

Stock code: 6873

HD Renewable Energy Co., Ltd. 2024 General Shareholders' Meeting



Meeting Handbook

**Form of meeting: Entity and supplemented the Shareholders'
Meeting with video**

Time of meeting: 9:30 a.m. (on Friday) June 7, 2024

**Address of meeting: No. 127 Zhongshan North Road, Shilin District,
Taipei City (International Conference Hall of Mellow Fields Hotel)**

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HD Renewable Energy Co., Ltd.

Procedure for 2024 General Shareholders' Meeting

- I. Call the Meeting to Order
- II. President's Opening Remarks
- III. Report Items
- IV. Ratification Items
- V. Discussions
- VI. Extraordinary Motion
- VII. Adjournment

Meeting Agenda

Form of meeting: Video-assisted Shareholders' Meeting (entity Shareholders' Meeting and video-assisted meeting)

Time: 9:30 a.m., (Friday), June 7, 2024

Address: No. 127 Zhongshan North Road, Shilin District, Taipei City (International Conference Hall of Mellow Fields Hotel)

Video conferencing platform: Shareholders' Meeting electronic voting platform of China Depository & Clearing Corporation – Shareholders' Meeting Video Conferencing Platform “<https://www.stockvote.com.tw>”

I. Call the Meeting to Order

II. President's Opening Remarks

III. Report Items

- I. The Company's 2023 business report.
- II. Audit Committee's review report on 2023 financial statements.
- III. Report on the 2023 distribution of remuneration to employees and directors.
- IV. Report on the 2023 distribution of cash dividends from earnings.
- V. Report on the amendment of the Company's "Rules of Procedure for Board of Directors Meetings"
- VI. Report on the Issuance of the First Domestic Unsecured Convertible Corporate Bonds

IV. Ratification Items

- I. The Company's 2023 business report and financial statements.
- II. To approve the proposal for distribution of 2023 earnings.

V. Discussions

- I. Discussion about issuance of new shares from capitalization of the Company's retained earnings.
- II. Discussion about issuance of new shares from cash capital increase as the source of public underwriting of shares prior to listing, and original shareholders' abandonment of subscription
- III. Amendment to the Articles of Incorporation of the Company
- IV. Proposal to issue Restricted Stock Awards.
- V. Proposal to conduct a private placement of securities.

VI. Extraordinary Motion

VII. Adjournment

I. Report Items:

Report No. 1: The Company's 2023 business report.

Description: For the Company's 2023 business report, please refer to Attachment I (Pages 13 to 18) of this Handbook.

Report No. 2: Audit Committee's Review Report on the Company's 2023 Financial Statements.

Description: For Audit Committee's Review Report on the Company's 2023 financial statements, please refer to Attachment II (page 19) of this Handbook.

Report No. 3: The Company in 2023 Remuneration to directors and Report on the distribution of remuneration to employees.

Description:

1. In accordance with Article 26 of the Company's Articles of Incorporation, if the Company has a profit (before taxation and distribution of remuneration to employees and directors), it shall appropriate 5% - 10% as employee remuneration and shall not appropriate 5% to 10% thereof as remuneration to employees 3% of directors' remuneration.
2. The Company's 2023 profit before taxation and distribution of remuneration to employees and directors is NTD 1,073,905,159. 5% and 1% of the profit is intended to be distributed to employees' remuneration and directors' remuneration in cash. The recipients of the remuneration are limited to the employees of the Company and subsidiaries.
3. There is no difference between the above-mentioned distributed amount of directors' remuneration and employees' remuneration and the amount estimated for 2023.
4. The 2023 remuneration distribution for employees and directors was reviewed and approved by the Remuneration Committee and the Board of Directors.

- Report No. 4: Report on the 2023 distribution of cash dividends from earnings.
Description: The 2023 annual distribution of earnings was planned to be distributed in cash of NTD 4.02575365 per share. The amount of distribution was NTD 408,000,000. It was approved by the Board of Directors on March 7, 2024. The ex-dividend date was April 13, 2024, and the distribution was completed on May 9, 2024.
- Report No. 5: Report on the amendment of the Company's "Rules of Procedure for Board of Directors Meetings".
Description: In order to complete the Board of Directors' meeting procedures and strengthen corporate governance, the Company has amended its Rules of Procedure for Board of Directors Meetings per 11 January 2024 Order No. Financial-Supervisory-Securities-Corporate-1120383996 of the Financial Supervisory Commission. For the comparison table of amended articles, please refer to Attachment III of this Handbook (Page 20).
- Report No. 6: Report on the Issuance of the First Domestic Unsecured Convertible Corporate Bonds
Description: The Company issued the first domestic unsecured convertible corporate bonds on September 28, 2023, with a total face value of NTD 1 billion. As of April 9, 2024, a total of 1,617 convertible bonds were converted with a par value of NTD 120 per share., and 1,347,483 shares were converted into common shares.

II. Ratification Items:

Report No. 1: 1. To ratify the Company's 2023 Business Report and Financial Statements.

Description:

1. The 2023 parent company only and consolidated financial statements (including the balance sheet, comprehensive income statement, statement of changes in equity, and statement of cash flow) have been audited by CPAs Wu Chun-Yuan and Huang Hai-Ning of KPMG, and have issued an unqualified opinion and audit report.
2. The business report and financial statements were approved by the Board of Directors on March 7, 2024 and submitted to the Audit Committee for review.
3. Please refer to Attachment I (Pages 13 to 18) and Attachment IV (Pages 22 to 39) of this Handbook for the various statements.
4. Please kindly ratify.

Resolution:

Report No. 2: To ratify the Company's 2023 earnings distribution. (Proposed by the Board of Directors)

Description:

1. The Company's 2023 earnings distribution proposal was approved by the Board of Directors and audited by the Audit Committee.
2. Please refer to Attachment V (page 40) of this Handbook for the Company's 2023 earnings distribution table.
3. Please kindly ratify.

Resolution:

III. Discussions

Report No. 1: Proposal of issuance of new shares from capitalization of the Company's retained earnings. Proposal to increase capital by issuing new shares. (Proposed by the Board of Directors)

Description:

1. In order to continuously expand the business operation and replenish the working capital, it is proposed to appropriate the stock dividends of NTD 25,500,000 from the earnings available for distribution in 2023 to be capitalized and to issue 2,550,000 new shares at the par value of NTD 10 per share, i.e. an allotment of 25.5 shares per thousand shares at no consideration.
2. Dividends shall be distributed to the shareholders referred to in the preceding paragraph in proportion to their shareholdings recorded in the shareholder registry on the base date of allotment. The fractional share that is less than 1 share shall be distributed to the original shareholders by themselves within 5 days from the day of book closure. If the fractional shares are distributed according to the par value, cash distribution shall be calculated up to NTD, and the Chairman shall be authorized to contact specific persons to subscribe for them at par value.
3. The rights and obligations of the new shares issued for this capital increase are the same as those of the issued ordinary shares. After the approval of the shareholders' meeting and the approval of the competent authorities, the board of directors will set a separate base date for the allotment.
4. After the approval of the General Shareholders' Meeting, if the Company's number of outstanding shares is affected due to shares repurchased, treasury shares transferred or canceled, convertible corporate bonds converted, or employee stock warrants exercised, so that it is necessary to adjust the dividend payout ratio, it is proposed that the General Shareholders' Meeting authorize the Chairman to handle such matters at his/her sole discretion.
5. Regarding the capital increase and share issuance matters, in case of any adjustment or change required by the facts or requested by the competent authority, it is proposed that the shareholders' meeting authorizes the Board of Directors to handle the matters at its sole discretion.
6. Please kindly discuss.

Resolution:

Report No. 2: Discussion about issuance of new shares from cash capital increase as the source of public underwriting of shares prior to listing, and original shareholders' abandonment of subscription. (Proposed by the Board of Directors)

Description:

1. In order to comply with the laws and regulations related to listing, it is planned to increase capital by cash for the underwriting of IPOs after the Board of Directors of the Taiwan Stock Exchange Corporation has approved the application for listing on the General Board.
2. The Company intends to issue new shares for cash capital increase within the limit set by the competent authority. However, for the actual number of new shares, issuance price and issuance date, it is proposed that the shareholders' meeting authorizes the Chairman to discuss with the underwriter and handle according to the actual listing situation and in accordance with the law.

3. With respect to the new shares issued, 10% to 15% of the total number of new shares issued is reserved for the Company's employees to subscribe in accordance with Article 267, Paragraph 1 of the Company Act. It is proposed that the original shareholders give up the subscription for the remaining shares, and the full amount is set aside for the future public offering when the Company's shares are listed.
4. It is proposed to authorize the Chairman to negotiate with a specific person to subscribe to the part that employees give up to or under-subscribe.
5. The rights and obligations of the new shares issued this time are the same as those of the originally issued common shares.
6. If, required by laws and regulations, approvals from the competent authorities, or due to the business assessment or the objective environment, the underwriting and placing of the new shares of the cash capital increase, the main contents of the issuance plan (including the issuance price, the actual number of shares to be issued, the terms of issuance, the planned items, the amount of funds to be raised, the projected progress and the possible benefits, and other related matters), and all other matters relating to the issuance plan needs to be changed, it is proposed that the Shareholders' Meeting authorizes the Board of Directors to deal with such matters at its sole discretion.
7. Please kindly discuss.

Resolution:

Report No. 3: Proposal for amendments to the Articles of Incorporation for discussion. (Proposed by the Board of Directors)

- Description:
1. Proposal for amendment to the “Articles of Incorporation” of the Company to comply with legal and operational needs.
 2. Please refer to Attachment VI for the comparison table of the Company before and after the amendments.
 3. Please kindly discuss.

Resolution:

- Report No. 4: Proposal to issue Restricted Stock Awards (Proposed by the Board of Directors)
- Description:
1. In order to attract and retain key talent to achieve the Company's medium and long-term goals, and to motivate employees to fully commit to achieving the Company's operational objectives, the Company proposes to issue Restricted Stock Awards in accordance with Article 267, Paragraph 9 of the Company Act and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" (hereinafter referred to as the "Offering Guidelines") issued by the Financial Supervisory Commission.
 2. The details of the proposed issuance of Restricted Stock Awards are as follows:
 - (1) Expected total amount (shares) of issuance: Limited to no more than 1,000,000 shares of ordinary shares, approximately 1% of the currently issued common shares. Each share has a par value of NTD 10, with a total value of NTD 10,000,000. Within two years after receipt of notice indicating that the registration has become effective, the issuance will be conducted either once or in multiple installments. The actual number of shares issued and the associated costs will be determined based on the prevailing stock price at the time of issuance.
 - (2) Issuance conditions:
 - (2-1) Expected issuance price: Free of charge.
 - (2-2) Type of shares to be issued: Common shares.
 - (2-3) Conditions for recipients:
 - (2-3-1) Employees who receive Restricted Stock Awards shall remain employed on the respective vesting dates and shall not have been found in violation of any company employment-related contracts, code of conduct, trust agreements, integrity guidelines, employee rules, non-compete agreements, confidentiality agreements, or any contractual agreements with the company. Additionally, they must meet the performance evaluation criteria set by the company and contribute to achieving the company's operational objectives. The proportion of vested shares for each vesting date is as follows: Upon completion of one year, recipients are eligible to receive 25% of the vested shares.
Upon completion of two years, recipients are eligible to receive 25% of the vested shares.
Upon completion of three years, recipients are eligible to receive 25% of the vested shares.
Upon completion of four years, recipients are eligible to receive 25% of the vested shares.
 - (2-4) Individual Performance Indicators: Recipients must have achieved a performance rating of "Good" or above in the most recent annual performance evaluation conducted upon the completion of the vesting period and must have met the individual employee performance indicators set by the company.
 - (2-5) Company Operational Objectives: For the fiscal year of the issuance of Restricted Stock Awards and the subsequent three fiscal years, the calculation basis for revenue growth rate and earnings per share growth rate will be the consolidated financial statements audited by CPAs. Both the annual revenue growth rate and earnings per share must grow by at least 10% annually.
 - (2-6) Handling of Employees Who Fail to Meet Vesting Conditions or in the

Event of Inheritance: Details can be found in Article 6 of the issuance regulations.

3. Qualifications for Employee Eligibility and Allocation of Shares:
 - (1) The eligible participants for this incentive plan are limited to full-time employees of the Company and its controlling or subsidiary companies who are still employed on the day of issuance of the Restricted Stock Awards and have achieved a certain level of performance.
 - (2) Qualified employees must either (A) have significant influence on the operational decisions of the company, or (B) be key personnel for the future development of core technologies and strategic initiatives of the company.
 - (3) The number of shares eligible employees may receive will be determined based on the company's operational performance, as well as individual job level, work performance, and other relevant factors. Allocation criteria will be formulated accordingly, subject to approval by the Board of Directors after review and approval by the Chairman. However, employees holding positions as directors or managers of the company must first obtain approval from the Compensation Committee, while employees who do not hold positions as directors or managers of the company must first obtain approval from the Audit Committee.
 - (4) The determination and calculation of the number of shares eligible for allocation shall be conducted in accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" and relevant regulations.

