity symbiosis projects. At present, there are about 850MW of development volume in progress. In the future, we hope to take renewable energy power supply and sales as the main axis to steadily sell/introduce renewable energy power to enterprises and improve economic benefits.

b. FIT fee rate reduction
Countermeasures: At present, Star Exchange Co., Ltd., a subsidiary of the Group, has obtained the power sales license, which can be used to sell green electricity to enterprises in demand. According to the global trend of net zero carbon emission, due to many restrictions in Taiwan, such as narrow land and dense population, political and social factors, increasing difficulty in developing field and so on, renewable energy is expected to be in short supply. In the future, the difference between FIT fee rate and CPPA fee rate will be compared to improve the economic benefits of power plant investment.

c. Competition with low price maintenance manufacturers
Countermeasures: The green power field planned to be invested and developed by the Company will be maintained by its subsidiary HB O&M Co., Ltd. in the future. Since the Company already has the design and construction capability, it can consider the overall life cycle of the plant from the source and design, and evaluate the best benefit plan. On the other hand, with the continuous increase of maintenance volume and the application of information technology, large-scale and accurate

maintenance management will effectively reduce costs and provide customers with the best quality service.

2. The important uses and manufacturing processes of the main products
   (1) Important uses of main products: The Company's main products are solar photovoltaic system construction, producing electric energy which can be widely used in people's livelihood, industrial electricity and various places with power demand.
   (2) Production process of main products: the Company is not a production business, so it is not applicable.

3. Supply status of main raw materials

Name of main raw materia	Main source	Suppliers
Solar modules	Taiwan and Mainland China	Good quality and stable supply

4. List of any customers contributing to more than 10% of total purchase/sale amount in either of the 2 most recent fiscal years, the amounts bought from each/the amounts sold to each/, the percentage of total purchase/sale amount accounted for by each, and the explanation of the reason for increases or decreases in the above figures.
   (1) List of suppliers contributing to more than 10% of total purchase amount in either of the 2 most recent fiscal years and the explanation of the reason for increases or decreases in the above figures:

Item	2021				2022				Year 2023 ended in the previous quarter			
	Name	Amount	Percentage of total annual net purchase (%)	Relation with Issuer	Name	Amount	Percentage of total annual net purchase (%)	Relation with Issuer	Name	Amount	Percentage of total annual	Relation with Issuer
1	ANJI TECHNOLOGY CO., LTD.	310,653	17.81	None	LONGI (H.K.) TRADING LIMITED	483,397	15.70	None	ANJI TECHNOLOGY CO., LTD.	182,514	38.79	None
2	-	-	-	-	Gigastorage Technology Industry Co., Ltd.	476,323	15.47	None	Yongxin Electromechanical Engineering Co., Ltd.	50,332	10.70	None
3	-	-	-	-	-	-	-	-	Changxing Resources Co., Ltd.	49,015	10.42	None
	Others	1,434,154	82.19	-	Others	2,119,125	68.83	-	Others	188,614	40.09	-
	Net purchases	1,744,807	100.00	-	Net purchases Net amount	3,078,845	100.00	-	Net purchases Net amount	470,475	100.00	-

Reasons for change: In addition to the procurement of raw materials, the project cost of our company also involves subcontracting projects to partners. The selection of suppliers varies according to the nature of each project, the owner’s time requirements, the construction difficulty, the construction quality management and cooperation degree of partners, etc. In addition, as the business scale continues to grow, more suppliers need to be developed to meet the needs of raw materials for different projects. Therefore, the change of the purchase object is reasonable.

(2) List of customers who accounted for more than 10% of the total sales in any one of the recent 2 years and reasons for changes:

Unit: NT$1,000

Item	2021				2022				Year 2023 ended in the previous quarter			
	Name	Amount	Percentage of total annual net purchase (%)	Relation with Issuer	Name	Amount	Percentage of total annual net purchase (%)	Relation with Issuer	Name	Amount	Percentage of total annual net purchase (%)	Relation with Issuer
1	Maohung Energy Co., Ltd.	1,039,575	38.79	Note 1	Jihyun Green Energy Co., Ltd.	1,278,843	25.27	Note 2	Jihyun Green Energy Co., Ltd.	483,047	80.72	Note 2
2	WHOLE SUN NO.1 CO., LTD.	743,502	27.74	None	Ta Fu Energy Co., Ltd.	1,182,628	23.37	Note 1	-	-	-	-
3	AUO Corp.	364,484	13.60	None	AUO Corp.	553,633	10.94	None	-	-	-	-
4	Sunpower Energy Technology Co., Ltd.	277,096	10.34	None	Chungfang Green Energy Co., Ltd.	542,891	10.73	Note 1	-	-	-	-
5	-	-	-	-	Fangteng Green Energy Co., Ltd.	540,928	10.69	Note 1	-	-	-	-
6	-	-	-	-	Renhua Green Energy Co., Ltd.	507,986	10.04	Note 1	-	-	-	-
	Others	255,353	9.53	-	Others	453,462	8.96	-	Others	115,367	19.28	-
	Net purchases	2,680,010	100.00	-	Net purchases Net amount	5,060,371	100.00	-	Net purchases Net amount	598,414	100.00	-

Note 1: It is a subsidiary of Power Energy Corporation, a joint venture company of the Company.
Note 2: It is a subsidiary of Star Exchange Co., Ltd., a joint venture company of the Company.

Reasons for change: The engineering business has been growing year by year, and the engineering service relationship with the owner is treated as a project, so the object of service is not fixed. Besides, the construction period of the projects contracted by the company is specified in the contract. If there are no special factors, the construction is carried out according to the project progress, and the project income is recognized according to the project cost input and the completion progress. Therefore, when a project with a higher total contract price is completed according to the project schedule, the project income during the period will be concentrated on some customers or added. The revenue will be affected by the project size and the time when the project schedule cost is invested, resulting in a large change in the proportion of sales to customers. This is a normal operating characteristic of the engineering industry. There will be cases where the completion ratio is higher and project income is more likely to be concentrated in specific projects. The change in the target of sales should be reasonable.

5. Production value of the last two years:

The company contracted solar photovoltaic system engineering, is a comprehensive contract engineering service industry, and does not require production capacity. Other products are sold and maintained by agents and do not require production capacity, so they are not applicable.

6. Sales volume of the last two years:

Unit: kw; NT$1,000

Year / Sales volume and value / Staple commodities	2021				2022			
	Domestic sales		Foreign sales		Domestic sales		Foreign sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Solar photovoltaic system construction	52,419.54	2,488,844	-	-	128,765.84	4,850,552	-	-
Development and maintenance of solar photovoltaic system	-	141,980	-	-	-	181,765	-	-
Electricity sales and other income	-	49,186	-	-	-	28,054	-	-
Total	52,419.54	2,680,010	-	-	128,765.84	5,060,371	-	-

III. Employee information for the last two years and as of the publication date of the annual report

Unit: persons; Years

Year		2021	2022	Year 2023 ended March 31
Number of employees	Manager	12	16	16
	General employees	72	116	106
	Direct employees	21	22	21
	Total	105	154	143
Average age		36.14	37.02	37.87
Average length of service		1.46	1.63	1.78
Education background distribution ratio	Doctor	1.90%	1.95%	3.50%
	Master	18.10%	20.78%	20.98%
	College/University	69.52%	69.48%	67.13%
	High school degree	10.48%	7.79%	8.39%
	Below high school degree	-	-	-

IV. Information of environmental expenditure

1. According to the law, for those who should apply for pollution facility installation permit or pollution discharge permit, or should pay pollution prevention and control fee, or should set up personnel of special environmental protection unit, their application, payment or establishment description: None.
2. Explain the losses suffered by the Company due to environmental pollution (including compensation and matters of environmental protection inspection results in violation of environmental laws and regulations, the date of punishment, the name of punishment, the

provisions of the regulations, the contents of the regulations, the contents of the punishment shall be listed clearly) in the last two years and up to the date of publication of the annual report, and disclose the estimated amount that may occur in current period and future as well as the countermeasures; If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be explained:

(1) On June 9, 2021, the Environmental Protection Bureau of Tainan City Government sent an officer to No. 853-13 Land, San-Liao-Wan Small Section, Hsi-Ti-Liao Section, Peimen District, and found that the Company's vehicles took sand out of the road and caused pollution to the road at the entrance and exit of the Company's work area (1 km from County Road 174). In violation of the provisions of Paragraph 2, Article 27 of the Waste Disposal Act, the Environmental Protection Bureau fined NT$1,200. The Company has paid the fine.

(2) On May 27, 2022, Environmental Protection Bureau of Tainan City Government sent an officer to No. 797 Land, Paochi Section Peimen District. On the site, the construction of photoelectric engineering was being carried out, and the pallet truck was carrying the foundation pile in and out of the site. Truck took the soil on its tires, polluting the road surface. In violation of the provisions of Paragraph 2, Article 27 of the Waste Disposal Act, he Environmental Protection Bureau fined NT$1,200. The Company has paid the fine.

The fines in above two cases have been paid, and the Company has not suffered heavy losses.

V. Labor-capital relations

1. Make a list of the Company's employee welfare measures, further education, training and retirement systems and their implementation, as well as the labor-capital agreement and various measures to protect the rights and interests of employees:

(1) Various staff welfare, further education and training measures:

The Company takes respecting humanity and caring for employees as one of the business philosophies, in order to fully take care of the physical and mental health of colleagues or their dependents, and to establish various security for the life.

(A) In addition to joining the labor insurance, national health insurance, the Company provides additional group insurance protection.

(B) The Company establishes employee welfare committee to allocate welfare funds according to laws every month and handles the following welfare matters:

(a) Festival gift money or gifts
(b) Self-further education subsidy
(c) Department dinner subsidy
(d) Wedding gift money
(e) Childbirth gift money
(f) Funeral gift money

(C) The Company arranges psychological counseling and health counseling services.

(2) Further education and training measures:

In order to strengthen the professional and technical ability of employees, the Company not only sends employees to participate in the courses and training held by external organizations, but also organizes internal management and professional training courses from time to time to improve their skills and working attitude.

(A) Actual performance statistics for education and training: For the year 2023 ended March 31, the Company has held various kinds of training, including new personnel training, functional training, self further education and professional certificate training, with a total of 104 people receiving training.

(B) Statistics of professional certificates: The Company encourages employees to obtain professional certificates. As of March 31, 2023, a total of 47 professional certificates of occupational safety and health, engineering and mechanical and electrical etc. have been obtained.

(3) Employee retirement system and its implementation situation

The Company is subject to the new system of retirement from work. According to the provisions of the Labor Pension Act, employees will be allocated 6% of their monthly salary to the special account of the Bureau of Labor Insurance for their pension.

The Company has retirement rules in accordance with relevant laws and regulations as follows:

(A) Retirement at one's own request:

Employees may retire at their own request under any of the following circumstances:

a. Those who have worked for more than fifteen years and have reached the age of fifty-five.
b. Those who have worked for more than 25 years.
c. Those who have worked for more than ten years and have reached the age of 60.

(B) Compulsory retirement:

The Company shall not force employees to retire unless they have any of the following circumstances:

a. Those who have reached the age of sixty-five.
b. People with physical and mental disabilities who are unable to be competent at a job.

The age specified in Paragraph 1 of the preceding paragraph may be adjusted by the central competent authority for workers with special characteristics such as danger and strong physical strength, but shall not be less than 55 years old.

(C) Pension granting standard:

a. For the years of working experience prior to the application of the Labor Standards Act, the standard of pension granting shall be calculated according to the applicable laws and regulations at that time; If there are no applicable laws and regulations at that time, the pension granting standard shall be calculated according to the Company's own regulations or the negotiation between the employer and the employee.
b. For the working years of the pension system (retirement from the old system through labor) applicable to the Labor Standards Act, the pension granting standard shall be calculated in accordance with Article 55 of the Labor Standards Act. However, for employees who are forced to retire in accordance with Subparagraph 2, Paragraph 1, Article 35, if their physical and mental disabilities are caused by the performance of their duties, an additional 20% shall be imposed in accordance with Subparagraph 2, Paragraph 1, Article 55, of the Labor Standards Act.
c. For employees who are subject to the retirement pension system (retirement from the new system through labor) under the Labor Pension Act, the Company shall allocate 6% (not less than 6%) of their salary on a monthly basis to their individual pension account.

(D) Pension payment:

The Company shall pay to its employees the pension provided for in the Labor Standards Act within 30 days from the date of retirement of the employees.

(E) Pension request:

Employees who are subject to the provisions of the Labor Standards Act on retirement pensions shall have the right to apply for retirement pensions, which shall be extinguished due to non-exercise within five years from the next month of retirement. The right to claim a pension shall not be transferred, set off, detained or secured.

For the pension claimed in the preceding paragraph, the employee shall open a special account in a financial institution with supporting documents for the purpose of depositing the labor pension. The deposits in the special account shall not be used as the subject matter of offset, attachment, guarantee or compulsory execution.

(4) Circumstances of agreement between labor and capital:

According to relevant laws and regulations, both the labor and the capital shall handle the matter in accordance with the employment notice, work rules and various management regulations, which specify the rights and obligations as well as welfare items of employees to safeguard the rights and interests of employees.

(5) Measures for maintaining the rights and interests of employees:

The Company's regulations are handled in accordance with the labor act. The labor and management meeting is held each quarter to conduct communication between labor and management, and so far no labor disputes. In order to maintain a good communication channel and establish a harmonious relationship between labor and capital, the Company regularly holds business meetings, department meetings and employee interviews to convey the Company's future development, strategic objectives, major information and measures of the Company, etc., so that employees can fully understand the Company's operating conditions and express their opinions, so as to maintain a good interactive relationship between labor and capital.

2. Losses suffered by the company due to labor disputes (including matters of labor inspection results in violation of Labor Standards Act, the date of punishment, the punishment number, the name of punishment, the provisions of the regulations, the contents of the regulations, the contents of the punishment shall be listed clearly) in the recent years and up to the date of publication of the annual report. And disclose the estimated amount that may occur in current period and future as well as the countermeasures; If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be explained: There is no such situation.

VI. Information security management

1. Explain the information security risk management structure, information security policy, specific management plan and resources invested in information security management:

(1) Information security risk management structure:

Information Technology Division is responsible for coordinating information security and related matters, formulating relevant internal control procedure management and conducting regular internal information security inspections.

Information security policy:

A. Purpose: To build a safe and reliable information operation environment of the Company, maintain the continuous operation of business, reduce the risk of information operation, protect the rights and interests of information service users, establish an information security management system, standardize this procedure as the highest guideline, and achieve the goal of information security management.

B. Scope: The scope of information security management of the Company includes personnel, management systems, applications, data, documents, media storage, hardware devices and network facilities related to information operations at the Company's various locations.
C. Goal: Avoid the improper use or sabotage of the information system by internal and external personnel, or in the event of an emergency such as improper use or sabotage, the Company can respond quickly and return to normal operation in the shortest time, so as to reduce the economic damage and operation disruption that may be caused by the accident.
D. Procedure: Perform information room, network security, system development and program modification, data security, information security, intellectual property rights, information outsourcing and other management.

(3) Specific management plan:

A. Firewall network segment isolation and protection:
   a. In addition to using the individual authentication mechanism for wireless network, by means of the isolation and protection measures, the Company can also identify whether the computer is allowed to access the Company's network domain to block.
   b. Separate network segments to reduce user interaction.
   c. Firewall firmware is updated regularly to reduce external vulnerabilities.
   d. Monitor network attacks regularly.
B. Anti-virus software protection:
   a. All computer devices are equipped with anti-virus software to reduce virus intrusion and monitor abnormal information through the anti-virus dashboard.
   b. Update virus code regularly and significantly update operating system.
C. Grade of user rights: All information systems are controlled by department and job grade, and passwords are changed regularly every four months in accordance with the complex password principle.
D. Email backup mechanism: Backup mechanism at three parties: the Cloud, the ground end and the user's own computer.
E. Data remote backup mechanism: In addition to daily regular data backup, conduct remote backup at night, and reduction tests regularly.
F. Enhance employees' awareness of security, and conduct information security education on an irregular basis.

(4) Resources invested in information security management:

A. Recruit information talents.
B. Increase budget allocation for information security.
C. Send information personnel to provide appropriate training.

2. List the loss, possible impact and countermeasures caused by a major information security incident in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be stated: None.

VII. Important contracts (supply and marketing contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contracts affecting shareholders' rights and interests as of the date of publication of the annual report and due in the most recent year)

Nature of the contract	Party	Date of commencement and termination of the contract	Major content	Limited clauses
Procurement contract	REN-YIN ENERGY TECH CO., LTD.	September 18, 2020~Project acceptance (warranty period of 10 years)	Buoy procurement	None
Procurement contract	PERFECT POWER AUTOMATION CO., LTD.	September 18, 2020~Project acceptance (warranty period of 2 years)	Procurement of high-tension distribution panel	None
Procurement contract	TA YA ELECTRIC WIRE & CABLE CO., LTD.	September 30, 2020~June 30, 2021 (warranty period of 2 years)	Procurement of wires and cables	None
Procurement contract	Shihlin Electric & Engineering Corp	December 1, 2020~June 30, 2021 (warranty period of 1 year)	Transformer procurement	None
Procurement contract	Shen Tai Electric Cable Co., Ltd.	February 22, 2021~December 31, 2022 (warranty period of 2 years)	Procurement of cables	None
Procurement contract	Tingli Electric Energy Technology Co., Ltd.	March 19, 2021~Project acceptance (warranty period of 1 year)	Transformer procurement	None
Procurement contract	Shihlin Electric&Engineering Corp	March 12, 2021~September 30, 2021 (warranty period of 1 year)	Transformer procurement	None
Procurement contract	Shihlin Electric&Engineering Corp	March 12, 2021~September 30, 2021 (warranty period of 1 year)	procurement of GIS equipment	None
Procurement contract	eTreego Co., Ltd.	December 6, 2021~Project acceptance (warranty period of 1 year and 1 month)	Procurement of charging piles	None
Cooperation agreement	GREENROCK ENERGY CO., LTD.	March 28, 2022 ~ Obligations that should be performed were performed	Cooperation for 204MW energy storage project in Liuying District, Tainan City	None
Procurement contract	LONGI (H.K.) TRADING LIMITED	April 26, 2022 ~ Obligations that should be performed were performed (warranty period of 12 years)	Procurement of modules of Penghu and Tafu projects	None
Procurement contract	GIGASTORAGE CORPORATION	July 29, 2022 ~ Obligations that should be performed were performed (warranty period of 12 years)	Procurement of modules of Jihyun project	None
Procurement contract	Shihlin Electric&Engineering Corp	November 1, 2022~Project acceptance (warranty period of 5 years)	Extra-high pressure mining equipment	None
Procurement contract	TPK Holding Co., Ltd	December 2, 2022~The conditions of the contract were fulfilled	Energy storage equipment	None
Procurement contract	ETI CA BATTERY INC.	March 9, 2022~The conditions of the contract were fulfilled (warranty period of 3 years)	Procurement contract of AFC energy storage cabinet, CATL battery cabinet	None
Procurement contract	Beyond Limitation Power Service Inc.	March 6, 2022~The conditions of the contract were fulfilled (warranty period of 8 years)	Energy storage battery procurement contract	None
EPC engineering contract	AUO Corp.	June 16, 2020~Project acceptance (warranty period of 5 years)	Power generation project at No. 3 Land, Long'an Section, Fangliao Township	None
EPC engineering contract	AUO Corp.	August 6, 2020~Project acceptance (warranty period of 5 years)	Solar power generation project at No. 766 Land, Pei-Shih-Liao Section	None
EPC engineering contract	AUO Corp.	August 28, 2020~Project acceptance (warranty period of 5 years)	Solar photovoltaic power generation system of Ta-Ping-Ting Section	None
EPC	AUO Corp.	September 17, 2020~Project	Project at No. 259 Land,	None

Nature of the contract	Party	Date of commencement and termination of the contract	Major content	Limited clauses
engineering contract		acceptance (warranty period of 5 years)	Pingtung Airport Section	
EPC engineering contract	Maohung Energy Co., Ltd.	December 9, 2020~Project acceptance (warranty period of 5 years)	Ground type solar photoelectric system project	None
EPC engineering contract	AcSacca Solar Energy Co., Ltd.	December 10, 2020~Project acceptance (warranty period of 5 years)	Ultra high voltage project at Xiqian, Chiayi County	None
EPC engineering contract	Sunpower Energy Technology Co., Ltd.	December 11, 2020~Project acceptance (warranty period of 5 years)	Business plan as well as codification operation and engineering of land use change	None
EPC engineering contract	Sunpower Energy Technology Co., Ltd.	December 30, 2020~Project acceptance (warranty period of 5 years)	Low-voltage project at Fourth Fangshui Road, and ultra high-voltage projects at Fourth Fangshui Road and Wanhsing, Changhua County	None
EPC engineering contract	Ri Lu Green Co., Ltd.	March 3, 2021~Project acceptance (warranty period of 5 years)	Solar photovoltaic power generation system engineering of substations at Shoufeng Township of Hualien County, Sheng'an and Taima of Taipower	None
EPC engineering contract	Star Power Energy Corporation	June 17, 2021~Project acceptance (warranty period of 5 years)	Development and engineering contracting of project at Kuanyu Section, Guanyin District, Taoyuan City	None
EPC engineering contract	WHOLE SUN NO.1 CO., LTD.	July 8, 2021~Project acceptance (warranty period of 5 years)	EPC project of saltwater landfill in Tainan City	None
EPC engineering contract	AcTek Energy Co., Ltd.	August 6, 2021~Project acceptance (warranty period of 5 years)	Development, equipment procurement and engineering contracting of photoelectric setting project at Gukeng Township, Yunlin County	None
EPC engineering contract	AUO Corp.	September 2, 2021~Project acceptance (warranty period of 5 years)	Ground type solar photovoltaic power plant _ Land preparation and drainage project at Mega Farm	None
EPC engineering contract	Fangteng Green Energy Co., Ltd.	March 28, 2022~Project acceptance (warranty period of 5 years)	Development and engineering contracting of project at No. 777 Land, Chienshan Middle Section, Huhsi Township, Penghu County.	None
EPC engineering contract	Jenhua Green Energy Co., Ltd.	March 28, 2022~Project acceptance (warranty period of 5 years)	Development and engineering contracting of project at No. 2689 Land, Huhsi South Section, Huhsi Township, Penghu County.	None
EPC engineering contract	Chungfang Green Energy Co., Ltd.	March 28, 2022~Project acceptance (warranty period of 5 years)	Development and engineering contracting of project at No. 858 Land, Chienshan Middle Section, Huhsi Township, Penghu County.	None
EPC engineering contract	Jihyun Green Energy Co., Ltd.	June 30, 2022~Project acceptance (warranty period of 5 years)	Land development and engineering contracting of No. 368, 368-1~368-10 Lands, Hsia-Shan-Tzu-Liao Section, Cigu District, Tainan	None
EPC	AUO Corp. and Mega	September 5, 2022~Project	Development service of solar	None

Nature of the contract	Party	Date of commencement and termination of the contract	Major content	Limited clauses
engineering contract	Green Energy Corporation	acceptance (warranty period of 5 years)	photovoltaic power plant as well as land preparation and drainage project at Mega Farm	
Development service turnkey contract	Heshou Agriculture Biotechnology Co., Ltd.	March 7, 2022 ~ Obligations that should be performed were performed	Development service of solar photovoltaic project of Hualien County Farmer’s Association	None
Loan contract	Bank SinoPac	March 22, 2023-March 31, 2024	Long-term borrowings, medium to long term borrowings, and performance guarantee limits	None
Loan contract	Mega International Commercial Bank	November 12, 2022-November 11, 2023	Short-term borrowings	None
Loan contract	Shanghai Commercial Bank	December 9, 2022-August 12, 2023	Short-term borrowings	None
Loan contract	Shanghai Commercial Bank	May 13, 2022-May 13, 2042	Long-term borrowings	None
Loan contract	Shanghai Commercial Bank	September 23, 2022-September 23, 2037	Long-term borrowings	None
Loan contract	Cathay United Bank	September 29, 2022-September 29, 2023	Short-term borrowings	None
Loan contract	Hua Nan Bank	September 16, 2022-September 16, 2023	Short-term borrowings	None
Loan contract	Bank of Panhsin	January 19, 2023- January 19, 2024	Short-term borrowings	None
Loan contract	CTBC Bank	May 16, 2022-May 31, 2023	Short-term borrowings	None
Loan contract	Mega Bills	April 15, 2022-April 15, 2023	Short-term borrowings	None
Loan contract	Fubon Bank	August 24, 2022- August 24, 2023	Short-term borrowings	None
Loan contract	Taiwan Cooperative Bank	November 24, 2022-November 24, 2023	Short-term borrowings	None
Loan contract	O-Bank	November 21, 2022-November 20, 2023	Short-term borrowings	None
Loan contract	Chuang Hwa Bank	January 6, 2023-October 31, 2023	Short-term borrowings	None
Loan contract	Shanghai Commercial Bank	April 18, 2023-April 18, 2025	Performance guarantee limits	None
Loan contract	China Bills Finance Corporation	May 19, 2023-May 19, 2024	Short-term borrowings	None
Loan contract	First Bank	May 3, 2023-May 3, 2024	Short-term borrowings	None

Six. Financial Overview

I. Concise financial information for the past five years

(I) Concise balance sheet and comprehensive income statement for the past five years:

1. Concise balance sheet (consolidated)

Unit: NT$1,000

Item \ The year		Financial information for the past five years (Note 1)					Financial information for year 2023 ended March 31
		2018	2019	2020	2021	2022	
Current assets		320,855	639,066	1,299,749	2,413,198	4,388,503	6,422,673
Property, plant and equipment		21,771	217,363	203,506	270,071	692,583	894,641
Right-of-use asset		-	7,738	13,702	24,298	66,792	63,438
Intangible assets		-	924	35,000	34,863	23,014	24,317
Other assets		12,558	262,162	307,210	407,629	929,975	482,091
Total assets		355,184	1,127,253	1,859,167	3,150,059	6,100,867	7,887,160
Current liabilities	Before distribution	192,915	431,993	987,873	1,378,674	2,438,414	2,501,616
	After distribution	216,642	431,993	1,087,873	1,548,674	2,838,414	Not yet distributed
Non-current liabilities		26,133	70,051	153,784	128,795	267,747	287,254
Total liabilities	Before distribution	219,048	502,044	1,141,657	1,507,469	2,706,161	2,788,870
	After distribution	242,775	502,044	1,241,657	1,677,469	3,106,161	Not yet distributed
Interests vested in the owner of the parent company		134,138	526,968	718,308	1,642,190	3,353,956	5,058,120
Share capital	Before distribution	50,000	255,000	500,000	700,000	850,000	1,000,000
	After distribution	100,000	500,000	500,000	700,000	850,000	1,000,000
Capital reserve	Before distribution	-	111,400	1,542	660,619	1,745,474	3,246,706
	After distribution	-	1,542	1,542	660,619	1,745,474	Not yet distributed
Retained earnings at the beginning of the period	Before distribution	84,138	160,568	216,766	281,571	758,482	832,003
	After distribution	10,411	25,426	116,766	111,571	358,482	Not yet distributed
Other equity		-	-	-	-	-	(20,589)
Treasury stock		-	-	-	-	-	-
Common controlling interests		-	-	-	-	-	-
Non-controlling interests		1,998	98,241	(798)	400	40,750	40,170
Total equity	Before distribution	136,136	625,209	717,510	1,642,590	3,394,706	5,098,290
	After distribution	112,409	625,209	617,510	1,472,590	2,994,706	Not yet distributed

Note 1: The above financial information is a consolidated financial report audited or reviewed by a Certified Public Accountant.

2. Concise balance sheet (parent-only)

Unit: NT$1,000

Item \ The year		Financial information for the past five years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		312,865	772,113	1,233,018	2,390,121	3,650,891
Investment using the equity method		10,602	90,685	384,473	380,088	1,004,604
Property, plant and equipment		21,771	31,171	134,758	168,493	417,941
Intangible assets		-	924	3,015	3,012	9,893
Other assets		7,948	82,751	107,817	159,553	386,800
Total assets		353,186	977,644	1,863,081	3,101,267	5,470,129
Current liabilities	Before distribution	192,915	392,244	1,005,958	1,352,601	1,886,117
	After distribution	216,642	392,244	1,105,958	1,522,601	2,286,117
Non-current liabilities		26,133	58,432	138,815	106,476	230,056
Total liabilities	Before distribution	219,048	450,676	1,144,773	1,459,077	2,116,173
	After distribution	242,775	450,676	1,244,773	1,629,077	2,516,173
Share capital	Before distribution	50,000	255,000	500,000	700,000	850,000
	After distribution	100,000	500,000	500,000	700,000	850,000
Capital reserve	Before distribution	-	111,400	1,542	660,619	1,745,474
	After distribution	-	1,542	1,542	660,619	1,745,474
Retained earnings at the beginning of the period	Before distribution	84,138	160,568	216,766	281,571	758,482
	After distribution	10,411	25,426	116,766	111,571	358,482
Other equity		-	-	-	-	-
Equity attributable to former owner of business combination under common control		-	-	-	-	-
Total equity	Before distribution	134,138	526,968	718,308	1,642,190	3,353,956
	After distribution	110,411	526,968	618,308	1,472,190	2,953,956

Note 1: The above financial information is the parent company only financial statements audited by a Certified Public Accountant.

3. Concise Comprehensive Income Statement (consolidated)

Unit: NT$1,000

Item \ The year	Financial information for the past five years (Note 1)					Financial information for year 2023 ended March 31
	2018	2019	2020	2021	2022	
Operating income	526,455	1,155,566	2,298,059	2,680,010	5,060,371	598,414
Gross profit	129,378	255,328	351,292	376,006	1,146,534	184,993
Profit and loss of operating	101,440	186,489	244,777	222,700	845,318	94,717
Income and expenses of non-operating	969	1,900	(1,987)	(3,969)	(32,823)	(1,184)
Net profit before tax	102,409	188,389	242,790	218,731	812,495	93,533
Current net profit of continuing operating units	81,916	148,398	189,913	166,481	648,152	72,439
Loss from discontinued units	-	-	-	-	-	-
Net profit (loss) for the current period	81,916	148,398	189,913	166,481	648,152	72,439
Other comprehensive losses for the current period (net of tax)	-	-	-	-	-	(20,589)
Total comprehensive income and loss for the current period	81,916	148,398	189,913	166,481	648,152	51,850
Net profit attributable to the owner of the parent company	81,919	150,157	191,340	165,283	650,106	73,568
Net profit attributable to non-controlling interests	(3)	(1,759)	(1,427)	1,198	(1,954)	(1,129)
Total comprehensive income is belong to the owner of the parent company	81,919	150,157	191,340	165,283	650,106	52,979
Total comprehensive income is belong to non-controlling interests	(3)	(1,759)	(1,427)	1,198	(1,954)	(1,129)
Earnings per share	45.61	3.63(Note 2)	3.83	3.02	8.18	0.82

Note 1: The above financial information is a consolidated financial report audited or reviewed by a certified public accountant.

Note 2: Earnings per share are retroactively adjusted based on the number of shares transferred from earnings and capital reserve in each year.

4. Concise Comprehensive Income Statement (parent-only)

Unit: NT$1,000

Item \ The year	Financial information for the past five years (Note 1)				
	2018	2019	2020	2021	2022
Operating income	526,455	1,270,841	2,186,124	2,655,474	5,052,656
Gross profit	129,378	259,496	287,851	431,886	1,118,907
Profit and loss of operating	101,454	195,486	190,083	288,314	836,367
Income and expenses of non-operating	958	(5,568)	40,338	(63,491)	(23,275)
Net profit before tax	102,412	189,918	230,421	224,823	813,092
Current net profit of continuing operating units	81,919	150,157	191,340	165,283	650,106
Loss from discontinued units	-	-	-	-	-
Net profit (loss) for the current period	81,919	150,157	191,340	165,283	650,106
Other comprehensive losses for the current period (net of tax)	-	-	-	-	-
Total comprehensive income and loss for the current period	81,919	150,157	191,340	165,283	650,106
Net profit attributable to the owner of the parent company	81,919	150,157	191,340	165,283	650,106
Net profit attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income is belong to the owner of the parent company	81,919	150,157	191,340	165,283	650,106
Total comprehensive income is belong to non-controlling interests	-	-	-	-	-
Earnings per share	45.61	3.63(Note 2)	3.83	3.02	8.18

Note 1: The above financial information is the parent company only financial statements audited by a Certified Public Accountant.

Note 2: Earnings per share are retroactively adjusted based on the number of shares transferred from earnings and capital reserve in each year.

(II) Name and audit opinion of the certified public accountants for the past five years:

The year	Accounting firm name	Name of Certified Public Accountants	Audit opinion
2018	KPMG TAIWAN	Certified Public Accountant Chien-Hui Lu	Unqualified opinion
2019	KPMG TAIWAN	Certified Public Accountant Chien-Hui Lu	Unqualified opinion
2020	KPMG TAIWAN	Certified Public Accountants Chien-Hui Lu and Hai-Ning Huang	Unqualified opinion
2021	KPMG TAIWAN	Certified Public Accountants Chien-Hui Lu and Hai-Ning Huang	Unqualified opinion
2022	KPMG TAIWAN	Certified Public Accountants Chien-Hui Lu and Hai-Ning Huang	Unqualified opinion
The first quarter of 2023	KPMG TAIWAN	Certified Public Accountants Chun-Yuan Wu and Hai-Ning Huang	Unqualified opinion

II. Financial analysis for the past five years:

1. Financial analysis (consolidated)

Items for analysis (Note 2) / The year		2018	2019	2020	2021	2022	Year 2023 ended March 31
		Financial analysis for the past five years (Note 1)					
Financial structure	Debt to asset ratio (%)	61.67	44.54	61.41	47.86	44.36	35.36
	Ratio of long-term funds to property, plant and equipment (%)	745.36	319.86	428.14	655.90	528.81	601.98
Debt-paying ability	Mobility Ratio (%)	166.32	147.93	131.57	175.04	179.97	256.74
	Quick Ratio (%)	146.26	101.57	97.87	132.19	119.14	159.62
	Interest coverage ratio (times)	279.29	141.08	80.32	41.16	57.53	23.90
Business capability	Accounts receivable turnover rate (times)	13.83	14.69	30.21	31.97	58.95	10.40
	Days of average cash collection	26	25	12	11	6	35
	Inventory turnover rate (times)	34.51	72.76	63.47	62.76	32.86	6.43
	Accounts payable turnover rate (times)	4.81	9.80	5.50	3.81	4.65	2.11
	Average sales days	11	5	6	6	11	57
	Turnover rate of property, plant and equipment (times)	47.09	9.66	10.92	11.32	10.51	3.02
	Total asset turnover rate (times)	2.27	1.56	1.54	1.07	1.09	0.34
Profitability	Return on asset (%)	35.41	20.17	12.88	6.82	14.26	4.33
	Return on equity (%)	98.06	38.98	28.29	14.11	25.73	6.82
	Ratio of net profit before tax to paid-in capital (%)	204.82	73.88	48.56	31.25	95.59	37.41
	Net profit margin (%)	15.56	12.84	8.26	6.21	12.81	12.11
	Earnings per share (NT$)	45.61	3.63	3.83	3.02	8.18	0.82
Cash flow	Cash flow ratio	11.28	31.97	42.33	(15.01)	50.94	(36.32)
	Cash flow adequacy ratio (%)	56.08	58.27	132.27	92.49	119.61	94.97
	Cash reinvestment ratio (%)	1.87	16.54	47.56	(17.28)	29.38	(16.90)
Leverage	Operating leverage	1.00	1.04	1.12	1.30	1.28	1.15
	Financial leverage	1.00	1.01	1.01	1.03	1.02	1.05

Reasons for the 20% change in various financial ratios in the past two years:

(1) Debt-paying ability:

A. Interest coverage ratio: Due to the increase of net profit after tax in 2022.

(2) Business capability:

A. Receivables turnover rate and average cash collection days: In 2022, the main trade debtors requested payment within 7 days after issuing invoices according to the contract conditions, and the revenue increased significantly, resulting in an increase in turnover rate.

B. Inventory turnover rate and average sales days: Due to the main undertaking of large-scale fields in 2022, the demand for purchasing raw materials such as steel structures, modules, and inverters has increased significantly compared to the past, resulting in a 210% increase in average total inventory compared to the same period last year, and a significant decline in inventory turnover rate.

C. Turnover rate of payables (times): With the expansion of the Company's business, suppliers are diversified to meet a large number of demands, and the payment terms of new supporting suppliers are different.

(3) Profitability:

A. Return on assets, return on equity and ratio of net profit before tax to paid-in capital: In 2022, the capacity of contracting large-scale fields will double, and profits will be greatly provided, which will affect the increase of return rate compared with the previous year.

B. Net profit margin and earnings per share: Due to the increase in net profit after tax in 2022.

(4) Cash flow:

Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio: Mainly due to an increase in net cash inflows from operating activities in 2022.

Note 1: The above financial information is a consolidated financial report audited or reviewed by a certified public accountant.

Note 2: Earnings per share are retroactively adjusted based on the number of shares transferred from earnings and capital reserve in each year.

Note 3: The calculation formula is as follows:

1. Financial structure
   (1) Debt to asset ratio=total liabilities/total assets.
   (2) Ratio of long-term capital to property, plant and equipment=(Total equity+non current liabilities)/Net amount of property, plant and equipment.
2. Debt-paying ability
   (1) Current ratio=current assets/current liabilities.
   (2) Quick ratio=(current assets－inventory－prepaid expenses)/current liabilities.
   (3) Interest coverage ratio=net profit before income tax and interest expense/interest expense of the current period.
3. Business capability
   (1) The turnover rate of accounts receivable (including accounts receivable and notes receivable arising from operations)=net sales/average balance of accounts receivable (including accounts receivable and notes receivable arising from operations) for each period.
   (2) Days of average cash collection=365/accounts receivable turnover rate.
   (3) Inventory turnover rate=cost of goods sold/average inventory amount.
   (4) Turnover rate of accounts payable (including accounts payable and notes payable arising from operations)=cost of goods sold/average balance of accounts payable (including accounts payable and notes payable arising from operations) for each period.
   (5) Average sales days=365/inventory turnover rate.
   (6) property, plant and equipment turnover rate=net sales/average net property, plant and equipment.
   (7) Total asset turnover rate=net sales/average total assets.
4. Profitability
   (1) Return on assets=[Profit and loss after tax+interest expense × (1- tax rate)]/Average total assets.
   (2) Return on equity=Profit and loss after tax/Average total equity.
   (3) Ratio of net profit before tax to paid in capital=Profit and loss after tax/paid in capital
   (4) Net profit margin=Profit and loss after tax/Net sales.
   (5) Earnings per share=(Profit and loss attributable to owners of the parent company - special stock dividends)/weighted average number of issued shares.
5. Cash flow
   (1) Cash flow ratio=Net cash flow from operating activities/Current liabilities.
   (2) Net cash flow ratio=Net cash flow from operating activities for the past five years/Capital expenditure+increase in inventory+cash dividends for the past five years.
   (3) Cash reinvestment ratio=(net cash flow from operating activities - cash dividends)/(gross amount of property, plant and equipment+long-term investment+other non current assets+working

capital).

6. Leverage:
   (1) Operating leverage=(net operating income - variable operating costs and expenses)/operating benefits.
   (2) Financial leverage=operating profit/(operating profit - interest expense).

Reasons for the 20% change in various financial ratios in the past two years:

(5) Financial structure:
   A. Debt to asset ratio: The Company's business expanded rapidly in 2020, and the related funds in projects were gradually requested for payment along with the construction progress and borrowings from banks were increased for operational purposes, resulting in an increase in the debt level.
   B. Ratio of long-term capital to property, plant and equipment: It is caused by the long-term stable capital obtained by the Company's capital increase, and the increase of retained earnings caused by the Company's expansion of share capital and continuous profitability.

(6) Debt-paying ability:
   B. Interest coverage ratio: Due to the expansion of the group company's business and the increase in operating borrowings.

(7) Business capability:
   D. Accounts receivable turnover rate and average cash collection days: This is due to the continuous collection of accounts from previous years and the immediate collection of accounts from the current year.
   E. Payable turnover rate (times): Due to the expansion of the Company's business and the fact that development of suppliers go into normal state to obtain better payment.

(8) Profitability:
   C. Return on assets and return on equity: in 2020, the Company increased its capital for asset purchase and investment activities. Its asset utilization rate was gradually increased, and the level of assets and shareholders' equity increased, making its return rate decline compared with the previous year.
   D. Ratio of net profit before tax to paid-in capital and net profit margin: This is due to the Company's capital increase in 2020.

(9) Cash flow:
   A. Cash flow ratio: The Company has achieved remarkable results in actively expanding its business, resulting in a significant increase in net cash inflows from operating activities.
   B. Cash flow adequacy ratio: The Company has achieved remarkable results in actively expanding its business, resulting in an increasing net cash inflow from operating activities year by year. While, the increase in capital expenditure and inventory has been relatively moderate. In 2020, it was due to the issuance of stock dividends.
   C. Cash reinvestment ratio: Due to the above comprehensive reasons, the net cash flow from operating activities increased significantly in 2020.

