



**Stock Code:3576**

**United Renewable Energy Co., Ltd.**  
**(Former name : Neo Solar Power Corp.)**

**2020 Annual Report**

Issue Date: Mar 09, 2021

Information website: <http://newmops.twse.com.tw>

I、 Company Spokesperson：

Spokesman  
Name：Laylay,Pan  
Position：CFO  
Tel:+886-3-578-0011  
E-mail：IR@urecorp.com

Deputy spokesperson  
Name：Zabrina Hsu  
Position：Legal V.P.  
Tel:+886-3-578-0011  
E-mail：IR@urecorp.com

II、 Address and Telephone Number of The Company Headquarter, Subsidiaries, and Plants：

Name	Address	Tel
Headquarters	No.7, Li-Hsin Rd.III, Hsinchu Science Park, Hsinchu, Taiwan 300, R.O.C.	+886-3-578-0011
Branch and Plants	No. 518, Sec. 2, Bentian Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	+886-6-700-6588
Branch	No. 16, Guangfu N. Rd., Hukou Township, Hsinchu County 303, R.O.C.	+886-3-578-0011
Plants	No. 66, Keyan Rd., Zhunan Township, Miaoli County 350, Taiwan (R.O.C.)	+886-37-586-198
Subsidiary and Plants	101/32-33 Navanakorn Industrial Estate, Moo 20, Paholyothin Road, Klongneung,Phatumthani 12120,Thailand	+66-2-9090868
Subsidiary and Plants	No. 699, TianXiang Rd., Nanchang Economic and Technological Development Zone, Nanchang city, Jiangxi Province	+86-791-86778558

III、 Stock Transfer Agency：

Company: ChinaTrust Commercial Bank, Transfer Agency Department  
Address: 5F, No. 83, Sec. 1, Chungqing S. Rd., Taipei City, Taiwan  
Website: <https://ecorp.chinatrust.com.tw/cts/en/index.jsp>  
Tel: +886 -2-6636-5566

IV、 External Auditor：

Name of Accounting Firm：KPMG  
Name of CPAs：Cheng-Chien Chen and Yung-Hua Huang  
Address：68F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City, Taiwan  
Website：http://www.kpmg.com.tw  
Tel：886-2-8101-6666

V、 Overseas Securities Exchange：NA

VI、 Company Website：<http://www.urecorp.com>

**United Renewable Energy Co., Ltd.**  
**(Former name : Neo Solar Power Corporation)**

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## I. Letter to Shareholders

Dear Shareholders,

On behalf of the Management Team of United Renewable Energy (URE), I would like to thank you all for your continued support.

According to the World Bank Group, global economy contract by 4.3% in 2020 due to COVID -19 pandemic. In the long term, negative impact on investment and employment remains, global economy is still expected to recover in 2021, however at weaker rate. The severe climate catastrophes caused by global warming persists, governments around world is using aggressive policies to reach carbon neutral, this lead to continue growth in development of renewable energy sector. The consolidated revenue of URE reached NT\$12.5 billion. With hard work and dedication from all our employees, the sales volume of solar cell and module increased significantly and URE maintain leadership position in Taiwan market.

At the moment URE mass produce p-Perc monocrystalline solar cell “Black 22” and “BiFi”, with conversion efficiency reach 22.9%, the LID and PID outperformed traditional solar cell. URE continued to develop high conversion and efficiency products such as “Peach” M6 450W and M10 530W module products for international market. URE double glass half cut module “Glory Peach” can reach 420W in front which has same efficiency as 470W , 1500VDC design, low LID, PID resistant and passed 10x IEC test. At same time its weight is 20% lighter, thus bought new era to the bifacial modules. URE continued to patent numerous licenses, and produce products that are resistant to salt erosion and environmental friendly. The products also complied with ITRI standard as no water pollution as per water quality standard by EPA. The products are especially suited to Taiwan environment.

URE solar cell and module was awarded Taiwan Excellent PV award by Bureau of Energy, Ministry of Economic Affairs in 2020, and its eight consecutive years that URE has the honor of receiving this award. URE module passes the newest and most strict testing by organizations such as TUV Rheinland and IEC, and was certified by the organizations, at same time URE product also certified as clean energy product by organizations from numerous countries. URE was also on the list of Bloomberg New Energy Finance Tier 1 Module Manufacturer List in 2020, further recognized URE’s excellence in the PV field.

URE expands downstream solar system project business actively. URE has built up its core competences in development, construction, sales, and financing for global solar system projects. As well as providing O&M service for solar system. URE is largest developer of PV systems in Taiwan, with accumulated installed capacity and project under development/construction over 1.5GW. In overseas market, URE forms strategic alliances with internationally renowned renewable energy management companies. URE focus on the development of the projects and sold it to asset management companies. In USA, URE is expected to sell 50MW of solar station to Empower, at same time URE continue to work with local EPC to complete utility scale project of 60MW in State of Maine. In UK, URE is expected to complete development and sale of 100MW of solar station to Aviva. In Taiwan, URE group win about 50MW of government projects in Yilan, Tainan, Yunlin and various school roofs projects in 4<sup>th</sup> quarter of 2020. Recently we also win project from Taiwan Railway and Taiwan Water Corporation. URE is able to provide one stop services from professional consultation to module supply to customers, which increase URE’s competitiveness. URE also have large utility scale projects in Yunlin, Changhua, Pingtung in development, those will be largest projects in next 5years. According to Bloomberg New Energy Finance forecast, as much as 209 GW of solar PV could be installed globally in 2021. Due to the future potential and stable income from solar system, URE will aggressively develop global solar system business which can also create demand for solar cell and module products and driving future growth.

In order to provide total solutions for the renewable energy, URE invested in design and development of Energy Storage System (ESS) products in ZEUS series, URE’s industrial ESS is the first in Taiwan to achieve UL9540 certification by UL laboratory and can stabilize the intermittent renewable power. URE collaborated with UL to develop product, and also passed the UL9540 test in heated environment. URE’s BMS was certified with IEC 60730, and reliability is foremost in the market. According to U.S. Department of Energy, annual global deployments of stationary storage (excluding PSH) are projected to exceed 300 GWh in 2030, representing a 27% compound annual growth rate.

URE successfully developed the first hydrogen fuel cell vehicle, but it’s still unable to compete in terms of cost with traditional scooters and lack of hydrogen fuel stations, URE decide to stop the plan to develop hydrogen fuel scooters. But with zero emission, the hydrogen fuel cell electric scooter is the first choice to reduce air pollution. Hydrogen fuel cells technology provided people an alternative for clean energy. The hydrogen fuel cell can still be use in all kinds of transportation vehicle such as drone, truck, bus etc.

As leader in the Solar industry and outstanding Corporate Citizen, URE feels oblige to promote clean energy, energy conservation to our customers, user, partner and general public around the world, URE feels it’s our duty to care for the environment and make contribution to society. URE will continue to focus on module brand and solar system business, improve competitiveness of Taiwan solar industry. With the support from government fund and policy, URE will strive to assist Taiwan energy supply sector complete transformation, and reached government target of cumulated installed solar PV capacity of 20GW by 2025.

The following are highlight of 2020 performance and business plan for the 2021:

## 1.The report on 2020 business result

### 1.1.2020 Financial Performance

Unit: NT\$'000

Item	2020	2019
Consolidated Net Sales	12,511,034	18,139,112
Consolidated Gross Loss	(932,680)	(982,531)
Consolidated Loss from Operation	(4,614,257)	(5,221,950)
Consolidated Loss After Income Tax	(6,162,307)	(5,769,189)
Net Loss Attributable to Shareholders of the Parent	(6,139,015)	(5,686,065)

### 1.2.Budget Implementation

URE did not provide nor disclose any budget forecast to the public.

### 1.3.Analysis of Receipts, Expenditures, and Profitability

#### 1.3.1.Analysis of Receipts and Expenditures

In 2020, the net cash generated in operating activities amount to NT\$2.2 billion, net cash generated from investing activities amount to NT\$4.97 billion, the net cash used in financing activities amount to NT\$8.2 billion. URE will continue to maintain sufficient cash position and finance operation will continue to be conservative and prudent.

#### 1.3.2.Analysis of Profitability

The consolidated revenue decreased by 31% from previous year to NT\$12.5 billion, which was mainly due to COVID-19 pandemic negatively impact URE's oversea business. The gross margin is -7%, the operating expenses declined by 29%, the net loss for the year was NT\$6.2 billion, the increase was result of once-off asset impairment loss. URE's finance is stable and sound, cash and cash equivalents amount to NT\$4.95 billion by the end of 2019, URE will continue to maintain sufficient cash position and finance operation will continue to be conservative and prudent.

### 1.4.Examine Research and Development Work

At the moment URE mass produce p-Perc monocrystalline solar cell "Black 22" and "BiFi", with conversion efficiency reach 22.9%, the LID and PID outperformed traditional solar cell. URE continued to develop high conversion and efficiency products such as "Peach" M6 450W and M10 530W module products for international market. URE double glass half cut module "Glory Peach" can reach 420W in front which has same efficiency as 470w, 1500VDC design, low LID, PID resistant and passed 10x IEC test. At same time its weight is 20% lighter, thus bought new era to the bifacial modules.

## 2.2021 Business Plan and Future Developmental Strategy

### Business Policy, Sales Volume Forecast and Other Important Production and Sales Policies

#### 2.1.Production Policies

Total production capacity of solar cell is about 2.7GW, the module production capacity will reach 1.5GW in 2-3 years with vertical integration, and downstream system business will reach 1.5GW within next 5 years.

#### 2.2.Research and Development

URE maintain leadership position with investment in technology. In N-type solar cell conversion efficiency could reach 23.5% in second half of 2021. Bifacial HJT products "Glory HELLO), the highest conversion efficiency could reach 24.5, power output 340W equivalent to module conversion efficiency of 20.8%, and right now it's in mass production.

#### 2.3.Sales Policies

In order to keep up with growing global demand for renewable energy, URE will continue to expand in existing market and improve penetration to the newly developed market for customers. At same time, utilized growth potential in Taiwan domestic market, expand module production capacity and develop high end module brand. URE will build a strong system sales team in order to develop global system business and sales channel.

#### 2.4.System Business

In domestic market, with URE premium quality solar cell and module products, and Taiwan Government's short term goal of 8.75GW accumulated PV capacity by 2021, and long term goal of 20GW accumulated PV capacity by 2025, URE will continue to expand domestic system business. And use experience accumulated in domestic market to aggressively develop international system business. The overseas pipeline projects are expected to be above 100MW, URE will continue to develop US solar projects. In the future, with vertical integration of solar industry, URE will be able to provide total solution to our customers.

#### 2.5.New Business Development

2021 is the beginning of new era for Energy Storage Systems, the important policy such as Articles for "major user of electricity" and "trial platform for trading of energy" will be implemented this year. URE's industrial energy storage system is just right for

customers who are major user of electricity and complied with Taiwan Power's platform.

### 3. Effect of External Competition, the Legal Environment and the Overall Business Environment

- 3.1. Taiwan government promote carbon reduction and increase in renewable energy, the green energy industry is one of the "5+2" innovative industries plan and 20GW PV installed target still on track for 2025, URE will aggressively develop and construct solar system business in order to achieve target set by government.
- 3.2. The amendments to Renewable Energy Development Act passed by Legislative Yuan, in which user of electricity exceeds a certain capacity shall install or provide space to install renewable energy power generation and storage facilities or purchase a certain amount of electricity generated from renewable energy and a certificate, it is expected to come into effect by 2021. This will increase the investment in renewable energy generation and storage by corporations, URE will aggressively work with our clients to total provide solution for renewable energy generation and storage, and achieve the target set by government of renewable energy to total energy generated ratio of 20% by 2025.
- 3.3. URE keep close watch on the foreign exchange risk control as our products tend to export to overseas market, URE monitor foreign exchange fluctuation and utilize hedge instrument to lower the risk of foreign exchange fluctuation.
- 3.4. URE will continue to diversify and expand system investment to gain global market share in response to the trade war, it is expect to low the risk of international trade dispute.
- 3.5. Many countries have reach grid parity, the outlook for solar industry are optimistic. URE implement strategic transformation to compete in the global market, URE will also maintain competitive advantage in terms of cost and R&D, URE will continue to achieve the annual target in terms of business plan.
- 3.6. URE will focus on strength module brand and increase solar system business, and hope to integrate the green energy supply chain to provide more added values, at same time regain profitability and growth for our shareholders.
- 3.7. The Council of Agriculture issue working guideline regarding agricultural land alternation, which limited large utility scale project development.
- 3.8. PURE has always been aggressive in the international solar market; URE is expected to expand solar system business internationally.



HONG, CHUM-SAM  
Chairman

## II. Company Profile

### 2.1.Date of Incorporation : August,26,2005

#### 2.1.1.Address and Telephone Number of The Company Headquarter, Subsidiaries, and Plants :

Name	Address	Tel
Headquarters	No.7, Li-Hsin Rd.III, Hsinchu Science Park, Hsinchu, Taiwan 300, (R.O.C.)	+886-3-578-0011
Branch and Plants	No. 518, Sec. 2, Bentian Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)	+886-6-700-6588
Branch	No. 16, Guangfu N. Rd., Hukou Township, Hsinchu County 303, (R.O.C.)	+886-3-578-0011
Plants	No. 66, Keyan Rd., Zhunan Township, Miaoli County 350, Taiwan (R.O.C.)	+886-37-586-198
Subsidiary and Plants	101/32-33 Navanakorn Industrial Estate, Moo 20, Paholyothin Road, Klongneung,Phatumthani 12120,Thailand	+66-2-9090868
Subsidiary and Plants	No. 699, TianXiang Rd., Nanchang Economic and Technological Development Zone, Nanchang city, Jiangxi Province	+86-791-86778558

### 2.2.Company History

August, 2005	Neo Solar Power Energy Corp was officially established.
March, 2006	The company designated the address of Hukou factory (FAB 1), started the construction of its facilities.
September, 2006	The first production line of Hukou factory (FAB 1) was finished, and began to pilot run.
December, 2006	The first production line of Hukou factory (FAB 1) began to thoroughly and massively produced 24 hours, its annual production productivity was 30MW, the profit and loss was equivalent per month.
February, 2007	Obtained the permission of entering Hsinchu Science-based Park.
September, 2007	Stock issuance went public. The utilization rate of productivity of the first production line of Hukou factory (FAB 1) reached 120%.
October, 2007	The company registered emerging stock. Groundbreaking ceremony of Hsinchu Science-based Park Headquarters and Hsinchu Industrial Park Factory (FAB2), the planning annual productivity of whole factory was 600MW.
January, 2008	Hsinchu Science-based Park Headquarters and Hsinchu Industrial Park Factory (FAB2) was under construction. The second production line of Hukou factory (FAB 1) mass produced, the annual productivity increased to 60 MW.
February, 2008	The company obtained the opinion form "was related to technology business, and the development of products was successful and marketable" that issued by the Industrial Development Bureau MOEA.
April, 2008	The third production facility of Hukou factory (FAB 1) mass produced, the annual productivity increased to 90 MW.
May, 2008	The company established the Audit Committee.
June, 2008	The utilization rate of productivity of the whole first production line of Hukou factory (FAB 1) reached 120%. The company applied for stock listing to the Taiwan Stock Exchange.
August, 2008	Hsinchu Industrial Park Factory (FAB2) was officially functioned, added two production lines, the annual productivity increased to 150 MW.
September, 2008	Hsinchu Industrial Park Factory (FAB2) further added two production lines, the annual productivity increased to 210 MW.
October, 2008	The Financial Supervision and Administration Commission of the Executive Yuan approved the listing.
January, 2009	Listed on the Taiwan Stock Exchange.
May, 2009	The polycell battery "Super Cell," with a conversion efficiency of 16.8% was released.

