

HD Renewable Energy Co., Ltd.

Parent-Company-Only Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

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

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.

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安侯建業聯合會計師事務所
KPMG

新竹市科學園區300091展業一路11號
No. 11, Prosperity Road I, Hsinchu Science Park,
Hsinchu, 300091, Taiwan (R.O.C.)

電話 Tel	+ 886 3 579 9955
傳真 Fax	+ 886 3 563 2277
網址 Web	kpmg.com/tw

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, 2025 and 2024, the statements of comprehensive income, changes in equity and cash flows for the years then ended, 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, 2025 and 2024, and its financial performance and its cash flows for 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 Accountants 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 the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matter

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:

Revenue recognition from construction projects

Please refer to note 4(16) “Revenue recognition” for the accounting policy on revenue recognition; note 5 “Significant accounting assumptions and judgments, and major sources of estimation uncertainty”, and note 6(22) “Revenue from contracts with customers” for relevant explanations.



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 incurred for each contract up to the end of the reporting period. The management will re-evaluate the estimated total contract cost if the total budget had significantly increased or decreased, and will recalculate the percentage of completion in accordance with the adjusted total cost. The accuracy of the recognition of construction revenue may be affected by the completion level and appropriateness of the estimation of total budget cost. Thus, we considered the revenue recognition from construction projects as our key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included understanding of and testing the internal control procedures over the operating revenue and receipt cycle to assess whether there are any defects and irregularities of internal control systems; reviewing material contracts to understand their specific terms and associated risks; comparing the actual construction costs and the estimated construction costs to evaluate rationality of the estimation method used; performing sample testing of supporting documents and relevant evidences for selected projects to verify that the costs incurred used in calculating the stage of completion for the current period were appropriately recorded; evaluating whether the revenue recognition policies were in compliance with the relevant accounting standards; and assessing whether the Company had adequately disclosed information related to revenue.

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

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

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

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



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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 this 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 of the current period 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 10, 2026

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.

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(English Translation of Parent-Company-Only Financial Statements and Report Originally Issued in Chinese)
HD RENEWABLE ENERGY CO., LTD.

Balance Sheets

December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024				December 31, 2025		December 31, 2024	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 1,040,338	5	2,555,819	17	2100	Short-term borrowings (note 6(11))	\$ 2,515,489	13	1,803,749	12
1110	Current financial assets at fair value through profit or loss (notes 6(2) and (14))	605	-	1,320	-	2110	Short-term notes and bills payable (note 6(12))	-	-	79,919	1
1140	Current contract assets (notes 6(22) and 7)	5,950,313	29	3,307,774	23	2120	Current financial liabilities at fair value through profit or loss (notes 6(2) and (14))	-	-	68	-
1170	Accounts receivable, net (note 6(4))	2,694	-	2,459	-	2130	Current contract liabilities (notes 6(22) and 7)	169,768	1	578,165	4
1180	Accounts receivable due from related parties (notes 6(4) and 7)	241,443	1	138,229	1	2170	Notes and accounts payable	734,339	4	1,501,585	10
1210	Other receivables due from related parties, net (note 7)	377,680	2	1,476	-	2180	Notes and accounts payable to related parties (note 7)	692,189	3	213,119	2
130X	Inventories (note 6(5))	248,464	1	192,276	1	2201	Salaries and bonuses payable (note 6(23))	105,862	1	149,778	1
1421	Prepayments to suppliers (note 7)	323,706	2	532,157	4	2220	Other payables to related parties (note 7)	38,412	-	31,163	-
1476	Other current financial assets (note 8)	24,635	-	19,352	-	2230	Current tax liabilities	49,460	-	282,778	2
1470	Other current assets (notes 6(10) and 7)	<u>1,258,916</u>	<u>6</u>	<u>995,495</u>	<u>7</u>	2280	Current lease liabilities (note 6(15) and 7)	32,779	-	26,971	-
		<u>9,468,794</u>	<u>46</u>	<u>7,746,357</u>	<u>53</u>	2300	Other current liabilities (notes 6(16) and 7)	165,822	1	42,487	-
Non-current assets:						2321	Bonds payable, current portion (notes 6(2) and (14))	22,650	-	310,512	2
1517	Non-current financial assets at fair value through other comprehensive income (note 6(3))	1,560,789	8	1,476,146	10	2322	Long-term borrowings, current portion (notes 6(13) and 8)	<u>250,594</u>	<u>1</u>	<u>34,594</u>	<u>-</u>
1550	Investments accounted for using equity method (notes 6(6) and 7)	7,207,684	35	3,036,812	21			<u>4,777,364</u>	<u>24</u>	<u>5,054,888</u>	<u>34</u>
1600	Property, plant and equipment (notes 6(7), 7 and 8)	917,856	4	949,091	7	Non-current liabilities:					
1755	Right-of-use assets (notes 6(8) and 7)	80,613	-	76,577	1	2500	Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (14))	97,200	-	-	-
1780	Intangible assets (notes 6(9) and 7)	22,063	-	19,754	-	2530	Bonds payable (note 6(14))	2,559,511	13	-	-
1840	Deferred tax assets (note 6(20))	226,138	1	155,072	1	2540	Long-term borrowings (notes 6(13) and 8)	2,699,945	13	431,854	3
1900	Other non-current assets (notes 6(10), 7 and 8)	<u>1,171,938</u>	<u>6</u>	<u>1,070,650</u>	<u>7</u>	2573	Deferred tax liabilities (note 6(20))	9,462	-	2,024	-
		<u>11,187,081</u>	<u>54</u>	<u>6,784,102</u>	<u>47</u>	2580	Non-current lease liabilities (notes 6(15) and 7)	50,080	-	51,279	1
						2650	Credit balance of investments accounted for using equity method (notes 6(6) and 7)	2,551	-	-	-
						2670	Other non-current liabilities (notes 6(16) and 7)	<u>44,138</u>	<u>-</u>	<u>45,143</u>	<u>-</u>
								<u>5,462,887</u>	<u>26</u>	<u>530,300</u>	<u>4</u>
								<u>10,240,251</u>	<u>50</u>	<u>5,585,188</u>	<u>38</u>
						Total liabilities					
						Equity (notes 6(14), (17) and (18)):					
						3110	Ordinary share	1,418,724	7	1,171,552	8
						3140	Capital collected in advance	7,767	-	11,172	-
						3200	Capital surplus	7,171,186	35	5,844,488	41
						3300	Retained earnings	1,683,199	8	1,917,995	13
						3400	Other equity interest	<u>134,748</u>	<u>-</u>	<u>64</u>	<u>-</u>
								<u>10,415,624</u>	<u>50</u>	<u>8,945,271</u>	<u>62</u>
						Total equity					
						Total liabilities and equity					
								<u>\$ 20,655,875</u>	<u>100</u>	<u>14,530,459</u>	<u>100</u>
Total assets		<u>\$ 20,655,875</u>	<u>100</u>	<u>14,530,459</u>	<u>100</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 Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	Operating revenues (notes 6(22) and 7)	\$ 7,428,240	100	10,182,876	100
5000	Operating costs (notes 6(5), (23), 7 and 12)	5,454,174	73	7,507,837	74
	Gross profit	1,974,066	27	2,675,039	26
5910	Unrealized profit from sales (note 6(6))	(301,692)	(4)	(298,461)	(3)
	Realized gross profit	1,672,374	23	2,376,578	23
6000	Operating expenses (notes 6(19), (23), 7 and 12):				
6100	Selling expenses	125,307	2	123,979	1
6200	Administrative expenses	511,948	7	499,871	5
6300	Research and development expenses	135,430	2	148,196	1
	Total operating expenses	772,685	11	772,046	7
	Net operating income	899,689	12	1,604,532	16
	Non-operating income and benefit:				
7100	Interest income (notes 6(24) and 7))	14,809	-	14,401	-
7010	Other income (notes 6(25) and 7)	20,599	-	13,071	-
7020	Other gains and losses, net (notes 6(6), (26) and 7)	(65,470)	(1)	(8,288)	-
7050	Finance costs (notes 6(27))	(176,303)	(2)	(79,599)	(1)
7060	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method, net (note 6(6))	(33,073)	-	(37,771)	-
	Total non-operating income and expenses	(239,438)	(3)	(98,186)	(1)
	Profit before tax	660,251	9	1,506,346	15
7951	Less: Income tax expense (note 6(20))	156,339	2	307,486	3
	Profit for the year	503,912	7	1,198,860	12
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	84,643	1	19,336	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(20))	(923)	-	-	-
	Total items that may not be reclassified subsequently to profit or loss	83,720	1	19,336	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	63,274	1	(23,967)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(20))	(12,310)	-	4,791	-
	Total items that may be reclassified subsequently to profit or loss	50,964	1	(19,176)	-
8300	Other comprehensive income	134,684	2	160	-
	Total comprehensive income	\$ 638,596	9	1,199,020	12
	Earnings per share (NT dollar) (note 6(21))				
	Basic earnings per share	\$ 3.59		9.72	
	Diluted earnings per share	\$ 3.58		9.38	

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, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars)

	Retained earnings							Total other equity interest			
	Ordinary shares	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance at January 1, 2024	\$ 1,000,000	-	3,376,493	125,732	-	1,027,363	1,153,095	(96)	-	(96)	5,529,492
Profit for the year	-	-	-	-	-	1,198,860	1,198,860	-	-	-	1,198,860
Other comprehensive income (loss) for the year	-	-	-	-	-	-	-	(19,176)	19,336	160	160
Total comprehensive income (loss) for the year	-	-	-	-	-	1,198,860	1,198,860	(19,176)	19,336	160	1,199,020
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	-	79,461	-	(79,461)	-	-	-	-	-
Special reserve	-	-	-	-	96	(96)	-	-	-	-	-
Cash dividends distributed to ordinary shareholders	-	-	-	-	-	(408,000)	(408,000)	-	-	-	(408,000)
Stock dividends distributed to ordinary shareholders	25,500	-	-	-	-	(25,500)	(25,500)	-	-	-	-
Capital increase by cash and compensation costs recognized for reserve of employee subscription	100,000	-	1,892,355	-	-	-	-	-	-	-	1,992,355
Compensation costs recognized for employee stock options	-	-	35,467	-	-	-	-	-	-	-	35,467
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	3,639	-	-	-	-	-	-	-	3,639
Effect of long-term equity investment recognized in disproportion shareholding	-	-	-	-	-	(460)	(460)	-	-	-	(460)
Conversion of convertible bonds	46,052	11,172	536,131	-	-	-	-	-	-	-	593,355
Exercise of disgorgement	-	-	403	-	-	-	-	-	-	-	403
Balance at December 31, 2024	1,171,552	11,172	5,844,488	205,193	96	1,712,706	1,917,995	(19,272)	19,336	64	8,945,271
Profit for the year	-	-	-	-	-	503,912	503,912	-	-	-	503,912
Other comprehensive income (loss) for the year	-	-	-	-	-	-	-	50,964	83,720	134,684	134,684
Total comprehensive income (loss) for the year	-	-	-	-	-	503,912	503,912	50,964	83,720	134,684	638,596
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	-	119,840	-	(119,840)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(96)	96	-	-	-	-	-
Cash dividends distributed to ordinary shareholders	-	-	-	-	-	(527,198)	(527,198)	-	-	-	(527,198)
Stock dividends distributed to ordinary shareholders	175,733	-	-	-	-	(175,733)	(175,733)	-	-	-	-
Cash dividends from capital surplus	-	-	(117,155)	-	-	-	-	-	-	-	(117,155)
Capital increase by cash	37,516	-	639,307	-	-	-	-	-	-	-	676,823
Equity component of convertible bonds	-	-	470,565	-	-	-	-	-	-	-	470,565
Compensation costs recognized for employee stock options	-	-	71,770	-	-	-	-	-	-	-	71,770
Changes in equity of associates and joint ventures accounted for using equity method	-	-	(8)	-	-	-	-	-	-	-	(8)
Effect of long-term equity investment recognized in disproportion shareholding	-	-	5,554	-	-	(409)	(409)	-	-	-	5,145
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(10,400)	-	-	(35,368)	(35,368)	-	-	-	(45,768)
Conversion of convertible bonds	33,923	(3,405)	266,154	-	-	-	-	-	-	-	296,672
Exercise of disgorgement	-	-	911	-	-	-	-	-	-	-	911
Balance at December 31, 2025	\$ 1,418,724	7,767	7,171,186	325,033	-	1,358,166	1,683,199	31,692	103,056	134,748	10,415,624

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, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars)

	<u>2025</u>	<u>2024</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ <u>660,251</u>	<u>1,506,346</u>
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	96,091	81,283
Amortization expense	12,772	27,147
Interest expense	176,303	79,599
Interest income	(14,809)	(14,401)
Dividend income	(9,644)	-
Share-based payment transactions	71,770	75,108
Share of profit (loss) of equity-accounted subsidiaries, associates and joint ventures	33,073	37,771
Net loss (profit) on financial assets or liability at fair value through profit or loss	65,045	(6,952)
Write-downs (reversals) of inventories	(1,384)	2,012
Gains on disposals of investments	(808)	(197)
Gains on disposals of property, plant and equipment	(537)	(228)
Gains on leases modification	(932)	-
Unrealized profit from inter-company sales	301,692	298,461
Others	(25)	1,454
Changes in operating assets and liabilities:		
(Increase) decrease in contract assets	(2,642,539)	132,202
Accounts receivable (including related parties)	(103,449)	(65,181)
Other receivables from related parties	735	(710)
Inventories	(54,804)	104,554
Prepayments to suppliers	208,451	(204,513)
Other operating assets	(317,334)	(72,715)
Contract liabilities	(408,397)	413,684
Notes and accounts payable (including related parties)	(288,176)	290,529
Other operating liabilities	<u>63,084</u>	<u>(172,050)</u>
Total adjustments	<u>(2,813,822)</u>	<u>1,006,857</u>
Cash inflow (outflow) generated from operations	(2,153,571)	2,513,203
Interest received	14,586	14,209
Dividend received	103,205	75,920
Interest paid	(114,232)	(47,489)
Income taxes paid	<u>(466,519)</u>	<u>(213,427)</u>
Net cash flows from (used in) operating activities	<u>(2,616,531)</u>	<u>2,342,416</u>

(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, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(1,456,810)
Acquisition of investments accounted for using equity method	(4,765,814)	(1,856,337)
Proceeds from disposal of equity-accounted investments	78,900	42,090
Proceeds from capital reduction of investments accounted for using equity method	126,000	-
Acquisition of property, plant and equipment	(36,355)	(132,634)
Proceeds from disposals of property, plant and equipment	1,838	23,899
Decrease (Increase) in refundable deposits	551,459	(359,658)
Increase in other receivables due from related parties	(374,000)	-
Acquisition of intangible assets	(15,081)	(16,971)
Increase in restricted bank deposits	(603,738)	(116,985)
Net cash flows used in investing activities	(5,036,791)	(3,873,406)
Cash flows from (used in) financing activities:		
Proceeds from short-term borrowings	4,921,435	3,896,623
Repayments of short-term borrowings	(4,209,695)	(3,217,085)
Proceeds from issuance of convertible bonds (net of issuance costs)	3,009,756	-
Proceeds from long-term borrowings	2,644,641	18,300
Repayments of long-term borrowings	(160,550)	(34,147)
Decrease in short-term notes and bills payable (net of discount)	(80,000)	(50,000)
Increase in guaranteed deposits	10,937	-
Payments of lease liabilities	(32,061)	(27,114)
Cash dividends paid	(644,353)	(408,000)
Capital increase by cash	676,823	1,952,714
Cash settlement for fractional shares arising from the conversion of convertible corporate bonds	(3)	(4)
Exercise of disbursement	911	403
Net cash inflows from financing activities	6,137,841	2,131,690
Net (decrease) increase in cash and cash equivalents	(1,515,481)	600,700
Cash and cash equivalents at beginning of period	2,555,819	1,955,119
Cash and cash equivalents at end of period	\$ 1,040,338	2,555,819

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)
HD RENEWABLE ENERGY CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in thousands of New Taiwan Dollars, unless otherwise specified)

1. Company history:

HD Renewable Energy Co., Ltd. (“HD” or “the Company”) was incorporated in May 16, 2016 under the approval of Ministry of Economic Affairs, Republic of China (R.O.C.). The address of the Company's registered office is F5, No. 35, Dexing West Road, Shilin District, Taipei City 111. The shares of the Company were first publicly issued through Taipei Exchange in R.O.C. on November 3, 2021 and were approved for trading over the Emerging Stock Board of the Taipei Exchange on December 28, 2021. The company's share have been listed and traded on the Taiwan Innovation Board (“TIB”) of the Taiwan Stock Exchange since March 6, 2023, and have been listed and traded on the Main Board of the Taiwan Stock Exchange since September 26, 2024.

The main activities of the Company are the development, design, engineering and maintenance services of various solar power stations, asset management services, aquaculture management and intelligent energy services.

2. Approval date and procedures of the financial statements:

These parent-company-only financial statements were authorized for issue by the Board of Directors on March 10, 2026.

3. New standards, amendments and interpretations adopted:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only financial statements, from January 1, 2025:

- Amendments to IAS 21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (2) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its parent-company-only financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7

HD RENEWABLE ENERGY CO., LTD.

Notes to the Financial Statements

- Annual Improvements to IFRS Accounting Standards—Volume 11
 - Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”
- (3) The impact of IFRS Accounting Standards issued by International Accounting Standards Board (the "IASB") but not yet endorsed by the FSC

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	

The Company is evaluating the impact on its parent-company-only financial position and parent-company-only financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its parent-company-only financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

4. Summary of material accounting policies:

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

(1) Statement of compliance

The parent-company-only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”).

(2) Basis of preparation

A. Basis of measurement

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

- Financial instruments at fair value through profit or loss are measured at fair value; and
- Financial assets at fair value through other comprehensive income are measured at fair value.

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

B. Functional and presentation currency

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

(3) Foreign currencies

A. Foreign currency transactions

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

B. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

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

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

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- B. It is held primarily for the purpose of trading;
- C. It is expected to be realized within twelve months after the reporting date; or
- D. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- A. It is expected to be settled in its normal operating cycle;
- B. It is held primarily for the purpose of trading;
- C. It is due to be settled within twelve months after the reporting period; or
- D. The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(5) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and time deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are recognized as cash equivalents.

(6) Financial instruments

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

A. Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost. Financial assets are not reclassified subsequent to their initial recognition unless The Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL);

- i. It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii. Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus the cumulative amortization using the effective interest method and adjusted for any loss allowance. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, The Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which The Company's right to receive payment is established.

(c) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, The Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(d) Impairment of financial assets

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

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

HD RENEWABLE ENERGY CO., LTD.

Notes to the Financial Statements

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

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

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

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

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

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets. The recognition or reversal of the loss allowance is recognized in profit or loss.

The gross carrying amount of a financial asset is written off when The Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with The Company's procedures for recovery of amounts due.