2. Financial analysis (parent-only)

Items for analysis (Note 2) / The year		2018	2019	2020	2021	2022
		Financial analysis for the past five years (Note 1)				
Financial structure	Debt to asset ratio (%)	62.02	46.10	61.45	47.05	38.69
	Ratio of long-term funds to property, plant and equipment (%)	736.17	1,878.03	636.05	1,037.83	857.54
Debt-paying ability	Mobility Ratio (%)	162.18	196.85	122.57	176.71	193.57
	Quick Ratio (%)	141.68	152.34	89.77	133.04	115.30
	Interest coverage ratio (times)	279.29	162.22	84.06	47.01	67.20
Business capability	Accounts receivable turnover rate (times)	13.83	10.28	14.52	22.32	63.18
	Days of average cash collection	26	36	25	16	6
	Inventory turnover rate (times)	34.51	76.30	65.28	61.59	33.54
	Accounts payable turnover rate (times)	4.81	10.38	5.26	3.56	4.69
	Average sales days	11	5	6	6	11
	Turnover rate of property, plant and equipment (times)	47.09	48.01	26.35	17.51	17.23
	Total asset turnover rate (times)	2.28	1.91	1.54	1.07	1.18
Profitability	Return on asset (%)	35.57	22.71	13.63	6.82	15.40
	Return on equity (%)	99.25	45.43	30.73	14.00	26.02
	Ratio of net profit before tax to paid-in capital (%)	204.82	74.48	46.08	32.12	95.66
	Net profit margin (%)	15.56	11.82	8.75	6.22	12.87
	Earnings per share (NT$)	45.61	3.63 (Note 2)	3.83	3.02	8.18
Cash flow	Cash flow ratio	10.96	24.11	24.61	(13.32)	31.18
	Cash flow adequacy ratio (%)	52.49	132.22	163.20	99.91	102.95
	Cash reinvestment ratio (%)	1.51	12.32	28.67	(15.94)	11.71
Leverage	Operating leverage	1.00	1.37	0.80	1.22	1.28
	Financial leverage	1.00	1.01	1.01	1.02	1.01

Reasons for the 20% change in various financial ratios in the past two years:

1. Debt-paying ability:
   A. Interest coverage ratio: Due to the increase of net profit after tax in 2022.
2. Business capability:
   A. Receivables turnover rate and average cash collection days: In 2022, the main trade debtors requested payment within 7 days after issuing invoices according to the contract conditions, and the revenue increased significantly, resulting in an increase in turnover rate.
   B. Inventory turnover rate and average sales days: Due to the main undertaking of large-scale fields in 2022, the demand for purchasing raw materials such as steel structures, modules, and inverters has increased significantly compared to the past, resulting in a 210% increase in average total inventory compared to the same period last year, and a significant decline in inventory turnover rate.
   C. Turnover rate of payables (times): With the expansion of the Company's business, suppliers are diversified to meet a large number of demands, and the payment terms of new supporting suppliers are different.
3. Profitability:
   A. Return on assets, return on equity and ratio of net profit before tax to paid-in capital: In 2022, the capacity of contracting large-scale fields will double, and profits will be greatly provided,

which will affect the increase of return rate compared with the previous year. B. Net profit margin and earnings per share: Due to the increase in net profit after tax in 2022. 4. Cash flow: Cash flow ratio and cash reinvestment ratio: Mainly due to an increase in net cash inflows from operating activities in 2022.

Note 1: The above financial information is the parent company only financial statements audited by a certified public accountant.

Note 2: Earnings per share are retroactively adjusted based on the number of shares transferred from earnings and capital reserve in each year.

Note 3: The calculation formula for the analysis items is as follows:

1. Financial structure
   (1) Debt to asset ratio=total liabilities/total assets.
   (2) Ratio of long-term capital to property, plant and equipment=(Total equity+non current liabilities)/Net amount of property, plant and equipment.
2. Debt-paying ability
   (1) Current ratio=current assets/current liabilities.
   (2) Quick ratio=(current assets－inventory－prepaid expenses)/current liabilities.
   (3) Interest coverage ratio=net profit before income tax and interest expense/interest expense of the current period.
3. Business capability
   (1) The turnover rate of accounts receivable (including accounts receivable and notes receivable arising from operations)=net sales/average balance of accounts receivable (including accounts receivable and notes receivable arising from operations) for each period.
   (2) Days of average cash collection=365/accounts receivable turnover rate.
   (3) Inventory turnover rate=cost of goods sold/average inventory amount.
   (4) Turnover rate of accounts payable (including accounts payable and notes payable arising from operations)=cost of goods sold/average balance of accounts payable (including accounts payable and notes payable arising from operations) for each period.
   (5) Average sales days=365/inventory turnover rate.
   (6) property, plant and equipment turnover rate=net sales/average net property, plant and equipment.
   (7) Total asset turnover rate=net sales/average total assets.
4. Profitability
   (1) Return on assets=[Profit and loss after tax+interest expense × (1- Tax rate)]/Average total assets.
   (2) Return on equity=Profit and loss after tax/Average total equity.
   (3) Ratio of net profit before tax to paid in capital=Profit and loss after tax/paid in capital
   (4) Net profit margin=Profit and loss after tax/Net sales.
   (5) Earnings per share=(Profit and loss attributable to owners of the parent company - special stock dividends)/weighted average number of issued shares.
5. Cash flow
   (1) Cash flow ratio=Net cash flow from operating activities/Current liabilities.
   (2) Net cash flow ratio=Net cash flow from operating activities for the past five years/Capital expenditure+increase in inventory+cash dividends for the past five years.
   (3) Cash reinvestment ratio=(net cash flow from operating activities - cash dividends)/(gross amount of property, plant and equipment+long-term investment+other non current assets+working capital).
6. Leverage:
   (1) Operating leverage=(net operating income - variable operating costs and expenses)/operating benefits.
   (2) Financial leverage=operating profit/(operating profit - interest expense).

Reasons for the 20% change in various financial ratios in the past two years:

(1) Financial structure:
   A. Debt to asset ratio: The Company's business expanded rapidly in 2020, and the related funds in projects were gradually requested for payment along with the construction progress and borrowings from banks were increased for operational purposes, resulting in an increase in the debt level.
   B. Long-term capital to property, plant and equipment ratio: It is caused by the long-term

stable capital obtained by the Company's capital increase, and the increase of retained earnings caused by the Company's expansion of share capital and continuous profitability

(2) Debt-paying ability:

A. Current ratio and quick ratio: This is due to business expansion, and the significant increase in payables because the related funds in projects were gradually requested for payment.

B. Interest coverage ratio: Due to the expansion of the Company's business and the increase in operating borrowings.

(3) Business capability:

A. Accounts receivable turnover rate and days of average cash collection: This is due to the continuous collection of accounts from previous years and the immediate collection of accounts from the current year.

B. Payable turnover rate (times): Due to the expansion of the Company's business and the fact that development of suppliers go into normal state to obtain better payment.

C. Average sales days: Due to the appropriate level of inventory turnover control.

D. Turnover rate of property, plant and equipment: Due to the significant increase in property, plant and equipment caused by the continuous construction of self-owned fields in 2020.

(4) Profitability:

A. Return on assets and return on equity: in 2020, the Company increased its capital for asset purchase and investment activities. Its asset utilization rate was gradually increased, and the level of assets and shareholders' equity increased, making its return rate decline compared with the previous year.

B. Ratio of net profit before tax to paid-in capital and net profit margin: This is due to the Company's capital increase in 2020.

(5) Cash flow:

A. Cash flow adequacy ratio: The Company has achieved remarkable results in actively expanding its business, resulting in an increasing net cash inflow from operating activities year by year. While, the increase in capital expenditure and inventory has been relatively moderate. In 2020, it was due to the issuance of stock dividends.

B. Cash reinvestment ratio: Due to the above comprehensive reasons, the net cash flow from operating activities increased significantly in 2020.

III. Auditing report of Audit Committee on financial report in the most recent year: Please refer to Appendix I.

IV. Financial report in the most recent year: Please refer to Appendix II.

V. Parent company only financial statements of the Company audited and certified by the certified public accountant for the most recent year: Please refer to Appendix III.

VI. If the Company and its affiliated enterprises have experienced financial turnover difficulties in the most recent year and as of the date of publication of the annual report, the impact on the Company's financial status shall be listed: No such situation.

Seven. Review and Analysis of Financial Situation and Performance as well as Risk Matters

I. Financial situation

Unit: NT$1,000

Item \ The year	2021	2022	Differences	
			Amount	%
Current assets	2,413,198	4,388,503	1,975,305	82%
Property, plant and equipment	270,071	692,583	422,512	156%
Right-of-use asset	24,298	66,792	42,494	175%
Intangible assets	34,863	23,014	(11,849)	(34)%
Deferred income assets	22,998	64,510	41,512	181%
Other assets	384,631	865,465	480,834	125%
Total assets	3,150,059	6,100,867	2,950,808	94%
Current liabilities	1,378,674	2,438,414	1,059,740	77%
Long-term liabilities	128,795	267,747	138,952	108%
Total liabilities	1,507,469	2,706,161	1,198,692	80%
Share capital	700,000	850,000	150,000	21%
Capital reserve	660,619	1,745,474	1,084,855	164%
Retained earnings at the beginning of the period	281,571	758,482	476,911	169%
Non-controlling interests	400	40,750	40,350	10088%
Total equity	1,642,590	3,394,706	1,752,116	107%

Items with significant changes (items whose changes between the previous and later periods reached more than 20%, with the amount of changes reached NT$10 million):

(1) Current assets: Due to an increase in cash and equivalent cash caused by capital increase and the fact that the related funds in projects were gradually requested for payment; and in response to the demand of large-scale fields, the purchase of raw materials such as steel structures, modules and inverters has increased significantly compared with the past, and the prepayment of materials related to power plant construction and engineering funds has increased.

(2) Property, plant and equipment: Due to the significant increase in property, plant and equipment caused by the continuous construction of self-owned fields in 2022.

(3) Right-of-use assets: Due to new assets such as offices and land, to meet operational needs.

(4) Intangible assets: Due to the conservative evaluation of intangible assets - power supply contracts that cannot be completed as scheduled, impairment is set aside.

(5) Deferred income assets: It refers to the deferred income of power plants built for subsidiaries and joint venture affiliated enterprises.

(6) Other assets: Due to the prepayment of self-owned field and the increase in fixed deposits.

(7) Total assets: For the above reasons, the total assets increased.

(8) Current liabilities: Due to the increase in the amount of materials purchased by the field and the amount of subcontractors, and the increase in the amount of engineering received in advance.

(9) Long-term liabilities: Due to new financing borrowings for Solar Photovoltaic Plant. (10) Total liabilities: For the above reasons, the total liabilities increased. (11) Share capital and capital reserve: Due to the fact that the Company handles cash capital increase. (12) Retained earnings: Due to increase in profits of the Company in 2022. (13) Non-controlling equity: Due to the addition of other strategic shareholders to invest in the equity of subsidiaries (14) Total equity: For the above reasons, the total equity increased.

II. Financial performance

(I) Financial analysis

Unit: NT$1,000

The year / Item	2021		2022		Differences	
	Amount	%	Amount	%	Amount	%
Net operating income	2,680,010	10.00	5,060,371	100.00	2,380,361	89
Operating costs	2,264,114	84.48	3,718,799	73.49	1,454,685	64
Gross profit	376,006	14.03	1,146,534	22.66	770,528	205
Operating expenses	153,306	5.72	301,216	5.95	147,910	96
Net operating profit	222,700	8.31	845,318	16.70	622,618	280
Income and expenses of non-operating	(3,969)	(0.15)	(32,823)	(0.65)	(28,854)	727
Net profit before tax	218,731	8.16	812,495	16.06	593,764	271
Income tax expense	52,250	1.95	164,343	3.25	112,093	215
Net income after tax	166,481	6.21	648,152	12.81	481,671	289
Explanation of the analysis of changes in the ratio of increase and decrease (items whose changes between the previous and later periods reached more than 20%, with the amount of changes reached NT$10 million): (1) Net operating income, operating costs, operating gross profit, operating expenses, net operating profit, net profit before and after tax: This is due to the expansion of the Company's operating scale and the substantial increase in revenue and corresponding costs and expenses. (2) Non-operating income and expenditure: This is due to the setting aside of intangible assets - electricity sales contracts by the Company in 2022.						

(II) The expected sales volume and its basis, and the possible impact on the Company's future financial business and corresponding plans: The Company has not issued a financial forecast, so the expected sales volume and its basis are not applicable. The Company only conducted the assessment on the basis of the industrial environment, future market supply and demand conditions, as well as relevant information such as business development, estimated customer demand, and recent operating conditions. The Company also uses this information to set annual shipment targets and predicts that the performance will continuously grow in the future.

III. Cash flow:

(I) Analysis of cash flow changes in the most recent year

Unit: %

Item \ Year	2021	2022	Increase rate
Cash flow ratio	(15.01)	50.94	(439.37)
Cash flow adequacy ratio	92.49	119.61	29.32
Cash reinvestment ratio	(17.28)	24.69	(242.88)
Explanation of the analysis of changes of increase and decrease in the ratio: Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio: Mainly due to an increase in net cash inflows from operating activities in 2022.			

(II) Improvement plan for insufficient liquidity: Not applicable.

(III) Analysis of cash flow for the next year:

Unit: NT$1,000

Beginning cash balance	Estimated annual net cash flow from operating activities	Estimated annual net cash flow from investing activities	Estimated annual net cash flow from financing activities	Estimated amount of cash surplus (deficiency)	Remedial measures for cash insufficiency	
					Investment plan	Financial plan
1,227,679	4,073,821	(351,843)	1,221,872	4,943,850	–	–

(1) Analysis of cash flow changes for the next year:
Cash inflow from operating activities: Mainly due to operating profit and accounts receivable.
Cash outflow from investing activities: Mainly due to the acquisition of long-term equity investment, using the equity method.
Cash inflow from financing activities: Due to the cash capital increase before the initial listing.
(2) Remedial measures and liquidity analysis of estimated cash insufficiency: There is no estimated cash insufficiency. So it is not applicable.

IV. The impact of significant capital expenditures in the most recent year on financial operations: None.

V. The reinvestment policy in the most recent year, the main reasons for its profits or losses, the improvement plan and the investment plan for the next year:

1. The Company's reinvestment policy: the Company reinvests due to business development needs. The financial business management policy of reinvestment is mainly based on the relevant management methods of the internal control system. In addition, with the "Administrative Measures for Subsidiaries" as the standard of operation and management, the Company implements the supervision and management of the reinvestment businesses.

2. The main reason for the profit or loss of reinvestment in the most recent year and the improvement plan

Unit: NT$1,000

Invested company	Direct (indirect) shareholding ratio	Recognized investment gains and losses in 2022	Reasons for profit or loss	Improvement plan
You Deng Green Co., Ltd.	100%	1	This Company is still in the development stage and collects interest income	

Invested company	Direct (indirect) shareholding ratio	Recognized investment gains and losses in 2022	Reasons for profit or loss	Improvement plan
Ri Zhi Green Co., Ltd.	100%	(147)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Ri Wei Green Co., Ltd.	100%	81	The Company collects electricity fee from Taiwan Power Company through the stable power generation of solar photovoltaic power plants	
Ri Qing Green Co., Ltd.	34.44%	101	The Company collects electricity fee from Taiwan Power Company through the stable power generation of solar photovoltaic power plants	
HB O&M Co., Ltd.	100%	18,735	This Company collects service revenue from the entrusted company through the maintenance service of Solar Photovoltaic Power Plant	
Xiang Heng Green Co., Ltd.	100%	(29,192)	This Company has been set aside for impairment due to the failure of the power supply contract of Solar Photovoltaic Field to achieve benefits	Proposed to develop solar photovoltaic field
Ri Yu Green Co., Ltd.	100%	(13)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Ri Xi Green Co., Ltd.	100%	-	This Company is still in the development stage	
Ru Jing Green Co., Ltd.	100%	1	This Company is still in the development stage and collects interest income	
Ri Lu Green Co., Ltd.	100%	221	The Company collects electricity fee from Taiwan Power Company through the stable power generation of solar photovoltaic power plants	
Ri Pu Green Co., Ltd.	100%	-	This Company is still in the development stage	
Wen Deng Green Co., Ltd.	100%	(423)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Yunn Deng Green Co., Ltd.	100%	(232)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Titan Asset Management Co., Ltd.	100%	(1)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Yun Deng Green Co., Ltd.	100%	(143)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Yin Deng Green Co., Ltd.	100%	-	This Company is still in the development stage	
Dan Deng Green Co., Ltd.	100%	(18)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field

Invested company	Direct (indirect) shareholding ratio	Recognized investment gains and losses in 2022	Reasons for profit or loss	Improvement plan
Ri Fu Green Co., Ltd.	100%	(26)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Ri Chen Green Co., Ltd.	100%	-	This Company is still in the development stage	
New Century Energy Co., Ltd.	100%	(163)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Chang He Energy Co., Ltd.	100%	(1,323)	This year, the Company readjusted its operational organization structure and had to pay routine expenditures.	Proposed to develop solar photovoltaic field
Star Exchange Co., Ltd.	100%	1,324	This Company steadily collects electricity sales revenue from the entrusted company through Power Wheeling and Electricity Sales	
Star Power Energy Corporation	20%	8,991	The Company collects electricity fee from Taiwan Power Company through the stable power generation of solar photovoltaic power plants	
Ri Xun Green Co., Ltd.	100%	(233)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Ri Fa Green Co., Ltd	100%	(223)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Star Energy Storage Solutions Co., Ltd.	100%	(4,546)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Shin Yuan Energy Co., Ltd.	100%	(18)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Xin Sheng Energy Develop Co., Ltd.	100%	(151)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Aquastar Energy Co., Ltd.	100%	(55)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Star Charger Co., Ltd.	100%	(978)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Star Network Data Co., Ltd.	100%	(21)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Daybreak FisheryTech Co., Ltd.	100%	(203)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Hua FisheryTech Co., Ltd.	100%	(27)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Fang FisheryTech Co., Ltd.	100%	(26)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field

Invested company	Direct (indirect) shareholding ratio	Recognized investment gains and losses in 2022	Reasons for profit or loss	Improvement plan
Tian Tai FisheryTech Co., Ltd.	100%	(26)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Jie FisheryTech Co., Ltd.	100%	(26)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Xi FisheryTech Co., Ltd.	100%	(26)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Hui FisheryTech Co., Ltd.	100%	(26)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Yi FisheryTech Co., Ltd.	100%	(27)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Cheng FisheryTech Co., Ltd.	100%	(26)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Dong FisheryTech Co., Ltd.	100%	(26)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Chang FisheryTech Co., Ltd.	100%	(27)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Yu FisheryTech Co., Ltd.	100%	(26)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Yong FisheryTech Co., Ltd.	100%	(26)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Hong FisheryTech Co., Ltd.	100%	(27)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Tian Sheng FisheryTech Co., Ltd.	100%	(26)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Star Energy Storage Co., Ltd.	100%	(34)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Star Aquaculture Co., Ltd.	90%	(1,533)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Huiju Energy Co., Ltd.	99%	(1,417)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field
Ying Fa Energy Co., Ltd.	99%	(121)	This Company is still in the development stage and has to pay routine expenses	Proposed to develop solar photovoltaic field

3. Investment plan for the next year:

According to the operating needs of each reinvestment company, the Company will discuss the capital increase based on the capital increase plan of each company.

VI. Risk matters

(I) The impact of changes in interest rates, exchange rates, inflation on the Company's profit and loss and future countermeasures:

(1) Changes in interest rates

Unit: NT$1,000; %

Item / Year	2021	2022
Net interest expense (1)	5,447	14,372
Operating income (2)	2,680,010	5,060,010
Net profit before tax (3)	218,731	812,495
Net interest expense / Operating income (1) / (2)	0.20	0.28
Net interest expense / Net profit before tax (1) / (3)	2.49	1.77

Source: The consolidated financial statements for each period audited and certified by certified public accountants

The net interest expenses of the Company and its subsidiaries in 2021 and 2022 were NT$ (5,447) thousand and NT$ (14,372) thousand respectively. The net interest expenses accounted for -0.20% and -0.28% of operating income, respectively, and -2.49% and -1.77% of net profit before tax.

Future countermeasures:

The Company and its subsidiaries adopt a conservative response to interest rate changes, excepts to maintain a good relationship with the bank and actively strives for lower borrowing rates.

(2) Changes in interest rates

Unit: NT$1,000; %

Item / Year	2021	2022
Exchange (loss) gain (1)	(7)	(12,167)
Operating income (2)	2,680,010	5,060,371
Net profit before tax (3)	218,731	812,495
Exchange (loss) gain / operating income (1) / (2)	0.00%	-0.24%
Exchange (loss) gain/net profit before tax (1) / (3)	0.00%	-1.50%

Source: The consolidated financial statements for each period audited, certified or reviewed by certified public accountants

The exchange (loss) gain of the Company and its subsidiaries in 2021 and 2022 were NT$ (7) thousand and NT$ (12,167) thousand respectively. The net interest expenses accounted for 0% and -0.24% of operating income, respectively, and 0% and -1.5% of net profit before tax.

Future countermeasures:

Part of procurement expenditures of the Company and its subsidiaries are paid in US dollars. Therefore, fluctuations in the exchange rate of the US dollar are risks that the Company and its subsidiaries must face in its operations. In the context of large exchange rate fluctuations in recent years, the Company is expected to adopt methods such as pre-sale of forward foreign exchange for foreign currency units in US dollars to effectively reduce the impact of exchange rate fluctuations on revenue and profits. At the same time, the Company adopts a prudent and conservative principle to operate in order to reduce the impact of exchange rate changes. The Company and its subsidiaries will continue to observe the overall international economic situation and exchange rate trends. Management authorities pay close attention to exchange rate trends and strengthen the management of exchange rate fluctuation risks. In addition to collecting financial information in the international market and understanding market capital flow trends, the relevant staff of the financial department of the Group also need to maintain close contact with the bank. These methods are used to study and judge the trend of exchange rate fluctuations as a reference for foreign exchange settlement, so as to mitigate the impact of exchange rate fluctuations on the Company's profits. At the same time, the Company can also take necessary hedging measures based on these to reduce the risk of exchange rate fluctuations.

(3) Inflation

As of the date of publication of the annual report, the Company and its subsidiaries has not experienced any material impact on its financial operations due to inflation. To maintain the stability of supply prices, the Company and its subsidiaries focuses on the global political and economic changes and changes of market prices. At the same time, the Company also maintains a good interactive relationship with suppliers and customers. The latest engineering-related costs and projected gross profit have been noticed before the bidding of the project. Therefore, the Company and its subsidiaries should be able to cope with the impact of changes in the economic situation such as inflation in the future. Operations will not be significantly affected. In the future, the Company and its subsidiaries will continue to pay close attention to changes in the price index and inflation in various countries around the world. At the same time, the Company will maintain good interaction with suppliers and customers, so as to alleviate the pressure of inflation on the Company and its subsidiaries.

(II) Policies for engaging in high-risk, high-leverage investments, lending funds to others, endorsement guarantees, and derivatives transactions, the main reasons for profit or loss, and future countermeasures:

The Company has established relevant measures such as "Fund Lending to Others", "Endorsement Guarantee Operation Procedures" and "Procedures for Acquiring or Disposing of Assets" for matters related to capital lending to others, endorsement guarantees, and derivative commodity transactions. Relevant measures have been approved by the shareholders' meeting as the norms for various operations. The Company and its subsidiaries has not engaged in any high-risk, high-leverage investment and derivative transactions. So no loss occurred.

(III) Future R&D plans and estimated R&D expenses:

(1) Future R&D plans

The Company and its subsidiaries’ future development targets for the short, medium and long term are described as follows:

Taiwan's energy system will develop in the direction of multi-renewable energy, decentralized and regionalized. It is the Company's goal to become an energy integrated company for decentralized energy systems. It covers solutions such as multiple renewable energy power generation, energy storage systems, demand management, green power wheeling, charging piles and cloud energy management.

In the short term, it will mainly develop renewable energy power generation, intermediary services of green power wheeling, energy storage participation in auxiliary services, and energy supply and demand management platforms. The platform integrates monitoring and maintenance for renewable energy power generation and energy storage systems, power frequency regulation and instant standby operation service, charging pile operation and management system, demand management and energy visualization and other systems.

In the mid-term stage, it mainly develops renewable energy power generation and electricity demand forecasting, many-to-many intermediary services of green power wheeling, and application of energy storage system and control technology.

The long-term goal is to promote the diversification of green power supply and apply energy storage system to point-to-point intelligent aggregation of full-time green power supply. Another long-term goal is to participate in the Taipower electricity trading market, with a view to achieving the development of an all-round smart green energy company with asset management, supply and demand management, and aggregation scheduling.

In order to strengthen the autonomy of power-related application systems and flexibly use various data, the Company has continued to develop its own cloud-based real-time monitoring system since 2019. Through the experience of its own power plants, the Group adjusted system functions and found out abnormal causes to increase power generation. In addition, the system has added functions required for power plant maintenance, including immediate feedback for maintenance and intelligent labor dispatch integration platform, to improve resource efficiency. To meet the needs of new energy services in the future, HD Renewable Energy established its own R&D team to develop an AI intelligent retrieval system for power plant data recently which can facilitate the query of various drawings and historical data of the power plant. With the expansion of business models, the Company also continues to complement the Group's research and development capabilities through external authorization. The Company has added a sales electricity matching service system and ancillary service bidding system, etc., and continued to update and adjust it to meet market needs. In 2022, the development of charging operation management platform and user interface has been completed. In the future, intelligent site selection function modules and diversified intelligent marketing systems will be added one after another to prepare for the construction of a large number of charging stations and the increase in the number of electric vehicles.

(2) Estimated research and development expenses

The Company has established its own software development team to carry out the development of integrated intelligent cloud energy and visualization platform. Through technology transfer with research units and academic units, the Group developed technical applications such as AI forecasting, resource scheduling, aggregated operations, and energy management, to include operation maintenance management of assets, green electricity sales, electric vehicle fast charging, energy storage services, and fishery cultivation management into integrated management and scheduling. At the same time, the Group also provided predictive information for supply and demand. It also assisted in power generation efficiency and maintenance management, optimization of electricity sales ratio, and participation in Taipower ancillary service trading market. Besides, the Group took energy storage as the core to prepare for the future energy transfer market. The estimated annual research and development labor cost in short term is about NT$ 75,000 thousand. The total cost of technical cooperation and transfer is about NT$ 100,000 thousand.

(IV) he impact of significant domestic and foreign policy and legal changes on the Company's financial operation, and the countermeasures:

The Company and its subsidiaries operate in accordance with relevant laws and regulations at home and abroad, and keeps an eye on the development trend of domestic and foreign policies and changes in relevant energy laws and regulations such as the Renewable Energy Development Act and The Electricity Act, and also keeps an eye on relevant announcements from the Bureau of Energy, the Ministry of Economic Affairs and Taiwan Power Company, closely monitors the annual wholesale sales rate of renewable energy from the Bureau of Energy, the Ministry of Economic Affairs, and conducts various financial sensitivity trials. The Group aims to develop its own power plants, optimize their design, select cost-effective components and related products, reduce costs, maintain profitability, and respond to changes in the market environment in a timely manner, under current and future expected rates. For the most recent fiscal year and as of the date of publication of the annual report, the Company and its subsidiaries has taken appropriate measures to respond to significant policy and legal changes both domestically and internationally, which have not yet had a significant impact on the Company’s financial operations.

(V) The impact of technological changes (including asset safety risks) and industrial changes on the Company's financial operations and countermeasures:

The Company and its subsidiaries regularly pays attention to changes in the market and industry, as well as changes and development trends in related technologies. Through deep relationship with customers, the Group understands the industrial and technological developments that have a significant impact on the Company's future development and financial business, enabling the Company and its subsidiaries' research and development personnel to develop products that meet market demands. As of the date of publication of the public statement, there have been no significant technological or industrial changes in the Company and its subsidiaries, whose results are sufficient to have a significant impact on the Company and its subsidiaries' financial operations.

The Company and its subsidiaries have established a complete network and computer safety protection system to control or maintain the Company's research, development, operation, accounting and other important functions. Although it cannot guarantee that its computer system can completely avoid network security threats and malicious hacker attacks, it will regularly review and evaluate the information control cycle to ensure its appropriateness and effectiveness. Besides, the Group purchased legal security protection software to improve safety and resilience.

(VI) The impact of corporate image change on corporate crisis management and countermeasures:

The Company and its subsidiaries have always adhered to the business philosophy of professionalism and integrity, attached great importance to corporate image and risk control. Currently there are no foreseeable crisis events.

(VII) Expected benefits, potential risks, and countermeasures for mergers and acquisitions:

There has been no merger or acquisition of the Company and its subsidiaries in the past year or as of the date of publication of the annual report.

(VIII) Expected benefits, potential risks, and countermeasures for expanding the plant:

The Company and its subsidiaries have not expanded its plant in the past year or as of the date of publication of the annual report.

(IX) Risks faced by centralized net purchases or net sales and countermeasures:

Due to different procurement projects and specifications for each project, the Company and its subsidiaries currently have two or more sources of main raw materials, except for suppliers designated by the project owner or engineering cooperative manufacturers. Moreover, the Company and its subsidiaries have good transactions with major suppliers and stable supply conditions. The Company and its subsidiaries continue to actively develop other suppliers to increase competitiveness about product unit price. As of the date of publication of the annual report, the Company and its subsidiaries have not the concentration of supply sources, a shortage or interruption of supply in the most recent year.

The Company and its subsidiaries mainly undertake projects of solar power system construction based on projects, and its service targets are different from the stable customer sources in general manufacturing industries. In addition to maintaining good cooperative relationships with current customers, the Company and its subsidiaries will continue to actively explore other new customers and business opportunities to reduce the risk of sales concentration.

(X) The impact, risks, and countermeasures of directors, supervisors, or major shareholders holding more than 10% of the shares, as well as the significant transfer or replacement of equity on the Company:

There have been no significant transfers of shares of directors, supervisors, or major shareholders holding more than 10% of the Company's shares in the most recent fiscal year and as of the date of publication of the annual report.

(XI) The impact, risks, and countermeasures of changes in management rights on the Company:

On June 30, 2022, the Company conducted a comprehensive re-election of directors at the regular shareholders' meeting, and elected 7 directors. The election result was that 3 directors were changed, 1 corporate director was changed to Samoan company Green River International Ltd., and 2 independent directors were changed to Feng-Sheng Wu and Jen-Hao Teng. There were cases of directors changing by one third. Among them, the newly appointed general director was changed to the legal person held by I-Neng Hsu, the former legal representative, and was elected as a director. In addition, in order to diversify the directors, the newly appointed 2 independent directors Feng-Sheng Wu and Jen-Hao Teng respectively have relevant departments required by business and company business, which will provide supervision for the Company's operation judgment, operation management and decision-making process. To sum up, as the term of office of directors is about to expire, the Company has handled the comprehensive re-election of directors, its main business has not changed, and more than half of the seats of directors are still controlled by the original major shareholders, and there is no change in management rights.

(XII) Litigation or non-litigation events:

1. Major litigation, non-litigation, and administrative litigation events which the Company involves in currently: None.
2. If there are significant litigation, non-litigation, or administrative dispute events under which the Company's directors, supervisors, president, substantial responsible persons, major shareholders holding more than 10% of the shares, and affiliated companies have been determined by judgment or are in progress currently, and the results may have a significant impact on shareholder equity or price of securities, relevant information shall be disclosed: None.

(XIII) Other important risks and countermeasures:

Except for the above risk assessment instructions, as of the date of publication of the annual report, there are no other important risk matters in the Company and its subsidiaries.

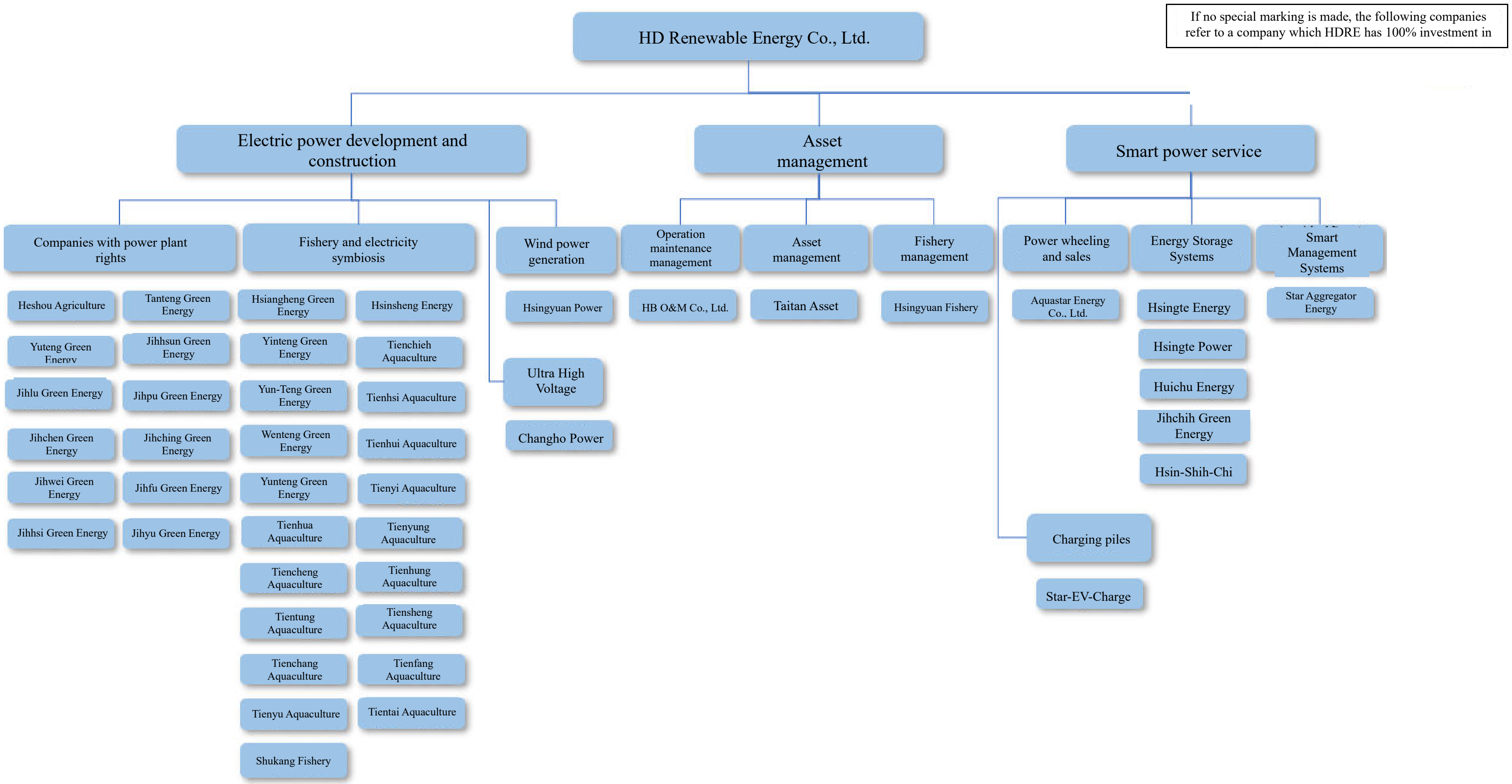
VII. Other important matters: None

Eight. Special Recording Items

I. Related information of affiliated enterprises

(I) Organizational chart of affiliated enterprises

December 31, 2022



(II) Basic information of affiliated enterprises

December 31, 2021 Unit: NT$1,000

Name of enterprises	Establishment date	Address	Paid-in capital	Main business items
You Deng Green Co., Ltd.	October 31, 2017	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	400	Energy Technical Services
Ri Lu Green Co., Ltd.	July 20, 2018	No. 373, Section 3, Dongxing Road, Xitun Dist., Taichung City	2,500	Energy Technical Services
Ri Chen Green Co., Ltd.	July 23, 2019	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	600	Energy Technical Services
Ri Wei Green Co., Ltd.	September 8, 2017	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	10,000	Energy Technical Services
Ri Xi Green Co., Ltd.	July 6, 2018	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	400	Energy Technical Services
Ri Pu Green Co., Ltd.	July 20, 2018	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	400	Energy Technical Services
Ri Yu Green Co., Ltd.	June 26, 2018	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	5,300	Energy Technical Services
Dan Deng Green Co., Ltd.	July 24, 2019	1F, No. 373, Section 3, Dongxing Road, Xitun District, Taichung City	1,500	Energy Technical Services
New Century Energy Co., Ltd.	October 2, 2019	5F-1, No. 360, Section 2, Taiwan Avenue, North District, Taichung City	10,000	Energy Technical Services
Ru Jing Green Co., Ltd.	July 20, 2018	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	2,000	Energy Technical Services
Ri Zhi Green Co., Ltd.	September 12, 2017	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	8,000	Energy Technical Services
Ri Xun Green Co., Ltd.	November 12, 2020	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	5,400	Energy Technical Services
Shin Yuan Energy Co., Ltd.	June 16, 2021	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	100	Energy Technical Services
Chang He Energy Co., Ltd.	July 30, 2020	5F-1, No. 360, Section 2, Taiwan Avenue, North District, Taichung City	5,100	Energy Technical Services
Xiang Heng Green Co., Ltd.	June 1, 2017	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	39,000	Energy Technical Services
Yin Deng Green Co., Ltd.	June 14, 2019	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	100	Energy Technical Services
Wen Deng Green Co., Ltd.	July 20, 2018	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	50,000	Energy Technical Services
Yunn Deng Green Co., Ltd.	July 20, 2018	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	15,000	Energy Technical Services
Xin Sheng Energy Develop Co., Ltd.	April 15, 2020	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	2,000	Energy Technical Services
HB O&M Co., Ltd.	July 6, 2018	5F-1, No. 360, Section 2, Taiwan Avenue, North District, Taichung City	30,000	Energy Technical Services
Titan Asset Management Co., Ltd.	October 4, 2018	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	100	Energy Technical Services
Star Exchange Co., Ltd.	August 10, 2020	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	20,000	Energy Technical Services
Star Energy Storage Solutions Co., Ltd.	June 17, 2021	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	200,000	Energy Technical Services

Name of enterprises	Establishment date	Address	Paid-in capital	Main business items
Star Charger Co., Ltd.	December 3, 2021	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	10,000	Energy Technical Services
Ri Fu Green Co., Ltd.	July 23, 2019	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	2,600	Energy Technical Services
Daybreak FisheryTech Co., Ltd.	July 13, 2022	5F, No. 35, Dexing W. Rd., Shilin Dist., Taipei City	600	Energy Technical Services
Tian Hua FisheryTech Co., Ltd.	April 11, 2022	5F-1, No. 360, Section 2, Taiwan Avenue, North District, Taichung City	100	Energy Technical Services
Tian Fang FisheryTech Co., Ltd.	March 30, 2022	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	100	Energy Technical Services
Tian Tai FisheryTech Co., Ltd.	March 30, 2022	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	100	Energy Technical Services
Tian Jie FisheryTech Co., Ltd.	March 31, 2022	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	100	Energy Technical Services
Tian Xi FisheryTech Co., Ltd.	March 30, 2022	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	100	Energy Technical Services
Tian Hui FisheryTech Co., Ltd.	March 30, 2022	No. 373, Section 3, Dongxing Road, Xitun Dist., Taichung City	100	Energy Technical Services
Tian Yi FisheryTech Co., Ltd.	March 30, 2022	5F-1, No. 360, Section 2, Taiwan Avenue, North District, Taichung City	100	Energy Technical Services
Tian Cheng FisheryTech Co., Ltd.	March 31, 2022	5F-1, No. 360, Section 2, Taiwan Avenue, North District, Taichung City	100	Energy Technical Services
Tian Dong FisheryTech Co., Ltd.	March 30, 2022	No. 373, Section 3, Dongxing Road, Xitun Dist., Taichung City	100	Energy Technical Services
Tian Chang FisheryTech Co., Ltd.	March 30, 2022	5F-1, No. 360, Section 2, Taiwan Avenue, North District, Taichung City	100	Energy Technical Services
Tian Yu FisheryTech Co., Ltd.	April 7, 2022	No. 373, Section 3, Dongxing Road, Xitun Dist., Taichung City	100	Energy Technical Services
Tian Yong FisheryTech Co., Ltd.	March 30, 2022	No. 373, Section 3, Dongxing Road, Xitun Dist., Taichung City	100	Energy Technical Services
Tian Hong FisheryTech Co., Ltd.	March 30, 2022	5F-1, No. 360, Section 2, Taiwan Avenue, North District, Taichung City	100	Energy Technical Services
Tian Sheng FisheryTech Co., Ltd.	March 30, 2022	No. 373, Section 3, Dongxing Road, Xitun Dist., Taichung City	100	Energy Technical Services
Star Aquaculture Co., Ltd.	May 5, 2022	5F-1, No. 360, Section 2, Taiwan Avenue, North District, Taichung City	10,000	Energy Technical Services
Star Energy Storage Co., Ltd.	April 28, 2022	No. 373, Section 3, Dongxing Road Xitun Dist., Taichung City	1,020	Energy Technical Services
Huiju Energy Co., Ltd.	December 18, 2019	5F, No. 261 Wenxing Road, Luchang Village, Xinbei City, Hsinchu County	104,000	Energy Technical Services

Name of enterprises	Establishment date	Address	Paid-in capital	Main business items
Ying Fa Energy Co., Ltd.	November 21, 2022	5F-1, No. 360, Section 2, Taiwan Avenue, North District, Taichung City	1,000	Energy Technical Services

(III) Consolidated Operating Report, consolidated financial statements and relationship report of affiliated enterprises: The companies that the Company shall include in the preparation of the consolidated financial statements of affiliated enterprises are the same as the consolidated financial statements in accordance with IFRS 10. These financial statements will not be prepared separately. Please refer to Appendix II for the consolidated financial statements in 2022.

(IV) Information of same shareholders of the parties which the Company is presumed to have a control and subordinate relationship with: No such situation.

(V) The industries covered by the overall affiliated enterprise's business operations: include energy service industry, etc.