4. The necessary reasons for implementing the issuance of Restricted Stock Awards are as follows:

The Company aims to attract and retain key talented individuals to achieve its medium and long-term goals. By motivating employees to fully commit to achieving the Company's operational objectives, the company anticipates creating greater benefits for both the Company and its shareholders. Moreover, this initiative ensures the alignment of interests between company employees and shareholders.

5. The potential costs involved and their impact on earnings per share dilution, as well as other factors affecting shareholder equity, include:

- (1) Possible Cost Impact:

The Company should measure the fair value of the stock on the grant date and recognize the relevant expenses over the vesting period on a yearly basis. Based on the closing price of NTD 156 per share of the Company's common stock on April 9, 2024, the total potential expense recognition amount under the assumption of full achievement of vesting conditions would be NTD 140,400,000. If the issuance occurs at the end of December 2024, the estimated expense recognition amounts for the years 2025 to 2028 would be NTD 73,125,000, NTD 38,025,000, NTD 20,475,000, and NTD 8,775,000 respectively.

- (2) Dilution of Earnings per Share for the Company:

Based on the current outstanding ordinary shares in circulation and the Restricted Stock Awards issued within the proposed limit, the estimated decrease in earnings per share for the years 2025 to 2028 would be NTD 0.64, NTD 0.33, NTD 0.18, and NTD 0.08 respectively.

- (3) Other Impact on Shareholder Equity:

The dilution of earnings per share for the company is relatively limited, thus

- having no significant impact on shareholder equity.
6. Please refer to Attachment VII for the Regulations for the Issuance of Restricted Stock Awards in 2024.
 7. Should any of the conditions set for the issuance of Restricted Stock Awards require revision or amendment due to instructions from regulatory authorities, changes in relevant laws and regulations, or adjustments necessitated by financial market conditions, it is proposed that authorization be sought from the shareholders' meeting for the Board of Directors or its authorized representatives to handle such matters with full authority.
 8. The issuance of the Restricted Stock Awards this time, along with any related restrictions, important provisions, or any unresolved matters, will be handled in accordance with the relevant regulations and the issuance regulations established by the company.
 9. Please kindly discuss.

Resolution:

Report No. 5: Proposal for private placement of common shares. (Proposed by the Board of Directors)

Description:

1. To expand our operational scale, enhance operational funding, attract strategic investors, strengthen our financial structure, or meet other future funding needs for the company's development, thereby enhancing operational capabilities and competitiveness, we have a capital requirement. Therefore, we propose to conduct a private placement of common shares within a limit of up to 15,000,000 shares, with a par value of NTD 10 per share.
2. In accordance with Article 43-6 of the Securities and Exchange Act, the following matters should be explained when conducting a private placement:
 - (1) Basis and Reasonableness of Price Determination:
 - A. The determination of the private placement price shall not be lower than 80% of the higher of the following two criteria calculated by the Board of Directors based on the pricing basis authorized by the shareholders' meeting before the pricing date:
 - a. The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 - b. The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
 - B. The basis for the aforementioned private placement price determination complies with the regulations governing the issuance of privately placed securities by publicly traded companies. Therefore, the setting of the common stock price in this private placement should be considered reasonable.
 - (2) Selection Method for Specific Individuals:
 Selection Method for Specific Individuals: Limited to individuals as defined in accordance with the provisions of Article 43-6 of the Securities and Exchange Act and the letter issued by the Financial Supervisory Commission of the

Executive Yuan, dated September 1, 2010, with the reference number 0990046878. The company has not yet contacted specific prospective investors. It is proposed to seek authorization from the shareholders' meeting for the Board of Directors to prioritize individuals who can directly or indirectly benefit the company's future operations and select from among those who meet the requirements set by the regulatory authorities.

- (3) The Necessity for Conducting the Private Placement:
 - A. Reasons for Not Opting for Public Offering: Compared to public offerings, the provision that privately placed securities cannot be freely transferred within three years ensures a more secure long-term cooperative relationship between the company and strategic investment partners. Therefore, we choose not to pursue a public offering and instead propose issuing common shares through private placement.
 - B. Private Placement Limit: It is proposed to conduct a private placement of common shares within a limit of up to 15,000,000 shares. The total amount of the private placement will be determined based on the actual private placement situation, with authorization given to the Board of Directors to make the final decision.
 - C. Purpose and Expected Benefits of the Private Placement: The company intends to conduct the private placement either in one time or multiple times (up to a maximum of 3 times), with the total number of shares issued not exceeding 15,000,000 shares. The funds raised from each time of the private placement will be utilized to enhance operational funding and repay bank loans. Each time of the private placement is expected to enhance the company's competitiveness, improve operational efficiency, and strengthen its financial structure. These initiatives are anticipated to have a positive impact on shareholder equity.
3. If it is anticipated that the private placement transactions cannot be completed within the specified timeframe or if there are no plans to continue with the remaining times of the private placement within the remaining period, but the original plan is still considered feasible, it will be deemed that the subscription funds for the privately placed securities have been fully collected.
4. The newly issued shares in this private placement of common stock will rank pari passu with the original shares. However, according to Article 43-8 of the Securities and Exchange Act, the privately placed common shares cannot be freely transferred within three years after delivery, except under specific circumstances as stipulated by law. The company also intends to apply for public offering and listing on the stock exchange from the regulatory authorities after the privately placed common shares have been held for a period of three years, in accordance with relevant legal regulations.
5. The proposal for the private placement of common stock seeks authorization from the shareholders' meeting for the Board of Directors to conduct the private placement, either in one time or multiple times, within one year from the date of the shareholders' meeting resolution. If the private placement cannot be completed within this one-year period, the Board will convene a meeting before the deadline to discuss discontinuing the private placement. Furthermore, the company will disclose relevant information in accordance with the regulations of the Taiwan Stock Exchange Corporation's Market Observation Post System as if it were a significant event.
6. Independent Directors' Dissenting Opinions: None.

7. Significant change in managerial control within the 1 year period immediately preceding the day on which the Board of Directors resolves on the private placement, or a significant change in managerial control after the introduction of a strategic investor through private placement: None.
8. The main contents of the private placement plan, including but not limited to pricing ration, the actual issuance price, number of shares to be issued, amount to be raised, terms of issuance, project items, expected progress of fund utilization, expected potential benefits, and other related matters, are intended to be submitted to the shareholders' meeting for authorization for the Board of Directors to determine, depending on the market conditions and the Company's operational needs. The Board of Directors is also authorized to handle any subsequent changes or amendments that may be necessary as a result of amendments made by the competent authorities or changes in the objective environment or laws and regulations.
9. To facilitate the private placement of common stock, it is proposed to authorize the Chairman or person assigned by the Chairman to represent the Company to negotiate, arrange and sign any document and contract regarding the private placement plan.
10. Please kindly discuss.

Resolution:

IV.Extraordinary Motion

V. Adjournment

HD Renewable Energy Co., Ltd.
2023 Business Report

I. 2023 business report:

(I) Implementation results of operating plan

The year 2023 is a fruitful year for the Company which was officially listed on the Innovation Board market on March 6, 2023. In addition to the existing solar photovoltaic plants and land-based wind power development and engineering projects, in order to accelerate the deployment of future electricity market needs, the company is actively developing electric vehicle charging stations, energy storage systems, and green power sales, and other business units, all of which have seen initial expansion and growth this year; The Company is engaged in a large number of solar green space development business and solar photovoltaic system engineering construction in counties and cities throughout Taiwan, and continues to accumulate the company's development and engineering achievements; Forward-looking development strategy and professional design and construction technology, TITAN system and eight clouds are the core foundation of the Company, whether it is the research of fishery and electricity symbiosis related laws and regulations or other related engineering methods or the development and application of AI software, to the Company's prudent risk control practice, overall, operations, business, engineering, R&D and finance continue to show a steady growth trend.

(II) Financial revenue and expenditure and profitability analysis

1. Financial income and expenditure situation:

Unit: NT\$1,000

Item	Consolidated company		Increase (decrease) change	
	2023	2022	Amount	Proportion (%)
Operating income	5,839,009	5,060,371	778,638	15.39%
Operating costs	4,388,837	3,913,837	475,000	12.14%
Gross profit	1,450,172	1,146,534	303,638	26.48%
Operating expenses	458,999	301,216	157,783	52.38%
Non-operating income and expenses	11,560	(32,823)	44,383	135.22%
Net profit before tax	1,002,733	812,495	190,238	23.41%
Net income after tax	818,412	648,152	170,260	26.27%
Net profit after tax (excluding non-controlling interests)	815,411	650,106	165,305	25.43%
Basic earnings per share	8.36	8.18	0.18	2.20%
Diluted earnings per share	8.20	7.99	0.21	2.63%

2. Profitability analysis

Item (%)	2023	2022
Return on asset (%)	9.00	14.26
Return on shareholders' equity (%)	17.70	25.73
Ratio of net profit before tax to paid-in capital (%)	100.27	95.59
Net profit margin (%)	14.02	12.81
Basic earnings per share	8.36	8.18
Diluted earnings per share	8.20	7.99

(III) Research and development status

In order to strengthen the autonomy of power-related application systems and flexibly use various data, the Group continues to develop its own cloud-based real-time monitoring system. Through the experience of its own power plants, the group adjusts system functions and finds 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. On the other hand, 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, new electricity sales media matching services and visualization systems, energy storage management systems, auxiliary service generation operation systems, and charging pile operation systems have been added, and smart computing has been continuously invested to meet market demand.

The Group's future product development plan is to continue to extend the existing technology. In addition to enhancing the existing product quality and productivity, the Group plans to expand other smart power dispatch services in the future, as this area is still competing in the end application of the blue ocean, such as demand dispatch, power trading and green power trading. In the future, the technology development will be based on the series connection of each resource platform, demand aggregation, demand prediction and other technology development, while grasping energy storage, demand and power generation resources to facilitate dispatch.

II. 2023 Business Plan

- (I) Management policy and important production and marketing strategy
 - (1) Short-term business development plan

- Multiple development, construction of electric power development and engineering

The engineering team of the Group has the ability of overall management, case 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 improve 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 Group 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 Group 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:

- 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;
- 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;

- 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;
- 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 Taiwan Power auxiliary service trading market. And take the energy storage as the core to prepare for the future energy transfer market.

III. 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 AI software calculation, 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.

Chairman:

Manager:

Accounting officer:

HD Renewable Energy Co., Ltd.

Audit Report of Audit Committee

This is to be allowed

The board of Directors has prepared the company's 2023 annual financial statements (including consolidated and individual financial reports), which have been checked and completed by accountants Wu Chun-Yuan and Huang Haining of KPMG Taiwan. Together with the business report, the audit committee has examined and completed it and found that there is no difference, so the report has been prepared in accordance with Article 14-4 of the Securities and Exchange Law and Article 219 of the Company Act.

Please kindly review

To HD Renewable Energy Co., Ltd.

Convener of Audit Committee Liang-Yu Chang

March 7, 2024

H D R e n e w a b l e E n e r g y C o . , L t d .
Comparison Table of the Amendments to the Rules and Procedures of
Board of Directors' Meetings

Amendment provisions	Original provisions	Note of amendment
<p>4.2 Meeting procedure:</p> <p>4.2.1. The Company's board meeting shall proceed according to the meeting procedure in the meeting notice.</p> <p>4.2.2. It may be changed with the consent of more than half of the directors present.</p> <p>4.2.3 The chairman shall not adjourn a meeting without the consent of more than half of the directors present.</p> <p>4.2.4 If at the scheduled meeting time, half of all directors (calculated by actual incumbents) do not present, the chairperson may announce for a postponement of the meeting <u>within the same day</u>. The number of postponements is limited to two. If the number of directors present is insufficient after two postponements, the chair may reconvene in accordance with the procedures specified in 2.4.1.</p> <p>4.2.5 If at any time during the proceedings of a Board of Directors' meeting the Directors sitting at the meeting are not more than half of the Directors present at the</p>	<p>4.2 Meeting procedure:</p> <p>4.2.1. The Company's board meeting shall proceed according to the meeting procedure in the meeting notice.</p> <p>4.2.2. It may be changed with the consent of more than half of the directors present.</p> <p>4.2.3 The chairman shall not adjourn a meeting without the consent of more than half of the directors present.</p> <p>4.2.4 If at the scheduled meeting time, half of all directors (calculated by actual incumbents) do not present, the chairperson may announce for a postponement of the meeting. The number of postponements is limited to two. If the number of directors present is insufficient after two postponements, the chair may reconvene in accordance with the procedures specified in 2.4.1.</p> <p>4.2.5 If at any time during the proceedings of a Board of Directors meeting the Directors sitting at the meeting are not more than half of the Directors present at the meeting, the chairperson shall,</p>	<p>I. To prevent the dispute that may arise due to uncertainty around the postponement of a board meeting, it is explicitly stipulated that if there are not enough directors present, the chairperson may announce that the meeting will be postponed only for that day.</p> <p>II. For practical considerations, in case the chairperson is unable to preside over the meeting or fails to adjourn the meeting as per the rules, additional rules on the selection of deputies shall be formulated to avoid interfering with the operation of the board meetings. In such case, the vice chairperson shall act as the proxy. In case there is no Vice Chairman or the Vice Chairperson also takes leave or is unable to exercise his functions and powers for some reason, the Chairperson shall appoint a managing director to act as the proxy. If there is no managing director, one director shall be appointed as an agent; if the Chairperson of the board does not appoint an agent, the managing director or each director shall recommend one agent to act as an agent.</p>

Amendment provisions	Original provisions	Note of amendment
<p>meeting, the Chairperson shall, upon motion from the sitting Directors, declare a suspension of the meeting. In such case, item 4.2.4 shall apply <u>mutatis mutandis</u>.</p> <p><u>4.2.6. In case the chairperson of a Board meeting is unable to perform their duties or fails to declare the meeting closed as outlined in item 4.2.3, the rules mentioned in 4.1.4 shall apply mutatis mutandis to select a deputy to take their place.</u></p>	<p>upon motion from the sitting Directors, declare a suspension of the meeting. In such case, item 4.2.4 shall apply <u>mutatis mutandis</u>.</p>	

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, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and 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 of Financial Statement Audit and Attestation Engagements of 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 “Significant accounting assumptions and judgments, and major sources of estimation uncertainty”, and note 6(25) “Revenues from contracts with customers” for relevant explanation.