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

(e) Derecognition of financial assets

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

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

B. Financial liabilities

(a) Classification of debt or equity

Debt and equity instruments issued by The Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(c) Preference shares

Compound financial instruments issued by The Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

(d) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(e) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

(f) Offsetting of financial assets and liabilities

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

(7) Inventories

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

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

(8) Investment in subsidiaries

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

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

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

(9) Investment in associates

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

A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement. In addition, decisions about the relevant activities require the unanimous consent of the parties sharing joint control of the arrangement.

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

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

Unrealized gains and losses resulting from transactions between the Company and an associate or a joint ventures are recognized in the financial statement only to the extent of unrelated Company's interests in the associate and joint venture.

When the Company's share of losses of an associate or a joint venture equals or exceeds its interests in an associate or joint venture, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

(10) Property, plant and equipment

A. Recognition and measurement

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

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

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

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

B. Subsequent expenditure

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

C. Depreciation

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

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

- (a) Buildings: 50 years
- (b) Machinery and equipment: 3~20 years
- (c) Transportation equipment: 5~8 years
- (d) Office equipment: 3~6 years
- (e) Other equipment: 3~5 years

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

(11) Intangible assets

A. Research and development

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

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

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

B. Other intangible assets

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

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

C. Subsequent expenditure

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

D. Amortization

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

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

Software: 1 to 10 years

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

(12) Leases

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

A. As a lessee

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

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

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

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

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

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

- (c) amounts expected to be payable under a residual value guarantee; and
- (d) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when:

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

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

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of dormitories and other miscellaneous leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. As a lessor

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

(13) Impairment of non-financial assets

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

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

HD RENEWABLE ENERGY CO., LTD.

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

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

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

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

(14) Provisions

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

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

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

(15) Employee benefits

A. Defined contribution plans

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

B. Short-term employee benefits

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

HD RENEWABLE ENERGY CO., LTD.
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(16) Revenue recognition

A. Revenue from contracts with customers

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

(a) Construction contracts

The Company enters into construction contracts to build solar power plants and site development. Because its customer gradually controls the asset as it is constructed, the Company recognizes revenue over time on the basis of the costs incurred to date as a proportion of the total estimated costs of the contract. The contracts are fixed-price contracts. The customer pays the fixed amount based on a payment schedule. The Company recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Company has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

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

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

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

(b) Revenue from service rendered

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

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(c) Product sales revenue

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

(d) Electricity sales revenue

Revenue from the sale of electricity is recognized when the electricity has been delivered to the customer, the amount can be reliably measured, and it is probable that there will be future economic benefits from the asset.

(e) Financing components

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

B. Contract costs

(a) Incremental costs of obtaining a contract

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

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

(b) Costs to fulfill a contract

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

- (i) the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;
- (ii) the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

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(iii) the costs are expected to be recovered.

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

(17) Share-based payment

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

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

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

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

(18) Income tax

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

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

- A. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences;

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- B. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- C. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

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

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

- A. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (a) the same taxable entity; or
 - (b) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

(19) Earnings per share

The Company discloses the basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation and convertible bonds.

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(20) Business combination

The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Company measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRS Accounting Standards endorsed by the FSC.

In a business combination achieved in stages, the Company remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Company may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income will be recognized on the same basis as would be required if the Company had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount will be reclassified to profit or loss.

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

(21) Operating segments

Segment information has been disclosed in consolidated financial statements; therefore, disclosure of the segment information in the parent company only financial statement is waived.

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

In preparing the parent-company-only financial statements, management of the Company is required under the applicable financial reporting framework to make judgments and estimates about the future, including those related to climate-related risks and opportunities, which affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

Revenue recognition from construction projects

Profit or loss from construction contracts is recognized by reference to the stage of completion of the contract, with contract revenue recognized over time based on the proportion of contract costs incurred to date relative to the estimated total contract costs. The Company regularly reviews the reasonableness of the estimates; however, changes in industry conditions and construction progress may result in revisions to the estimated total contract costs, which could in turn affect the amount of revenue recognized and the balances of contract assets and contract liabilities at the end of the reporting period. Any changes in the underlying estimation assumptions may result in material adjustments to the estimated amounts.

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

The Company's accounting policy and disclosure include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Company conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. The Company also periodically adjusts valuation models, conducts back-testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value.

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

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

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to Note 6(28) for assumptions used in measuring fair value.

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Notes to the Financial Statements

6. Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 1,245	1,095
Demand deposits	1,024,647	2,554,409
Foreign currency deposits	14,446	315
	<u>\$ 1,040,338</u>	<u>2,555,819</u>

Please refer to note 6(28) for the disclosure of credit risk and currency risk of the financial assets and liabilities of the Company.

As of December 31, 2025 and 2024, the cash and cash equivalents were not pledged as collaterals.

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

	December 31, 2025	December 31, 2024
Financial assets designed at fair value through profit or loss - current:		
Unsecured convertible corporate bonds - call option	\$ <u>605</u>	<u>1,320</u>
Financial liabilities designed at fair value through profit or loss - current:		
Unsecured convertible corporate bonds - put option	\$ <u>-</u>	<u>68</u>
Financial liabilities designed at fair value through profit or loss - non-current:		
Unsecured convertible corporate bonds - put option	\$ <u>97,200</u>	<u>-</u>

Please refer to note 6(14) for the amount measured at fair value through profit and loss.

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

	December 31, 2025	December 31, 2024
Equity investments at fair value through other comprehensive income:		
Unlisted common stocks	\$ 1,357,349	1,312,150
Domestic emerging stocks	203,440	163,996
	<u>\$ 1,560,789</u>	<u>1,476,146</u>

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for the long term strategic purposes.

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The Company acquired 10% of equity interest in Fubon Green Power Co., Ltd. (Fubon Green Power) for \$400,000 thousand in June 2024.

The Company acquired 9.7% of equity interest in Zen Energy Pty. Ltd. for \$912,150 thousand in November 2024.

The Company acquired 11.2% of equity interest in Tech-Top Engineering Co., Ltd. for \$144,660 thousand in December 2024.

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

(4) Accounts receivable, net (including related parties)

	December 31, 2025	December 31, 2024
Accounts receivable	3,341	3,106
Accounts receivable from related parties	241,443	138,229
Less: Loss allowance	(647)	(647)
	<u>\$ 244,137</u>	<u>140,688</u>

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

	December 31, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 117,304	0.00%	-
1 to 30 days past due	406	0.00%	-
31 to 60 days past due	112,921	0.00%	-
91 to 120 days past due	13,506	0.00%	-
	<u>\$ 244,137</u>		<u>-</u>
	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 4,252	0.00%	-
151 to 180 days past due	136,436	0.00%	-
	<u>\$ 140,688</u>		<u>-</u>

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In addition, there was objective evidence indicating that, under reasonable expectation, some of the accounts receivable would not be recovered in total; therefore the loss allowance recognized by the Company for the years ended December 31, 2025 and 2024 were both \$647 thousand.

The movements in the allowance for accounts receivable for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	2024
Balance at January 1 (Balance at December 31)	\$ 647	647

As of December 31, 2025 and 2024, the accounts receivable of the Company were not pledged as collateral.

(5) Inventories

	December 31, 2025	December 31, 2024
Battery module pending for construction	\$ 101,921	78,331
Module pending for construction	81,102	31,327
Power cables pending for construction	37,459	54,312
Raw materials	27,982	28,306
	\$ 248,464	192,276

The cost of inventories recognized as operating costs and operating expenses for the years ended 2025 and 2024 amounted to \$5,454,174 thousand and \$7,507,837 thousand, respectively.

In addition, during the years ended 2025 and 2024, the amounts of inventory written down to net realizable value and recognized as inventory write-down (reversal gain) were \$(1,384) thousand and \$2,012 thousand, respectively, and were included in the above operating costs.

As of December 31, 2025 and 2024, the inventories of the Company were not pledged as collateral.

(6) Investments accounted for using method

	December 31, 2025	December 31, 2024
Subsidiaries	\$ 7,187,628	2,975,655
Associates	211,719	107,487
Joint ventures	751,077	597,269
Less: Unrealized profit from inter-company transaction	(945,291)	(643,599)
	\$ 7,205,133	3,036,812
Equity-accounted Investments	\$ 7,207,684	3,036,812
Credit Balance of Equity-accounted Investments	\$ (2,551)	-

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Notes to the Financial Statements

A. Subsidiaries

Please refer to the consolidated financial statements for the years ended December 31, 2025 for the subsidiary information:

	For the years ended December 31,	
	2025	2024
Shares attributable to the Company are as follows:		
Net loss	\$ (23,635)	(53,188)
Other comprehensive income for the period	76,104	-
Total comprehensive income (loss) for the period	<u>\$ 52,469</u>	<u>(53,188)</u>

The Company subscribed for the cash capital increase of Yun Deng Green Co., Ltd. (Yun Deng) in January, June and August 2025 not in proportion to its shareholding, at an investment amount of \$49,000 thousand, resulting in an increase of its shareholding ratio to 71.19%. The change in ownership resulted in an offset of retained earnings of \$41 thousand and capital surplus of \$46 thousand.

The Company's subsidiary, Star Trade Co., Ltd. (Star Trade), issued new shares in connection with the merger with Star Energy Storage Solutions Co., Ltd. ("ESS") in May 2025, resulting in a reduction of its shareholding ratio to 95.11%. The change in ownership resulted in the recognition of a capital surplus amounting to \$3,116 thousand.

The Company subscribed for the cash capital increase of HDAT Energy CO., LTD. (HDAT) in June 2025 not in proportion to its shareholding, at an investment amount of \$8,900 thousand, resulting in an increase of its shareholding ratio from 70% to 80%. The change in ownership resulted in a reduction of capital surplus of \$2 thousand.

The Company disposed all of its shares in Ri Xi Green Co., Ltd. (Ri Xi) to its related party, Star Power Energy Corporation (Star Power), with a consideration of \$80,900 thousand in July 2025, and recognized a gain on disposal of \$656 thousand.

The Company's subsidiary, Star Trade, acquired a 30% ownership interest in the Company's indirect subsidiary, Helios 1 Godo Kaisha (Helios), from other shareholders in December 2025. The difference between the consideration and the carrying amount of subsidiaries acquired amounted to \$45,768 thousand, of which \$10,400 thousand was offset against capital surplus and \$35,368 thousand was offset against retained earnings.

The Company acquired a 10% equity interest in Star Energy Storage Solutions Co., Ltd. (ESS) from other shareholders at investment amount \$20,000 thousand in January 2024. The change in ownership resulted in an offset of retained earnings of \$3,639 thousand was recognized in capital surplus.

The Company subscribed for the cash capital increase of Yun Deng in July 2024 not in proportion to its shareholding, at investment amount of \$16,000 thousand, resulting in an increase of its shareholding ratio from 54.46% to 60.16%. The change in ownership resulted in an offset retained earnings of \$40 thousand.

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The Company sold its entire equity interest in Tian Tai ChargeTech Co., Ltd. (Tian Tai) to its subsidiary, Star Charger Co., Ltd., (Star Charger) at the price \$56 thousand in February 2024. Additionally, the Company sold its entire equity interest in Yin Deng Green Co., Ltd. (Yin Deng) to its subsidiary, Star Aquaculture Co., Ltd. (Star Aquaculture), at the price \$35 thousand in October 2024. These transactions were part of the group's organizational restructuring.

The Company had sold all of its shares in Li Tong Hospitality Management Co., Ltd. (Li Tong) to its related party, Fubon Green Power, with a consideration of \$42,000 thousand in July 2024, and recognized a gain on disposal of investment of \$293 thousand.

The above gain on disposal is recognized under statement of comprehensive income.

B. Associates

Name of Associates	Business Activity	Main operating location/ Registered country of the company	December 31, 2025		December 31, 2024	
			Amount	Percentage %	Amount	Percentage %
Ri Qing Green Co., Ltd. (Ri Qing)	Energy technology Service	Republic of China	\$ 3,007	34	3,011	34
Ri Fa Green Co., Ltd. (Ri Fa)	Energy technology Service	Republic of China	72,663	40	66,847	40
Shilin Star Power Corporation (SSP)	Energy technology Service	Republic of China	35,750	49	37,629	49
HeLM Aggregation Co., Ltd (HeLM)	Energy technology Service	Japan	80,365	44	-	-
Shin Guo Energy Co., Ltd. (Shin Guo) (formerly known as Shin Yuan Energy Co., Ltd.)	Energy technology Service	Republic of China	19,934	20	-	-
			<u>\$ 211,719</u>		<u>107,487</u>	

In May 2025, the Company acquired 44% equity interest in HeLM for \$101,275 thousand, therefore obtained significant influence over the investee.

In December 2025, strategic investors were introduced into Shin Guo. As the Company did not subscribe to the cash capital increase in proportion to its shareholding, its equity interest decreased from 100% to 20%, resulting in the loss of control over Shin Guo. Accordingly, Shin Guo was reclassified from a subsidiary to an associate. The previously held interest was deemed to be disposed of, and a disposal gain of \$152 thousand was recognized based on the fair value on that date.

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The Company subscribed for the cash capital increase of Yun Deng in January 2024 not in proportion to its shareholding, at an investment amount of \$27,000 thousand, resulting in an increase in its ownership interest from 40% to 54.46%. Consequently, the Company obtained control over Yun Deng, which was reclassified from an associate to a subsidiary. The previously held equity interest was deemed to be disposed of, and a disposal loss of \$96 thousand was recognized based on the fair value of \$33,639 thousand at that date.

The Company acquired 49% equity interest in SSP for \$39,200 thousand in April 2024, therefore obtained significant influence over the investee.

In November 2024, the Company acquired the remaining shares of Stellar from its related party, TPK Solutions Inc., (TPK) for \$81,194 thousand, increasing its ownership from 30% to 100%. Consequently, the Company obtained control of Stellar and included it as a subsidiary and a disposal loss of \$0 thousand was recognized.

The Company holds 20% to 49% of the voting rights in associates for the years ended December 31, 2025 and 2024. The remaining shares are concentrated within certain shareholders and the Group was not able to obtain more than half of the total number of directors of these associates, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Company does not have de facto influence on these associates.

The Company's financial information for investments in individually insignificant associate accounted for using equity method at the reporting date was as follows. These financial information are included in the parent-company-only financial statements.

	For the years ended December 31,	
	2025	2024
Attributable to the Company are as follows:		
Net loss	\$ (4,127)	(3,358)
Other comprehensive loss	(12,830)	-
Total comprehensive loss	<u><u>\$ (16,957)</u></u>	<u><u>(3,358)</u></u>

C. Joint ventures

<u>Name of Investor</u>	<u>Business Activity</u>	<u>Main operating location/ Registered country of the company</u>	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
			<u>Amount</u>	<u>Percentage %</u>	<u>Amount</u>	<u>Percentage %</u>
Star Power	Energy technology service	Republic in China	\$ 391,497	23.53	291,390	20
Aquastar Energy Co., Ltd. (Aquastar)	Energy technology service	Republic in China	359,580	10	305,879	10
			<u><u>\$ 751,077</u></u>		<u><u>597,269</u></u>	

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The Company subscribed for the cash capital increase of Star Power not in proportion to its shareholding in July 2025, at an investment amount of \$117,600 thousand, resulting in an increase of its shareholding ratio from 20% to 23.53%. The change in ownership resulted in the recognition of a capital surplus amounting to \$2,486 thousand.

The Company subscribed for the cash capital increase of Aquastar in July 2025, January 2024 and April 2024 in proportion to its shareholding, at investment amount of \$54,650 thousand, \$202,260 thousand and \$40,900 thousand, respectively.

The Company's financial information for investments in individually insignificant joint venture accounted for using equity method at the reporting date was as follows. These financial information are included in the parent-company-only financial statements.

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Attributable to the Company are as follows:		
Net (loss) income	\$ <u>(5,311)</u>	<u>18,775</u>

As of the years 2025 and December 31, 2024, the Company had investments pledged in accordance with the Securities and Exchange Act. Please refer to Note 8 for further details.

(7) Property, plant and equipment

The cost and accumulated depreciations of the Company's property, plant and equipment were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Others</u>	<u>Construction in progress</u>	<u>Total</u>
Costs:								
Balance at January 1, 2025	\$ 412,292	191,194	191,908	27,414	137,416	30,438	76,138	1,066,800
Additions	-	-	12,444	150	2,088	7,863	10,505	33,050
Disposal	-	-	(1,406)	(19,546)	(2,547)	(6,568)	-	(30,067)
Reclassification	-	-	60,778	-	7,457	-	(68,235)	-
Balance at December 31, 2025	\$ <u>412,292</u>	<u>191,194</u>	<u>263,724</u>	<u>8,018</u>	<u>144,414</u>	<u>31,733</u>	<u>18,408</u>	<u>1,069,783</u>
Balance at January 1, 2024	\$ 412,292	191,194	186,577	30,946	103,016	25,340	10,130	959,495
Additions	22,038	-	7,894	-	21,034	9,172	90,961	151,099
Disposal	(22,051)	-	(2,782)	(3,532)	(8,677)	(5,260)	-	(42,302)
Reclassification	13	-	219	-	22,043	1,186	(24,953)	(1,492)
Balance at December 31, 2024	\$ <u>412,292</u>	<u>191,194</u>	<u>191,908</u>	<u>27,414</u>	<u>137,416</u>	<u>30,438</u>	<u>76,138</u>	<u>1,066,800</u>
Depreciation:								
Balance at January 1, 2025	\$ -	6,431	36,914	21,668	40,269	12,427	-	117,709
Depreciation for the year	-	3,824	18,068	3,311	28,804	8,518	-	62,525
Disposal	-	-	(477)	(19,532)	(2,547)	(5,751)	-	(28,307)
Balance at December 31, 2025	\$ <u>-</u>	<u>10,255</u>	<u>54,505</u>	<u>5,447</u>	<u>66,526</u>	<u>15,194</u>	<u>-</u>	<u>151,927</u>
Balance at January 1, 2024	\$ -	2,607	25,307	18,833	25,247	10,395	-	82,389
Depreciation for the year	-	3,824	12,378	6,017	23,699	7,292	-	53,210
Disposal	-	-	(771)	(3,182)	(8,677)	(5,260)	-	(17,890)
Balance at December 31, 2024	\$ <u>-</u>	<u>6,431</u>	<u>36,914</u>	<u>21,668</u>	<u>40,269</u>	<u>12,427</u>	<u>-</u>	<u>117,709</u>
Carrying amounts:								
Balance at December 31, 2025	\$ <u>412,292</u>	<u>180,939</u>	<u>209,219</u>	<u>2,571</u>	<u>77,888</u>	<u>16,539</u>	<u>18,408</u>	<u>917,856</u>
Balance at December 31, 2024	\$ <u>412,292</u>	<u>184,763</u>	<u>154,994</u>	<u>5,746</u>	<u>97,147</u>	<u>18,011</u>	<u>76,138</u>	<u>949,091</u>
Balance at January 1, 2024	\$ <u>412,292</u>	<u>188,587</u>	<u>161,270</u>	<u>12,113</u>	<u>77,769</u>	<u>14,945</u>	<u>10,130</u>	<u>877,106</u>

As of December 31, 2025 and 2024, the property, plant, and equipment were pledged as collateral. Please refer to note 8.