(VI) Information on directors, supervisor, and presidents of various affiliated enterprises:

December 31, 2022 Unit: share

Name of enterprises	Title	Name or representative	Shares held	
			Number of shares	Shareholding ratio
You Deng Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	40,000 40,000	100% 100%
Ri Lu Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	250,000 250,000	100% 100%
Ri Chen Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	60,000 60,000	100% 100%
Ri Wei Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	1,000,000 1,000,000	100% 100%
Ri Xi Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	500,000 500,000	100% 100%
Ri Pu Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	40,000 40,000	100% 100%
Ri Yu Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	530,000 530,000	100% 100%
Dan Deng Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	150,000 150,000	100% 100%
New Century Energy Co., Ltd.	Legal representative	Yuan-Yi Hsieh	(Note 2)	100%
Ru Jing Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	200,000 200,000	100% 100%
Ri Zhi Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	800,000 800,000	100% 100%
Ri Xun Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	540,000 540,000	100% 100%
Shin Yuan Energy Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Chang He Energy Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	1,600,000 1,600,000	100% 100%

Name of enterprises	Title	Name or representative	Shares held	
			Number of shares	Shareholding ratio
Xiang Heng Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	3,900,000 3,900,000	100% 100%
Yin Deng Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Wen Deng Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	5,000,000 5,000,000	100% 100%
Yunn Deng Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	1,500,000 1,500,000	100% 100%
Xin Sheng Energy Develop Co., Ltd.	Chairman Director Director Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1) Yen-Kai Liao (Note 1) Wei-Pin Huang (Note 1)	200,000 200,000 200,000 200,000	100% 100% 100% 100%
HB O&M Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	3,000,000 3,000,000	100% 100%
Titan Asset Management Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Star Exchange Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	2,000,000 2,000,000	100% 100%
Star Energy Storage Solutions Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Vacancy	16,000,000 -	80% -
Star Charger Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	1,000,000 1,000,000	100% 100%
Ri Fu Green Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	260,000 260,000	100% 100%
Daybreak FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	60,000 60,000	100% 100%
Tian Hua FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Tian Fang FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Tian Tai FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Tian Jie FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Tian Xi FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Tian Hui FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Tian Yi	Chairman	Yuan-Yi Hsieh (Note 1)	10,000	100%

Name of enterprises	Title	Name or representative	Shares held	
			Number of shares	Shareholding ratio
FisheryTech Co., Ltd.	Supervisor	Shih-Chang Chou (Note 1)	10,000	100%
Tian Cheng FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Tian Dong FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Tian Chang FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Tian Yu FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Tian Yong FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Tian Hong FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Tian Sheng FisheryTech Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	10,000 10,000	100% 100%
Star Aquaculture Co., Ltd.	Chairman Director Director Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1) Yen-Kai Liao (Note 1) Wei-Pin Huang (Note 1)	900,000 900,000 900,000 -	90% 90% 90% -
Star Energy Storage Co., Ltd.	Chairman Director Director Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1) Yen-Kai Liao (Note 1) Wei-Pin Huang (Note 1)	102,000 102,000 102,000 102,000	100% 100% 100% 100%
Huiju Energy Co., Ltd.	Chairman Director Director Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1) Vacancy Wei-Pin Huang (Note 1)	10,296,000 10,296,000 - -	99% 99% - -
Ying Fa Energy Co., Ltd.	Chairman Supervisor	Yuan-Yi Hsieh (Note 1) Shih-Chang Chou (Note 1)	99,000 -	99% -

Note 1: Representative of HD Renewable Energy Co., Ltd.
Note 2: Limited company without issued shares

(VI) Overview of affiliated enterprise’s operations

Unit: NT$1,000; New Taiwan dollars;

Name of enterprises	Capital amount	Total assets	Total liabilities	Net value	Operating income	Business interests	Current profit and loss (After tax)	Earnings per share (NT$) (Post-tax)
You Deng Green Co., Ltd.	400	283	-	283	-	-	-	(0)

Name of enterprises	Capital amount	Total assets	Total liabilities	Net value	Operating income	Business interests	Current profit and loss (After tax)	Earnings per share (NT$) (Post-tax)
Ri Lu Green Co., Ltd.	2,500	16,878	13,314	3,563	2,091	549	221	(1)
Ri Chen Green Co., Ltd.	600	397	0	397	0	0	0	(0)
Ri Wei Green Co., Ltd.	10,000	78,697	66,096	12,602	3,415	546	80	(0)
Ri Xi Green Co., Ltd.	5,000	286	0	286	0	0	0	(0)
Ri Pu Green Co., Ltd.	400	281	0	281	0	0	0	(0)
Ri Yu Green Co., Ltd.	5,300	5,149	0	5,149	0	(16)	(13)	(0)
Dan Deng Green Co., Ltd.	1,500	1,368	0	1,368	115	(18)	(18)	(0)
Fang Deng Green Co., Ltd.	8,500	8,389	28	8,361	-	(51)	(51)	(0)
New Century Energy Co., Ltd.	10,000	9,979	183	9,797	0	(164)	(163)	Not applicable
Ru Jing Green Co., Ltd.	2,000	1,553	0	1,553	(1,356)	0	1	0
Ri Zhi Green Co., Ltd.	8,000	7,816	185	7,632	-	(144)	(148)	(0)
Ri Xun Green Co., Ltd.	5,400	9,856	4,791	5,065	0	(30)	(233)	(0)
Zhong Fang Green Co., Ltd.	1,000	1,020	71	949	-	(37)	(37)	(0)
Ren Hua Green Co., Ltd..	1,000	965	0	965	-	(19)	(21)	Not applicable
Shin Yuan Energy Co., Ltd.	100	59	0	59	0	(18)	(18)	(2)
Chang He Energy Co., Ltd.	5,100	8,531	11,605	(3,074)	(27)	(1,241)	(1,323)	(1)
Xiang Heng Green Co., Ltd.	39,000	36,344	154	36,189	-	(185)	(207)	(0)
Yin Deng Green Co., Ltd.	100	41	-	41	-	(0)	(0)	(0)

Name of enterprises	Capital amount	Total assets	Total liabilities	Net value	Operating income	Business interests	Current profit and loss (After tax)	Earnings per share (NT$) (Post-tax)
Wen Deng Green Co., Ltd.	50,000	51,325	1,852	49,473	-	(188)	(423)	(0)
Yunn Deng Green Co., Ltd.	15,000	16,186	1,967	14,220	-	(205)	(233)	(0)
Xin Sheng Energy Develop Co., Ltd.	2,000	2,101	1,211	890	-	(150)	(151)	(1)
HB O&M Co., Ltd.	30,000	52,082	15,674	36,408	54,169	19,973	18,606	6.2
Titan Asset Manageme nt Co., Ltd.	100	15	-	15	-	-	(1)	(0)
Star Exchange Co., Ltd.	20,000	22,307	1,940	20,368	1,359	1,101	863	0
Star Energy Storage Solutions Co., Ltd.	200,000	702,060	507,659	194,401	-	(5,566)	(5,576)	(0)
Star Charger Co., Ltd.	10,000	9,281	272	9,009	99	(970)	(978)	(1)
Ri Fu Green Co., Ltd.	2,600	2,466	0	2,466	0	(35)	(34)	(0)
Daybreak FisheryTec h Co., Ltd.	600	438	41	397	0	(161)	(203)	(3)
Tian Hua FisheryTec h Co., Ltd.	100	73	0	73	0	(27)	(27)	(3)
Tian Fang FisheryTec h Co., Ltd.	100	74	0	74	0	(26)	(26)	(3)
Tian Tai FisheryTec h Co., Ltd.	100	74	0	74	0	(26)	(26)	(3)
Tian Jie FisheryTec h Co., Ltd.	100	74	0	74	0	(26)	(26)	(3)
Tian Xi FisheryTec h Co., Ltd.	100	74	0	74	0	(26)	(26)	(3)
Tian Hui FisheryTec h Co., Ltd.	100	74	0	74	0	(26)	(26)	(3)
Tian Yi FisheryTec h Co., Ltd.	100	73	0	73	0	(27)	(27)	(3)
Tian Cheng FisheryTec	100	74	0	74	0	(26)	(26)	(3)

Name of enterprises	Capital amount	Total assets	Total liabilities	Net value	Operating income	Business interests	Current profit and loss (After tax)	Earnings per share (NT$) (Post-tax)
h Co., Ltd.								
Tian Dong FisheryTech Co., Ltd.	100	74	0	74	0	(26)	(26)	(3)
Tian Chang FisheryTech Co., Ltd.	100	73	0	73	0	(27)	(27)	(3)
Tian Yu FisheryTech Co., Ltd.	100	74	0	74	0	(26)	(26)	(3)
Tian Yong FisheryTech Co., Ltd.	100	74	0	74	0	(26)	(26)	(3)
Tian Hong FisheryTech Co., Ltd.	100	73	0	73	0	(27)	(27)	(3)
Tian Sheng FisheryTech Co., Ltd.	100	74	0	74	0	(26)	(26)	(3)
Star Aquaculture Co., Ltd.	10,000	9,885	836	9,049	0	(953)	(951)	(1)
Star Energy Storage Co., Ltd.	1,020	1,008	22	986	0	(35)	(34)	(0)
Huiju Energy Co., Ltd.	134,000	127,153	25,537	101,616	45,445	(288)	(2,247)	(0)
Ying Fa Energy Co., Ltd.	1,000	1,000	123	877	0	(123)	(123)	(1)

II. In the most recent fiscal year and as of the date of publication of the annual report, the handling of private securities: No such situation.

III. The situation of subsidiaries holding or disposing of the Company’s shares in the most recent year and as of the date of printing of the newspaper: No such situation.

IV. Other necessary supplementary description: None.

V. In the most recent fiscal year and up to the date of publication of the annual report, if any of the events set forth in Paragraph 2, Item 3 Article 36 of the Securities and Exchange Act has a significant impact on shareholders’ equity or securities prices: No such situation.

Appendix I

2022 Audit Committee's Report

HD Renewable Energy Co., Ltd.

2022 Audit Committee's Audit Report

The Board of Directors of HD Renewable Energy Co., Ltd. has prepared the Company's 2022 financial statements which has been audited by CPAs Chien-Hui Lu and Hai-Ning Huang from KPMG Taiwan. The Business Report, Financial Statements, and the earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of HD Renewable Energy Co., Ltd. According to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

HD Renewable Energy Co., Ltd.

Audit Committee convener: Liang-Yu Chang

March 2, 2023

Appendix II

HD Renewable Energy Co., Ltd.

2022 Consolidated Financial Report with Independent Auditors' Report

Stock Code:6873

HD Renewable Energy Co., Ltd. and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021

Address: F5, No. 35, Dexing West Road, Shilin District, Taipei City 111
Telephone: (04)2255-8858

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Representation Letter

The entities that are required to be included in the combined financial statements of HD Renewable Energy Co., Ltd. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements," as endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, HD Renewable Energy Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: HD Renewable Energy Co., Ltd.
Chairman: Yuan-Yi Xie
Date: March 2, 2023

Independent Auditors' Report

To the Board of Directors of HD Renewable Energy Co., Ltd. :

Opinion

We have audited the consolidated financial statements of HD Renewable Energy Co., Ltd. (the "Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, 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 significant 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission ("FSC") of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

The revenue recognition from construction projects

Please refer to note 4(17) "Revenue recognition" for accounting policy on revenue recognition, note 5 for details on related accounting estimation and uncertainty of assumption, and note 6(21) "Revenues from contracts with customers" for relevant explanation.

Description of key audit matter:

The Group recognize its revenue by using the percentage of completion method. The completion level is based on the cost for each contract at year-end. The management will re-evaluate the cost if the total budget had significantly increased or decreased, and will recalculate the percentage of completion in accordance with the adjusted cost. The accuracy of the construction contract revenue may be affected by the completion level and appropriateness of the estimation of total budget cost. Thus, we considered the recognition of revenue as the key matters of our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: Understanding and testing the internal control procedures for the operating revenue and receipt cycle to assess whether there are any defects and irregularities of internal control systems; reviewing material contracts to understand the specific terms and risks of each contract; comparing the actual construction costs and the estimated construction costs to evaluate rationality of the estimation method used; sampling relevant vouchers and supporting documentation of selected cases for confirming that the amount of inputs used to calculate the degree of completion of the project in the current period has been properly accounted for; to assess whether the revenue recognition policy is in compliance with the requirements of the statement; and to assess whether the Group's revenue recognition policy is in compliance with the related accounting standard and revenue information is properly disclosed.

Other Matter

The Company has prepared its parent company only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRs, IASs, IFRC, SIC endorsed and issued into effect by the 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

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 auditor's 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 Group’s internal control.

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 Group’s ability to continue as a going concern. 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 disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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 the consolidated financial statements for the year ended December 31, 2022 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 audit resulting in this independent auditors' report are Chien-Hui Lu and Hai-Ning Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 2, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its 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 accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

HD RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 1,964,028	32	823,017	26
1140	Current contract assets (notes 6(21) and 7)	636,983	11	720,894	23
1170	Notes and accounts receivable, net (notes 6(3))	35,931	1	94,247	3
1180	Accounts receivable due from related parties, net (notes 6(3) and 7)	16,296	-	23,904	1
1210	Other receivables due from related parties, net (note 7)	8,031	-	-	-
130X	Total inventories (note 6(4))	196,675	3	29,257	1
1401	Current consumable biological assets	1,823	-	-	-
1421	Prepayments to suppliers (note 7)	250,445	4	43,318	1
1470	Other current assets (notes 6(10) and 8)	1,278,291	21	678,561	22
		4,388,503	72	2,413,198	77
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(2))	35,000	1	-	-
1550	Investments in equity-accounted investees (notes 6(5), and 7)	529,757	9	227,341	7
1960	Non-current prepayments for investments (note 6(5))	-	-	20,000	1
1600	Property, plant and equipment (note 6(7) and 8)	692,583	11	270,071	8
1755	Right-of-use assets (notes 6(8), and 8)	66,792	1	24,298	1
1780	Intangible assets (note 6(9))	23,014	-	34,863	1
1840	Deferred tax assets (note 6(19))	64,510	1	22,998	1
1990	Other non-current assets (notes 6(10), 7 and 8)	300,708	5	137,290	4
		1,712,364	28	736,861	23
	Total assets	**$ 6,100,867**	**100**	**3,150,059**	**100**

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(11))	$ 287,671	5	279,111	9
2119	Short-term notes and bills payable (note 6(12))	29,932	-	-	-
2130	Current contract liabilities (notes 6(21) and 7))	566,984	9	316,231	10
2151	Notes and accounts payable	583,409	10	509,616	16
2180	Accounts payable to related parties (note 7))	469,235	8	37,870	1
2201	Salaries and bonus payable (note 6(22))	114,603	2	39,723	1
2220	Other payables to related parties (note 7)	8,469	-	203	-
2230	Current tax liabilities	205,423	3	128,613	4
2280	Current lease liabilities (notes 6(14) and 7)	17,599	-	6,756	-
2399	Other current liabilities (note 6(15) and 7)	141,546	2	20,297	2
2322	Long-term borrowings, current portion (notes 6(13) and 8)	13,543	-	40,254	1
		2,438,414	39	1,378,674	44
	Non-Current liabilities:				
2540	Long-term borrowings (notes 6(13) and 8)	185,106	3	88,493	3
2580	Non-current lease liabilities (note 6(14))	45,303	1	17,843	-
2670	Other non-current liabilities (notes 6(15) and 7)	37,338	1	22,459	1
		267,747	5	128,795	4
	Total liabilities	2,706,161	44	1,507,469	48
	Equity (notes 6(16) and (17)):				
	Ordinary shares:				
3110	Ordinary share	850,000	14	700,000	22
3200	Capital surplus	1,745,474	29	660,619	21
	Retained earnings:				
3310	Legal reserve	61,041	1	44,560	1
3350	Unappropriated retained earnings	697,441	11	237,011	8
		758,482	12	281,571	9
	Total equity attributable to shareholder of the Company:	3,353,956	55	1,642,190	52
36XX	Non-controlling interests	40,750	1	400	-
	Total equity	3,394,706	56	1,642,590	52
	Total liabilities and equity	**$ 6,100,867**	**100**	**3,150,059**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

HD RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenue** (notes 6(21) and 7)	$ 5,060,371	100	2,680,010	100
5000	**Operating costs** (notes 6(4), (22), 7 and 12)	3,718,799	73	2,264,114	85
	Gross profit	1,341,572	27	415,896	15
5910	Unrealized profit (loss) from sales	(195,038)	(4)	(39,890)	(1)
	Realized gross operating profit	1,146,534	23	376,006	14
6000	**Operating expenses** (notes 6(22), 7 and 12)**:**				
6100	Selling expenses	42,242	1	32,545	1
6200	Administrative expenses	243,511	5	115,366	5
6300	Research and development expenses	15,463	-	4,748	-
6450	Expected credit impairment loss (note 6(3))	-	-	647	-
	Total operating expenses	301,216	6	153,306	6
	Net operating income	845,318	17	222,700	8
	Non-operating income and expenses:				
7100	Interest income (notes 6(23) and 7))	2,640	-	288	-
7010	Other income (notes 6(24) and 7)	10,346	-	2,126	-
7020	Other gains and losses, net (notes 6(25))	(39,519)	(1)	(2,522)	-
7050	Finance costs (note 6(26))	(14,372)	-	(5,447)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (note 6(5))	8,082	-	1,586	-
	Total non-operating income and expenses	(32,823)	(1)	(3,969)	-
	Profit before tax	812,495	16	218,731	8
7951	Less: Income tax expense (note 6(19))	164,343	3	52,250	2
	Profit for the year	648,152	13	166,481	6
8300	**Other comprehensive income**	-	-	-	-
	Total comprehensive income	**$ 648,152**	**13**	**166,481**	**6**
	Profit (loss), attributable to:				
	Owners of parent	$ 650,106	13	165,283	6
	Non-controlling interests	(1,954)	-	1,198	-
		$ 648,152	**13**	**166,481**	**6**
	Comprehensive income attributable to:				
	Owners of parent	$ 650,106	13	165,283	6
	Non-controlling interests	(1,954)	-	1,198	-
		$ 648,152	**13**	**166,481**	**6**
	Earnings per share (NT dollar) (note 6(20))				
	Basic earnings per share	**$**	**8.18**		**3.02**
	Diluted earnings per share	**$**	**7.99**		**2.99**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

HD RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to owners of parent							
			Retained earnings					
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total	Total equity attributable to owners of parent company	Non-controlling interests	Total equity
Balance at January 1, 2021	$ 500,000	1,542	25,426	191,340	216,766	718,308	(798)	717,510
Profit for the year	-	-	-	165,283	165,283	165,283	1,198	166,481
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	165,283	165,283	165,283	1,198	166,481
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	19,134	(19,134)	-	-	-	-
Cash dividends distributed to shareholder	-	-	-	(100,000)	(100,000)	(100,000)	-	(100,000)
Capital increase by cash and compensation costs recognized for reserve of employee subscription	180,000	585,577	-	-	-	765,577	-	765,577
Exercise of employee share options	20,000	73,500	-	-	-	93,500	-	93,500
Effect of long-term equity investment recognized in disproportionate shareholding	-	-	-	(478)	(478)	(478)	-	(478)
Balance at December 31, 2021	700,000	660,619	44,560	237,011	281,571	1,642,190	400	1,642,590
Profit (loss) for the year	-	-	-	650,106	650,106	650,106	(1,954)	648,152
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	650,106	650,106	650,106	(1,954)	648,152
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	16,481	(16,481)	-	-	-	-
Cash dividends distributed to shareholder	-	-	-	(170,000)	(170,000)	(170,000)	-	(170,000)
Capital increase by cash and compensation costs recognized for reserve of employee subscription	150,000	1,084,653	-	-	-	1,234,653	-	1,234,653
Effect of long-term equity investment recognized in disproportionate shareholding	-	202	-	(3,195)	(3,195)	(2,993)	2,264	(729)
Changes in non-controlling interests	-	-	-	-	-	-	40,040	40,040
Balance at December 31, 2022	**$ 850,000**	**1,745,474**	**61,041**	**697,441**	**758,482**	**3,353,956**	**40,750**	**3,394,706**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

HD RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 812,495	218,731
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	35,750	24,268
Amortizations expense	3,547	1,917
Interest expense	14,372	5,447
Interest income	(2,640)	(288)
Impairment loss intangible assets	28,985	-
Share-based payments	4,653	11,077
Share of profit (loss) of equity-accounted subsidiaries,associates and joint ventures	(8,082)	(1,586)
Gains on disposals of property, plant and equipment	-	(9)
Loss allowance for write-down of inventories	392	-
Gains on disposals of investments	(1,837)	(1,326)
Gains on lease adjustments	(6)	-
Expected credit impairments loss	-	647
Unrealized losses from inter-company sale transactions	195,038	39,890
Adjustment for other non-cash-related losses, net	-	4,762
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	112,553	(70,138)
Contract assets	83,911	(248,223)
Other receivables (including related parties)	(26,856)	-
Inventories	(167,810)	12,436
Prepayments to suppliers	(207,127)	-
Other operating assets	(464,212)	(303,648)
Contract liabilities	250,753	218,738
Notes and accounts receivable (including related parties)	547,570	(93,729)
Other payable to related parties	4,600	203
Other operating liabilities	166,777	19,584
Total adjustments	570,331	(379,978)
Cash inflow (outflow) generated from operations	1,382,826	(161,247)
Interest received	2,635	288
Dividends received	1,083	115
Interest paid	(14,152)	(5,491)
Income taxes paid	(130,161)	(21,752)
Net cash flows from (used in) operating activities	1,242,231	(188,087)

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

HD RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(35,000)	-
Acquisition of equity-accounted investments	(709,903)	(70,300)
Proceeds from disposal of equity-accounted investments	175,771	-
The inward remittance of prepayments for investments	20,000	-
Net cash flow from acquisition of subsidiaries (excluding cash receipt)	(102,752)	-
Proceeds from disposal of subsidiaries (excluding cash of subsidiaries)	264,312	19,819
Refunds from capital reduction of equity-accounted investments	532	1,059
Acquisition of property, plant and equipment	(559,083)	(87,964)
Proceeds from disposals of property, plant and equipment	2,476	61
Increase in refundable deposits	(138,615)	(4,449)
Acquisition of intangible assets	(19,637)	(1,780)
Increase in other non-current assets	(9,850)	3,416
Restricted bank deposits increase	(103,520)	(69,730)
Net cash flows from (used in) investing activities	(1,215,269)	(209,868)
Cash flows from (used in) financing activities:		
Poceeds from short-term borrowings	1,771,515	624,427
Repayments of short-term borrowings	(1,765,395)	(406,611)
Increase in short-term notes and bills payable	29,712	-
Proceeds from long-term borrowings	115,836	180,151
Repayments of long-term borrowings	(45,934)	(217,245)
Decrease in guarantee deposits received	-	(20,000)
Decrease in other payables to related parties	(76,288)	-
Payments of lease liabilities	(15,346)	(8,684)
Cash dividends paid	(170,000)	(100,000)
Issuance of shares for cash capital increase	1,230,000	764,000
Exercise of employee share options	-	84,000
Change in non-controlling interests	39,949	-
Net cash inflows from financing activities	1,114,049	900,038
Increase in cash and cash equivalent	1,141,011	502,083
Cash and cash equivalents at beginning of period	823,017	320,934
Cash and cash equivalents at end of period	$ 1,964,028	823,017

See accompanying notes to consolidated financial statements.

1. Company history

HD Renewable Energy Co., Ltd. ("HD" or the "Company") was incorporated in May 16, 2016 under the approval of Ministry of Economic Affair, Republic of China (R.O.C). The address of the Company's registered office is F5, No. 35, Dexing West Road, Shilin District, Taipei City 111. The shares of the Company were first publicly issued through Taipei Exchange in R.O.C on November 3, 2021 and were approved for trading over the emerging stock board of the Center on December 28, 2021. The Company's application for the listing of its shares on the Taiwan Innovation Board has been examined and approved by the Taiwan Stock Exchange Corporation on December 12, 2022.

The main activities of the Company and its subsidiaries (together reforred to as the "Group") are the development, design, engineering and maintenance services of various solar power stations, asset management services, aquaculture management and intelligent energy services.

2. Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 2, 2023.

3. New standards, amendments and interpretations adopted:

(1) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already 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, 2022:

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

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

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

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

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"
- IFRS 16 "Requirements for Sale and Leaseback Transactions"

4. Summary of significant accounting policies:

The significant accounting policies applied in the preparation of these consolidated financial statements are summarized as below. Except for those specifically indicated, the significant accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as "the Regulations") and IFRSs, International Accounting Standards, IFRIC Interpretation, and SIC Interpretations endorsed and issued into effect by the FSC.

(2) Basis of preparation

A. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

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 Dollar ("NTD"), which is the Group's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(3) Basis of consolidation

A. Principles of preparation of the consolidated financial statements

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

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

Subsidiaries' financial statements are adjusted to align the accounting policies with these of the Company.

Changes in the Group's ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the adjustment of the non controlling interest and the fair value of the paid or received is recognized in equity and attributed to the shareholders of HD.

B. List of subsidiaries included in the consolidated financial statements

			Percentage of Ownership	
Invested Name	**Name of Subsidiary**	**Principal activity**	**December 31, 2022**	**December 31, 2021**
The Company	HB Renewable Technology Co., Ltd. (HB)	Energy technology service	100%	100%
The Company	He Shuo Agriculture Co., Ltd. (He Shuo)	Energy technology service	Note 13	100%
The Company	Daybreak Fishery Management Consultants Co., Ltd. (DFM)	Energy technology service	Note 6	60%
The Company	Dan Deng Green Energy Co., Ltd. (Dan Deng)	Energy technology service	100%	100%
The Company	Yunn Deng Green Energy Co., Ltd. (Yunn Deng)	Energy technology service	100%	100%
The Company	Fang Deng Green Energy Co., Ltd. (Fang Deng)	Energy technology service	Note 4	100%
The Company	Titan Asset Management Co., Ltd. (Titan Asset)	Energy technology service	100%	100%
The Company	You Deng Green Energy Co., Ltd. (You Deng)	Energy technology service	100%	100%
The Company	Wen Deng Green Energy Co., Ltd. (Wen Deng)	Energy technology service	100%	100%

			Percentage of Ownership	
Invested Name	Name of Subsidiary	Principal activity	December 31, 2022	December 31, 2021
The Company	Yun Deng Green Energy Co., Ltd. (Yun Deng)	Energy technology service	40% Note 12	100%
The Company	Yin Deng Green Energy Co., Ltd. (Yin Deng)	Energy technology service	100%	100%
The Company	Ri Chen Green Energy Co., Ltd. (Ri Chen)	Energy technology service	100%	100%
The Company	Ri Lu Green Energy Co., Ltd. (Ri Lu)	Energy technology service	100%	100%
The Company	Ri Wei Green Energy Co., Ltd. (Ri Wei)	Energy technology service	100%	100%
The Company	Ri Zhi Green Energy Co., Ltd. (Ri Zhi)	Energy technology service	100%	100%
The Company	Ru Jing Green Energy Co., Ltd. (Ru Jing)	Energy technology service	100%	100%
The Company	Ri Xi Green Energy Co., Ltd. (Ri Xi)	Energy technology service	100%	100%
The Company	Ri Yu Green Energy Co., Ltd. (Ri Yu)	Energy technology service	100%	100%
The Company	Ri Pu Green Energy Co., Ltd.(Ri Pu)	Energy technology service	100%	100%
The Company	Ri Dun Green Energy Co., Ltd. (Ri Dun)	Energy technology service	Note 3	Note 3
The Company	Ri Xun Green Energy Co., Ltd. (Ri Xun)	Energy technology service	100%	100%
The Company	Ri Fa Green Energy Co., Ltd. (Ri Fa)	Energy technology service	40% Note 8	100%
The Company	Star Exchange Co., Ltd. (Star Exchange)	Energy technology service	100%	100%
The Company	Shin De Co., Ltd. (Shin De)	Energy technology service	Note 13	100%
The Company	Xiang Heng Green Energy Co., Ltd. (Xiang Heng)	Energy technology service	100%	100%
The Company	Zhong Fang Green Energy Co., Ltd. (Zhong Fang)	Energy technology service	Note 4	100%
The Company	Da Fu Energy Co., Ltd. (Da Fu)	Energy technology service	Note 2	Note 2
The Company	Ren Hua Green Energy Co., Ltd. (Ren Hua)	Energy technology service	Note 4	100%
The Company	New Century Energy Co., Ltd. (New Century)	Energy technology service	100%	100%
The Company	Chang He Energy Co., Ltd. (Chang He)	Energy technology service	100%	100%

			Percentage of Ownership	
Invested Name	**Name of Subsidiary**	**Principal activity**	**December 31, 2022**	**December 31, 2021**
The Company	Star Energy Storage Solutions Co., Ltd. (ESS)	Energy technology service	80% Note 11	100% Note 1
The Company	Shin Yuan Energy Co., Ltd. (Shin Yuan)	Energy technology service	100%	100% Note 1
The Company	Xin Sheng Energy Develop Co., Ltd. (Xin Sheng)	Energy technology service	100%	100% Note 1
The Company	Aquastar Energy Co., Ltd. (Aquastar)	Energy technology service	10% Note 7	100% Note 1
The Company	Star Charger Co., Ltd. (Star Charger)	Energy technology service	100%	100% Note 1
The Company	Star Network Data Co., Ltd. (Star Network)	Energy technology service	49% Note 9	100% Note 1
The Company	Tian Fang FisheryTech Co., Ltd. (Tian Fang)	Energy technology service	100% Note 1	-
The Company	Tian Tai FisheryTech Co., Ltd. (Tian Tai)	Energy technology service	100% Note 1	-
The Company	Tian Jie FisheryTech Co., Ltd. (Tian Jie)	Energy technology service	100% Note 1	-
The Company	Tian Xi FisheryTech Co., Ltd. (Tian Xi)	Energy technology service	100% Note 1	-
The Company	Tian Hui FisheryTech Co., Ltd. (Tian Hui)	Energy technology service	100% Note 1	-
The Company	Tian Yi FisheryTech Co., Ltd. (Tian Yi)	Energy technology service	100% Note 1	-
The Company	Tian Cheng FisheryTech Co., Ltd. (Tian Cheng)	Energy technology service	100% Note 1	-
The Company	Tian Dong FisheryTech Co., Ltd. (Tian Dong)	Energy technology service	100% Note 1	-
The Company	Tian Chang FisheryTech Co., Ltd. (Tian Chang)	Energy technology service	100% Note 1	-
The Company	Tian Yong FisheryTech Co., Ltd. (Tian Yong)	Energy technology service	100% Note 1	-
The Company	Tian Hong FisheryTech Co., Ltd. (Tian Hong)	Energy technology service	100% Note 1	-
The Company	Tian Sheng FisheryTech Co., Ltd. (Tian Sheng)	Energy technology service	100% Note 1	-
The Company	Tian Yu Aquaculture Technology Co., Ltd. (Tian Yu)	Energy technology service	100% Note 1	-

			Percentage of Ownership	
Invested Name	**Name of Subsidiary**	**Principal activity**	**December 31, 2022**	**December 31, 2021**
The Company	Tian Hua FisheryTech Co., Ltd. (Tian Hua)	Energy technology service	100% Note 1	-
The Company	Star Energy Storage Co., Ltd. (Star Engery Storage) (formerly known as Hongyuan Technology Co., Ltd.)	Energy technology service	100% Note 1	-
The Company	Star Aquaculture Co., Ltd. (Star Aquaculture)	Aquaculture	90% Note 1 and 10	-
The Company	Hui Ju Energy Co., Ltd. (Hui Ju)	Energy technology service	99% Note 5	-
The Company	Daybreak FisheryTech Co., Ltd. (DFC)	Aquaculture	100% Note 6	-
The Company	Ying Fa Energy Co., Ltd. (Ying Fa)	Energy technology service	99% Note 1	-

Note 1: The Company established ESS, Shin Yuan, Aquastar, Star Charger and Star Network in 2021; acquired 100% of equity interest in Xin Sheng in 2021; and established Tian Fang, Tian Tai, Tian Jie, Tian Xi, Tian Hui, Tian Yi, Tian Cheng, Tian Dong, Tian Chang, Tian Yong,Tian Hong, Tian Sheng, Tian Yu, Tian Hua, Star Energy Storage, Star Aquaculture and Ying Fa in 2022.

Note 2: The Company disposed all of its equity interest in Da Fu in August 2021; therefore Da Fu has not been a consolidated entity of the Group since September 2021.

Note 3: The Company disposed all of its equity interest in Ri Dun in December 2021; therefore Ri Dun has not been a consolidated entity of the Group since January 2022.

Note 4: The Company disposed of Fang Deng, Zhong Fang and Ren Hua in March 2022; therefore Fang Deng, Zhong Fang and Ren Hua has not been consolidated entities of the Group since April 2022.

Note 5: The Company acquired 50% and 49% of equity interest in Huiju in May and June 2022, respectively. Huiju became a consolidated entity after the Company obtained more than half of the director seats in June 2022.

Note 6: In December 2021, The Group engaged in capital reduction due to spin-off its investment in DFM and proposed to establish DFC. The Company acquired the remaining 40% of equity interest of the two companies above from shareholders in June 2022. The registrations of capital reduction in the DFM and the spin-off of the DFC were completed on July 13, 2022. The Company disposed all of its equity interest in DFM in September 2022. DFM has not been a consolidated entity of The Group since October 2022.

Note 7: The Company subscribed for the cash capital increase of Aquastar in June 2022 not in proportion to its shareholding, resulting in a reduction of its shareholding from 100% to 10%; therefore Aquastar has not been a consolidated entity of the Group since July 2022.

Note 8: The Company subscribed for the cash capital increase of Ri Fa in August 2022 not in proportion to its shareholding, resulting in a reduction of its shareholding from 100% to 40%, and therefore Ri Fa has not been a consolidated entity of the Group since September 2022.

Note 9: The Company subscribed for the cash capital increase of Star Network in September 2022 not in proportion to its shareholding, resulting in a reduction of its shareholding from 100% to 49%; therefore Star Network has not been a consolidated entity of The Group since October 2022.

Note 10: The Company did not subscribe for the cash increase of Star Aquaculture in proportion to its shareholding in November 2022, resulting in a reduction of its shareholding from 100% to 90%.

Note 11: The Group did not subscribe for the cash increase of ESS in proportion to its shareholding in December 2022, resulting in a reduction of its shareholding from 100% to 80%.

Note 12: The Group subscribed for the cash capital increase of Yun Deng in September 2022 not in proportion to its shareholding, resulting in a reduction of its shareholding from 100% to 40%; therefore Yun Deng has not been a consolidated entity of the Group since January 2023.

Note 13: Since the Company disposed all of its equity interests in He Shuo and Shin De in December 2022, He Shuo and Shin De has not been consolidated entities of The Group since January 2023.

C. List of subsidiaries excluded in the consolidated financial statements: None

(4) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year adjusted for the effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Exchange differences of monetary items are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(5) Classification of current and non-current assets and liabilities

The assets and liabilities relating to the project contract are classified as current or non-current on the basis of a business cycle (usually one to two years), with the remaining assets and liabilities divided by the following sub-criteria:

An asset is classified as current when any one of the following criteria is met; Assets are not classified as current are non-current assets.

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 the purpose of trading;

C. It is expected to be realized within twelve months after the reporting date; or

D. The asset is cash or a cash equivalent unless the asset is 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 are classified as non-current.

A. It is expected to be settled in its normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is expected to be realized within twelve months after the reporting period; or

D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. 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. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(7) Financial instruments

Accounts receivable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is recognized as financial assets measured at amortized cost. The Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

i. It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

ii. 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 initial recognition amount deduct the cumulative amortization using the effective interest method and adjusted for any loss allowance. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets at amortized cost, including cash and cash equivalents, receivables, other receivables, refundable deposits and other financial assets, etc., and contract assets.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group’s historical experience and informed credit assessment as well as forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial aset to be in default when the financial asset is more than 360 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls, i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. An evidence that a financial assets is credit-impaired includes the following observable data:

- Discount for significant financial difficulty of the borrower or issuer:
- a breach of contract such as a default or being more than 360 days past due;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(c) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

When the Group enters into transactions whereby it transfers assets but retains either all or substantially all of the risks and rewards of the assets, the transferred assets are not derecognized from statement of balance sheet.

B. Financial liabilities

(a) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and 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 foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(b) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire.

The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(c) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(8) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using of income weighted average method, and includes necessary Cost incurred in bringing them to their existing location and condition.

Net realizable value is the estimated the risk selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories transferred from biological assets is its fair value less costs to sell at the date of harvest.

(9) Biological assets

Biological assets are measured at their fair value less cost to sell at the original recognition and subsequent financial reporting dates, except where fair value cannot be reliably measured. Cost to sell represents the incremental cost directly attributable to the disposal of assets, in addition to financial costs and income tax. Gains or losses arising from original recognition and subseqent changes in fair value less cost of sale of biological assets, shall be included in profit or loss in the current period in which they occur. Biological assets whose fair value cannot be reliably measured are measured at their cost less accumulated depreciation and accumulated impairment.

Biological assets are transferred to inventories at their fair value less cost to sell on the harvest date.

(10) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or join control over their financial and operating policies.

Joint venture is a joint arrangement whereby The Group and other parties agreed to share the control of the arrangement, and have rights The Group net assets of the arrangement. Also, unanimous consent from the parties sharing control is required when making decisions for the relevant activities of the arrangement.

Investments in associates The Group ventures are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates and joint ventures includes goodwill identified on acquisition, net of any accumulated impairment losses.

The statements include the Group’s share of the profit or loss and other comprehensive income of those associates and joint ventures after adjustments The Group accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate’s and joint venture’s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual controlling power.

Unrealized gains and losses resulting from transactions between The Group and an associate and joint ventures are recognized in the financial statement only to the extent of unrelated Group’s interests in the associate and join venture.

When the Group’s share of losses equals or exceeds its interests in an associate and joint venture, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent the Group has an obligation or has made payments on behalf of its associates and joint ventures.

(11) Property, plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation, and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

C. Depreciation

Depreciation is calculated on the cost of an asset, less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(a) Machinery and equipment: 3~20 years

(b) Transportation equipment: 5~8 years

(c) Office equipment: 3~6 years

(d) Other equipment: 3~5 years.

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(12) Intangible assets

A. Research and development

Expenditure arising from research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete the development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, capitalized development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Other intangible assets

Other intangible assets that are acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses.

C. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

D. Amortization

The amortized amount of an intangible asset is the cost less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives listed below from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Software: 1 to 5 years

Power supply contract: 20 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A. As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at, or before, the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(a) fixed payments, including in-substance fixed payments;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) amounts expected to be payable under a residual value guarantee; and

(d) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently 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 in the assessment regarding the 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 the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference in profit or loss for any gain or loss relating to the partial or full termination of the lease.

The Group has elected not to recognize leases for its dormitory and other, which qualifies as short-term asset leases and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. As a lessor

Lease income from operating lease is recognized in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset leased to others and recognized as an expense on the straight-line basis over the lease term.

(14) Impairment of non-financial assets

At each reporting date, The Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carring amounts of the other in the CGU on a pro rata basis.

For other assets, except for goodwill, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(15) Provisions

A provision is recognized if, as a result of a past event the Group has a present 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 finance cost.

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

The Group is subject to decommissioning obligations related to certain items of property, plant and equipment. Such decommissioning obligations are primarily attributable to clean-up costs, including deconstruction, transportation, module recover and recover costs. The unwinding of the discount based on original discount rate is recognized in profit or loss as interest expense over the periods with corresponding increase in the carrying amounts of the accrued decommissioning costs. The carrying amount of the accruals at the end of the assets' useful lives is the same as the estimated decommissioning costs.

(16) Employee benefits

A. Defined contribution plans

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

B. Short-term employee benefits

Short-term employee benefit obligations 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) Revenue recognition

A. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(a) Construction contracts

The Group enters into construction contracts to build solar power plants and site development. Because its customer gradually controls the asset as it is constructed, the Group recognizes revenue over time on the basis of the costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed amounts. The customer pays the fixed amount based on a payment schedule. The Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized 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.

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation in accordance with the construction contracts, revenue is recognize only to the extent of contract costs incurred that it is expected to be recovered.

A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(b) Revenue from service rendered

The Group provides advisory and maintenance services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the rendered services to date as a proportion of the total estimated rendered services of the transaction. In cases of fixed price contracts, the customer pays the fixed amount based on a payment schedule.

(c) Sales revenue

Revenue is recognized when the control over a product has been transferred to the customer. The transfer of control refers to the product has been delivered to and accepted by the customer without remaining performance obligations from the Group. Delivery occurs when the product has been shipped to the specified location and the risk of loss over the product has been transferred to the customer, as well as when the product has been accepted by the customer according to the terms of sales contract, or when the Group has objective evidence that all criteria for acceptance have been satisfied.

(d) Revenue from power generation

Revenue from the sale of electricity is recognized after the transmission of electricity through the power grid and calculated at the rates agreed with Taiwan Power Company.

(e) Revenue from sales of power wheeling

Revenue from sales of power wheeling is recognized after the purchase of electricity is delivered to customers via the grid and is recognized as revenue at the net rate agreed between the electricity purchases and the sales made to customers.

(f) Financing 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, or effect of financing components is significant. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

B. Contract costs

(a) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred, regardless of whether the contract was obtained, shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized one year or less.

(b) Costs to fulfill a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

(i) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

(ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(iii) the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfill the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(18) Share-based payment

The remuneration cost of employee share-based payment arrangements is measured based on the fair value at the date on which they are granted. The remuneration cost is recognized, together with a corresponding increase in equity, over the periods in which the employees become unconditionally entitled to the awards. The amount of the compensation cost recognized as an expense is adjusted to reflect the number of awards whose related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the fair value of the share-based payment at the grant date is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the Group and employees reach a consensus in the subscription price and number of shares.

The grant date of options for employees to subscribe new shares for a cash injection is the date when the Board of Directors approves the exercise price and the number of shares employees can subscribe.

(19) Income taxes

Income taxes comprise both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(a) the same taxable entity; or

(b) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(20) Earnings per share

Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares. The calculation of diluted earning per share is based on the profit attributable to ordinary shareholders of the Group, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all diluted potential ordinary shares, such as employee stock option issued by the Group that have not yet been approved by the board of directors and can be settled through the issuance of share.

(21) Business combination

The consideration transferred in the acquisition is measured at fair value, as are identifiable net assets acquired. Goodwill is measured as the excess of the aggregate of the fair value of consideration transferred and the amount of any non-controlling interests in the acquiree over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred and the amount of any non-controlling interests in the acquiree, after reassessing all of the assets acquired and all of the liabilities assumed being properly identified, the difference is recognized in profit or loss as a gain on bargain purchase.

Acquisition-related costs are expensed as incurred, except that the costs are related to the issue of debt or equity instruments.

Non-controlling interests in an acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation are measured, on a caseby-case basis, at either fair value or the present ownership instruments’ proportionate share in the recognized amounts of the acquiree’s net identifiable assets. All other components of noncontrolling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by TIFRSs.

In a business combination achieved in batches, the fair value of previously held equity interest in the acquiree is remeasured, on its acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. If the acquirer may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. In prior reporting periods, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the provisional amounts for the items for which the accounting is incomplete are reported in financial statements. During the measurement period, the provisional amounts are retrospectively adjusted or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

(22) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements, in conformity with the Regulations and the TIFRSs requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimations.

Information about critical judgments, estimates and assumptions in applying accounting policies that have the significant effects on the amounts recognized in the consolidated financial statements is includer in the folloeing notes:

The revenue recognition of construction projects

The profit or loss incurred is recognized based on construction stage of a contract completion measured based on the proportion of the contract cost incurred for work performed to date relative to the estimated total contract costs. The Group regularly review the reasonableness of their estimates and are affected by changes in the industrial environment and construction conditions, which may result in changes in the estimated total cost of completion, which in turn affects the amount recognized by the Group's revenue and The Group contractual assets and contractual liabilities at the end of the period. Changes in these estimates might affect the calculation of the percentage of completion and related profits from construction contracts.

The Group's management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

The Group's accounting policy and disclosure include financial and non-financial assets and liabilities measured by fair value. The Group determines fair value using the independent data sources which reflect the current market condition and confirming the data available are independent, reliable, in consistent with other sources and represent the exercisable price. The Group also periodically assesses the evaluation model, performs retrospective tests, and updates inputs with any other necessary fair value adjustment The Group evaluates model in order to ensure the reasonableness of the valuation.

The Group evaluates assets and liabilities using the observable market inputs. The different inputs of levels of fair value hierarchy in determination of fair value are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If there is any movement of financial instruments measured at fair value between Level 1, Level 2, and Level 3, the Group recognizes the movement at the reporting date. For the assumption used in fair value measurement, please refer to note 6(27) of the financial instruments.

6. Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$ 985	1,510
Demand deposits	1,962,677	809,883
Checking account deposits	103	11,388
Foreign currency deposits	263	236
	$ 1,964,028	823,017

Please refer to note 6(27) for the disclosure of credit risk and interest rate risk of the financial assets and liabilities of the financial instruments of the Group.