Description of key audit matter:

The Group recognize its construction 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, 2023 and 2022, 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 IFRSs, IASs, IFRIC, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 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 Chun-Yuan, Wu and Hai-Ning Huang.

KPMG

Taipei, Taiwan (Republic of China)

March 7, 2024

Notes to Readers

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

HD RENEWABLE ENERGY CO., LTD.AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2023		December 31, 2022			Liabilities and Equity	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (note 6(1))	\$ 3,985,167	30	1,964,028	32	2100	Short-term borrowings (note 6(13))	\$ 1,124,211	9	287,671	5
1110 Current financial assets at fair value through profit or loss (notes 6(2) and (16))	1,000	-	-	-	2119	Short-term notes and bills payable (note 6(14))	400,872	3	29,932	-
1140 Current contract assets (notes 6(25) and 7)	3,439,976	26	636,983	11	2130	Current contract liabilities (notes 6(25) and 7))	645,924	5	566,984	9
1170 Notes and accounts receivable, net (note 6(4))	113,580	1	35,931	1	2151	Notes and accounts payable	729,835	6	583,409	10
1180 Accounts receivable due from related parties, net (notes 6(4) and 7)	21,530	-	16,296	-	2180	Accounts payable to related parties (note 7)	655,111	5	469,235	8
1210 Other receivables due from related parties, net (note 7)	25	-	8,031	-	2201	Salaries and bonus payable	119,647	1	114,603	2
130X Inventories (note 6(5))	307,465	3	196,675	3	2220	Other payables to related parties (note 7)	4,636	-	48,045	1
1401 Current consumable biological assets	9,359	-	1,823	-	2230	Current tax liabilities	136,503	1	205,423	3
1421 Prepayments to suppliers (note 7)	819,461	6	250,445	4	2280	Current lease liabilities (notes 6(18) and 7)	32,129	-	17,599	-
1470 Other current assets (notes 6(12), 7 and 8)	1,093,758	9	1,278,291	21	2300	Other current liabilities (note 6(19))	308,574	2	101,970	2
	<u>9,791,321</u>	<u>75</u>	<u>4,388,503</u>	<u>72</u>	2322	Long-term borrowings, current portion (notes 6(15) and 8)	36,683	-	13,543	-
							<u>4,194,125</u>	<u>32</u>	<u>2,438,414</u>	<u>40</u>
Non-current assets:						Non-current liabilities:				
1517 Non-current financial assets at fair value through other comprehensive income (note 6(3))	-	-	35,000	1	2500	Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (16))	6,700	-	-	-
1550 Investments accounted for using equity method (notes 6(6) and (7))	177,641	1	529,757	9	2530	Bonds payable (note 6(16))	873,583	7	-	-
1600 Property, plant and equipment (notes 6(9) and 8)	2,061,910	16	692,583	11	2540	Long-term borrowings (notes 6(15) and 8)	885,445	7	185,106	3
1755 Right-of-use assets (note 6(10), 7 and 8)	130,095	1	66,792	1	2570	Deferred tax liabilities (note 6(21))	638	-	-	-
1780 Intangible assets (note 6(11))	86,594	1	23,014	-	2580	Non-current lease liabilities (notes 6(18) and 7)	97,396	1	45,303	1
1840 Deferred tax assets (note 6(21))	118,490	1	64,510	1	2635	Preference share liabilities - non-current (note 6(17))	1,125,729	8	-	-
1990 Other non-current assets (notes 6(12), 7 and 8)	718,602	5	300,708	5	2670	Other non-current liabilities (notes 6(19) and 7)	50,400	-	37,338	-
	<u>3,293,332</u>	<u>25</u>	<u>1,712,364</u>	<u>28</u>			<u>3,039,891</u>	<u>23</u>	<u>267,747</u>	<u>4</u>
							<u>7,234,016</u>	<u>55</u>	<u>2,706,161</u>	<u>44</u>
						Total liabilities				
						Equity (notes 6(8), (16), (22) and (23)):				
						Equity attributable to owners of parent:				
					3100	Ordinary shares	1,000,000	8	850,000	14
					3200	Capital surplus	3,376,493	26	1,745,474	29
					3300	Retained earnings	1,153,095	9	758,482	12
					3400	Other equity interest	(96)	-	-	-
						Total equity attributable to owners of parent:	<u>5,529,492</u>	<u>43</u>	<u>3,353,956</u>	<u>55</u>
					36XX	Non-controlling interests	<u>321,145</u>	<u>2</u>	<u>40,750</u>	<u>1</u>
						Total equity	<u>5,850,637</u>	<u>45</u>	<u>3,394,706</u>	<u>56</u>
Total assets	\$ 13,084,653	100	6,100,867	100		Total liabilities and equity	\$ 13,084,653	100	6,100,867	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, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(25) and 7)	\$ 5,839,009	100	5,060,371	100
5000	Operating costs (notes 6(5), (26), 7 and 12)	4,331,600	74	3,718,799	73
	Gross profit	1,507,409	26	1,341,572	27
5910	Unrealized profit from sales	(57,237)	(1)	(195,038)	(4)
	Realized gross operating profit	1,450,172	25	1,146,534	23
6000	Operating expenses (notes 6(26), 7 and 12):				
6100	Selling expenses	92,840	2	42,242	1
6200	Administrative expenses	311,001	5	243,511	5
6300	Research and development expenses	55,158	1	15,463	-
	Total operating expenses	458,999	8	301,216	6
	Net operating income	991,173	17	845,318	17
	Non-operating income and expenses:				
7100	Interest income (notes 6(27) and 7)	18,385	-	2,640	-
7010	Other income (notes 6(28) and 7)	8,295	-	10,346	-
7020	Other gains and losses, net (notes 6(7), (11), (16) and (29))	13,856	-	(39,519)	(1)
7050	Finance costs (notes 6(16), (17), and (30))	(56,743)	-	(14,372)	-
7060	Share of profit of associates and joint ventures accounted for using equity method (note 6(6))	27,767	-	8,082	-
	Total non-operating income and expenses	11,560	-	(32,823)	(1)
	Profit before tax	1,002,733	17	812,495	16
7951	Less: Income tax expense (note 6(21))	184,321	3	164,343	3
	Profit for the year	818,412	14	648,152	13
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income (note 6(3))	(20,589)	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	(20,589)	-	-	-
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(120)	-	-	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss (note 6(21))	(24)	-	-	-
	Total items that will be reclassified subsequently to profit or loss	(96)	-	-	-
8300	Other comprehensive income	(20,685)	-	-	-
	Total comprehensive income	\$ 797,727	14	648,152	13
	Profit (loss) attributable to:				
	Owners of parent	\$ 815,411	14	650,106	13
	Non-controlling interests	3,001	-	(1,954)	-
		\$ 818,412	14	648,152	13
	Comprehensive income attributable to:				
	Owners of parent	\$ 794,726	14	650,106	13
	Non-controlling interests	3,001	-	(1,954)	-
		\$ 797,727	14	648,152	13
	Earnings per share (NT dollar) (note 6(24))				
	Basic earnings per share	\$ 8.36		8.18	
	Diluted earnings per share	\$ 8.20		7.99	

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Equity attributable to owners of parent					Other equity interest			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Retained earnings					Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total						
Balance at January 1, 2022	\$ 700,000	660,619	44,560	237,011	281,571	-	-	-	1,642,190	400	1,642,590
Profit for the year	-	-	-	650,106	650,106	-	-	-	650,106	(1,954)	648,152
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	650,106	650,106	-	-	-	650,106	(1,954)	648,152
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	16,481	(16,481)	-	-	-	-	-	-	-
Cash dividends distributed to ordinary shareholders	-	-	-	(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
Profit for the year	-	-	-	815,411	815,411	-	-	-	815,411	3,001	818,412
Other comprehensive income for the year	-	-	-	-	-	(96)	(20,589)	(20,685)	(20,685)	-	(20,685)
Total comprehensive income	-	-	-	815,411	815,411	(96)	(20,589)	(20,685)	794,726	3,001	797,727
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	64,691	(64,691)	-	-	-	-	-	-	-
Cash dividends distributed to ordinary shareholders	-	-	-	(400,000)	(400,000)	-	-	-	(400,000)	-	(400,000)
Capital increase by cash and compensation costs recognized for reserve of employee subscription	150,000	1,501,993	-	-	-	-	-	-	1,651,993	-	1,651,993
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	-	1,215	-	(26)	(26)	-	-	-	1,189	(1,189)	-
Effect of long-term equity investment recognized in disproportionate shareholding	-	(202)	-	(183)	(183)	-	-	-	(385)	385	-
Conversion of convertible bonds	-	128,013	-	-	-	-	-	-	128,013	-	128,013
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	(20,589)	(20,589)	-	20,589	20,589	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	278,198	278,198
Balance at December 31, 2023	\$ 1,000,000	3,376,493	125,732	1,027,363	1,153,095	(96)	-	(96)	5,529,492	321,145	5,850,637

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,002,733	812,495
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	65,868	35,750
Amortizations expense	12,391	3,547
Net gain on financial assets or liabilities at fair value through profit or loss	(3,168)	-
Interest expense	56,743	14,372
Interest income	(18,385)	(2,640)
Impairment loss on intangible assets	-	28,985
Impairment loss on biological assets	2,716	-
Share-based payment transactions	1,993	4,653
Share of profit of associates and joint ventures accounted for using equity method	(27,767)	(8,082)
Loss allowance for write-down of inventories (reversal gain)	(109)	392
Gains on disposal of investments	(2,249)	(1,837)
Gain on lease modification	-	(6)
Gain recognized on bargain purchase transaction	(555)	-
Unrealized profit from inter-company sale transactions	57,237	195,038
Others	160	-
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(80,126)	112,553
Contract assets	(2,694,754)	83,911
Other receivables (including related parties)	22,365	(26,856)
Inventories	(109,696)	(167,810)
Prepayments to suppliers	(569,016)	(207,127)
Other operating assets	135,163	(464,212)
Contract liabilities	78,940	250,753
Notes and accounts payable (including related parties)	377,479	547,570
Other payables to related parties	(2,872)	4,600
Other operating liabilities	216,247	166,777
Total adjustments	<u>(2,481,395)</u>	<u>570,331</u>
Cash inflow (outflow) generated from operations	(1,478,662)	1,382,826
Interest received	18,385	2,635
Dividends received	8,183	1,083
Interest paid	(24,934)	(14,152)
Income taxes paid	(300,123)	(130,161)
Net cash flows from (used in) operating activities	<u>(1,777,151)</u>	<u>1,242,231</u>

(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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
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	(72,000)	(709,903)
Proceeds from disposal of equity-accounted investments	-	175,771
Inward remittance of prepayments for investments	-	20,000
Acquisition of subsidiaries (including cash from subsidiaries)	(52,072)	(102,752)
Proceeds from disposal of subsidiaries (excluding cash from subsidiaries)	22,124	264,312
Proceeds from capital reduction of investments accounted for using equity method	378,837	532
Acquisition of property, plant and equipment	(1,563,876)	(559,083)
Proceeds from disposal of property, plant and equipment	17,756	2,476
Increase in refundable deposits	(216,506)	(138,615)
Acquisition of intangible assets	(13,538)	(19,637)
Decrease (increase) in restricted bank deposits	18,582	(103,520)
Increase in other non-current assets	(173,340)	(9,850)
Net cash flows used in investing activities	<u>(1,654,033)</u>	<u>(1,215,269)</u>
Cash flows from (used in) financing activities:		
Proceeds from short-term borrowings	2,036,285	1,771,515
Repayments of short-term borrowings	(1,216,245)	(1,765,395)
Increase in short-term notes and bills payable	369,650	29,712
Proceeds from issuance of bonds (net of issuance costs)	999,750	-
Proceeds from long-term borrowings	758,057	115,836
Repayments of long-term borrowings	(22,382)	(45,934)
Decrease in other payables to related parties	-	(76,288)
Payments of lease liabilities	(21,632)	(15,346)
Increase in preference share liabilities	1,105,000	-
Cash dividends paid	(400,000)	(170,000)
Capital increase by cash	1,650,000	1,230,000
Change in non-controlling interests	193,960	39,949
Net cash inflows from financing activities	<u>5,452,443</u>	<u>1,114,049</u>
Effect of exchange rate changes on cash and cash equivalents	(120)	-
Increase in cash and cash equivalent	2,021,139	1,141,011
Cash and cash equivalents at beginning of period	<u>1,964,028</u>	<u>823,017</u>
Cash and cash equivalents at end of period	<u>\$ 3,985,167</u>	<u>1,964,028</u>

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

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

Opinion

We have audited the financial statements of HD Renewable Energy Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the financial statements, including a summary of material 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, 2023 and 2022, and its 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 Financial Statement Audit and Attestation Engagements of 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 “Significant accounting assumptions and judgments, and major sources of estimation uncertainty”, note 6(23) “Revenues from contracts with customers” for relevant explanation.