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(8) Right-of-use assets

The Company leases many assets such as land, buildings and transportation equipment. Costs and accumulated depreciation movement about leases for which the Company as a lessee is presented below:

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Transportation equipment</u>	<u>Others</u>	<u>Total</u>
Right-of-use assets, cost:					
Balance at January 1, 2025	\$ 6,557	100,667	21,827	348	129,399
Additions	18,180	54,233	2,327	-	74,740
Disposal	(18,180)	(42,545)	(7,790)	-	(68,515)
Balance at December 31, 2025	<u>\$ 6,557</u>	<u>112,355</u>	<u>16,364</u>	<u>348</u>	<u>135,624</u>
Balance at January 1, 2024	\$ 6,557	88,049	17,741	348	112,695
Additions	-	14,989	5,061	-	20,050
Disposal	-	(2,371)	(975)	-	(3,346)
Balance at December 31, 2024	<u>\$ 6,557</u>	<u>100,667</u>	<u>21,827</u>	<u>348</u>	<u>129,399</u>
Depreciation:					
Balance at January 1, 2025	\$ 984	39,220	12,444	174	52,822
Depreciation for the year	950	25,707	6,792	117	33,566
Disposal	(623)	(22,964)	(7,790)	-	(31,377)
Balance at December 31, 2025	<u>\$ 1,311</u>	<u>41,963</u>	<u>11,446</u>	<u>291</u>	<u>55,011</u>
Balance at January 1, 2024	\$ 656	21,144	6,237	58	28,095
Depreciation for the year	328	20,447	7,182	116	28,073
Disposal	-	(2,371)	(975)	-	(3,346)
Balance at December 31, 2024	<u>\$ 984</u>	<u>39,220</u>	<u>12,444</u>	<u>174</u>	<u>52,822</u>
Carrying amounts:					
Balance at December 31, 2025	<u>\$ 5,246</u>	<u>70,392</u>	<u>4,918</u>	<u>57</u>	<u>80,613</u>
Balance at December 31, 2024	<u>\$ 5,573</u>	<u>61,447</u>	<u>9,383</u>	<u>174</u>	<u>76,577</u>
Balance at January 1, 2024	<u>\$ 5,901</u>	<u>66,905</u>	<u>11,504</u>	<u>290</u>	<u>84,600</u>

As of December 31, 2025 and 2024, the Right-of-use assets were not pledged as collateral.

(9) Intangible assets

The cost and amortization of the intangible assets of the Company for the years ended December 31, 2025 and 2024 were as follows:

	<u>Computer software</u>	<u>Other intangible assets</u>	<u>Total</u>
Cost:			
Balance at January 1, 2025	\$ 29,288	60	29,348
Additions	15,081	-	15,081
Decrease	(9,090)	-	(9,090)
Balance at December 31, 2025	<u>\$ 35,279</u>	<u>60</u>	<u>35,339</u>

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	Computer software	Other intangible assets	Total
Balance at January 1, 2024	\$ 45,379	60	45,439
Additions	16,971	-	16,971
Decrease	(33,062)	-	(33,062)
Balance at December 31, 2024	<u>\$ 29,288</u>	<u>60</u>	<u>29,348</u>
Amortization:			
Balance at January 1, 2025	\$ 9,594	-	9,594
Amortization	12,772	-	12,772
Decrease	(9,090)	-	(9,090)
Balance at December 31, 2025	<u>\$ 13,276</u>	<u>-</u>	<u>13,276</u>
Balance at January 1, 2024	\$ 15,509	-	15,509
Amortization	27,147	-	27,147
Decrease	(33,062)	-	(33,062)
Balance at December 31, 2024	<u>\$ 9,594</u>	<u>-</u>	<u>9,594</u>
Carrying amounts:			
Balance at December 31, 2025	<u>\$ 22,003</u>	<u>60</u>	<u>22,063</u>
Balance at December 31, 2024	<u>\$ 19,694</u>	<u>60</u>	<u>19,754</u>
Balance at January 1, 2024	<u>\$ 29,870</u>	<u>60</u>	<u>29,930</u>

As of December 31, 2025 and 2024, the intangible assets of the Company were not pledged as collateral.

(10) Other current assets and other non-current assets

	December 31, 2025	December 31, 2024
Prepayments for projects	\$ 1,065,797	881,342
Restricted deposits — non-current (Note 8)	960,928	354,185
Refundable deposits	165,006	716,465
Input tax and unutilized input tax	102,184	45,223
Prepayments for software development fees	76,358	-
Prepaid insurance	28,848	45,628
Other	31,733	23,302
	2,430,854	2,066,145
Less: classified as other current assets	(1,258,916)	(995,495)
Other non-current assets	<u>\$ 1,171,938</u>	<u>1,070,650</u>

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(11) Short-term borrowings

	December 31, 2025	December 31, 2024
Unsecured bank loans	\$ 1,282,509	821,008
Secured bank loans	1,232,980	919,192
Letters of credit	-	63,549
	<u>\$ 2,515,489</u>	<u>1,803,749</u>
Range of interest rates at the year end	2.10%~2.79%	2.10%~2.80%

The short-term secured bank borrowings as of December 31, 2025 and 2024 were guaranteed by credit guarantee fund and as loans for materials purchases.

Please refer to note 6(28) for the disclosure of interest risk, currency risk and liquidity risk.

(12) Short-term notes and bills payable

	December 31, 2024	
	Guarantee or acceptance institution	Range of interest rate (%)
Commercial papers payable	Mega Bills	2.05%
	Dah Chung Bills	2.25%
Less: discount		(81)
Total		<u>\$ 79,919</u>

As of December 31, 2024, the short-term notes and bills payable of the Company were not pledged as collateral.

(13) Long-term borrowings

	Loan period	December 31, 2025	December 31, 2024
Shin Kong Commercial Bank, etc.			
Syndicated Loans	2025.03~2028.03	\$ 1,100,000	-
Secured bank loans	2018.12~ 2042.06	1,514,097	409,603
Unsecured bank loans	2018.12~2042.06	<u>352,231</u>	<u>56,845</u>
Less: current portion		(250,594)	(34,594)
Less: arrangement fees		(15,789)	-
Total		<u>\$ 2,699,945</u>	<u>431,854</u>
Range of interest rates at the year end		2.38%~3.50%	2.37%~2.82%

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In the first quarter of 2025, the Company entered into a syndicated loan agreement with six financial institutions, including Taiwan Shin Kong Commercial Bank Co., Ltd., to enhance its working capital. The total credit facility amounted to \$1,100,000 thousand with a three-year term. Under the agreement, during the borrowing period, the Company is required to calculate and maintain certain financial covenants, including current ratio, debt ratio, and interest coverage ratio based on the audited annual and reviewed semi-annual consolidated financial statements. As of December 31, 2025, the Company was in compliance with all loan covenants, and no events of default had occurred.

Please refer to note 6(28) for the disclosure of liquidity risk and interest risk. Refer to note 8 for assets pledged as collateral to secure the aforementioned long-term borrowings.

(14) Bonds payable

The details of unsecured convertible bonds were as follows:

	December 31, 2025	December 31, 2024
Total convertible corporate bonds issued	\$ 4,000,000	1,000,000
Unamortized discounted corporate bonds payable	(441,339)	(27,888)
Cumulative converted amount	(976,500)	(661,600)
Corporate bonds redeemable within one year	(22,650)	(310,512)
Corporate bonds issued balance at year-end	<u>\$ 2,559,511</u>	<u>-</u>
Embedded derivative - call option, included in financial assets at fair value through profit or loss	<u>\$ 605</u>	<u>1,320</u>
Embedded derivative - put option, included in financial liabilities at fair value through profit or loss	<u>\$ 97,200</u>	<u>68</u>
Equity component - conversion options, included in capital surplus - stock options	<u>\$ 473,586</u>	<u>43,328</u>
	For the years ended December 31,	2025
Embedded derivative instruments – call and put rights, included in Other gains and losses	<u>\$ (65,045)</u>	<u>6,952</u>
Interest expense	<u>\$ (61,935)</u>	<u>(30,288)</u>

A. First domestic unsecured convertible corporate bonds

On September 28, 2023, the Company issued 10,000 units of 3-year unsecured convertible corporate bonds in Taiwan, with an aggregate face amount of \$1,000,000 thousand. The bonds were issued at 100.5% of par with a coupon rate of 0%, resulting in gross proceeds of \$1,005,000 thousand. The effective interest rate of the bonds was 4.925%.

The conversion price was set at \$120 at the time of issue. When the Company's ordinary shares qualify for conversion price adjustment in accordance to the terms of issue, such adjustment will be made based on a formula in accordance with the terms of issue.

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There are no reset terms for this bond. Due to the declaration of cash dividends for the year 2023, the conversion price of the bond was adjusted to \$117 per share effective April 13, 2024. Due to the declaration of stock dividends for the year 2023, the conversion price of the bond was adjusted to \$114.2 per share effective August 8, 2024. Due to the issuance of 10,000 thousand ordinary shares through a cash capital increase, the conversion price of the bond was adjusted to \$111.7 per share effective September 24, 2024. Due to the declaration of cash dividends for the year 2024, the conversion price of the bond was adjusted to \$109 per share effective April 9, 2025. Due to the issuance of 3,752 thousand privately placed common shares, the conversion price of the bond was adjusted to \$108.9 per share effective April 11, 2025. Due to the declaration of a stock dividend appropriated from distributable earnings for the year 2024 and the issuance of 17,573 thousand new shares through a capital increase, the conversion price of the bond was adjusted to \$95.4 per share effective August 3, 2025.

From the day following the date on which three months have elapsed since the issuance of this convertible corporate bond (December 29, 2023) until forty days prior to the maturity date within the issuance period (August 19, 2026), if the closing price of the Company's ordinary shares at the business premises of securities firms exceeds or is equal to 30% of the conversion price for thirty consecutive business days, or if the outstanding balance of the convertible corporate bond is less than 10% of the original total issuance amount, the Company may, within five business days after the bond redemption base date, redeem the convertible corporate bonds held by the bondholders in cash at face value.

The Company shall designate the second anniversary of the issuance date of the convertible corporate bonds (September 28, 2025) as the put base date, on which bondholders may require the Company to redeem the convertible corporate bonds in cash at 102.01% of the face value. Upon receipt of a put request, the Company shall redeem the convertible corporate bonds in cash within five business days following the put base date.

B. Second domestic unsecured convertible corporate bonds

On May 29, 2025, the Company issued 30,000 units of 5-year unsecured convertible corporate bonds in Taiwan, with an aggregate face amount of \$3,000,000 thousand. The bonds were issued at 100.5% of par with a coupon rate of 0%, resulting in gross proceeds of \$3,015,000 thousand. The effective interest rate of the bonds was 3.601%.

The conversion price was set at \$246 at the time of issue. When the Company's ordinary shares qualify for conversion price adjustment in accordance to the terms of issue, such adjustment will be made based on a formula in accordance with the terms of issue.

There are no reset terms for this bond. Due to the declaration of a stock dividend appropriated from distributable earnings for the year 2024 and the issuance of 17,573 thousand new shares through a capital increase, the conversion price of the bond was adjusted to \$251.4 per share effective August 3, 2025.

From the day following the 3 months after the bond has been issued (August 30, 2025) until the maturity date (April 19, 2030), if the closing price of the Company's ordinary shares listed on the stock exchange exceeds or equals 30% of the conversion price for 30 consecutive days, or if the outstanding of the bonds is less than or equals 10% of the face value, then the Company will redeem the bonds in cash from the bondholders at face value within 5 business days from the base date.

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Notes to the Financial Statements

The Company shall designate the third anniversary of the issuance date of the convertible corporate bonds (May 29, 2028) as the put base date, on which bondholders may require the Company to redeem the convertible corporate bonds in cash at 101.5075% of the face value. Upon receipt of a put request, the Company shall redeem the convertible corporate bonds in cash within five business days following the put base date.

(15) Lease liabilities

The carrying amounts of the Company's lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	<u>\$ 32,779</u>	<u>26,971</u>
Non-current	<u>\$ 50,080</u>	<u>51,279</u>

For the maturity analysis, please refer to note 6(28).

The amounts of leases recognized in profit or loss were as follows:

	For the years ended December 31, 2025	2024
Interest expense on lease liabilities	<u>\$ 2,218</u>	<u>1,903</u>
Expenses relating to short-term leases	<u>\$ 9,792</u>	<u>23,534</u>

The amounts of leases recognized in the statement of cash flows for the Company was as follows:

	For the years ended December 31, 2025	2024
Total cash outflow for leases	<u>\$ 44,071</u>	<u>52,551</u>

A. Buildings, construction and transportation equipment leases

For the years ended December 31, 2025 and 2024, the Company leases buildings and construction for use as office premises and leases transportation equipment, with lease terms typically ranging from one to five years.

B. Other leases

The Company leases dormitories and other miscellaneous leases with contract terms of one year or less. These leases are short-term and/or leases of low-value items. The Company has elected not to recognize the right of use assets and lease liabilities for these leases.

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(16) Other current liabilities and other non-current liabilities

	December 31, 2025	December 31, 2024
Development service fees payable	\$ 13,776	2,703
Warranty provisions	38,412	41,251
Labor fees payable	34,264	10,709
Payable on machinery and equipment	665	3,781
Provision for decommissioning, restoration and rehabilitation costs	2,655	3,065
Deposits received	13,337	2,400
Other	106,851	23,721
Less: classified as other-current liabilities	(165,822)	(42,487)
	<u>\$ 44,138</u>	<u>45,143</u>

Provision for warranty liabilities is recognized for future maintenance costs of project that may arise in future event based on their historical experience and risks that are less predictable in the future.

Provision for decommissioning, restoration and rehabilitation costs is intended to provide for the recovery cost of the power station modules as estimated in accordance with the Regulations for the Management of Setting up Renewable Energy Power Generation Equipment by the Bureau of Energy, Ministry of Economic Affairs. The amount of the provision is determined based on the scale of the power plant and is recognized as a provision at the present value of the estimated future decommissioning costs.

(17) Capital and other equity

A. Ordinary shares

As of December 31, 2025, the total value of authorized ordinary shares was amounted to \$5,000,000 thousand (2024: \$2,000,000 thousand), with a par value of \$10 per share. As of that date, 141,872 thousand (2024: 117,155 thousand) of ordinary shares were issued.

Considering the Company's capital planning, the declaration of \$175,733 thousand in share dividends from the 2024 earnings distribution was approved during the shareholders' meeting on June 3, 2025. This amount will be used to issue 17,573 thousand new shares, with a par value of \$10 per share. The capital increase date is set for August 3, 2025. All related legal and registration procedures have been completed.

During the shareholders' meeting held on June 7, 2024, the Company approved a private placement of ordinary shares and authorized the Board of Directors to execute the issuance, in one or multiple tranches, within one year from the date of the shareholders' resolution and within a limit of 15,000 thousand shares. On February 17, 2025, the Board of Directors resolved to privately place 3,752 thousand shares to Mitsubishi Electric Corporation at a subscription price of \$180.4 per share, with February 27, 2025 designated as the capital increase base date, and all required registration procedures have been completed. The remaining 11,248 thousand shares were not issued due to the absence of suitable subscribers, and there is no plan to proceed with the remaining portion of the private placement.

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Considering the Company's capital planning, the declaration of \$25,500 thousand in share dividends from the 2023 earnings distribution was approved during the shareholders' meeting held on June 7, 2024. This amount will be used to issue 2,550 thousand new shares, with a par value of \$10 per share. The capital increase date is set for August 8, 2024, and all required legal and registration procedures have been completed.

On July 31, 2024, the Company resolved at a meeting of the Board of Directors to conduct a cash capital increase through the issuance of new shares in connection with the transfer from the Taiwan Innovation Board to the Main Board listing. A total of 100,000 thousand new shares with a par value of \$10 per share were issued and underwritten through a combination of competitive auction and public subscription, resulting in total proceeds of \$1,952,714 thousand. The base date for the capital increase was September 24, 2024. All related legal and registration procedures have been completed. In accordance with applicable regulation, the Company recognized compensation costs related to shares reserved for employee subscription in connection with the cash capital increase. Relevant information is disclosed in note 6(18).

For the years ended December 31, 2025 and 2024, the first domestic unsecured convertible corporate bonds issued by the Company were applied for conversion in the amounts of \$314,900 thousand and \$661,600 thousand, respectively. As a result of the exercise of the conversion rights, the Company issued ordinary shares with a par value of \$10 per share, totaling \$30,518 thousand (3,052 thousand shares) in 2025 and \$57,224 thousand (5,722 thousand shares) in 2024. Of these amounts, \$7,767 thousand (777 thousand shares) for 2025 and \$11,172 thousand (1,117 thousand shares) for 2024 had not yet completed the required statutory registration procedures and were therefore recorded as capital collected in advance.

Reconciliation of shares outstanding (including capital collected in advance) for the years ended December 31, 2025 and 2024 were as follows:

	Ordinary share (in thousands)	
	For the years ended December 31,	
	2025	2024
Balance at January 1	118,272	100,000
Issuance of shares for cash	3,752	10,000
Capital increase through capitalization of retained earnings	17,573	2,550
Conversion of convertible bonds	3,052	5,722
Balance at December 31	142,649	118,272

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B. Capital surplus

The components of capital surplus were as follows:

	December 31, 2025	December 31, 2024
Share capital at premium	\$ 5,661,773	5,139,621
Conversion rights of convertible bonds	473,586	43,328
Conversion of convertible bond premium	927,276	620,815
Difference arising from subsidiary's share price and its carrying value	-	4,854
Employee stock options	107,237	35,467
Exercise of disgorgement	<u>1,314</u>	<u>403</u>
	<u>\$ 7,171,186</u>	<u>5,844,488</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

C. Retained earnings

The Company's article of incorporation provide that cash distributions of earnings shall be resolved by the Board of Directors and reported to the shareholders' meeting.

The Company's article of incorporation stipulate that Company's net earnings should first be used for paying taxes and offset the prior years' deficits, if any. Of the remaining balance, 10% is to be appropriated as legal reserve until the accumulated legal reserve equals the paid in capital. The remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

The Company is in a growth phase. Before the distribution of dividends, the Company shall first take into consideration its operating environment, business expansion needs, and financial planning for sustainable development, as well as its capital expenditure budget and capital requirements in determining the stock or cash dividends to be paid. The distribution of dividends to shareholders should not be less than 10% of the distributable earnings. Distribution of cash dividends should not be less than 10% of the total dividends. In the event that the Company has a material investment plan and is unable to obtain other funds, the Board may, on the proposal of the Board and pursuant to a resolution by a shareholders' meeting, not issue cash dividends.