As of December 31, 2022 and 2021, no cash and cash equivalents were pledged with banks as collaterals.

(2) Financial assets at fair value other comprehensive income

	December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income:		
Unlisted common shares	$ 35,000	-

The purpose that the Group invests in the abovementioned equity securities is for long-term strategies, but rather for trading purpose. Therefore, those equity securities are designated as financial assets at FVTOCI.

The abovementioned investments in equity instruments designated at fair value through other comprehensive income were not pledged as collateral.

(3) Notes and accounts receivable, net (including related parties)

	December 31, 2022	December 31, 2021
Notes receivable	$ 14,490	350
Accounts receivable	22,088	94,544
Accounts receivable from related parties, net	16,296	23,904
Less: Loss allowance	(647)	(647)
	$ 52,227	118,151

The Group applies the simplified approach to provide for its loss allowance used for ECL, which permit the use of lifetime expected loss provision for its receivables. To measure the ECL, receivables have been grouped based on the shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The expected loss allowance is determined as follows:

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 40,015	0.00%	-
1 to 30 days past due	12,212	0.00%	-
	$ 52,227		-

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 88,236	0.00%	-
1 to 30 days past due	23,049	0.00%	-
31 to 60 days past due	6,627	0.00%	-
More than 180 days past due	239	0.00%	-
	$ 118,151		-

In addition, there was objective evidence indicating that, under reasonable expectation, some of the notes and accounts receivable would not be recovered in total; therefore the Group recognized a loss allowance of $647 thousand as of December 31, 2022 and 2021, respectively.

The movements in the allowance for notes and accounts receivable for the years ended December 31, 2022 and 2021 were as follows:

	For the years ended December 31,		
	2022		2021
Balance at January 1	$	647	216
Amounts written off		-	(216)
Loss allowance		-	647
Balance at December 31	$	647	647

As of December 31, 2022 and 2021 the notes and accounts receivable of the Group were not pledged as collateral.

(4) Inventories

	December 31, 2022		December 31, 2021
Module pending for construction	$	85,497	-
Power cables pending for construction		56,373	-
Steel structure pending for construction		14,582	-
Raw materials		40,223	29,257
	$	196,675	29,257

For the December 31, 2022 and 2021, the cost of inventory recognized as the cost of goods sold and expenses amounted to $3,718,799 thousand and $2,264,114 thousand, respectively. In addition, the write-down of inventories to net realizable value, which were also included in cost of good sold, amounted to $392 thousand and $0 thousand, for the years ended December 31, 2022 and 2021, respectively.

As of December 31, 2022 and 2021, the notes and accounts receivable of the Group were not pledged as collateral.

(5) Investments accounted for using equity method (including credit balance)

	December 31, 2022		December 31, 2021
Associates	$	78,642	16,121
Joint ventures		699,934	265,001
Less: Unrealized gains on the-company transaction		(248,819)	(53,781)
	$	529,757	227,341

A. Associates

Name of investor	Business Activity	Main businesses and products Place/ Company registered country	December 31, 2022 Amount	December 31, 2022 Percentage %	December 31, 2021 Amount	December 31, 2021 Percentage %
Ri Jie Green Energy Co., Ltd. (Ri Jie)	Energy technology service	Taiwan ROC	-	-	388	45
Ri Da Green Energy Co., Ltd. (Ri Da)	Energy technology service	Taiwan ROC	-	-	815	45
Ri Qing Green Energy Co., Ltd. (Ri Qing)	Energy technology service	Taiwan ROC	3,043	34	3,044	34
Ri Fa Green Energy Co., Ltd. (Ri Fa)	Energy technology service	Taiwan ROC	55,799	40	-	-
AcTek Energy Co., Ltd. (AcTek)	Energy technology service	Taiwan ROC	-	-	11,874	34
Yun Deng Green Energy Co., Ltd. (Yun Deng)	Energy technology service	Taiwan ROC	19,800	40	-	-
			$ 78,642		16,121	

The liquidations of Ri Jie and Ri Da were completed in August 2022, with the recovered investment amounting to $532 thousand and the remaining recognized as losses on disposals of investments amounting to $661 thousand, recognized in the statement of comprehensive income.

Ri Fa engaged in the cash capital increase in August 2022, and the Group invested $47,300 thousand, but the Group did not subscribe in proportion to its shareholding, resulting in the reduction of shareholding ratio from 100% to 40%, thereby losing control over Ri Fa. The shareholding previously held was deemed to be a disposal. The gain on disposal amounting to $60 thousand was recognized at fair value of that date. At the same time, the Group’s 40% equity interest in Ri Fa was transferred to investment accounted for under equity method at a fair value for loss of control, amounting to $47,960 thousand. In November 2022, the Group increased its capital by $8,000 thousand.

Yun Deng engaged in the cash capital increase in December 2022, but the Group did not subscribe in proportion to its shareholding and make a disposal, which the price was $8,000 thousand, resulting in the reduction of shareholding ratio from 100% to 40%, thereby losing control over Yun Deng. The shareholding previously held was deemed to be a disposal. The gain on disposal amounting to $219 thousand was recognized at fair value of that date. At the same time, the Group’s 40% equity interest in Yun Deng was transferred to investment accounted for under equity method at a fair value for loss of control, amounting to $19,854 thousand.

The Group acquired 34% of the shares in AcTek at $11,900 thousand December 31, 2021 and thereby gained significant influence over AcTek. The Group increased capital in AcTek by $56,100 thousand in August 2022 and disposed of its entire equity interest in AcTek in December 2022, The disposal price was $68,000 thousand and the gain on disposal was $591 thousand, which is recognized in the other comprehensive income.

For the December 31, 2021, the Group received a refund of $1,059 thousand of capital reduction refund from Ri Qing and a retained surplus of $(14) thousand offset due to changes in ownerships of associates, in addition to the transfer from prepayments for investments of $2,899 thousand upon completion of the registration procedures for shares of Ri Qing, Ri Jie and Ri Da.

The Group holds 34% to 45% of the voting rights in associates for the years ended December 31, 2022 and 2021. The remaining shares are concentrated within certain shareholders and the Group was not able to obtain more than half of the total number of director of these associates, and also not (able to obtain) more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Group does not have de facto influence on these associates.

The Group's consolidated financial information for investments accounted for using equity method that are individually insignificant was as follows:

	2021	2021
Attributable to the Group:		
Profit (loss)	$ (817)	37

B. Joint ventures

Name of investor	Business Activity	Main businesses and products Place/ Company registered country	December 31, 2022 Amount	December 31, 2022 Percentage %	December 31, 2021 Amount	December 31, 2021 Percentage %
Ri Yun Green Co., Ltd. (Ri Yun)	Energy technology service	Taiwan ROC	-	-	63,911	40
Star Power Energy Corporation (Star Power)	Energy technology service	Taiwan ROC	261,000	20	201,090	20
Aquastar Energy Co., Ltd. (Aquastar)	Energy technology service	Taiwan ROC	59,951	10	-	-
Star Network Data Co., Ltd. (Star Network)	Energy technology service	Taiwan ROC	378,883	49	-	-
			$ 699,834		265,001	

Ri Yun was established according to the joint venture agreement with third parties in 2019. The main activity of Ri Yun is energy technology service. As the Company and the other parties have joint control over Ri Yun, this investment is accounted for using the equity method. The cash capital of Ri Yun increased by $8,400　thousand was contributed by the Group December 31, 2021.

The Group acquired the remaining 60% equity interest from the other shareholders of Ri Yun on June 17, 2022 at a total investment price of $96,600 thousand, resulting in an increase in the Company's shareholding ratio from 40% to 100%, and a change in ownership that offset retained earnings, amounting to $(748) thousand. The Group sold all of its shares of Ri Yun to the Company's related party, Aquqstar at a disposal price of $161,000 thousand and received gain on disposal of $1,247 thousand on June 29, 2022.

The Group acquired 49% of shares in Ankang Data Co., Ltd. (Ankang) in August 2022 at $107,800 thousand. Then, the The parties of joint venture of Ankang was involved in the cash capital increase of the Company's subsidiary, Star Network, and acquired 51% of shares in Star Network in September 2022. Due to operation strategy, the Cpmpany and the other parties of joint venture agreed to purchase all of the shares in Ankang by Star Network. The Group disposed of all its equity interest in Ankang to Star Network at the book value of $107,771 thousand.

Star Network issued new common share for cash in September 2022, and the Group invested $107,700 thousand. However, The Group did not subscribe in proportion to its shareholding, resulting in the reduction of its shareholding ratio from 100% to 49%, thereby losing control over Star Network. The shareholding previously held was deemed to be a disposal. The gain on disposal amounting to $14 thousand was recognized at fair value of that date. At the same time, the Group’s 49% shareholding in Star Network was transferred to investment accounted for under equity method at a fair value for loss of control, amounting to $107,787 thousand. In addition, Star Network issued shares amounting to $205,800 thousand and $65,303 thousand in October and November, 2022, respectively.

Ankang, a subsidiary of Star Network planned to collaborate with other companies on the construction of the data center. The planning concept was not in line with the expectations of the Group and other companies subsequently expect to contact others for partnership. Therefore, the refund of Group's capital increase in Star Network amounting to $374,003 thousand will be processed by Ankang. Ankang issue capital reduction refund to Star Network. Then, Star Network will issue capital reduction to return such amount to the Group.

Star Power is established according to the joint venture agreement with a third party in 2020, the Group and the other party have joint control. Accordingly, this investment is accounted for using the equity method. As of December 31, 2022 and 2021, the cash capital increases amounted to $52,000 thousand and $50,000 thousand, respectively.

As the Group did not subscribe in proportion to its shareholding for the cash capital increase of Star Power in June 2021, causing a reduction from 30% to 20%, and the retained earnings of $(464) thousand was offset as a result of the change in ownership.

The consolidated financial information of significant joint ventures were as follows:

The summary of financial information of Star Power:

	December 31, 2022	December 31, 2021
Current assets	$ 158,898	223,632
Non-current assets	1,221,430	841,876
Current liabilities	(50,348)	(60,060)
Non-current liabilities	(24,482)	-
Net assets	$ 1,305,498	1,005,448
Net assets, attributable to non-controlling interests	$ 1,044,398	804,358
Net assets attributable to the owner of the investee	$ 261,100	201,090

	For the years ended December 31, 2022	2021
Operating revenue	$ 2,148	-
Profit	$ 44,953	6,106
Other comprehensive income (loss)	-	-
Total comprehensive income	$ 44,953	6,106
Comprehensive income attributable to non-controlling interests	$ 35,962	4,355
Comprehensive income attributable to owner of the investee	$ 8,991	1,751
Share of net assets of joint venture as of January 1	$ 201,090	149,803
Individual Acquisition	52,000	50,000
Dividends received during the period	(981)	-
Adjustment to the net share value of the share option is recognized not in proportion to its shareholding	-	(464)
Comprehensive income attributable to the Group	8,991	1,751
Share of net assets of joint venture as of December 31	261,100	201,090
Carrying amounts of interests in joint venture as of December 31	$ 261,100	201,090

The Group’s financial information for investments accounted for using equity method that charges are individually insignificant was as follows:

	2022	2021
Attributable to the Group		
Loss	$ (92)	(202)

As of December 31, 2022 and 2021, the investments accounted for using equity method were not pledged as collateral.

C. Prepayments for investments

The Group paid $2,899 thousand to its corporate director, Titan Solar Co., Ltd. in 2019 for the acquisition of shares in Ri Qing, Ri Jie, Ri Da and completed the statutory transfer registration process in June 2021. In addition, the Group paid an investment of $20,000 thousand in the acquisition of Apollo Aquatic Product Co., Ltd. during 2020. After receiving the permission, the Group applied to the competent authority for the approval of the project whereas legal transfer registration may only be effected after, but the two parties have terminated their co-operation and the investment funds have been recovered in June 29, 2022. As of December 31, 2022 and 2021, the investment account for under prepayments for investments due to incompletion of registration were $0 thousand, and $20,000 thousand, respectively.

(6) Loss control or acquisition of subsidiaries

A. Acquisition of subsidiary

The Group acquired 100% of the shareholdings of NFC I and II Green C Ltd. (NFC) on January 2022, for $100 thousand.

In July 2022, the Group acquired 100% of equity interest in Ri Fu Green Energy Co., Ltd. (Ri Fu) at $100 thousand and increased capital of Ri Fu by $2,500 thousand in the same month.

For business purposes, the Group acquired a total of 99% equity interest in Huiju at a cash consideration of $5,100 thousand and $4,998 thousand in May and June 2022, respectively, and the remaining 60% equity interest in Ri Yun at a cash consideration of $96,600 thousand in June 2022.

The following table summarises the fair value of identifiable assets acquired on the above acquisition date and liabilities assumed recognized at the acquisition date:

Cash and cash equivalents	$	4,146
Notes and accounts receivable, net		46,628
Other receivables due from related parties		11,959
Other current assets		40,857
Property, plant and equipment		37,163
Intangible assets		1,106
Other non-current assets		121,574
Notes and accounts payable		(70)
Other payables to related parties		(80,955)
Short-term borrowings		(2,440)
Other current liabilities		(2,516)
Long-term notes payable (including current portion)		(7,482)
Non-controlling interests		(90)
	$	169,880

In addition, the Group acquired 40% of equity interests (Ri Dong Technology Fisheries Co., Ltd., which is a director of DFM, related party, and FIRSTERA INTERNATIONAL Co., Ltd. (Firstera), the supervisor) from the shareholders of DFM for $2,000 thousand in June 2022. Therefore increasing its shareholding from 60% to 100%. The resulting change in ownership causing an offset of retained earnings amounting to $(2,467) thousand. In September 2022, it increased its capital by $6,200 thousand.

In November 2022, the Group did not subscribe for the cash capital increase in Star Aquaculture in proportion of its shareholding. The Group invested $9,000 thousand, which reduced its shareholding from 100% to 90%, generating a change in ownership which resulted in the recognition of a capital surplus amounting to $95 thousand.

In December 2022, the Group did not subscribe for the cash capital increase in ESS. in proportion of its shareholding. The Group invested $159,900 thousand, which reduced its shareholding from 100% to 80%, generating a change in ownership which resulted in the recognition of a capital surplus amounting to $107 thousand.

B. Loss control of subsidiaries

The Group disposed of 100% equity interests in Reng Hua, Zhong Fang and Fang Deng, in March 2022, and 100% equity interests in DFM in September 2022 to Star Power, the related party, respectively. The total disposal prices amounting to $14,691 thousand and total gain on disposal amounting to $0 thousand.

The Group disposed of 100% equity interest in NFC in March 2022 and 100% equity interests in He Shuo and Shin De to non-related parties in December. The total disposal price amounting to $91,751 thousand and a total gain on disposal amounting to $367 thousand, which are recognized in statement of comprehensive income.

In June 2022, the Group did not subscribe for the cash capital increase of Aquastar in proportion to its shareholding, and the Group invested $59,900 thousand, resulting in its shareholding to decrease from 100% to 10%. The Group thus losing control over it. The shareholding previously held was deemed to be a disposal. The gain on disposal amounting to $0 thousand at fair value of $78 thousand. The resulting change in ownership causing an Recognition earnings amounting to $20 thousand.

In June 2022, all of the equity interests of Ri Yun were disposed of to its related party, Aquastar Energy, as explained in note 6(5).

The Group did not subscribe to Ri Fa’s cash capital increase proportional to its original shareholding in August 2022, resulting in a reduction of the shareholding ratio from 100% to 40%, which is deemed to be a disposal, please refer to note 6(5) for more details.

The Group did not subscribe to Star Network’s cash capital increase in proportion to its original shareholding in September 2022, resulting in a reduction of the shareholding ratio from 100% to 49%, which is deemed to be a disposal. Please refer to note 6(5) for more details.

The Group did not subscribe for and dispose of the equity interest in Yun Deng in proportion to its shareholdings in December 2022, thereby reducing its shareholding from 100% to 40%. the Group lost control over Yun Deng,which is deemed to be a disposal. Please refer to note 6(5) for details.

The above gain on disposal is recognized under statement of comprehensive income.

The Group lost control on the above-mentioned subsidiaries, the carrying amounts of the assets and liabilities of the subsidiary disposed of by the Group were as follows:

Cash and cash equivalents	$	11,129
Other receivables due from related parties		11,959
Other current assets		5,506
Intangible assets		60
Property, plant and equipment		182,614
Right-of-use assets		3,692
Refundable deposits		12,130
Deferred income tax assets		1,000
Other non-current assets		117,025
Notes and Accounts payable to related parties		(42,482)
Other current liabilities		(3,853)
Current and non-current lease liabilities		(3,757)
Other non-current liabilities		(814)
	$	**294,209**

The Group disposed of 100% equity interest in Da Fu and Ri Dun to Star Power and Ji Tian Optoelectronics Co., Ltd. (Ji Tian Optoelectronics) in August and December 2021, respectively. The disposal prices were $18,000 thousand and $2,000 thousand, respectively. Gain on disposal are $1,263 thousand and $63 thousand respectively,and are recognized in. The above gain on disposal is recognized under statement of comprehensive income

(7) Property, plant and equipment

The cost, accumulated depreciation of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Costs:								
Balance at January 1, 2022	$ -	-	120,903	27,059	19,498	5,999	124,868	298,327
Additions	134,342	76,758	110,350	839	9,528	11,943	253,312	597,072
Acquisition through business combination	-	-	9,632	-	-	-	27,531	37,163
Disposal	-	-	-	(383)	-	(82)	(2,255)	(2,720)
Reclassification	212	-	56,009	-	18,333	(711)	(75,952)	(2,109)
Amount transferred out from subsidiaries of the Group	-	-	(43,377)	-	-	-	(139,792)	(183,169)
Balance at December 31, 2022	$ 134,554	76,758	253,517	27,515	47,359	17,149	187,712	744,564
Balance at January 1, 2021	$ -	-	89,183	23,232	9,342	4,177	90,387	216,321
Additions	-	-	612	3,888	10,156	1,822	74,105	90,583
Disposal	-	-	-	(61)	-	-	-	(61)
Reclassification	-	-	31,108	-	-	-	(35,870)	(4,762)
Amount transferred out from subsidiaries of the Group	-	-	-	-	-	-	(3,754)	(3,754)
Balance at December 31, 2021	$ -	-	120,903	27,059	19,498	5,999	124,868	298,327
Depreciation:								
Balance at January 1, 2022	$ -	-	11,712	7,857	5,961	2,726	-	28,256
Depreciation for the year	-	847	9,892	5,366	5,423	2,996	-	24,524
Disposal	-	-	-	(162)	-	(82)	-	(244)
Amount transferred out from subsidiaries of the Group	-	-	(555)	-	-	-	-	(555)
Balance at December 31, 2022	-	847	21,049	13,061	11,384	5,640	-	51,981
Balance at January 1, 2021	$ -	-	5,453	3,236	2,860	1,266	-	12,815
Depreciation for the year	-	-	6,259	4,630	3,101	1,460	-	15,450
Disposal	-	-	-	(9)	-	-	-	(9)
Balance at December 31, 2021	$ -	-	11,712	7,857	5,961	2,726	-	28,256
Carrying amounts:								
Balance at December 31, 2022	$ 134,554	75,911	232,468	14,454	35,975	11,509	187,712	692,583
Balance at December 31, 2021	$ -	-	109,191	19,202	13,537	3,273	124,868	270,071
Balance at January 1, 2021	$ -	-	83,730	19,996	6,482	2,911	90,387	203,506

$90 thousand out of depreciation for the year ended December 31, 2022 has been transferred into biological assets.

The Company entered into a contract in March 2022 to acquire an office in Taichung for the Group's operational development and reported to the Board of Directors in May 2022. The purchase price of land and buildings were $35,420 thousand and $68,370 thousand, respectively (before tax), the registration of ownership procedure was completed in June 2022 and the above amounts were paid in full in June 2022.

The Group acquired a parcel of land with a cost of $9,762 thousand in Hualien on June 30, 2022. Because of current legal restrictions, this land cannot be registered under the Group and was registered under the name of individuals. In order to protect the Group's rights to this land, the Group had held the ownership certificate and signed a deed of trust with these individuals, under which they are obliged to surrender their rights to the Group when required. Please refer to part J of note 7(2) for further explanation.

The purchase contract in July 2022 to purchase of part of the land in Xinsheng section of Cigu district, Tainan City was signed by the Company in July 2022 for a total price of $44,482 thousand for the future development and construction of the project. The ownership registration procedure was completed in July 2022. The above amount has been paid in full in July 2022.

The purchase of Penghu office was signed by the Company in August 2022 with the purchase prices of land and buildings amounting to $44,890 thousand and $8,295 thousand (before tax), respectively, for use as the Penghu business development office, the purchase were paid in full.

As of December 31, 2022 and 2021, the property, plant, and equipment were pledged as collateral. Please refer to note 8.

(8) Right-of-use assets

The Group leases many assets such as land, buildings and vehicles. Costs and accumulated depreciation movement about leases for which the Group as a lessee is presented below:

		Land	Buildings and Construction	Transportation equipment	Software platform	Total
Right-of-use assets, cost:						
Balance at January 1, 2022	$	7,975	20,693	5,142	-	33,810
Additions		6,557	30,112	10,784	10,332	57,785
Disposal		-	(1,119)	-	-	(1,119)
Amount transferred out from subsidiaries of the Group		(4,080)	-	-	-	(4,080)
Balance at December 31, 2022	$	10,452	49,686	15,926	10,332	86,396
Balance at January 1, 2021	$	-	16,202	5,361	-	21,563
Additions		7,975	10,452	987	-	19,414
Disposal		-	(5,961)	(1,206)	-	(7,167)
Balance at December 31, 2021	$	7,975	20,693	5,142	-	33,810

Depreciation:					
Balance at January 1, 2022	$ 410	5,801	3,301	-	9,512
Depreciation for the year	676	5,927	2,901	1,722	11,226
Disposal	-	(746)	-	-	(746)
Amount transferred out from subsidiaries of the Group	(388)	-	-	-	(388)
Balance at December 31, 2022	**$ 698**	**10,982**	**6,202**	**1,722**	**19,604**
Balance at January 1, 2021	$ -	5,098	2,763	-	7,861
Depreciation for the year	410	6,664	1,744	-	8,818
Disposal	-	(5,961)	(1,206)	-	(7,167)
Balance at December 31, 2021	**$ 410**	**5,801**	**3,301**	**-**	**9,512**
Carrying amounts:					
Balance at December 31, 2022	**$ 9,754**	**38,704**	**9,724**	**8,610**	**66,792**
Balance at December 31, 2021	**$ 7,565**	**14,892**	**1,841**	**-**	**24,298**
Balance at January 1, 2021	**$ -**	**11,104**	**2,598**	**-**	**13,702**

As of December 31, 2022 and 2021, there was no right-of-use assets pledged as collateral.

(9) Intangible assets

The cost, amortization, revaluation increments and impairment of the intangible assets of the Group for the years ended December 31, 2022 and 2021 were as follows:

	Computer software	Power supply contract	Total
Cost:			
Balance at January 1, 2022	$ 8,339	28,985	37,324
Additions	19,637	-	19,637
Amount transferred out from subsidiaries of the Group	(49)	(60)	(109)
Acquisition through business combination	-	1,106	1,106
Balance at December 31, 2022	**$ 27,927**	**30,031**	**57,958**
Balance at January 1, 2021	$ 6,669	28,985	35,654
Additions	1,780	-	1,780
Decrease	(110)	-	(110)
Balance at December 31, 2021	**$ 8,339**	**28,985**	**37,324**

		Computer software	Power supply contract	Total
Amortization:				
Balance at January 1, 2022	$	2,461	-	2,461
Amortization		3,547	-	3,547
Impairment loss		-	28,985	28,985
Amount transferred out from subsidiaries of the Group		(49)	-	(49)
Balance at December 31, 2022	$	5,959	28,985	34,944
Balance at January 1, 2021	$	654	-	654
Amortization		1,917	-	1,917
Decrease		(110)	-	(110)
Balance at December 31, 2021	$	2,461	-	2,461
Carrying amounts:				
Balance at December 31, 2022	$	21,968	1,046	23,014
Balance at December 31, 2021	$	5,878	28,985	34,863
Balance at January 1, 2021	$	6,015	28,985	35,000

The power supply contract of $28,985 thousand, an intangible asset arising from the acquisition of Yuan Chuang Green Energy Co., Ltd. (renamed to Xiang Heng Green Energy Co., Ltd.) in March 2020, was mainly attributable to the fact that the company own the right to a fishery and electricity symbiosis plant. Although its electricity preparation permit has been renewed, the Group assessed the plant construction would not be completed in time, loss of impairment is therefore recognized in full.

As of December 31, 2022 and 2021, the intangible assets of the Group were not pledged as collateral.

(10) Other current assets and other non-current assets

		December 31, 2022	December 31, 2021
Prepayments for projects	$	1,029,928	509,067
Restricted deposits－noncurrent (Note 8)		285,638	182,113
Refundable deposits		177,456	50,971
Prepaid software development fees		19,027	-
Prepayment for equipment and land purchases		16,781	15,281
Input tax and offset against future tax payable		11,913	34,574
Other		38,256	23,845
		1,578,999	815,851
Less: classified as other current assets		(1,278,291)	(678,561)
Other non-current assets	$	300,708	137,290

(11) Short-term borrowings

	December 31, 2022	December 31, 2021
Unsecured bank borrowings	$ 185,000	222,611
Secured bank loans	81,230	56,500
Borrowings of letters of credit	21,441	-
	$ 287,671	279,111
Range of interest rates at the year end	**2.2%~2.6%**	**1.6%~1.9%**

The short term secured bank borrowings as of December 31, 2022 and 2021 are small and medium enterprise credit guarantee fund of Taiwan pledged as loans for materials purchases.

Please refer to note 6(27) for the disclosure of interest risk and liquidity risk.

(12) Short-term notes and bills payable

	December 31, 2022		
	Guarantee or acceptance institution	Range of Interest rate (%)	Amount
Commercial paper payable	Mega International Commercial Bank	2.01%	$ 30,000
Less: discount			(68)
			$ 29,932

The Group’ s short-term notes payables mentioned above were not pledged as collateral .

(13) Long-term borrowings

	Loan period	December 31, 2022	December 31, 2021
Secured bank loans	2018.12~ 2042.06	$ 150,939	99,552
Unsecured bank loans	2018.12~ 2042.06	47,710	29,195
		198,649	128,747
Less: current portion		(13,543)	(40,254)
		$ 185,106	88,493
Range of interest rates at the year end		**2.18%~2.58%**	**1.95%~2.22%**

Please refer to note 6(27) for the disclosure of liquidity risk and interest risk. Refer to Note 8 for assets pledged as collateral to secure the aforementioned long-term borrowings.

(14) Lease liabilities

The carrying amounts of the Group’ s lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	$ 17,599	6,756
Non-current	$ 45,303	17,843

For the maturity analysis, please refer to Note 6(27).

The amounts of leases recognized in profit or loss were as follows:

	For the years ended December 31,	
	2022	2021
Interest expense on lease liabilities	$ 773	556
Expenses relating to short-term leases	$ 20,894	18,134

The amounts of leases recognized in the statement of cash flows for the Group was as follows:

	For the years ended December 31,	
	2022	2021
Total cash outflow for leases	$ 37,013	27,374

A. Real estate and transportation equipment leases

The Group leases houses and buildings as office premises and leases transportation equipment for terms typically run for one to three years for for the years ended December 31, 2022 and 2021, and the Group leases land as power generation site for the years ended December 31, 2022 and 2021 for a term of 20 years.

B. Other leases

The Group’ s leases on dormitory and other leases are with contract terms of 1 year or less. These leases qualify as short-term leases and low value asset leases. The Group has elected not to recognize the right of use assets and lease liabilities for these leases.

(15) Other current liabilities and other non-current liabilities

	December 31, 2022	December 31, 2021
Payable on machinery and equipment	$ 39,898	2,614
Labor fees payable	38,987	3,674
Long-term notes payable (including current portion)	7,241	-
Warranty provisions	28,405	20,657
Provision for decommissioning, restoration and rehabilitation costs	3,501	2,521
Other	60,852	13,290
Less: classified as other-current liabilities	(141,546)	(20,297)
	$ 37,338	22,459

Provision for warranty liabilities is recognized for future maintenance costs of project that may arise in the event of a future event based on their historical experience and less anticipated future risks.

Provision for decommissioning, restoration and rehabilitation costs is intended to provide for the recovery cost of the power station modules as estimated in accordance with the Regulations for the Management of Setting up Renewable Energy Power Generation Equipment by the Bureau of Energy, Ministry of Economic Affairs. These amounts are based on the scale of the power station and are recognized as a provision for liabilities based on the present value of the estimated decommissioning costs.

(16) Capital and other equity

A. Common stock

As of December 31, 2022 and 2021, the Company’ s total authorized shares of common stock amounting to $2,000,000 thousand and $1,000,000 thousand with a par value of $10 per share. Out of these shares, 85,000 thousand shares and 70,000 thousand shares, respectively, were issued and outstanding, while $100,000 thousand was reserved for employee share option certificates.

After the resolution of the Board of Director, the Company issued 15,000 thousand new shares through cash capital increase on March 28, 2022 at a price of $82 per share. The Company has adopted the share capital increase date of May 16, 2022 and has completed the registration of the change. In addition, the Company is required to recognize the remuneration cost of cash capital increase to retain the shares for employee subscription. Please note 6(17) for details.

The Company has issued new shares amounting to 150,000 thousand for the initial listing of the Company on the Taiwan Innovation Board on December 28, 2022 pursuant to a resolution of the Board of Directors with a par value of $10 per share. The Company adopted book building and public underwriting price and issued at a premium of $110 per share on February 22, 2023. The Company adopted March 2, 2023 as base date for cash capital increase.

The Board of Directors' meeting resolved to issue 16,000 thousand shares and 2,000 thousand shares on August 31, 2021 and October 15, 2021, respectively, for cash capital increase at a price of $42 and $46 per share. The Company has adopted the cash capital increase date of September 30, 2021 and November 24, 2021 and has completed the registration of the change. In addition, the Company is required to recognize the remuneration cost of cash capital increase to retain the shares for employee subscription. Please refer to note 6(17) for details.

For the December 31, 2021, the exercise of employee share option issued by the Company amounting to $84,000 thousand in total was converted into 2,000 thousand shares of common stock at $42 per share. The related registration procedures were completed during the year. All the proceeds from issuing shares were collected. In addition, the Company is required to recognize the remuneration cost of cash capital increase to retain the shares for employee subscription. Please refer to note 6(17) for details.

Reconciliation of shares outstanding for year ended December 31, 2022 and 2021 were as follows:

	Ordinary share	
	For the years ended December 31,	
	2022	**2021**
Balance at January 1	70,000	50,000
Issuance of shares for cash	15,000	18,000
Exercise of employee share options	-	2,000
Balance at December 31	85,000	70,000

B. Capital surplus

The components of capital surplus were as follows:

	December 31, 2022	**December 31, 2021**
Share capital	$ 1,745,272	660,619
The effect of long-term equity investment is not recognized in proportion to the shareholding	202	-
	$ 1,745,474	660,619

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

C. Retained earnings

In accordance with the Company's articles, if there are earnings at year end, 10 percent should be set aside as legal reserve (unless the amount in the legal reserve is already equal to or greater than the total paid-in capital). The remaining portion will be combined with earnings from prior years, and the Board of Directors can propose distribution plan to be approved by the shareholders' meeting.

The Company is in a growth phase. Based on capital expenditure, business expansion needs, and financial planning for sustainable development, the Company's dividend policy will allocate retained earnings to shareholders through stock and cash dividends in accordance with the Company's future capital expenditure budget and capital requirements. The stock dividends shall be distributed not lower than 10% to the shareholders from distributable earnings. The cash dividend ratio of such dividends shall not be less than 10% of the total dividend of the shareholders. In the event that the Company has a material investment plan and is unable to obtain other funds, the Board Directors may, upon the proposal of the Board and the resolution of the Shareholders in general meeting, not to issue cash dividends.

(a) Legal reserve

When a Company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Earnings distribution

The appropriation of earnings for the years ended December 31, 2021 and 2020 passed the resolution of general meeting of shareholders on June 30, 2022 and August 31, 2021, respectively. The amounts of dividends distributed to shareholders were as follows:

	For the years ended December 31,			
	2021		2020	
	Earnings distribution	Price per share (NTD)	Earnings distribution	Price per share (NTD)
Legal reserve	$ 16,481		19,134	-
Cash dividends paid	170,000	2.00	100,000	2.00
	$ 186,481		119,134	

The aforementioned earnings distributions did not differ from those resoluted by shareholder's general meeting in the financial statements in 2021 and 2020. The related information can be accessed from Market Observation Post System website.

Information on the approval of Board of Directors and shareholders for the Company's appropriations of earnings are available at the Market Observation Post System website.

D. Non-controlling interests

	For the years ended December 31, 2022	2021
Balance at January 1	$ 400	(798)
Equity attributable to non-controlling interests:		
Net profit (loss)	(1,954)	1,198
Acquisition through business combination	91	-
Non-controlling interests cash capital increase	41,949	-
The effect of not subscribing in proportion to the shareholding	2,264	-
Purchase of share equity held by the non-controlling interests	(2,000)	-
Balance at December 31	$ 40,750	400

(17) Share based payment

A. Employee stock options

The circumstances in which the Company issued employee share option certificates December 31, 2021 are as follows:

Categories and type	Grant date	The expected life of the option (years)	Vesting period	Units Granted (thousands of units)	Exercise price per share (NTD)
Employee stock options for 2021	2021.7.1	2021.07.1~2021.09.29	vest immrdiately	2,000	42.00

For the employee stock option plan for compensation, the estimated fair value of the options granted at $4.75 per option at the date of grant using the Black Scholes option pricing model. The remuneration cost amounting to $9,500 thousand was recognized. Weighted-average assumptions were as follows:

Fair value of common shares	$42.28
Expected price volatility	60.41%
The risk-free rate	0.12%
The expected life (years)	0.23 year

The employee options issued by the Company have been fully subscribed for as of December 31, 2021.

The Company also passed the resolution of shareholders' general meeting on June 29, 2020 to award 2,550,000 employee stock option, an unit of employee stock option is entitled to subscribe one common share of the Company. However, on June 30, 2021, the aforesaid employee share option certificates and share options policy were abolished by a resolution of the Board.

B. Cash injection reserved for employees

The Company issued 15,000 thousand shares on March 28, 2022 and 16,000 thousand shares on August 31, 2021, respectively, after passing resolution of the Board of Directors for cash capital increase; and in accordance with article 267 of R.O.C. Company Act, reserve 10%, which consist of 1,500 thousand and 1,600 thousand shares, respectively, and employees of the Company are entitled to priority in subscription. The number of shares gave up for subscription or under subscribed by employees should authorize the Chairman to contact a specific person to fully subscribe the shares at issue price.

For the December 31, 2022 and 2021, the Company recognized new shares from cash capital increase, 922 thousand shares and 332 thousand shares of these new shares issued for cash capital increase were reserved for employee subscription pursuant to article 267 of the ROC Company Act, the fair value of awarded equity interest on the grant date shall be measured in accordance with the provisions of the IFRS 2 "Share-Based Payment" at $5.05 and $4.75. The remuneration costs of $4,653 thousand and $1,577 thousand were recognized at the grant date for the year ended December 31, 2022 and 2021.

The Company adopted the Black Scholes option pricing model to evaluate the fair value of the share-based payments at the grant date. The assumptions adopted in this valuation model were as follows:

	Cash injection reserved for employees	
	For the years ended December 31,	
	2022	2021
Fair value at the grant date	5.05	4.75
Share price at the grant date	83.90	42.28
Number of options granted	922 thousand shares (note)	332 thousand shares (note)
Exercise price	82	42
The risk-free rate (%)	0.40%	0.12%

Note: Employees have declared a total of 578 thousand shares and 1,268 thousand shares to be wavied prior to the grant date.

C. Employee restricted stock option

A resolution passed on June 29, 2020, the Company's shareholders' meeting resoluted a resolution to issue 450 thousand new shares of employee restricted shares with a par value of $10 per share, amounting to total of $4,500 thousand for a valid term of one year. Grants are limited to full-time employees of the company who meet certain conditions. However, as of June 30, 2021, there was no actual issuance due to non-compliance with certain conditions and was automatically abolished after expiry date has passed.

(18) Employee benefits

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plan, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $6,257 thousand and $5,063 thousand for the years ended December 31, 2022 and 2021, respectively.

(19) Income taxes

A. Income tax expenses

The components of income tax expense (benefit) in the years 2022 and 2021 as follows:

	For the years ended December 31,	
	2022	**2021**
Current tax expense		
Current period	$ 208,747	67,937
Tax on undistributed earnings	-	3,610
Adjustment for prior years	(1,892)	(1,111)
	206,855	70,436
Deferred tax expense (benefit)		
Temporary differences	(42,512)	(18,186)
	$ 164,343	**52,250**

There were no income tax expense recognized directly in equity and other comprehensive income for the year ended December 31, 2022 and 2021.

Reconciliation of income tax and profit before tax for 2022 and 2021 is as follows:

	For the years ended December 31, 2022	2021
Profit before income tax	$ 812,495	218,731
Income tax of net profit before tax calculated at the prescribed tax rate	162,499	43,746
The Income tax effect of Permanent difference	4,666	6,005
Tax on undistributed earnings	-	3,610
Adjustment for prior years	(1,892)	(1,111)
Changes in unrecognized deferred income tax losses credit	(931)	-
Income tax expense	$ 164,342	52,250

B. Recognized deferred tax assets

Changes in the amount of deferred tax assets for 2022 and 2021 were as follows:

	January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2021	Amount transferred out from subsidiaries of the Group	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2022
Unrealized profit from sales	$ 3,379	7,733	-	11,112	-	40,882	-	51,994
Unused tax losses carryforwards	-	7,755	-	7,755	(1,000)	-	-	6,755
Other	1,433	2,698	-	4,131	-	1,630	-	5,761
	$ 4,812	18,186	-	22,998	(1,000)	42,512	-	64,510

C. Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items.

	December 31, 2022	December 31, 2021
Unused tax losses carryforwards	$ -	3,010

The ROC Income Tax Act allows tax losses, as assessed by the tax authorities, to offset taxable income over current year for local tax reporting purposes.

As of December 31, 2022, the unused loss carryforwards and related expiration years of the Group were as follows:

Year of loss	Unused tax losses	Expiry date
2022 (estimated)	$ 2,079	2032

D. Assessment of tax

The Group's tax returns for the years through 2020 were assessed by the National Taxation Bureau of R.O.C..

(20) Earnings Per Share

	For the years ended December 31, 2022	2021
Basic earnings per share:		
Net profit attributable to ordinary shareholders of the Company	$ 650,106	165,283
Weighted-average number of ordinary shares (in thousands)	79,452	54,800
Basic earnings per share (in dollars)	$ 8.18	3.02
Diluted earnings per share:		
Net profit attributable to ordinary shareholders of the Company	$ 650,106	165,283
Weighted-average number of ordinary shares (in thousands)	79,452	54,800
Add: effect of employee remuneration paid in stock	1,933	511
	81,385	55,311
Diluted earnings per share (in dollars)	$ 7.99	2.99

(21) Revenue from contracts with customers

A. Revenue from main Market Region:

	For the years ended December 31, 2022	2021
Taiwan	5,060,371	2,680,010

B. Major products/service lines:

	For the years ended December 31, 2022	2021
Construction revenue	4,850,552	2,488,844
Service revenue	181,765	141,980
Sales revenue	84	27,918
Power electric revenue	27,970	21,268
	5,060,371	2,680,010
Timing of revenue recognition:		
Revenue transferred at a point in time	142,749	125,782
Revenue recognition over time	4,917,622	2,554,228
	5,060,371	2,680,010

C. Contract balances:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract assets construction and equipment	$ 636,983	720,894	472,671
Contract liabilities construction and equipment	$ 566,984	316,231	97,493

The contract liabilities primarily relate to the advance consideration received from customers for construction contracts before the construction begins, for which revenue is recognized progressively during the constrction period.

As of January 1, 2022 included the contract liability balance at the beginning of the period were $316,231 thousand and the amount of revenue recognized was $208,377 thousand.

As of January 1, 2021 included the contract liability balance at the beginning of the period were $97,493 thousand and the amount of revenue recognized December 31, 2021 was $23,679 thousand, respectively.

The contract assets were mainly recognized revenue of work but not yet paid up at the reporting date. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

The relevant for details on accounts and notes receivable and its impairment, please refer to note 6(3).

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied by transferring ownership to the customer and the payment to be received. For the years ended December 31, 2022 and 2021, there is no significant changes.

The Group entered into a sales contract with TPK Touch Solutions Inc. for the energy storage Canbinet, PCs and energy storage management systems on December 2, 2022. The total price amounting to $2,752,108 thousand (before tax). As of December 31, 2022, 17.3% of the contract price has been received in advance at $476,115 thousand according to the contract.

D. The transaction price allocated to the outstanding performance obligations

On December 31, 2022 and 2021, the aggregate transaction price of the allocated to remaining performance obligations was $4,923,512 thousand and $3,143,499 thousand, respectively. The revenue is recognized progressively based on the progress towards complete satisfaction of contract and is expected to be completed in the next one to three years.

All consideration from contracts with customers is included in the transaction price presented above.

(22) Remuneration to employees, directors and supervisors

In accordance with the Articles of incorporation, the Company should contribute 5% to 10% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Employees of subsidiaries may also be entitled to the employee remuneration of the Company, which can be settled in the form of cash or stock.

The Company estimated its remuneration to employees amounting to $71,481 thousand and $11,980 thousand and directors' and supervisors' remuneration amounting to $8,395 thousand and $2,800 thousand for the years ended December 31, 2022 and 2021, respectively. The estimated amounts mentioned above are calculated based on the profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of the remuneration to employees and directors, as specified in the Company's article. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the December 31, 2021, the remunerations to employees and directors amounted to $11,980 thousand and $2,800 thousand, respectively. The aforementioned remuneration was no difference between the actual amounts and the amounts accrued. The related information is available on the Market Observation Post System website.

(23) Interest income

	For the years ended December 31,	
	2021	**2021**
Interest income from bank deposits	$ 2,170	237
Other interest income	470	51
	$ 2,640	**288**

(24) Other Income

	For the years ended December 31,	
	2021	**2021**
Net gain from settlement of acquisition of power plant (Note 7)	$ 6,399	-
Recovery of write off accounts	3,000	333
Rent income	-	1,576
Scraps income	-	70
Other income	947	147
	$ 10,346	**2,126**

(25) Other gains and losses

	For the years ended December 31,	
	2021	**2021**
Losses on disposals of Intangible assets (Note 6(9))	$ (28,985)	-
Foreign exchange losses	(12,167)	(7)
Gain on disposal of investments	1,837	1,326
Gain on disposal of Intangible assets	-	9
Miscellaneous disbursements	(204)	(3,850)
	$ (39,519)	**(2,522)**

(26) Finance Costs

	For the years ended December 31,	
	2021	**2021**
Interest expense on bank loans	$ 12,196	4,837
Interest expense on lease liabilities	773	556
Other	1,403	54
	$ 14,372	**5,447**

(27) Financial instruments

A. Credit risk

(a) Exposure to credit risk

The carrying amount of financial assets represent the maximum amount exposed to credit risk.