October, 2009	The company published the new generation of right-angle monocrystalline battery "Perfect Cell," with an average efficiency of 17.8%.
March, 2010	The new added equipment of 180 MW productivity of Hsinchu Industrial Park Factory (FAB2) was completed. The total annual productivity increased to 420 MW.
August, 2010	The company established the South Taiwan operation center (FAB3) in Tainan Science Industrial Park.
October, 2010	The company published the new generation of multi-cell battery "Super17," with an average conversion efficiency of more than 17%, and the single crystal cell "Perfect18," with an average conversion efficiency of more than 18%.
December, 2010	The annual productivity was expanded to 800 MW (million watts).
March, 2011	The company published the high conversion efficiency single crystal battery "Black18," with an average conversion efficiency of more than 18%.
April, 2011	The primary product, polycrystalline solar cells, passed the examination of International Carbon Footprint, and complied with the International Carbon Footprint standard "PAS2050".
June, 2011	The company was ranked as 8 <sup>th</sup> place in the Taiwan Science and Technology Top 100 by the Digital Age.
July, 2011	The company successfully issued overseas depositary receipts (GDR), and completed fundraising.
August, 2011	General manager Dr. Hong, Chum-Sam was elected the chairman of the third Taiwan Photovoltaic Industry Association.
September, 2011	The company released the "Black19" single crystal battery with a conversion efficiency of over 19%. Being awarded the "Outstanding Enterprise Class" and "Best Product Category" by the National Brand Yushan Award.
October, 2011	The company released the new generation of 19% high conversion efficiency single crystal battery, "Perfect19", the power generation area was 2% more than the traditional angled single crystal battery.
December, 2011	The annual total equipment productivity increased to 1.3 GW (billion watts).
February, 2012	The company introduced the new generation of high-reliability, high-efficiency battery, "NeoMono".
April, 2012	General manager Dr. Hong, Chum-Sam was elected as Distinguished Alumni of Interdisciplinary Program of Electrical Engineering and Computer Science of National Tsing Hua University. °
May, 2012	The company developed the battery with a maximum efficiency of 19.81% with the customers jointly.
September, 2012	The company introduced the new generation of polycrystalline product, "Super18," with an efficiency of 18.3%, and a single crystal product, "Black19+," with an efficiency of 19.4%. The company had optimized production productivity, and moved Hukou factory to Hsinchu Industrial Park factory and Tainan Factory.
December, 2012	NSP and delta electronics inc cooperatively promoted Taiwan's largest solar cell company, and signed a merger contract with DelSolar Co., Ltd., a subsidiary of delta electronics inc
February, 2013	The shareholders' meeting decided to merge DelSolar Co., Ltd. by issuing new shares with capital increase on February 6, 2013. The consolidation date was temporarily scheduled for May 31, 2013.
May, 2013	NSP officially merged with DelSolar Co., Ltd. on May 31, 2013, and had become the world's largest professional solar cell company.
October, 2013	NSP module was awarded the "Golden Energy Award" from the Energy Bureau of the Ministry of Economic Affairs. The merge of NSP and DelSolar Co., Ltd. had been awarded the Taiwan M&A and Private Equity Council as the "Best Corporate Social Responsibility" for the 2013 M&A gold medal. The company introduced the new generation of multi-cell battery "Super19," with an efficiency of 19.5%, the single-cell battery "Black20," with an efficiency of 20.6%, and the double-sided power module, "BiFi". The company successfully issued convertible corporate bonds and cash capital increase, and completed fundraising. NSP established 4500 rooftop solar systems in the UK, which made it the first Taiwanese manufacturer to build solar systems on a large scale in the UK.
December, 2013	The annual total plant battery productivity increased to 2.12 GW (billion watts).
June, 2014	The company introduced three high-efficiency module products, including Super Crystal Super19 battery, single crystal Black20 battery, and half-cut Black20 battery, Super, Power, and PowerH.
July, 2014	The new convertible corporate bond (ECB) issued by NSP, which was denominated in Taiwanese dollars, was the first solar manufacturer to be successfully issued in Taiwan.
September, 2014	The new solar cell and module products of NSP were both awarded the Gold Energy Award of

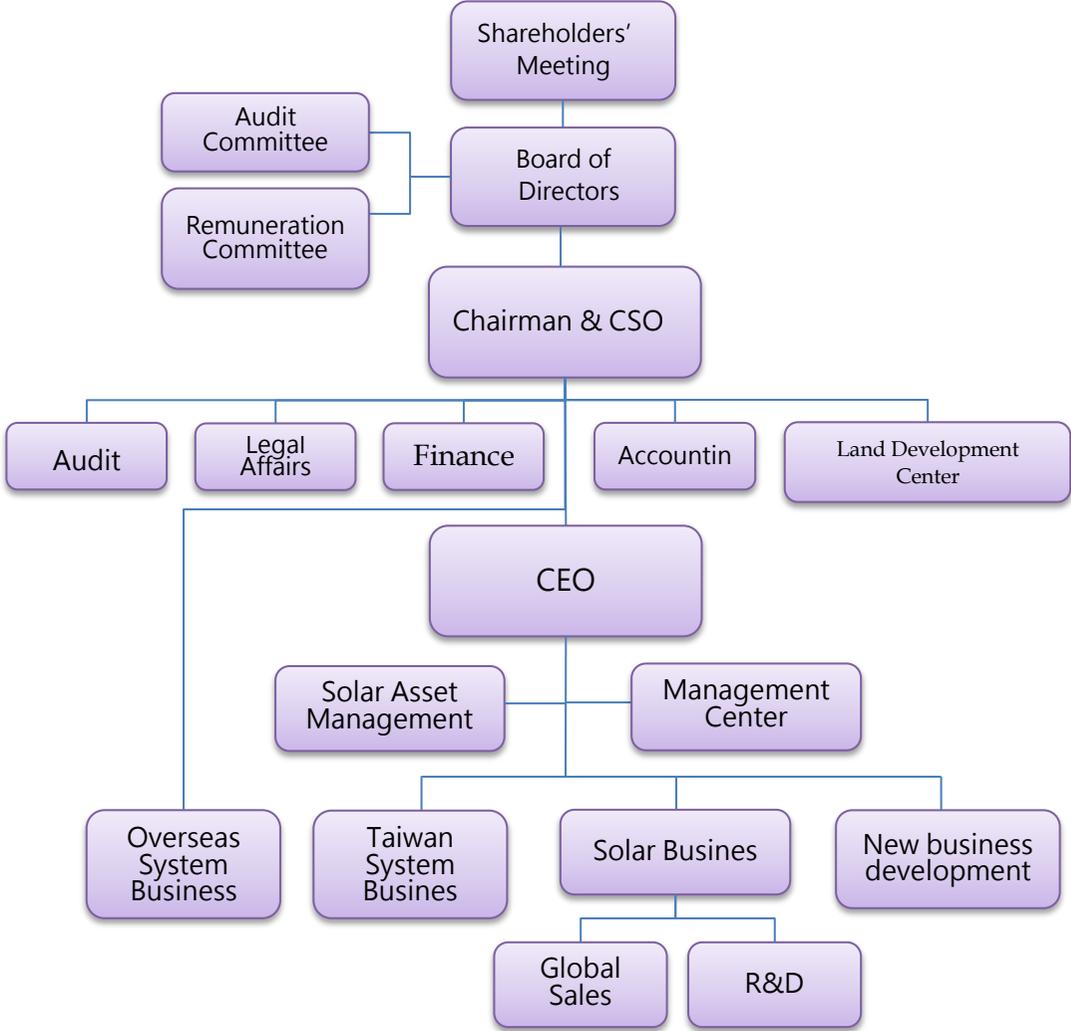
	the Energy Bureau of the Ministry of Economic Affairs for two consecutive years.
December, 2014	The cumulative shipments of NSP products were over 6.1 GW (billion watts). NSP was awarded “Excellent Health Workplace – Health Pilot Award” by Health Promotion Administration, MOHW. NSP received budget supplement of the Ministry of Economic Affairs, Energy Bureau to conduct research and development of high-efficient products. NSP established the world's largest airport solar power plant in Indianapolis, USA.
March, 2015	The N-type double-sided light-absorbing double glass module of NSP was officially installed in Japan.
April, 2015	NSP signed a technical cooperation agreement with dupont.
July, 2015	NSP's cumulative product shipments were over 7 GW (billion watts).
October, 2015	The company released the new generation of single-crystal PERC high-efficiency products, "Black 21," with a maximum conversion efficiency of 21.1% The new solar cell and module products of NSP were both awarded the Gold Energy Award of the Ministry of Economic Affairs, Energy Bureau, for three consecutive awards.
December, 2015	NSP's 2014 CSR Report was awarded the Bronze Award by the TAISE. NSP had leading Taiwan's solar energy industry, it was the first company that obtained the Clean Production Assessment System Certification from the Ministry of Economic Affairs, Industrial Bureau. NSP's module products were awarded the 24th “Taiwan Excellence Award” in 2016.
March, 2016	NSP completed the first phase 34MW of the “Monte Plata” project in the Dominican Republic and, became the largest solar power plant in the Caribbean.
April, 2016	The company successfully completed the cash increase and raised NT\$2,880,000,000, it was the first Taiwan Solar Company in 2016.
June, 2016	The company respectively released three new solar cell products, the "Hello 22," with N-type HJT battery, the "Black 21," with P-type PERC battery, and the P-type PERC double-sided solar cell, "Black 21 -BiFi".
August, 2016	NSP signed a syndicated loan contract of US\$123.6 million with the banking group. NSP established a joint venture with Cathay Life Insurance, expanded the investment in solar power plants in Taiwan.
October, 2016	NSP introduced two new single crystal module products, the PEGA PEC tandem battery's ultra-high wattage solar module, "PEACH" series, and P-type PERC solar double glass module, "Glory" series." NSP successfully issued the third overseas guaranteed convertible corporate bond (ECB) and received over two times over-subscription.
November, 2016	NSP .had the first precedent of the Taiwan solar industry, completed the investment to set up a solar IPP company. NSP's 2015 CSR Report was awarded the Silver Award by the TAISE.
December, 2016	The battery and module products of NSP were once again awarded the Gold Energy Award of the Ministry of Economic Affairs, Energy Bureau. It had been awarded four consecutive years, and the module was the only one of the annual Golden Energy Awards that exceeded 300Wp.
March, 2017	NSP ;GES received NT\$800,000,000 syndicated loan of the bank and would continue to expand the construction of solar power plants worldwide.
June, 2017	NSP ;GES's solar power plant of Monte Plata, was awarded highest honor in the Dominican Republic environmental award "PREMIOS ATABEY".
July, 2017	The high-efficiency module factory of NSP dedicated to Taiwan's solar energy solutions was officially launched. Japan's Fukushima of NSP ;GES 14.68MW solar power plant was bid with a high price, and the Taiwan factory sold the first case of a massive solar power station in Japan.
August, 2017	NSP US Team completed the development of the US power plant 225MW total investment of US\$ 435,000,000, created a new milestone in Taiwan's solar photovoltaic.
October, 2017	NSP ;GES constructed the first 40MW UHV largest solar power plant in Taiwan. The company implemented the national energy policy and created a new “win” operational mode. NSP, GIN and SEC took the lead in signing the merge intent letter, established United Renewable Energy Co., Ltd
January, 2018	The Board of Directors of NSP, GIN and SEC respectively passed the signing of merger contract.
February, 2018	Taiwan's first P-type double-sided double-glass module roof-type solar power station of NSP was officially opened at the Yunjianan Branch of the Labor Development Department of the Ministry of Labor.
April, 2018	The Dominican Solar Power Station of GES received a long-term project financing of US\$380,000 from the Dutch and German bank.
September, 2018	The battery and module products of NSP were once again awarded the Gold Energy Award of

	the Ministry of Economic Affairs, Energy Bureau. It had been awarded six consecutive years.
October, 2018	NSP, GIN and SEC officially completed the merger, and changed the name to United Renewable Energy Co., Ltd. URE successfully completed the private equity common stock, and introduced the Strategic Investor, National Development Dund, Executive Yuan, and United Renewable Energy Co., Ltd's Management Committee.
November, 2018	URE signed a new credit contract of NT\$10.13 billion with a banking group such as First Commercial Bank URE's 2017 CSR Report was awarded the Golden Award of TAISE.
January, 2019	URE GES sold out the world's largest airport solar power plant, the transaction amount exceeded NT\$700,000,000. URE signed a memorandum of cooperation on power plants of approximately NT\$10,000,000,000 to NT\$15,000,000,000 jointly with Vena Energy Sign.
February, 2019	In order to consolidate resources, improve operation efficiency, Company and wholly owned subsidiary GES merged as per Article 19 of Business Mergers and Acquisitions Act and other relevant regulations on 31 March 2019.
May, 2019	United Renewable Energy Announce New ESS Product United Renewable Energy Introduces New Solar Module Products – Peach Solar Module Series
October, 2019	United Renewable Energy announce new ESS products and Hydrogen Fuel Cell Electric Scooters
December, 2019	URE won orders for 193MW solar project in Tainan Completed raising NT \$ 978 million in cash capital increase.
January, 2020	United Renewable Energy announced that its subsidiary, NSP BVI executed its redemption right with regard to its shares of Clean Focus Yield (CFY), the deal is worth about NT\$1.7 billion
March, 2020	United Renewable Energy and Ye Heng Power Signed MOU for 120MW Module Order
July, 2020	United Renewable Energy Co., Ltd.(URE) had a joint venture with Taiwan Life Insurance Co., Ltd., Shin Kong Life Insurance Co., Ltd. and Shin Kong Venture Capital on Solarbright energy Co., Ltd.
September, 2020	URE had a strong release of "Glory Peach" Solar Polar Module
October, 2020	URE published new generation of photovoltaic module& energy storage product
November, 2020	The subsidiary of URE, Yong Liang Inc.won the bid of "Green Energy Roof Public Participation" by Yilan County Government
December, 2020	The subsidiary of URE, Yung Liang Co., Ltd., won the bid of 17 parking lots in Tainan City
February, 2021	URE had the 1st place in the shipment of modules in Taiwan in 2020.