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(a) Legal reserve

When a Company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Earnings distribution

The amounts of cash dividends distributed from capital surplus as resolved during the board meeting held on March 5, 2025, together with the cash dividends and other earnings distributions from the 2024 earnings as approved during the shareholders' meeting held on June 3, 2025, were as follows:

	For the years ended December 31,	
	2024	
	Cash distribution from capital surplus	Dividend per share (NTD)
Cash distributed from capital surplus	<u>\$ 117,155</u>	0.96
	Earnings distribution	Price per share (NTD)
Appropriation of legal reserve	\$ 119,840	
Reversal of special reserve	(96)	
Cash dividends to shareholders	527,198	4.30
Shares dividends to shareholders	<u>175,733</u>	1.42
	<u>\$ 822,675</u>	

The amounts of cash dividends on the 2023 earnings distribution had been approved during the board meeting held on March 7, 2024, as well as the shareholders' meeting on June 7, 2024. The relevant dividend distributions to shareholders were as follows:

	For the years ended December 31,	
	2023	
	Earnings distribution	Price per share (NTD)
Appropriation to legal reserve	\$ 79,461	
Appropriation to special reserve	96	
Cash dividends to shareholders	408,000	4.03
Share dividends to shareholders	<u>25,500</u>	0.25
	<u>\$ 513,057</u>	

The distribution of earnings for the years 2024 and 2023 mentioned above is consistent with the resolutions approved by the Board of Directors.

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The relevant information regarding the Company's earnings distribution can be found on the Market Observation Post System (MOPS).

D. Other components of equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2025	\$ (19,272)	19,336	64
Exchange differences on foreign operations	63,274	-	63,274
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	84,643	84,643
Income tax effect	(12,310)	(923)	(13,233)
Balance at December 31, 2025	<u>\$ 31,692</u>	<u>103,056</u>	<u>134,748</u>
Balance at January 1, 2024	\$ (96)	-	(96)
Exchange differences on foreign operations	(23,967)	-	(23,967)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	19,336	19,336
Income tax effect	4,791	-	4,791
Balance at December 31, 2024	<u>\$ (19,272)</u>	<u>19,336</u>	<u>64</u>

(18) Share-based payment

A. Cash capital increase reserved for employee subscription

Cash capital increase of 10,000 thousand new shares was resolved by the Board of Directors on July 31, 2024. In accordance with Article 267 of the R.O.C. Company Act, 15% of the new shares, amounting to 1,500 thousand shares, was reserved for priority subscription by employees of the Company. Any unsubscribed shares or shares abandoned by employees were authorized to be subscribed in full at the issue price by a specific person as designated by the Chairman.

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For the years ended December 31, 2024, employees subscribed to 1,074 thousand shares. In accordance with IFRS 2 “Share-based Payment”, the fair value of the equity instruments granted was measured at the grant date at \$36.91 per share, and compensation costs of \$39,641 thousand were recognized on the grant date.

The Company used Black-Scholes method in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	Cash capital increase reserved for employee subscription For the years ended December 31, 2024
Fair value at the grant date	36.91
Share price at the grant date	224.83
Number of options granted	1,074 thousand shares (note)
Exercise price	188
The risk-free rate (%)	1.25 %

Note: Employees have declared a total of 426 thousand shares to be abandoned prior to the grant date.

B. Employee stock options

Resolutions for Issuance of 4,000 units of employee stock options passed during the meeting of the Board of Directors held on June 28, 2024, each unit entitles the holder to purchase 1,000 shares of the company's ordinary shares.

The holder are limited to full-time employees of the company and its domestic and international subsidiaries or affiliates.

The issuance was approved by the Securities and Futures Bureau, FSC on July 26, 2024, and will be issued in whole or in part within two years as needed according to the regulations.

The trading information for the employee stock options issued on September 9, 2024, as follows:

<u>Type</u>	<u>Grant Date</u>	<u>Vesting Period</u>	<u>Granted Units (in thousands)</u>	<u>Original subscription price per share (in dollars)</u>	<u>Adjusted subscription price per share (NTD)</u>
2024 Employee Stock Options	Sep 9, 2024	2 to 4 years of service	3,728	220	182.7

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Each unit of the employee stock option certificate grants the right to purchase 1,000 shares of ordinary shares.

The fair value of the compensatory employee stock options granted on September 9, 2024, was estimated using the Black-Scholes option pricing model. The fair value per unit was between \$68.14 and \$83.65. The company recognized a compensation cost of \$71,770 thousand and \$35,467 thousand for the year ended December 31, 2025 and 2024. The assumptions used are as follows:

	The first employee stock option of 2024
Dividend yield	0.00%
Expected price volatility	42.50%~46.39%
Risk-free interest rate	1.43%~1.46%
Expected life	3.5~4.5 years

	2025		2024	
	Weighted average exercise price (NTD)	Number of options	Weighted average exercise price (NTD)	Number of options
(Expressed in thousands)				
Number of shares outstanding as of January 1	\$ 220.00	3,603	-	-
Number of units granted during the year	-	-	220.00	3,728
Number of units forfeited during the year	-	<u>(785)</u>	-	<u>(125)</u>
Number of units outstanding as of December 31	\$ 220.00	<u>2,818</u>	220.00	<u>3,603</u>

C. Restricted employee rights stock

Resolutions for the issuance of 1,000 thousand shares of restricted employee rights new stock, with a par value of \$10 per share, totaling \$10,000 thousand, were passed during the shareholders' meeting held on June 7, 2024.

The holders are limited to full-time employees of the company and its domestic and international subsidiaries or affiliates, with the issuance approved by the Securities and Futures Bureau, FSC on July 26, 2024, to be issued in whole or in part within two years as needed according to the regulations. As of December 31, 2025, the shares have not yet been issued.

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(19) Employee benefits

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$12,703 thousand and \$10,099 thousand for the years ended December 31, 2025 and 2024, respectively.

(20) Income taxes

A. Income tax expenses

The components of income tax expense in the years 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	2024
Current tax expense		
Current period	\$ 220,308	375,445
Additional tax on undistributed earnings	17,923	12,310
Adjustment for prior years	<u>(5,031)</u>	<u>(8,897)</u>
	233,200	378,858
Deferred tax expense (benefit)		
Temporary differences	<u>(76,861)</u>	<u>(71,372)</u>
	<u>\$ 156,339</u>	<u>307,486</u>

The amount of income tax (expense) benefit recognized in other comprehensive income in 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	2024
Items that may not be reclassified to profit or loss:		
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	\$ <u>(923)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	\$ <u>(12,310)</u>	<u>4,791</u>

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Reconciliation of income tax and profit before tax for 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	2024
Profit before income tax	\$ <u>660,251</u>	<u>1,506,346</u>
Income tax of net profit before tax calculated at the prescribed tax rate	132,050	301,269
Tax effect of permanent differences	11,397	2,804
Adjustment for prior years	(5,031)	(8,897)
Additional tax on undistributed earnings	<u>17,923</u>	<u>12,310</u>
Income tax expense	<u>\$ 156,339</u>	<u>307,486</u>

B. Recognized deferred tax assets

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

Deferred tax assets

	January 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2024	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2025
Unrealized profit from sales	\$ 69,028	59,692	-	128,720	60,338	-	189,058
Foreign investment loss	-	11,338	-	11,338	6,775	-	18,113
Exchange differences on translation of foreign financial statement	24	-	4,791	4,815	-	(4,815)	-
Loss on valuation of convertible corporate bonds	-	-	-	-	10,985	-	10,985
Others	<u>8,469</u>	<u>1,730</u>	<u>-</u>	<u>10,199</u>	<u>(2,217)</u>	<u>-</u>	<u>7,982</u>
	<u>\$ 77,521</u>	<u>72,760</u>	<u>4,791</u>	<u>155,072</u>	<u>75,881</u>	<u>(4,815)</u>	<u>226,138</u>

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Deferred tax liability

	January 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2024	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2025
Exchange differences on translation of foreign financial statement	\$ -	-	-	-	-	(7,495)	(7,495)
Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	-	-	-	-	-	(923)	(923)
Gain on valuation of convertible corporate bonds	(634)	(1,390)	-	(2,024)	2,024	-	-
Other	(2)	2	-	-	(1,044)	-	(1,044)
	<u>\$ (636)</u>	<u>(1,388)</u>	<u>-</u>	<u>(2,024)</u>	<u>980</u>	<u>(8,418)</u>	<u>(9,462)</u>

C. Assessment of tax

The Company's tax returns for the years through 2023 were assessed by the Taipei National Tax Administration.

(21) Earnings per share

	For the years ended December 31,	
	2025	2024
Basic earnings per share:		
Net income	\$ <u>503,912</u>	<u>1,198,860</u>
Weighted-average number of ordinary shares (in thousands)	<u>140,266</u>	<u>123,297</u>
Basic earnings per share (in dollars)	\$ <u>3.59</u>	<u>9.72</u>
Basic earnings per share – before retrospective adjustment (in dollars)		\$ <u>11.10</u>

HD RENEWABLE ENERGY CO., LTD.
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	For the years ended December 31,	
	2025	2024
Diluted earnings per share:		
Net income	503,912	1,198,860
Interest expense and other income or expense on convertible bonds, net of tax	<u>-</u>	<u>18,669</u>
Net income attributable to ordinary shareholders of the company	<u>\$ 503,912</u>	<u>1,217,529</u>
Weighted-average number of ordinary shares (in thousands)	140,266	123,297
Add: Effect of employee remuneration paid in stock (in thousands)	420	446
Effect of conversion of convertible bonds (in thousands)	<u>-</u>	<u>6,031</u>
	<u>140,686</u>	<u>129,774</u>
Diluted earnings per share (in dollars)	<u>\$ 3.58</u>	<u>9.38</u>
Diluted earnings per share – before retrospective adjustment (in dollars)		<u>\$ 10.64</u>

For the year ended December 31, 2025, the Company's convertible bonds had an anti-dilutive effect, and hence they are not included in the calculation of the weighted average number of shares (diluted).

(22) Revenue from contracts with customers

A. Primary geographical market:

	For the years ended December 31,	
	2025	2024
Taiwan	\$ 7,293,963	10,182,876
Australia	107,709	-
Japan	<u>26,568</u>	<u>-</u>
	<u>\$ 7,428,240</u>	<u>10,182,876</u>

B. Major products/services lines:

	For the years ended December 31,	
	2025	2024
Construction revenue	\$ 7,185,828	9,976,165
Service revenue	15,736	173,040
Product sales revenue	159,626	6,209
Electricity sales revenue	27,162	27,462
Commission revenue and others	<u>39,888</u>	<u>-</u>
	<u>\$ 7,428,240</u>	<u>10,182,876</u>

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	For the years ended December 31,	
	2025	2024
Timing of revenue recognition:		
Revenue transferred at a point in time	\$ 199,515	163,874
Revenue transferred over time	<u>7,228,725</u>	<u>10,019,002</u>
	<u>\$ 7,428,240</u>	<u>10,182,876</u>

C. Contract balances:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract assets - construction and equipment	<u>\$ 5,950,313</u>	<u>3,307,774</u>	<u>3,439,976</u>
Contract liabilities - construction and equipment	<u>\$ 169,768</u>	<u>578,165</u>	<u>164,481</u>

The contract liabilities primarily relate to the advance consideration received from customers for construction contracts before the construction begins, for which revenue is recognized progressively during the construction period.

The contract liability balance as at January 1, 2025 was \$578,165 thousand. The amounts of revenue recognized for the year ended December 31, 2025 was included in the contract liability balance at the beginning of the period was \$459,748 thousand.

The contract liability balance as at January 1, 2024 was \$164,481 thousand. The amounts of revenue recognized for the year ended December 31, 2024 was included in the contract liability balance at the beginning of the period was \$17,084 thousand.

The relevant for details on accounts receivable and its impairment, please refer to note 6(4).

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied by transferring ownership to the customer and the payment to be received. For the years ended December 31, 2025 and 2024, there is no significant changes.

D. The transaction price allocated to the remaining performance obligations

As of December 31, 2025 and 2024, the amount allocated to the remaining performance obligations were \$30,093,153 thousand and \$25,653,972 thousand, respectively. The revenue is recognized progressively based on the progress towards the completion of contract, which is expected to be completed in the next 1 to 3 years.

All consideration from contracts with customers is included in the transaction price presented above.

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Notes to the Financial Statements

(23) Remuneration to employees and directors

In accordance with the amended articles of incorporation approved during the shareholders' meeting held on June 3, 2025, when there is profit for the year, the Company should contribute 5% to 10% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration, and an amount of no less than 1% of the employee compensation must be allocated to those base-level employees. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of employee compensation, whether in shares or in cash, include employees of the affiliated companies who meet certain conditions. Prior to the amendment, the articles of incorporation provided that when there was profit for the year, the Company should contribute 5% to 10% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration, and if there were accumulated deficits, the profit should be reserved to offset the deficit. The recipients of the employee compensation, whether in shares or in cash, included employees of the affiliated companies who met certain conditions.

The Company estimated its remuneration to employees amounting to \$35,120 thousand (including base-level employees) and \$80,125 thousand and directors' remuneration amounting to \$7,023 thousand and \$16,024 thousand for the years ended December 31, 2025 and 2024, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of the remuneration to employees and directors, as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2025 and 2024. The differences between the actual distribution of remuneration to employees and directors, and the amounts estimated in the financial statements, if any, will be accounted for as changes in accounting estimates and will be recognized as profit or loss in the following year.

The amounts of employee compensation accrued by the Company for the years 2024 and 2023 amounted to NT\$80,125 thousand (including NT\$14,728 thousand distributed to employees of subsidiaries) and NT\$53,688 thousand (including NT\$11,071 thousand distributed to employees of subsidiaries), respectively. The amounts of directors' remuneration accrued for the respective years were NT\$16,024 thousand and NT\$10,737 thousand. Such amounts were consistent with the resolutions approved by the Company's Board of Directors. Relevant information is available on the Market Observation Post System (MOPS).

(24) Interest income

	For the years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 14,586	14,205
Other interest income	223	196
	\$ 14,809	14,401

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(25) Other Income

	For the years ended December 31,	
	2025	2024
Rental income	\$ 8,853	11,684
Dividend Income	9,644	-
Other income	2,102	1,387
	\$ 20,599	13,071

(26) Other gains and losses

	For the years ended December 31,	
	2025	2024
Gains (Losses) on financial assets (liabilities) at fair value through profit of loss (note 6(14))	\$ (65,045)	6,952
Foreign exchange gains (losses)	11,332	(15,629)
Losses from typhoon damage	(12,189)	-
Gains on disposals of property, plant and equipment	537	228
Gains on disposals of investments, net	808	197
Gain on lease modification	932	-
Miscellaneous disbursements	(1,845)	(36)
	\$ (65,470)	(8,288)

(27) Finance Costs

	For the years ended December 31,	
	2025	2024
Interest expense on bank loans	\$ 110,250	45,267
Interest expense on corporate bonds payable	61,935	30,288
Amortization of discount on short-term notes and bills payable	1,821	2,042
Interest expense on lease liabilities	2,218	1,903
Interest expenses on decommissioning liabilities and others	79	99
	\$ 176,303	79,599

(28) Financial instruments

A. Credit risk

(a) Exposure to credit risk

The carrying amount of financial assets represent the maximum amount exposed to credit risk.

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(b) Concentration of credit risk

The Company's potential credit risk is derived primarily from cash and cash equivalents, restricted bank deposits and accounts receivable. Also, the Company deposits cash and cash equivalents and restricted bank deposits in good credit financial institutions. The Company manages credit risk exposure related to each financial institution and believes that there is no significant concentration of credit risk on cash and restricted bank deposits.

The Company's primary exposure to potential credit risk arises from contract assets. As of December 31, 2025 and 2024, approximately 93% and 92% of the Company's contract assets, respectively, were attributable to five customers. To mitigate the credit risk, the Group regularly monitors project progress and billing schedules, and evaluates the timing of reclassification to accounts receivable. Management expects that no material losses will occur.

(c) Credit risk of receivables

For credit risk exposure of accounts receivable, please refer to note 6(4).

All of financial assets excluding the above-mentioned accounts receivable are considered to be low risk, and thus, the impairment provision recognized during the period was limited to 12-months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4(6). Please refer to note 6(4) for the movement in loss allowance provision for the years ended December 31, 2025 and 2024.

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities:

	<u>Carrying amount</u>	<u>Contractual Cash flows</u>	<u>Within a year</u>	<u>Over 1 year</u>
Balance at December 31, 2025				
Non-derivative financial liabilities				
Short-term borrowings	\$ 2,515,489	2,531,945	2,531,945	-
Notes and accounts payable (including related parties)	1,426,528	1,426,528	1,426,528	-
Salaries and bonuses payable	105,862	105,862	105,862	-
Other payables to related parties	38,412	38,412	38,412	-
Bonds payable (including current portion)	2,582,161	3,069,197	23,972	3,045,225
Lease liabilities (current and non-current)	82,859	86,268	34,405	51,863
Long-term borrowings (including current portion)	2,950,539	3,176,099	331,454	2,844,645
Deposits received	13,337	13,337	-	13,337
	<u><u>\$ 9,715,187</u></u>	<u><u>10,447,648</u></u>	<u><u>4,492,578</u></u>	<u><u>5,955,070</u></u>

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	<u>Carrying amount</u>	<u>Contractual Cash flows</u>	<u>Within a year</u>	<u>Over 1 years</u>
Balance at December 31, 2024				
Non-derivative financial liabilities				
Short-term borrowings	\$ 1,803,749	1,814,341	1,814,341	-
Short-term notes and bills payables	79,919	80,000	80,000	-
Notes and accounts payable (including related parties)	1,714,704	1,714,704	1,714,704	-
Salaries and bonuses payable	149,778	149,778	149,778	-
Other payables to related parties	31,163	31,163	31,163	-
Bonds payable-current portion	310,512	345,202	345,202	-
Lease liabilities (current and non-current)	78,250	82,166	28,506	53,660
Long-term borrowings (including current portion)	466,448	547,426	45,956	501,470
Deposits received	2,400	2,400	-	2,400
	<u><u>\$ 4,636,923</u></u>	<u><u>4,767,180</u></u>	<u><u>4,209,650</u></u>	<u><u>557,530</u></u>

C. Foreign exchange risk

(a) Exposure to foreign exchange risk

The Company's financial assets and liabilities exposed to significant foreign exchange risk are as follows:

	<u>December 31, 2025</u>			<u>December 31, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial Assets</u>						
<u>Monetary items</u>						
USD	\$ 431	31.4300	13,559	9	32.7850	298
JPY	133,309	0.2008	26,768	-	-	-
AUD	5,348	21.0100	112,361	1	20.3900	11
<u>Non-monetary items</u>						
JPY	9,910,438	0.2008	1,990,017	1,997,381	0.2099	419,250
AUD	137,630	21.0983	2,903,740	17,610	20.3900	359,075
<u>Financial Liabilities</u>						
<u>Monetary items</u>						
USD	6,565	31.4300	206,334	19,858	32.7850	651,052
AUD	-	-	-	1,192	20.3900	24,304

(b) Sensitivity analysis

The Company's exposure to foreign exchange risk arising from monetary items mainly relates to cash and cash equivalents, accounts receivable, and accounts payable denominated in foreign currencies, which give rise to foreign exchange gains or losses upon translation.