(b) Concentration of credit risk

The Group's potential credit risk is derived primarily from cash in bank, cash equivalents, restricted bank deposit and trade receivables. Also, the Group deposits cash and restricted bank deposit in good credit financial institutions. The Group manages credit risk exposure related to each financial institution and believes that there is no significant concentration of credit risk on cash and restricted bank deposits.

The Group’ s potential credit risk is derived primarily from trade receivables. The major customers of the Group are centralized in renewable energy power generation industry. To reduce the credit risk of the accounts receivable, the Group has adopted a policy assessing the financial status of the customers and the possibility of collection of receivables on a regular basis. The Group also deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default.

(c) Credit risk of receivables

For credit risk exposure of accounts receivable, please refer to note 6(3).

All of financial assets excluding the above-mentioned accounts receivable are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(7) for details on the Group determines whether credit risk is to be low risk). The loss allowance provision was determined as follows, Please refer to note 6(3) for details:

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities

	Carrying value	Contractual Cash flows	Within a year	Over 1 years
Balance at December 31, 2022				
Non-derivative financial liabilities				
Short-term borrowings	$ 287,671	289,248	289,248	-
Short-term notes payables	29,932	30,000	30,000	-
Notes and Accounts payable (including related parties)	1,052,644	1,052,644	1,052,644	-
Salary and bonus payable	114,603	114,603	114,603	-
Other payables (including related parties)	8,469	8,469	8,469	-
Lease liabilities－current and non-current	62,902	67,558	18,968	48,590
Long-term borrowings (including current portion)	198,649	235,069	18,181	216,888
	$ 1,754,870	1,797,591	1,532,113	265,478
Balance at December 31, 2021				
Non-derivative financial liabilities				
Short-term borrowings	$ 279,111	280,139	280,139	-
Notes and Accounts payable (including related parties)	547,486	547,486	547,486	-
Salary and bonus payable	39,723	39,723	39,723	-
Other payables (including related parties)	203	203	203	-
Lease liabilities－current and non-current	24,599	26,723	7,201	19,522
Long-term borrowings (including current portion)	128,747	141,500	42,561	98,939
	$ 1,019,869	1,035,774	917,313	118,461

C. Interest rate risk

The Group’s interest risk arises from the Group’s short term and long-term borrowings that bear floating interest rates. The changes in effective rate along with the fluctuation of the interest rate influence the Group’ future cash flow due to changes in effective interest rate of short term and long-term borrowings. The following sensitivity analysis is based on the risk exposure. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

The Group’s short term and long-term borrowings that bear floating interest rates. If the interest rate increases or decreases by 0.25% the Group’s net income will decrease/increase by $1,216 thousand and $1,020 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors remain constant.

D. Fair value of financial instruments

(a) Fair value hierarchy

The Group’s carrying amount and the fair value of financial assets and liabilities (including information for fair value hierarchy, but excluding financial instruments whose fair values approximate the carrying amounts, and lease liabilities), are as follows:

	December 31, 2022				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,964,028	-	-	-	-
Notes and accounts receivable (including related parties)	52,227	-	-	-	-
Other receivables－related parties	8,031	-	-	-	-
Refundable deposits	177,456	-	-	-	-
Restricted (current and non-current) deposits	285,638	-	-	-	-
	$ 2,487,380	**-**	**-**	**-**	**-**
Non-current financial assets at FVOCI	**$ 35,000**	**-**	**-**	**35,000**	**35,000**

	December 31, 2022				
	Carrying value	Fair value Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 287,671	-	-	-	-
Short-term notes payables	29,932	-	-	-	-
Notes and Accounts payable (including related parties)	1,052,644	-	-	-	-
Salary and bonus payable	114,603	-	-	-	-
Other payables (including related parties)	8,469	-	-	-	-
Lease liabilities－current and non-current	62,902	-	-	-	-
Long-term borrowings (including current portion)	198,649	-	-	-	-
	$ 1,754,870	-	-	-	-

	December 31, 2021				
	Carrying value	Fair value Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 823,017	-	-	-	-
Notes and accounts receivable (including related parties)	118,151	-	-	-	-
Refundable deposits	50,971	-	-	-	-
Restricted (current and non-current) deposits	182,113	-	-	-	-
	$ 1,174,252	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 279,111	-	-	-	-
Notes and Accounts payable (including related parties)	547,486	-	-	-	-
Salary and bonus payable	39,723	-	-	-	-
Other payables (including related parties)	203	-	-	-	-
Lease liabilities－current and non-current	24,599	-	-	-	-
Long-term borrowings (including current portion)	128,747	-	-	-	-
	$ 1,019,869	-	-	-	-

(b) Valuation technique of financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Fair value measurement for financial assets and liabilities measured at amortized cost based on the latest quoted price and agreed upon price if these prices are available in active markets. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values. The fair value is determined by using valuation techniques and calculated as the discounting value of the estimated cash flows.

The fair values of refundable deposits are based on carrying amount as there is no fixed maturity.

(c) The reconciliation of Level 3 fair values

	For the years ended December 31,	
	2022	**2021**
Financial assets at fair value through other comprehensive income－equity investments without an active market		
Beginning at January 1	$ -	-
Purchas	35,000	-
Balance at December 31	**$ 35,000**	**-**

(d) 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 fair value is financial assets at FVOCI – equity investments.

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

Quantified information regarding significant unobservable inputs are as follows:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss – equity investments without an active market	the P/B Method	• The P/B ratio of the interbank companies is 4.8 times that of December 31, 2022 • The liquidity discount of December 31, 2022 is 20	• The higher the price-book percentage, the higher the fair value

There was no transfer between the different levels of fair value hierarchy for the years ended December 31, 2022 and 2021.

(28) Financial risk management

A. Overview

The Group has exposures to the following risks from its financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Group’s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

B. Structure of risk management

The Group’s finance management department provides business services for the overall internal department, coordinating and coordinating access to financial market operations, monitors and manages the financial risks associated with the operations by analyzing the internal risk report on risk based on the degree and extent of the risk.

C. Credit risk

The credit risk of the Group is mainly due to cash and cash equivalents and receivables, these financial instruments arising from operating activities, as explained in the Group financial statements note 6(27).

D. Liquidity risk

There is no liquidity risk of being unable to raise capital to settle contract obligations since the Group has sufficient capital and working capital to fulfill the contract obligations.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect The Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. The Group’s bank deposit, long and short-term loans bear floating interest and are financial assets and liabilities. The fluctuation in the market interest rate will affect effective rate of bank deposits, long-term and short-term bank borrowings and then influence The Group’s future cash flow.

(29) Capital management

Through clear understanding and managing of significant changes in external environment, related industry characteristics, and corporate growth plan, the Group manages its capital structure to ensure it has sufficient financial resources to sustain proper liquidity, to invest in capital expenditures, to repay debts and to distribute dividends in accordance to its plan. The management pursues the most suitable capital structure by monitoring and maintaining proper financial ratios as below. The Group enhance the returns of its shareholders through achieving an optimized debt-to-equity ratio from time to time.

	December 31, 2022	**December 31, 2021**
Total liabilities	2,706,161	1,507,469
Total equity	3,394,706	1,642,590
Interest bearing liabilities	516,252	407,858
Debt to equity ratio	80%	92%
Interest bearing debt to equity ratio	15%	25%

For the year ended December 31, 2022, the Group had increased its capital by cash in premium and causing a reduction in its liability to equity ratio, and interest bearing debt to equity ratio and increase in total loability and total equity.

(30) Non-cash Transaction of Financing Activities

	Short-term borrowings	Short-term notes and in payable	Long-term borrowings (including current portion)	Other payables (includimg related parties)	Lease liabilities	Total liabilities from financing activities
Balance on January 1, 2022	$ 279,111	-	128,747	-	24,599	432,457
Cash flows	6,120	29,712	69,902	(76,288)	(15,346)	14,100
Acquisition through business combination	2,440	-	-	76,288	-	78,728
Amount transferred out from subsidiaries of the Group	-	-	-	-	(3,757)	(3,757)
Non-Cash changes:						
Net Increase	-	-	-	-	57,406	57,406
Interest expense	-	220	-	-	-	220
Balance on December 31, 2022	$ 287,671	29,932	198,649	-	62,902	579,154

	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
Balance on January 1, 2021	$ 61,295	165,841	20,000	13,869	261,005
Cash flows	217,816	(37,094)	(20,000)	(8,684)	152,038
Non-Cash changes:					
New leases	-	-	-	19,414	19,414
Balance on December 31, 2021	$ 279,111	128,747	-	24,599	432,457

7. Related-party transactions:

(1) Names and relationship with the Group

Name of related parties	Relationship with the Group
Star Power Energy Corporation (Star Power)	Joint venture of the Group
Aquastar Energy Co., Ltd. (Aquastar)	Joint venture of the Group (note 9)
Star Network Data Co., Ltd. (Star Network)	Joint venture of the Group (note 9)
Daytime Solar Energy Co., Ltd. (Daytime)	Subsidiary of Star Power (since August 2021)
Motech Power Alpha Co., Ltd. (MPA)	Subsidiary of Star Power
Sunny Go Solar Co., Ltd. (Sunny Go)	Subsidiary of Star Power (since August 2021)

Da Fu Energy Co., Ltd. (Da Fu)	Subsidiary of Star Power (note 4)
Fang Deng Green Energy Co., Ltd. (Fang Deng)	Subsidiary of Star Power (note 6)
Zhong Fang Green Energy Co., Ltd. (Zhong Fang)	Subsidiary of Star Power (note 6)
Ren Hua Green Energy Co., Ltd. (Renhua)	Subsidiary of Star Power (note 6)
Daybreak Fishery Management Consultants Co., Ltd. (DFM)	Subsidiary of Star Power (note 14)
Ri Yun Green Energy Co., Ltd. (Ri Yun)	Subsidiary of Star Fresh Power (note 1)
AcTek Energy Co., Ltd. (AcTek)	Associate of the Group (Note 3)
Ri Fa Green Energy Co., Ltd. (Ri Fa)	Associate of the Group (Note 13)
Yun Deng Green Energy Co., Ltd. (Yun Deng)	Associate of the Group (Note 13)
Titan Solar Co., Ltd. (Titan Solar)	Corporate director of the Group
Hong Din electric engineering CO., LTD. (Hong Din)	Same Chairman with the Group (Note 7)
Feng Yuan Co., Ltd. (Feng Yuan)	Same Chairman with the Group
Liang Yu Technology Co., Ltd. (Liang Yu)	Substantive related party of the Group (Note 2)
AcBel Polytech Inc. (AcBel)	Substantive related party of the Group (Note 3)
AcSacca Solar Energy Co., Ltd. (AcSacca)	Substantive related party of the Group (Note 3)
Kang Yang New Energy Co., Ltd. (Kang Yang New)	Substantive related party of the Group (Note 3)
Solarflex trading CO., LTD (Solarflex)	Substantive related party of the Group (Note 5)
Ding Li Power Technology Co., Ltd. (Ding Li)	Substantive related party of the Group (Note 5)
Ding Li Alloy Co., Ltd. (Ding Li Alloy)	Substantive related party of the Group (Note 5)
GreenRock Energy Co., Ltd. (GreenRock)	Substantive related party of the Group (Note 8)
Ri Dong Technology Fisheries Co., Ltd. (Ri Dong)	Substantive related party of the Group (Note 10)
Firstera International Co., Ltd. (Firstera)	Substantive related party of the Group (Note 11)
Tuo Neng Engineering Technology Co., Ltd. (Tuo Neng)	Substantive related party of the Group (Note 12)
Gigastorage Corporation (Gigastorage)	Substantive related party of the Group (Note 13)

Note 1: The Group sold all of its shares in Ri Yun to Aquastar in June 2022.

Note 2: The directors of the Group who invested in Liang Yu resigned in May 2021 and Liang Yu were therefore removed from The Group as a related party since June 2021.

Note 3: The Group invested in and served as a director of AcTek in April 2021 and resigned as a director since March 2022. AcBel is the parent company of AcTek, AcSacca and KangYang New, respectively. Therefore, since March 18, 2022, AcBel, AcSacca and Kang Yang New has been disassociated from the Group as related parties. the Group sold all of its shares in AcTek in December 2022; therefore, AcTek has been not a related party of the Group since December 2022

Note 4: The Group sold all of its shares in Da Fu to Star Power in August 2021.

Note 5: Ding Li, Ding Li Alloy and Solarflex are all associates of investees of Titan Solar.

Note 6: The Group sold all of its shares in Fang Deng, Zhong Fang and Ren Hua to Star Power in March 2022, please refer to note 6(6) for details.

Note 7: Hong Din completed the change of registration and the change of chairman in April 2021, and has been removed from the Group as a related party since April 2021.

Note 8: GreenRock was a director of Hui Ju, a subsidiary of the Group acquired in June 2022 and GreenRock resigned as a director of Hui Ju in November 2022. GreenRock has been removed from the Group as a related party since November 2022.

Note 9: Aquastar and Star Network were originally subsidiaries of the Group. In June and September 2022, respectively, their shareholding ratio decreased to 10% and 49%, respectively and became joint ventures, of the Group as a result of disproportionate subscription of shares in capital increase.

Note 10: Ri Dong is a director of DFM. The Group sold DFM to Star Power on September 30, 2022, therefore, Ri Dong is no longer a related party of the Group.

Note 11: Firstera was originally a director of DFM. The Group sold DFM to Star Power on September 30, 2022, therefore, Firstera is no longer a related party of the Group.

Note 12: Lee Yong Qing has been the Vice President of The Group and the Chairman of Tuo Neng since May 1, 2020. The Group has been a related party of the Group since that date. The Chairman of the Group was changed to Li Xin Kuan on July 27, 2020 and Li Xin Kuan has been the manager of the Group since April 1, 2021. Since December 1, 2021, the Chairman of the Group has been changed to Zhang Jing Ci; therefore, Tuo Neng is no longer a related party of the Group.

Note 13: In August and December 2022, The Group had not participated in the capital increase of its subsidiaries, Ri Fa and Yun Deng in proportion to its shareholding respectively; therefore, its shareholding ratio of Ri Fa and Yun Deng were both reduced to 40% and become the Group’ s affiliated enterprises. In addition, Gigastorage is the parent company of Ri Fa and is therefore a related party of the Group.

Note 14: The Group disposed all of its shares in DFM to Star Power in September 2022 and it became a subsidiary of Star Power.

(2) The Group's significant related party transactions and balances were as follows:

A. Operating revenue and receivables from related parties

	Operating revenue For the years ended December 31, 2022	Operating revenue For the years ended December 31, 2021
Subsidiaries of the Joint venture		
Ri Yun	$ 1,278,843	-
Da Fu	1,182,628	49,376
Zhong Fang	542,891	-
Fang Deng	540,928	-
Ren Hua	507,986	-
MPA	26,266	1,039,575
Others	4,982	6,496
Associates	198,419	91,710
Joint ventures	57,647	8,275
Other related parties	699	7,112
	$ 4,341,289	1,202,544

	Receivables from related parties December 31, 2022	Receivables from related parties December 31, 2021
Subsidiaries of the Joint venture		
Ri Yun	$ 12,212	-
MPA	3,066	494
Others	1,018	-
Associates	-	23,048
Other related parties	-	362
	$ 16,296	23,904

	Construction receivable (contract assets)	
	December 31, 2022	December 31, 2021
Subsidiaries of the Joint venture		
Da Fu	$ 184,808	-
Fang Deng	79,988	-
Zhong Fang	77,974	-
MPA	-	489,910
Others	123,888	-
Associates	-	39,028
Joint ventures	2,737	-
	$ 469,395	528,938

	Advances of construction (account for as contract liabilities)	
	December 31, 2022	December 31, 2021
Subsidiaries of the Joint venture		
Da Fu	$ -	197,025
Other related parties		
Gigastorage	37,874	-
Titan Solar	-	28,047
Joint ventures	-	10,580
	$ 37,874	235,652

The pricing and payment terms for sales to related parties and contractual constructions undertaken for the related parties by the Group was negotiated between both parties, and not materially different from these with third parties.

B. Purchase, cost of engineering and payable to related parties

	Purchase for the period	
	For the years ended December 31,	
	2022	2021
Other related parties		
Gigastorage	$ 476,323	-
Ding Li	-	58,031
Others	-	3,186
	$ 476,323	61,217

	Cost of services and engineering	
	For the years ended December 31,	
	2022	2021
Other related parties	$	
TuoNeng	-	161,474
Others	-	1,036
	$ -	162,510

	Payables to Related Parties	
	December 31, 2022	December 31, 2021
Other related parties		
Gigastorage	$ 469,235	-
Ding Li	-	37,870
	$ 469,235	37,870

The pricing and payment terms for purchases of the equipment and part from related parties to and outsoucirng construction contracts to the related parties for the construction projects are negotiated between both parties and the payment period is pursuant to contract terms. There is no material difference from these with third parties.

C. Prepayments

	December 31, 2022	December 31, 2021
Other related parties	$ -	3,369

D. Property transactions

	Prepayments for equipment	
	December 31, 2022	December 31, 2021
Other related parties	$ -	14,609

The purchase of machine equipment from Titan Solar amounting to $58,653 thousand (tax excluded). As of , the amount of payables of the Group arising from the above transactions was $39,576 thousand (classified as other current liabilities). The sales revenue and related expenses arising from the prior acquisition of parallel power generation as required by the contract should be settled to the Group. Accordingly, this resulted in other income of $6,399 thousand and receivables of $6,719 thousand (classified as other receivables related party).

The sale of transportation equipment by the Group to Tuo Neng was sold at $61 thousand and gain on disposal of an asset amounting to $9 thousand was recognized.

The Group disposed of 100% equity interests in Ren Hua , Zhong Fang and Fang Deng to Star Power in March 2022, at a disposal price of $951 thousand, $935 thousand and $8,346 thousand, respectively.

The Group acquired 40% of equity interests from DFM's shareholders (Ri Dong which is a director of DFM, and Firstera is the supervisor of DFM) of DFM for $2,000 thousand in June 2022.

The Group sold all of its equity interests in Ri Yun to Aquastar, at a disposal price of $161,000 thousand and received gain on disposal of $1,247 thousand on June 29, 2022.

The Group acquired 49% of equity interest in An Kang in August 2022 at $107,800 thousand. Then, the partner of joint venture of An Kang involved in the cash capital increase of Star Network and acquired 51% of equity interest in September 2022. Due to operation strategy, the Company and partner of joint venture of An Kang both agreed to purchase 100% equity interest in An Kang by Star Network. The Group disposed 100% of its shares in An Kang to Star Network at the book value of $107,772 thousand.

The Group disposed 100% of its shares in DFM to Star Power in September 2022 at a disposal price of $4,459 thousand and a gain on disposal amounting to $0 thousand.

The Group disposed 100% of its shares in Da Fu to Star Power in August 2021 at a disposal price of $18,000 thousand and a gain on disposal amounting to $1,263 thousand, which is recognized in the statement of comprehensive income.

E. Loans to related parties

The details on loans to and from the related party account due to the working capital requirements of the related party are as follows (classified as other accounts receivable - related parties):

	For the years ended December 31, 2022			
Name of related party	**Highest balance of financing to other parties (Note)**	**Ending Balance of of actual usage amount**	**Interest income**	**Interests receivable**
Subsidiaries of the Joint venture	57,500	-	-	-
Associates	20,000	1,000	-	5
	$ 77,500	**1,000**	**-**	**5**

	For the years ended December 31, 2021			
Name of related party	**Highest balance of financing to other parties (Note)**	**Ending Balance of of actual usage amount**	**Interest income**	**Interests receivable**
Joint ventures	20,000	-	26	-
Other related parties	5,000	-	-	-
	$ 25,000	-	26	-

Note: The highest ending balance approved by the Board of Directors.

The details on the capital loans to the Group from related party due to the acquisition of subsidiary, Hui Ju through merger are as follows:

	2022			
Name of related party	**Highest balance of financing to other parties**	**Balance at December 31, 2022**	**Interest expense**	**Interest payables**
Other related parties	$ 76,288	-	-	-

F. Guarantee

The performance guarantee and the joint guarantees applied by the Group to National Property Administration, Ministry of Finance for the development of Da Fu for the years ended December 31, 2022 and 2021 were both $82,100, the balance of the endorsement guarantee on December 31, 2022 and 2021 were $0 thousand and $82,100 thousand, respectively.

In July 2022, Star Charger applied for a loan amounting to $128,200 thousand from the bank for purchasing equipments of charging stations. The Group provided an endorsement guarantee.

G. Refundable deposits

As of December 31, 2022 and 2021, the bid bond paid to other related parties by the Company due to construction project were both $2,400 thousand and classified as refundable deposits.

H. Various advances

The current liabilities generated from unsettled receipts under custody between related parties as of December 31, 2022 and 2021 were as follows:

Other receivable due from related party

Name of related party	**December 31, 2022**	**December 31, 2021**
Subsidiary of the Joint venture	$ 307	-

Other payables due from related party:

Name of related party	December 31, 2022	December 31, 2021
Subsidiary of the Joint venture	$ 3,528	-
Other related parties	-	53
	$ 3,528	**53**

I. Various expenses

(a) Rental expenses

The Group entered into office lease contracts with other related parties in May 2021 for the term from May 1, 2021 to July 31, 2025 at an annual rent of　$1,800 thousand, payable on a monthly basis. Depreciation charges recognized for the years ended December 31, 2022 and 2021 were $1,638 thousand and $1,092 thousand and interest expenses amounting to $111 thousand and $93 thousand, respectively. The balance of the right to use assets as of December 31, 2022 and 2021 were $4,232 thousand and $5,870 thousand, respectively. The balances of the lease liabilities were $4,309 thousand and $5,913 thousand, respectively. All payables arising from the above transactions were $150 thousand as of December 31, 2022 and 2021 (classified as other payables to related party).

(b) Other expenses

The total prices of the misc products purchased from the other related parties are $103 thousand and $136 thousand as of December 31, 2022 and 2021, respectively.

J. Land borrowing other’s name for land registration

The Group’s subsidiary, Ri Xun developed and implemented the solar power system project sites in 2021. It intends to purchase the agricultural land in the zhongxin bu section of Fenglin Town, Hualien County, for a total price amounting to $9,762 thousand, which is not directly held by Ri Xun due to statutory restrictions. Consequently, a contract of borrowing other name was signed with the chairman of The Group, Xie Yuanyi, who acquired the above agricultural land from a third party on the Group’s behalf and registered the land title in his name until the date when Ri Xun engaged in a disposal of or request to transfer such land title and the registration of title transfer was completed.

According to the contract mentioned above, the land title certificate shall be kept by Ri Xun and it is agreed that Ri Xun is the actual owner of the land, and Ri Xun is to be financed byauthorized Xie Yuanyi to finance from the bank in respect of the land. Then, the repayment of the interest and principal of the such loan should be repaid to the bank by Ri Xun through Xie Yuanyi in installments. The balance of outstanding bank loans as of amounted to $4,791 thousand, which is accounted for as other payables to related party.

K. Power contract

The Group entered into a contract with MPA in August 2022 to purchase electricity for a period of three years. The Group expects to purchase 80% of power production capacity from MPA's solar power site with 100% of power wheeling ratio. The electricity charges are paid at the agreed base rate for the sale of electricity (the base price of profit distribution) and at the rate agreed by the Group for selling electricity to consumers, if that exceeds or falls below the base price of profit distribution, the profit shall be distributed at the percentage stipulated in the contract.

The cost of electricity purchases for the year ended was $17,863 thousand and the revenue from the sales of power wheeling was recognized as income at its net value. As of , the balances of payable to related party arising from such transactions amounted to $0.

(3) Key management personnel compensation

Key management personnel compensation are as follows:

	For the years ended December 31, 2021	For the years ended December 31, 2021
Short-term employee benefits	$ 23,170	19,656
Post-employment benefits	434	524
	$ 23,604	20,180

8. Assets Pledged as security:

The carrying amounts of pledged assets were as follows:

Pledged assets	Pledged to secure	December 31, 2022	December 31, 2021
Restricted time deposits (note)	long-term borrowings and engineering guarantee	$ 285,638	182,113
Machinery and Equipment	Collateral for long term bank loans	109,770	95,871
Land	Collateral for long term bank loans	80,310	-
Buildings and Construction	Collateral for long term bank loans	75,826	-
Total		$ 551,544	277,984

Note: account for as other financial assets current and other noncurrent financial assets.

9. Commitments and contingencies:

(1) As of December 31, 2022 and 2021, the Group provided performance guarantee and warranty guarantee totaling $388,944 thousand and $210,852 thousand, respectively, for purposes of undertaking solar power generation system project.

(2) For the endorsement guarantee provided by the Group to its subsidiaries and associates, please refer to detailed notes 7 and 13(1) 2. The details on guarantees and endorsements for other parties.

(3) Please refer to note 6(21) for the contracts of outstanding major contractual works that have been entered into by the Group.

(4) To build of the energy storage project, the Group entered into the contracts of the acquisition of energy storage cabinets, PCs and energy management systems for electrical and civil engineering works for the construction of power grids and high voltage energy storage systems with two manufacturers. The total price is $4,109,456 thousand (untaxed). As of December 31, 2022, $60,625 thousand has been paid and are accounted for as construction in progress.

(5) The Group procured solar photovoltaic system equipment, wire chase hangers, booster station supports, and commissioned solar photovoltaic system steel structures, solar photovoltaic modules installation and reinforcement works from LEADERTECH GLOBAL CO., LTD. (Leadertech). During 2022, Leadertech requested payment of the construction work and late penalty from the Group, amounting to $19,363 thousand and statutory interests. The Group claimed that due to serious hidden cracks and scratches on modules in the field during its construction period, the Group had the right to delay the penalty request as stipulated in the contract and the right to claim damages for module damages to offset defense, and that the matter was currently handled by a lawyer. The Group assesses that the above events will not have a material impact on the Group’s operations.

(6) For the construction of the Energy Storage complex in Liuying, Tainan, the Group entered into a contract with a manufacturer for the purchase and testing of battery storage cabinets on January 13, 2023, with the total contract price amounting to RMB57,356 thousand and NTD32,445 thousand, respectively.

10. Losses Due to Major Disasters: None.

11. Subsequent Events:

In January 2023, the Group entered into a contract with a supplier for the purchase of the booster station equipment for the construction of floating energy storages at Chenggong, Taitung and Shuishang,Chiayi with a total contract price of $280,600 thousand (untaxed).

12. Other:

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By functional / By item	For the years ended December 31, 2022			For the years ended December 31, 2021		
	Cost of good sold	Operating expenses	Total	Cost of good sold	Operating expenses	Total
Employee benefits						
Salary	62,645	167,046	229,691	49,572	85,033	134,605
Labor and health insurance	3,582	8,605	12,187	4,454	5,344	9,798
Pension	2,290	4,440	6,730	2,297	2,766	5,063
Other employee benefits expense	2,614	5,466	8,080	2,712	3,172	5,884
Depreciation	19,120	16,540	35,660	13,581	10,687	24,268
Amortization	1,227	2,320	3,547	1,165	752	1,917

Note: $90 thousand out of depreciation for the year ended December 31, 2022 has been transferred to biological assets.

13. Other disclosures:

(1) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

A. Loans to other parties: Please refer to Table 1.

B. Guarantees endorsements provided: Please refer to Table 2.

C. Marketable securities held (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.

D. Marketable securities acquired or disposed of at cost or prices of at least NT$300 million or 20% of the capital stock: None.

E. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the capital stockr: None.

F. Disposal of individual real estate properties at costs of at least NT$300 million or 20% of the capital stock: None.

G. Total purchases from or sales to related parties of at least NT$300 million or 20% of the capital stock: Please refer to Table 4.

H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

I. Trading in derivative instruments: None.

J. The business relationships between the parent and the subsidiaries and significant transactions between them: None

(2) Information on investees: Please refer to Table 5.

(3) Information on investment in mainland China: None

(4) Major shareholders:

Shareholding Shareholder’s Name	Shares	Percentage
Titan Solar	11,326,144	13.32%
Fubon Financial Holding Venture Capital Co., Ltd.	7,441,177	8.75%
Yuan Ruyi Co., Ltd.	7,177,448	8.44%
Hong Cheng Investment Co., Ltd.	5,888,792	6.93%
Zheng Shen Chi	4,473,214	5.26%

Note: A. Information about the substantial shareholders of this form is provided by the Taiwan Depository & Clearing Corporation on the last business day of each quarter. It calculated the total number of shares held by shareholders owing ordinary shares and special shares have been delivered without physical media (including treasury shares) more than 5%. As to the difference of the basis of the calculation, the number of shares recorded in the Company's financial reports and shares not physically registered as delivered by the Company may vary.

B. The above information, in the case of a shareholder's delivery of shares to a trust, is disclosed by the individual sub-account of the principal who opened the trust in favor of the trustee. As to the declaration of the shareholders’ shareholding of an insider in excess of 10% by virtue of the Securities Trading Act, the shareholding of the shareholders includes the addition of the shares of the shareholders in trust and the shareholder have right in the decision regarding the use of these kind of trust properties, and so on. For information on the declaration of the equity interest of the insider, please refer to the Public Information Observatory.

14. Segment information:

(1) General Information

The Group mainly engaged in the development of solar power generation systems, engineering construction and maintenances, and is a single industry segment. The segment financial information can be found in the consolidated financial statements. For sales (From external customers) and segment profit and loss, please refer to the consolidated statements of comprehensive income. For segment assets and liabilities, please see the consolidated balance sheets.

(2) Products and services information

Please refer to note 6(21) on information regarding products and services year ended and 2021.

(3) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

A. Please refer to note 6(21) for the revenues from external customers for the years ended December 31, 2022 and 2021.

B. Non-current assets:

	December 31, 2022	December 31, 2021
Taiwan	$ 782,389	329,232

Non-current assets included property, plant and equipment, right of use assets and intangible asset, not including financial instruments and deferred tax assets.

(4) Information about major customers

Sales to individual customers representing greater than 10% of net sale of the Group were as follows:

	For the years ended December 31, 2022	2021
Ri Yun	$ 1,278,843	7,025
Da Fu	1,182,628	49,376
Zhong Fang	542,891	-
Fang Deng	540,928	-
Ren Hua	507,986	-
MPA	26,266	1,039,575
Customer A	-	743,502
Customer B	553,633	364,484
Customer C	-	277,096
	$ 4,633,175	2,481,058

HD Renewable Energy Co., Ltd. and Subsidiaries
Loans to other parties
For the year ended December 31, 2022

Table 1 (In Thousands of New Taiwan Dollars)

Number	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	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 1)	Maximum limit of fund financing
													Item	Value		
0	HD	Ri Zhi	Other receivables -related parties	Yes	5,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Xiang Heng	Other receivables -related parties	Yes	20,000	2,000	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Fang Deng	Other receivables -related parties	Yes	10,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Ri Yun	Other receivables -related parties	Yes	20,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	HB	Other receivables -related parties	Yes	2,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Ru Jing	Other receivables -related parties	Yes	1,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Ri Lu	Other receivables -related parties	Yes	2,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Wen Deng	Other receivables -related parties	Yes	20,000	10,000	1,000	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Yunn Deng	Other receivables -related parties	Yes	20,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	He Shuo	Other receivables -related parties	Yes	1,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	DFM	Other receivables -related parties	Yes	23,500	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Yun Deng	Other receivables -related parties	Yes	20,000	3,000	1,000	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Dan Deng	Other receivables -related parties	Yes	1,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Zhong Fang	Other receivables -related parties	Yes	2,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Ren Hua	Other receivables -related parties	Yes	2,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582

Number	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	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 1)	Maximum limit of fund financing
													Item	Value		
0	HD	New Century	Other receivables -related parties	Yes	2,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Star Exchange	Other receivables -related parties	Yes	10,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Ri Xun	Other receivables -related parties	Yes	5,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Shin De	Other receivables -related parties	Yes	10,000	10,000	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Star Charger	Other receivables -related parties	Yes	3,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Xin Sheng	Other receivables -related parties	Yes	2,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
	HD	DFC	Other receivables -related parties	Yes	7,500	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582

Note 1: The total amount of the capital loan shall not exceed 40% of the net value of HD Renewable Technology Co., Ltd. Individual loans and limits are as follows:

(1) For the company's loan of fund to those having business transactions, the amount of each fund financing shall not exceed the amount of business transaction.

(2) For the companies necessary for short-term financing, the individual loan is limited to 10% of the net worth of the company.

Note 2: The nature of financing purposes: 1.Represents entities with business transaction with the Counpany. 2.Represents where an inter-company or inter firm short-term financing facility is necessary.

Note 3: All inter-company transactions among the Group and its subsidiaries have been written off in the consolidated financial statements.

HD Renewable Energy Co., Ltd. and Subsidiaries
Guarantees endorsements provided
For the year ended December 31, 2022

Table 2 (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)	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	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	HD	Star Charger	Subsidiaries	1,676,978	128,200	128,200	-	-	3.82%	3,353,956	Y	N	N
0	HD	Da Fu	Subsidiary of the Joint venture	1,676,978	82,100	-	-	-	- %	3,353,956	N	N	Y

Note : The total amount of the endorsement/guarantees by the Company shall not exceed HD's net worth as stated in its lastest financial statements, and the amount of each endorsement/guarantee to a company shall not exceed 50% of HD’s net worth in the latest financial statements. In the case of the endorsement/guarantee was for the HD’s 100% directly or indirectly owned subsidiaries, total amount of endorsement/guarantee shall not exceed 50% of the net worth of HD.

HD Renewable Energy Co., Ltd. and Subsidiaries

Marketable securities held (excluding investment in subsidiaries, associates and joint ventures)

December 31, 2022

Table 3 (In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Highest Percentage of ownership (%) during the year	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
HD	BESEYE CLOUD SECURITY CO., LTD.	-	Noncurrent financial assets at fair value through other comprehensive income	3,500	35,000	14.40%	35,000	14.40%	

HD Renewable Energy Co., Ltd. and Subsidiaries

Related-party transactions for purchases and sales with amounts exceeding the lower than NT$300 million or 20% of the capital stock

For the year ended December 31, 2022

Table 4 (In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase /Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
HD	Ri Yun	the subsidiary of joint venture of the company	Operating revenue	(1,278,843)	(25)%	Note 1	-	Note 1	12,212	42%	
HD	Da Fu	the subsidiary of joint venture of the company	Operating revenue	(1,182,628)	(23)%	Note 1	-	Note 1	-	-%	
HD	Zhong Fang	the subsidiary of joint venture of the company	Operating revenue	(542,891)	(11)%	Note 1	-	Note 1	-	-%	
HD	Fang Deng	the subsidiary of joint venture of the company	Operating revenue	(540,928)	(11)%	Note 1	-	Note 1	-	-%	
HD	Ren Hua	the subsidiary of joint venture of the company	Operating revenue	(507,986)	(10)%	Note 1	-	Note 1	-	-%	
HD	Gigastorage	Substantive related party of the company	Purchase	476,233	15%	Note 1	-	Note 1	(469,235)	(45)%	

Note 1: The sales conditions of the products above are based on the product type, market price competition and other trading conditions, and the selling price are agreed by both parties. The payment period is also in accordance with the contract.

Note 2: A one-way representation is made only in respect of companies that recognize revenue and assets.

Note 3: All inter-company transactions among HD and its subsidiaries have been eliminated in the consolidated financial statements.

HD Renewable Energy Co., Ltd. and Subsidiaries
Information on Investees(Excluding Information on Investee in Mainland China)
For the year ended December 31, 2022

Table 5 (In Thousands of New Taiwan Dollars/other currencies)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount December 31, 2022	Original investment amount December 31, 2021	Balance as of December 31, 2022 Shares (thousands)	Balance as of December 31, 2022 Percentage of Ownership	Balance as of December 31, 2022 Carrying value	Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/ losses of investee	Note
The Company	You Deng	Taiwan	Energy technology Service	400	400	40	100.00%	283	100.00%	1	1	Subsidiaries
The Company	Ri Zhi	Taiwan	Energy technology Service	8,000	600	800	100.00%	7,632	100.00%	(147)	(147)	Subsidiaries
The Company	Ri Wei	Taiwan	Energy technology Service	10,000	10,000	1,000	100.00%	4,978	100.00%	81	81	Subsidiaries
The Company	HB	Taiwan	Energy technology Service	30,000	23,000	3,000	100.00%	36,537	100.00%	18,735	18,735	Subsidiaries
The Company	Xiang Heng	Taiwan	Energy technology Service	67,125	55,125	3,900	100.00%	36,190	100.00%	(207)	(29,192)	Subsidiaries
The Company	Fang Deng	Taiwan	Energy technology Service	-	8,500	-	-	-	100.00%	(15)	(15)	Note 1
The Company	Ri Yu	Taiwan	Energy technology Service	5,300	310	530	100.00%	5,149	100.00%	(13)	(13)	Subsidiaries
The Company	Ri Xi	Taiwan	Energy technology Service	400	400	40	100.00%	286	100.00%	-	-	Subsidiaries
The Company	Ru Jing	Taiwan	Energy technology Service	2,000	2,000	200	100.00%	1,553	100.00%	1	1	Subsidiaries
The Company	Ri Lu	Taiwan	Energy technology Service	2,500	2,500	250	100.00%	1,880	100.00%	221	221	Subsidiaries
The Company	Ri Pu	Taiwan	Energy technology Service	400	400	40	100.00%	281	100.00%	-	-	Subsidiaries
The Company	Wen Deng	Taiwan	Energy technology Service	50,000	8,000	5,000	100.00%	49,473	100.00%	(423)	(423)	Subsidiaries
The Company	Yunn Deng	Taiwan	Energy technology Service	15,000	12,000	1,500	100.00%	14,220	100.00%	(232)	(232)	Subsidiaries
The Company	Titan Asset	Taiwan	Energy technology Service	100	100	10	100.00%	15	100.00%	(1)	(1)	Subsidiaries
The Company	He Shuo	Taiwan	Energy technology Service	-	30,000	-	-	-	100.00%	(56)	(56)	Note 9
The Company	DFM	Taiwan	Energy technology Service	-	3,000	-	-	-	100.00%	(2,139)	(1,273)	Note 7
The Company	Yin Deng	Taiwan	Energy technology Service	100	100	10	100.00%	41	100.00%	-	-	Subsidiaries
The Company	Dan Deng	Taiwan	Energy technology Service	1,500	1,500	150	100.00%	(257)	100.00%	(18)	(18)	Subsidiaries
The Company	Ri Chen	Taiwan	Energy technology Service	600	600	60	100.00%	397	100.00%	-	-	Subsidiaries
The Company	Zhong Fang	Taiwan	Energy technology Service	-	1,000	-	-	-	100.00%	(14)	(14)	Note 1
The Company	Ren Hua	Taiwan	Energy technology Service	-	1,000	-	-	-	100.00%	(14)	(14)	Note 1
The Company	New Century	Taiwan	Energy technology Service	10,000	200	-	100.00%	9,797	100.00%	(163)	(163)	Subsidiaries
The Company	Chang He	Taiwan	Energy technology Service	5,100	5,100	510	100.00%	(3,074)	100.00%	(1,323)	(1,323)	Subsidiaries
The Company	Star Exchange	Taiwan	Energy technology Service	20,000	1,000	2,000	100.00%	20,829	100.00%	1,324	1,324	Subsidiaries
The Company	Ri Xun	Taiwan	Energy technology Service	5,400	5,400	540	100.00%	5,065	100.00%	(233)	(233)	Subsidiaries

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount December 31, 2022	December 31, 2021	Balance as of December 31, 2022 Shares (thousands)	Percentage of Ownership	Carrying value	Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/ losses of investee	Note
The Company	Shin De	Taiwan	Energy technology Service	-	5,000	-	-	-	100.00%	(196)	(196)	Note 10
The Company	ESS	Taiwan	Energy technology Service	160,000	100	16,000	80.00%	155,538	100.00%	(5,555)	(4,546)	Subsidiaries
The Company	Shin Yuan	Taiwan	Energy technology Service	100	100	10	100.00%	59	100.00%	(18)	(18)	Subsidiaries
The Company	Xin Sheng	Taiwan	Energy technology Service	2,000	60	200	100.00%	890	100.00%	(151)	(151)	Subsidiaries
The Company	Ri Fu	Taiwan	Energy technology Service	2,600	-	260	100.00%	2,574	100.00%	(34)	(26)	Subsidiaries
The Company	DFC	Taiwan	Energy technology Service	600	-	60	100.00%	397	100.00%	(203)	(203)	Subsidiaries
The Company	Star Charger	Taiwan	Energy technology Service	10,000	100	1,000	100.00%	8,791	100.00%	(978)	(978)	Subsidiaries
The Company	NFC	Taiwan	Energy technology Service	-	-	-	-	-	100.00%	(9)	(9)	Note 1
The Company	Tian Hua	Taiwan	Energy technology Service	100	-	10	100.00%	73	100.00%	(27)	(27)	Subsidiaries
The Company	Tian Fang	Taiwan	Energy technology Service	100	-	10	100.00%	74	100.00%	(26)	(26)	Subsidiaries
The Company	Tian Tai	Taiwan	Energy technology Service	100	-	10	100.00%	74	100.00%	(26)	(26)	Subsidiaries
The Company	Tian Jie	Taiwan	Energy technology Service	100	-	10	100.00%	74	100.00%	(26)	(26)	Subsidiaries
The Company	Tian Xi	Taiwan	Energy technology Service	100	-	10	100.00%	74	100.00%	(26)	(26)	Subsidiaries
The Company	Tian Hui	Taiwan	Energy technology Service	100	-	10	100.00%	74	100.00%	(26)	(26)	Subsidiaries
The Company	Tian Yi	Taiwan	Energy technology Service	100	-	10	100.00%	73	100.00%	(27)	(27)	Subsidiaries
The Company	Tian Cheng	Taiwan	Energy technology Service	100	-	10	100.00%	74	100.00%	(26)	(26)	Subsidiaries
The Company	Tian Dong	Taiwan	Energy technology Service	100	-	10	100.00%	74	100.00%	(26)	(26)	Subsidiaries
The Company	Tian Chang	Taiwan	Energy technology Service	100	-	10	100.00%	73	100.00%	(27)	(27)	Subsidiaries
The Company	Tian Yu	Taiwan	Energy technology Service	100	-	10	100.00%	74	100.00%	(26)	(26)	Subsidiaries
The Company	Tian Yong	Taiwan	Energy technology Service	100	-	10	100.00%	74	100.00%	(26)	(26)	Subsidiaries
The Company	Tian Hong	Taiwan	Energy technology Service	100	-	10	100.00%	73	100.00%	(27)	(27)	Subsidiaries
The Company	Tian Sheng	Taiwan	Energy technology Service	100	-	10	100.00%	74	100.00%	(26)	(26)	Subsidiaries
The Company	SES	Taiwan	Energy technology Service	1,020	-	102	100.00%	986	100.00%	(34)	(34)	Subsidiaries
The Company	Star Aquaculture	Taiwan	Fisheries and aquaculture	9,000	-	900	90.00%	7,562	100.00%	(1,533)	(1,533)	Subsidiaries
The Company	Hui Ju	Taiwan	Energy technology Service	102,960	-	10,296	99.00%	101,543	99.00%	(2,242)	(1,417)	Subsidiaries
The Company	Ying Fa	Taiwan	Energy technology Service	990	-	99	99.00%	869	99.00%	(123)	(121)	Subsidiaries
				524,595	177,595			471,516	- %	3,921	(22,354)	

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of Ownership	Carrying value				
The Company	Ri Jie	Taiwan	Energy technology Service	-	450	-	-	-	45.00%	(11)	(5)	Associates
The Company	Ri Da	Taiwan	Energy technology Service	-	900	-	-	-	45.00%	(11)	(5)	Associates
The Company	Ri Qing	Taiwan	Energy technology Service	2,914	2,914	291	34.44%	3,043	34.44%	294	101	Associates
The Company	Ri Fa	Taiwan	Energy technology Service	56,000	700	5,600	40.00%	55,799	100.00%	(463)	(223)	Note 4
The Company	AcTek	Taiwan	Energy technology Service	-	11,900	-	-	-	34.00%	(1,663)	(565)	Note 11
Xiang Heng	AcTek	Taiwan	Energy technology Service	-	-	-	-	-	1.00%	(1,663)	-	Note 11
The Company	Yun Deng	Taiwan	Energy technology Service	20,000	400	2,000	40.00%	19,800	100.00%	(224)	(143)	Note 8
				78,914	17,264			78,642	- %	(3,741)	(840)	
The Company	Ri Yun	Taiwan	Energy technology Service	-	64,400	-	-	-	100.00%	(23)	(10)	Note 2
The Company	Star Power	Taiwan	Energy technology Service	252,000	200,000	25,200	20.00%	49,982	20.00%	44,953	8,991	Joint ventures
The Company	Star Network	Taiwan	Energy technology Service	378,903	100	37,890	49.00%	378,883	100.00%	(27)	(21)	Note 5
The Company	Aquastar	Taiwan	Energy technology Service	60,000	100	6,000	10.00%	22,250	100.00%	(480)	(55)	Note 3
The Company	An Kang	Taiwan	Energy technology Service	-	-	-	-	-	100.00%	(59)	(29)	Note 6
				690,903	264,600			451,115		44,364	8,876	

Note 1: The Company disposed all its equity interest of Fang Deng, Ren Hua, NFC and Zhong Fang, in March 2022. Please refer to note 6(6) for details.
Note 2: The Company disposed its shareholding of 40% shares of its subsidiary, Ri Yun in June 2022. Please refer to note 6(5) for details.
Note 3: Aquastar was originally a subsidiary of the Company. In June 2022, Aqustar issued cash capital increase. Thus, the Company's shareholding ratio decreased to 10% as a result of the Company failing to subscribe in Aqustar capital increases in proportion original its shareholding.
Note 4: Ri Fa was originally a subsidiary of the Company. In August 2022, Ri Fa issued cash capital increase. Thus, the Company's shareholding ratio decreased to 40% as a result of the Company failing to subscribe in its capital increases in proportion to its shareholding.
Note 5: Star Network was originally a subsidiary of the Company. In September 2022, Star Network issued cash capital increase. Thus, the Company's shareholding ratio decreased to 49% as a result of the Company failing to subscribe in its capital increases in proportion to its shareholding.
Note 6: A joint venture company acquired by An Kang in August 2022 disposed of all of its equity interest in An Kang to Star Network in September 2022. Please refer to note 6(5) for details.
Note 7: The Company sold 100% of its shares DFM in September 2022. Please refer to note 6(6) for details.
Note 8: Yun Deng was originally a subsidiary of the Company. In December 2022, Yun Deng issued cash capital increase. Thus, the Company's shareholding ratio decreased to 40% as a result of the Company failing to subscribe in its capital increases in proportion to its shareholding as well as having sold 800 thousand shares in Yun Deng.
Note 9: The Company sold 100% of its shares, He Shuo in December 2022. Please refer to note 6(6) for details.
Note 10: The Company sold 100% of its shares, Shin De in December 2022. Please refer to note 6(6) for details.
Note 11: The Company and Xiang Heng sold 35% of their shares, AcTek in December 2022. Please refer to note 6(5) for details.
Note 12: All inter-company transactions among HD and its subsidiaries have been eliminated in the consolidated financial statements.