III. Corporate Governance

3.1. Organization Structure

3.1.1. Organization Chart (January 31, 2021)



### 3.1.2.Responsibilities of Major Departments

Department	Responsibilities
Chairman & CSO	1.To set company operational goals and future development directions 2.To manage the company's development strategy, set the policy and target.
CEO	1.To set the company's overall operating strategy, plans and budget, supervise and coordinate the various departments to achieve the set goals 2.To execute and manage the company's operations, business and projects. 3. Company System audit and set up company regulation
SolarBusiness	1. Solar cell production 2. Solar module production 3. Distribution productivity and chip scheduling 4. Analysis of production performance 5. Research and development of manufacture process and technique 6. Improve conversion efficiency and reduce costs 7. Process of quality control, maintenance of quality system 8. To ensure product quality and improve customer satisfaction 9. Repair and maintenance of factory environmental facilities 10 Maintenance and management of production equipment 11. Execution of production plan, scheduling planning, and management of work order 12. To establish an occupational safety and health system 13. Risk control to provide a safe workplace 14. Import and export operation management 15. Plan of material demand and inventory control 16. Final product shipment and packaging operations, warehouse storage and entry management
Taiwan System Business Overseas System Business Land Development Center	Development and Investment, transportation and construction of solar power plants at home and abroad
New business development	1. Energy conservation, new process of hydrogen energy or new technology development 2. Assist in the introduction of new products into mass production 3. Provide complete solutions of renewable energy
Global Sales	1. Customer development and service 2. Order acceptance and collection operations 3. Delivery and payment follow up handling 4. Coordination and arrangement of after-sales service 5. Supplier management 6. Raw material procurement 7. General material, spare parts, production equipment procurement 8. All about Information, general affairs, factory supplies procurement, project outsourcing
R&D	1. Development of new manufacturing process and technology in order to improve conversion efficiency and lower cost 2. Mass production of new product, maintain technological leadership. 3. IP application and maintain
Solar Asset Management	In charge of Sales of company's global solar system assets, and strengthen solar system management function
Management Center	1. Human resources operation 2. Administration operation 3. Development, management and maintenance of various information demand projects 4. Planning and management of internet technology operation, Company management and cost analysis
Finance	1. Finance and fund management, planning and management of shareholder service 2. Implementation of corporate governance, maintain relationship with investors 3. Investment planning and risk management
Accounting	1.Planning and management of Accounting operation 2.Budget planning and review 3.Company management and cost analysis
Legal Affairs	1. To plan, execute and control the company's legal risks 2. To provide legal related consultation and review work
Audit	1. Establishment and audit of internal control system 2. To ensure the effective implementation of the internal control system

3.2. Information on the Company's Directors, Independent Directors, President, and Vice President, Assistant Vice President of All The Company's Divisions and Branch Units

3.2.1. Directors and Independent Directors

(1) Directors' and Independent Directors' Information

March 9, 2021

Title	Nationality	Name	Gender	Date Elected	Duration	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman & CSO	Taiwan	Hong, Chum-Sam	Male	Nov.20,2018	3	Dec.30,2005	1,315,945	0.05%	2,411,945	0.09%	—	—	—	—	1. Ph.D of Electrical Engineering (National Tsing Hua University) 2. Neo Solar Power Corp Chairman & CEO 3. Vice General Manager & Head of Plant, Kwanghua Amorphous Silicon Co., Ltd. 4. Battery Pack of Materials Research Institute, Institute of Industrial Technology/Leader of Film Team 5. Host of Power Subsystem, Space Program by the National Space Center 6. Was honored as the highest in the international solar cells field, PVSEC-23 Special Award, Academician of Asia Pacific Institute of Materials	1. Chairman, NSP System Development Corp. 2. Chairman, Si Two Corp. 3. Chairman, Yong Zhou Ltd. 4. Chairman, Yong Liang Inc. 5. Chairman, Zhongyang Corporation. 6. Director, United Renewable Energy Engineering Co., Ltd. 7. Director, V5 Technologies Co., Ltd.	N/A	N/A	N/A	—
Director & CEO	Taiwan	Pan, Wen-Whe	Male	Nov.20,2018	3	Nov.20,2018	3,747,754	0.15%	2,848,476	0.11%	55,517	0.00%	—	—	1. Ph.D. Fiber & Polymer Eng., North Carolina State University 2. Department of Fiber and Composite Materials, Feng Chia University 3. Gintech Energy Corporation. Director & General Manager 4. So Yang Enterprise Co., Ltd General Manager 5. Cm Chuan Precision Technology Co., Ltd. Director 6. Ecove Environment Corporation, Director 7. Ecove Solar Energy Corporation, Chairman,	1. Chairman, United Renewable Energy Engineering Co., Ltd. 2. Chairman, United ecological agriculture Co., Ltd. 3. Chairman, Yanshan Energy Co., Ltd. 4. Chairman, Daxiangying Energy Co., Ltd. 5. Chairman, Xinkai Energy Co., Ltd. 6. Chairman, Dongshi Energy Co., Ltd. 7. Chairman, Shanshang Energy Co., Ltd. 8. Chairman, Jiangong Energy Co., Ltd. 9. Director, Zhongwei Investment Energy Co., Ltd. 10. Director, Utech Solar Corporation.	Vice President	Ben Pan	father and son	—
Director	Taiwan	Lin, Kun-Si	Male	Nov.20,2018	3	Dec.30,2005	3,371,763	0.13%	3,675,187	0.14%	917,587	0.03%	—	—	1. Ph.D., Business Administration, University of Kentucky, USA 2. MBA, National Chiao Tung University, Taiwan 3. Bachelor, Electronic Engineering, National Chiao Tung University, Taiwan 4. Senior Vice President, TSMC	1. Chairman, Rafael Microelectronics, Inc. 2. Chairman, V5 Technologies.	N/A	N/A	N/A	—
Director	Taiwan	Lin, Wen-Yuan	Male	Nov.20,2018	3	Nov.20,2018	—	—	—	—	—	—	—	—	1. Master of Graduate School of Civil Engineering, University of Hawaii, USA 2. Vice Chairman, Commission of National Corporations, Ministry of Economic Affairs 3. Chairman, Taiwan Power Company 4. Chairman, Taiwan Cogeneration Corporation 5. Chairman, China Steel Corporation	1. Chairman, Eastern Broadcasting Co., Ltd. 2. Chairman, Taiwan Styrene Monomer Corporation. 3. Chairman, Yangmingshan Tien Lai Resort & Spa.	N/A	N/A	N/A	—
Director	Taiwan	Chiang, Wen-Hsing	Male	Nov.20,2018	3	Nov.20,2018	—	—	—	—	—	—	—	—	1. National Chung Cheng University Department of Finance Master's degree 2. National Tsing Hua University Department of Materials Science and Engineering Bachelor's degree 3. Delta Electronics, Inc. Power and system BG DC power BU Sr. Director 4. Taiwan Optoelectronic Semiconductor Industry Association Vice-Chairman	General Manager, Building Automation Solutions BU Delta Electronics, Inc.	N/A	N/A	N/A	—
Director	Taiwan	Long deed corporation	—	Nov.20,2018	3	Nov.20,2018	1,541,625	0.06%	1,765,165	0.07%	—	—	—	—	—	—	N/A	N/A	N/A	—
		Delegate: Liu, Kong-Hsin	Male				2,207,057	0.08%	2,207,057	0.08%	—	—	—	—	1. National Taiwan Ocean University Department of Shipping & Transportation Management 2. Assistant Vice President, Formosa Plastics Group 3. Director, Formosa Chemicals & Fibre Corporation 4. Chairman, Solartech Energy Corp.	1. President, Long Deed Corporation 2. Independent director, Keysheen (Cayman) Holdings, co., Limited 3. Director, Taiwan Speciality Chemicals coreoration. 4. Director, Top Green Energy Technologies Inc.	N/A	N/A	N/A	—
Director	Taiwan	National Development Fund, Executive Yuan	—	Nov.20,2018	3	Nov.20,2018	167,145,851	6.64%	175,119,300	6.57%	—	—	—	—	—	—	N/A	N/A	N/A	—
		Delegate: Chiou Yih-Peng	Male				—	—	—	—	—	—	—	1. BS and PhD degrees in Electrical Engineering, National Taiwan University 2. NCCU Department of Business Administration, Technology Group (incomplete) 3. TSMC 4. RSoft Design Group (New York)	1. Professor, Graduate Institute of Photonics and Optoelectronics, Graduate Institute of Communication Engineering, and Department, of Electrical Engineering, National Taiwan University. 2. Director, TacBright Optronics orporation.	N/A	N/A	N/A	—	

Title	Nationality	Name	Gender	Date Elected	Duration	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	Taiwan	Yao-Hwa Glass Co., Ltd. Management Commission	—	Nov.20,2018	3	Nov.20,2018	167,145,851	6.64%	167,145,851	6.27%	—	—	—	—			N/A	N/A	N/A	—
		Delegate: Chou, Chung Pin	Male				—	—	—	—	—	—	—	—	1.Master of Industrial Management , National Taiwan University of Science and Technology 2.Section Chief/ Deputy Director of Information Technology Industries Division , Industrial Development Bureau Ministry of Economic Affairs	1.Industrial Development Bureau Secretary General. 2.Director of Taiwan Electrical and Mechanical Engineering Services, Inc.	N/A	N/A	N/A	—
Independent Director	Taiwan	Weng, Ming-Jeng	Male	Nov.20,2018	3	Nov.20,2018	—	—	—	—	—	—	—	1.MBA, University of Southern California 2.Vice President of Citi Bank 3.General Manager of Salomon Smith Barney Inc. Taipei Branch, Citi Group 4.Chairman of Lehman Brothers Securities Taiwan Ltd. 5.Managing Director of Nomura International (Hong Kong) Limited, Taipei Branch	1.Senior partner, Millerful Capital Partners Inc 2.Director of Lion Travel Service Co., Ltd. 3. Independent Director of TPK Holding Co., Ltd. 4. Independent Director of Egis Technology Inc.	N/A	N/A	N/A	—	
Independent Director	Taiwan	Andrew C. Hsu	Male	Nov.20,2018	3	Nov.20,2018	—	—	—	—	—	—	—	1.National Chung Cheng University 2.University of California at Berkeley 3.Judge, Taiwan Chiayi District Court 4.Partner of Baker & McKenzie Taipei Office 5.Visiting Scholar, Law Department of Duke University	1.Managing Partner, LexPro Attorneys -at-Law. 2. Director,Yung Tay Engineering Co., Ltd. 3. Independent Director , Syneurx International Corp.	N/A	N/A	N/A	—	
Independent Director	Taiwan	Tsai,Ming-Fang	Male	Nov.20,2018	3	Nov.20,2018	—	—	—	—	—	—	—	1.PhD,Graduate Institute of Industrial Economics, National Central University 2.Independent Director ,First Life Insurance Co.,Ltd. 3. Independent Director BankTaiwan Securities Co.,Ltd.	1.Professor ,Department of Industrial Economics, Tamkang University. 2.Director ,Grand Carhay Venture Capital Co., Ltd. 3.Independent Director ,Taiwan Financial Holding Co.,Ltd. 4.Independent Director ,Bank of Taiwan. 5. Director ,Eminent II Venture Capital Corporation. 6. China Development Biomedical Venture Fund Co., Ltd.	N/A	N/A	N/A	—	

Notes : The company held a regular shareholders's meeting and a resolution of the Board of Directors on June 30, 2008, to approve the establishment of the Audit Committee to replace the supervisor's functions.

(2) Major shareholders of the institutional shareholders

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders
National Development Fund, Executive Yuan	Government of the Republic of China (Taiwan)
Yao-Hwa Glass Co., Ltd. Management Commission	Yao-Hwa Glass Co., Ltd. Management Commission is a management committee managed by the Ministry of Economic Affairs. The management committee currently includes 2 to 6 private stock representatives and 8 official stock representatives.