Description of key audit matter:

The Company recognize its construction 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 investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-company-only financial statements for the year ended December 31, 2023 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 Chun-Yuan, Wu and Hai-Ning Huang.

KPMG

Taipei, Taiwan (Republic of China)

March 7, 2024

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2023		December 31, 2022		Liabilities and Equity	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(1))	\$ 1,955,119	19	1,227,679	22	2100 Short-term borrowings (note 6(12))	\$ 1,124,211	11	287,671	5
1110 Current financial assets at fair value through profit or loss (notes 6(2) and (15))	1,000	-	-	-	2110 Short-term notes and bills payable (note 6(13))	129,840	1	29,932	1
1140 Current contract assets (notes 6(23) and 7)	3,439,976	33	682,215	13	2130 Current contract liabilities (notes 6(23) and 7))	164,481	2	90,869	2
1170 Notes and accounts receivable, net (note 6(4))	70,555	-	17,063	-	2170 Notes and accounts payable	689,932	7	575,490	11
1180 Accounts receivable due from related parties, net (notes 6(4) and 7)	4,952	-	12,239	-	2180 Accounts payable to related parties (note 7)	734,243	7	469,235	8
1210 Other receivables due from related parties, net (note 7)	25	-	8,745	-	2201 Salaries and bonus payable (note 6(24))	98,853	1	108,838	2
130X Inventories (note 6(5))	298,842	3	192,716	4	2220 Other payables to related parties (note 7)	13,887	-	44,367	-
1421 Prepayments to suppliers (note 7)	327,644	3	250,149	5	2230 Current tax liabilities	117,347	1	197,404	4
1476 Other current financial assets (note 8)	166,572	2	213,940	4	2280 Current lease liabilities (notes 6(16) and 7)	24,957	-	13,247	-
1470 Other current assets (notes 6(11), 7 and 8)	801,115	8	1,046,145	19	2300 Other current liabilities (note 6(17) and 7)	277,172	3	57,853	2
	<u>7,065,800</u>	<u>68</u>	<u>3,650,891</u>	<u>67</u>	2322 Long-term borrowings, current portion (notes 6(14) and 8)	32,114	-	11,211	-
						<u>3,407,037</u>	<u>33</u>	<u>1,886,117</u>	<u>35</u>
Non-current assets:					Non-Current liabilities:				
1517 Non-current financial assets at fair value through other comprehensive income (note 6(3))	-	-	35,000	1	2500 Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (15))	6,700	-	-	-
1550 Investments accounted for using equity method (notes 6(6), (7) and 7)	1,644,502	16	1,004,604	18	2530 Bonds payable (note 6(15))	873,583	8	-	-
1600 Property, plant and equipment (notes 6(8), 7 and 8)	877,106	8	417,941	8	2540 Long-term borrowings (notes 6(14) and 8)	450,181	5	161,644	3
1755 Right-of-use assets (notes 6(9) and 7)	84,600	1	49,138	1	2573 Deferred tax liabilities (note 6(21))	636	-	-	-
1780 Intangible assets (notes 6(10) and 7)	29,930	-	9,893	-	2580 Non-current lease liabilities (notes 6(16) and 7)	60,357	1	35,986	1
1840 Deferred tax assets (note 6(21))	77,521	1	57,756	1	2650 Credit balance of investments accounted for using equity method (notes 6(6) and 7)	264	-	3,331	-
1900 Other non-current assets (notes 6(11), 7 and 8)	592,529	6	244,906	4	2670 Other non-current liabilities (notes 6(17) and 7)	43,738	-	29,095	-
	<u>3,306,188</u>	<u>32</u>	<u>1,819,238</u>	<u>33</u>		<u>1,435,459</u>	<u>14</u>	<u>230,056</u>	<u>4</u>
						<u>4,842,496</u>	<u>47</u>	<u>2,116,173</u>	<u>39</u>
					Total liabilities				
Total assets	\$ 10,371,988	100	5,470,129	100	Equity (notes 6(15), (18) and (19)):				
					3110 Ordinary share	1,000,000	10	850,000	15
					3200 Capital surplus	3,376,493	32	1,745,474	32
					Retained earnings	1,153,095	11	758,482	14
					3400 Total other equity interest	(96)	-	-	-
					Total equity	<u>5,529,492</u>	<u>53</u>	<u>3,353,956</u>	<u>61</u>
					Total liabilities and equity	\$ 10,371,988	100	5,470,129	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, 2023 and 2022

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

		<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenues (notes 6(23) and 7)	\$ 5,770,414	100	5,052,656	100
5000	Operating costs (notes 6(5), (24), 7 and 12)	<u>4,373,691</u>	<u>76</u>	<u>3,729,337</u>	<u>74</u>
	Gross profit	1,396,723	24	1,323,319	26
5910	Unrealized profit from sales (note 6(6))	<u>(85,168)</u>	<u>(1)</u>	<u>(204,412)</u>	<u>(4)</u>
	Realized gross operating profit	<u>1,311,555</u>	<u>23</u>	<u>1,118,907</u>	<u>22</u>
6000	Operating expenses (notes 6(24), 7 and 12):				
6100	Selling expenses	60,347	1	40,096	1
6200	Administrative expenses	281,917	5	230,266	5
6300	Research and development expenses	<u>40,665</u>	<u>1</u>	<u>12,178</u>	<u>-</u>
	Total operating expenses	<u>382,929</u>	<u>7</u>	<u>282,540</u>	<u>6</u>
	Net operating income	<u>928,626</u>	<u>16</u>	<u>836,367</u>	<u>16</u>
	Non-operating income and benefit:				
7100	Interest income (notes 6(25) and 7))	12,235	-	3,193	-
7010	Other income (notes 6(26) and 7)	6,650	-	10,494	-
7020	Other gains and losses (notes 6(7), (27) and 7)	14,985	-	(10,362)	-
7050	Finance costs (notes 6(28) and 7)	(34,702)	-	(12,282)	-
7060	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method, net (note 6(6))	<u>81,686</u>	<u>1</u>	<u>(14,318)</u>	<u>-</u>
	Total non-operating income and expenses	<u>80,854</u>	<u>1</u>	<u>(23,275)</u>	<u>-</u>
	Profit before tax	1,009,480	17	813,092	16
7951	Less: Income tax expense (note 6(21))	<u>194,069</u>	<u>3</u>	<u>162,986</u>	<u>3</u>
	Profit for the year	<u>815,411</u>	<u>14</u>	<u>650,106</u>	<u>13</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income (note 6(3))	(20,589)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that will not be reclassified subsequently to profit or loss	<u>(20,589)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(120)	-	-	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss (note 6(21))	<u>(24)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that will be reclassified subsequently to profit or loss	<u>(96)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300	Other comprehensive income	<u>(20,685)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total comprehensive income	<u>\$ 794,726</u>	<u>14</u>	<u>650,106</u>	<u>13</u>
	Earnings per share (NT dollar) (note 6(22))				
	Basic earnings per share	<u>\$ 8.36</u>		<u>8.18</u>	
	Diluted earnings per share	<u>\$ 8.20</u>		<u>7.99</u>	

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Legal reserve	Retained earnings		Total other equity interest		Total equity
				Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Balance at January 1, 2022	\$ 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	-	-	16,481	(16,481)	-	-	-	-
Cash dividends distributed to ordinary shareholders	-	-	-	(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 disproportionate 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
Profit for the year	-	-	-	815,411	815,411	-	-	815,411
Other comprehensive income for the year	-	-	-	-	-	(96)	(20,589)	(20,685)
Total comprehensive income for the year	-	-	-	815,411	815,411	(96)	(20,589)	794,726
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	64,691	(64,691)	-	-	-	-
Cash dividends distributed to ordinary shareholders	-	-	-	(400,000)	(400,000)	-	-	(400,000)
Capital increase by cash and compensation costs recognized for reserve of employee subscription	150,000	1,501,993	-	-	-	-	-	1,651,993
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	-	1,215	-	(26)	(26)	-	-	1,189
Conversion of convertible bonds	-	128,013	-	-	-	-	-	128,013
Disposal of investment in equity instruments at fair value through other comprehensive income	-	-	-	(20,589)	(20,589)	-	20,589	-
Effect of long-term equity investment recognized in disproportion shareholding	-	(202)	-	(183)	(183)	-	-	(385)
Balance at December 31, 2023	\$ 1,000,000	3,376,493	125,732	1,027,363	1,153,095	(96)	-	5,529,492

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,009,480	813,092
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	54,670	29,312
Amortizations expense	10,018	3,233
Net gain on financial assets or liabilities at fair value through profit or loss	(3,168)	-
Interest expense	34,702	12,282
Interest income	(12,235)	(3,193)
Share-based payments transactions	1,993	4,653
Share of profit (loss) of equity-accounted subsidiaries, associates and joint ventures	(81,686)	14,318
Loss allowance for write-down of inventories	476	392
Gains on disposal of investments	(2,249)	(1,837)
Gain on leases modification	-	(6)
Gain on bargain purchase transaction	(555)	-
Unrealized profit from inter-company sale transactions	85,168	204,412
Others	120	-
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(46,205)	100,053
Contract assets	(2,757,761)	38,679
Other receivables (including related parties)	6,680	(25,565)
Inventories	(106,602)	(163,851)
Prepayments to suppliers	(77,495)	(206,831)
Other operating assets	141,269	(503,533)
Contract liabilities	73,612	(225,362)
Notes and accounts payable (including related parties)	379,450	500,167
Other operating liabilities	216,834	106,041
Total adjustments	(2,082,964)	(116,636)
Cash inflow (outflow) generated from operations	(1,073,484)	696,456
Interest received	12,160	3,197
Dividends received	13,179	1,083
Interest paid	(22,987)	(11,691)
Income taxes paid	(293,231)	(100,995)
Net cash flows from (used in) operating activities	(1,364,363)	588,050

(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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
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	(1,296,111)	(1,295,649)
Proceeds from disposal of equity-accounted investments	281,450	451,212
Inward remittance of prepayments for investments	-	20,000
Proceeds from capital reduction of investments accounted for using equity method	378,837	532
Acquisition of property, plant and equipment	(542,346)	(226,639)
Decrease in refundable deposits	(205,394)	(122,498)
Decrease in other receivables due from related parties	2,000	8,800
Acquisition of intangible assets	(30,175)	(10,114)
Decrease (increase) in restricted bank deposits	24,899	(99,059)
Net cash flows from (used in) investing activities	(1,386,840)	(1,308,415)
Cash flows from (used in) financing activities:		
Proceeds from short-term borrowings	2,002,777	1,773,955
Repayments of short-term borrowings	(1,166,237)	(1,765,395)
Proceeds from issuance of bonds (net of issuance costs)	999,750	-
Proceeds from long-term borrowings	325,956	105,000
Repayments of long-term borrowings	(16,516)	(43,779)
Increase in short-term notes and bills payable (after deducting the discounts)	99,669	29,712
Payments of lease liabilities	(16,756)	(8,420)
Cash dividends paid	(400,000)	(170,000)
Capital increase by cash	1,650,000	1,230,000
Net cash inflows from financing activities	3,478,643	1,151,073
Increase in cash and cash equivalents	727,440	430,708
Cash and cash equivalents at beginning of period	1,227,679	796,971
Cash and cash equivalents at end of period	\$ 1,955,119	1,227,679

See accompanying notes to parent-company-only financial statements.