Appendix III

HD Renewable Energy Co., Ltd.

2022 Parent Company Only Financial Statements with Independent Auditors' Report

Stock Code:6873

HD Renewable Energy Co., Ltd.

Parent Company Only Financial Statements

With Independent Auditors’ Report
For the Years Ended December 31, 2022 and 2021

Address: F5, No. 35, Dexing West Road, Shilin District, Taipei City 111
Telephone: (04)2255-8858

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Independent Auditors' Report

To the Board of Directors of HD Renewable Energy Co., Ltd.:

Opinion

We have audited the parent company only financial statements of HD Renewable Energy Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its cash flows for each of the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and 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 parent company only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

The revenue recognition from construction projects

Please refer to note 4(16) "Revenue recognition" for accounting policy on revenue recognition; note 5 for details related accounting estimation and uncertainly of assuumption; note 6(21) "Revenues from contracts with customers" for relevant explanation.

Description of key audit matter:

The Company recognize its revenue by using the percentage of completion method. The completion level is based on the cost for each contract at year-end. The management will re-evaluate the cost if the total budget had significantly increased or decreased, and will recalculate the percentage of completion in accordance with the adjusted cost. The accuracy of the construction contract revenue may be affected by the completion level and appropriateness of the estimation of total budget cost. Thus, we considered the recognition of revenue as the key matters of our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: Understanding and testing the internal control procedures for the operating revenue and receipt cycle to assess whether there are any defects and irregularities of internal control systems; reviewing material contracts to understand the specific terms and risks of each contract; comparing the actual construction costs and the estimated construction costs to evaluate rationality of the estimation method used; sampling relevant vouchers and supporting documentation of selected cases for confirming that the amount of inputs used to calculate the degree of completion of the project in the current period has been properly accounted for; to assess whether the revenue recognition policy is in compliance with the requirements of the statement; and to assess whether the Company's revenue recognition policy is in compliance with the related accounting standard and revenue information is properly disclosed.

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 financial statements in accordance with 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 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 the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Company’s internal control.

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 Company’s ability to continue as a going concern. 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 disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit, and responsible for forming our audit opinion on the Company.

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 the parent company only financial statements for the year ended December 31, 2022 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 audit resulting in this independent auditors' report are Chien-Hui Lu and Hai-Ning Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 2, 2023

Notes to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

HD RENEWABLE ENERGY CO., LTD.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 1,227,679	22	796,971	26
1150	Notes and accounts receivable(note 6(3))	17,063	-	88,613	3
1181	Accounts receivable－related parties, net (notes 6(3) and 7)	12,239	-	40,742	1
1210	Other receivables－related parties (note 7)	8,745	-	10,845	-
130X	Inventories (note 6(4))	192,716	4	29,257	1
1140	Current contract assets(notes 6(21) and 7)	682,215	13	720,894	23
1421	Prepayments to suppliers	250,149	5	43,318	1
1476	Other current financial assets (note 8)	213,940	4	116,950	4
1470	Other current assets (notes 6(10), 7 and 8)	1,046,145	19	542,531	17
		3,650,891	67	2,390,121	76
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(2))	35,000	1	-	-
1550	Investments in equity-accounted investees(notes 6(5), (6) and 7)	1,004,604	18	380,088	12
1960	Prepayments for investments (note 6(5))	-	-	20,000	1
1600	Property, plant and equipment (notes 6(7), 7 and 8)	417,941	8	168,493	5
1755	Right-of-use assets (note 6(8))	49,138	1	15,897	1
1780	Intangible assets (note 6(9))	9,893	-	3,012	-
1840	Deferred tax assets (note 6(19))	57,756	1	15,243	1
1900	Other non-current assets (notes 6(10), 7 and 8)	244,906	4	108,413	4
		1,819,238	33	711,146	24
	Total assets	**$ 5,470,129**	**100**	**3,101,267**	**100**

	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(11))	$ 287,671	5	279,111	9
2110	Short-term notes and bills payable (note 6(12))	29,932	1	-	-
2130	Current contract liabilities (notes 6(21) and 7))	90,869	2	316,231	10
2170	Notes and accounts payable	575,490	11	450,584	15
2181	Notes and accounts payable to related parties (note 7))	469,235	8	93,974	3
2201	Salaries and bonus payable (note 6(22))	108,838	2	35,518	1
2230	Current tax liabilities	197,404	4	117,002	4
2280	Current lease liabilities (note 6(14) and 7)	13,247	-	6,098	-
2300	Other current liabilities (note 6(15) and 7)	102,220	2	15,449	1
2322	Long-term borrowings, current portion (notes 6(13) and 8)	11,211	-	38,634	1
		1,886,117	35	1,352,601	44
	Non-Current liabilities:				
2540	Long-term borrowings (notes 6(13) and 8)	161,644	3	73,000	2
2650	Credit balance of investments accounted for using equity method (note 6(5))	3,331	-	1,751	-
2580	Noncurrent lease liabilities (notes 6(14) and 7)	35,986	1	10,026	-
2600	Other non-current liabilities (notes 6(15) and 7)	29,095	-	21,699	1
		230,056	4	106,476	3
	Total liabilities	2,116,173	39	1,459,077	47
	Equity (notes 6(16) and (17)):				
	Ordinary shares**:**				
3110	Ordinary share	850,000	15	700,000	23
3200	Capital surplus	1,745,474	32	660,619	21
	Retained earnings:				
3310	Legal reserve	61,041	1	44,560	1
3350	Unappropriated retained earnings	697,441	13	237,011	8
		758,482	14	281,571	9
	Total equity	3,353,956	61	1,642,190	53
	Total liabilities and equity	**$ 5,470,129**	**100**	**3,101,267**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HD RENEWABLE ENERGY CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenues** (notes 6(21) and 7)	$ 5,052,656	100	2,655,474	100
5000	**Operating costs** (notes 6(4), (22), 7 and 12)	3,729,337	74	2,184,926	82
	Gross profit	1,323,319	26	470,548	18
5910	Unrealized profit (loss) from sales (note 6(5))	(204,412)	(4)	(38,662)	(2)
	Realized gross operating profit	1,118,907	22	431,886	16
6000	**Operating expenses** (notes 6(22), 7 and 12)**:**				
6100	Selling expenses	40,096	1	32,083	1
6200	Administrative expenses	230,266	5	106,094	4
6300	Research and development expense	12,178	-	4,748	-
6450	Expected credit impairment loss (note 6(3))	-	-	647	-
	Total operating expenses	282,540	6	143,572	5
	Net operating income	836,367	16	288,314	11
	Non-operating income and benefit:				
7100	Interest income (notes 6(23) and 7))	3,193	-	704	-
7010	Other income (notes 6(24) and 7)	10,494	-	1,087	-
7020	Other gains and losses (notes 6(25) and 7)	(10,362)	-	708	-
7050	Finance costs (note 6(26))	(12,282)	-	(4,886)	-
7070	Share of profit (loss) subsidiaries, associates and joint ventures accounted for using equity method (note 6(5))	(14,318)	-	(61,104)	(2)
	Total non-operating income and expenses	(23,275)	-	(63,491)	(2)
	Profit before tax	813,092	16	224,823	9
7951	Less: Income tax expense (note 6(19))	162,986	3	59,540	2
	Profit	650,106	13	165,283	7
8300	**Other comprehensive income, net of tax**	-	-	-	-
	Total comprehensive income	**$ 650,106**	**13**	**165,283**	**7**
	Earnings per share (NT dollar) (note 6(20))				
	Basic earnings per share	**$**	**8.18**		**3.02**
	Diluted earnings per share	**$**	**7.99**		**2.99**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HD RENEWABLE ENERGY CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Unappropriated retained earnings	Retained earnings: Total	Total equity
Balance at January 1, 2021	$ 500,000	1,542	25,426	191,340	216,766	718,308
Profit for the year	-	-	-	165,283	165,283	165,283
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	165,283	165,283	165,283
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	19,134	(19,134)	-	-
Cash dividends distributed to shareholder	-	-	-	(100,000)	(100,000)	(100,000)
Capital increase by cash and compensation costs recognized for reserve of employee subscription	180,000	585,577	-	-	-	765,577
Exercise of employee share options	20,000	73,500	-	-	-	93,500
Effect of long-term equity investment recognized in disproportionate shareholding	-	-	-	(478)	(478)	(478)
Balance at December 31, 2021	700,000	660,619	44,560	237,011	281,571	1,642,190
Profit for the year	-	-	-	650,106	650,106	650,106
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	650,106	650,106	650,106
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	16,481	(16,481)	-	-
Cash dividends distributed to shareholder	-	-	-	(170,000)	(170,000)	(170,000)
Capital increase by cash and compensation costs recognized for reserve of employee subscription	150,000	1,084,653	-	-	-	1,234,653
Effect of long-term equity investment recognized in disproportion shareholding	-	202	-	(3,195)	(3,195)	(2,993)
Balance at December 31, 2022	**$ 850,000**	**1,745,474**	**61,041**	**697,441**	**758,482**	**3,353,956**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HD RENEWABLE ENERGY CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 813,092	224,823
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	29,312	21,598
Amortizations expense	3,233	1,714
Expected credit impairment loss	-	647
Interest expense	12,282	4,886
Interest income	(3,193)	(704)
Share-based payments	4,653	11,077
Share of profit (loss) of equity-accounted subsidiaries, associates and joint ventures	14,318	61,104
Gains on disposals of property, plant and equipment	-	(9)
Loss allowance for write-down of inventories	392	-
Gains on disposals of investments	(1,837)	(1,326)
Gain on leases adjustments	(6)	-
Unrealized losses from inter-company sale transactions	204,412	38,662
Adjustment for other non-cash-related losses, net	-	4,272
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	100,053	(22,246)
Contract assets	38,679	(291,860)
Other receivables (including related parties)	(25,565)	232
Inventories	(163,851)	12,436
Prepayments to suppliers	(206,831)	28,309
Other operating assets	(503,533)	(338,408)
Contract liabilities	(225,362)	218,738
Notes and accounts receivable (including related parties)	500,167	(136,720)
Other operating liabilities	106,041	6,034
Total adjustments	(116,636)	(381,564)
Cash inflow (outflow) generated from operations	696,456	(156,741)
Interest received	3,197	637
Dividends received	1,083	115
Interest paid	(11,691)	(4,930)
Income taxes paid	(100,995)	(19,214)
Net cash flows from (used in) operating activities	588,050	(180,133)

(Continued)

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HD RENEWABLE ENERGY CO., LTD.

Statements of Cash Flows (Continued)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(35,000)	-
Acquisition of equity-accounted investments	(1,295,649)	(112,255)
Proceeds from disposal of equity-accounted investments	451,212	20,000
The inward remittance of prepayments for investments	20,000	-
Refunds from capital reduction of equity-accounted investments	532	1,059
Acquisition of property, plant and equipment	(226,639)	(41,011)
Proceeds from disposals of property, plant and equipment	-	61
Decrease (increase) in refundable deposits	(122,498)	11,169
Increase (decrease) in other receivables from related parties	8,800	(93)
Acquisition of intangible assets	(10,114)	(1,711)
Increase inrestricted bank deposits	(99,059)	(53,179)
Net cash flows from (used in) investing activities	(1,308,415)	(175,960)
Cash flows from (used in) financing activities:		
Poceeds from short-term borrowings	1,773,955	624,427
Repayments of short-term borrowings	(1,765,395)	(406,611)
Proceeds from long-term borrowings	105,000	179,206
Repayments of long-term borrowings	(43,779)	(214,680)
Increase in short-term notes and bills payable (discounts have been deducted)	29,712	-
Decrease in guaranteed deposits	-	(20,000)
Payments of lease liabilities	(8,420)	(8,197)
Cash dividends paid	(170,000)	(100,000)
Issuance of shares for cash capital increase	1,230,000	764,000
Exercise of employee share options	-	84,000
Net cash inflows from financing activities	1,151,073	902,145
Increase in cash and cash equivalents	430,708	546,052
Cash and cash equivalents at beginning of period	796,971	250,919
Cash and cash equivalents at end of period	$ 1,227,679	796,971

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HD RENEWABLE ENERGY CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company history

HD Renewable Energy Co., Ltd. (the HD or “Company”) was incorporated in May 16, 2016 under the approval of Ministry of Economic Affair, Republic of China (R.O.C). The address of the company’s registered office is F5, No. 35, Dexing West Road, Shilin District, Taipei City 111. The shares of the Company were first publicly issued through Taipei Exchange in R.O.C on November 3, 2021. The Company’s application for the listing of its shares on the Taiwan Innovation Board has been examined and approved by the Taiwan Stock Exchange Corporation on December 12, 2022.

The main activities of the Company are the development, design, engineering and maintenance services of various solar power stations, asset management services, aquaculture management and intelligent energy services.

2. Approval date and procedures of the financial statements:

These parent-company-only financial statements were authorized for issue by the Board of Directors on March 2, 2023.

3. New standards, amendments and interpretations adopted:

(1) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only financial statements, from January 1, 2022:

● Amendments to IAS 16 “Property, Plant and Equipment－Proceeds before Intended Use”

● Amendments to IAS 37 “Onerous Contracts－Cost of Fulfilling a Contract”

● Annual Improvements to IFRS Standards 2018–2020

● Amendments to IFRS 3 “Reference to the Conceptual Framework”

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its parent-company-only financial statements:

● Amendments to IAS 1 “Disclosure of Accounting Policies”

● Amendments to IAS 8 “Definition of Accounting Estimates”

● Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

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

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its parent-company-only financial statements:

● Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"

● IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"

● Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

● Amendments to IAS 1 "Non-current Liabilities with Covenants"

● Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"

● IFRS 16 "Requirements for Sale and Leaseback Transactions"

4. Summary of significant accounting policies:

The significant accounting policies applied in the preparation of these parent-company-only financial statements are summarized as below. Except for those specifically indicated, the significant accounting policies have been applied consistently to all periods presented in these parent-company-only financial statements.

(1) Statement of compliance

The parent-company-only financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as "the Regulations").

(2) Basis of preparation

A. Basis of measurement

The parent-company-only financial statements have been prepared on a historical cost basis.

B. Functional and presentation currency

The functional currency of the Company 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("NTD"), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(3) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year adjusted for the effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Exchange differences of monetary items are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(4) Classification of current and non-current assets and liabilities

The assets and liabilities relating to the project contract are classified as current or non-current on the basis of a business cycle (usually one to two years), with the remaining assets and liabilities divided by the following sub-criteria:

An asset is classified as current when any one of the following criteria is met; Assets are not classified as current are non-current assets.

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 the purpose of trading;

C. It is expected to be realized within twelve months after the reporting date; or

D. The asset is cash or a cash equivalent unless the asset is 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 are classified as non-current.

A. It is expected to be settled in its normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is expected to be realized within twelve months after the reporting period; or

D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. 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. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are recognized as cash equivalents.

(6) Financial instruments

Accounts receivable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is recognized as financial assets measured at amortized cost. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

i. It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

ii. 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 at which the financial asset is measured at initial recognition, plus/minus the cumulative amortization using the effective interest method and adjusted for any loss allowance. Interest income, foreign exchange gains and losses, and impairment losses, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, account receivables, other receivables, refundable deposits and other financial assets), and contract assets.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company’s historical experience and informed credit assessment as well as forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 360 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls, The difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred. An evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer:
- a breach of contract such as a default or being more than 360 days past due;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets.

The gross carrying amount of a financial asset is written off when the Company has no realistic prospect of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

(c) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

When the Company enters into transactions whereby it transfers assets, recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these case, the transferred assets are not derecognized.

B. Financial liabilities

(a) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, derivative or designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and relevant 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 foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(b) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled,or expire.

On derecognization of a financial liability, the difference between the carrying amount of a financial liability extinguished and the cinsideration paid is recognized in profit or loss.

(c) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(7) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is determined using the weighted average method, and includes necessary cost incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(8) Investment in subsidiaries

When preparing the parent-company-only financial statement, investment in subsidiaries which are controlled by the Company is accounted for using equity method. Under equity method, the profit oe loss, other comprehensive imcome equity in the parent-company-only financial statement are to the owners of the parent in the consolidated financial statements.

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

(9) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or join control over their financial and operating policies.

Joint venture is a joint arrangement whereby the Company and other parties agreed to share the control of the arrangement, and have rights to the net assets of the arrangement. Unanimous consent from the parties sharing control is required when making decisions for the relevant activities of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates and joint ventures includes goodwill arisingfrom the acquisition, less any accumulated impairment losses.

The financial statements include the Company' s share of the profit or loss and other comprehensive income of those associates and joint ventures, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate' s and joint venture' s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Unrealized gains and losses resulting from transactions between the Company and an associate and joint ventures are recognized only to the extent of unrelated Company' s interests in the associate and joint venture.

When the Company' s share of losses of an associate and joint venture equals or exceeds its interests in an associate and joint venture, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payment on behalf of the associate.

(10) Property, plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Company.

C. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives of property, plant and equipment for current andcomparative periods are as follows:

(a) Machinery and equipment: 3~20 years

(b) Transportation equipment: 5~8 years

(c) Office equipment: 3~6 years

(d) Other equipment: 3~5 years.

Depreciation methods, useful lives, and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(11) Intangible assets

A. Research and development

Expenditure arising from research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, capitalized development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Other intangible assets

Other intangible assets that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

C. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

D. Amortization

The amortized amount of an intangible asset is the cost of an asset less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives listed below from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Software: 1 to 5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(12) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(a) fixed payments (including in-substance fixed payments);

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) amounts expected to be payable under a residual value guarantee; and

(d) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently 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 Company’ s estimate of the amount expected to be payable under a residual value guarantee; or

(c) there is a change in the assessment regarding the 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 the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference in profit or loss for any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize leases for its dormitory and other, which qualifies as short-term asset leases and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. As a lessor

Lease income from operating lease is recognized in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset leased to others and recognized as an expense over the lease term on the straight-line over the lease term.

(13) Impairment of non-financial assets

At each reporting date, The Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, except for goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(14) Provisions

A provision is recognized if, as a result of a past event, the Company has a present 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 finance cost.

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

The Company is subject to decommissioning obligations related to certain items of property, plant and equipment. Such decommissioning obligations are primarily attributable to clean-up costs, including deconstruction, transportation, module recover and recover costs. The unwinding of the discount based on original discount rate is recognized in profit or loss as interest expense over the periods with corresponding increase in the carrying amounts of the accrued decommissioning costs. The carrying amount of the accruals at the end of the assets' useful lives is the same as the estimated decommissioning costs.

(15) Employee benefits

A. Defined contribution plans

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

B. Short-term employee benefits

Short-term employee benefit obligations 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.

(16) Revenue recognition

A. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company’s main types of revenue are explained below:

(a) Construction contracts

The Company enters into construction contracts to build solar power plants and site development. Because its customer gradually controls the asset as it is constructed, the Company recognizes revenue over time on the basis of the costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed amounts. The customer pays the fixed amount based on a payment schedule. The Company recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Company 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.

If the Company cannot reasonably measure its progress towards complete satisfaction of the performance obligation in accordance with the construction contracts, revenue is recognized only to the extent of contract costs incurred that it is expected to be recovered.

A provision for onerous contracts is recognized when the Company expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(b) Revenue from service rendered

The Company provides advisory and maintenance services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the rendered services to date as a proportion of the total estimated rendered services of the transaction. In cases of fixed price contracts, the customer pays the fixed amount based on a payment schedule.

(c) Sales revenue

Revenue is recognized when the control over a product has been transferred to the customer. The transfer of control refers to the product has been delivered to and accepted by the customer without remaining performance obligations from the Company. Delivery occurs when the product has been shipped to the specified location and the risk of loss over the product has been transferred to the customer, as well as when the product has been accepted by the customer according to the terms of sales contract, or when the Company has objective evidence that all criteria for acceptance have been satisfied.

(d) Revenue from power generation

Revenue from the sale of electricity is recognized after the transmission of electricity through the power grid and calculated at the rates agreed with Taiwan Power Company.

(e) Financing components

The Company 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, or effect of financing component is significant. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

B. Contract costs

(a) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred, regardless of whether the contract was obtained, shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized one year or less.

(b) Costs to fulfill a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

(i) the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;

(ii) the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(iii) the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfill the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(17) Share-based payment

The remuneration cost of employee share-based payment arrangements is measured based on the fair value at the date on which they are granted. The remuneration cost is recognized, together with a corresponding increase in equity, over the periods in which the employees become unconditionally entitled to the awards. The amount of the compensation cost recognized as an expense is adjusted to reflect the number of awards whose related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the fair value of the share-based payment at the grant date is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the Company and employees reach a consensus in the subscription price and number of shares.

The grant date of options for employees to subscribe new shares for a cash injection is the date when the Board of Directors approves the exercise price and the number of shares employees can subscribe.

(18) Income tax

Income taxes comprise both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(a) the same taxable entity; or

(b) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(19) Earnings per share

Basic earning per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as 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 potential dilutive ordinary shares. The calculation of diluted earning 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 employee stock option issued by the Company that have not yet been approved by the board of directors and can be settled through the issuance of share.

(20) Business combination

The consideration transferred in the acquisition is measured at fair value, as are identifiable net assets acquired. Goodwill is measured as the excess of the aggregate of the fair value of consideration transferred and the amount of any non-controlling interests in the acquiree over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred and the amount of any non-controlling interests in the acquiree, after reassessing all of the assets acquired and all of the liabilities assumed being properly identified, the difference is recognized in profit or loss as a gain on bargain purchase.

Acquistion-related cost are expensed as incurred, except that the cost are related to the issue of debt or equity instruments.

Non-controlling interests in an acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation are measured, on a caseby-case basis, at either fair value or the present ownership instruments’ proportionate share in the recognized amounts of the acquiree’s net identifiable assets. All other components of noncontrolling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by TIFRSs.

In a business combination achieved in batches, the fair value of previously held equity interest in the acquiree is remeasured on its acquisition date, and the resulting gain or loss, if any, is recognized in profit or loss. If the acquirer have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. In prior reporting periods, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the provisional amounts for the items for which the accounting is incomplete are reported in financial statements. During the measurement period, the provisional amounts are retrospectively adjusted, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

(21) Operating segments

Segment information has been disclosed in consolidated financial statements; therefore, disclosure of the segment information in the parent company only financial statement is waived.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the parent-company-only financial statements in conformity with the Regulations, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimations.

Information about critical judgments, estimates and assumptions in applying accounting policies that have the significant effects on the amounts recognized in the parent company only financial statements is included in the following notes:

The revenue recognition of construction projects

The profit or loss incurred is recognized based on construction stage of a contract completion is measured based on the proportion of the contract cost incurred for work performed to date relative to the estimated total contract costs; The Company regularly review the reasonableness of their estimates and are affected by changes in the industrial environment and construction conditions, which may result in changes in the estimated total cost of completion, which in turn affects the amount recognized by the Company’s revenue and The Company contractual assets and contractual liabilities at the end of the period. Changes in these estimates might affect the calculation of the percentage of completion and related profits from construction contracts.

The Company’s management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

The Company's accounting policy and disclosure include financial and non-financial assets and liabilities measured by fair value. The Company's financial department is incharge of determining fair value independently by using the independent data sources to make evaluation results reflect the current market condition and to confirm the data available is independent, reliable and represents the exercisable price. The Company also periodically assesses the evaluation model, performs retrospective tests, and updates required inputs and information and any other necessary fair value adjustment of the Company's evaluation model in order to ensure the reasonableness of the valuation.

The Company evaluates assets and liabilities using the observable market inputs. The hierarchy of the fair value depends on the valuation techniques used and is categorized as follows:

- Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If there is any movement of financial instruments measured at fair value between Level 1, Level 2, and Level 3, the Company recognizes the movement at the reporting date. For the assumption used in fair value measurement, please refer to note 6(27) of the financial instruments.

6. Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$ 875	850
Demand deposits	1,226,438	784,581
Checking account deposits	103	11,304
Foreign currency deposits	263	236
	$ 1,227,679	796,971

Please refer to note 6(27) for the disclosure of credit risk and currency risk of the financial assets and liabilities of the financial instruments of the Company.

As of December 31, 2022 and 2021, no cash and cash equivalents were pledged with banks as collaterals.

(2) Financial assets at fair value through other comprehensive income ("FVTOCI")

	December 31, 2022	December 31, 2021
Equity investments at FVTOCI:		
Unlisted stocks	$ 35,000	-

The purpose that the Company invests in the abovementioned equity securities is for long-term strategies, but rather for trading purpose. Therefore, those equity securities are designated as financial assets at FVTOCI.

The abovementioned investments in equity instruments at FVTOCI were not pledged as collateral.

(3) Notes and accounts receivable, net (including related parties)

	December 31, 2022	December 31, 2021
Notes receivable	$ 14,490	350
Accounts receivable	3,220	88,910
Accounts receivable from related parties	12,239	40,742
Less: Loss allowance	(647)	(647)
	$ 29,302	129,355

The Company 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, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and related industrial information. The analysis of expected credit losses on accounts receivable was as follows:

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 17,090	0.00%	-
1 to 30 days past due	12,212	0.00%	-
	$ 29,302		-

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 98,792	0.00%	-
1 to 30 days past due	23,049	0.00%	-
31 to 60 days past due	6,627	0.00%	-
More than 180 days past due	887	0.00%	-
	$ 129,355		-

In addition, there was objective evidence indicating that, under reasonable expectation, some of the notes and accounts receivable would not be recovered in total; therefore the Company both recognized a loss allowance of $647 thousand as of December 31, 2022 and 2021.

The movements in the allowance for notes and accounts receivable for the years ended December 31, 2022 and 2021 were as follows:

	For the years ended December 31, 2022	2021
Balance at January 1	$ 647	216
Uncollectible amounts written off	-	(216)
Provisions charged to expenses	-	647
Balance at December 31	$ 647	647

As of December 31, 2022 and 2021 the notes and accounts receivable of the Company were not pledged as collateral.

(4) Inventories

	December 31, 2022	December 31, 2021
Module pending for construction	$ 85,497	-
Power cables pending for construction	56,373	-
Steel structure pending for construction	14,582	-
Raw materials	36,264	29,257
	$ 192,716	29,257

For the year ended December 31, 2022 and 2021, the cost of inventory recognized as the cost of goods sold and expenses amounted to $3,729,337 thousand and $2,184,926 thousand, respectively. In addition, the net of provision for inventories written down to net realizable value, which were also included in aforementioned cost of good sold, amounted to $392 thousand and $0 thousand, for the years ended December 31, 2022 and 2021, respectively.

As of December 31, 2022 and 2021, the notes and accounts receivable of the Company were not pledged as collateral.

(5) Investments in Equity-accounted Ivestees (Including credit balance)

	December 31, 2022	December 31, 2021
Subsidiaries	$ 485,998	154,524
Associates	78,642	16,121
Joint ventures	699,934	265,001
Less: Unrealized gains from inter-company transaction	(259,970)	(55,558)
	$ 1,004,604	380,088
Credit balance of investments accounted for using equity method	$ (3,331)	(1,751)

A. Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2022 for the subsidiary information:

	For the years ended December 31, 2022	2021
Shares attributable to the Company are as follows:		
Loss	$ (22,400)	(62,690)

B. Associates

Name of investor	Business Activity	Main businesses and products Place/ Company registered country	December 31, 2022 Amount	December 31, 2022 Percentage %	December 31, 2021 Amount	December 31, 2021 Percentage %
Ri Jie Green Energy Co., Ltd.(Ri Jie)	Energy technology Service	Republic of China	-	-	388	45
Ri Da Green Energy Co., Ltd.(Ri Da)	Energy technology Service	Republic of China	-	-	815	45
Ri Qing Green Energy Co., Ltd.(Ri Qing)	Energy technology Service	Republic of China	3,043	34	3,044	34
Ri Fa Green Energy Co., Ltd. (Ri Fa)	Energy technology Service	Republic of China	55,799	40	-	-
AcTek Energy Co., Ltd.(AcTek)	Energy technology Service	Republic of China	-	-	11,874	34
Yun Deng Green Energy Co., Ltd. (Yundeng)	Energy technology Service	Republic of China	19,800	40	-	-
			$ 78,642		16,121	

The liquidations of Ri Jie and Ri Da were completed in August 2022, with the recovered investment amounting to $532 thousand and the remaining recognized as losses on disposals of investments amounting to $661 thousand, recognized in the statement of comprehensive income.

Ri Fa engaged in the cash capital increase in August 2022, and the Company invested $47,300 thousand, but the Company did not subscribe in proportion to its shareholding, resulting in the reduction of shareholding ratio from 100% to 40%, thereby losing control over Ri Fa. The shareholding previously held was deemed to be a disposal. The gain on disposal amounting to $60 thousand was recognized at fair value of that date. At the same time, the Company’s 40% equity interest in Ri Fa was transferred to investment accounted for under equity method at a fair value for loss of control, amounting to $47,960 thousand. In November 2022, the Company increased its capital by $8,000 thousand.

Yundeng engaged in the cash capital increase in December 2022, but the Company did not subscribe in proportion to its original shareholding and make a disposal at the price of $8,000 thousand, resulting in the reduction of its shareholding ratio from 100% to 40%, thereby losing control over Yundeng. The shareholding previously held was deemed to be a disposal. The gain on disposal amounting to $219 thousand was recognized at fair value of that date. At the same time, the Company' s 40% equity interest in Yundeng was transferred to equity-accounted investment at a fair value for loss of control, amounting to $19,854 thousand. The Company engaged in capital increase of Yundeng by

The Company acquired 34% of the shares in AcTek at $11,900 thousand for the year ended December 31, 2021 and thereby gained significant influence over AcTek. The Company increased capital in AcTek by $56,100 thousand in August 2022 and disposed of its entire equity interest in AcTek in December 2022. The disposal price was $68,000 thousand and the gain on disposal was $591 thousand, which is recognized in the other comprehensive income.

For the year ended December 31, 2021, the Company received a refund of $1,059 thousand of capital reduction refund from Ri Qing and a retained surplus of $(14) thousand offset due to changes in ownerships of associates, in addition to the transfer from prepayments for investments of $2,899 thousand upon completion of the registration procedures for shares of Ri Qing, Ri Jie and Ri Da.

The Company holds 34% to 45% of the voting rights in associates for the years ended December 31, 2022 and 2021. The remaining shares are concentrated within certain shareholders. The Company was not able to obtain more than half of the total number of director seats of these associates, and also not able to obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Company does not have de facto influence on these associates.

The Company' s parent-company-only financial information for investments accounted for using equity method that are individually insignificant was as follows:

	2022	2021
Attributable to the Company are as follows:		
Profit (loss)	$ (817)	37

C. Joint ventures

Name of investor	Business Activity	Main businesses and products Place/ Company registered country	December 31, 2022		December 31, 2021	
			Amount	Percentage %	Amount	Percentage %
Ri Yun Green Co., Ltd. (Ri Yun)	Energy technology service	Republic of China	-	-	63,911	40
Star Power Energy Corporation (Star Power)	Energy technology service	Republic of China	261,100	20	201,090	20
Aquastar Energy Co., Ltd. (Aquastar)	Energy technology service	Republic of China	59,951	10	-	-
Star Network Data Co., Ltd. (Star Network)	Energy technology service	Republic of China	378,883	49	-	-
			$ 699,934		265,001	

Ri Yun was established according to the joint venture agreement with a third party in 2019, the main activity of Ri Yun is energy technology service. As the Company and the other parties have joint control over Ri Yun, this investment is accounted for using the equity method. The cash capital of Ri Yun increased by $8,400 thousand was contributed by the Company for the year ended December 31, 2021.

The Company acquired the remaining 60% equity interest from the other shareholders of Ri Yun on June 17, 2022 at a total investment price of $96,600 thousand, resulting in an increase in the Company's shareholding ratio from 40% to 100%, and a change in ownership that offset retained earnings, amounting to $(748) thousand. The Company sold all of its shares of Ri Yun to the Company's related party, Aquastar at a disposal price of $161,000 thousand and received gain on disposal of $1,247 thousand on June 29, 2022.

The Company acquired 49% of shares in Ankang Data Co., Ltd. (Ankang) in August 2022 at $107,800 thousand. Then, the parties of joint venture of Ankang was involved in the cash capital increase of the Company's subsidiary, Star Network, and acquired 51% of shares in Star Network in September 2022. Due to operation strategy, the Company and the other parties of joint venture agreed to purchase 100% shares in An Kang by Star Network. The Company disposed of all its equity interest in Ankang to Star Network at the book value of $107,771 thousand.

Star Network issued new common share for cash in September 2022, and the Company invested $107,700 thousand. However, the Company did not subscribe in proportion to its shareholding, resulting in the reduction of its shareholding ratio from 100% to 49%, thereby losing control over Star Network. The shareholding previously held was deemed to be a disposal. The gain on disposal amounting to $14 thousand was recognized at fair value of that date. At the same time, the Company’s 49% shareholding in Star Network was transferred to investment accounted for under equity method at a fair value for loss of control, amounting to $107,787 thousand. In addition, Star Network issued shares amounting to $205,800 thousand and $65,303 thousand in October and November, 2022, respectively.

An Kang, a subsidiary of Star Network planned to collaborate with other companies on the construction of the data center. The planning concept was not in line with the expectations of the Company and other companies subsequently expect to contact others for partnership. Therefore, refund of the Company’s capital increase in Star Network amounting to $374,003 thousand will be processed by Ankang. Ankang issue capital reduction refund to Star network. Then, Star Network will issue capital reduction to return such amount to the Company.

Star Power is established according to the joint venture agreement with a third party in 2020, the Company and the other party have joint control. Accordingly, this investment is accounted for using the equity method. For the year ended December 31, 2022 and 2021, the cash capital increases amounted to $52,000 thousand and $50,000 thousand, respectively.

As the Company did not subscribe in proportion to its shareholding for the cash capital increase of Star Power in June 2021, causing a reduction from 30% to 20%, and the retained earnings of $(464) thousand was offset as a result of the change in ownership.

The consolidated financial information of significant joint ventures were as follows:

The summary of financial information of Star Power:

		December 31, 2022	December 31, 2021
Current assets	$	158,898	223,632
Non-current assets		1,221,430	841,876
Current liabilities		(50,348)	(60,060)
Non-current liabilities		(24,482)	-
Net assets	$	1,305,498	1,005,448
Net assets, attributable to non-controlling interests	$	1,044,398	804,358
Net assets attributable to the owner of the investee	$	261,100	201,090

	For the years ended December 31,	
	2022	2021
Operating revenue	$ 2,148	-
Profit	$ 44,953	6,106
Other comprehensive income (loss)	-	-
Total comprehensive income	$ 44,953	6,106
Comprehensive income, attributable to non-controlling interests	$ 35,962	4,355
Comprehensive income attributable to owner of the investee	$ 8,991	1,751

Share of net assets of joint venture as of January 1	$ 201,090	149,803
Acquisition	52,000	50,000
Dividends received during the period	(981)	-
Adjustment to the net share value of the share option is recognized not in proportion to its shareholding	-	(464)
Comprehensive income attributable to the Company	8,991	1,751
Share of net assets of joint venture as of December 31	261,100	201,090
Carrying amounts of interests in joint venture as of December 31	$ 261,100	201,090

The Company' s financial information for investments accounted for using equity method that charges are individually insignificant was as follows:

	2022	2021
Attributable to the Company are as follows:		
Loss	$ (92)	(202)

As of December 31, 2022 and 2021, the investments accounted for using equity method were not pledged as collateral.

D. Prepayments for investments

The Company paid $2,899 thousand to its corporate director, Titan Solar Co., Ltd. in 2019 for the acquisition of shares in Ri Qing, Ri Jie and Ri Da and completed the statutory transfer registration process in June 2021. In addition, the Company paid an investment of $20,000 thousand in the acquisition of Apollo Aquatic Product Co., Ltd. during 2020. After receiving the permission, the Company applied to the competent authority for the approval of the project whereas legal transfer registration may only be effected after, but the two parties have terminated their co-operation and the investment funds have been recovered in June 29, 2022. As of December 31, 2022 and 2021, the investment account for under prepayments for investments due to incompletion of registration were $0 thousand, and $20,000 thousand, respectively.

(6) Loss control or acquisition of subsidiaries

A. Acquisition of subsidiary

The Company acquired 100% of the shareholdings of NFC I and II Green C Ltd. (NFC) in January 2022, for $100 thousand.

In July 2022, the Company acquired 100% of equity interest in Ri Fu Green Energy Co., Ltd. (Ri Fu) at $100 thousand and increased capital of Ri Fu by $2,500 thousand in the same month.

For business purposes, the Company acquired a total of 99% equity interest in Hui Ju at a cash consideration of $5,100 thousand and $4,998 thousand in May and June 2022, respectively, and the remaining 60% equity interest in Ri Yun at a cash consideration of $96,600 thousand in June 2022.

The following table summarizes the fair value of identifiable assets acquired on the above acquisition date and liabilities assumed at the acquisition date:

Cash and cash equivalents:	$	4,146
Notes and accounts receivable, net		46,628
Other receivables from related parties		11,959
Other current assets		40,857
Property, plant and equipment		37,163
Intangible assets		1,106
Other non-current assets		121,574
Notes and accounts payable		(70)
Other payables to related parties		(80,955)
Short-term borrowings		(2,440)
Other current liabilities		(2,516)
Long-term notes payable (including current portion)		(7,482)
Non-controlling interests		(90)
	$	**169,880**

In addition, the Company acquired 40% of equity interests in Daybreak Fishery Management Consultants Co., Ltd. (DFM) from the shareholders (Ridong Technology Fisheries Co., Ltd., which is a director of DFM, related party, and FIRSTERA INTERNATIONAL Co., Ltd. (Firstera) ,the supervisor) of DFM for $2,000 thousand in June 2022. Therefore increasing its shareholding from 60% to 100%. The resulting change in ownership causing an offset of retained earnings amounting to $(2,467) thousand. In September 2022, the Company engaged in DFM’ s capital increase by $6,200 thousand.