(3) Major Shareholder(s) to The Company Listed in The Right Hand Column of The Above Table: No

(4) Professional qualifications and independence analysis of directors and Independent Directors :

Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria(Note)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Hong, Chum-Sam	—	—	✓	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Lin, Kun-Si	✓	—	✓	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Pan, Wen-Whe	—	—	✓	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Lin, Wen-Yuan	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Liu, Kong-Hsin	—	—	✓	—	—	✓	✓	—	✓	✓	✓	✓	✓	✓	—	1
Chiou, Yih-Peng	✓	—	—	✓	✓	✓	✓	—	✓	✓	✓	✓	✓	✓	—	—
Chou, Chung-Pin	—	—	✓	✓	✓	✓	✓	—	✓	✓	✓	✓	✓	✓	—	—
Chiang, Wen-Hsing	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Weng, Ming-Jeng	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Andrew C. Hsu	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Tsai, Ming-Fang	✓	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the company or any of its associates. The same does not apply, however, in cases where the person is an independent director of the company concurrently, its parent company, or any subsidiary in which the company holds in accordance with the Act or local state laws.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of 1 percent or more of the total number of issued shares of the company or ranking in the top 10 in shareholding.
4. Not a manager mentioned in Notes 1, a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding Notes 2 and 3.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the company, ranks in the top 5 in shareholding, or being designated according to Article 27, Section 1 or 2 of the Company Act. The same does not apply, however, in cases where the person is an independent director of the company concurrently, its parent company, or any subsidiaries established in accordance with the Act or local state laws.
6. Not a director, supervisor, or employees of other companies who are not controlled by the same person as more than half of the shares or voting rights. The same does not apply, however, in cases where the person is an independent director of the company concurrently, its parent company, or any subsidiaries established in accordance with the Act or local state laws.
7. Not a director, supervisors, or employee of other companies or organizations who are not the same person or spouse with the chairman, general manager, or equivalent of the company. The same does not apply, however, in cases where the person is an independent director of the company concurrently, its parent company, or any subsidiaries established in accordance with the Act or local state laws.
8. Not a director, supervisor, managerial officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. The same does not apply, however, in cases where a particular company or institution holds more than 20% and less than 50% of the company's total issued shares, and the person is an independent director of the company concurrently, its parent company, or any subsidiaries established in accordance with the Act or local state laws.
9. Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides audits or commercial, legal, financial, or accounting services in which the accumulated remuneration in the past two years did not exceed NTD 500,000, to the company or to any associate of the company, or a spouse thereof. The same does not apply, however, in cases where a person is a member of the Remuneration and Compensation Committee, Public Acquisition Audit Committee, or M&A Special Committee performing their duties under the relevant regulations of the Securities Exchange Act and the Business M&A.
10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
11. Not been a person of any conditions defined in Article 30 of the Company Law.
12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

3.2.2.Management Team

Mar 9, 2021

Title	Name	Nationality	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding %		Shareholding by Nominee Arrangement Shares		Experience ( Education )	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman & CSO	Hong, Chum-Sam	Taiwan	Male	Oct. 01, 2005	2,411,945	0.09%	—	—	—	—	1.Ph.D of Electrical Engineering (National Tsing Hua University) 2.Neo Solar Power Corp Chairman & CEO 3.Vice General Manager & Head of Plant, Kwanghua Amorphous Silicon Co., Ltd. 4.Battery Pack of Materials Research Institute, Institute of Industrial Technology/Leader of Film Team 5.Host of Power Subsystem, Space Program by the National Space Center 6.Was honored as the highest in the international solar cells field, PVSEC-23 Special Award, Academician of Asia Pacific Institute of Materials	Director,V5 Technologies Co., Ltd.  For titles of subsidiary companies, please refer to The Stock share List of Affiliate Directors and Supervisors	N/A	N/A	N/A	—
CEO	Pan,Wen-Whe	Taiwan	Male	Oct. 01, 2018	2,848,476	0.11%	55,517	0.00%	—	—	1.Ph.D. Fiber & Polymer Eng., North Carolina State University 2.Department of Fiber and Composite Materials, Feng Chia University 3.Gintech Energy Corporation. Director&General Manager 4. So Yang Enterprise Co., Ltd General Manager 6. Cm Chuan Precision Technology Co., Ltd. Director 7. Ecove Environment Corporation, Director 8. Ecove Solar Energy Corporation, Chairman	Director ,Zhongwei Investment Energy Co., Ltd..  For titles of subsidiary companies, please refer to The Stock share List of Affiliate Directors and Supervisors	Vice President	Ben Pan	father and son	—
Business President	Shen,Wei-Jiun	Taiwan	Male	May 05, 2008	1,124,740	0.04%	100,000	0.00%	—	—	1.Master of Business Administration, Santa Clara University, USA 2.Master of Electrical Engineering, Case Western Reserve University, USA 3.Bachelor of Physics, National Taiwan University 4. President & COO of Neo Solar Power Corp. 5. Senior Director of TSMC 6. Managing Director of TSMC-Europe B.V.	Director,V5 Technologies Co., Ltd.  For titles of subsidiary companies, please refer to The Stock share List of Affiliate Directors and Supervisors	N/A	N/A	N/A	—
Senior Vice President	Thomas Hsu	Taiwan	Male	Jan 01, 2020	42,000	0.00%	—	—	—	—	1.University of Michigan, MBA 2.Vice President, JP Morgan Chase Taipei. 3.CFO of Innolux Corporation 4.CFO of Tatung Company	Director,Vizionfocus Inc  For titles of subsidiary companies, please refer to The Stock share List of Affiliate Directors and Supervisors	N/A	N/A	N/A	—
CFO	Pan,lai-lay	Taiwan	Femal	Oct. 01, 2018	143,872	0.01%	—	—	—	—	1.Master of Marketing, Saint John's University 2.Financial Vice President and Chief financial Officer of GIN 3.Manager of Malabs 4.Assistant Manager of CITI Bank	1.Supervisor,DS Energy Technology Co., Ltd 2 Director, Top Green Energy Technologies Inc.  For titles of subsidiary companies, please refer to The Stock share List of Affiliate Directors and Supervisors	N/A	N/A	N/A	—
Vice President	Zabrina Hsu	Taiwan	Femal	May.06.2019	181,356	0.01%	—	—	—	—	1.LL.M of Duke University 2.GM of Celestica Inc 3.Chief of Justice NSP Corp. 4.Chief of Justice ADATA Technology 5.Grand china Chief of Justice of Hon Hai Precision 6.Legal Manage of Acer Incorporated	Chairman,Solarbright energy Co., Ltd.  For titles of subsidiary companies, please refer to The Stock share List of Affiliate Directors and Supervisors	N/A	N/A	N/A	—
Vice President	Jack Chen	Taiwan	Male	June 13, 2018	—	—	—	—	—	—	1.Ph.D of Mechanical Engineering, Case Western Reserve University 2. General President of GES US branch 3.Director of Hon Hai Precision Ind. Co., Ltd. US branch 4.Professor of Department of Mechanical Engineering, National Taiwan Ocean University	For titles of subsidiary companies, please refer to The Stock share List of Affiliate Directors and Supervisors	N/A	N/A	N/A	—
Vice President	Ben Pan	Taiwan	Male	Oct. 01, 2018	584	0.00%	—	—	—	—	1. Bachelor, University of Wisconsin-Madison 2. Vice President of GIN 3. Vice President of Utech Solar Corporation 4. Execution Vice President of Dongguan So Yang Enterprise Co., Ltd	—	CEO	Pan,Wen-Whe	father and son	—
Vice President	Jorge Tseng	Taiwan	Male	Oct. 01, 2018	231,811	0.01%	7,020	0.00%	—	—	1. Master of Cornell University 2.Senior Vice President of Solartech Energy Corp 3. Excutive Director of Topgrowth Futures	—	N/A	N/A	N/A	—

Assistant Vice President	Hsieh, Chien-Ping	Taiwan	Male	Oct. 01, 2018	—	—	—	—	—	—	1. Master of Cornell University 2. Gintech Energy Orporation 3.Maxim Integrated Products 4.Vanguard International Semiconductor Corporation	—	N/A	N/A	N/A	—
Vice President	Adam.Hsu	Taiwan	Male	May.06.2019	—	—	—	—	—	—	1.Ph.D of National Cheng Kung University 2.Postdoctoral Research Fellow, National University of Singapore 3.Postdoctoral Research Fellow, The University of New South Wales 4. Procurement Strategy Officer, REC Solar 5. Vice President, (Nanjing)China Sunergy Co., Ltd 6. Chief Technology Officer, Jiangsu Linyang Energy Co.,Ltd.	1.Convener, SEMI PV Technology Symposium Special Interest Group 2. Committee member, International Technology Roadmap for hotovoltaic  For titles of subsidiary companies, please refer to The Stock share List of Affiliate Directors and Supervisors	N/A	N/A	N/A	—
Vice President	Rita Yang	Taiwan	Femal	Oct. 01, 2018	33,000	0.00%	—	—	—	—	1.Department of Business Administration, Fu Jen Catholic University 2. Accounting Manager of SEC	1.Supervisor,Best Power Service Corp. 2. Director,Taihe Construction Co., Ltd 3. Director,Anmei Construction Development.	N/A	N/A	N/A	—
Assistant Vice President	Jeff Hsieh	Taiwan	Male	Jun.14.2019	33,000	0.00%	—	—	—	—	1.Master degree of Chemical Engineering of Tamkang University. 2.Purchasing manager of HannStar Display Corp.	—	N/A	N/A	N/A	—
Vice President	Jf.Chen	Taiwan	Male	Dec.15.2020	—	—	—	—	—	—	1.MS, Taiwan university 2.Process manager, tsmc 3.Fab director, Gintech energy co.	Chairman And General Manager Of Utech Solar Corporation	N/A	N/A	N/A	—
Assistant Vice President	Howard Liu	Taiwan	Male	Feb.5.2021	57,791	—	—	—	—	—	Electro-OpticalScience and Engineering (EOSE) ,NCKU master graduate	—	N/A	N/A	N/A	—

3.2.3. Remuneration of Directors, Independent Directors, President, and Vice Presidents

(1) Remuneration of Directors and Independent Director

Dec 31, 2020 /Unit: In thousand of NTS

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The company	All companies in the consolidated financial statements	
Chairman & CSO	Hong, Chum-Sam	0	0	0	0	0	0	360	360	(0.006%)	(0.006%)	8,406	8,406	0	0	0	0	0	0	(0.142%)	(0.142%)	N/A
Director	Lin, Kun-Si	0	0	0	0	0	0	360	360	(0.006%)	(0.006%)	0	0	0	0	0	0	0	0	(0.006%)	(0.006%)	N/A
Director&CEO	Pan, Wen-Whe	0	0	0	0	0	0	360	360	(0.006%)	(0.006%)	7,993	7,993	108	108	0	0	0	0	(0.138%)	(0.138%)	N/A
Director	Lin, Wen-Yuan	0	0	0	0	0	0	360	360	(0.006%)	(0.006%)	0	0	0	0	0	0	0	0	(0.006%)	(0.006%)	N/A
Director	Chiang, Wen-Hsing	0	0	0	0	0	0	360	360	(0.006%)	(0.006%)	0	0	0	0	0	0	0	0	(0.006%)	(0.006%)	N/A
Director	Long deed corporation	0	0	0	0	0	0	—	—	—	—	0	0	0	0	0	0	0	0	—	—	N/A
	Liu, Kong-Hsin	0	0	0	0	0	0	360	360	(0.006%)	(0.006%)	0	0	0	0	0	0	0	0	(0.006%)	(0.006%)	N/A
Director	National Development Fund, Executive Yuan	0	0	0	0	0	0	—	—	—	—	0	0	0	0	0	0	0	0	—	—	N/A
	Delegate: Chiou, Yih-Peng	0	0	0	0	0	0	360	360	(0.006%)	(0.006%)	0	0	0	0	0	0	0	0	(0.006%)	(0.006%)	N/A
Director	Yao-Hwa Glass Co., Ltd. Management Commission	0	0	0	0	0	0	264	264	(0.004%)	(0.004%)	0	0	0	0	0	0	0	0	(0.004%)	(0.004%)	N/A
	Delegate: Chou, Chung-Pin	0	0	0	0	0	0	96	96	(0.002%)	(0.002%)	0	0	0	0	0	0	0	0	(0.002%)	(0.002%)	N/A
Independent Director	Weng, Ming-Jeng	1,800	1,800	0	0	0	0	0	0	(0.029%)	(0.029%)	0	0	0	0	0	0	0	0	(0.029%)	(0.029%)	N/A
Independent Director	Andrew C. Hsu	1,800	1,800	0	0	0	0	0	0	(0.029%)	(0.029%)	0	0	0	0	0	0	0	0	(0.029%)	(0.029%)	N/A
Independent Director	Tsai, Ming-Fang	1,800	1,800	0	0	0	0	0	0	(0.029%)	(0.029%)	0	0	0	0	0	0	0	0	(0.029%)	(0.029%)	N/A

1. Please explain the policy, system, standard, and structure of the remuneration of the independent directors, and describe the relevance to the amount of remuneration in accordance with the responsibilities, risks, and, time invested: The remuneration of Independent Directors based on Company's Board Performance Evaluation Regulation, and depends on participation of Independent Directors in operation of the Company, as well as value of their contribution. The remuneration of Independent Directors of the relevant listed companies will also be taken into consideration, the final decision is subject to approval of Remuneration Committee and Board of Directors.

2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors. : n/a °

(2) Remuneration of the President and Vice Presidents

Dec 31, 2020 /Unit: In thousand of NTS

Title	Name	Salary(A)		Severance Pay (B)		Employee Compensation (D)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman & CSO	Hong, Chum-Sam	44,403	49,296	1,159	1,159	8,792	8,792	0	0	0	0	(0.89%)	(0.97%)	N/A
Director&CEO	Pan,Wen-Whe													
Business President	Shen,Wei-Jiun													
Vice President	Jack Chen													
Senior Vice President	Liou,Ming-Zong(Notes)													
Business President	Tseng sheng-cheng (Notes)													
Senior Vice President	Marco Hu (Notes)													
Senior Vice President	Thomas Hsu													
Vice President	Simon Li (Notes)													
Vice President	Pan,lai-lay													
Vice President	Yan,ming-shuo(Notes)													
Vice President	Ben Pan													
Vice President	Jorge Tseng													
Vice President	Lai,Zhi-Jie(Notes)													
Vice President	Zabrina.Hsu													
Senior Vice President	Jf.Chen													

Notes : Lai,Zhi-Jie, Feb.2020 resignation ; Simon Li, May 2020 resignation ; Tseng sheng-cheng ,May 2020 resignation; Marco Hu,July 2020 resignation; Yan,ming-shuo , Oct. 2020 resignation;Liou,Ming-Zong,Dec 2020 resignation; Jf.Chen, Dec 2020 new appointment.