HD Renewable Energy Co., Ltd.
 Surplus Appropriation Statement
 2023

Units: Shares; NTD

Item	Amount
Retained surplus at the beginning of the period	232,750,134
Minus: the impact of long-term equity investment is not recognized according to the shareholding ratio	(183,367)
Minus: Disposal of financial assets measured at fair value through other comprehensive income statement	(20,588,999)
Minus: Difference between consideration and carrying amount of subsidiaries acquired or disposed	(26,252)
Add: Net profit after tax for the current period	815,411,130
Surplus available for distribution	1,027,362,646
Minus: Set aside surplus reserve	(79,461,251)
Minus: Special reserve appropriated	(96,149)
Distribution item (Note 1)	
Cash dividends to shareholders (NTD 4.02575365 per share) (Note 2)	(408,000,000)
Stock dividends to shareholders (NTD 0.255 per share) (Note 2)	(25,500,000)
Undistributed surplus at the end of the period	514,305,246

Note 1: Cash dividends are resolved by the Company's board of directors and is reported to the shareholders' meeting. The Company issued the first domestic unsecured convertible bonds, which were converted into common shares by the bondholders, resulting in an increase in the number of ordinary shares outstanding. The Chairman was authorized by the board of directors to adjust the dividend rate.

Note 2: The cash and stock dividends per share will be adjusted according to the actual number of outstanding shares on the earnings distribution base date.

Chairperson:

Manager:

Accounting officer:

HD Renewable Energy Co., Ltd.

Comparison Table of Amendments to Articles of Incorporation

Item No.	Amendment provisions	Original provisions	Description
Article 7	<p>The total capital of the Company is set at NTD200 million, divided into 200 million shares of NTD10 each; of which NTD200 million is reserved and divided into 20 million shares of NTD10 each for the issuance of employee stock option certificates for the exercise of stock options, and the remaining unissued shares are authorized to be issued by the Board of Directors in installments according to the business needs of the Company.</p> <p><u>If the Company intends to issue employee stock option warrants at a price lower than the market price, or intends to transfer the repurchased company shares to employees at a price lower than the average price, the issuance may be issued only after the consent of at least two-thirds of the voting rights of the attending shareholders.</u></p>	<p>The total capital of the Company is set at NTD200 million, divided into 200 million shares of NTD10 each; of which NTD200 million is reserved and divided into 20 million shares of NTD10 each for the issuance of employee stock option certificates for the exercise of stock options, and the remaining unissued shares are authorized to be issued by the Board of Directors in installments according to the business needs of the Company.</p>	<p>Combined with the employee reward system in the future.</p>
Article 7-1	<p><u>The recipients of the payment of employee treasury shares, employee stock options, new shares and Restricted Stock Awards may include employees of companies controlled by the Company or subsidiaries of the Company who meet certain criteria.</u></p>		<ol style="list-style-type: none"> 1. New provisions. 2. Combined with the employee reward system in the future.
Article 30	<p>This Articles of Incorporation was established on May 03, 2016. First amended on August 15, 2017. Second amended on October 27, 2018. Third amended on December 10, 2018. Forth amended on July 16, 2019. Fifth amended on June 29, 2020. Sixth amended on May 28, 2021. Seventh amended on September 28, 2021. Eighth amended on November 12, 2021. Ninth amended on June 30, 2022. Tenth amended on September 28, 2022. <u>Tenth amended on June 7, 2024.</u></p>	<p>This Articles of Incorporation was established on May 03, 2016. First amended on August 15, 2017. Second amended on October 27, 2018. Third amended on December 10, 2018. Forth amended on July 16, 2019. Fifth amended on June 29, 2020. Sixth amended on May 28, 2021. Seventh amended on September 28, 2021. Eighth amended on November 12, 2021. Ninth amended on June 30, 2022. Tenth amended on September 28, 2022.</p>	<p>Added the amendment date</p>



HD Renewable Energy Co., Ltd.

Regulations for the Issuance of Restricted Stock Awards in 2024

Article 1. Purpose of Issuance

The Company aims to attract and retain key talented individuals to achieve its medium and long-term goals. By motivating employees to fully commit to achieving the Company's operational objectives, the company anticipates creating greater benefits for both the Company and its shareholders. Moreover, this initiative ensures the alignment of interests between company employees and shareholders. Pursuant to Paragraph 9, Article 267 of the Company Act and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" (hereinafter referred to as the "Regulations Governing the Offering") promulgated by the Financial Supervisory Commission, the Company stipulated the issuance of Restricted Stock Awards in 2024 (hereinafter referred to as the "Rules").

Article 2. Issuance Period

Within two years from the date of receipt of a notice of effective filing from the competent authority, the issuance may be made in one lump sum or in installments, depending on the actual needs. The actual issue date and related operational matters shall be set by the Board of Directors or the Chairman authorized by the Board of Directors.

Article 3. Qualifications of Employees and Number of Shares Allotted to Them

(I) Qualifications of employees:

1. The eligible participants for this incentive plan are limited to full-time employees of the Company and its controlling or subsidiary companies who are still employed on the day of issuance of the Restricted Stock Awards and have achieved a certain level of performance.
2. Qualified employees must either (A) have significant influence on the operational decisions of the Company, or (B) be key personnel for the future development of core technologies and strategic initiatives of the company.
3. The number of shares eligible employees may receive will be determined based on the company's operational performance, as well as individual job level, work performance, and other relevant factors. Allocation criteria will be formulated accordingly, subject to approval by the Board of Directors after review and approval by the Chairman. However, employees holding positions as directors or managers of the company must first obtain approval from the Compensation Committee, while employees who do not hold positions as directors or managers of the company must first obtain approval from the Audit Committee.

(II) Number of shares allotted: The number of shares that may be subscribed to by a single subscriber by the Company's employee warrants issued in accordance with Paragraph 1, Article 56-1 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," the total number of Restricted Stock Awards acquired by the warrantees shall not exceed 3% of

the total number of issued shares, and the addition of the employee stock warrants issued in accordance with Paragraph 1, Article 56 of the Regulations. The number of shares which a single subscriber may subscribe for shall not exceed 1% of the total number of issued shares.

Article 4. Total Shares Issued

The Restricted Stock Awards to be issued pursuant to these Regulations are limited to 1,000,000 common shares, with a par value of NTD 10 per share and the aggregate amount not exceeding NTD 10,000,000. The actual number of shares to be issued will be submitted to the board of directors for a resolution after the proposal for issuance of Restricted Stock Awards is approved by the shareholders' meeting and the competent authority.

Article 5. Issuance conditions:

- (I) Expected issuance price: Free of charge.
- (II) Type of shares to be issued: Common shares.
- (III) Conditions for recipients:
 - 1. Employees who receive Restricted Stock Awards shall remain employed on the respective vesting dates and shall not have been found in violation of any company employment-related contracts, code of conduct, trust agreements, integrity guidelines, employee rules, non-compete agreements, confidentiality agreements, or any contractual agreements with the company. Additionally, they must meet the performance evaluation criteria set by the company and contribute to achieving the company's operational objectives. The proportion of vested shares for each vesting date is as follows:
 - (1) Upon completion of one year, recipients are eligible to receive 25% of the vested shares.
 - (2) Upon completion of two years, recipients are eligible to receive 25% of the vested shares.
 - (3) Upon completion of three years, recipients are eligible to receive 25% of the vested shares.
 - (4) Upon completion of four years, recipients are eligible to receive 25% of the vested shares.
 - 2. Individual Performance Indicators: Recipients must have achieved a performance rating of "Good" or above in the most recent annual performance evaluation conducted upon the completion of the vesting period and must have met the individual employee performance indicators set by the Company.
 - 3. Company Operational Objectives: For the fiscal year of the issuance of Restricted Stock Awards and the subsequent three fiscal years, the calculation basis for revenue growth rate and earnings per share growth rate will be the consolidated financial statements audited by CPAs. Both the annual revenue growth rate and earnings per share must grow by at least 10% annually.

Article 6. Handling of Employees Who Fail to Meet Vesting Conditions or in the Event of Inheritance:

- (I) If an employee fails to meet the vested conditions set forth in this article, the Company will recall his/her shares without consideration and cancel the same.
- (II) Voluntary resignation or dismissal for reasons not attributable to the Company:

The Restricted Stock Awards not yet vested shall be deemed as not meeting the vesting conditions on the effective date, and the Company will recover the shares without consideration and cancel the shares.

- (III) Where the employment contract is terminated due to redundancy or other reasons attributable to the Company:

The Restricted Stock Awards that have not been vested at the time of termination of the employment contract due to the Company's redundancy or other reasons attributable to the Company are deemed to have not met the vesting conditions as of the effective date of the lay-off or termination of the employment contract. The Company's shares will be recalled without consideration and will be cancelled.

- (IV) Retirement:

The Restricted Stock Awards that have not yet been vested shall be deemed as not meeting the vesting conditions from the date of retirement, and the Company will recover their shares without consideration and cancel them.

- (V) Leave of absence without pay:

The rights and obligations of the RSAs not yet vested in by the employees who are specially approved by the Company for taking leave of absence without pay in accordance with the regulations of the government, as well as their rights and obligations in the Restricted Stock Awards are not affected, provided that they may be. In addition to the vesting conditions set out in this Article, the actual number of shares vested shall be calculated based on the number of months in the service of the employee in the year before the vesting date on a pro rata basis. If the vesting day is in the state of leave without pay, it shall be deemed that the vested conditions are not met, and the Company will recover the shares without consideration and cancel the shares.

- (VI) Transfer:

Due to the Company's operational needs, the Chairman has approved that he/she must be transferred to controlled or subordinate companies at home and abroad (or transferred between subordinate companies), and the rights and obligations in the Restricted Stock Awards already granted are not affected.

- (VII) General death or occupational disasters resulting in physical disability and thus being unable to continue the job:

If the employee dies during the period of employment with the Company, the Restricted Stock Awards that have not yet met the vesting conditions shall be deemed to have met all the vesting conditions on the date of death, and the statutory heirs shall succeed to the relevant provisions of the Civil Code and the "public issuance of shares" after the occurrence of such fact. The "Regulations Governing Shareholder Services of Stock Companies" has inherited the relevant provisions of the transfer of shares, and the transferred shares have been acquired in accordance with the trust and custody contract after completing the required statutory procedures and providing the relevant supporting documents. If the occupational disaster causes physical disability and thus renders the employee unable to continue to work, the employee shall still receive the shares vested in him/her.

- (VIII) If an employee declares in writing to voluntarily give up the Restricted Stock Awards granted, the Company will recall the shares without

consideration and cancel the same.

- (IX) Where an employee has been allocated his Restricted Stock Awards and has been allocated any of the following circumstances has he/she found a violation of any employment contract, the Code of Ethical Conduct, trust contract, Ethical Corporate Management Best-Practice Principles, Employee Work Rules, non-competition or non-disclosure agreement, or is otherwise likely to If the losses are caused to the Company, the Company will recover the shares without any compensation and cancel the shares.
- (X) If an employee terminates or releases the authorization of the agent for the trust/custodial account of the Restricted Stock Awards with the Company, the Company will retrieve the RSAs not yet vested in them and cancel the shares without consideration.

Article 7. Restricted rights after the allotment of new shares but before the vesting conditions are met:

- (I) The restricted rights of employees with respect to the Restricted Stock Awards issued in accordance with these Regulations shall be as follows:
 - 1. The Restricted Stock Awards must not be sold, pledged, transferred, given to others, pledged as collateral or otherwise disposed of.
 - 2. Other rights in the Restricted Stock Awards granted pursuant to these Regulations before the vesting conditions are met, including but not limited to: dividends, bonuses, and rights to capital surplus and subscription to capital increase in cash, which are related to the Company's prior vesting conditions; The ordinary shares issued are the same, and the relevant operations are executed in accordance with the trust/custodial agreement.
 - 3. Before the vested conditions are met, the attendance, proposal, speech, voting rights and other matters related to shareholders' rights and interests at the Company's shareholders' meetings are entrusted to a trust/custodial institution on its behalf.
 - 4. During the vested period, if the Company conducts a capital reduction in cash, capital reduction to make up a loss, etc., for a capital reduction not due to a statutory capital reduction, the Restricted Stock Awards shall be written off in proportion to the capital reduction. In the case of a cash capital reduction, the returned cash must be put in trust/custody, and delivered to employees after the vested conditions are met; however, if the vested conditions are not met, the Company will retrieve the cash.
- (II) During the period when Restricted Stock Awards are placed in trust/custody, the employee and the stock trust/custodian institution shall be fully authorized by the Company to negotiate, sign, amend, extend, lift, and terminate trust/custody contracts on behalf of others; and Delivery, utilization, and disposition of trust/custodial properties.

Article 8. Taxes

The tax related to the Restricted Stock Awards allotted in accordance with these Regulations shall be governed by the laws of the R.O.C. at the time.

Article 9. Signing a Contract and Confidentiality

- (I) Employees who are allotted Restricted Stock Awards shall sign the "Consent Form for Restricted Stock Awards and Going through the relevant trust/custodial procedures." Those who fail to sign the relevant documents as required shall be deemed to have waived the Restricted Stock Awards.
- (II) Any holder of Restricted Stock Awards and related rights and interests

obtained through these Regulations shall comply with these Regulations and the provisions of the “Letter of Restricted Stock Awards.” Otherwise, it shall be deemed that the vested conditions have not been met. Relevant confidentiality shall be observed unless required by law or the competent authority. It is prohibited to inquire of others or disclose the quantity and content of the Restricted Stock Awards granted, or inform others of the relevant content of this case and personal rights and interests. In case of violation, the Company has the right to take back the Restricted Stock Awards not yet vested without compensation and cancel them.