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Assuming a 5% depreciation or appreciation of the NTD against the USD, the AUD and the JPY as of December 31, 2025 and 2024, with all other variables held constant, the Group's net profit after tax for 2025 and 2024 would have increased or decreased by \$(2,146) thousand and \$(27,002) thousand, respectively. The analysis for both periods is based on the same assumptions.

(c) Foreign exchange gains or losses on monetary items

Due to the variety of functional currencies used by the Company, information on foreign exchange gains or losses arising from monetary items is disclosed on an aggregated basis. Foreign exchange gains (losses), including both realized and unrealized amounts, amounted to \$11,332 thousand and \$(15,629) thousand for the years ended December 31, 2025 and 2024, respectively.

D. Interest rate risk

The Company's interest risk arises from its short-term borrowings and long-term borrowings that bear floating interest rates. The fluctuation of the interest rate will influence the Company's future cash flow due to the changes in effective interest rate of short-term and long-term borrowings. The following sensitivity analysis is based on the exposure to the interest rate risk. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

For the Company's short-term and long-term borrowings that bear the floating interest rates, if the interest rate had increased or decreased by 0.25%, the Company's net profit before tax would have decreased or increased by \$13,665 thousand and \$5,675 thousand for the years ended December 31, 2025 and 2024, respectively, assuming all other variable factors remain constant.

E. Fair value of financial instruments

(a) Fair value hierarchy

The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2025				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at FVTPL – current	\$ 605	-	605	-	605

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	December 31, 2025				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,040,338	-	-	-	-
Accounts receivable, net	2,694	-	-	-	-
Accounts receivables due from related parties	241,443	-	-	-	-
Other receivables due from related parties	377,680	-	-	-	-
Other receivables	8,445	-	-	-	-
Refundable deposits	165,006	-	-	-	-
Restricted bank deposits (current and non-current)	977,118	-	-	-	-
	<u>\$ 2,812,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets measured at FVOCI – non-current					
	<u>\$ 1,560,789</u>	<u>203,440</u>	<u>-</u>	<u>1,357,349</u>	<u>1,560,789</u>
Financial liabilities measured at FVTPL – non-current					
	<u>\$ 97,200</u>	<u>-</u>	<u>97,200</u>	<u>-</u>	<u>97,200</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 2,515,489	-	-	-	-
Notes and accounts payable (including related parties)	1,426,528	-	-	-	-
Salaries and bonuses payable	105,862	-	-	-	-
Other payables to related parties	38,412	-	-	-	-
Bonds payable-current portion	2,582,161	-	2,582,161	-	2,582,161
Lease liabilities-current and non-current	82,859	-	-	-	-
Long-term borrowings (including current portion)	2,950,539	-	-	-	-
Deposits received	13,337	-	-	-	-
	<u>\$ 9,715,187</u>	<u>-</u>	<u>2,582,161</u>	<u>-</u>	<u>2,582,161</u>

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	Carrying amount	December 31, 2024			
		Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at FVTPL – current	\$ <u>1,320</u>	<u>-</u>	<u>1,320</u>	<u>-</u>	<u>1,320</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 2,555,819	-	-	-	-
Notes and accounts receivable, net	2,459	-	-	-	-
Accounts receivable due from related parties	138,229	-	-	-	-
Other receivables due from related parties, net	1,476	-	-	-	-
Other receivables	157	-	-	-	-
Refundable deposits	716,465	-	-	-	-
Restricted bank deposits (current and non-current)	373,380	-	-	-	-
	<u>\$ 3,787,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets measured at FVOCI-non-current	\$ <u>1,476,146</u>	<u>163,996</u>	<u>-</u>	<u>1,312,150</u>	<u>1,476,146</u>
Financial Liabilities Measured at FVTPL – Non-current	\$ <u>68</u>	<u>-</u>	<u>68</u>	<u>-</u>	<u>68</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 1,803,749	-	-	-	-
Short-term notes and bills payables	79,919	-	-	-	-
Notes and accounts payable (including related parties)	1,714,704	-	-	-	-
Salaries and bonuses payable	149,778	-	-	-	-
Other payables to related parties	31,163	-	-	-	-
Bonds payable-current portion	310,512	-	310,512	-	310,512
Lease liabilities – current and non-current	78,250	-	-	-	-
Long-term borrowings (including current portion)	466,448	-	-	-	-
Deposits received	2,400	-	-	-	-
	<u>\$ 4,636,923</u>	<u>-</u>	<u>310,512</u>	<u>-</u>	<u>310,512</u>

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(b) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

For financial assets and financial liabilities measured at amortized cost, if there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

The fair value of refundable deposits and deposits received are based on carrying amount as there is no fixed maturity date.

Long-term borrowings primarily bear interest at floating rate, and their carrying amounts approximates their fair values.

(c) The reconciliation of Level 3 fair values

	For the years ended December 31,	
	2025	2024
Financial assets at FVOCI—equity investments without an active market		
Balance at January 1	\$ 1,312,150	-
Gains recognized in other comprehensive income	45,199	-
Purchase	-	1,312,150
Balance at December 31	<u><u>\$ 1,357,349</u></u>	<u><u>1,312,150</u></u>

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

The Company's financial instruments that use Level 3 inputs to measure fair value is financial assets at FVOCI - equity investments.

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at FVOCI - equity investments without an active market	Market approach	· The EBITDA multiple ranged from 9.75 to 11.25 times at December 31, 2024. · The specific buyer premium ranges from AUD 10,500 thousand to AUD 17,000 thousand.	· The higher the EBITDA multiple, the higher the fair value
Financial assets measured at FVOCI - equity investments without an active market	Price-to-sales (P/S) method	· The P/S ratio of the peer companies is 1.88 times at December 31, 2024 · The liquidity discount at December 31, 2024 is 28.09%	· The higher the price-to-sales multiple, the higher the fair value. · The higher the liquidity discount, the lower the fair value.
Financial assets measured at FVOCI - equity investments without an active market	Price-to-book (P/B) method	· The P/B ratio of the peer companies was 1.39 times and 4.8 times as of December 31, 2025 and 2024, respectively. · The liquidity discount was 20% as of both December 31, 2025 and 2024.	· The higher the P/B ratio, the higher the fair value · The higher the liquidity discount, the lower the fair value.

There was no transfer between the different levels of fair value hierarchy for the years ended December 31, 2025 and 2024.

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(29) Financial risk management

A. Overview

The Company have exposures to the following risks from its financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

The following likewise discusses the Company's exposure information, objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

B. Structure of risk management

The Company's finance department provides services for various business units, planning and coordinating financial market operations, as well as monitors and manages the financial risks associated with the operations by analyzing the internal risk report.

C. Credit risk

The credit risk of the Company is mainly due to cash and cash equivalents and receivables, these financial instruments arising from operating activities, as explained in the note 6(28) of the parent-company-only financial statements.

D. Liquidity risk

There is no liquidity risk of being unable to raise capital to settle contract obligations since the Company has sufficient capital and working capital to fulfill the contract obligations.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. The Company's bank deposits, long-term and short-term bank borrowings bear the floating rate and are financial assets and liabilities. The fluctuation in the market interest rate will affect the effective interest rate of bank deposits, long-term and short-term bank borrowings and then influence the Company's future cash flow.

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

(30) Capital management

The Company effectively manages its capital structure to ensure that it has adequate financial resources to sustain proper liquidity, invest in capital expenditures, repay debts, and distribute dividends in accordance with its plan by acquiring a comprehensive understanding and effectively managing significant changes in the external environment, related industry characteristics, and corporate growth plan.

	December 31, 2025	December 31, 2024
Total liabilities	10,240,251	5,585,188
Total equity	10,415,624	8,945,271
Interest-bearing liabilities	8,048,189	2,660,628
Debt-to-equity ratio	98 %	62 %
Interest-bearing debt-to-equity ratio	77 %	30 %

The increase in bank borrowings and the issuance of corporate bonds payable resulted in higher total liabilities and interest-bearing liabilities, leading to increases in both the debt-to-equity ratio and the interest-bearing debt-to-equity ratio.

(31) Financing activities not affecting current cash flow

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including current portion)	Bonds payable (including current portion)	Deposits received	Lease liabilities	Total liabilities from financing activities
Balance at January 1, 2025	\$ 1,803,749	79,919	466,448	310,512	2,400	78,250	2,741,278
Cash flows	711,740	(80,000)	2,484,091	3,009,752	10,937	(32,061)	6,104,459
Non-cash changes:							
Addition of leases	-	-	-	-	-	74,740	74,740
Interest expense	-	1,821	-	61,935	-	-	63,756
Others	-	(1,740)	-	(800,038)	-	(38,070)	(839,848)
Balance at December 31, 2025	<u>\$ 2,515,489</u>	<u>-</u>	<u>2,950,539</u>	<u>2,582,161</u>	<u>13,337</u>	<u>82,859</u>	<u>8,144,385</u>
Balance at January 1, 2024	\$ 1,124,211	129,840	482,295	873,583	2,400	85,314	2,697,643
Cash flows	679,538	(50,000)	(15,847)	-	-	(27,114)	586,577
Non-Cash changes:							
Addition of leases	-	-	-	-	-	20,050	20,050
Interest expense	-	2,042	-	30,288	-	-	32,330
Others	-	(1,963)	-	(593,359)	-	-	(595,322)
Balance at December 31, 2024	<u>\$ 1,803,749</u>	<u>79,919</u>	<u>466,448</u>	<u>310,512</u>	<u>2,400</u>	<u>78,250</u>	<u>2,741,278</u>

7. Related-party transactions:

(1) Names and relationship with the Company

Name of related parties	Relationship with the Company
HB O&M Co., Ltd. (HB)	Subsidiary of the Company
Star Trade Co., Ltd. (Star Trade)	Subsidiary of the Company

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

Name of related parties	Relationship with the Company
Tian Fang ChargeTech Co., Ltd. (Tian Fang)	Subsidiary of the Company
Star Energy Storage Solutions Co., Ltd. (ESS)	Subsidiary of the Company
Star Charger Co., Ltd. (Star Charger)	Subsidiary of the Company
Star Aquaculture Co., Ltd. (Star Aquaculture)	Subsidiary of the Company
BESEYE CLOUD SECURITY CO., LTD. (BESEYE)	Subsidiary of the Company
Star Energy Storage Co., Ltd. (SES)	Subsidiary of the Company
HD Renewable Energy Japan Co., Ltd. (HD Japan)	Subsidiary of the Company
HD Renewable Energy Australia Pty. Ltd. (HD Australia)	Subsidiary of the Company
HDRE I Holding Pty Ltd. (HDRE I)	Subsidiary of the Company
New Star Charging Technology Co., Ltd. (New Star)	Subsidiary of the Company
STELLAR ENERGY TECHNOLOGY INC. (Stellar)	Subsidiary of the Company (note 2)
Yun Deng Green Co., Ltd. (Yun Deng)	Subsidiary of the Company (note 3)
Ri Fa Green Co., Ltd (Ri Fa)	Associate of the Company
Shilin Star Power Corporation (SSP)	Associate of the Company (note 4)
Shin Guo Energy Co., Ltd. (Shin Guo)	Associate of the Company
Star Power Energy Corporation (Star Power)	Joint venture of the Company
Aquastar Energy Co., Ltd. (Aquastar)	Joint venture of the Company
Huiju Energy Co., Ltd. (Huiju)	Subsidiary of SES
Yin Deng Green Co., Ltd. (Yin Deng)	Subsidiary of Star Aquaculture (note 1)
Tian Tai ChargeTech Co., Ltd. (Tian Tai)	Subsidiary of Star Charger (note 1)
GGE Macleay Road Coleambally Pty. Ltd. ATF GGE Macleay Road Coleambally Unit Trust (GGE)	Subsidiary of HD Australia
Battery Park 2, LLC (Battery Park 2)	Subsidiary of HD Japan
Motech Power Alpha Co., Ltd. (MPA)	Subsidiary of Star Power
Daytime Solar Energy Co., Ltd. (Daytime)	Subsidiary of Star Power
Sunny Go Solar Co., Ltd. (Sunny Go)	Subsidiary of Star Power
Da Fu Energy Co., Ltd. (Da Fu)	Subsidiary of Star Power
Fang Deng Green Co., Ltd. (Fang Deng)	Subsidiary of Star Power
Zhong Fang Green Co., Ltd (Zhong Fang)	Subsidiary of Star Power
Ren Hua Green Co., Ltd. (Ren Hua)	Subsidiary of Star Power
SunGrounder Co., Ltd. (SunGrounder)	Subsidiary of Star Power
Sunenginer Co., Ltd. (Sunenginer)	Subsidiary of Star Power
Esun Energy Co., Ltd. (Esun Energy)	Subsidiary of Star Power
Daybreak Fishery Management Consultants Co., Ltd. (DFM)	Subsidiary of Star Power

HD RENEWABLE ENERGY CO., LTD.
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Name of related parties	Relationship with the Company
Ri Wei Green Co., Ltd. (Ri Wei)	Subsidiary of Star Power
Ri Yun Green Co., Ltd. (Ri Yun)	Subsidiary of Aquastar
Yunn Deng Green Co., Ltd. (Yunn Deng)	Subsidiary of Aquastar
Xin Sheng Energy Develop Co., Ltd. (Xin Sheng)	Subsidiary of Aquastar
Wen Deng Green Co., Ltd. (Wen Deng)	Subsidiary of Aquastar
Titan Solar Co., Ltd. (Titan Solar)	Corporate director of the Group
Gigastorage Corporation (Gigastorage)	Substantive related party of the Group
TPK Touch Solutions Inc. (TPK)	Substantive related party of the Group (note 2)
SHIHLIN ELECTRIC & ENGINEERING CORPORATION (Shihlin Electric & Engineering)	Substantive related party of the Group (note 4)
Fubon Green Power Co Ltd (Fubon Green Power)	Substantive related party of the Group (note 5)
Arc Trade Inc. (Arc Trade)	Substantive related party of the Group
Chou, Shih-Chang	Substantive related party of the Group
Li Tong Management Consulting Co., Ltd. (Li Tong)	Subsidiary of Fubon Green Power (note 6)
Sumray Power Company (Sumray Power)	Subsidiary of Fubon Green Power
Ri Xi Green Co., Ltd. (Ri Xi)	Subsidiary of Star Power (note 7)
Ri Fu Energy Co., Ltd. (Ri Fu Energy)	Subsidiary of Shin Guo

For information related to subsidiaries and related-parties of the Company, please refer to the consolidated financial statements for the years ended December 31, 2025:

- Note 1: The Company sold its entire equity interest in Tian Tai to its subsidiary Star Charger in February 2024. Additionally, the Company sold its entire equity interest in Ying Deng to its subsidiary Star Aquaculture in October 2024. Please refer to note 6(6).
- Note 2: In October 2023, the Company acquired a 30% equity interest in Stellar, making it an associate of the Company. In November 2024, the Company acquired the remaining equity interest in Stellar, thereby obtaining control over it and reclassified it as a subsidiary. At the same time, the former parent company, TPK, ceased to be a related party of the Company from that date.
- Note 3: The Company subscribed for the cash capital increase of Yun Deng in January 2024 not in proportion to its shareholding, at investment amount of \$27,000 thousand, resulting in an increase in its ownership interest from 40% to 54.46%. Consequently, the Company obtained control over Yun Deng, which was reclassified from an associate to a subsidiary.
- Note 4: In April 2024, the Company acquired a 49% equity interest in Shixing and accounted for it as an associate. In addition, as Shihlin Electric & Engineering Corporation is the parent company of Shixing, Shihlin Electric & Engineering Corporation and its subsidiaries became related parties of the Company from that date.

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

Note 5: In June 2024, the Company acquired a 10% equity interest in Fubon Energy and was appointed as a director thereof.

Note 6: In July 2024, the Company disposed of all of its shares in Li Tong to Fubon Energy.

Note 7: The Company disposal all of its shares in Ri Xi to Star Power in July 2025.

(2) The Company's significant related party transactions and balances were as follows:

A. Operating revenue and receivables from related parties

		Operating revenue	
		For the years ended December 31,	
		2025	2024
Subsidiaries of the joint ventures			
Ri-Xi	\$	2,758,835	-
Xin Sheng		2,188,594	4,732,320
Yunn Deng		79,083	1,047,385
Others		579,243	144,858
Subsidiaries		353,652	260,138
Subsidiaries of the associates		309,663	-
Joint ventures		8,612	7,769
Other related parties			
Li Tong		1,029,921	2,521,082
Others		61,561	297
	\$	<u>7,369,164</u>	<u>8,713,849</u>
		Receivables from related parties	
		December 31,	December 31,
		2025	2024
Subsidiaries			
GGE	\$	112,361	-
Star Charger		30,780	1,618
Battery Park 2		26,768	-
Others		21,783	175
Subsidiaries of the joint ventures			
Daytime		29,363	-
Others		18,690	-
Joint Ventures		1,605	-
Other related parties			
Li Tong		-	136,436
Others		93	-
	\$	<u>241,443</u>	<u>138,229</u>

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

		Construction receivables from related parties (recognized as contract assets)	
		December 31, 2025	December 31, 2024
Subsidiaries of the joint venture			
Ri-Xi	\$	1,983,335	-
Xin Sheng		1,389,525	-
Yunn Deng		964,214	885,131
Wen Deng		647,145	404,488
Others		182,673	173,142
Subsidiaries		-	38,845
Subsidiaries of the associates		309,663	-
Other related parties			
Li Tong		459,927	1,248,286
	\$	<u>5,936,482</u>	<u>2,749,892</u>
		Advances of construction from related parties (recognized as contract liabilities)	
		December 31, 2025	December 31, 2024
Subsidiaries of the joint venture		\$	
Xin Sheng		-	436,025
Others		8,871	8,871
Subsidiaries			
Huiju		44,173	23,613
	\$	<u>53,044</u>	<u>468,509</u>

The selling price and payment terms for sales to related parties and contractual constructions undertaken for the related parties by the Company were negotiated between both parties, and were not materially different from those with third parties.