Range of Remuneration	Name of President and Vice Presidents	
	The company	From All Consolidated Entities
Under NTS 1,000,000	Lai,Zhi-Jie 、 Jf.Chen	Lai,Zhi-Jie 、 Jf.Chen
NTS1,000,000 ~ NTS2,000,000	Jack Chen 、 Simon Li	Simon Li
NTS2,000,001 ~ NTS3,500,000	Tseng sheng-cheng 、 Marco Hu 、 Pan.Lay- Lay 、 Yan,ming-shuo 、 Ben Pan 、 Jorge Tseng 、 Zabrina.Hsu	Tseng sheng-cheng 、 Marco Hu 、 Pan.Lay- Lay 、 Yan,ming-shuo 、 Ben Pan 、 Jorge Tseng 、 Zabrina.Hsu
NTS3,500,000 ~ NTS5,000,000	Liou,Ming-Zong 、 Thomas Hsu	Liou,Ming-Zong 、 Thomas Hsu
NTS5,000,000 ~ NTS10,000,000	Hong, Chum-Sam 、 Pan.Wen-Whe 、 Shen,Wei-Jiun	Hong, Chum-Sam 、 Pan.Wen-Whe 、 Shen,Wei-Jiun 、 Jack Chen
NTS10,000,001 ~ NTS15,000,000	—	—
NTS15,000,001 ~ NTS30,000,000	—	—
NTS30,000,001 ~ NTS50,000,000	—	—
NTS50,000,001 ~ NTS100,000,000	—	—
Over NTS100,000,000	—	—
Total	16	16

(3) Managerial officers with the top five highest remuneration amounts

Dec 31, 2020 /Unit: In thousand of NT\$

Title	Name	Salary (A) (Notes2)		Severance Pay (B)		Bonuses, and Allowances (D) (Notes3)		Employee Compensation (D) (Notes4)				Ratio of Total Compensation (A+B+C+D) to Net Income (%) (Notes67)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary (Notes 7)
		The company	All companies in the consolidated financial statements (Notes 5)	The company	All companies in the consolidated financial statements (Notes 5)	The company	All companies in the consolidated financial statements (Notes 5)	The company		All companies in the consolidated financial statements (Notes 5)		The company	All companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman & CSO	Hong, Chum-Sam	7,206	7,206	0	0	1,200	1,200	0	0	0	0	(0.14%)	(0.14%)	—
Director & CEO	Pan, Wen-Whe	6,852	6,852	108	108	1,141	1,141	0	0	0	0	(0.13%)	(0.13%)	—
Business President	Shen, Wei-Jiun	4,700	4,700	108	108	785	785	0	0	0	0	(0.09%)	(0.09%)	—
Vice President	Jack Chen	985	5,617	60	60	0	0	0	0	0	0	(0.02%)	(0.09%)	—
Senior Vice President	Liou, Ming-Zong	3,408	3,408	108	108	1,013	1,013	0	0	0	0	(0.07%)	(0.07%)	—

Notes 1: The aforementioned "supervisor" in the "Top five highest-paid supervisors" refers to the manager of the company. The criteria for the identification of managers shall be handled in accordance with the scope of application of "managers" stipulated in the letter of Taiwan Finance Certificate No. 0920001301 of the Securities and Futures Commission of the Ministry of Finance on March 27, 2003. The calculation and determination principle of the "top five highest remuneration" is based on the total number of salaries, retirement pensions, bonuses, and special expenses received by company supervisors from all companies in the consolidated financial statement, the total amount of employee compensation (that is, the total of A+B+C+D,) and the top five highest remunerations are recognized after the ranking. Besides, the table and the above table (1-1) shall be filled out if the director is concurrently a former supervisor.

Notes 2: To fill in the salary, job bonus, and severance pay of the top five highest-paid supervisors in the most recent year.

Notes 3: To fill in the various types of bonuses, rewards, traffic allowance, special disbursement, multiple allowances, dormitory, transportation dispatch, and other remuneration amounts of the top five highest-paid supervisors in the most recent year. The nature and cost of the assets provided, rents, fuel and other payments that are actually or measured at fair market value shall be disclosed when providing housing, cars, and other transportation or exclusive personal expenses, including the acquisition of employee stock option certificates, restricting employee equity new stock, and participating in cash capital subscription shares, etc., shall also be included in the remuneration.

Notes 4: To fill in the employee compensation amount (including stocks and cash) of the top five highest-paid supervisors approved by the board of directors in the most recent year. If it cannot be estimated, the proposed distribution amount for this year will be calculated based on the proportion of the actual distribution amount of the previous year, and the third form of the attached schedule shall be filled additionally.

Notes 5: The total amount of each remuneration paid to the top five highest-paid supervisors of the Company by all companies (including the Company) in the consolidated statement shall be disclosed.

Notes 6: Net profit after tax refers to net profit after tax in the most recent individual or individual financial statement.

Notes 7: a. The column shall list the top five highest-paid supervisors of the company receiving the remuneration amount from the reinvestment business outside the subsidiary or the parent company (if not, please fill in "none".)

b. Remuneration refers to the rewards, compensation (including the compensation of employees, directors, and supervisors) and business execution received by the top five highest-paid supervisors of the company as directors, supervisors, or managers of non-subsidiary companies, or parent companies.

\*The content of the remuneration disclosed in this form differs from the income concept of the Income Tax Act; consequently, the purpose of the form is for information disclosure instead of taxation purposes.

(4) Employee Profit Sharing Granted to Management Team Date :None.

3.2.4. Comparison of Remuneration for Directors, Independent Directors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Presidents and Vice Presidents

Year	Ratio of total remuneration paid to directors, supervisors, president and vice presidents to net income (%)			
	2019		2020	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Directors	(0.44%)	(0.44%)	(0.40%)	(0.40%)
Management team	(1.09%)	(1.15%)	(0.89%)	(0.97%)

Notes: According to the resolution of the Board of Directors of the company on May 25, 2021, there were not any distribution of earnings in 2020.

(1) The remuneration paid by the company to the directors includes the remuneration of the directors and the monthly fee of traffic allowance of NT\$30,000. Besides, according to the articles of the incorporation of the company, if the company's final accounts have earnings, in addition to tax payment in accordance with the law, and to make up for losses in previous years, it shall list 10% of the legal reserve. If necessary, it shall propose a special reserve, and the balance of shall be proposed by the board of directors to be submitted to the shareholders meeting for resolution. Among them, the director's compensation is 2%. Under the resolution of the Board of Directors of the company on February 21, 2012, Based on the independence and detachment of independent directors, since January 2012, independent directors drew fixed remuneration and no longer participated in the company's earnings distribution.

(2) The remuneration paid by the company to the managers, include the salary, allowances and bonuses, etc., It depends on the position and responsibility of the position, the achievement rate of the company's overall operational objectives, individual performance, and academic experience, etc., and refers to the salary level of the same-type position in the same nature to establish .

### 3.3.Implementation of Corporate Governance

#### 3.3.1.Attendance of Directors for Board Meetings

A total of 8 meetings of the board of directors were held in the previous period. Director attendance was as follows: (2020/1/1~2021/03/25) :

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Chairman	Hong, Chum-Sam	8 / 8	0	100.00%	—
Director	Lin, Kun-Si	8 / 8	0	100.00%	—
Director	Pan, Wen-Whe	8 / 8	0	100.00%	—
Director	Lin, Wen-Yuan	8 / 8	0	100.00%	—
Director	Chiang, Wen-Hsing	8 / 8	0	100.00%	—
Director	Long Deed Corporatinn Delegate: Liu, Kong-Hsin	7 / 8	1	87.5%	—
Director	National Development Fund, Executive Yuan Delegate: Chiou, Yih-Peng	8 / 8	0	100.00%	—
Director	Yao-Hwa Glass Co., Ltd. Management Commission Delegate: Chou, Chung-Pin	8 / 8	0	100.00%	—
Independent Director	Weng, Ming-Jeng	8 / 8	0	100.00%	—
Independent Director	Andrew C. Hsu	7 / 8	1	87.5%	—
Independent Director	Tsai, Ming-Fang	8 / 8	0	100.00%	—

Other mentionable items :

1.If any of the following circumstances occur,, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified: :

(1)Matters referred to in Article 14-3 of the Securities and Exchange Act :

Date of Meeting and Session	Motion Content	All independent directors' opinions and the company's handling of the opinions of independent directors
Mar 26, 2020	1.Approved the case of the issuance of common stocks by cash capital increase or participate in the issuance of global depository receipt through the issuance of common stocks by cash capital increase. 2.Approved performing private common stock. 3.Approved the Internal Control System Statement for the year of 2019. 4.Approved the Endorsement and Guarantee to the subsidiary, GES UK.	Approved by all independent directors.
May 11, 2020	1.Approved The Company participated Utech Solar Corporation. cash capital increase. 2.Approved The Company participated ELECTRONIC J.R.C.,S.R.L. cash capital increase. 3.Approved The Company changes Accounting firm and accountants 4.Approved the Endorsement and Guarantee to the subsidiary, Gintech(Thailand)Limited 5.Approved the Endorsement and Guarantee to the subsidiary, GES UK.	
July 09, 2020	1.Approved The Company disposed ChuNan plant building and affiliated facilities facilities 2.Approved The Company disposed common shares of Neo Cathay Power Corp 3.Approved The Company disposed common shares of Sino-American Silicon Products Inc.	
Aug 10, 2020	1.Approved the continuous provision of Endorsement and Guarantee for the subsidiary, NSP System. 2. URE Board of Directors resolved to 2nd issue restricted stocks for employees.	
Nov 12, 2020	1.Approved the continuous provision of Endorsement and Guarantee for the subsidiary, Yong Liang Inc. 2.To announce the new replacement for internal audit officer 3. Approved the company adopted the establishment of 2021 audit plan.	
Dec 30, 2020	1.Approved The Company participated Utech Solar Corporationcash capital increase.	
Mar 25, 2021	1.Approved the case of the issuance of common stocks by cash capital increase or participate in the issuance of global depository receipt through the issuance of common stocks by cash capital increase. 2.Approved performing private common stock. 3.Approved the Endorsement and Guarantee to the subsidiary, Apex Solar Corporation. 4.Approved the Internal Control System Statement for the year of 2020. 5.Amend parts of Validity Assessment of Internal Control System.	

(2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors : N/a..

2. The director shall state the name of the director, the content of the proposal, the reasons for preventing the interest, and the participation in the voting: n/a
3. The annual and the previous year of goal of strengthening board functions (such as establish the Audit Committee, improve the information disclosure, etc.) and the implementation evaluation:

The Company has built up a performance evaluation system of the Board of Directors. The performance evaluation methods were approved by the Board of Directors in November 2019 so as to encourage the board members to urge on themselves and elevate the operational function of board meetings. The internal performance evaluation of the Board of Directors must be executed once a year, while the result of internal and external evaluations must be completed by the end of first quarter next year. The performance evaluation of external Board of Directors should be put into practice at least once in three years by an external professional independent institution or an external team of experts and scholars. The 2020 performance evaluation of the Board of Directors of the Company has been completed in January 2021 and reported to the Board of Directors on February 5, 2021.

Evaluation Cycle	Evaluation Duration	Evaluation Range	Evaluation Approach	Evaluation Areas
Once a year	From January 1 2020 to December 31 2020	Individual members of the Board of Directors	Internal self-evaluation of the Board of Directors Self-evaluation of board members	The Performance Evaluation of the Board of Directors 1. The Participation in Company Operation 2. Elevate the Quality of Decision-making of the Board of Directors 3. The Formation and Structure of the Board of Directors 4. The Selection and Continuous Learning of Directors 5. Internal Control The Performance Evaluation of Individual Board Members : 1. The Command of Company Goals and Tasks 2. The Understanding of Director Duties 3. The Participation in Company Operation 4. Internal Relation Management and Communications 5. The Profession and Further Study of Directors 6. Internal Control

4. The goals of reinforcing the functions of the board of directors in the current year and the most recent year (e.g. the establishment of an audit committee, the improvement of information transparency, etc.) and the assessment of implementation:

- (1) The Company has insured the "liability insurance" for the directors and managerial officers to diversify the legal liability risks of the directors and managerial officers and enhance the capabilities of corporate governance.
- (2) The Company has established an Audit Committee to objectively supervise the operation of the board of directors with independent functions, and implement the functions and powers prescribed by the Securities and Exchange Act, the Company Act, and other relevant regulations.
- (3) The Company has established a remuneration committee to assist the board of directors in implementing and assessing the overall remuneration and benefits system of the Company, and regularly reviews whether the remuneration of directors and supervisors is appropriate.
- (4) The board of directors of the Company approved the establishment of the corporate governance supervisors on May 6, 2019, to implement corporate governance and reinforce the effectiveness of the board of directors to assist directors with relevant information and other necessary assistance in performing their duties.
- (5) To strengthen information transparency, a designated person is responsible for the disclosure of company information and updating company website information, etc.
- (6) To strengthen the professional knowledge of directors and implement corporate governance, the Company arranged courses for corporate governance and operations for directors in 2020.

Notes: The way of listing is the number of actual attendance / the number of attendances during the term.

### 3.3.2. Attendance of Audit Committee

A total of 7 meetings of the audit committee were held in the previous period. Independent director attendance was as follows: (2020/1/1~2021/03/25) :

Title	Name	Attendance in Person	Attendance In Proxy	Attendance Rate in Person (%)	Remark
Independent Director	Weng, Ming-Jeng	7 / 7	0	100.00%	—
Independent Director	Andrew C. Hsu	6 / 7	1	85.71%	—
Independent Director	Tsai, Ming-Fang	7 / 7	0	100.00%	—

Other mentionable items :

The members of Audit Committee consists of 3 Independent Directors, Audit Committee holds meeting 7 times in 2020~2021, to consider following matters:

- (1) The fair expression of the financial statement of the Company.
- (2) The selection (dismissal) of the certified accountants and their ability, qualification, uniqueness, performance as well as state certificate expenses.
- (3) The effective implementation of internal control of the company.
- (4) Significant assets, derivatives, loaning funds, and endorsement or guaranteed transactions.
- (5) Amended the procedures for performing derivatives transaction and the endorsement or guaranteed method.
- (6) Appointment of accounting supervisor.
- (7) Issuing or private equity securities

1.If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified  
(1)Matters referred to in Article 14-5 of the Securities and Exchange Act :

Date of Meeting and Session	Motion Content	Resolution result	All independent directors' opinions and the company's handling of the opinions of independent directors
Mar 26, 2020	1.The company approved the 2019 business report and financial statements 2.The company approved the 2019 appropriation of loss 3.Perform the common stock issuance by capital increase or participate in the issuance of global depositary receipts by issuing common stock by capital increase. 4. Proposal for a capital increased by private placement. 5. The 2019“Validity Assessment of Internal Control System.” 6.The company approved the continuous providing endorsement/guarantee for General Energy Solutions UK Limited.	Approved by all independent directors.	Approved by all director directors.
May 11, 2020	1.Approved The Companyparticipated Utech Solar Corporation cash capital increase. 2.Approved The Companyparticipated ELECTRONIC J.R.C.,S.R.L. cash capital increase 3.Approved To announce the Company changes Accounting firm and accountants 4.Approved the Endorsement and Guarantee to the subsidiary, Gintech(Thailand)Limited 5.Approved the Endorsement and Guarantee to the subsidiary, GES UK.	Approved by all independent directors.	Approved by all director directors.
July 09, 2020	1.Approved The Company disposed ChuNan plant building and affiliated facilities facilities 2.Approved The Company disposed common shares of Neo Cathay Power Corp 3.Approved The Company disposed common shares of Sino-American Silicon Products Inc.	Approved by all independent directors.	Approved by all director directors.
Aug 10, 2020	1. Approved the company's 2020 1H comprehensive financial statement. 2.Approved the continuous provision of Endorsement and Guarantee for the subsidiary, NSP System.	Approved by all independent directors.	Approved by all director directors.
Nov 12, 2020	1.Approved the continuous provision of Endorsement and Guarantee for the subsidiary, Yong Liang Inc. 2.To announce the new replacement for internal audit officer 3. Approved the company adopted the establishment of 2021 audit plan.	Approved by all independent directors.	Approved by all director directors.
Dec 30, 2020	1.Approved The Companyparticipated Utech Solar Corporation cash capital increase.	Approved by all independent directors.	Approved by all director directors.
Mar 25, 2021	1.The company approved the 2020 business report and financial statements 2.The company approved the 2020 appropriation of loss 3.Perform the common stock issuance by capital increase or participate in the issuance of global depositary receipts by issuing common stock by capital increase. 4. Proposal for a capital increased by private placement. 5.Approved the Endorsement and Guarantee to the subsidiary, Apex Solar Corporation. 6.Approved the Internal Control System Statement for the year of 2020. 7.Amend parts of Validity Assessment of Internal Control System.	Approved by all independent directors.	Approved by all director directors.