Article 10. Other Important Matters

- (I) These Regulations shall come into force after being approved by more than two-thirds of the directors of the Board of Directors with more than one-half of the attending directors and reported to the shareholders’ meeting for approval and reporting to the competent authority. If there is a need for subsequent amendments due to changes in laws and regulations or the requirements of the competent authorities, the chairperson is authorized to amend these Regulations and then submit them to the Remuneration Committee and the Board of Directors for ratification.
- (II) If there are any matters not covered by these Regulations, unless otherwise provided by laws and regulations, the Board of Directors or its authorized person is fully authorized to amend or execute them in accordance with relevant laws and regulations.

HD Renewable Energy Co., Ltd.

Rules and Procedures of Shareholders' Meeting

- Article 1. In order to establish a good Shareholders' Meeting governance system, improve the supervision function and strengthen the management function of the company, these rules are formulated in accordance with Article 5 of the Code of Practice on Governance of listed companies for compliance.
- Article 2. The rules of procedure of the Shareholders' Meeting of the Company shall be in accordance with these Rules unless otherwise provided by laws or Articles of Incorporation.
- Article 3. Unless otherwise provided by law, the Shareholders' Meeting of the Company shall be convened by the Board of Directors.

Any change in the method of convening the Shareholders' Meeting of the Company shall be decided by the Board of Directors and shall be made no later than before the notice of the Shareholders' Meeting is mailed.

The Company shall, 30 days prior to the ordinary meeting of shareholders or 15 days prior to the extraordinary meeting of shareholders, make electronic files of the notice of the meeting of shareholders, the paper of proxy, the causes and explanations of the proposals such as the recognition proposal, the discussion proposal, the selection or dismissal of directors and other matters and send them to the Market Observation Post System (MOPS). And 21 days before the ordinary meeting of shareholders or 15 days before the extraordinary meeting of shareholders, make electronic files of the Meeting Handbook of Shareholders' Meeting and supplementary information of the meeting and send them to the MOPS. However, if the paid-in capital of the company reaches more than NT\$10 billion at the end of the latest accounting year or the total shareholding ratio of foreign and domestic capital in the bookkeeping of the shareholders' names reaches more than 30% at the end of the latest accounting year, the transmission of the pre-opened electronic files shall be completed 30 days prior to the ordinary Shareholders' Meeting. Fifteen days prior to the Shareholders' Meeting, the procedure manual and supplementary information of the shareholders' meeting shall be prepared for shareholders to read at any time and displayed by the Company and the professional stock affairs agency appointed by the Company.

The Meeting Handbook and supplementary information of the meeting mentioned in the preceding paragraph shall be provided by the Company

to shareholders for reference in the following ways on the date of the Shareholders' Meeting:

1. When the physical Shareholders' Meeting is convened, it shall be distributed on the site of the Shareholders' Meeting.
2. When a video-assisted Shareholders' Meeting is convened, it shall be distributed at the Shareholders' Meeting site and transmitted to the video conference platform in electronic files.
3. When a video Shareholders' Meeting is convened, it shall be transmitted to the video conference platform in electronic files.

Notices and announcements shall state the reasons for convening; If the notice is agreed by the other party, it may be made electronically.

Election or dismissal of directors, change of articles of incorporation, capital reduction, application for suspension of public offering, directors' competition license, transfer of surplus to increase capital, transfer of reserve to increase capital, dissolution, merger, division or matters mentioned in paragraph 1 of Article 185 of the Company Act, Article 26-1 of the Securities Exchange Law, Article 43-6 of the Securities Exchange Law, and Article 56-1 and Article 56 of the Handling Standards for Issuers' Raising and Issuing of Securities and the matters referred to in Article 60-20 shall be listed in the reasons for convening and the main contents thereof shall not be proposed by extraordinary motion.

The reason for the convening of the Shareholders' Meeting has stated the comprehensive re-election of directors and the date of their inauguration. After the completion of the re-election of the Shareholders' Meeting, the date of their inauguration shall not be changed by extraordinary motion or other means at the same meeting.

A shareholder holding more than 1% of the total number of issued shares may submit a proposal to the Company for an ordinary meeting of shareholders, subject to a limit of one proposal. Any proposal exceeding one shall not be included in the proposal. In addition, the Board of Directors may not list a proposal proposed by a shareholder as one of the circumstances specified in paragraph 4 of Article 172 of the Company Act.

Shareholders may put forward suggestions to urge the company to promote public interests or fulfill social responsibilities, and the procedures shall be limited to one proposal in accordance with the relevant provisions of Article 172 of the Company Act. Any proposal exceeding one shall not be included in the proposal.

The company shall, prior to the cessation of stock transfer prior to the ordinary meeting of shareholders, announce the acceptance of shareholders' proposals, written or electronic acceptance methods, acceptance premises and acceptance period; The acceptance period shall not be less than 10 days.

A proposal proposed by a shareholder shall be limited to 300 words. If it exceeds 300 words, the proposal shall not be included in the proposal; The proposing shareholder shall attend the ordinary meeting of shareholders in person or by proxy and participate in the discussion of the proposal.

The company shall, prior to the notice of the convening of the Shareholders' Meeting, notify the shareholders of the result of the handling, and list the proposals in accordance with this article in the notice of the meeting. For any shareholder's proposal not included in the proposal, the board of directors shall explain the reasons for not including the proposal at the Shareholders' Meeting.

Article 4. At each Shareholders' Meeting, a shareholder may present a power of attorney issued by the Company, stating the scope of authorization, and appoint an agent to attend the Shareholders' Meeting.

A shareholder shall issue a power of attorney limited to one person and deliver it to the company five days prior to the meeting of shareholders. In case of duplication, the power of attorney shall be delivered first. However, this limitation shall not apply to those who declare to revoke the entrustment before.

After the power of attorney is delivered to the Company, a shareholder who wishes to attend the Shareholders' Meeting in person or wishes to exercise his voting rights in writing or electronically shall give a written notice to the Company two days prior to the meeting of the Shareholders' Meeting to revoke the power of attorney; In case of overdue cancellation, the voting right exercised by the entrusted agent shall prevail.

After the power of attorney is delivered to the Company, a shareholder who wishes to attend the Shareholders' Meeting by video shall give a written notice to the Company two days prior to the meeting of the Shareholders' Meeting to revoke the power of attorney; In case of overdue cancellation, the voting right exercised by the entrusted agent shall prevail.

Article 5. The meeting of shareholders shall be held at the place of the

Company or at such place as facilitates the attendance of shareholders and is suitable for the meeting of shareholders. The meeting shall commence no earlier than 9:00 am or later than 3:00 PM, and the place and time of the meeting shall take full account of the opinions of the independent directors.

When the Company holds a video Shareholders' Meeting, it shall not be subject to the restrictions on the venue of the meeting mentioned in the preceding paragraph.

Article 6. The company shall specify in the notice of meeting the reporting time, place and other matters to be noted of the accepting shareholders, solicitors and entrusted agents (hereinafter referred to as shareholders).

The time for accepting shareholders' registration mentioned in the preceding paragraph shall be at least 30 minutes before the meeting begins; The reporting place shall be clearly marked and properly qualified personnel shall be assigned to handle it; The report for the video meeting of shareholders shall be accepted on the video conference platform of Shareholders' Meeting 30 minutes before the start of the meeting. The shareholders who complete the report shall be deemed to have attended the meeting in person.

Shareholders shall attend the Shareholders' Meeting by presenting their attendance certificate, attendance card or other attendance certificates. The company shall not arbitrarily add other supporting documents to the supporting documents on which shareholders attend the meeting; The person who is a power of attorney shall bring proof of identity for verification.

The company shall set up a signature book for the attending shareholders to sign in, or the attending shareholders shall hand in an attendance card for signing on their behalf.

The company shall deliver the Meeting Handbook, annual report, attendance certificate, speech note, voting ballot and other meeting materials to the shareholders attending the Shareholders' Meeting. If there is an election of directors, additional voting ballot shall be attached. Where the government or a legal person is a shareholder, the number of representatives attending the Shareholders' Meeting shall not be limited to one. When a legal person is entrusted to attend a Shareholders' Meeting, only one representative may be appointed to attend.

If the Shareholders' Meeting is held by video conference, shareholders

who wish to attend the Shareholders' Meeting by video shall register with the Company two days prior to the meeting.

If the Shareholders' Meeting is held by video conference, the Company shall upload the Meeting Handbook, annual report and other relevant materials to the video conference platform of the Shareholders' Meeting at least 30 minutes before the meeting begins, and continue to disclose them until the end of the meeting.

When the Company holds a video conference of Shareholders' Meeting, the following items shall be specified in the notice of Shareholders' Meeting:

1. Shareholder participation in video conference and exercise of rights method.
2. The handling measures for the occurrence of obstacles to the video conference platform or participation by video due to acts of god, events or other force majeure shall at least include the following:
 - (1) The continuance of the obstruction before the occurrence does not preclude the time at which the meeting shall be adjourned or resumed and the date on which the meeting shall be adjourned or resumed if so.
 - (2) Shareholders who have not registered to participate in the original Shareholders' Meeting by video shall not participate in the postponed or adjourned meeting.
 - (3) If the video-assisted Shareholders' Meeting cannot be resumed, the total number of shares attended by video shall reach the statutory quota of the Shareholders' Meeting after deducting the number of shares attended by video, the Shareholders' Meeting shall continue. The number of shares attended by the shareholders who participated by video shall be included in the total number of shares attended by the shareholders, and all proposals of the Shareholders' Meeting shall be deemed as abstention.
 - (4) In the event that the results of all proposals have been announced and no extraordinary motion has been made, the handling method shall be adopted.

When holding a video Shareholders' Meeting, the Company shall provide appropriate alternative measures for shareholders who have difficulty attending the Shareholders' Meeting by video.

Article 7. If the Shareholders' Meeting is convened by the Board of Directors,

the president shall be the Chairperson. In case the Chairperson takes leave or is unable to exercise his functions and powers for some reason, the vice chairperson shall act as the proxy. In case there is no Vice Chairman or the Vice Chairperson also takes leave or is unable to exercise his functions and powers for some reason, the Chairperson shall appoint a managing director to act as the proxy. If there is no managing director, one director shall be appointed as an agent; if the Chairperson of the board does not appoint an agent, the managing director or each director shall recommend one agent to act as an agent.

The president of the preceding paragraph shall be a managing director or director's agent who has held office for more than six months and is familiar with the financial affairs of the Company. The same applies if the president is the representative of the juristic-person director.

The Shareholders' Meeting convened by the Board of Directors shall be presided over by the Chairperson himself, and shall be attended by more than half of the directors of the Board of Directors, at least one independent director in person, and at least one member of various functional committees on behalf of the shareholders, and the attendance shall be recorded in the minutes of the Shareholders' Meeting.

If the Shareholders' Meeting is convened by any other convener other than the Board of Directors, the president shall be held by such convener. If there are more than two conveners, one of each other shall serve as the president.

The Company may appoint appointed lawyers, accountants or relevant personnel to attend the Shareholders' Meeting as non-voting delegates.

Article 8. The Company shall, upon acceptance of shareholders' check-in, make continuous audio and video recordings of the whole process of shareholders' reporting, the conduct of the meeting and the vote counting.

The audio and video data mentioned in the preceding paragraph shall be kept for at least one year. However, if a shareholder brings an action in accordance with Article 189 of the Company Act, it shall be kept until the end of the action.

If the Shareholders' Meeting is held by video conference, the Company shall keep records of the shareholders' logon, registration, check-in, questions, voting and counting results of the Company, and shall make continuous and uninterrupted audio and video recordings of the whole

meeting.

The Company shall keep the above information and audio recordings in the preceding paragraph properly during its existence and provide the audio recordings and video recordings to the entrusted parties for storage. If the Shareholders' Meeting is held by video conference, the company shall audio recording and video recording the background operation interface of the video conference platform.

Article 9. Attendance at the Shareholders' Meeting shall be calculated on the basis of shares. The number of shares attending shall be calculated according to the number of shares reported in the signature book or the check-in card submitted and the video conference platform, plus the number of shares exercising their voting rights in writing or electronically.

At the time of the meeting, the president shall announce the meeting immediately, together with the number of non-voting rights and the number of shares present, etc.

However, if no shareholder representing more than half of the total number of shares issued is present, the president may announce the postponement of the meeting to a limit of two times and the total delay shall not exceed one hour. If the shareholders representing more than one third of the total number of shares issued are present after the second delay, the president shall announce the cancellation of the meeting; If the shareholders' meeting is held by video conference, the Company shall also announce the suspension of the meeting on the video conference platform.

If the second delay mentioned in the preceding paragraph is still insufficient and shareholders representing more than one third of the total number of issued shares attend, it may be regarded as a false resolution in accordance with item 1 of Article 175 of the Company Act, and notify each shareholder of the false resolution to convene another Shareholders' Meeting within one month; If the Shareholders' Meeting is held by video conference and the shareholders wish to attend by video conference, they shall re-register with the Company in accordance with Article 6.