In November 2022, the Company did not subscribe for the cash capital increase in Star Aquaculture Co., Ltd. (Star Aquaculture) in proportion of its original shareholding. the Company invested $9,000 thousand, which reduced its shareholding from 100% to 90% and generated a change in ownership which resulted in the recognition of a capital surplus amounting to $95 thousand.

In December 2022, the Company did not subscribe for the cash capital increase in Star Energy Storage Solutions Co., Ltd. (ESS) in proportion of its original shareholding. The Company invested $159,900 thousand, which reduced its shareholding from 100% to 80% and generated a change in ownership which resulted in the recognition of a capital surplus amounting to $107 thousand.

B. Loss control of subsidiaries

The Company disposed of 100% equity interests in Ren Hua Green Co., Ltd. (Ren Hua), Zhong Fang Green Co., Ltd. (Zhong Fang) and Fang Deng Green Co., Ltd. (Fang Deng), in March 2022, and 100% equity interests in DFM in September 2022 to Star Power, the related party, respectively. The total disposal prices amounting to $14,690 thousand and total gain on disposal amounting to $0 thousand.

The Company disposed of 100% equity interest in NFC I and II Green C Ltd. (NFC) in March 2022 and 100% equity interests in He Shuo Agriculture Co., Ltd. (He Shuo) and Shin De Co., Ltd. (Shin De) to non-related parties in December. The total disposal price amounting to $91,751 thousand and a total gain on disposal amounting to $367 thousand, which are recognized in statement of comprehensive income.

In June 2022, the Company did not subscribe for the cash capital increase of Aquastar in proportion to its original shareholding, and the Company invested $59,900 thousand, resulting in its shareholding to decrease from 100% to 10%. The Company thus losing control over Aquastar. The loss of control was deemed to be a disposal with fair value of $78 thousand and $0 thousand $78 thousand. The resulting change in ownership caused an recognition in retained earnings amounting to $20 thousand.

In June 2022, all of the equity interests of Ri Yun were disposed of to the Company’s related party, Aquastar, as explained in note 6(5).

The Company did not subscribe to Ri Fa’s cash capital increase proportional to its original shareholding in August 2022, resulting in a reduction of the shareholding ratio from 100% to 40%, which is deemed to be a disposal, please refer to note 6(5) for more details.

The Company did not subscribe to Star Network’s cash capital increase in proportion to its original shareholding in September 2022, resulting in a reduction of the shareholding ratio from 100% to 49%, which is deemed to be a disposal. Please refer to note 6(5) for more details.

The Company did not subscribe for and dispose of the equity interest in Yun Deng in proportion to its original shareholdings in December 2022, thereby reducing the Company’s shareholding from 100% to 40%. the Company lost control over Yundeng,which is deemed to be a disposal. Please refer to note 6(5) for details.

The above gain on disposal is recognized under statement of comprehensive income.

The Company lost control on the above-mentioned subsidiaries, the carrying amounts of the assets and liabilities of the subsidiary disposed of by the Company were summarized as follows:

Cash and cash equivalents	$	11,129
Other receivables due from related parties		11,959
Other current assets		5,506
Intangible assets		60
Property, plant and equipment		182,614
Right-of-use assets		3,692
Refundable deposits		12,130
Deferred income tax assets		1,000
Other non-current assets		117,025
Notes and Accounts payable to related parties		(42,482)
Other current liabilities		(3,853)
Current and non-current lease liabilities		(3,757)
Other non-current liabilities		(814)
	$	294,209

The Company disposed of 100% equity interest in Da Fu Energy Co., Ltd. (Da Fu) and Ri Dun Green Co., Ltd. (Ri Dun) to Star Power and Ji Tian Optoelectronics Co., Ltd. (Ji Tian Optoelectronics) in August and December 2021, respectively. The disposal prices were $18,000 thousand and $2,000 thousand, respectively. Gains on disposal are $1,263 thousand and $63 thousand respectively,and are recognized under statement of comprehensive income.

(7) Property, plant and equipment

The cost and accumulated depreciations of the Company’ s property, plant and equipment were as follows:

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Costs:								
Balance at January 1, 2022	$ -	-	85,252	27,059	19,202	5,259	56,025	192,797
Additions	124,792	76,665	27,727	319	9,528	10,167	21,268	270,466
Disposal	-	-	-	(146)	-	(82)	-	(228)
Reclassification	-	-	56,008	-	18,333	-	(74,341)	-
Balance at December 31, 2022	$ 124,792	76,665	168,987	27,232	47,063	15,344	2,952	463,035
Balance at January 1, 2021	$ -	-	65,708	23,232	9,122	3,665	44,003	145,730
Additions	-	-	1,664	3,888	10,080	1,594	34,174	51,400
Disposal	-	-	-	(61)	-	-	-	(61)
Reclassification	-	-	17,880	-	-	-	(22,152)	(4,272)
Balance at December 31, 2021	$ -	-	85,252	27,059	19,202	5,259	56,025	192,797

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Depreciation:								
Balance at January 1, 2022	$ -	-	8,152	7,857	5,840	2,455	-	24,304
Depreciation for the year	-	839	6,606	5,336	5,379	2,858	-	21,018
Disposal	-	-	-	(146)	-	(82)	-	(228)
Balance at December 31, 2022	-	839	14,758	13,047	11,219	5,231	-	45,094
Balance at January 1, 2021	$ -	-	3,735	3,236	2,790	1,211	-	10,972
Depreciation for the year	-	-	4,417	4,630	3,050	1,244	-	13,341
Disposal	-	-	-	(9)	-	-	-	(9)
Balance at December 31, 2021	$ -	-	8,152	7,857	5,840	2,455	-	24,304
Carrying amounts:								
Balance at December 31, 2022	$ 124,792	75,826	154,229	14,185	35,844	10,113	2,952	417,941
Balance at December 31, 2021	$ -	-	77,100	19,202	13,362	2,804	56,025	168,493
Balance at January 1, 2021	$ -	-	61,973	19,996	6,332	2,454	44,003	134,758

The Company entered into a contract in March 2022 to acquire an office in Taichung for the Company’ s operational development and reported to the Board in May 2022. The purchase price of land and buildings were $35,420 thousand and $68,370 thousand, respectively (before tax), the title registration procedure was completed in June 2022 and the above amounts were paid in full in June 2022.

The purchase contract in July 2022 to purchase of part of the land in Xin Sheng section of Cigu district, Tainan City was signed by the Company in July 2022 for a total price of $44,482 thousand for the future development and construction of the project. The title registration procedure was completed in July 2022. The above amounts were paid in full in July 2022.

The purchase of Penghu office was signed by the Company in August 2022 and the prices of land and buildings amounting to $44,890 thousand and $8,295 thousand (before tax), respectively, for use as the Penghu business development office, all of which were paid.

As of December 31, 2022 and 2021, the property, plant, and equipment were pledged as collateral. Please refer to note 8.

(8) Right-of-use assets

The Company leases many assets such as land, buildings and Transportation equipment. Costs and accumulated depreciation movement about leases for which the Company as a lessee is presented below:

	Land	Buildings and Construction	Transportation equipment	Total
Right-of-use assets, cost:				
Balance at January 1, 2022	$ -	20,693	4,155	24,848
Additions	6,557	27,476	7,875	41,908
Disposal	-	(1,119)	-	(1,119)
Balance at December 31, 2022	$ 6,557	47,050	12,030	65,637
Balance at January 1, 2021	$ -	16,202	5,361	21,563
Additions	-	10,452	-	10,452
Disposal	-	(5,961)	(1,206)	(7,167)
Balance at December 31, 2021	$ -	20,693	4,155	24,848

	Land		Buildings and Construction	Transportation equipment	Total
Depreciation:					
Balance at January 1, 2022	$	-	5,801	3,150	8,951
Depreciation for the year		328	5,879	2,087	8,294
Disposal		-	(746)	-	(746)
Balance at December 31, 2022	$	328	10,934	5,237	16,499
Balance at January 1, 2021	$	-	5,098	2,763	7,861
Depreciation for the year		-	6,664	1,593	8,257
		-	(5,961)	(1,206)	(7,167)
Balance at December 31, 2021	$	-	5,801	3,150	8,951
Carrying amounts:					
Balance at December 31, 2022	$	6,229	36,116	6,793	49,138
Balance at December 31, 2021	$	-	14,892	1,005	15,897
Balance at January 1, 2021	$	-	11,104	2,598	13,702

(9) Intangible assets

The cost, amortization, revaluation increments and impairment of the intangible assets of the Company for the years ended December 31, 2022 and 2021 were as follows:

	Computer software	
Cost:		
Balance at January 1, 2022	$	5,270
Additions		10,114
Balance at December 31, 2022	$	15,384
Balance at January 1, 2021	$	3,669
Additions		1,711
Decrease		(110)
Balance at December 31, 2021	$	5,270
Amortization:		
Balance at January 1, 2022	$	2,258
Amortization		3,233
Balance at December 31, 2022	$	5,491
Balance at January 1, 2021	$	654
Amortization		1,714
Decrease		(110)
Balance at December 31, 2021	$	2,258
Carrying amounts:		
Balance at December 31, 2022	$	9,893
Balance at December 31, 2021	$	3,012
Balance at January 1, 2021	$	3,015

As of December 31, 2022 and 2021, the intangible assets of the Company were not pledged as collateral.

(10) Other current assets and other non-current assets

	December 31, 2022	December 31, 2021
Prepayments for projects	$ 1,029,846	509,067
Refundable deposits	151,413	28,915
Restricted deposits－noncurrent (Note 8)	85,108	64,259
Prepayment for equipment and land purchases	8,385	15,239
Other	16,299	33,464
	1,291,051	650,944
Less: account under other current assets	(1,046,145)	(542,531)
Other non-current assets	$ 244,906	108,413

(11) Short-term borrowings

	December 31, 2022	December 31, 2021
Unsecured bank borrowings	$ 185,000	222,611
Secured bank loans	81,230	56,500
Borrowings of letters of credit	21,441	-
	$ 287,671	279,111
Range of interest rates at the year end	**2.2%~2.6%**	**1.6%~1.9%**

The short term secured bank borrowings as of December 31, 2022 and 2021 are small and medium enterprise credit guarantee fund of Taiwan pledged as loans for materials purchases.

Please refer to note 6(27) for the disclosure of interest risk, currency risk and liquidity risk.

(12) Short-term notes and bills payable

	December 31, 2022		
	Guarantee or acceptance institution	Range of Interest rate (%)	Amount
Commercial paper payable	Mega International Commercial Bank	2.01%	$ 30,000
Less: discount			(68)
			$ 29,932

The Company’s short-term notes payables mentioned above were not pledged as collateral for the year ended December 31, 2022.

(13) Long-term borrowings

	Loan period	December 31, 2022	December 31, 2021
Secured bank loans	2018.12~ 2042.06	$ 131,202	82,439
Unsecured bank loans	2018.12~ 2042.06	41,653	29,195
		172,855	111,634
Less: current portion		(11,211)	(38,634)
		$ 161,644	73,000
Range of interest rates at the year end		**2.18%~2.58%**	**1.95%**

Please refer to note 6(27) for the disclosure of liquidity risk and interest risk. Refer to Note 8 for assets pledged as collateral to secure the aforementioned long-term borrowings.

(14) Lease liabilities

The carrying amounts of the Company’s lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	$ 13,247	6,098
Non-current	$ 35,986	10,026

For the maturity analysis, please refer to Note 6(27).

The amounts of leases recognized in profit or loss were as follows:

	For the years ended December 31, 2022	2021
Interest expense on lease liabilities	$ 542	382
Expenses relating to short-term leases	$ 19,167	16,331

The amounts of leases recognized in the statement of cash flows for the Company was as follows:

	For the years ended December 31, 2022	2021
Total cash outflow for leases	$ 28,129	24,910

A. Real estate and transportation equipment leases

The Company leases houses and buildings as office premises and leases transportation equipment for terms typically run for one to three years for the years ended December 31, 2022 and 2021.

B. Other leases

The Company's leases on dormitory and other leases are with contract terms of 1 year or less. These leases qualify as short-term leases and low value asset leases. The Company has elected not to recognize the right of use assets and lease liabilities for these leases.

(15) Other current liabilities and other non-current liabilities

		December 31, 2022	December 31, 2021
Payable on machinery and equipment	$	39,587	2,614
Labor fees payable		36,077	3,021
Warranty provisions		28,405	20,657
Provision for decommissioning, restoration and rehabilitation costs		1,908	1,594
Other		25,338	9,262
Less: classified under other-current liabilities		(102,220)	(15,449)
	$	29,095	21,699

Provision for warranty liabilities is recognized for future maintenance costs of project that may arise in the event of a future event based on their historical experience and less anticipated future risks.

Provision for decommissioning, restoration and rehabilitation costs is intended to provide for the recovery cost of the power station modules as estimated in accordance with the Regulations for the Management of Setting up Renewable Energy Power Generation Equipment by the Bureau of Energy, Ministry of Economic Affairs. These amounts are based on the scale of the power station and are recognized as a provision for liabilities based on the present value of the estimated decommissioning costs.

(16) Capital and other equity

A. Common stock

As of December 31, 2022 and 2021, the Company's total authorized shares of common stock amounting to $2,000,000 thousand and $1,000,000 thousand with a par value of $10 per share. Out of these shares, 85,000 thousand shares and 70,000 thousand shares, respectively, were issued and outstanding, while $100,000 thousand was reserved for employee share option.

After the resolution of the Board of Directors, the Company issued 15,000 thousand new shares through cash capital increase on March 28, 2022 at a price of $82 per share. The Company has adopted the share capital increase date of May 16, 2022 and has completed the registration of the change. In addition, the Company is required to recognize the remuneration cost of cash capital increase to retain the shares for employee subscription. Please note 6(17) for details.

The Company has issued new shares amounting to 15,000 thousand for the initial listing of the Company on the Taiwan Innovation Board on December 28, 2022 pursuant to a resolution of the Board of Directors with a par value of $10 per share. The Company adopted book building and public underwriting price and issued at a premium of $110 per share on February 22, 2023. The Company adopted March 2, 2023 as base date for cash capital increase.

The Board of Directors' meeting resolved to issue 16,000 thousand shares and 2,000 thousand shares on August 31, 2021 and October 15, 2021, respectively, for cash capital increase at a price of $42 and $46 per share. The Company has adopted the cash capital increase date of September 30, 2021 and November 24, 2021 and has completed the registration of the change. In addition, the Company is required to recognize the remuneration cost of cash capital increase to retain the shares for employee subscription. Please refer to note 6(17) for details.

For the year ended December 31, 2021, the exercise of employee share option issued by the Company amounting to $84,000 thousand in total was converted into 2,000 thousand shares of common stock at $42 per share. The related registration procedures were completed during the year. All the proceeds from issuing shares were collected. In addition, the Company is required to recognize the remuneration cost of cash capital increase to retain the shares for employee subscription. Please refer to note 6(17) for details.

Reconciliation of shares outstanding for year ended December 31, 2022 and 2021 were as follows:

	Ordinary share	
	For the years ended December 31,	
	2022	**2021**
Balance at January 1	70,000	50,000
Issuance of shares for cash	15,000	18,000
Exercise of employee share options	-	2,000
Balance at December 31	**85,000**	**70,000**

B. Capital surplus

The components of capital surplus were as follows:

	December 31, 2022	**December 31, 2021**
Share capital at premium	$ 1,745,272	660,619
The effect of long-term equity investment is not recognized in proportion to the shareholding	202	-
	$ 1,745,474	**660,619**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

C. Retained earnings

In accordance with the Company’ s articles, if there are earnings at year end, 10 percent should be set aside as legal reserve (unless the amount in the legal reserve is already equal to or greater than the total paid-in capital). The remaining portion will be combined with earnings from prior years, and the Board of Directors can propose distribution plan to be approved by the shareholders’ meeting.

The Company is in a growth phase. Based on capital expenditure, business expansion needs, and financial planning for sustainable development, the Company’ s dividend policy will allocate retained earnings to shareholders through stock and cash dividends in accordance with the Company’ s future capital expenditure budget and capital requirements. The dividends shall be distributed not lower than 10% to the shareholders from distributable earnings. The cash dividend ratio of such dividends shall not be less than 10% of the total dividend of the shareholders. In the event that the Company has a material investment plan and is unable to obtain other funds, the Board of Directors may, upon the proposal of the Board and the resolution of the Shareholders in general meeting, not to issue cash dividends.

(a) Legal reserve

When a Company incurs no loss, it may, pursuant to a resolution by a shareholders’ meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Earnings distribution

The appropriation of earnings for the years ended December 31, 2021 and 2020 passed the resolution of general meeting of shareholders on June 30, 2022 and August 31,2021, respectively. The amounts of dividends distributed to shareholders were as follows:

	For the years ended December 31,			
	2021		2020	
	Earnings distribution	Price per share (NTD)	Earnings distribution	Price per share (NTD)
Legal reserve	$ 16,481		19,134	-
Cash dividends paid	170,000	2.00	100,000	2.00
	$ 186,481		119,134	

The aforementioned earnings distributions did not differ from those resoluted by shareholder’ s general meeting in the financial statements in 2021 and 2020. The related information can be accessed from market observation post system website.

Information on the approval of Board of Directors and shareholders for the Company's appropriations of earnings are available at the Market Observation Post System website.

(17) Share based payment

A. Employee stock options

The circumstances in which the Company issued employee share option for the year ended December 31, 2021 are as follows:

Categories and type	Grant date	The expected life of the option	Vesting period	Units Granted (thousands of units)	Exercise price per share (NTD)
Employee stock options for 2021	2021.7.1	2021.07.1~2021.09.29	Vest Immediately	2,000	42.00

For the employee stock option plan for compensation, the estimated fair value of the options granted at $4.75 per option at the date of grant using the Black-Scholes option pricing model.The remuneration cost amounting to $9,500 thousand was recognized. Weighted-average assumptions were as follows:

Fair value of common shares	$42.28
Expected price volatility	60.41%
The risk-free rate	0.12%
The expected life (years)	0.23 year

The employee options issued by the Company have been fully subscribed for as of December 31, 2021.

The Company also passed the resolution of shareholders' general meeting on June 29, 2020 to award 2,550,000 employee stock option, an unit of employee stock option is entitled to subscribe one common share of the Company. However, on June 30, 2021, the aforesaid employee share option and share options policy were abolished by a resolution of the Board.

B. Cash injection reserved for employees

The Company issued 15,000 thousand shares on March 28, 2022 and 16,000 thousand shares on August 31, 2021, respectively, after passing resolution of the Board of Directors for cash capital increase; and in accordance with article 267 of R.O.C. Company Act, reserve 10%, which consist of 1,500 thousand and 1,600 thousand shares, respectively, and employees of the Company are entitled to priority in subscription. The number of shares given up for subscription or under subscribed by employees should authorize the Chairman to contact a specific person to fully subscribe the shares at issue price.

For the year ended December 31, 2022 and 2021, the Company recognized new shares from cash capital increase, 922 thousand shares and 332 thousand shares of these new shares issued for cash capital increase were reserved for employee subscription pursuant to article 267 of the ROC Company Act, the fair value of awarded equity interest on the grant date shall be measured in accordance with the provisions of the IFRS 2 "Share-Based Payment" at \$5.05 and \$4.75. The remuneration costs of \$4,653 thousand and \$1,577 thousand were recognized at the grant date for the year ended December 31, 2022 and 2021.

The Company adopted the Black Scholes model to evaluate the fair value of the share-based payments at the grant date. The assumptions adopted in this valuation model were as follows:

	Cash injection reserved for employees	
	For the years ended December 31,	
	2022	**2021**
Fair value at the grant date	5.05	4.75
Share price at the grant date	83.90	42.28
Number of options granted	922 thousand shares (note)	332 thousand shares (note)
Exercise price	82	42
The risk-free rate (%)	0.40%	0.12%

Note: Employees have declared a total of 578 thousand shares and 1,268 thousand shares to be wavied prior to the grant date.

C. Employee restricted stock option

A resolution passed on June 29, 2020, the Company's shareholders' meeting resoluted to issue 450 thousand new shares of employee restricted shares with a par value of \$10 per share, amounting to total of \$4,500 thousand for a valid term of one year. Grants are limited to full-time employees of the Company who meet certain conditions. However, as of June 30, 2021, there was no actual issuance due to non-compliance with certain conditions and was automatically abolished after expiry date has passed.

(18) Employee benefits

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$6,075 thousand and \$4,199 thousand for the years ended December 31, 2022 and 2021, respectively.

(19) Income taxes

A. Income tax expenses

The components of income tax expense (benefit) in the years 2022 and 2021 as follows:

	For the years ended December 31, 2022	2021
Current tax expense		
Current period	$ 207,390	67,472
Tax on undistributed earnings	-	3,610
Adjustment for prior years	(1,892)	(1,111)
	205,498	69,971
Deferred tax expense (benefit)		
Temporary differences	(42,512)	(10,431)
	$ 162,986	59,540

There were no income tax expense recognized directly in equity and other comprehensive income for the years ended December 31, 2022 and 2021.

Reconciliation of income tax and profit before tax for 2022 and 2021 is as follows:

	For the years ended December 31, 2022	2021
Profit before income tax	$ 813,092	224,823
Income tax of net profit before tax calculated at the prescribed tax rate	162,618	44,964
Tax on undistributed earnings	-	3,610
The Income tax effect of Permanent difference	2,864	12,342
Adjustment for prior years and others	(2,496)	(1,376)
Income tax expense	$ 162,986	59,540

B. Recognized deferred tax assets

Changes in the amount of deferred tax assets for 2022 and 2021 were as follows:

	January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2021	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2022
Unrealized profit from sales	$ 3,379	7,733	-	11,112	40,882	-	51,994
Other	1,433	2,698	-	4,131	1,630	-	5,761
	$ 4,812	10,431	-	15,243	42,512	-	57,755

C. Assessment of tax

The Company’ s tax returns for the years through 2020 were assessed by the National Taxation Bureau of R.O.C..

(20) Earnings Per Share

	For the years ended December 31, 2022	2021
Basic earnings per share:		
Profit	$ 650,106	165,283
Weighted-average number of ordinary shares (in thousands)	79,452	54,800
Basic earnings per share (in dollars)	$ 8.18	3.02
Diluted earnings per share:		
Profit	$ 650,106	165,283
Weighted-average number of ordinary shares (in thousands)	79,452	54,800
Add: effect of employee remuneration in stock	1,933	511
	81,385	55,311
Diluted earnings per share (in dollars)	$ 7.99	2.99

(21) Revenue from contracts with customers

A. Revenue from main market region:

	For the years ended December 31, 2022	2021
Taiwan	$ 5,052,656	2,655,474

B. Major products/service lines:

	For the years ended December 31, 2022	2021
Construction revenue	$ 4,897,811	2,489,722
Service revenue	135,299	122,226
Sales revenue	45	27,918
Power electric revenue and others	19,501	15,608
	$ 5,052,656	2,655,474
Timing of revenue recognition:		
Revenue transferred at a point in time	$ 142,749	125,782
Revenue recognition over time	4,909,907	2,529,692
	$ 5,052,656	2,655,474

C. Contract balances:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract assets construction and equipment	$ 682,215	720,894	429,034
Contract liabilities construction and equipment	$ 90,869	316,231	97,493

The contract liabilities primarily relate to the advance consideration received from customers for construction contracts before the construction begins, for which revenue is recognized progressively during the constrction period.

As of January 1, 2022 included the contract liability balance at the beginning of the period were $316,231 thousand and the amount of revenue recognized for the year ended December 31, 2022 was $208,377 thousand.

As of January 1, 2021 included the contract liability balance at the beginning of the period were $97,493 thousand and the amount of revenue recognized for the year ended December 31, 2021 was $23,679 thousand, respectively.

The contract assets were mainly recognized revenue of work but not yet paid up at the reporting date. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

The relevant for details on accounts and notes receivable and its impairment, please refer to note 6(3).

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied by transferring ownership to the customer and the payment to be received. For the years ended December 31, 2022 and 2021, there is no significant changes.

D. The transaction price allocated to the outstanding performance obligations

On December 31, 2022 and 2021, the aggregate transaction price of the allocated to remaining performance obligations was $4,923,512 thousand and $3,143,499 thousand, respectively. The revenue is recognized progressively based on the progress towards complete satisfaction of contract and is expected to be completed in the next one to three years.

All consideration from contracts with customers is included in the transaction price presented above.

(22) Remuneration to employees, directors and supervisors

In accordance with the Articles of incorporation, the Company should contribute 5% to 10% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Employees of subsidiaries may also be entitled to the employee remuneration of the Company, which can be settled in the form of cash or stock.

The Company estimated its remuneration to employees amounting to $71,481 thousand and $11,980 thousand and directors' and supervisors' remuneration amounting to $8,935 thousand and $2,800 thousand for the years ended December 31, 2022 and 2021, respectively. The estimated amounts mentioned above are calculated based on the profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of the remuneration to employees and directors, as specified in the Company's article. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the year ended December 31, 2021, the remunerations to employees and directors amounted to $11,980 thousand and $2,800 thousand, respectively. The aforementioned remuneration was no difference between the actual amounts and the amounts accrued. The information is available on the Market Observation Post System website. The related information can be accessed from market observation post system website.

(23) Interest income

	For the years ended December 31, 2022	2021
Interest income from bank deposits	$ 1,914	212
Other interest income	1,279	492
	$ 3,193	**704**

(24) Other Income

	For the years ended December 31, 2022	2021
Net gain from settlement of acquisition of power plant (Note 7)	$ 6,399	-
Recovery of write off accounts	3,000	333
Rent income	223	537
Scraps income	-	70
Other income	872	147
	$ 10,494	**1,087**

(25) Other gains and losses

	For the years ended December 31, 2022	2021
Foreign exchange losses, net	$ (12,095)	(7)
Gains on disposals of investments, net	1,837	1,326
Miscellaneous disbursements	(104)	(611)
	$ (10,362)	**708**

(26) Finance Costs

	For the years ended December 31,		
		2022	2021
Interest expense on bank loans	$	11,694	4,470
Interest expense on lease liabilities		542	382
Interest expenses on decommissioning liabilities		46	34
	$	12,282	4,886

(27) Financial instruments

A. Credit risk

(a) Exposure to credit risk

The carrying amount of financial assets represent the maximum amount exposed to credit risk.

(b) Concentration of credit risk

The Company' s potential credit risk is derived primarily from cash in bank, cash equivalents, restricted bank deposit and trade receivables. Also, the Company deposits cash and restricted bank deposit in good credit financial institutions. The Company manages credit risk exposure related to each financial institution and believes that there is no significant concentration of credit risk on cash and restricted bank deposits.

The Company' s potential credit risk is derived primarily from trade receivables. The major customers of the Company are centralized in renewable energy power generation industry. To reduce the credit risk of the accounts receivable, the Company has adopted a policy assessing the financial status of the customers and the possibility of collection of receivables on a regular basis. The Company also deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default.

(c) Credit risk of receivables

For credit risk exposure of accounts receivable, please refer to note 6(3).

All of financial assets excluding the above-mentioned accounts receivable are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(6) for details on the Company determines whether credit risk is to be low risk). The loss allowance provision was determined as follows, Please refer to Note 6(2) for details:

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities

		Carrying value	Contractual Cash flows	Within a year	Over 1 years
Balance at December 31, 2022					
Non-derivative financial liabilities					
Short-term borrowings	$	287,671	289,248	289,248	-
Short-term notes payables		29,932	30,000	30,000	-
Notes and Accounts payable (including related parties)		1,044,725	1,044,725	1,044,725	-
Salary and bonus payable		108,838	108,838	108,838	-
Lease liabilities－current and non-current		49,233	52,477	14,357	38,120
Long-term borrowings (including current portion)		172,855	205,348	15,220	190,128
	$	1,693,254	1,730,636	1,502,388	228,248
Balance at December 31, 2021					
Non-derivative financial liabilities					
Short-term borrowings	$	279,111	280,139	280,139	-
Notes and Accounts payable (including related parties)		544,558	544,558	544,558	-
Salary and bonus payable		35,518	35,518	35,518	-
Lease liabilities－current and non-current		16,124	16,657	6,376	10,281
Long-term borrowings (including current portion)		111,634	122,299	40,580	81,719
	$	986,945	999,171	907,171	92,000

C. Interest rate risk

The Company’ s interest risk arises from the Company’ s short term and long-term borrowings that bear floating interest rates. The changes in effective rate along with the fluctuation of the interest rate influence the Company’ future cash flow due to changes in effective interest rate of short term and long-term borrowings. The following sensitivity analysis is based on the risk exposure. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

The Company’s short term and long-term borrowings that bear floating interest rates. If the interest rate increases or decreases by 0.25% the Company’s net income will decrease/increase by $1,151 thousand and $977 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors remain constant.

D. Fair value of financial instruments

(a) Fair value hierarchy

The Company’s carrying amount and the fair value of financial assets and liabilities (including information for fair value hierarchy, but excluding financial instruments whose fair values approximate the carrying amounts, and lease liabilities), are as follows:

	December 31, 2022				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,227,679	-	-	-	-
Notes and accounts receivable, net	17,063	-	-	-	-
Accounts receivable due from related parties	12,239	-	-	-	-
Other payables－related parties	8,745	-	-	-	-
Refundable deposits	151,413	-	-	-	-
Restricted deposits (current and non-current)	278,823	-	-	-	-
	$ 1,695,962	-	-	-	-
Non-current financial assets at FVOCI	$ 35,000	-	-	35,000	35,000
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 287,671	-	-	-	-
Short-term notes payables	29,932	-	-	-	-
Notes and Accounts payable (including related parties)	1,044,725	-	-	-	-
Salary and bonus payable	108,838	-	-	-	-
Lease liabilities－current and non-current	49,233	-	-	-	-
Long-term borrowings (including current portion)	172,855	-	-	-	-
	$ 1,693,254	-	-	-	-

	December 31, 2021				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 796,971	-	-	-	-
Notes and accounts receivable, net	88,613	-	-	-	-
Accounts receivable due from related parties	40,742	-	-	-	-
Other payables－related parties	10,845	-	-	-	-
Refundable deposits	28,915	-	-	-	-
Restricted deposits (current and non-current)	179,764	-	-	-	-
	$ 1,145,850	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 279,111	-	-	-	-
Notes and Accounts payable (including related parties)	544,558	-	-	-	-
Salary and bonus payable	35,518	-	-	-	-
Lease liabilities－current and non-current	16,124	-	-	-	-
Long-term borrowings (including current portion)	111,634	-	-	-	-
	$ 986,945	-	-	-	-

(b) Valuation technique of financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Fair value measurement for financial assets and liabilities measured at amortized cost based on the latest quoted price and agreed upon price if these prices are available in active markets. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values. The fair value is determined by using valuation techniques and calculated as the discounting value of the estimated cash flows.

The fair values of refundable deposits are based on carrying amount as there is no fixed maturity.

(c) The reconciliation of Level 3 fair values

	For the years ended December 31,	
	2022	**2021**
Financial assets at fair value through other comprehensive income－equity investments without an active market		
Balance at January 1	$ -	-
Purchase	35,000	-
Balance at December 31	$ 35,000	-

(d) 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 fair value is financial assets at FVOCI – equity investments.

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

Quantified information regarding significant unobservable inputs are as follows:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss – equity investments without an active market	the P/B Method	• The P/B ratio of the interbank companies is 4.8 times that of December 31, 2022 • The liquidity discount of December 31, 2022 is 20%	N/A

There was no transfer between the different levels of fair value hierarchy for the years ended December 31, 2022 and 2021.

(28) Financial risk management

A. Overview

The Company has exposures to the following risks from its financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Company’ s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

B. Structure of risk management

The Company’ s finance management department provides business services for the overall internal department, coordinating and coordinating access to financial market operations, monitors and manages the financial risks associated with the operations by analyzing the internal risk report on risk based on the degree and extent of the risk.

C. Credit risk

The credit risk of the Company is mainly due to cash and cash equivalents and receivables, these financial instruments arising from operating activities, as explained in the Company financial statements note 6(27).

D. Liquidity risk

There is no liquidity risk of being unable to raise capital to settle contract obligations since the Company has sufficient capital and working capital to fulfill the contract obligations.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect The Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. The Company’ s bank deposit, long and short-term loans bear floating interest and are financial assets and liabilities. The fluctuation in the market interest rate will affect effective rate of bank deposits, long-term and short-term bank borrowings and then influence The Company’ s future cash flow.

(29) Capital management

Through clear understanding and managing of significant changes in external environment, related industry characteristics, and corporate growth plan, the Company manages its capital structure to ensure it has sufficient financial resources to sustain proper liquidity, to invest in capital expenditures, to repay debts and to distribute dividends in accordance to its plan. The management pursues the most suitable capital structure by monitoring and maintaining proper financial ratios as below. The Company enhance the returns of its shareholders through achieving an optimized debt-to-equity ratio from time to time.

	December 31, 2022	December 31, 2021
Total liabilities	2,116,173	1,459,077
Total equity	3,353,956	1,642,190
Interest bearing liabilities	490,458	390,745
Debt to equity ratio	63%	89%
Interest bearing debt to equity ratio	15%	24%

For the year ended December 31, 2022, the Company had increased its capital by cash in and causing a reduction in its liability to equity ratio, and interest bearing debt to equity ratio and increase in total liability and total equity.

(30) Non-cash Transaction of Financial Activities

	Short-term borrowings	Short-term notes and in payable	Long-term borrowings (including current portion)	Lease liabilities	Total liabilities from financing activities
Balance on January 1, 2022	$ 279,111	-	111,634	16,124	406,869
Cash flows	8,560	29,712	61,221	(8,420)	91,073
Non-Cash changes:					
Net Increase	-	-	-	41,529	41,529
Interest expense	-	220	-	-	220
Balance on December 31, 2022	$ 287,671	29,932	172,855	49,233	539,691

	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
Balance on January 1, 2021	$ 61,295	147,108	20,000	13,869	242,272
Cash flows	217,816	(35,474)	(20,000)	(8,197)	154,145
Non-Cash changes:					
New leases	-	-	-	10,452	10,452
Balance on December 31, 2021	$ 279,111	111,634	-	16,124	406,869

7. Related-party transactions:

(1) Parent company and ultimate controlling party

The Company is the ultimate controlling party of the Consolidated Company and its subsidiaries.

(2) Names and relationship with the Company

Name of related parties	Relationship with the Company
Ri Zhi Green Co., Ltd. (Ri Zhi)	Subsidiary of the Company
Ri Wei Green Co., Ltd. (Ri Wei)	Subsidiary of the Company
HB O&M Co., Ltd. (HB)	Subsidiary of the Company
Xiang Heng Green Co., Ltd. (Xiang Heng)	Subsidiary of the Company
Ru Jing Green Co., Ltd. (Ru Jing)	Subsidiary of the Company
Wen Deng Green Co., Ltd. (Wen Deng)	Subsidiary of the Company
Yunn Deng Green Co., Ltd. (Yunn Deng)	Subsidiary of the Company
Dan Deng Green Co., Ltd. (Dan Deng)	Subsidiary of the Company
New Century Energy Co., Ltd. (New Century)	Subsidiary of the Company
Chang He Energy Co., Ltd. (Chang He)	Subsidiary of the Company
Ri Xun Green Co., Ltd. (Ri Xun)	Subsidiary of the Company
Shin De Co., Ltd. (Shin De)	Subsidiary of the Company (Note 2)
Star Exchange Co., Ltd. (Star Exchange)	Subsidiary of the Company
You Deng Green Co., Ltd. (You Deng)	Subsidiary of the Company
Titan Asset Management Co., Ltd. (Titan Asset)	Subsidiary of the Company
He Shuo Agriculture Co., Ltd. (He Shuo)	Subsidiary of the Company (Note 2)
Yin Deng Green Co., Ltd. (Yin Deng)	Subsidiary of the Company
Ri Chen Green Co., Ltd. (Ri Chen)	Subsidiary of the Company
Ri Dun Green Co., Ltd. (Ri Dun)	Subsidiary of the Company (Note 2)
Star Energy Storage Solutions Co., Ltd. (ESS)	Subsidiary of the Company (Note 2)
Shin Yuan Energy Co., Ltd. (Shin Yuan)	Subsidiary of the Company (Note 2)
Xin Sheng Energy Develop Co., Ltd. (Xin Sheng)	Subsidiary of the Company (Note 2)
Star Charger Co., Ltd. (Star Charger)	Subsidiary of the Company (Note 2)
Star Network Data Co., Ltd. (Star Network)	Joint venture of the Company (notes 2 and 7)
Daybreak FisheryTech Co., Ltd. (DFC)	Subsidiary of the Company
Hui Ju Energy Co., Ltd. (Hui Ju)	Subsidiary of the Company
Ying Fa Energy Co., Ltd. (Ying Fa)	Subsidiary of the Company (Note 2)
Star Power Energy Corporation (Star Power)	Joint venture of The Company
Aquastar Energy Co., Ltd. (Aquastar)	Joint venture of the Company (Notes 2 and 7)
Ri Yun Green Co., Ltd. (Ri Yun)	Subsidiary of Aquastar (Note 14)
Motech Power Alpha Co., Ltd. (MPA)	Subsidiary of Star Power

Name of related parties	Relationship with the Company
Sunny Go Solar Co., Ltd. (Sunny Go)	Subsidiary of Star Power (Note 1)
Da Fu Energy Co., Ltd. (Da Fu)	Subsidiary of Star Power (Note 2)
Fang Deng Green Co., Ltd. (Fang Deng)	Subsidiary of Star Power (Note 9)
Zhong Fang Green Co., Ltd. (Zhong Fang)	Subsidiary of Star Power (Note 9)
Ren Hua Green Co., Ltd. (Ren Hua)	Subsidiary of Star Power (Note 9)
Daybreak Fishery Management Consultants Co., Ltd. (DFM)	Subsidiary of Star Power (Note 15)
AcTek Energy Co., Ltd. (AcTek)	Associate of the Company (Note 5)
Ri Fa Green Co., Ltd. (Ri Fa)	Associate of the Company (Note 8)
Yun Deng Green Co., Ltd. (Yun Deng)	Associate of the Company (Note 8)
Titan Solar Co., Ltd. (Titan Solar)	Corporate director of the Company
Hong Din electric engineering Co., Ltd. (Hong Din)	Same Chairman with the Company (Note 3)
Fengyuan Co., Ltd. (Fengyuan)	Same Chairman with the Company
Liang Yu Technology Co., Ltd. (Liang Yu)	Substantive related party of the Company (Note 4)
Ding Li Power Technology Co., Ltd. (Ding Li)	Substantive related party of the Company (Note 6)
Ding Li Alloy Co., Ltd. (Ding Li Alloy)	Substantive related party of the Company (Note 6)
Solarflex Trading Co., Ltd. (Solarflex)	Substantive related party of the Company (Note 6)
AcBel Polytech Inc. (AcBel)	Substantive related party of the Company (Note 5)
AcSacca Solar Energy Co., Ltd. (AcSacca)	Substantive related party of the Company (Note 5)
Kang Yang New Energy Co., Ltd. (Kang Yang New)	Substantive related party of the Company (Note 5)
GreenRock Energy Co., Ltd. (GreenRock)	Substantive related party of the Company (Note 10)
Ridong Technology Fisheries Co., Ltd. (Ri Dong)	Substantive related party of the Company (Note 11)
Firstera International Co., Ltd. (Firstera)	Substantive related party of the Company (Note 12)
Tuo Neng Engineering Technology Share Co., Ltd. (Tuo Neng)	Substantive related party of the Company (Note 13)
Gigastorage Corporation (Gigastorage)	Substantive related party of the Company (Note 8)

For information related to subsidiaries and related-parties of the Company, please refer to the consolidated financial statements for the year ended December 31, 2022:

Note 1: Sunny Go became a subsidiary of Star Power Energy in August 2021.

Note 2: The Company invested in Shin Yuan and ESS in June, 2021. Then it invested in Xin Sheng, Aquastar, Star Charger and Star Network in December 2021. The Company set up Ying Fa in November 2022. In addition, the Company disposed of 100% equity interest in Da Fu and Ri Dun to Star Power and Jitian Optoelectronics Co., Ltd. (Jitian Optoelectronics) in August and December 2021, respectively. The Company disposed all of its equity interests in Shin De and He Shuo in December 2022 to Heyi International Co., Ltd. and Star Shining Energy Corporation respectively. Accordingly, Ri Dun and He Shuo has not been consolidated entities of the Company since December 2021 and 2022.

Note 3: Hong Din completed the change of registration for the change of chairman in April 2021; therefore, it has been removed from the Company as a related party since April 2021.

Note 4: The directors of the Company who invested in Liang Yu resigned in May 2021; therefore, Liang Yu has been removed from the Company as a related party since June 2021

Note 5: The Company invested in and served as a director of AcTek in April 2021 and resigned as a director since March 2022. AcBel is the parent company of AcTek, AcSacca and Kang Yang New, respectively. Therefore, since March 18, 2022, AcBel, AcSacca and Kang Yang New has been disassociated from the Company as related parties. The Company sold all of its shares in AcTek in December 2022; therefore, AcTek has been not a related party of the Company since December 2022.

Note 6: Ding Li, Ding Li Alloy and Solarflex are all associates of investees of Titan Solar.

Note 7: Aquastar and Star Network were originally subsidiaries of the Company. In June and September 2022, respectively, their shareholding ratio decreased to 10% and 49%, and became joint ventures of the Company, as a result of disproportionate subscription of shares in capital increase.

Note 8: In August and December 2022, the Company had not participated in the capital increase of its subsidiaries, Ri Fa and Yun Deng in proportion to its shareholding respectively; therefore its shareholding ratio of Ri Fa and Yun Deng were both reduced to 40% and become the Company’ s affiliated enterprises. In addition, Gigastorage is the parent company of Ri Fa and is therefore a related party of the Company.

Note 9: The Company sold all of its shares in Fang Deng, Zhong Fang and Ren Hua to Star Power in March 2022, please refer to note 6(5) for details.

Note 10: GreenRock was a director of Hui Ju, a subsidiary of the Company acquired in June 2022 and GreenRock resigned as a director of Hui Ju in November 2022. GreenRock has been removed from the Company as a related party since November 2022.

Note 11: Ri Dong is a director of DFM. The company sold DFM to Star Power on September 30, 2022; therefore, Ri Dong is no longer a related party of the Company.

Note 12: Firstera was originally a director of DFM. The Company sold DFM to Star Power on September 30, 2022; therefore, Firstera is no longer a related party of the Company.

Note 13: Lee Yong Qing has been the Vice President of the Company and the Chairman of Tuo Neng since May 1, 2020. The Company has been a related party of the Company since that date. The Chairman of the Company was changed to Li Xin Kuan on July 27, 2020 and Li Xin Kuan has been the manager of the Company since April 1, 2021. Since December 1, 2021, the Chairman of the Company has been changed to Zhang Jing Ci; therefore, Tuo Neng is no longer a related party of the Company.