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

B. Purchases, subcontracted construction works, operating costs and payables to related parties

		Purchases and subcontracted construction works	
		For the years ended December 31,	
		2025	2024
Other related party			
Shihlin Electric & Engineering	\$	1,394,660	194,891
Subsidiaries		-	38,529
Stellar		33,622	-
Others		12,327	-
Associates			
Stellar		-	1,692,273
Others		13,242	11,802
	\$	<u>1,453,851</u>	<u>1,937,495</u>
		Operating Costs	
		For the years ended December 31,	
		2025	2024
Subsidiaries			
HB	\$	3,647	4,202
Others		99	62
Subsidiaries of the joint ventures		837	745
Joint venture		56	46
Associates		9,073	-
	\$	<u>13,712</u>	<u>5,055</u>
		Payables to related parties	
		December 31,	December 31,
		2025	2024
Other related party			
Shihlin Electric & Engineering	\$	688,827	212,593
Associates		-	517
Subsidiaries		3,362	9
	\$	<u>692,189</u>	<u>213,119</u>

The purchase price and payment terms for equipment, parts, and procurement of construction contracts from related parties are negotiated between both parties and the payment period is pursuant to the contract terms. There were not materially different from those with third parties.

HD RENEWABLE ENERGY CO., LTD.
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C. Property transactions

In July 2025, the Company sold all of its equity interest in Ri Xi to Star Power for a consideration of \$80,900 thousand, and recognized a gain on disposal of \$656 thousand.

In July 2025, the Company sold other equipment to Star Trade for a consideration of \$817 thousand. As of December 31, 2025, all related payments had been collected.

In September 2025, the Company purchased battery energy-storage cabinets from Star Trade for consideration of \$3,800 thousand. As of December 31, 2025, all related payments had been settled.

The Company sold machinery and equipment to Star Charger in December 2025 for consideration of \$1,143 thousand (excluding VAT), resulting in a disposal gain of \$214 thousand. As of December 31, 2025, the related receivable arising from the transaction amounted to \$1,200 thousand (presented as other receivables – related parties).

The Company sold all of its equity interest in Tian Tai to Star Charge for a consideration of \$56 thousand in February 2024 and sold all of its equity interest in Yin Deng to Star Aquaculture for a consideration of \$35 thousand in October 2024.

The Company had sold land to Xin Sheng for a disposal price of \$22,170 thousand in May 2024, resulting in a gain on disposal of \$119 thousand.

The Company disposed all of its equity interest in Li Tong to its related party, Fubon Green Power, for a consideration of \$42,000 thousand in July 2024, and recognized a gain on disposal of \$293 thousand.

In November 2024, the Company acquired the remaining 70% shares of Stellar from TPK.

The Company had sold Machinery and equipment to SSP in December 2024, at a disposal price of \$2,470 thousand and recognized a gain on disposal amounting to \$459 thousand. As of December 31, 2024, the receivable amount generated from the aforementioned transaction was \$741 thousand (recognized as other receivables-related parties).

D. Prepayments

	Prepayments for equipment	
	December 31, 2025	December 31, 2024
Other related party		
Shihlin Electric & Engineering	\$ 119,601	237,508
Associate		
SSP	-	5,176
Subsidiaries	-	1,176
	\$ 119,601	243,860

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E. Loans to related parties

The details on loans to the related parties for working capital requirements are as follows (recognized as other receivables due from related parties):

For the year ended December 31, 2025				
Name of related party	Highest balance of financing to related parties (note)	Ending balance of actual usage amount	Interest income	Interest receivable
Subsidiaries	\$ <u>500,000</u>	<u>374,000</u>	<u>33</u>	<u>33</u>
For the year ended December 31, 2024				
Name of related party	Highest balance of financing to related parties (note)	Ending balance of actual usage amount	Interest income	Interest receivable
Subsidiaries	\$ <u>32,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note: The highest balance approved by the Board of Directors.

F. Guarantee

Please refer to Table 2 for details of guarantees and endorsements.

G. Refundable deposits

As of December 31, 2025 and 2024, the Company paid the deposits to other related parties for the rental of right-of-use assets amounted to \$3,079 thousand and \$2,454 thousand, respectively, and were classified as refundable deposits.

As of December 31, 2025, the Company paid performance guarantee deposits totaling \$23,048 thousand to other related parties in relation to construction contracts and equipment purchases, and these amounts were classified as refundable deposits.

As of December 31, 2025, the Company paid guarantee deposits of \$50,000 thousand to other related parties arising from investment evaluation agreements, which were classified as refundable deposits.

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Notes to the Financial Statements

H. Rental income

The Company leased its plant, ancillary equipment and land to Stellar for the period from November 1, 2023, to June 30, 2024, at a monthly rental of \$1,200 thousand, and the electricity expenses generated from the mentioned plant were charged to the Stellar, and payable monthly. Guarantee deposits of \$2,400 thousand were received from the associate (classified as other non-current liabilities). The lease renewal period was from December 1, 2024 to November 30, 2026, with a monthly rent of \$700 thousand, payable monthly. The refundable deposit was reduced to \$1,400 thousand in accordance with the agreement. As of December 31, 2025 and 2024, the receivables amount due from the associate was \$0 thousand and \$735 thousand (classified as other receivables due from related parties).

I. Various expenses

(a) Rental expenses

The Company entered into office lease contracts with other related parties in May 2021 for the term from May 1, 2021 to July 31, 2025 at an annual rent of \$1,800 thousand, and payable on a monthly basis. Effective January 1, 2024, the rental payments were changed to be payable on an annual basis. Upon expiration of the lease, the Company renewed the lease for a term from August 1, 2025 to July 31, 2028, with an annual rental of \$1,800 thousand. Depreciation charges recognized for the years ended December 31, 2025 and 2024 were \$1,506 thousand and \$1,638 thousand, respectively, and interest expenses amounted to \$55 thousand and \$39 thousand, respectively. The balances of the right-of-use assets as of December 31, 2025 and 2024 were \$4,266 thousand and \$956 thousand, respectively, and the balances of the lease liabilities were \$4,288 thousand and \$995 thousand, respectively.

The Company entered into office lease contracts with other related parties in January 2023 for the term from January 1, 2023 to December 31, 2025 at an annual rent of \$1,426 thousand and payable on a monthly basis. Depreciation charges recognized for the years ended December 31, 2025 and 2024 were both \$1,381 thousand and interest expenses amounting to \$14 thousand and \$45 thousand. The balance of the right-to-use assets as of December 31, 2025 and 2024 was \$0 thousand and \$1,381 thousand, the lease liabilities was \$0 thousand and \$1,411 thousand.

The Company entered into office lease contracts with other related parties in December 2023 for the term from December 1, 2023 to July 31, 2028, with annual rent of \$8,862 thousand, and payable on a monthly basis. In August 2025, the lease scope was reduced and the annual rental was adjusted to \$6,362 thousand, and another lease contract was newly executed for the term from August 1, 2025 to July 31, 2028, with annual rent of \$2,502 thousand, and payable on a monthly basis. Depreciation charges recognized for the years ended December 31, 2025 and 2024 were \$8,959 thousand and \$6,271 thousand, respectively, and interest expenses amounted to \$711 thousand and \$636 thousand, respectively. The balances of the right-of-use assets as of December 31, 2025 and 2024 were \$21,485 thousand and \$29,960 thousand, respectively, and the balances of the lease liabilities were \$21,984 thousand and \$30,373 thousand, respectively.

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

(b) Other expenses

As of December 31, 2025 and 2024, the balances of payables recognized in other current liabilities arising from subsidiary paying for project site construction expenses on behalf of the Company are amounted to \$794 thousand and \$842 thousand, respectively.

The Company entrusted its subsidiaries to develop software, as of December 31, 2025 and 2024, the research and development expenses generated from the mentioned plant were both \$70,800 thousand. The payable amount were both \$5,900 thousand. (classified as other payable to related parties).

The Company engaged other related parties to provide development services for a power settlement system. During the year ended December 31, 2025, the research and development expenses arising from the above transactions amounted to \$7,636 thousand. As of December 31, 2025, prepayments arising from the aforementioned transactions totaled \$76,358 thousand, which were classified as other current assets and other non-current assets.

J. Various advances

As of December 31, 2025 and 2024, the amounts to related parties from the payment on behalf of another party are as follows:

<u>Name of related party</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiary of associate		
Ri Fu Energy	\$ 31,556	-
Subsidiaries		
HD Australia	-	24,304
Others	41	-
Other related parties	117	117
Associates	-	-
Subsidiaries of the joint ventures	4	-
	<u>\$ 31,718</u>	<u>24,421</u>

K. Dividend receivables

For the year ended 2025, the Company was entitled to receive cash dividends of \$2,447 thousand from related parties. As of December 31, 2025, such dividends had not yet been received and were classified as other receivables from related parties.

HD RENEWABLE ENERGY CO., LTD.
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(3) Key management personnel compensation

Key management personnel compensation comprised as follows:

	For the years ended December 31,	
	2025	2024
Short-term employee benefits	\$ 35,297	45,277
Post-employment benefits	351	365
Share-Based Payment	4,899	2,863
	\$ 40,547	48,505

8. Assets pledged as security:

The carrying values of assets pledged as security were as follows:

Pledged assets	Pledged to secure	December 31, 2025	December 31, 2024
Restricted bank deposits (note)	Long-term borrowings and guarantee for engineering projects	\$ 977,118	373,380
Machinery and equipment	Collateral for long-term bank loans	123,450	132,363
Land	Collateral for long-term bank loans	348,310	348,310
Buildings and construction	Collateral for long-term bank loans	180,940	184,764
Investments accounted for using equity method	Collateral for long-term bank loans	1,909,652	-
Total		\$ 3,539,470	1,038,817

Note: Classified under other current assets and other non-current assets.

9. Commitments and contingencies:

- (1) As of December 31, 2025 and 2024, the Company provided performance guarantee and warranty guarantee totaling \$2,075,568 thousand and \$637,740 thousand, respectively, for undertaking a solar power generation system project.
- (2) For the guarantees and endorsements provided by the Company to its subsidiaries and associates, please refer to notes 7 and note 13(1) - Table 2.
- (3) Please refer to note 6(22) for the contracts of outstanding major contractual works that have been entered into by the Company.

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

- (4) The Company procured solar photovoltaic system equipment, wire chase hangers, booster station supports, and commissioned solar photovoltaic system steel structures, solar photovoltaic modules installation and reinforcement works from LEADERTECH GLOBAL CO., LTD. ("Leadertech"). In 2022, Leadertech requested payment for the construction work and late penalty charges from the Company, totaling \$19,363 thousand, along with statutory interest. The Company claimed that due to significant concealed cracks and scratches on the modules in the field during the construction period, the Company had the right to defer the payment of penalty based on the clauses as stipulated in the contract. Additionally, the Company had the right to offset the payment with the module damages. The matter was handled by legal counsel. On January 9, 2026, the parties reached a court-mediated settlement, under which the Group agreed to pay a portion of the construction fees amounting to \$4,500 thousand.

10. Losses due to major disasters: None.

11. Subsequent events: None.

12. Other:

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By item	For the year ended December 31, 2025			For the year ended December 31, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	56,461	322,874	379,335	57,233	344,365	401,598
Labor and health insurance	5,260	20,687	25,947	4,197	16,195	20,392
Remuneration of directors	-	7,023	7,023	-	16,024	16,024
Pension	2,854	9,849	12,703	2,272	7,827	10,099
Other employee benefits expense	4,864	15,028	19,892	3,485	10,567	14,052
Depreciation	31,787	64,304	96,091	27,467	53,816	81,283
Amortization	2,742	10,030	12,772	2,480	24,667	27,147

The information about number of employees and employee benefit expenses for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	2024
Number of employees	<u>245</u>	<u>210</u>
Number of directors who were not holding as a position of employee	<u>5</u>	<u>5</u>
The average employee benefits	\$ <u>1,824</u>	\$ <u>2,176</u>
The average employee salary	\$ <u>1,581</u>	\$ <u>1,959</u>
The average of salary adjust rate	<u>(19.30)%</u>	

HD RENEWABLE ENERGY CO., LTD.
Notes to the Financial Statements

The Company's remuneration policy (including directors, managers and employees) is as follows:

- (1) Directors' remuneration: In accordance with the Company's "Directors' and Managers' Remuneration Scheme", the distribution of directors' remuneration is proposed by the Chairman and submitted to the Remuneration Committee for approval.
- (2) Employees and managers' remuneration and annual bonuses: In accordance with the Company's "Directors' and Managers' Remuneration Scheme" and with reference to a combination of factors such as seniority and performance.
- (3) The Company has established an audit committee to replace the supervisory system.

13. Other disclosures:

- (1) Information on significant transactions:

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

- A. Loans to other parties: Please refer to Table 1.
 - B. Guarantees and endorsements for other parties: Please refer to Table 2.
 - C. Material securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.
 - D. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 4.
 - E. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 5.
- (2) Information on investees (excluding information on investees in Mainland China): Please refer to Table 6.
 - (3) Information on investment in Mainland China: None

14. Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2025.

HD Renewable Energy Co., Ltd.
Loans to other parties
For the year ended December 31, 2025

Table 1

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 1)	Maximum limit of fund financing
													Item	Value		
0	HD	Star Trade	Other receivables - related parties	Yes	500,000	500,000	374,000	3.24%	2	-	Operating capital	-	None	-	4,166,250	4,166,250
1	HD Australia	GGE	Other receivables - related parties	Yes	161,777	-	-	5.25%	2	-	Operating capital	-	None	-	328,769	328,769
1	HD Australia	HDRE II	Other receivables - related parties	Yes	126,060	126,060	113,027	5.25%	2	-	Operating capital	-	None	-	328,769	328,769
1	HD Australia	HDRE II	Other receivables - related parties	Yes	52,525	52,525	-	5.45%	2	-	Operating capital	-	None	-	328,769	328,769
1	HD Australia	HDRE I	Other receivables - related parties	Yes	118,286	118,286	25,212	5.45%	2	-	Operating capital	-	None	-	328,769	328,769
2	HB	Shin Guo	Other receivables - related parties	Yes	16,000	-	-	3.24%	2	-	Operating capital	-	None	-	91,553	91,553

Note 1: (1) For companies or firms that have business transactions with the Company, the total amount of loans and the amount of loans to any individual party shall not exceed the Company's net worth.

(2) For situations where there is a need for short-term financing, the total amount of loans and the amount of loans to any individual party shall not exceed 40% of the Company's net worth.

(3) For intercompany loans between offshore subsidiaries in which the Company directly or indirectly holds 100% of the voting shares (subsidiary-to-subsidiary loans), or loans from such offshore subsidiaries to the Company (subsidiary-to-parent loans), the total amount of loans and the amount of loans to any individual party shall not exceed the net worth of the lending entity.

Note 2: The nature of financing purposes: 1.Represents entities with business transaction with HD. 2.Represents where an inter-company or inter firm short-term financing facility is necessary.

HD Renewable Energy Co., Ltd.
Guarantees and endorsements for other parties
For the year ended December 31, 2025

Table 2

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with company										
0	HD	Star Charger	Subsidiary	83,324,992	400,600	272,400	77,360	-	2.62 %	83,324,992	Y	N	N
0	HD	Huiju	Subsidiary of SES	83,324,992	330,000	330,000	330,000	-	3.17 %	83,324,992	Y	N	N
0	HD	HD Japan	Subsidiary	83,324,992	1,330,637	1,283,343	403,583	-	12.32 %	83,324,992	Y	N	N
0	HD	HD Australia	Subsidiary	83,324,992	250,019	250,019	187,160	-	2.40 %	83,324,992	Y	N	N
0	HD	Star Trade	Subsidiary	83,324,992	625,227	625,227	-	-	6.00 %	83,324,992	Y	N	N
0	HD	HDRE II	Subsidiary	83,324,992	142,511	142,511	-	-	1.37 %	83,324,992	Y	N	N
1	SES	Huiju	Subsidiary of SES	4,764,900	3,500,000	3,500,000	2,881,253	1,504,404	881.45 %	4,764,900	Y	N	N
2	Star VIC I	HDRE II	Fellow subsidiary	2,394,864	142,511	142,511	-	199,566	71.41 %	2,394,864	N	N	N

Note 1 : The total amount of guarantees endorsements provided by HD shall not exceed 800% of the net worth of HD's latest financial statements. If the Companies engages in guarantees endorsements for business relationship, total amount of guarantees endorsements shall not exceed the latest signed total transaction amount (the transaction referring to the higher of sales or purchase amount), and is subject to the limitations of the total amount of the guarantees endorsements.

Note 2 : The total amount of guarantees endorsements provided by SES shall not exceed 12 times of its net worth. The total amount of guarantees endorsements provided by SES to any individual entity shall not exceed 12 times of SES's net worth.

Note 3: The total amount of endorsements and guarantees provided by Star VIC I shall not exceed twelve times its net worth based on the most recent financial statements. If the endorsements and guarantees are made due to business needs, the total amount shall not exceed the higher of the most recently executed purchase or sales contract amount, and is also subject to the overall limit for external endorsements and guarantees.

Note 4: The Company and Star VIC I jointly provided endorsements and guarantees for HDRE II.

HD Renewable Energy Co., Ltd.

Material securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures)

December 31, 2025

Table 3

(In Thousands of New Taiwan Dollars/ Thousand Shares)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
HD	Fubon Green Power	Related party	Financial assets at fair value through other comprehensive income	40,000	440,584	10.0 %	440,584	
HD	ZEN	Related party	Financial assets at fair value through other comprehensive income	253	916,765	9.7 %	916,765	
HD	Tech-Top Engineering Co., Ltd.	10%+ shareholders	Financial assets at fair value through other comprehensive income	4,822	203,440	11.2 %	203,440	

HD Renewable Energy Co., Ltd.

Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock

For the year ended December 31, 2025

Table 4

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase /Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
HD	Xin Sheng	Subsidiary of joint venture	Operating revenue	(2,188,594)	(29)%	Note 1	-	Note 1	-	-	
HD	Ri Xi	Subsidiary of joint venture	Operating revenue	(2,758,835)	(37)%	Note 1	-	Note 1	-	-	
HD	Wen Deng	Subsidiary of joint venture	Operating revenue	(436,680)	(6) %	Note 1	-	Note 1	-	-	
HD	Daytime	Subsidiary of joint venture	Operating revenue	(101,249)	(1) %	Note 1	-	Note 1	29,363	12%	
HD	Ri Fu Energy	Subsidiary of associate	Operating revenue	(309,663)	(4) %	Note 1	-	Note 1	-	-	
HD	Li Tong	Substantive related party of the Company	Operating revenue	(1,029,921)	(14)%	Note 1	-	Note 1	-	-	
HD	Shihlin Electric & Engineering	Substantive related party of the Company	Purchase	1,394,660	31 %	Note 1	-	Note 1	(688,827)	(48)%	
Star Trade	Li Tong	Substantive related party of the Company	Operating revenue	(117,668)	(10)%	Note 1	-	Note 1	-	-	
Stellar	Shihlin Electric & Engineering	Substantive related party of the Company	Operating revenue	(179,064)	(69)%	Note 1	-	Note 1	18,856	85%	

Note 1: The purchase (sales) conditions of the products above are based on the product type, market price competition and other trading conditions, and the selling price are agreed by both parties. The payment period is also in accordance with the contract.