Before the end of the meeting, if the number of shares represented by the shareholders present reaches more than half of the total number of shares issued, the president may re-submit the false resolution to the Shareholders' Meeting for a vote in accordance with Article 174 of the Company Act.

Article 10. If the Shareholders' Meeting is convened by the Board of Directors, its agenda shall be determined by the Board of directors, and relevant proposals (including extraordinary motions and amendments to original proposals) shall be voted on a case-by-case basis. The meeting shall proceed in accordance with the scheduled agenda and shall not be changed without a resolution of the Shareholders' Meeting.

If the Shareholders' Meeting is convened by a person other than the Board of Directors with convening authority, the provisions of the preceding paragraph shall apply.

The president may not declare the meeting adjourned without a resolution before the conclusion of the business (including extraordinary motions) of the preceding two items of the agenda; If the president, in violation of the rules of procedure, declares the meeting adjourned, the other members of the Board of Directors shall promptly assist the members attending the procedures prescribed by law to elect a person to serve as president and continue the meeting with the consent of more than half of the votes of the members present.

The president shall give full opportunity for explanation and discussion of motions and amendments or extraordinary motions proposed by members, and may, when he considers that such motions are sufficient for voting, adjourn the discussion, put them to the vote, and arrange adequate time for voting.

Article 11. Before attending a shareholder's speech, the speaker's statement shall be filled out, indicating the gist of the speech, the shareholder's account number (or attendance certificate number) and the name of the account. The president will decide the order of the speaker.

The present shareholder shall be deemed not to have spoken if he only presents a statement without speaking. If the contents of the speech are inconsistent with those recorded in the speech statements, the contents of the speech shall prevail.

Without the consent of the president, each shareholder shall not make more than two speeches for more than five minutes each time on the same motion. However, if the shareholder makes a speech that violates the regulations or goes beyond the scope of the subject matter, the president may stop the shareholder.

When a shareholder is present to make a speech, other shareholders shall not interfere by speech except with the consent of the president and the

shareholder who speaks, and the president shall stop the violation.

When a corporate shareholder appoints two or more representatives to attend the Shareholders' Meeting, only one person may speak on the same motion.

After the shareholders present have spoken, the president may reply in person or designate relevant personnel.

If the Shareholders' Meeting is held by video conference, the shareholders who participate in the meeting by video may ask questions in writing on the video conference platform of the Shareholders' Meeting from the time the president announces the meeting to the time the meeting is adjourn. The number of questions asked for each motion shall not exceed two times and shall not be more than 200 words each time. The provisions of items 1 to 5 shall not apply.

If the question mentioned in the preceding paragraph does not violate the regulations or does not exceed the scope of the proposal, the question shall be disclosed to the video conference platform of the Shareholders' Meeting for known.

Article 12. Voting at the Shareholders' Meeting shall be calculated on the basis of shares.

The resolution of the Shareholders' Meeting shall not count the number of shares of non-voting shareholders into the total number of shares issued.

A shareholder shall not participate in the voting on the matter of the meeting, nor shall he exercise his voting rights on behalf of another shareholder, if his own interests may be harmful to the interests of the company.

The number of shares not subject to voting rights in the preceding paragraph shall not be counted as the voting rights of shareholders present.

Except for a trust enterprise or a stock agency approved by the securities authority, when a person is entrusted by more than two shareholders at the same time, the voting rights of his agent shall not exceed 3% of the total number of voting rights of the issued shares, and the voting rights in excess shall not be counted.

Article 13. Each shareholder shall have one vote per share; However, those who are restricted or who have no voting right as listed in item 2 of Article 179 of the Company Act shall not be subject to this restriction.

When the company holds a Shareholders' Meeting, it shall exercise its voting rights electronically and may exercise its voting rights in writing; When it exercises its voting right in writing or electronically, the method of exercise shall be specified in the notice of Shareholders' Meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the Shareholders' Meeting in person. However, the interim motion and the amendment of the extraordinary motion of the Shareholders' Meeting shall be deemed as abstention, so the Company shall avoid proposing the extraordinary motion and the amendment of the original proposal.

For those who exercise their voting rights in writing or electronically in the preceding paragraph, their expression of intention shall be delivered to the company two days prior to the Shareholders' Meeting. In case of duplication, the one delivered first shall prevail. However, this limitation shall not apply to those who express their intention before the declaration of revocation.

If a shareholder wishes to attend the Shareholders' Meeting in person or by video after exercising his voting rights in writing or electronically, he shall revoke his intention to exercise his voting rights in the same manner as in the preceding paragraph two days prior to the Shareholders' Meeting; In case of overdue cancellation, the voting right exercised in writing or electronically shall prevail. If the voting right is exercised in writing or electronically and the proxy is appointed to attend the Shareholders' Meeting by power of attorney, the voting right exercised by the proxy shall prevail.

Unless otherwise provided for in the Company Act and the articles of incorporation of the company, a vote on a motion shall be passed with the consent of more than half of the voting rights of the shareholders present. At the time of voting, the president or his/her designee shall announce the total number of voting rights of the present shareholders on a case-by-case basis, and the shareholders shall vote on the case by case basis, and the results of the approval, opposition and abstention of the shareholders shall be entered into the MOPS on the day after the meeting of shareholders is held.

When there are amendments or substitutes to the same proposal, the president shall determine the order of voting with the original proposal. If one of the proposals has been passed, the other proposals shall be considered vetoed and shall not be voted on.

The supervisors and counting personnel for voting on a motion shall be appointed by the president, provided that the supervisors shall have the status of shareholders.

The counting of vote or election motions shall be conducted in a public place at the Shareholder's Meeting. After counting of the votes, the result of vote shall be announced and recorded on the spot, including the counting weight.

The Company holds a video conference of Shareholders' Meeting. Shareholders who participate in the meeting by video shall, after the president announces the meeting, vote on the motions and vote on the election motions through the video meeting platform, and shall complete the voting before the president announces the closing of the voting. If the time is overdue, it shall be deemed as abstention.

If the Shareholder's Meeting is held by video conference, the votes shall be counted in one-time and the results of voting and election shall be announced after the president announces the end of voting.

When the Company holds a video-assisted meeting of shareholders, the shareholders who have registered to attend the meeting by video according to Article 6 and wish to attend the meeting in person shall cancel the registration in the same manner as the registration two days before the meeting of shareholders. Those who cancel after the time limit may only attend the shareholders' meeting by video conferencing.

Those who exercise their voting rights in writing or electronically, do not revoke their expression of intent, and participate in the Shareholders' Meeting by video shall not exercise their voting rights on the original motion, or amendments or propose amendments to the original proposal, except on an extraordinary motion.

Article 14. When directors are elected by the Shareholders' Meeting, the election shall be conducted in accordance with the relevant election regulations set by the Company, and the election results shall be announced on the spot.

The electoral votes for the election matters mentioned in the preceding paragraph shall be sealed and signed by the vote supervisors, and shall be kept properly for at least one year. However, if a shareholder brings an action in accordance with Article 189 of the Company Act, it shall be kept until the end of the action.

Article 15. The minutes of the Shareholders' Meeting shall be prepared, signed or sealed by the president, and distributed to each shareholder within

20 days after the meeting. The minutes shall be prepared and distributed electronically.

For the distribution of above minutes in the preceding paragraph, the Company shall conduct it by announcement in the MOPS.

The minutes shall indeed be recorded in accordance with the year, month, day, venue, name of the president, method of resolution, essence of the proceedings and voting results (including the number of votes counted) of the meeting. When directors are elected, the number of votes received by each candidate shall be disclosed. It shall be kept permanently during the existence of the Company.

Where the Shareholders' Meeting is held by video conference, the minutes shall, in addition to the matters to be recorded in accordance with the provisions of the preceding paragraph, record the time from the meeting to the end, the method of convening the meeting, the name of the president and the minutes, and the handling method and situation of the obstacle caused to the video conference platform or participation by video due to natural disaster, incident or other force majeure.

When the company holds a video Shareholders' Meeting, it shall, in addition to the provisions of the preceding paragraph, specify in the minutes the alternative measures provided for shareholders who have difficulties in participating in the video shareholders' meeting.

Article 16. The number of shares acquired by the solicit, the number of shares represented by the entrusted agent and the number of shares attended by the shareholders in writing or electronically shall be clearly disclosed by the Company in a statistical table prepared in accordance with the prescribed format on the day of the Shareholders' Meeting; If the Shareholders' Meeting is held by video conference, the Company shall upload the aforementioned information to the video conference platform of the Shareholders' Meeting at least 30 minutes prior to the beginning of the meeting and continue to disclose it until the end of the meeting.

When the Company holds a video conference of shareholders' meeting and announces the beginning of the meeting, it shall disclose the total number of shares of shareholders present on the video conference platform. If the total number of shares and voting rights of shareholders present are counted at the meeting, the same shall apply.

If there is any material information on the matters decided by the Shareholders' Meeting, which is stipulated by laws and regulations and

stipulated by TWSE. (Taipei Exchange, TPEX), the Company shall transmit the content to the MOPS within the specified time.

Article 17. The meeting personnel handling the shareholders' meeting shall wear identification cards or armbands.

The president may direct inspectors or security personnel to assist in maintaining order at the meeting. When inspectors or security officers are present to help maintain order, they shall wear "inspector" armbands or identification cards.

If the meeting place is equipped with sound amplifying equipment, the president shall stop the shareholders from speaking unless they are speaking with the equipment equipped by the Company.

If a shareholder violates the rules of procedure and disobeys the president's correction and obstructs the meeting, he/she may be asked to leave the meeting by the president under the direction of the inspector or the security officer.

Article 18. In the event of an irresistible situation, the president may rule to temporarily suspend the meeting and announce the time of resumption of the meeting as appropriate.

If the meeting venue cannot be used before the end of the meeting (including extraordinary motions), the shareholders' meeting may resolve to find another venue to continue the meeting.

The shareholders' meeting shall, in accordance with Article 182 of the Company Act, resolve to postpone or adjourn the meeting within five days.

Article 19. If a shareholders' meeting is held by video conference, the Company shall disclose the voting results of each motion and election results on the video conference platform of the shareholders' meeting immediately after the close of voting in accordance with the regulations, and shall continue to disclose the results for at least fifteen minutes after the meeting is adjourned by the president.

Article 20. When the Company holds a video shareholders' meeting, the president and the recorder shall be present at the same place in the country, and the president shall announce the address of such place at the time of the meeting.

Article 21. If a shareholders' meeting is convened by video conference, the president shall, at the time of announcing the meeting, separately announce that, except for the circumstances specified in Item 4 of Article 44-20 of the Guidelines Governing the Handling of Stock

Issued to Public Companies, which do not require the postponement or adjournment of the meeting, if, before the president announces the adjournment of the meeting, there is an obstacle to participation on the video conference platform or by means of video conference that lasts for more than 30 minutes due to natural disasters, events or other force majeure circumstances, the date of the meeting shall be postponed or adjourned within five days, and the provisions of Article 182 of the Company Act shall not apply.

In the event of an adjournment or renewal of the preceding paragraph, shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponed or adjourned meeting.

If a shareholder who shall postpone or adjourn a meeting in accordance with the second item has registered to attend the original shareholders' meeting by video and has completed the check-in, but does not attend the postponed or adjourned meeting, the number of shares attended, the number of voting rights and the number of election rights exercised at the original shareholders' meeting shall be counted as the total number of shares, voting rights and election rights of shareholders attending the postponed or adjourned meeting.

When a shareholders' meeting is postponed or adjourned in accordance with the second item, there is no need to discuss and resolve again on the motions for which voting and counting has been completed and the voting results or the list of directors elected have been announced.

When the Company holds a video-assisted shareholders' meeting and the second item cannot be adjourned, if, after deducting the number of shares present at the shareholders' meeting by video, the total number of shares present still reaches the legal quota for the shareholders' meeting, the shareholders' meeting shall continue without any postponement or adjournment of the meeting as provided in the second paragraph.

In the event that the preceding meeting shall be continued, the number of shares attended by the shareholders participating in the shareholders' meeting by way of video shall be counted as the total number of shares of the shareholders present, provided that all motions at such shareholders' meeting shall be deemed to be abstained.

If the Company postpones or adjourns a meeting in accordance with the second paragraph, the Company shall comply with the provisions set forth in Item 7 of Article 44-20 of the Guidelines Governing the Handling

of Stock Issued to Public Companies, and shall complete the relevant preliminaries in accordance with the date of the original shareholders' meeting and the provisions of each such Article.

During the period specified in the latter paragraph of Article 12 and Item 3 of Article 13 of the Rules for the Use of Proxy Forms by Public Companies Attending Shareholders' Meetings, Item 2 of Article 44-5, Item 15 of Article 44, and Item 1 of Article 44-17 of the Guidelines Governing the Handling of Stock Issued to Public Companies, the Company shall postpone or adjourn the date of the shareholders' meeting for the meeting in accordance with the provisions of Item 2.