2.Except for the above-mentioned matters, other resolutions that have not been approved by the audit committee and approved by more than two-thirds of all directors do not apply : n/a

3.Concerning the implementation of preventing interest of advantages and disadvantages, the independent directors shall state the name of the independent directors, the content of the proposal, the reasons for preventing interests, and the participation in the voting. The audit committee has no stake motion that needs to be prevented.

4.The communication between independent directors, internal audit supervisors, and accountants (shall include the important issues, methods, and results of communicating based on the company's financial and business conditions..):

(1)The manager of the internal audit of the company shall seasonally report the company's internal audit situation and the implementation of internal control to the independent director. The independent will provide professional opinion according to the report matters, and the company shall take into account their professional opinions. If any significant event occur, the meeting shall be convened immediately to report to the independent directors. The latest year of communications as of the date of the annual handbook has been printed are as follows:

Date	Communication Point	All independent directors' opinion
Mar 26, 2020	The implementation of the 2018 4 <sup>th</sup> quarter audit plan	Approved
May 11, 2020	The implementation of the 2019 1 <sup>st</sup> quarter audit plan	Approved
Aug 10, 2020	The implementation of the 2019 2 <sup>nd</sup> quarter audit plan	Approved
Nov11, 2020	The implementation of the 2019 3 <sup>rd</sup> quarter audit plan	Approved
Mar 25, 2021	The implementation of the 2019 4 <sup>th</sup> quarter audit plan	Approved

(2)The company's independent directors and accountants will report to and thoroughly communicate with the independent directors according to the seasonal audit report, the financial situation of the company, the comprehensive operations of the subsidiaries at home and abroad, whether there are significant adjustments and entries, special transaction matters, and the impact on the company's finance by amending laws, etc. If any significant event occur, the meeting shall be convened immediately to report to the independent directors. The latest year of communications as of the date of the annual handbook has been printed are as follows:

Date	Communication Point	All independent directors' opinion
Mar 26, 2020	1. Explained according to the 2019 profit and loss, significant accounting issues and important matters that discussed by the managerial authority. 2. Discussed and communicated according to new audit report – explained the key matters of audit. 3. The accountants discussed and communicated the questions of the participants.	Approved
May 11, 2020	1. Explained according to the 2020 1 <sup>st</sup> quarter profit and loss, significant accounting issues and important matters that discussed by the managerial authority. 2. The accountants discussed and communicated the questions of the participants.	Approved
Aug 10, 2020	1. Explained according to the 2020 1 <sup>st</sup> half quarter profit and loss, significant accounting issues and important matters that discussed by the managerial authority. 2. The accountants discussed and communicated the questions of the participants.	Approved
Nov11, 2020	1 Explained according to the 2020 initial three quarters profit and loss, significant accounting issues and important matters that discussed by the managerial authority. 2. The accountants discussed and communicated the questions of the participants.	Approved
Mar 25, 2021	1. Explained according to the 2020 profit and loss, significant accounting issues and important matters that discussed by the managerial authority. 2. Discussed and communicated according to new audit report – explained the key matters of audit 3. The accountants discussed and communicated the questions of the participants.	Approved

Notes: The way of listing is the number of actual attendance / the number of attendances during the term.

### 3.3.3.Operation of Remuneration Committee

#### (1)Member Information :

Title	Name	If independent directors equip with over 5 years of working experience and below qualifications			Independence (Note1)										Concurrently serving in remuneration committee of other listed companies	Remark	
		Owning qualification of national/private college instructor or above of commerce, law, finance or corporal operation-related professions	Owning qualification of national/private college instructor or above of commerce, law, finance or corporal operation-related professions	Owning qualification of national/private college instructor or above of commerce, law, finance or corporal operation-related professions	1	2	3	4	5	6	7	8	9	10			
Independent Director	Weng, Ming-Jeng	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	—
Independent Director	Andrew C. Hsu	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	—
Independent Director	Tsai, Ming-Fang	✓	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—	—

Note 1: Check in blocks if matching below description in tenure or two years before the tenure.

- (1)Not an employee of the company or any of its affiliates.
- (2)Not a director or supervisor of the company or any of its associates. The same does not apply, however, in cases where the person is an independent director of the company concurrently, its parent company, or any subsidiary in which the company holds in accordance with the Act or local state laws.
- (3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of 1 percent or more of the total number of issued shares of the company or ranking in the top 10 in shareholding.
- (4)Not a manager mentioned in Notes 1, a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding Notes 2 and 3.
- (5)Not a director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the company, ranks in the top 5 in shareholding, or being designated according to Article 27, Section 1 or 2 of the Company Act. The same does not apply, however, in cases where the person is an independent director of the company concurrently, its parent company, or any subsidiaries established in accordance with the Act or local state laws.
- (6)Not a director, supervisor, or employees of other companies who are not controlled by the same person as more than half of the shares or voting rights. The same does not apply, however, in cases where the person is an independent director of the company concurrently, its parent company, or any subsidiaries established in accordance with the Act or local state laws.
- (7)Not a director, supervisors, or employee of other companies or organizations who are not the same person or spouse with the chairman, general manager, or equivalent of the company. The same does not apply, however, in cases where the person is an independent director of the company concurrently, its parent company, or any subsidiaries established in accordance with the Act or local state laws.
- (8)Not a director, supervisor, managerial officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. The same does not apply, however, in cases where a particular company or institution holds more than 20% and less than 50% of the company's total issued shares,, and the person is an independent director of the company concurrently, its parent company, or any subsidiaries established in accordance with the Act or local state laws.
- (9)Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides audits or commercial, legal, financial, or accounting services in which the accumulated remuneration in the past two years did not exceed NTD 500,000, to the company or to any associate of the company, or a spouse thereof. The same does not apply, however, in cases where a person is a member of the Remuneration and Compensation Committee, Public Acquisition Audit Committee, or M&A Special Committee performing their duties under the relevant regulations of the Securities Exchange Act and the Business M&A.
- (10)Not matching description in Article 30 of Company Act

(2) Remuneration Committee consists of 3 members, term of office: 20 November 2018 to 19 November 2021.

From 2020 to annual report printed date in 2021, Remuneration Committee holds 3 meetings, members attendance as follow:

Title	Name	Attendance in Person (B)	Attendance In Proxy	Attendance Rate in Person (%)	Remark
Committee member	Weng, Ming-Jeng	3/3	0	100.00%	—
Committee member	Andrew C. Hsu	2/3	1	66.67%	—
Committee member	Tsai, Ming-Fang	3/3	0	100.00%	—

Other mentionable items:

(1) If remuneration committee's suggestions are objected or modified by BOD, BOD date, term, contents of motions, resolution and countermeasure of remuneration committee's statement (if remuneration resolved by BOD is better than that of remuneration committee, discrepancy and reason should be specified): NA

(2) If any member is against or reserves his/her opinion with record or paper statement regarding committee's resolution, remuneration committee's date, term, contents of motions, resolution and countermeasure of member's statement should be specified: NA

(3) Operation of the Remuneration Committee

Date	Communication Point	Resolution result	Company processes opinion express by Remuneration Committee
Mar. 26, 2020	1. Explanation of remuneration of the new managerial officers	Approved by all Remuneration Committee.	Submit to Board of Directors, and consent by all the Directors present at meeting
Aug. 10, 2020	1. The second issuance attribution plan of restricted employee equity new stock for the year of 2019 of the Company' managerial officers.	Approved by all Remuneration Committee.	
Feb. 05, 2021	1. Explanation of remuneration of the new managerial officers add manager salary adjustment instructions	Approved by all Remuneration Committee.	

3.3.4. Corporate Governance Implementation as Required by the Taiwan Financial Supervisory Commission :

Evaluation Item	Implementation Status (Notes 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed companies” and Reasons
	Yes	No	Summary Description	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.” The information has been disclosed on M.O.P.S. ( <a href="http://mops.twse.com.tw/">http://mops.twse.com.tw/</a> )	No significant deviation
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders trading with undisclosed information?	✓  ✓ ✓ ✓		(1) The company has established spokespersons and the specific personnel of spokespersons, and has an investor special line and an e-mail address to deal with shareholders’ suggestions or disputes. (2) The company has a dedicated staff member to manage relevant information and appoint a brokerage agent to assist in the handling of share-related matters, and physically control the company’s major shareholders and the list of ultimate controllers of major shareholders, and maintain good relations with major shareholders. (3) The Company was established in the internal significant information processing and prevention of internal trading operations procedures, and include the operating procedure into the company’s internal control system. (4) The company has set up internal significant information processing and prevention of internal trading procedures, prohibiting insiders from using market unpublished information to buy and sell securities.	No significant deviation
3. Composition and Responsibilities of the Board of Director (1) Does the Board develop and implement a diversified policy for the composition of its members?  (2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee? (3) Does the company establish the method as well as the mode of the performance assessment of the board of directors, regularly and annually assess the performance, and report the results of the performance assessment to the board of	✓  ✓ ✓	✓	(1) The structure of the board of directors of the company, in terms of the scale of the company’s business development and its shareholdings of major shareholders, weighing the need for substantive operations, determining the number of directors, and establishing appropriate diversification policies for the company’s operations, operational style, and development needs. Currently, there are 11 members of the board of directors; among them, three of which are independent directors, and the proportion of independent directors accounts for 27%, and the seniority is less than nine years. The Company focuses on the diversity of gender quality of the board members along with the voice from each age bracket with an aim to develop in gender equality in the future. We estimate the female directors will account for more than 30% in 2024 in the hope to create a more diversified Board of Directors. The diversity policy of the board of directors of the Company and the implementation of diversity by individual board members have been disclosed on the Company’s website. The implementation of diversification of the board members has been shown in attachment 1. (2) The establishment of other various functional committees of the company is still under development. (3) The Company has formulated The Method of Performance Evaluation of The Board of Directors on November 18, 2019 put self-evaluation and peer evaluation of the Board of Directors and Individual Directors into execution regularly since 2020, in order to encourage the board members to spur on themselves and elevate the operational function of the Board of Directors. The internal performance evaluation of the Board of Directors is executed once a year, while the result of internal and external evaluations is completed by the end of first quarter next year and reported to the Board of Directors and declared to Taiwan	No significant deviation

Evaluation Item	Implementation Status (Notes 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed companies” and Reasons
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directors, and apply it to the reference of remuneration of individual directors and nomination renewal?			<p>Stock Exchange Corporation. The performance evaluation of external Board of Directors should be put into practice at least once in three years by an external professional independent institution or an external team of experts and scholars, and executed the performance evaluation of the year when the fiscal year is finished. In light of company situation and performance evaluation of the Board of Directors required formulation, the Company had come up with 5 areas:</p> <ol style="list-style-type: none"> <li>1.The Participation in Company Operation</li> <li>2.Elevate the Quality of Decision-making of the Board of Directors</li> <li>3.The Formation and Structure of the Board of Directors</li> <li>4.The Selection and Continuous Learning of Directors</li> <li>5.Internal Control</li> </ol> <p>The performance evaluation (self or peer) of board members include 6 areas as a reference to the formation of board members:</p> <ol style="list-style-type: none"> <li>1. The Command of Company Goals and Tasks</li> <li>2. The Understanding of Director Duties</li> <li>3. The Participation in Company Operation</li> <li>4. Internal Relation Management and Communications</li> <li>5. The Profession and Further Study of Director</li> <li>6. Internal Control</li> </ol> <p>The procedure of the performance evaluation of the Board of Director of the Company is below:</p> <ol style="list-style-type: none"> <li>1.Ensure the unit, duration and range of the year under evaluation (e.g. entire Board of Directors, individual board members, etc.)</li> <li>2.Ensure the evaluation methods (e.g. internal self-evaluation of the Board of Directors, self or peer evaluation of the board members, peer evaluation, evaluation entrusted with external professional institutions and experts, etc.)</li> <li>3.Select appropriate unit to execute the evaluation</li> <li>4.The execution unit collects relevant information regarding activities of the Board of Directors and distributes “Self survey of Performance Evaluation of the Board of Directors”, “Evaluation of Board Members (self or peer)” and other relevant surveys. After the information has been collected by the execution unit, it will report on the evaluation standard of evaluation indicator and recorded accordingly, which will be reported to the Board of Directors for further discussion and improvement.</li> </ol> <p>The result of the performance evaluation of the Board of Directors is the reference to director selection or nomination; meanwhile, the result of performance evaluation of individual board members is the reference to the formulation of individual remuneration.</p> <p>The performance evaluation of the Board of Directors of 2020 has been completed in January 2021 and reported to the Board of Directors on February 5, 2021. Please find below the result of evaluation:</p> <ol style="list-style-type: none"> <li>1. Evaluation Duration: from January 1, 2020 to December 31, 2020.</li> <li>2. Evaluation Range: Entire Board of Directors, individual board members</li> <li>3. Evaluation Procedure: The unit of board meeting distributes “Self survey of Internal Performance Evaluation of the Board of Directors ”and “ Self Survey of Board Members”. After the information has been collected by the execution unit, it will be graded and recorded accordingly, which will be reported to the Board of Directors.</li> <li>4.The Methods and Areas of Evaluation: The evaluation areas are formed by the indicators in the table below according to different features, the result of evaluation is graded, the final result if calculated into an average score according to the answer content and the total number of questions, the result of evaluation is expressed as an average score (rounding).The result of evaluation is presented by 5 grades, number 1: extremely bad (highly disagree); number 2: bad (disagree); number 3: medium (neutral); number 4: good (agree); number 5: extremely good (highly agree).</li> </ol>	