Note 2: A one-way representation is made only in respect of the companies that recognize revenue and assets.

HD Renewable Energy Co., Ltd.

Receivables from related parties with amounts exceeding the lower than NT\$100 million or 20% of the capital stock

December 31, 2025

Table 5

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
HD	GGE	Indirect subsidiary of the Company	112,361	1.92	-	-	112,361	-

HD Renewable Energy Co., Ltd.
Information on investees (excluding information on investees in Mainland China)
For the year ended December 31, 2025

Table 6

(In Thousands of New Taiwan Dollars/other currencies)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	You Deng	Taiwan	Energy technology service	2,900	2,900	290	100.00 %	2,778	4	4	Subsidiary
The Company	Ri Zhi	Taiwan	Energy technology service	11,500	11,000	1,150	100.00 %	10,307	(149)	(149)	Subsidiary
The Company	HB	Taiwan	Energy technology service	30,000	30,000	3,000	100.00 %	91,533	49,443	49,443	Subsidiary
The Company	Xiang Heng	Taiwan	Energy technology service	67,125	67,125	3,900	100.00 %	35,881	(68)	(68)	Subsidiary
The Company	Ri Yu	Taiwan	Energy technology service	26,500	20,000	2,650	100.00 %	26,291	(36)	(36)	Subsidiary
The Company	Ri Xi	Taiwan	Energy technology service	-	78,900	-	-	-	(63)	(63)	Subsidiary
The Company	Ru Jing	Taiwan	Energy technology service	2,000	2,000	200	100.00 %	1,573	9	9	Subsidiary
The Company	Ri Lu	Taiwan	Energy technology service	2,500	2,500	250	100.00 %	3,094	406	406	Subsidiary
The Company	Ri Pu	Taiwan	Energy technology service	400	400	40	100.00 %	279	2	2	Subsidiary
The Company	Titan Asset	Taiwan	Energy technology service	100	100	10	100.00 %	8	-	-	Subsidiary
The Company	Yun Deng	Taiwan	Energy technology service	126,000	77,000	12,600	71.19 %	125,352	(157)	(109)	Subsidiary
The Company	Dan Deng	Taiwan	Energy technology service	1,500	1,500	150	100.00 %	1,354	1	1	Subsidiary
The Company	Ri Fu	Taiwan	Energy technology service	2,600	2,600	260	100.00 %	2,559	2	2	Subsidiary
The Company	Ri Chen	Taiwan	Energy technology service	13,000	13,000	1,300	100.00 %	12,847	44	44	Subsidiary
The Company	New Century	Taiwan	Energy technology service	16,000	16,000	-	100.00 %	15,327	(113)	(113)	Subsidiary
The Company	Chang He	Taiwan	Energy technology service	16,000	16,000	1,600	100.00 %	5,458	(441)	(441)	Subsidiary
The Company	Star Trade	Taiwan	Renewable energy electricity sales	260,600	40,000	26,060	95.11 %	360,757	97,976	6,316	Subsidiary
The Company	Ri Xun	Taiwan	Energy technology service	10,600	7,000	1,060	100.00 %	9,832	(218)	(218)	Subsidiary
The Company	ESS	Taiwan	Energy technology service	-	180,000	-	-	-	1,040	64,555	Subsidiary
The Company	Shin Guo (formerly known as Shin Yuan Energy)	Taiwan	Energy technology service	-	100	-	-	-	(276)	(135)	Subsidiary
The Company	DFC	Taiwan	Energy technology service	600	600	60	100.00 %	301	2	2	Subsidiary
The Company	Star Charger	Taiwan	Energy technology service	400,000	300,000	40,000	100.00 %	250,494	(83,651)	(90,707)	Subsidiary

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Tian Hua	Taiwan	Energy technology service	14,000	10,500	1,400	100.00 %	6,033	(2,837)	(2,837)	Subsidiary
The Company	Tian Fang	Taiwan	Energy technology service	10,000	6,000	1,000	100.00 %	629	(4,452)	(4,452)	Subsidiary
The Company	Tian Jie	Taiwan	Energy technology service	70,000	70,000	7,000	100.00 %	64,504	(3,220)	(3,220)	Subsidiary
The Company	Tian Xi	Taiwan	Energy technology service	6,500	6,500	650	100.00 %	2,870	(2,843)	(2,843)	Subsidiary
The Company	Tian Hui	Taiwan	Energy technology service	110,000	100	11,000	100.00 %	108,498	(5,194)	(5,194)	Subsidiary
The Company	Tian Yi	Taiwan	Energy technology service	100	100	10	100.00 %	50	-	-	Subsidiary
The Company	Tian Chen	Taiwan	Energy technology service	100	100	10	100.00 %	49	-	-	Subsidiary
The Company	Tian Dong	Taiwan	Energy technology Service	100	100	10	100.00 %	55	1	1	Subsidiary
The Company	Tian Chang	Taiwan	Energy technology Service	100	100	10	100.00 %	50	1	1	Subsidiary
The Company	Tian Yu	Taiwan	Energy technology service	37,000	9,000	3,700	100.00 %	36,856	(84)	(84)	Subsidiary
The Company	Tian Yong	Taiwan	Energy technology service	4,500	4,500	450	100.00 %	4,479	17	17	Subsidiary
The Company	Tian Hong	Taiwan	Energy technology service	100	100	10	100.00 %	50	-	-	Subsidiary
The Company	Tian Sheng	Taiwan	Energy technology service	100	100	10	100.00 %	56	-	-	Subsidiary
The Company	SES	Taiwan	Energy technology service	364,000	400,000	36,400	67.23 %	266,942	(62,119)	(41,761)	Subsidiary
The Company	Star Aquaculture	Taiwan	Fisheries and aquaculture	98,305	98,305	9,831	98.31 %	73,314	(4,412)	(4,333)	Subsidiary
The Company	Ying Fa	Taiwan	Energy technology service	990	990	99	99.00 %	472	(138)	(137)	Subsidiary
The Company	BESEYE	Taiwan	Energy technology service	30,589	120,589	15,287	100.00 %	137,938	52,102	47,562	Subsidiary
The Company	Ju Wang	Taiwan	Energy technology service	172,000	160,000	17,200	100.00 %	171,590	(142)	(142)	Subsidiary
The Company	Shin Bei	Taiwan	Energy technology service	10,000	2,000	1,000	100.00 %	7,544	(1,492)	(1,492)	Subsidiary
The Company	Shin Chen	Taiwan	Energy technology service	100	100	10	100.00 %	83	1	1	Subsidiary
The Company	Shin He	Taiwan	Energy technology service	10,500	2,000	1,050	100.00 %	7,492	(1,678)	(1,678)	Subsidiary
The Company	Shin Duo	Taiwan	Energy technology service	100	100	10	100.00 %	83	1	1	Subsidiary
The Company	Shin Ting	Taiwan	Energy technology service	33,500	3,500	3,350	100.00 %	31,064	(1,790)	(1,790)	Subsidiary
The Company	Shin Jian	Taiwan	Energy technology service	100	100	10	100.00 %	83	1	1	Subsidiary
The Company	Rui Yang	Taiwan	Energy technology service	196,000	196,000	19,600	70.00 %	196,267	248	173	Subsidiary
The Company	Lanjing	Taiwan	Energy technology service	374	374	37	100.00 %	372	1	1	Subsidiary
The Company	Landian	Taiwan	Energy technology service	300	300	30	100.00 %	292	1	1	Subsidiary
The Company	Ri Chu	Taiwan	Energy technology service	100,000	100,000	10,000	100.00 %	100,064	82	82	Subsidiary
The Company	HD Japan	Japan	Energy technology service	2,115,983	453,253	201	100.00 %	1,909,652	(81,019)	(81,019)	Subsidiary
The Company	Shin Yu	Taiwan	Energy technology service	72,000	58,500	7,200	100.00 %	71,653	(200)	(200)	Subsidiary
The Company	New Star	Taiwan	Energy technology service	10,800	10,800	1,080	54.00 %	10,822	224	121	Subsidiary

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	HD Australia	Australia	Energy technology service	366,499	204,899	17,520	100.00 %	328,768	(19,890)	(19,890)	Subsidiary
The Company	HDRE I	Australia	Energy technology service	201,878	201,878	9,170	100.00 %	187,917	(453)	(453)	Subsidiary
The Company	Stellar	Taiwan	Energy technology service	117,194	117,194	12,000	100.00 %	108,665	47,955	(4,087)	Subsidiary
The Company	HDAT	Taiwan	Energy technology service	9,600	700	960	80.00 %	9,292	(371)	(297)	Subsidiary
The Company	HDRE II	Australia	Energy technology service	2,162,159	-	109,968	100.00 %	2,387,055	75,567	75,567	Subsidiary
				<u>7,374,896</u>	<u>3,107,507</u>			<u>7,187,628</u>	<u>47,625</u>	<u>(23,635)</u>	
The Company	Ri Qing	Taiwan	Energy technology service	2,914	2,914	291	34.44 %	3,007	128	44	Associate
The Company	Ri Fa	Taiwan	Energy technology service	56,000	56,000	6,576	40.00 %	72,663	14,540	5,816	Associate
The Company	SSP	Taiwan	Energy technology service	39,200	39,200	3,920	49.00 %	35,750	(3,833)	(1,879)	Associate
The Company	HeLM	Japan	Energy technology service	101,275	-	440	44.00 %	80,365	(18,363)	(8,080)	Associate
The Company	Shin Guo	Taiwan	Energy technology service	20,000	-	2,000	20.00 %	19,934	(276)	(28)	Associate
				<u>219,389</u>	<u>98,114</u>			<u>211,719</u>	<u>(7,804)</u>	<u>(4,127)</u>	
The Company	Star Power	Taiwan	Energy technology service	391,600	274,000	39,160	23.53 %	391,497	(21,541)	(6,809)	Joint venture
The Company	Aquastar	Taiwan	Energy technology service	357,810	303,160	35,781	10.00 %	359,580	14,981	1,498	Joint venture
				<u>749,410</u>	<u>577,160</u>			<u>751,077</u>	<u>(6,560)</u>	<u>(5,311)</u>	
SES	Huiju	Taiwan	Energy technology service	1,500,000	1,500,000	150,000	100.00 %	1,504,404	2,022	2,022	Subsidiary
Star Charger	Tian Tai	Taiwan	Energy technology service	56	56	10	100.00 %	42	-	-	Subsidiary
Star Charger	Star Charger Japan	Japan	Energy technology service	32,633	225	15	100.00 %	28,110	(1,888)	(1,888)	Subsidiary
				<u>32,689</u>	<u>281</u>			<u>28,152</u>	<u>(1,888)</u>	<u>(1,888)</u>	
Star Trade	Star Trade Japan	Japan	Energy technology service	7,112	212	4	100.00 %	6,455	(596)	(596)	Subsidiary
Star Trade	Helios	Japan	Energy technology service	600,462	-	-	30.00 %	600,462	(29,881)	-	Subsidiary
				<u>607,574</u>	<u>212</u>			<u>606,917</u>	<u>(30,477)</u>	<u>(596)</u>	
Star Aquaculture	Yin Deng	Taiwan	Energy technology service	35	35	10	100.00 %	27	(1)	(1)	Subsidiary
New Star	New Star Japan	Japan	Energy technology service	666	217	-	100.00 %	244	(231)	(231)	Subsidiary
HD Japan	Battery Park 1	Japan	Energy technology service	63	63	-	100.00 %	7,047	7,595	(5,896)	Subsidiary
HD Japan	Star No.1	Japan	Energy technology service	2	2	-	100.00 %	(517)	(496)	(496)	Subsidiary
HD Japan	Star No.2	Japan	Energy technology service	2	2	-	100.00 %	(513)	(492)	(492)	Subsidiary
HD Japan	Star No.3	Japan	Energy technology service	2	2	-	100.00 %	(513)	(492)	(492)	Subsidiary
HD Japan	Star No.4	Japan	Energy technology service	2	2	-	100.00 %	(513)	(492)	(492)	Subsidiary
HD Japan	Star No.5	Japan	Energy technology service	2	2	-	100.00 %	(513)	(492)	(492)	Subsidiary
HD Japan	Battery Park 2	Japan	Energy technology service	2	2	-	100.00 %	(685)	(713)	(713)	Subsidiary

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
HD Japan	Battery Park 4	Japan	Energy technology service	2	2	-	100.00 %	(620)	(646)	(646)	Subsidiary
HD Japan	Battery Park 5	Japan	Energy technology service	2	2	-	100.00 %	(618)	(644)	(644)	Subsidiary
HD Japan	Battery Park 6	Japan	Energy technology service	2	2	-	100.00 %	(617)	(643)	(643)	Subsidiary
HD Japan	Battery Park 7	Japan	Energy technology service	2	2	-	100.00 %	(617)	(643)	(643)	Subsidiary
HD Japan	Battery Park 8	Japan	Energy technology service	-	2	-	-	-	(631)	(631)	Subsidiary
HD Japan	Battery Park 9	Japan	Energy technology service	2	2	-	100.00 %	(617)	(643)	(643)	Subsidiary
HD Japan	Battery Park 10	Japan	Energy technology service	2	2	-	100.00 %	(617)	(643)	(643)	Subsidiary
HD Japan	Battery Park 11	Japan	Energy technology service	2	2	-	100.00 %	(617)	(643)	(643)	Subsidiary
HD Japan	Battery Park 12	Japan	Energy technology service	2	2	-	100.00 %	(617)	(643)	(643)	Subsidiary
HD Japan	Minakami	Japan	Energy technology service	25,517	1	-	50.00 %	23,946	(312)	(156)	Subsidiary
HD Japan	Helios	Japan	Energy technology service	1,191,029	-	-	60.00 %	1,109,389	(29,881)	(16,029)	Subsidiary
HD Japan	Battery Park 13	Japan	Energy technology service	2	-	-	100.00 %	(74)	(79)	(79)	Subsidiary
HD Japan	Battery Park 14	Japan	Energy technology service	2	-	-	100.00 %	(74)	(79)	(79)	Subsidiary
HD Japan	Battery Park 15	Japan	Energy technology service	2	-	-	100.00 %	(75)	(81)	(81)	Subsidiary
HD Japan	Battery Park 16	Japan	Energy technology service	2	-	-	100.00 %	(75)	(81)	(81)	Subsidiary
HD Japan	Battery Park 17	Japan	Energy technology service	2	-	-	100.00 %	(75)	(81)	(81)	Subsidiary
HD Japan	Battery Park 18	Japan	Energy technology service	2	-	-	100.00 %	(75)	(81)	(81)	Subsidiary
HD Japan	Battery Park 19	Japan	Energy technology service	2	-	-	100.00 %	(75)	(81)	(81)	Subsidiary
HD Japan	Battery Park 20	Japan	Energy technology service	2	-	-	100.00 %	(75)	(81)	(81)	Subsidiary
HD Japan	Battery Park 21	Japan	Energy technology service	2	-	-	100.00 %	(75)	(81)	(81)	Subsidiary
HD Japan	Battery Park 22	Japan	Energy technology service	2	-	-	100.00 %	(75)	(81)	(81)	Subsidiary
HD Japan	STARRY	Japan	Energy technology service	213	-	-	100.00 %	97	(108)	(108)	Subsidiary
				<u>1,216,870</u>	<u>94</u>			<u>1,131,537</u>	<u>(32,468)</u>	<u>(31,951)</u>	
HD Australia	GGE	Australia	Energy technology service	<u>137,669</u>	<u>2</u>	6,581	100.00 %	<u>138,108</u>	<u>(81)</u>	<u>(81)</u>	Subsidiary
HDRE I	Star VIC I	Australia	Energy technology service	<u>199,099</u>	<u>193,844</u>	150,510,866	100.00 %	<u>199,572</u>	<u>(50)</u>	<u>(50)</u>	Subsidiary
HDRE II	ZEBRE	Australia	Energy technology service	<u>2,544,241</u>	<u>-</u>	129,435	75.96 %	<u>2,795,772</u>	<u>99,102</u>	<u>75,284</u>	Subsidiary
ZEBRE	Solar River I Holding	Australia	Energy technology service	<u>956,434</u>	<u>-</u>	45,762	100.00 %	<u>961,381</u>	<u>(81)</u>	<u>(81)</u>	Subsidiary
ZEBRE	Hookey Creek I Holding	Australia	Energy technology service	91,518	-	4,637	100.00 %	97,424	-	-	Subsidiary
ZEBRE	Noblevale I Holding	Australia	Energy technology service	89,811	-	4,489	100.00 %	94,320	-	-	Subsidiary

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
ZEBRE	North Yarragon I Holding	Australia	Energy technology service	86,044	-	4,378	100.00 %	91,978	-	-	Subsidiary
ZEBRE	Wagga North I Holding	Australia	Energy technology service	53,091	-	2,686	100.00 %	56,436	-	-	Subsidiary
ZEBRE	Templers BESS Hold	Australia	Energy technology service	1,913,478	-	100,168	100.00 %	2,208,292	127,142	95,719	Subsidiary
				3,190,376	-			3,509,831	127,061	95,638	
Solar River I Holding	Solar River I Project	Australia	Energy technology service	956,434	-	45,762	100.00 %	961,381	(81)	(81)	Subsidiary
Hookey Creek I Holding	Hookey Creek I Project	Australia	Energy technology service	91,518	-	4,637	100.00 %	97,424	-	-	Subsidiary
Noblevale I Holding	Noblevale I Project	Australia	Energy technology service	89,811	-	4,489	100.00 %	94,320	-	-	Subsidiary
North Yarragon I Holding	North Yarragon I Project	Australia	Energy technology service	86,044	-	4,378	100.00 %	91,978	-	-	Subsidiary
Wagga North I Holding	Wagga North I Project	Australia	Energy technology service	53,091	-	2,686	100.00 %	56,436	-	-	Subsidiary
Templers BESS Hold	Templers BESS Project	Australia	Energy technology service	1,913,478	-	100,168	100.00 %	2,208,292	127,142	95,719	Subsidiary
Templers BESS Project	Templers BESS	Australia	Energy technology service	-	-	-	100.00 %	8,099	29,784	41,249	Subsidiary
Tian Hui	Startrade Holding	Cayman Islands	Energy technology service	107,602	-	3,500	70.00 %	107,291	(7,119)	(4,983)	Subsidiary
Startrade Holding	MWEX SOLUTIONS	Canada	Energy technology service	153,102	-	6,970	100.00 %	149,551	(6,816)	(6,816)	Subsidiary

HD Renewable Energy Co., Ltd.
Statement of Cash and Cash Equivalents

December 31, 2025

(Expressed in thousands of New Taiwan Dollars; in
dollar of foreign currencies dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash	Petty Cash	\$ 1,245
Bank deposits	Demand deposits	1,024,647
	Foreign currency deposit (note) USD431,411.63 and CNY197,267.37	14,446
		<u>\$ 1,040,338</u>

Foreign currency foreign exchange and at the balance sheet date are as follows:

USD: 31.43

CNY: 4.496

Statement of Notes and Account Receivable

<u>Customer Name</u>	<u>Amount</u>
Taiwan Power Company	\$ 1,382
Taiwan Fixed Network Co., Ltd.	906
Feng Ding Guang Bo Co., Ltd.	647
Cha For Life Enterprise Ltd.	406
	<u>3,341</u>
Less: Loss allowance	<u>(647)</u>
	<u>\$ 2,694</u>

Notes: 1. Notes and accounts receivable above resulting from business activities.