Article 22. When the Company holds a video shareholders' meeting, the Company shall provide appropriate alternative measures for shareholders who have difficulty attending the shareholders' meeting by video.

Article 23. These rules shall come into effect upon the approval of the shareholders' meeting and shall be amended as well.

Articles of Incorporation of HD Renewable Energy Co., Ltd.

Chapter I General Provisions

- Article 1. The Company shall be organized in accordance with the provisions of the Company Act, and its name shall be 泓德能源科技股份有限公司 in Chinese language. (HD Renewable Energy Co., Ltd. in English language)
- Article 2. The business of the Company is as follows:
1. CC01010 Power generation, transmission, distribution machinery manufacturing
 2. D101011 Electric Power Generation
 3. D101060 Self-usage power generation equipment utilizing renewable energy industry
 4. E599010 Piping Engineering
 5. E601010 Electric Appliance Construction
 6. E601020 Electric Appliance Installation
 7. E603010 Cable Installation Engineering
 8. E603040 Fire Safety Equipment Installation Engineering
 9. E603050 Automatic Control Equipment Engineering
 10. E603090 Lighting Equipments Construction
 11. E604010 Machinery Installation
 12. EZ05010 Instrument and Meters Installation Engineering
 13. EZ99990 Other Engineering
 14. F106040 Wholesale of Plumbing Materials
 15. F113030 Wholesale of Precision Instruments
 16. F113060 Wholesale of Measuring Instruments
 17. F117010 Wholesale of Fire Safety Equipment
 18. F206040 Retail Sale of Plumbing Materials
 19. F213040 Retail Sale of Precision Instruments
 20. F213050 Retail Sale of Measuring Instruments
 21. F217010 Retail Sale of Fire Safety Equipment
 22. F401010 International Trade
 23. IG03010 Energy Technical Services
 24. ZZ99999 Except for the permitted business, the business may be carried on that is not prohibited or restricted by law.
- Article 3. The Company may guarantee and reinvest in other businesses, and the total amount of such investment may exceed 40% of the total capital of the Company.
- Article 4. The Company shall have its head office in Taipei City and, if necessary, may establish branch offices in Taiwan and abroad by resolution of the Board of Directors.
- Article 5. If the Company wishes to revoke the public offering, the Company may do so only after the approval of the Board of Directors and a special resolution of the shareholders' meeting, and this Article shall remain unchanged during the Emerging Stock Market period and the future listing period.
- Article 6. The announcement method of the Company shall be in accordance with the provisions of Article 28 of the Company Act.

Chapter II Shares

- Article 7. The total capital of the Company is set at NT\$200 million, divided into 200 million shares of NT\$10 each; of which NT\$200 million is reserved and divided into 20 million shares of NT\$10 each for the issuance of

employee stock option certificates for the exercise of stock options, and the remaining unissued shares are authorized to be issued by the Board of Directors in installments according to the business needs of the Company.

Article 8. The Company's shares shall be issued under the signatures or seals of the directors representing the Company and after being licensed by a bank that is legally entitled to act as the issuer of the shares. The Company may issue stock certificates without printing them, but shall register them with a centralized securities depository and follow the regulations of that institution.

Article 9. The changes recorded in the shareholders' register shall cease no later than 60 days before the regular shareholders' meeting, no later than 30 days before the shareholders' meeting or no later than five days before the date on which the Company decides to distribute dividends and bonuses or other benefits.

Article 10. The shareholders of the Company shall, except as otherwise provided by laws and regulations and securities regulations, comply with the "Guidelines Governing the Handling of Stock Issued to Public Companies" when dealing with matters of stock transfer, pledge of rights, loss, inheritance, gift, loss of seal, change of address, etc.

Chapter III Shareholders' Meeting

Article 11. There shall be two types of shareholders' meetings, regular and extraordinary. Regular meetings shall be convened at least once a year, within six months after the end of each accounting year, by the Board of Directors in accordance with law, and extraordinary meetings shall be convened when necessary in accordance with law. Notice of a shareholders' meeting may be given by electronic means with the consent of the shareholders. For shareholders holding less than 1,000 registered shares, the notice of call in the preceding paragraph shall be made by public announcement.

The shareholders' meeting may be held in the form of a physical shareholders' meeting with video assistance, video shareholders' meeting or other means announced by the central competent authority upon the resolution of the board of directors, and the conditions, operating procedures and other matters to be complied with by the Company shall be in accordance with the regulations of the competent securities authorities.

Article 12. If a shareholder is unable to attend a shareholders' meeting for any reason, he/she may appoint a proxy to attend the meeting with his/her signature or seal, stating the scope of authority.

In addition to the provisions of Article 177 of the Company Act, the proxy procedure for shareholders' attendance shall be in accordance with the "Rules for the Use of Proxy Forms by Public Companies Attending Shareholders' Meetings" promulgated by the competent authorities.

Article 13. The shareholders of the Company shall have one vote per share, but the Company shall not have the right to vote if it holds its own shares in accordance with the law.

When the Company convenes a shareholders' meeting, the Company shall include electronic means as one of the channels for shareholders to exercise their voting rights in accordance with Article 177-1 of the Company Act, and shareholders who exercise their voting rights by

electronic means shall be deemed to attend the shareholders' meeting in person, and their related matters shall be handled in accordance with the provisions of the Act.

- Article 14. Except as otherwise provided in the Company Act, resolutions at shareholders' meetings shall be made with the presence of shareholders representing a majority of the total number of outstanding shares and shall be carried out by the consent of a majority of the shareholders present.
- Article 15. The president of the Company shall be the Chairperson of the Shareholders' Meeting. In the absence of the Chairperson, the Vice Chairperson or one of the Directors shall act as the president in accordance with Article 208 of the Company Act.
- Article 16. The minutes of the shareholders' meeting shall be prepared, signed or sealed by the president of the shareholders' meeting, and distributed to each shareholder within 20 days after the meeting. The minutes in the preceding paragraph shall be prepared and distributed electronically. The recordable manner and minutes of the meeting, the signature book of the attending shareholders, the attendance card and the proxy form for attendance shall be kept in accordance with Article 183 of the Company Act.

Chapter IV Directors

- Article 17. The Company shall have 5 to 9 directors for a term of 3 years, who shall be elected by the shareholders' meeting for a term of three years and shall be eligible for re-election. The Company shall adopt a candidate nomination system for the election of directors. In accordance with the Securities and Exchange Act, among the above-mentioned directorships, no less than two independent directors and no less than one-fifth of the number of directors shall be appointed. The professional qualifications of independent directors, the recognition of the independence of shareholdings and part-time positions, the nomination and selection methods and other matters to be complied with shall be in accordance with the relevant regulations of the competent securities authorities.
- If the number of directors' vacancies reaches one-third or the number of independent directors is less than the first provision, the Board of Directors shall convene a shareholders' meeting within the period prescribed by the Act to hold a by-election, and the term of office shall be limited to the full term of the original appointment.
- If a director's term of office expires without re-election, his or her executive duties will be extended until the re-elected director assumes office.
- The Company has an Audit Committee and the members of the Audit Committee are responsible for carrying out the duties and responsibilities of the supervisors under the Company Act, the Securities and Exchange Act, and other laws and regulations. The Audit Committee shall consist of all independent directors and shall be composed of not less than three persons, one of whom shall be the convenor and at least one of whom shall have accounting or financial expertise.
- Article 18. The Board of Directors shall be organized by the Directors, with at least two-thirds of the Directors present and a majority of the Directors present agreeing to elect a Chairperson from among themselves. The Chairperson

shall represent the Company externally and shall execute all affairs of the Company in accordance with the Act, the Articles of Incorporation, and the resolutions of the shareholders' meeting and the Board of Directors.

Article 19. Unless otherwise provided by law, the shareholders' meeting of the company shall be convened by the Chairperson. The first meeting of the Board of Directors for each term shall be convened by the director who receives the most votes representing the right to vote. The Board of Directors of the Company shall be convened with seven days' notice to the Directors and may be convened at any time in case of emergency. The Company's Board of Directors may be convened in writing, by E-mail or by fax. The Company's Board of Directors may hold meetings by video conference, and its directors who participate in the meetings by video screen shall be deemed to be present in person. In addition to the provisions of the relevant laws and regulations and these Articles of Incorporation, the Company's Board of Directors shall conduct its business in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" promulgated by the competent authorities.

Article 20. Each Director shall have the right to vote on each resolution of the Board of Directors. Unless otherwise provided by law or these Articles of Incorporation, the resolution shall be made with the presence of at least half of the Directors and the consent of a majority of the Directors present.

The minutes of the Board of Directors' meetings shall be prepared as a record of proceedings and shall be signed or sealed by the president and distributed to the Directors and Supervisors within twenty days after the meeting, and shall be kept at the Company together with the signature books of the Directors present and the proxy forms, and the preparation and distribution of the minutes in the preceding paragraph shall be done in electronic form.

Article 21. When the Chairperson of the Board of Directors is on leave of absence or is unable to exercise his or her powers and functions for any reason, his or her proxy shall be governed by the provisions of Article 208 of the Company Act. A director shall attend the Board of Directors' meeting in person, or if he/she cannot attend for any reason, he/she may appoint another director to act as his/her proxy, provided that an independent director may only appoint another independent director to act as his/her proxy, and he/she shall issue a proxy each time and list the scope of authority for the convening of the meeting, and such proxy shall be limited to one person only.

Article 22. The remuneration of all directors shall be determined by the Board of Directors' meeting with reference to the extent of their participation in and contribution to the operation of the Company and the usual standards in the industry.

Article 23. The Company may purchase liability insurance for directors during their term of office in respect of their liability under the law for the execution of the scope of their business.

Chapter V. Managers

Article 24. The Company may have a manager whose appointment, dismissal and remuneration shall be in accordance with Article XXIX of the Company

Act.

Chapter VI Accounting

- Article 25. The accounting year of the Company shall begin on January 1 of each year and end on December 31 of each year. At the end of each accounting year, the Board of Directors shall prepare and submit to the shareholders' meeting for recognition the following forms.
1. Operating Report
 2. Financial Statements
 3. The resolution for distribution of surplus or appropriation of losses.
- Article 26. The Company shall appropriate 5% to 10% of the employees' remuneration and up to 3% of the directors' and supervisors' remuneration, if any, of the pre-tax income for the year before the allocation of employees' remuneration and directors' and supervisors' remuneration, after retaining the amount 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 employee remuneration in the preceding paragraph may be in the form of stock or cash, and the distribution may be made to employees of control or subordinate companies who meet certain conditions, as determined by the Board of Directors.
- Article 27. If there is any surplus in the Company's final accounts, the Company shall pay tax in accordance with the law 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.
- If the Company's surplus is distributed in cash, the Board of Directors is authorized to resolve and report to the shareholders' meeting in accordance with Article 228-1 and Article 240-5 of the Company Act.
- Based on financial, business and operational considerations, the Company may distribute all or part of the capital reserve or legal surplus reserve in accordance with laws and regulations or the regulations of the competent authorities, and the distribution in cash may be resolved by the Board of Directors in accordance with Article 241 of the Company Act and reported to the shareholders' meeting.
- Article 28. 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.

Article VII Supplementary Provisions

- Article 29. Matters not provided for in these Articles of Incorporation shall be handled in accordance with the provisions of the Company Act.
- Article 30. This Articles of Incorporation was established on May 03, 2016.
First amended on August 15, 2017.
Second amended on October 27, 2018.
Third amended on December 10, 2018.
Forth amended on July 16, 2019.
Fifth amended on June 29, 2020.
Sixth amended on May 28, 2021.
Seventh amended on September 28, 2021.
Eighth amended on November 12, 2021.
Ninth amended on June 30, 2022.
Tenth amended on September 28, 2022.

HD Renewable Energy Co., Ltd.
Chairman: Yuan-Yi Hsieh

HD Renewable Energy Co., Ltd.

Directors' Shareholding Situation

I. Number of outstanding ordinary shares issued by the Company: 101,347,483 shares

Authorized number of shares to be held by all directors: 6,080,849 shares
(101,347,483*7.5%*80%)

The Company has an Audit Committee and hence no supervisors hold any shares.

II. The shareholdings of all directors as of April 9, 2024, the date of cessation of transfers at the Annual General Meeting, as recorded in the shareholders' register, are as follows: (having met the standards stipulated in Article 26 of the Securities and Exchange Law)

Title	Name	Number of shares held (shares)	Shareholding ratio (%)
Chairperson	Taitan Solar Co., Ltd. Representative: Yuan-Yi Hsieh	11,326,144	11.18%
Director	Taitan Solar Co., Ltd. Representative: Shih-Chang Chou		
Director	Samoan company GREEN RIVER INTERNATIONAL LTD. Representative: Yi-Neng Hsu	477,000	0.47%
Director	Super Power Yungsheng Co., Ltd. Representative: Han Cheng	1,001,790	0.99%
Independent Director	Liang-Yu Chang	-	-
Independent Director	Feng-Sheng Wu	94,000	0.09%
Independent director	Jen-Hao Teng	-	-
Total shareholding of directors		12,898,934	12.73%