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<p>(4)The accounting unit of the Company will assess the independence and suitability of certified accountants annually. The results of the performance assessment by the board of directors for the recent two years are completed on May 11, 2020, and March 25, 2021, respectively, and have been assessed that the certified accountants are not holding any direct or indirect primary financial interests of the Company, or has no business relationship that affects independence. KPMG Taiwan CPAs, Chen-chien Chen, and Yung-hua Huang, comply with the assessment criteria of the Company for independence and suitability, and they are qualified to be the certified accountant of the Company.</p> <p>(Note 1) Assessment of Accountants independence and suitability</p> <table border="1"> <thead> <tr> <th>Title</th> <th>Evaluation index</th> <th>YES</th> <th>NO</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>The CPA is currently employed by the client or audited entity to perform routine work for which he or she receives a fixed salary, or currently serves as a director or supervisor thereof.</td> <td></td> <td>✓</td> </tr> <tr> <td>2</td> <td>The CPA has previously served for the client or audited entity as a director, supervisor, managerial officer, or an employee with material influence over attestation, and has been separated from the position for less than two years.</td> <td></td> <td>✓</td> </tr> <tr> <td>3</td> <td>The CPA is a spouse, lineal relative, direct relative by marriage, or a collateral relative within the second degree of kinship of any responsible person or managerial officer of the client or audited entity.</td> <td></td> <td>✓</td> </tr> <tr> <td>4</td> <td>The CPA, or the spouse or a minor child thereof, has invested in the client or audited entity, or shares in financial gains therewith.</td> <td></td> <td>✓</td> </tr> <tr> <td>5</td> <td>The CPA, or the spouse or a minor child thereof, has lent or borrowed funds to</td> <td></td> <td>✓</td> </tr> </tbody> </table>	Title	Evaluation index	YES	NO	1	The CPA is currently employed by the client or audited entity to perform routine work for which he or she receives a fixed salary, or currently serves as a director or supervisor thereof.		✓	2	The CPA has previously served for the client or audited entity as a director, supervisor, managerial officer, or an employee with material influence over attestation, and has been separated from the position for less than two years.		✓	3	The CPA is a spouse, lineal relative, direct relative by marriage, or a collateral relative within the second degree of kinship of any responsible person or managerial officer of the client or audited entity.		✓	4	The CPA, or the spouse or a minor child thereof, has invested in the client or audited entity, or shares in financial gains therewith.		✓	5	The CPA, or the spouse or a minor child thereof, has lent or borrowed funds to		✓																																		
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				or from the client or audited entity. However, this does not apply if the client is a financial institution and the borrowing or lending is part of a normal business relationship.	
			6	The CPA provides management consulting or other non-attestation services that affect his or her independence.	✓
			7	The CPA fails to comply with regulations, as prescribed by the competent authority with relevant jurisdiction, governing CPA rotation, handling accounting matters on behalf of clients, or other matters that affect his or her independence.	✓
			8	Where any of subparagraphs 1, 2, 4, or 5 under paragraph 1 applies to a practicing CPA at a CPA firm, other practicing CPAs may not contract to perform attestation on financial reports, either.	✓
			9	Where any of subparagraphs 4 through 6 under paragraph 1 applies to the relationship between an incorporated CPA firm and a client or an audited entity, its shareholders may not contract to perform attestation on financial reports.	✓
			10	Permit others to practice under his or her name.	✓
			11	Practice under the name of another CPA.	✓
			12	Accept employment from a non-CPA to perform CPA services.	✓
			13	Take advantage of one's position as a CPA to engage in improper industrial or commercial competition.	✓
			14	Perform practice related to matters in connection with which one is an interested party.	✓
			15	Use the title of CPA to act as a guarantor in matters beyond the scope of CPA services.	✓
			16	Purchase real or personal property under his or her management as a CPA.	✓
			17	Solicit, agree to accept, or accept unlawful benefit or compensation.	✓
			18	Solicit business by improper means.	✓
			19	Advertise for promotional purposes not related to commencement of business, office relocation, merger, accepting client engagements, or introduction of the CPA firm.	✓
			20	Disclose confidential information obtained in the performance of professional services without the permission of the appointing agency, client, or audited entity.	✓
			21	Engage in other conduct that could tarnish the reputation of CPAs, as specified by the competent authority. Rules governing the content and scope of advertising related to the accepting of client engagements or introduction of the CPA firm, as referred to in subparagraph 10 of the preceding paragraph, shall be drafted by the national federation and filed with the competent authority for review and approval. The provisions of subparagraphs 7 through 12 of paragraph 1 apply mutatis mutandis in the case of an incorporated CPA firm.	✓

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4. Does the company establish qualified and appropriate number of staff and designate supervisors for corporate governance (included but not limited to data required for business executed by Directors and Supervisors, assistance in compliance of Directors and Supervisors, affairs related with the Board of Directors' Meeting and the Shareholders' Meeting, as well as preparation of the minutes) ? Arrange related matters with the Board of Directors' Meeting and the Shareholders' Meeting, prepare the minutes etc.)?	✓		<p>With the approval in the resolution by the Board of Directors on May 6, 2019, the Company appoints the supervisor in Legal Affairs Department, HSU, TING-LING, the Deputy General Manager, to be full-time responsible for corporate governance, who shall be equipped with more than 3 years of experiences in the legal, financial, stock or corporate governance related units as a supervisor in a listed company to assure effective performance of the same without interest conflict and violation of internal control system etc..</p> <p>This supervisor is mainly responsible for supervising stock affairs unit to convene the Board of Directors' Meeting and the Shareholders' Meeting and organize meeting agenda, preparing Handbook, disclosing information, providing data required for business executed by Directors, assisting in Directors' compliance, boarding and advanced studies etc..</p> <p>Status of Business Operation in 2020:</p> <ol style="list-style-type: none"> <li>Assisted independent directors and ordinary directors in duty performance, provided necessary materials and arranged advanced study programs for directors: <ul style="list-style-type: none"> <li>Provided the Members of the Board of Directors with regular updates of the latest laws, ordinance and rules regarding operational domains and corporate governance of the Company while boarding.</li> <li>Assisted independent/ordinary directors in developing annual advanced study programs and organizing curriculum pursuant to the characteristics across industries and educational background along with experiences of Directors.</li> </ul> </li> <li>Assisted in the meeting agenda and resolution compliance of the Board of Directors' Meeting and the Shareholders' Meeting: Reported overall conditions of corporate governance to the Board of Directors, independent directors, Audit Committee, checking if these meetings conform to related laws and corporate governance rules.</li> <li>Developed Meeting Agenda for the Board of Directors' Meeting and gave meeting notice 7 days beforehand, convened meeting with materials and finished the minutes within 20 days.</li> <li>Prior registration to the Date of the Shareholders' Meeting, preparation of meeting notice, handbook, minutes by legal deadline and proceeded with registration of change during revising the Articles of Incorporation or re-election of Directors.</li> <li>The Deputy General Manager who is concurrently the supervisor of corporate governance of the Company involved in the following related advanced studies and trainings.</li> </ol> <table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Start Day/End Day of Advanced Studies</th> <th>Organized by</th> <th>Course</th> <th>Total Hours (hr) spent</th> </tr> </thead> <tbody> <tr> <td>Deputy General Manager</td> <td>HSU, TING-LING</td> <td>109.08.25 109.08.26</td> <td>Securities &amp; Futures Institute</td> <td>Practical Training Courses for Corporate Governance and Senior Management</td> <td>12</td> </tr> </tbody> </table>	Title	Name	Start Day/End Day of Advanced Studies	Organized by	Course	Total Hours (hr) spent	Deputy General Manager	HSU, TING-LING	109.08.25 109.08.26	Securities & Futures Institute	Practical Training Courses for Corporate Governance and Senior Management	12	No significant deviation
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5. Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<p>The Company will communicate with interested parties regarding circumstances, the appointment jobs include investor relations, the Department of Shareholders, business units, and human resources, and establish spokespersons and the contact information of relevant unit on the company's website.</p> <p>For relevant information, please refer to the company's website: <a href="https://www.urecorp.com/">https://www.urecorp.com/</a></p>	No significant deviation												
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The company entrusted ChinaTrust Commercial Bank, Transfer Agency Department handle the matters of the shareholders' meeting.	No significant deviation												
7. Information Disclosure (1) Establishment of a corporate website to disclose information regarding the Company's	✓		(1) The Company has established the website and disclosed the financial affair of the Company and corporate governance information in accordance with the regulations.	No significant deviation												

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financials, business and corporate governance status (2) Other information disclosure channels (e.g., maintaining an English website, designating people to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.) ? (3) Does the Company announce and file the annual financial statements within two months after the end of the fiscal year, and declare and file the first, second, and third quarter financial statements and the monthly operating performance within the specified time?	✓		(2)The company has established a Chinese/English official website and set up investor relations and corporate social responsibility zones. The relevant disclosed information includes: company financial information, press releases, corporate rules, shareholders' meetings or legal person briefings. For relevant information, please refer to the company' s website: <a href="https://www.urecorp.com/">https://www.urecorp.com/</a> (3)The Company regularly announces and reports the First, second, and third quarter financial statements and the operation situation of each month. For relevant information, please refer to the Company's website.																																					
8.Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		(1)The company regularly holds labor-management meetings under the laws, so that employees have the opportunity to understand the company's management policy, promote communication between labor and management, and prevent all kinds of employees from happening. Additionally, the company will update the important information to all employees timely through the internal announcement platform and E-mail. (2)The Company has legally required to disclose company information honestly to protect the rights of investors and interested parties and to fulfill the responsibility of the company to shareholders. (3)The company has a smooth communication and good relationship with customers and suppliers. (4)The 2020 annual training of directors of the company is as follows: : <table border="1" data-bbox="806 922 1848 1415"> <thead> <tr> <th>Name</th> <th>Organizer</th> <th>Course</th> <th>Length of Course</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Hong, Chum-Sam</td> <td>Taiwan Corporate Governance Association</td> <td>The Forum of Governance Efficiency of the Board of Directors</td> <td>3</td> </tr> <tr> <td>Taiwan Corporate Governance Association</td> <td>The Planning and Practice of The Blueprint of Sustainable Development, Independent Directors and Franchise Fight</td> <td>3</td> </tr> <tr> <td rowspan="2">Lin, Kun-Si</td> <td>Securities &amp; Futures Institute</td> <td>2020 Explanatory Meeting Regarding Insider Trading Prevention and Insider Holding Transaction Campaign</td> <td>3</td> </tr> <tr> <td>Accounting Research and Development Foundation</td> <td>The Investigation and Case Study Regarding The Fund Flow of Financial Report Malfeasance</td> <td>3</td> </tr> <tr> <td rowspan="2">Pan, Wen-Whe</td> <td>Taiwan Corporate Governance Association.</td> <td>The Planning and Practice of The Blueprint of Sustainable Development, Independent Directors and Franchise Fight</td> <td>3</td> </tr> <tr> <td>Taiwan Corporate Governance Association</td> <td>2020 Legal Seminar of Beneficial Ownership</td> <td>3</td> </tr> <tr> <td rowspan="2">Lin, Wen-Yuan</td> <td>Securities &amp; Futures Institute</td> <td>The Strategy and Management of Enterprise Upgrade and Transformation – The Choice of Merger &amp; Acquisition and Alliance</td> <td>3</td> </tr> <tr> <td>Securities &amp; Futures Institute</td> <td>The Latest Director Responsibilities and Risk Management Under The Blueprint of Corporate Governance</td> <td>3</td> </tr> <tr> <td>Liu, Kong-Hsin</td> <td>Taiwan Corporate Governance Association.</td> <td>Command The Frame of AI Risk Management, Elevate The Trust of AI Integration and Application</td> <td>3</td> </tr> </tbody> </table>	Name	Organizer	Course	Length of Course	Hong, Chum-Sam	Taiwan Corporate Governance Association	The Forum of Governance Efficiency of the Board of Directors	3	Taiwan Corporate Governance Association	The Planning and Practice of The Blueprint of Sustainable Development, Independent Directors and Franchise Fight	3	Lin, Kun-Si	Securities & Futures Institute	2020 Explanatory Meeting Regarding Insider Trading Prevention and Insider Holding Transaction Campaign	3	Accounting Research and Development Foundation	The Investigation and Case Study Regarding The Fund Flow of Financial Report Malfeasance	3	Pan, Wen-Whe	Taiwan Corporate Governance Association.	The Planning and Practice of The Blueprint of Sustainable Development, Independent Directors and Franchise Fight	3	Taiwan Corporate Governance Association	2020 Legal Seminar of Beneficial Ownership	3	Lin, Wen-Yuan	Securities & Futures Institute	The Strategy and Management of Enterprise Upgrade and Transformation – The Choice of Merger & Acquisition and Alliance	3	Securities & Futures Institute	The Latest Director Responsibilities and Risk Management Under The Blueprint of Corporate Governance	3	Liu, Kong-Hsin	Taiwan Corporate Governance Association.	Command The Frame of AI Risk Management, Elevate The Trust of AI Integration and Application	3	No significant deviation
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9.Specify the improvement of corporate governance valuation results issued by the corporate governance center of TWSE and list the follow ups for the enhancement of items to be improved. °	✓			The company implemented the self-assessed report on corporate governance and has not found any major shortcomings so far.	No significant deviation																																																	

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

Attachment 1: The implementation of diversity of the members of the Board of directors

Diversified core projects Name	Nationality	Company employees	age				Operational judgment	Capability of accounting and financial analysis	Capability of operation management	Capability of crisis management	Industry knowledge	Perspective in international market	leadership	Capability of decision-making	Legal knowledge
			Over 70 years old	60 ~ 69 years old	50 ~ 59 years old	Under 50									
Hong, Chum-Sam	Taiwan	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	
Lin, Kun-Si	Taiwan		✓				✓	✓	✓	✓	✓	✓	✓	✓	
Pan, Wen-Whe	Taiwan	✓		✓			✓	✓	✓	✓	✓	✓	✓	✓	
Lin, Wen-Yuan	Taiwan			✓			✓	✓	✓	✓	✓	✓	✓	✓	
Liu, Kong-Hsin	Taiwan		✓				✓	✓	✓	✓	✓	✓	✓	✓	
Chiou, Yih-Peng	Taiwan				✓		✓	✓	✓	✓	✓	✓	✓	✓	
Chou Chung-Pin	Taiwan				✓		✓	✓	✓	✓	✓	✓	✓	✓	
Chiang, Wen-Hsing	Taiwan				✓		✓	✓	✓	✓	✓	✓	✓	✓	
Weng, Ming-Jeng	Taiwan			✓			✓	✓	✓	✓	✓	✓	✓	✓	
Andrew C. Hsu	Taiwan				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Tsai, Ming-Fang	Taiwan					✓	✓	✓	✓	✓	✓	✓	✓	✓	