2. Accounts receivable due from related parties were not included in the above. Please refer to note 7 for details.

HD Renewable Energy Co., Ltd.

Contract assets / liabilities

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Customer Name	Contract assets	Contract liabilities
Ri Xi Green Co., Ltd.	\$ 1,983,335	-
Xin Sheng Energy Develop Co., Ltd.	1,389,525	-
Yunn Deng Green Co., Ltd.	964,214	-
Wen Deng Green Co., Ltd.	647,145	-
Li Tong Management Consulting Co., Ltd.	459,927	-
Ri Fu Energy Co., Ltd.	309,663	-
He Shuo Agriculture Co., Ltd.	-	109,545
Ri Fu Energy Co., Ltd.	-	44,173
Other (individual amount not exceeding 5%)	<u>196,504</u>	<u>16,050</u>
	<u>\$ 5,950,313</u>	<u>169,768</u>

HD Renewable Energy Co., Ltd.

Statement of Inventories

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount		Notes
	Net amount	Net Realizable Value	
Battery module pending for construction	\$ 101,921	102,374	The basis on net realizable value of inventory, please refer to accompanying notes 4(7) to the statements.
Power cables pending for construction	37,459	39,120	
Module pending for construction	81,102	82,728	
Raw materials	<u>27,982</u>	<u>29,412</u>	
Total	<u><u>\$ 248,464</u></u>	<u><u>253,634</u></u>	

Statement of Other Current and Non-Current Assets

Please refer to note 6(10) to the parent-company-only financial statements for the information on other current and non-current assets.

HD Renewable Energy Co., Ltd.

**Statement of financial assets measured at fair value through other
comprehensive income - non-current**

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Name	Beginning balance		Increase in this period		Decrease in this period		Other (Note)	Ending Balance		Accumulated impairment losses	Guarantee or Pledge Situation	Note
	Shares/ Units (thousands)	Amount	Shares/ Units (thousands)	Amount	Shares/ Units (thousands)	Amount		Shares/ Units (thousands)	Amount			
Fubon Green Power Co., Ltd.	40,000	\$ 400,000	-	-	-	-	40,584	40,000	440,584	-	None	
ZEN Energy Pty Ltd	253	912,150	-	-	-	-	4,615	253	916,765	-	None	
TECH-TOP ENGINEERING CO., LTD.	4,822	163,996	-	-	-	-	39,444	4,822	203,440	-	None	
		<u>\$ 1,476,146</u>		<u>-</u>		<u>-</u>	<u>84,643</u>		<u>1,560,789</u>	<u>-</u>		

Note: Including unrealized profit from financial assets at fair value through other comprehensive income \$84,643 thousand.

HD Renewable Energy Co., Ltd.

Statement of Changes in Investments Accounted for Using the Equity Method

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Beginning balance		Increase (decrease) for the period		Gains (losses) on investments	Translation adjustment	Cash dividends paid	Others (Note 1)	Ending balance			Net equity	Pledge or guarantee
	Shares (thousands)	Amount	Shares (thousands) (note 2)	Amount					Shares (thousands)	Amount (Note 3)	Percentage of ownership (%)		
Subsidiary:													
You Deng Green Co., Ltd.	290	2,774	-	-	4	-	-	-	290	2,778	100	2,778	None
Ri Zhi Green Co., Ltd.	1,100	9,956	50	500	(149)	-	-	-	1,150	10,307	100	10,307	None
HB O&M Co., Ltd.	3,000	82,698	-	-	49,443	-	(40,608)	-	3,000	91,533	100	91,533	None
Xiang Heng Green Co., Ltd.	3,900	35,949	-	-	(68)	-	-	-	3,900	35,881	100	35,881	None
Ri Yu Green Co., Ltd.	2,000	19,827	650	6,500	(36)	-	-	-	2,650	26,291	100	26,291	None
Ri Xi Green Co., Ltd.	7,890	78,307	(7,890)	(78,900)	(63)	-	-	656	-	-		-	None
Ru Jing Green Co., Ltd.	200	1,564	-	-	9	-	-	-	200	1,573	100	1,573	None
Ri Lu Green Co., Ltd.	250	3,037	-	-	406	-	(349)	-	250	3,094	100	3,094	None
Ri Pu Green Co., Ltd.	40	277	-	-	2	-	-	-	40	279	100	279	None
Titan Asset Management Co., Ltd.	10	8	-	-	-	-	-	-	10	8	100	8	None
Dan Deng Green Co., Ltd.	150	1,353	-	-	1	-	-	-	150	1,354	100	1,354	None
Ri Fu Green Co., Ltd.	260	2,557	-	-	2	-	-	-	260	2,559	100	2,452	None
Ri Chen Green Co., Ltd.	1,300	12,803	-	-	44	-	-	-	1,300	12,847	100	12,847	None
New Century Energy Co., Ltd.	-	15,440	-	-	(113)	-	-	-	-	15,327	100	15,327	None
Chang He Energy Co., Ltd.	1,600	5,899	-	-	(441)	-	-	-	1,600	5,458	100	5,458	None
Star Trade Co., Ltd.	4,000	73,122	22,060	220,600	6,316	(47)	(29,012)	89,778	26,060	360,757	95	435,464	None
Ri Xun Green Co., Ltd.	700	6,450	360	3,600	(218)	-	-	-	1,060	9,832	100	9,832	None
Star Energy Storage Solutions Co., Ltd.	18,000	192,177	(18,000)	(120,600)	64,555	-	(10,081)	(126,051)	-	-	-	-	None

Item	Beginning balance		Increase (decrease) for the period		Gains (losses) on investments	Translation adjustment	Cash dividends paid	Others (Note 1)	Ending balance			Net equity	Pledge or guarantee
	Shares (thousands)	Amount	Shares (thousands) (note 2)	Amount					Shares (thousands)	Amount (Note 3)	Percentage of ownership (%)		
Shin Guo Energy Co., Ltd. (formerly known as Shin Yuan Energy Co., Ltd.)	10	45	(10)	(62)	(135)	-	-	152	-	-	-	-	None
Star Charger Co., Ltd.	30,000	238,323	10,000	100,000	(90,707)	(1,952)	-	4,830	40,000	250,494	100	257,551	None
Daybreak FisheryTech Co., Ltd.	60	299	-	-	2	-	-	-	60	301	100	301	None
Tian Hua ChargeTech Co., Ltd.	1,050	5,201	350	3,500	(2,837)	-	-	169	1,400	6,033	100	6,033	None
Tian Fang ChargeTech Co., Ltd.	600	1,081	400	4,000	(4,452)	-	-	-	1,000	629	100	629	None
Tian Jie ChargeTech Co., Ltd.	7,000	67,724	-	-	(3,220)	-	-	-	7,000	64,504	100	64,504	None
Tian Xi ChargeTech Co., Ltd.	650	5,713	-	-	(2,843)	-	-	-	650	2,870	100	2,870	None
Tian Hui Energy Storage Co., Ltd.	10	54	10,990	109,900	(5,194)	3,738	-	-	11,000	108,498	100	108,498	None
Tian Yi Energy Storage Co., Ltd.	10	50	-	-	-	-	-	-	10	50	100	50	None
Tian Cheng Energy Storage Co., Ltd.	10	49	-	-	-	-	-	-	10	49	100	49	None
Tian Dong Energy Storage Co., Ltd.	10	54	-	-	1	-	-	-	10	55	100	55	None
Tian Chang Energy Storage Co., Ltd.	10	49	-	-	1	-	-	-	10	50	100	50	None
Tian Yu Green Co., Ltd.	900	8,940	2,800	28,000	(84)	-	-	-	3,700	36,856	100	36,856	None
Tian Yong Green Co., Ltd.	450	4,462	-	-	17	-	-	-	450	4,479	100	4,479	None
Tian Hong Green Co., Ltd.	10	50	-	-	-	-	-	-	10	50	100	50	None
Tian Sheng Green Co., Ltd.	10	56	-	-	-	-	-	-	10	56	100	56	None
Star Energy Storage Co., Ltd.	40,000	344,703	(3,600)	(36,000)	(41,761)	-	-	-	36,400	266,942	67	266,942	None
Star Aquaculture Co., Ltd.	9,831	75,320	-	-	(4,333)	-	-	2,327	9,831	73,314	98	73,310	None
Ying Fa Energy Co., Ltd.	99	609	-	-	(137)	-	-	-	99	472	99	472	None
BESEYE CLOUD SECURITY CO., LTD.	24,287	179,821	(9,000)	(90,000)	47,562	-	-	555	15,287	137,938	100	106,273	None
Ju Wang Energy Co., Ltd.	16,000	159,732	1,200	12,000	(142)	-	-	-	17,200	171,590	100	171,267	None
Shin Bei Charger Co., Ltd.	200	1,036	800	8,000	(1,492)	-	-	-	1,000	7,544	100	7,544	None
Shin Chen Charger Co., Ltd.	10	82	-	-	1	-	-	-	10	83	100	83	None
Shin He Charger Co., Ltd.	200	670	850	8,500	(1,678)	-	-	-	1,050	7,492	100	7,492	None

Item	Beginning balance		Increase (decrease) for the period		Gains (losses) on investments	Translation adjustment	Cash dividends paid	Others (Note 1)	Ending balance			Net equity	Pledge or guarantee
	Shares (thousands)	Amount	Shares (thousands) (note 2)	Amount					Shares (thousands)	Amount (Note 3)	Percentage of ownership (%)		
Shin Duo Charger Co., Ltd.	10	82	-	-	1	-	-	-	10	83	100	83	None
Shin Ting Charger Co., Ltd.	350	2,854	3,000	30,000	(1,790)	-	-	-	3,350	31,064	100	31,064	None
Shin Jian Charger Co., Ltd.	10	82	-	-	1	-	-	-	10	83	100	83	None
Rui Yang Optronics Co. Ltd.	19,600	196,387	-	-	173	-	(293)	-	19,600	196,267	70	196,267	None
Lanjing Volt Co., Ltd.	37	371	-	-	1	-	-	-	37	372	100	83	None
Landian Solar Energy Co., Ltd.	30	291	-	-	1	-	-	-	30	292	100	92	None
Ri Chu Energy Co., Ltd.	10,000	99,982	-	-	82	-	-	-	10,000	100,064	100	100,010	None
HD Renewable Energy Japan Co., Ltd.	43	419,250	158	1,662,730	(81,019)	(91,309)	-	-	201	1,909,652	100	1,909,652	Yes
Yun Deng Green Co., Ltd.	7,700	76,547	4,900	49,000	(109)	-	-	(86)	12,600	125,352	71	125,352	None
Shin Yu Energy Co., Ltd.	5,850	58,353	1,350	13,500	(200)	-	-	-	7,200	71,653	100	71,621	None
New Star Charging Technology Co., Ltd.	1,080	10,717	-	-	121	(16)	-	-	1,080	10,822	54	10,822	None
HD Renewable EnerGT Australia Pty. Ltd.	9,520	176,230	8,000	161,600	(19,890)	10,828	-	-	17,520	328,768	100	328,768	None
HDRE I Holding Pty Ltd (HDRE I Holding Unit Trust)	9,170	182,844	-	-	(453)	5,526	-	-	9,170	187,917	100	187,917	None
HDRE II Holding Pty Ltd.(HDRE II Holding Unit Trust)	-	-	109,968	2,162,159	75,567	149,337	-	(8)	109,968	2,387,055	100	2,387,055	None
HDAT Energy CO., LTD.	70	691	890	8,900	(297)	-	-	(2)	960	9,292	80	9,292	None
Stellar Energy Technology Inc.	12,000	112,653	-	-	(4,087)	-	-	99	12,000	108,665	100	160,687	None
		<u>2,975,655</u>		<u>4,267,427</u>	<u>(23,635)</u>	<u>76,105</u>	<u>(80,343)</u>	<u>(27,581)</u>		<u>7,187,628</u>			

Item	Beginning balance		Increase (decrease) for the period		Gains (losses) on investments	Translation adjustment	Cash dividends paid	Others (Note 1)	Ending balance			Net equity	Pledge or guarantee
	Shares (thousands)	Amount	Shares (thousands) (note 2)	Amount					Shares (thousands)	Amount (Note 3)	Percentage of ownership (%)		
Associates:													
Ri Qing Green Co., Ltd.	291	3,011	-	-	44	-	(48)	-	291	3,007	34	3,007	None
Shin Guo Energy Co., Ltd. (formerly known as Shin Yuan Energy Co., Ltd.)	-	-	2,000	19,962	(28)	-	-	-	2,000	19,934	20	19,934	None
Ri Fa Green Co., Ltd.	6,278	66,847	298	-	5,816	-	-	-	6,576	72,663	40	72,663	None
HeLM Aggregation Co., Ltd.	-	-	440	101,275	(8,080)	(12,830)	-	-	440	80,365	44	80,365	None
Shilin Star Power Corporation	3,920	37,629	-	-	(1,879)	-	-	-	3,920	35,750	49	35,750	None
		<u>107,487</u>		<u>121,237</u>	<u>(4,127)</u>	<u>(12,830)</u>	<u>(48)</u>	<u>-</u>		<u>211,719</u>			
Joint ventures:													
Star Power Energy Corporation	27,400	291,390	11,760	117,600	(6,809)	-	(13,170)	2,486	39,160	391,497	24	391,497	None
Aquastar Energy Co., Ltd.	30,316	305,879	5,465	54,650	1,498	-	(2,447)	-	35,781	359,580	10	359,580	None
		<u>597,269</u>		<u>172,250</u>	<u>(5,311)</u>	<u>-</u>	<u>(15,617)</u>	<u>2,486</u>		<u>751,077</u>			
		<u>3,680,411</u>		<u>4,560,914</u>	<u>(33,073)</u>	<u>63,275</u>	<u>(96,008)</u>	<u>(25,095)</u>		<u>8,150,424</u>			
Less: Unrealized gains on transaction of intercompany transaction		<u>643,599</u>		<u>301,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>945,291</u>			
		<u><u>\$ 3,036,812</u></u>		<u><u>4,259,222</u></u>	<u><u>(33,073)</u></u>	<u><u>63,275</u></u>	<u><u>(96,008)</u></u>	<u><u>(25,095)</u></u>		<u><u>7,205,133</u></u>			

Note 1: Others included gains on disposal of investments amounting to \$808 thousand; the difference between the consideration paid for the acquisition or disposal of subsidiary ownership interests and the carrying amounts thereof of \$(45,768) thousand; changes in equity of subsidiaries accounted for using the equity method of \$(8) thousand; an amount of \$5,145 thousand offset against capital surplus and retained earnings arising from changes in ownership interests not in proportion to shareholding; and employee remuneration paid by the Company to employees of subsidiaries amounting to \$14,728 thousand.

Note 2: Ri Fa issued stock dividends.

Note 3: As of December 31, 2025, the credit balance of investments accounted for using the equity method amounted to \$2,551 thousand, which related entirely to Star Power. This credit balance resulted from a carrying amount of \$391,497 thousand offset by deferred credits amounting to \$394,048 thousand.

HD Renewable Energy Co., Ltd.
**Statement of Changes in Property, Plant and
equipment**
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(7) to the parent-company-only financial statements for the information of property, plant and equipment.

Statement of Changes in Right-to-use Assets

Please refer to note 6(8) to the parent-company-only financial statements for the information of right-to-use assets.

Statement of Changes in Intangible Assets

Please refer to note 6(9) to the parent-company-only financial statements for the information of intangible assets.

HD Renewable Energy Co., Ltd.
Statement of Notes and Accounts Payable
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Vendor Name	Amount
Pacific Electric Wire & Cable Co., Ltd.	\$ 103,522
Etica Battery Inc.	100,368
Shine Engineering Co., Ltd.	86,533
Zhongxinbo New Energy Science and Technology (Suzhou) Co., Ltd.	63,414
Jinko Solar (Vietnam) Industries Company Limited	55,582
Apollo International Corp.	46,780
Evergreen Power Supply Co., Ltd.	41,015
Others (individual amount not exceeding 5%)	237,125
	<u>\$ 734,339</u>

Notes: 1. The above notes and accounts payable are generated from operating activities.
2. Notes and accounts payable to related parties are not included in the above accounts. Please refer to note 7 for details.

Statement of Short-Term Borrowings

Please refer to note 6(11) to the parent-company-only financial statement
for the information of short-term borrowings.

Statement of Long-Term Borrowings

Please refer to note 6(13) to the parent-company-only financial statement
for the information of long-term borrowings.

Statement of lease liabilities - current and non-current

Please refer to note 6(15) to the parent company only financial statements for the information of lease liabilities - current and non-current

Statement of Other Current and Non-Current Liabilities

Please refer to note 6(16) to the parent-company-only financial statements for the information of other current and non-current liabilities.

HD Renewable Energy Co., Ltd.
Statement of Operating Revenue
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(22) to the parent-company-only financial statements
for the information of operating revenue.

Statement of Operating Costs

<u>Item</u>	<u>Amount</u>
Cost of engineering	
Inventories at the beginning of the period	\$ 195,156
Purchase for the period	3,246,049
Purchase return and discount	<u>(37,141)</u>
Purchase of raw materials (net)	<u>3,208,908</u>
Less: Inventories at the end of the period	(249,961)
Less: Cost of goods sold	(133,546)
Add: Other	<u>(72,774)</u>
Contribution of raw materials for the period	<u>2,947,783</u>
Direct labor	23,773
Indirect labor	33,161
Engineering expenses	<u>2,236,539</u>
Construction cost	<u>2,293,473</u>
Total engineering cost	5,241,256
Cost of goods sold	147,487
Cost of services	7,958
Cost of power electric	18,543
Cost of other	40,314
Write-down of inventories	<u>(1,384)</u>
Total operating costs	<u><u>\$ 5,454,174</u></u>

HD Renewable Energy Co., Ltd.
Statement of Operating Expenses
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Item	Sale expenses	Administrative expenses	Research and development expense
Wages and salaries	\$ 45,347	237,605	39,922
Depreciation	19,999	37,339	6,966
Professional service fees	-	82,140	72,285
Other expenses (individual amount does not exceed 5%)	59,961	154,864	16,257
	<u>\$ 125,307</u>	<u>511,948</u>	<u>135,430</u>

**Statement of the net Amount of Other Revenues and
Gains and Expenses and Losses**

Please refer to note 6(26) the parent-company-only financial statements
for the information of other gains and losses.