Note 14: The Company sold all of its shares in Ri Yun to Aquastar in June 2022.

Note 15: The Company disposed all of its equity interest in DFM to Star Power in September 2022; therefore, DFM became a subsidiary of Star Power.

(3) The Company’ s significant related party transactions and balances were as follows:

A. Operating revenue and Receivables from related parties

	Operating revenue	
	For the years ended December 31,	
	2022	2021
Subsidiaries of the Joint venture		
Ri Yun	$ 1,278,843	-
Da Fu	1,182,628	49,376
Zhong Fang	542,891	-
Fang Deng	540,928	-
Ren Hua	507,986	-
MPA	16,903	1,039,575
Others	-	1,047
Subsidiaries	88,544	41,190
Associates	198,419	91,710
Joint ventures	57,647	1,250
Other related parties	605	5,900
	$ 4,415,394	1,230,048

	Receivables from related parties	
	December 31, 2022	December 31, 2021
Subsidiaries of the Joint venture		
Ri Yun	$ 12,212	-
Subsidiary	27	17,694
Associates	-	23,048
	$ 12,239	40,742

	Construction receivable (contract assets)	
	December 31, 2022	December 31, 2021
Subsidiaries of the Joint venture		
Da Fu	$ 184,808	-
Fang Deng	79,988	-
Zhong Fang	77,974	-
MPA	-	489,910
Others	123,888	-
Subsidiary	46,211	-
Joint ventures	2,737	-
Associates	-	39,028
	$ 515,606	528,938

	Advances of construction (account for as contract liabilities)	
	December 31, 2022	December 31, 2021
Subsidiaries of the Joint venture		
Da Fu	$ -	197,025
Other related parties		
Gigastorage	37,874	-
Titan Solar	-	28,047
Subsidiaries		
Dan Deng	26,694	26,809
Others	161	-
Joint ventures	-	10,580
	$ 64,729	262,461

The pricing and payment terms for sales and to related parties contractual constructions undertaken for the related parties by the Company were negotiated between both parties, and not materially different from these with third parties.

B. Purchase, cost of engineering and payable to related parties

	Purchase for the period	
	For the years ended December 31,	
	2022	2021
Other related parties		
Gigastorage	$ 476,323	-
Ding Li	-	58,031
Others	-	3,186
	$ 476,323	61,217

	Cost of services and engineering	
	For the years ended December 31,	
	2022	2021
Subsidiaries		
Chang He	$ -	165,597
Others	-	2,253
Other related parties		
Tuo Neng	-	161,447
	$ -	329,297

	Payables to Related Parties	
	December 31, 2022	December 31, 2021
Other related parties		
Gigastorage	$ 469,235	-
Ding Li	-	37,870
Subsidiaries		
Chang He	-	56,104
	$ 469,235	93,974

The pricing and payment terms for purchases of the equipment and parts from related parties and oursourcing construction contracts to the related parties for the construction projects are negotiated between both parties and the payment period is persuant to contract terms. There is no material difference from those with third parties.

C. Property transactions

	Prepayments for equipment	
	December 31, 2022	December 31, 2021
Other related parties	$ -	14,609

The purchase of machine equipment from Titan Solar for the year ended December 31, 2022 amounting to $58,653 thousand (tax excluded). As of December 31, 2022, the amount of payables of the Company arising from the above transactions was $39,576 thousand (classified as other current liabilities). The sales revenue and related expenses arising from the prior acquisition of parallel power generation as required by the contract should be settled to the Company. Accordingly, this resulted in other income of $6,399 thousand and receivables of $6,719 thousand (classified as other receivables related party).

The sale of transportation equipment by the Company to Tuo Neng was sold at $61 thousand and gain on disposal of an asset amounting to $9 thousand was recognized for the year ended December 31, 2021.

The Company disposed of 100% equity interests in Ren Hua , Zhong Fang and Fang Deng to Star Power in March 2022, at a disposal price of $951 thousand, $935 thousand and $8,346 thousand, respectively.

The Company acquired 40% of equity interests from DFM’ s shareholders (Ridong, which is a director of DFM, and Firstera the supervisor of DFM) for $2,000 thousand in June 2022.

The Company sold all of its equity interests in Ri Yun to its related party, Aquastar, at a disposal price of $161,000 thousand and received gain on disposal of $1,247 thousand on June 29, 2022.

The Company acquired 49% of equity interest in Ankang in August 2022 at $107,800 thousand. Then, the partner of joint venture of Ankang involved in the cash capital increase of Star Network and acquired 51% of equity interest in September 2022. Due to operation strategy, the Company and partner of joint venture of Ankang both agreed to purchase 100% equity interest in Ankang by Star Network. The Company disposed of all of its equity interest in Ankang to Star Network at the book value of $107,772 thousand.

The Company disposed of 100% equity interest in DFM to Star Power in September 2022 at a disposal price of $4,459 thousand and a gain on disposal amounting to $0 thousand.

The Company disposed of 100% equity interest in Da Fu to Star Power in August 2021 at a disposal price of $18,000 thousand and a gain on disposal amounting to $1,263 thousand, which is recognized in the statement of comprehensive income.

D. Loans to related parties

The details on loans to and from the related party account due to the working capital requirements of the related party are as follows (classified as other account receivables - related parties):

	For the years ended December 31, 2022			
Name of related party	**Highest balance of financing to other parties (Note)**	**Ending balance of of actual usage amount**	**Interest income**	**Interest receivable**
Subsidiaries	$ 111,500	1,000	815	1
Subsidiaries of the Joint ventures	57,500	-	-	-
Associates	20,000	1,000	-	5
	$ 189,000	**2,000**	**815**	**6**

	For the years ended December 31, 2021			
Name of related party	**Highest balance of financing to other parties (Note)**	**Ending Balance of of actual usage amount**	**Interest income**	**Interest receivable**
Subsidiaries	$ 121,000	10,800	442	45
Joint ventures	20,000	-	26	-
Other related parties	5,000	-	-	-
	$ 146,000	**10,800**	**468**	**45**

Note: The highest ending balance approved by the Board of Directors.

E. Guarantee

The performance guarantee and the joint guarantees applied by the Company to National Property Administration, Ministry of Finance for the development of Da Fu for the years ended December 31, 2022 and 2021 were both $82,100, the balance of the endorsement guarantee on December 31, 2022 and 2021 were $0 thousand and $82,100 thousand, respectively.

In July 2022, Star Charger applied for a loan amounting to $128,200 thousand from the bank for purchasing equipment of charging stations. The Company provided an endorsement guarantee.

F. Refundable deposits

As of December 31, 2022 and 2021, the bid bond paid to other related parties by the Company due to construction project were both $2,400 thousand and classified as refundable deposits.

G. Rental income

The Company leased transportation equipment to its subsidiaries for a term from June 2021 to June 2022 at a monthly rent of $37 thousand, payable on a monthly basis. As of December 31, 2022 and 2021, the rents mentioned above have been collected.

H. Various expenses

(a) Rental expenses

The Company entered into office lease contracts with other related parties in May 2021 for the term from May 1,2021 to July 31, 2025 at an annual rent of $1,800 thousand, payable on a monthly basis. Depreciation recognized for the years ended December 31, 2022 and 2021 were $1,638 thousand and $1,092 thousand and interest expenses amounting to $111 thousand and $93 thousand, respectively. The balance of the right to use assets as of December 31, 2022 and 2021 were $4,232 thousand and $5,870 thousand, respectively. The balances of the lease liabilities were $4,309 thousand and $5,913 thousand, respectively. All payables arising from the above transactions were $150 thousand as of December 31, 2022 and 2021. (classified as other current liabilities).

(b) Other expenses

As of December 31, 2022 and 2021, the balances of payables recognized in other current liabilities arising from subsidiary paying for project site construction expenses on behalf of the Company are amounted to $1,092 thousand, and $743 thousand, respectively.

The total prices of the misc products purchased from the other related parties are $103 thousand and $136 thousand as of December 31, 2022 and 2021, respectively.

I. Various advances

The other current liabilities generated from unsettled receipts under custody between related parties as of December 31, 2022 and 2021 were as follows:

Name of related party	December 31, 2022	December 31, 2021
Subsidiaries of the Joint venture	$ 3,528	-
Subsidiaries	21	-
Other related parties	-	53
	$ 3,549	53

J. Other income

For the year ended December 31, 2022, the Company disposed of miscellaneous purchases to subsidiaries and recognized other income amounting to $19 thousand. As of December 31, 2022, the receivables arising from the above transactions amounted to $20 thousand (classified as other receivables related parties).

(4) Key management personnel compensation

Key management personnel compensation comprised as follows:

	For the years ended December 31, 2022	2021
Short-term employee benefits	$ 20,726	18,006
Post-employment benefits	324	451
	$ 21,050	18,457

8. Assets pledged as security:

The carrying values of assets pledged as security were as follows:

Pledged assets	Pledged to secure	December 31, 2022	December 31, 2021
Restricted time deposits (note)	long-term borrowings and engineering guarantee	$ 278,823	179,764
Machinery and Equipment	Collateral for long term bank loans	70,982	75,356
Land	Collateral for long term bank loans	80,310	-
Buildings and Construction	Collateral for long term bank loans	75,826	-
Total		$ 505,941	255,120

Note: account for as other financial assets current and other noncurrent financial assets.

9. Commitments and contingencies:

(1) As of December 31, 2022 and 2021, the Company provided performance guarantee and warranty guarantee totaling $388,944 thousand and $210,852 thousand, respectively, for purposes of undertaking solar power generation system project.

(2) For the endorsement guarantee provided by the Company to its subsidiaries and associates, please refer to detailed notes 7 and 13(1) 2. The details on guarantees and endorsements for other parties.

(3) Please refer to note 6(21) for the contracts of outstanding major contractual works that have been entered into by the Company.

(4) The Company procured solar photovoltaic system equipment supports, duct hangers, booster station supports, and commissioned solar photovoltaic system steel structures, solar photovoltaic modules installation and reinforcement works from LEADERTECH GLOBAL CO., LTD. (hereinafter referred to as Leadertech). During 2022, Leadertech requested payment of the construction work and late penalty from the Company, amounting to $19,363 thousand and statutory interests. The Company claimed that due to serious hidden cracks and scratches on modules in the field during its construction period, the Company had the right to delay the penalty request as stipulated in the contract and the right to claim damages for module damages to offset defense, and that the matter was currently handled by a lawyer. The Company assesses that the above events will not have a material impact on the Company’ s operations.

10. Losses Due to Major Disasters: None.

11. Subsequent Events: None.

12. Other:

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By functional By item	For the years ended December 31, 2022			For the years ended December 31, 2021		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	52,711	159,836	212,547	35,154	76,887	112,041
Labor and health insurance	2,616	8,419	11,035	3,160	4,919	8,079
Remuneration of directors	-	8,935	8,935	-	2,800	2,800
Pension	1,733	4,342	6,075	1,639	2,560	4,199
Other employee benefits expense	2,198	5,248	7,446	2,164	2,941	5,105
Depreciation	14,570	14,742	29,312	10,981	10,617	21,598
Amortization	1,071	2,162	3,233	1,012	702	1,714

The information about number of employees and employee benefit expenses for the years ended December 31, 2022 and 2021 were as follows:

	For the years ended December 31, 2022	For the years ended December 31, 2021
Number of employees	138	100
Number of Directors who were not holding as a position of employee	5	5
The average employee benefits	$ 1,718	1,362
The average employee salary	$ 1,540	1,179
The average of salary adjust rate	31%	15%

The Company's remuneration policy (including directors, managers and employees) is as follows:

(1) Directors' remuneration: In accordance with the Company's "Directors' and Managers' Remuneration Scheme", the distribution of directors' remuneration is proposed by the Chairman and submitted to the Remuneration Committee for approval.

(2) Employees and managers' remuneration and annual bonuses: In accordance with the Company's "Directors' and Managers' Remuneration Scheme" and with reference to a combination of factors such as seniority and performance.

(3) The Company has established an audit Committee to replace the supervisory system.

13. Other disclosures:

(1) Information on significant transactions:

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

A. Loans to other parties: Please refer to Table 1.

B. Guarantees and endorsements provided: Please refer to Table 2.

C. Marketable securities held (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 2.

D. Marketable securities acquired or disposed of at cost or prices of at least NT$300 million or 20% of the paid-in capital: None.

E. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.

F. Disposal of individual real estate properties at prices of least NT$300 million or 20% of the paid-in capital: None.

G. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Please refer to Table 4.

H. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

I. Information about the derivative financial instruments transaction:None.

(2) Information on investees (excluding Information on Investee in Mainland China): Please refer to Table 5.

(3) Information on investment in mainland China: None

(4) Information of major shareholders:

Shareholder's Name / Shareholding	Shares	Percentage
Titan Solar	11,326,144	13.32%
Fubon Financial Holding Venture Capital Co., Ltd.	7,441,177	8.75%
Yuan Ruyi Co., Ltd.	7,177,448	8.44%
Hong Cheng Investment Co., Ltd.	5,888,792	6.93%
Zheng Shen Chi	4,473,214	5.26%

Note: A. Information about the substantial shareholders of this form is provided by the Taiwan Depository & Clearing Corporation on the last business day of each quarter. It calculated the total number of shares held by shareholders owing ordinary shares and special shares have been delivered without physical media (including treasury shares) more than 5%. As to the difference of the basis of the calculation, the number of shares recorded in the Company's financial reports and shares not physically registered as delivered by the Company may vary.

B. The above information, in the case of a shareholder's delivery of shares to a trust, is disclosed by the individual sub-account of the principal who opened the trust in favor of the trustee. As to the declaration of the shareholders' shareholding of an insider in excess of 10% by virtue of the Securities Trading Act, the shareholding of the shareholders includes the addition of the shares of the shareholders in trust and the shareholder have right in the decision regarding the use of these kind of trust properties, and so on. For information on the declaration of the equity interest of the insider, please refer to the Public Information Observatory.

14. Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2022.

HD Renewable Energy Co., Ltd.
Loans to other parties
For the year ended December 31, 2022

Table 1 (In Thousands of New Taiwan Dollars)

Number	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	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral Item	Collateral Value	Individual funding loan limits (Note 1)	Maximum limit of fund financing
0	HD	Ri Zhi	Other receivables-related parties	Yes	5,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Xiang Heng	Other receivables-related parties	Yes	20,000	2,000	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Fang Deng	Other receivables-related parties	Yes	10,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Ri Yun	Other receivables-related parties	Yes	20,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	HB	Other receivables-related parties	Yes	2,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Ru Jing	Other receivables-related parties	Yes	1,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Rilu	Other receivables-related parties	Yes	2,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Wen Deng	Other receivables-related parties	Yes	20,000	10,000	1,000	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Yunn Deng	Other receivables-related parties	Yes	20,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	He Shuo	Other receivables-related parties	Yes	1,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	DFM	Other receivables-related parties	Yes	23,500	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Yun Deng	Other receivables-related parties	Yes	20,000	3,000	1,000	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Dan Deng	Other receivables-related parties	Yes	1,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Zhong Fang	Other receivables-related parties	Yes	2,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Ren Hua	Other receivables-related parties	Yes	2,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582

Number	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	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 1)	Maximum limit of fund financing
													Item	Value		
0	HD	New Century	Other receivables-related parties	Yes	2,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Star Exchange	Other receivables-related parties	Yes	10,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Ri Xun	Other receivables-related parties	Yes	5,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Shin De	Other receivables-related parties	Yes	10,000	10,000	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Star Charger	Other receivables-related parties	Yes	3,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	Xin Sheng	Other receivables-related parties	Yes	2,000	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582
0	HD	DFC	Other receivables-related parties	Yes	7,500	-	-	2.366%-2.867%	2	-	Operating capital	-	None	-	335,396	1,341,582

Note 1: The total amount of the capital loan shall not exceed 40% of the net value of HD Renewable Technology Co., Ltd. Individual loans and limits are as follows:

(1) For the Company’ s loan of fund to those having business transactions, the amount of each fund financing shall not exceed the amount of business transaction.

(2) For the companies necessary for short-term financing, the individual loan is limited to 10% of the net worth of the Company.

Note 2: The nature of financing: 1.Represents entities with business transaction with the Company. 2. Represents where an inter-company or inter firm short-term financing facility is nessary.

HD Renewable Energy Co., Ltd.
Guarantees and endorsements provided
For the year ended December 31, 2022

Table 2 (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)	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)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	HD	Star Charger	Subsidiary	1,676,978	128,200	128,200	-	-	3.82%	3,353,956	Y	N	N
0	HD	Da Fu	Subsidiary of the Joint venture	1,676,978	82,100	-	-	-	- %	3,353,956	N	N	N

Note : The total amount of the endorsement/guarantee by the Company shall not exceed HD’ s net worth as stated in, its lastest financial statements, and the amount of each endorsement/guarantee to a company shall not exceed 50% of HD’ s net worth in the latest financial statements. In the case of the endorsement/guarantee was for the HD’ s 100% directly or indirectly owned subsidiaries, total amount of endorsement/guarantee shall not exceed 50% of the net worth of HD.

HD Renewable Energy Co., Ltd.

Marketable securities held (excluding investment in subsidiaries, associates and joint ventures)

December 31, 2022

Table 2

(In Thousands of New Taiwan Dollars/ Thousand Shares)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
HD	Beseye Cloud Security Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	3,500	35,000	14.4%	35,000	

HD Renewable Energy Co., Ltd.

Related-party transactions for purchases and sales with amounts exceeding the lower than NT$100 million or 20% of the capital stock

For the year ended December 31, 2022

Table 4 (In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase /Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
HD	Ri Yun	Subsidiary of joint venture of the Company	Operating revenue	(1,278,843)	(25)%	Note 1	-	-	12,212	42%	
HD	Da Fu	Subsidiary of joint venture of the Company	Operating revenue	(1,182,628)	(23)%	Note 1	-	-	-	-%	
HD	Zhong Fang	Subsidiary of joint venture of the Company	Operating revenue	(542,891)	(11)%	Note 1	-	-	-	-%	
HD	Fang Deng	Subsidiary of joint venture of the Company	Operating revenue	(540,928)	(11)%	Note 1	-	-	-	-%	
HD	Ren Hua	Subsidiary of joint venture of the Company	Operating revenue	(507,986)	(10)%	Note 1	-		-	-%	
HD	Gigastorage	Substantive related party of the Company	Purchase	476,233	15%	Note 1	-		(469,235)	(45)%	

Note 1: The sales conditions of the products above are based on the product type, market price competition and other trading conditions, and the selling price are agreed by both parties. The payment period is also in accordance with the contract.

Note 2: A one-way representation is made only in respect of companies that recognize revenue and assets.

HD Renewable Energy Co., Ltd.
Information on Investees (Excluding Information on Investeein Mainland China)
For the year ended December 31, 2022

Table 5 (In Thousands of New Taiwan Dollars/other currencies)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of Ownership	Carrying value			
The Company	You Deng	Taiwan	Energy technology Service	400	400	40	100.00%	283	1	1	Subsidiaries
The Company	Ri Zhi	Taiwan	Energy technology Service	8,000	600	800	100.00%	7,632	(147)	(147)	Subsidiaries
The Company	Ri Wei	Taiwan	Energy technology Service	10,000	10,000	1,000	100.00%	4,978	81	81	Subsidiaries
The Company	HB	Taiwan	Energy technology Service	30,000	23,000	3,000	100.00%	36,537	18,735	18,735	Subsidiaries
The Company	Xiang Heng	Taiwan	Energy technology Service	67,125	55,125	3,900	100.00%	36,190	(207)	(29,192)	Subsidiaries
The Company	Fang Deng	Taiwan	Energy technology Service	-	8,500	-	-	-	(15)	(15)	Note 1
The Company	Riyu	Taiwan	Energy technology Service	5,300	310	530	100.00%	5,149	(13)	(13)	Subsidiaries
The Company	Rixi	Taiwan	Energy technology Service	400	400	40	100.00%	286	-	-	Subsidiaries
The Company	Ru Jing	Taiwan	Energy technology Service	2,000	2,000	200	100.00%	1,553	1	1	Subsidiaries
The Company	Rilu	Taiwan	Energy technology Service	2,500	2,500	250	100.00%	1,880	221	221	Subsidiaries
The Company	Ripu	Taiwan	Energy technology Service	400	400	40	100.00%	281	-	-	Subsidiaries
The Company	Wen Deng	Taiwan	Energy technology Service	50,000	8,000	5,000	100.00%	49,473	(423)	(423)	Subsidiaries
The Company	Yunn Deng	Taiwan	Energy technology Service	15,000	12,000	1,500	100.00%	14,220	(232)	(232)	Subsidiaries
The Company	Titan Asset	Taiwan	Energy technology Service	100	100	10	100.00%	15	(1)	(1)	Subsidiaries
The Company	He Shuo	Taiwan	Energy technology Service	-	30,000	-	-	-	(56)	(56)	Note 9
The Company	DFM	Taiwan	Energy technology Service	-	3,000	-	-	-	(2,139)	(1,273)	Note 7
The Company	Yin Deng	Taiwan	Energy technology Service	100	100	10	100.00%	41	-	-	Subsidiaries
The Company	Dan Deng	Taiwan	Energy technology Service	1,500	1,500	150	100.00%	(257)	(18)	(18)	Subsidiaries
The Company	Richen	Taiwan	Energy technology Service	600	600	60	100.00%	397	-	-	Subsidiaries
The Company	Zhong Fang	Taiwan	Energy technology Service	-	1,000	-	-	-	(14)	(14)	Note 1
The Company	Ren Hua	Taiwan	Energy technology Service	-	1,000	-	-	-	(14)	(14)	Note 1
The Company	New Century	Taiwan	Energy technology Service	10,000	200	-	100.00%	9,797	(163)	(163)	Subsidiaries
The Company	Chang He	Taiwan	Energy technology Service	5,100	5,100	510	100.00%	(3,074)	(1,323)	(1,323)	Subsidiaries
The Company	Star Exchange	Taiwan	Energy technology Service	20,000	1,000	2,000	100.00%	20,829	1,324	1,324	Subsidiaries
The Company	Ri Xun	Taiwan	Energy technology Service	5,400	5,400	540	100.00%	5,065	(233)	(233)	Subsidiaries
The Company	Shin De	Taiwan	Energy technology Service	-	5,000	-	-	-	(196)	(196)	Note 10

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of Ownership	Carrying value			
The Company	ESS	Taiwan	Energy technology Service	160,000	100	16,000	80.00%	155,538	(5,555)	(4,546)	Subsidiaries
The Company	Shin Yuan	Taiwan	Energy technology Service	100	100	10	100.00%	59	(18)	(18)	Subsidiaries
The Company	Xin Sheng	Taiwan	Energy technology Service	2,000	60	200	100.00%	890	(151)	(151)	Subsidiaries
The Company	Rifu	Taiwan	Energy technology Service	2,600	-	260	100.00%	2,574	(34)	(26)	Subsidiaries
The Company	DFC	Taiwan	Energy technology Service	600	-	60	100.00%	397	(203)	(203)	Subsidiaries
The Company	Star Charger	Taiwan	Energy technology Service	10,000	100	1,000	100.00%	8,791	(978)	(978)	Subsidiaries
The Company	NFC	Taiwan	Energy technology Service	-	-	-	-	-	(9)	(9)	Note 1
The Company	Tianhua	Taiwan	Energy technology Service	100	-	10	100.00%	73	(27)	(27)	Subsidiaries
The Company	Tian Fang	Taiwan	Energy technology Service	100	-	10	100.00%	74	(26)	(26)	Subsidiaries
The Company	Tian Tai	Taiwan	Energy technology Service	100	-	10	100.00%	74	(26)	(26)	Subsidiaries
The Company	Tianjie	Taiwan	Energy technology Service	100	-	10	100.00%	74	(26)	(26)	Subsidiaries
The Company	Tianxi	Taiwan	Energy technology Service	100	-	10	100.00%	74	(26)	(26)	Subsidiaries
The Company	Tianhui	Taiwan	Energy technology Service	100	-	10	100.00%	74	(26)	(26)	Subsidiaries
The Company	Tianyi	Taiwan	Energy technology Service	100	-	10	100.00%	73	(27)	(27)	Subsidiaries
The Company	Tiancheng	Taiwan	Energy technology Service	100	-	10	100.00%	74	(26)	(26)	Subsidiaries
The Company	Tiandong	Taiwan	Energy technology Service	100	-	10	100.00%	74	(26)	(26)	Subsidiaries
The Company	Tianchang	Taiwan	Energy technology Service	100	-	10	100.00%	73	(27)	(27)	Subsidiaries
The Company	Tianyu	Taiwan	Energy technology Service	100	-	10	100.00%	74	(26)	(26)	Subsidiaries
The Company	Tianyong	Taiwan	Energy technology Service	100	-	10	100.00%	74	(26)	(26)	Subsidiaries
The Company	Tianhong	Taiwan	Energy technology Service	100	-	10	100.00%	73	(27)	(27)	Subsidiaries
The Company	Tiansheng	Taiwan	Energy technology Service	100	-	10	100.00%	74	(26)	(26)	Subsidiaries
The Company	Xingde Power Co., Ltd.	Taiwan	Energy technology Service	1,020	-	102	100.00%	986	(34)	(34)	Subsidiaries
The Company	Xingyuan Fisheries	Taiwan	Fisheries and aquaculture	9,000	-	900	90.00%	7,562	(1,533)	(1,533)	Subsidiaries
The Company	Huiju	Taiwan	Energy technology Service	102,960	-	10,296	99.00%	101,543	(2,242)	(1,417)	Subsidiaries
The Company	Ying Fa	Taiwan	Energy technology Service	990	-	99	99.00%	869	(123)	(121)	Subsidiaries
				524,595	177,595			471,516	3,921	(22,354)	

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: December 31, 2022	Original investment amount: December 31, 2021	Balance as of December 31, 2022: Shares (thousands)	Balance as of December 31, 2022: Percentage of Ownership	Balance as of December 31, 2022: Carrying value	Net income (losses) of investee	Share of profits/ losses of investee	Note
The Company	Rijie	Taiwan	Energy technology Service	-	450	-	-	-	(11)	(5)	Associates
The Company	Rida	Taiwan	Energy technology Service	-	900	-	-	-	(11)	(5)	Associates
The Company	Riqing	Taiwan	Energy technology Service	2,914	2,914	291	34.44%	3,043	294	101	Associates
The Company	Ri Fa	Taiwan	Energy technology Service	56,000	700	5,600	40.00%	55,799	(463)	(223)	Note 4
The Company	AcTek	Taiwan	Energy technology Service	-	11,900	-	-	-	(1,663)	(565)	Note 11
Xiang Heng	AcTek	Taiwan	Energy technology Service	-	-	-	-	-	(1,663)	-	Note 11
The Company	Yun Deng	Taiwan	Energy technology Service	20,000	400	2,000	40.00%	19,800	(224)	(143)	Note 8
				78,914	17,264			78,642	(3,741)	(840)	
The Company	Ri Yun	Taiwan	Energy technology Service	-	64,400	-	-	-	(23)	(10)	Note 2
The Company	Star Power Energy Corporation	Taiwan	Energy technology Service	252,000	200,000	25,200	20.00%	49,982	44,953	8,991	Joint ventures
The Company	Star Network	Taiwan	Energy technology Service	378,903	100	37,890	49.00%	378,883	(27)	(21)	Note 5
The Company	Aquastar	Taiwan	Energy technology Service	60,000	100	6,000	10.00%	22,250	(480)	(55)	Note 3
The Company	Ankang	Taiwan	Energy technology Service	-	-	-	-	-	(59)	(29)	Note 6
				690,903	264,600			451,115	44,364	8,876	

Note 1: The Company disposed all its equity interest of Fang Deng, Ren Hua, NFC and Zhong Fang, in March 2022. Please refer to note 6(6) for details.

Note 2: The Company disposed its shareholding of 40% shares of its subsidiary, Ri Yun in June 2022. Please refer to note 6(5) for details.

Note 3: Aquastar was originally a subsidiary of the Company. In June 2022, Aquastar issued cash capital increase. Thus, the Company's shareholding ratio decreased to 10% as a result of the Company failing to subscribe in Aquastar capital increases in proportion to orignal shareholding.

Note 4: Ri Fa was originally a subsidiary of the Company. In August 2022, Ri Fa issued cash capital increase. Thus, the Company's shareholding ratio decreased to 40% as a result of the Company failing to subscribe in its capital increases in proportion to orignal shareholding.

Note 5: Star Network was originally a subsidiary of the Company. In September 2022, Star Network issued cash capital increase. Thus, the Company's shareholding ratio decreased to 49% as a result of the Company failing to subscribe in its capital increases in proportion to orignal shareholding.

Note 6: A joint venture company acquired by Ankang in August 2022 disposed of all of its equity interest in Ankang to Star Network in September 2022. Please refer to note 6(5) for details.

Note 7: The Company sold 100% of its shares of its subsidiary, DFM in September 2022. Please refer to note 6(6) for details.

Note 8: Yun Deng was originally a subsidiary of the Company. In December 2022, DFM issued cash capital increase. Thus, the Company's shareholding ratio decreased to 40% as a result of the Company failing to subscribe in its capital increases in proportion to orignal shareholding as well as having sold 800 thousand shares in Yundeng.

Note 9: The Company sold 100% of its shares of He Shuo in December 2022. Please refer to note 6(6) for details.

Note 10: The Company sold 100% of its shares of Shin De in December 2022. Please refer to note 6(6) for details.

Note 11: The Company and Xiang Heng sold 35% of there shares of AcTek in December 2022. Please refer to note 6(5) for details.

HD Renewable Energy Co., Ltd.

Statement of Cash and Cash Equivalents

December 31, 2022

(Expressed in thousands of New Taiwan Dollars；in dollar of foreign currencies dollars)

Item	Description	Amount
Cash	Petty Cash	$ 875
Bank deposits	Demand deposits	1,226,438
	Checking deposits	103
	Foreign currency deposit (note) US$8,358, RMB$1,470	263
		$ 1,227,679

Foreign currency foreign exchange and at the balance sheet date are as follows:

USD: 30.71

CNY: 4.408

Statement of Notes and Acount Receivable

Customer Name	Amount
Sunpower Energy Technology Co.	$ 14,490
Taiwan Power Company	1,530
Taiwan Fixed Network Co., Ltd.	999
Others (individual amount does not exceed 5%)	691
	17,710
Less: Impairment loss allowance	(647)
	$ 17,063

Notes: 1. Notes and accounts receivable above resulting from business activities.

2. Accounts receivable-related parties is not included in the account receivable referred to above. Please refer to Note 7 for of the details.

HD Renewable Energy Co., Ltd.

Statement of Inventories

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount		Notes
	Net amount	Net Realizable Value	
Module pending for construction	$ 85,497	92,308	The basis on net realizable value of inventory, please refer to accompanying notes 4(7) to the parent company only financial statements.
Power cables pending for construction	56,373	56,373	
Steel structure pending for construction	14,582	13,538	
Raw materials	36,264	38,783	
Total	**$ 192,716**	**201,002**	

Statement of Other Current and Non-Current Assets

Please refer to Note 6 (10) to the parent-company-only financial statements for the information on other current and non-current assets.

HD Renewable Energy Co., Ltd.

Statement of Changes in Investments Accounted for Using the Equity Method

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Beginning balance		Increase (decrease) for the period					Balance at December 31, 2022				
	Shares/ Units (thousands)	Amount (Note 2)	Shares	Amount	Gains on investments (losses)	Cash dividends paid	Others (Note 1)	Shares/ Units (thousands)	Amount (Note 2)	Percentage of ownership (%)	P/B ratio	Pledge or guarantee
Subsidiary:												
You Deng	40	282	-	-	1	-	-	40	283	100	283	None
Ri Zhi	60	379	740	7,400	(147)	-	-	800	7,632	100	7,632	None
Ri Wei	1,000	12,521	-	-	81	-	-	1,000	12,602	100	12,602	None
HB	2,300	9,516	700	7,000	18,735	-	1,286	3,000	36,537	100	36,537	None
Xiang Heng	2,700	53,382	1,200	12,000	(29,192)	-	-	3,900	36,190	100	36,190	None
Fang Deng	850	8,361	(850)	(8,346)	(15)	-	-	-	-	-	-	None
Ri Yu	31	172	499	4,990	(13)	-	-	530	5,149	100	5,149	None
Ri Xi	40	286	-	-	-	-	-	40	286	100	286	None
Ri Jing	200	1,552	-	-	1	-	-	200	1,553	100	1,553	None
Ri Lu	250	3,343	-	-	221	-	-	250	3,564	100	3,564	None
Ri Pu	40	281	-	-	-	-	-	40	281	100	281	None
Wen Deng	800	7,896	4,200	42,000	(423)	-	-	5,000	49,473	100	49,473	None
Yun Deng	1,200	11,452	300	3,000	(232)	-	-	1,500	14,220	100	14,220	None
Titan Asset	10	16	-	-	(1)	-	-	10	15	100	15	None
He Shuo	3,000	28,707	(3,000)	(28,651)	(56)	-	-	-	-	-	-	None
DFM	300	599	(300)	3,141	(1,273)	-	(2,467)	-	-	-	-	None
Yun Deng	40	124	(40)	(35)	(89)	-	-	-	-	-	-	None
Yin Deng	10	41	-	-	-	-	-	10	41	100	41	None
Dan Deng (Note 2)	150	1,386	-	-	(18)	-	-	150	1,368	100	1,368	None
Ri Fu	-	-	260	2,600	(26)	-	-	260	2,574	100	2,574	None
Daytime	60	397	-	-	-	-	-	60	397	100	397	None
Zhong Fang	100	949	(100)	(935)	(14)	-	-	-	-	-	-	None
Ren Hua	-	965	-	(951)	(14)	-	-	-	-	-	-	None
New Century	-	160	-	9,800	(163)	-	-	-	9,797	100	9,797	None

Item	Beginning balance		Increase (decrease) for the period		Gains on investments (losses)	Cash dividends paid	Others (Note 1)	Balance at December 31, 2022			P/B ratio	Pledge or guarantee
	Shares/ Units (thousands)	Amount (Note 2)	Shares	Amount				Shares/ Units (thousands)	Amount (Note 2)	Percentage of ownership (%)		
Chang He (Note 2)	510	(1,751)	-	-	(1,323)	-	-	510	(3,074)	100	(3,074)	None
Star Exchange	100	505	1,900	19,000	1,324	-	-	2,000	20,829	100	20,829	None
Ri Xun	540	5,298	-	-	(233)	-	-	540	5,065	100	5,065	None
Ri Fa	70	662	(70)	(600)	(62)	-	-	-	-	-	-	None
Shin De	500	4,838	(500)	(4,642)	(196)	-	-	-	-	-	-	None
ESS	10	77	15,990	159,900	(4,546)	-	107	16,000	155,538	80	155,538	None
Shin Yuan	10	77	-	-	(18)	-	-	10	59	100	59	None
Xin sheng	100	41	100	1,000	(151)	-	-	200	890	100	890	None
Aquastar	10	86	(10)	(77)	(9)	-	-	-	-	-	-	None
Star Charger	10	87	990	9,900	(978)	-	-	1,000	9,009	100	9,009	None
Star Network	10	86	(10)	(72)	(14)	-	-	-	-	-	-	None
NFC	-	-	-	9	(9)	-	-	-	-	-	-	None
DFC	-	-	60	600	(203)	-	-	60	397	100	397	None
Tian Hua	-	-	10	100	(27)	-	-	10	73	100	73	None
Tian Fang	-	-	10	100	(26)	-	-	10	74	100	74	None
Tian Tai	-	-	10	100	(26)	-	-	10	74	100	74	None
Tian Jie	-	-	10	100	(26)	-	-	10	74	100	74	None
Tian Xi	-	-	10	100	(26)	-	-	10	74	100	74	None
Tian Hui	-	-	10	100	(26)	-	-	10	74	100	74	None
Tian Yi	-	-	10	100	(27)	-	-	10	73	100	73	None
Tian Cheng	-	-	10	100	(26)	-	-	10	74	100	74	None
Tian Dong	-	-	10	100	(26)	-	-	10	74	100	74	None
Tian Chang	-	-	10	100	(27)	-	-	10	73	100	73	None
Tian Yu	-	-	10	100	(26)	-	-	10	74	100	74	None
Tian Yong	-	-	10	100	(26)	-	-	10	74	100	74	None
Tian Hong	-	-	10	100	(27)	-	-	10	73	100	73	None
Tian Sheng	-	-	10	100	(26)	-	-	10	74	100	74	None
SES	-	-	102	1,020	(34)	-	-	102	986	100	986	None
Star Aquaculture	-	-	900	9,000	(1,533)	-	95	900	7,562	90	7,562	None
Huiju	-	-	10,296	102,960	(1,417)	-	-	10,296	101,543	99	101,543	None
Ying Fa	-	-	99	990	(121)	-	-	99	869	99	869	None
		152,773		353,401	(22,528)	-	(979)		482,667			

Item	Beginning balance		Increase (decrease) for the period					Balance at December 31, 2022				
	Shares/ Units (thousands)	Amount (Note 2)	Shares	Amount	Gains on investments (losses)	Cash dividends paid	Others (Note 1)	Shares/ Units (thousands)	Amount (Note 2)	Percentage of ownership (%)	P/B ratio	Pledge or guarantee
Associates:												
Ri Jie	45	388	(45)	(383)	(5)	-	-	-	-	-	-	None
Ri Da (Note 3)	90	815	(90)	(810)	(5)	-	-	-	-	-	-	None
Ri Qing Green Energy Co., Ltd. (Note 3)	291	3,044	-	-	101	(102)	-	291	3,043	34	3,043	None
AcTek	1,190	11,874	(1,190)	(11,309)	(565)	-	-	-	-	-	-	None
Yun Deng	-	-	2,000	19,854	(54)	-	-	2,000	19,800	40	19,800	None
Ri Fa	-	-	5,600	55,960	(161)	-	-	5,600	55,799	40	55,799	None
		16,121		63,312	(689)	(102)	-		78,642			
Joint ventures:												
Ri Yun Green Energy Co., Ltd.	6,440	63,911	(6,440)	(63,153)	(10)	-	(748)	-	-	-	-	None
Star Power	20,000	201,090	5,200	52,000	8,991	(981)	-	25,200	261,100	20	261,100	None
Aquastar	-	-	6,000	59,977	(46)	-	20	6,000	59,951	10	59,951	None
Star Network	-	-	37,890	378,890	(7)	-	-	37,890	378,883	49	378,883	None
Ankang	-	-	-	29	(29)	-	-	-	-	-	-	None
		265,001		427,743	8,899	(981)	(728)		699,934			
		433,895		844,456	(14,318)	(1,083)	(1,707)		1,261,243			
Less: Unrealized gains on transaction of inter-company transaction		55,558		204,412	-	-	-		259,970			
		$ 378,337		640,044	(14,318)	(1,083)	(1,707)		1,001,273			

Note 1: Other attributable to changes in ownership, whichis not in proportion to shareholding reverse retained earnings by $3,195 thousand. The capital reserve amounting to $202 thousand and the payment of staff remuneration by the Company to employees of HB amounting to $1,286 thousand are recognized.

Note 2: The credit balance of investments accounted for using equity method as of December 31, 2022 amounting to $3,331 thousand, which include $3,074 thousand from Chang He and $257 thousand from Dan deng (carrying amounts of $1,368 thousand less deferred credit of $1,625 thousand).

Note 3: The share refund of $532 thousand and recognized loss on disposal amounting to $661 thousand from liquidation of Ri Jie and Ri Fa.

HD Renewable Energy Co., Ltd.

Statement of Changes in Property, Plar
equipment

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6 (7) to the parent-company-only financial statements for the information of property, plant and equipment.

Statement of Changes in Right-of-use Assets

Please refer to Note 6 (8) to the parent-company-only financial statements for the information of right-for-use assets.

Statement of Changes in Intangible Assets

Please refer to Note 6 (9) to the parent-company-only financial statements for the information of intangible assets.

HD Renewable Energy Co., Ltd.

Statement of Notes and Accounts Paybable

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Vendor Name	Amount
Star Energy Corporation	$ 85,799
Changxing Resources Co., Ltd.	84,807
Sun Rise E&T Corporation	59,316
Shihlin Electric & Engineering Corporation	52,239
Shen Tai Electric Cable Co., Ltd.	48,846
Shengding Energy Technology Co., Ltd.	36,927
Others (individual amount does not exceed 5%)	207,556
	$ 575,490

Notes: 1. Notes and accounts payable resulting from business activities.

2. Notes and accounts payable - related parties is not included in payment referred to above. Please refer to Note 7 for of the details.

Statement of Short-Term Borrowings

Please refer to Note 6 (11) to the parent-company-only financial statement for the information of short-term borrowings.

HD Renewable Energy Co., Ltd.

Statement of Short-Term Notes and Bills Payable

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6 (l2) to the parent-company-only financial statement for the information of short-term notes and bills payable.

Statement of Long-Term Borrowings

Please refer to Note 6 (13) to the parent-company-only financial statement for the information of long-term borrowings.

Statement of Other Current and Non-Cu
Liabilities

Please refer to Note 6 (15) to the parent-company-only financial statements for the information on other current and noncurrent assets.

HD Renewable Energy Co., Ltd.

Statement of Operating Revenue

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6 (21) for the information of operating revenue
in the parent-company-only financial Statements.

Statement of Operating Costs

Item	Amount
Cost of engineering	
Inventories at the beginning of the period	$ 30,464
Less: Write-down of inventories at beginning of the period	(1,207)
Subtotal of inventories at the beginning of the period	29,257
Purchase of raw materials (net)	2,132,308
Less: Inventories at the end of the period	(193,108)
Less: Cost of goods sold	(39)
Less: Other	(1,744)
Contribution of raw materials for the period	1,966,674
Direct labor	30,538
Indirect labor	25,173
Engineering expenses	1,644,854
Construction cost	1,700,565
Cost of engineering sales	3,667,239
Cost of goods sold	39
Cost of services	61,667
Write-down of inventories	392
Total operating costs	$ 3,729,337

HD Renewable Energy Co., Ltd.

Statement of Operaing Expenses

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Sale expenses	Administrative expenses	Research and development expense
Wages and salaries	$ 23,594	127,222	9,020
Depreciation	4,689	10,053	-
Insurance expense	1,747	6,526	644
Professional service fees	22	20,179	1,037
Other expenses (individual amount does not exceed 5%)	10,044	66,286	1,477
	$ 40,096	**230,266**	**12,178**

Statement of the net Amount of Other Revenues anc

Gains and Expenses and Losses

Please refer to Note 6 (25) for the information of other gains and losses in the parent-company-only financial statements.

HD Renewable Energy Co., Ltd.

Statement of Lease Liabilities

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6 (12) to the parent-company-only financial statements for the information on lease liabilities other current and noncurrent assets.

HD Renewable Energy Co., Ltd.

泓德能源科技股份有限公司

Chairman: Yuan-Yi Hsieh