3.3.5. Status of Fulfilling Corporate Social Responsibility :

Evaluation Item	Implementation Status (Notes 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons												
	Yes	No	Abstract Explanation (Notes 2)													
1、Does the company conduct risk assessments on environmental, social, and corporate governance issues related to the company's operations under the principle of materiality, and establish relevant management policies or strategies of risks?	✓		The Company adheres to the six core concepts and significant principles of "integrity, green energy, environmental-friendly, technology, service, and innovation" to increase the proportion of renewable energy applications, saving energy, reducing carbon, and lower the impact of the greenhouse effect on the global climate. Simultaneously, the Company emphasizes the shareholders and the equity of the employees and has included the aforementioned items to the Company's management policy and operation strategy to achieve the goal of sustainable operation.	No significant deviation												
2、Does the company establish a full-time (part-time) unit to promote corporate social responsibility handled by senior management that has been authorized by the board of directors, and report the results to the board of directors?	✓		The Company has established a corporate social responsibility committee and corporate social responsibility office to report the relevant promotion to senior management.	No significant deviation												
3、Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries? (2) Does the company endeavor to utilize all resources more efficiently and use renewa (3) Does the company assess the potential risks and opportunities of climate change to the company at present and in the future, and take measures to deal with climate-related issues? (4) Does the company monitor the impact of climate change on its operations and conduct greenhouse gas inspections, as well as establish company strategies for energy conservation and carbon reduction?	✓  ✓  ✓  ✓		<p>(1)The environmental protection, safety as well as public health, and health businesses of the Company are all managed by a specific unit. They comply with regulations, acquiring ISO 14001, ISO45001, and TOSHMS management system certification, and establishes a company-wide safety committee to investigate and track the complete environmental safety and health strategies as well as proposals of the Company.</p> <p>(2)The Company aims to promote cleaner production, improving energy resource utilization, reducing the raw material consumption as well as waste generation per unit of product manufacturing, and achieving the goal of lowering production activities and product environmental impact.</p> <p>(3)The solar energy and energy storage products of the Company have been developed due to the opportunities of climate change. The production sites are distributed in different regions of the country, and there are also configurations in other areas of Asia that have not yet been affected by climate change or the frequent transmission of extreme climate phenomena. The production activities are also managed based on the principles of green production, improving energy efficiency, energy-saving, and carbon reduction. The Company was born for the green-energy operation.</p> <p>(4) (a)Greenhouse gas emissions in the past two years</p> <table border="1" data-bbox="1093 938 1798 1066"> <thead> <tr> <th>Year</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Category 1: Direct emission</td> <td>377</td> <td>283</td> </tr> <tr> <td>Category 2: Indirect emission</td> <td>90,811</td> <td>59,721</td> </tr> <tr> <td>Total emissions</td> <td>91,188</td> <td>60,004</td> </tr> </tbody> </table> <p>Notes 1: Emission unit: metric tons of CO<sub>2</sub>e / year Notes 2: According to No. 14064 declaration of the Environmental Protection Administration, Executive Yuan, switching to the Operation Control Act, its calculation is measured at version 3.0.0 of the Greenhouse Gas Inventory of the Environmental Protection Administration.</p> <p>(b)Energy saving: The Company continuously implements the plan of energy-saving improvement, compares the efficiency of energy use, finds the best operation mode, and parallelly expands to all plants. The cumulative energy savings from 2015 to 2020 was 18,193 kilowatts, which is 9,627 metric tons of CO<sub>2</sub> reduction.</p> <p>(c)Water saving: Optimizing the water consumption reduction of the machine based on the production capacity, designing the minimum water consumption mode, implementing wastewater recovery as well as system improvement. The cumulative total amount of recovered water in the past three years reached 1.37 million degrees.</p> <p>(d)Waste management: Implement manufacture on-site audits of waste removal, treatment, and reuse, and control the process and flow of waste treatment to ensure no risk. Currently, the recycling proportion of hazardous business waste is over 99%, and the recycling proportion of general business waste also achieves 85%.</p>	Year	2019	2020	Category 1: Direct emission	377	283	Category 2: Indirect emission	90,811	59,721	Total emissions	91,188	60,004	No significant deviation
Year	2019	2020														
Category 1: Direct emission	377	283														
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Evaluation Item	Implementation Status (Notes 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation (Notes 2)	
4、Social issues				
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The Company sets up employment acts based on the International Covenant on Civil and Political Rights, ICESCR, ICCPR, and the Employment Services Act. The operation in all countries complies with all local acts and adheres to all the business transactions, business relationships, supply chain activities, employment recruitment are all in compliance with ethical standards and views integrity as the priority.	No significant deviation
(2) Does the company establish and implement reasonable employee welfare measures (including compensation, vacation, and other benefits) and appropriately reflect the performance at work or results in employee compensation?	✓		(2) The Company has established a reasonable remuneration policy and set up performance assessment procedures to comply with the policy of corporate social responsibility. Additionally, the Company established a reward and punishment committee to ensure clear and effective rewards and punishment.	
(3) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(3) The Company aims at providing employees with a safe and healthy working environment. As for environmental safety, the Company develops emergency response capabilities and safety concepts of the employee through continuous education and training and enhances the cognitive ability of the employee to reduce the risk of an accident. In terms of health management, the Company offers employee health management services through diverse health promotion activities, results of health examination of the employee, specialist consultation services, and disease tracking management.	
(4) Does the company provide its employees with career development and training sessions? ?	✓		(4) Concerning mental health, apart from establishing massage spaces, fitness centers, and diverse dynamic as well as static clubs, the Company also holds stress relief seminars and various employee care activities occasionally to help employees achieve the balance between work and life. To help employees develop their careers and strengthen their professional techniques, the Company encourages employees to take part in diversified education and training courses, including new-in training, general courses, professional courses, work safety courses, and various career-related training courses in order to cultivate the career development of the employees effectively.	
(5) Concerning the health and safety of the customer, customer privacy, marketing as well as labeling of products and services, does the company comply with the relevant regulations and international standards and established relevant consumer protection policies and appeal procedures?	✓		(5) The Company complies with the relevant regulations and international standards of customer health and safety, customer privacy, marketing and labeling of products and services. The Company designated a specific person and an e-mail mailbox to handle relevant issues related to the complaints of consumer rights of the Company, and deal with the complaints fairly and immediately.	
(6) Does the company set up policies of supplier management that require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights and their implementation?	✓		(6) The Company implements an audit procedure for waste disposal suppliers, conducts site inspection and operations audit at least once a year, and conducts occasional safety observations on operations in the plant. Anything that does not comply with the act will be required to correct or terminate the contract immediately. Also, there is an assessment for the building contractor, which regulates their environmental protection, safety, and health.	
5、Does the company refer to the universal standards or guidelines to prepare corporate social responsibility reports and other reports that disclose the non-financial information of the Company? Did the pre-report acquire the confidence or assurance opinion of the verification unit of a third-party?	✓		The Corporate Social Responsibility Report for the Year of 2019of the Company will be prepared under the new edition of the GRI Standard for the year of 2018, and a third-party verification unit will be commissioned to review the report based on the AA1000 standard. Relevant information that has been disclosed includes: The corporate social responsibility purpose of the United Renewable Energy Corporation, organization, promotion category, implemented items, physical results, and relevant newsletter, and the information will be kept updating in the future.	
6、Other important information to facilitate better understanding of the company’s corporate social responsibility practices : : No deviations, for more details on Company’s activities on CSR, please see our website: <a href="https://www.urecorp.com/social_trust.php">https://www.urecorp.com/social_trust.php</a> .				
7. If the company’s corporate social responsibility report has passed the verification criteria of the relevant certificated agency, it shall be stated : The company has established a corporate social responsibility zone on the company’s official website, and the annual corporate social responsibility reports are uploaded to public information observatories.				

Notes 1: Regardless of whether the check box is "Yes" or "No", it shall be stated in the summary description field.

Notes 2: If the company has established a corporate social responsibility report, the abstract description shall be noted as an alternative to the CSR Report and the index page.

Notes 3: The principle of materiality refers to those who have significant environmental, social and corporate governance issues that have a significant impact on the company’s investors and other stakeholders.

3.3.6.The operation in performing the ethical corporate management and the variation as well as reasons for the ethical corporate management of the listed company:

Evaluation Item	Implementation Status (Notes 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>1、Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company establish the policy of ethical corporate management approved by the board of directors, and clearly stated the policies, methods of ethical corporate management, and the promises of active implementation of operation policies by the board and senior management in the regulations and public documents?</p> <p>(2) Does the company establish an assessment mechanism for non-ethical risk, and regularly analyze and evaluates business activities contains high non-ethical risks within the business range, and set up a plan to avoid non-ethical behavior, and at least cover the preventive measures in the Article 7, section 2 of the "Ethical Corporate Management Best Practice for TWSE/GTSM Listed Companies"?</p> <p>(3) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in ? and regularly review aforementioned cases before revision?</p>	✓		<p>(1) Integrity is the company's business faith and corporate culture. To regulate the company's directors, managers, employees in the process of engaging in business conduct, may not directly or indirectly provide, pledge, demand or accept any illegitimate interests, or behave other dishonesty that violates integrity, illegality, or breach of fiduciary duty.</p> <p>(2) The company has established procedures for the prevention of dishonest behaviors. All employees shall sign employment contracts, confidentiality consent, and other documents after they are employed. They will also use the training of newcomers to promote the personal conduct and violations of the "Working Rules."</p> <p>(3) To prevent dishonesty, the company not only specifies the procedures for suppliers, procurement and acceptance management, but also sets up reward and punishment committees and rewards and penalties for reporting, to prevent bribery and bribery, and to provide illegal political contributions.</p>	No significant deviation
<p>2、Fulfill operations integrity policy</p> <p>(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the company establish a specific unit under the board of directors to promote the ethical corporate management of the enterprise, and regularly (at least once a year) report to the board of directors on its policy of ethical corporate management and plans to avoid non-ethical behaviors and implementation of supervision?</p> <p>(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(4) Does the company establish an effective accounting system and internal control system to implement ethical corporate management, and propose relevant audit plans in accordance with the assessment result of non-ethical behavior risks by the internal audit unit, and audit the compliance with the case to prevent non-ethical behavior, or entrust an accountant to perform the audit?</p> <p>(5) Does the company regularly hold internal and external educational trainings on operational integrity?</p>	✓		<p>(1) The company requires the company's colleagues to assess whether the transaction counterparty has a record of dishonesty before conducting the transaction, to avoid transactions with those who have dishonest behavior records, and to find that the business dealings or cooperation counterparty have unethical behavior, they shall immediately stop business dealings and listing them as the refusal counterparty.</p> <p>(2) The Human Resources Department of the Company is responsible for promoting the integrity of the company and regularly reports to the directors on the system of integrity management, management policies, and specific promotion plans and implementation.</p> <p>(3) The company has established a policy to prevent conflicts of interest, provide an appropriate presentation pipeline, and has certainly implemented it.</p> <p>(4) The company has established an accounting system and internal control system, which the operation is normal. The internal auditors of the company regularly audit according to the audit plan and have implemented honest management to avoid fraud.</p> <p>(5) The company regularly holds internal education and training related to best practice and assigns relevant personnel to participate in external education and training.</p>	No significant deviation
<p>3、Operation of the integrity channel</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the company establish the standard operating procedures for investigating complaints, the follow-up measures to be taken after the investigation completed, and the relevant confidentiality mechanism?</p> <p>(3) Does the company provide proper whistleblower protection?</p>	✓		<p>(1) The company has established a specific reporting and reward system, and established a convenient reporting pipeline, and assigned appropriate recipients to the respondents.</p> <p>(2) The company has established the investigation standard operating procedures and related confidentiality mechanisms for accepting the report, the employees have to pass the factory entity's mailbox, and the Dr.H e-mail response problem, and additionally established a dedicated phone line to answer, providing multiple channels for employee complaints.</p> <p>(3) The company regulates the measures of the prosecutors to avoid the occurrence of the same incident or retaliation. °</p>	No significant deviation
<p>4、Strengthening information disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of</p>	✓		The Company has disclosed the contents of the Company's Best Practice Principle	No significant deviation

Evaluation Item	Implementation Status (Notes 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
its implementation on the company’s website and MOPS?			of Integrity and its effectiveness on the Company's website and the Public Information Observatory.	
5、If the company has conducted its best practice principle in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.” : No Deviations				
6、Other important information that helps to understand the company's integrity management operations (If the company reviews and amends its establishment of best practice principle, etc.): The company operates in a stable and pragmatic spirit, and has established a spokesperson, acting spokesman and investor relations department, responsible for maintaining relationships with the public and investors and establishing a good image of the company. The company has no recent changes in corporate image and caused crisis management.				

3.3.7.If the company has established the procedures of corporate governance or relevant articles, the inquiry way shall be disclosed: The company’s website: <https://www.urecorp.com/> or inquire on public information observation website.

3.3.8.Other important information that is sufficient to increase the understanding of the operation of corporate governance, shall be disclosed wholly: None.

### 3.3.9. Internal Control System Execution Status

#### 1. Statement of Internal Control System

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

Date: March 25, 2021

Based on the findings of a self-assessment, United Renewable Energy Co., Ltd.. (URE) states the following with regard to its internal control system in 2020 :

- 1 、 URE is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. URE has established such a system aimed at providing reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), (2) reliability of financial reporting, and (3) compliance with applicable laws and regulations.
- 2 、 An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Moreover, the effectiveness of an internal control system may be subject to changes of environment or circumstances. Nevertheless, the internal control system of URE contains self-monitoring mechanisms, and URE takes corrective actions whenever a deficiency is identified.
- 3 、 URE evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the “Regulations”). The criteria adopted by the Regulations identify five components of internal control based on the process of management control: (1) control environment, (2) risk assessment and response, (3) control activities, (4) information and communication, and (5) monitoring. Each component further contains several items. Please refer to the Regulations for details.
- 4 、 URE has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- 5 、 Based on the findings of the evaluation mentioned in the preceding paragraph, URE believes that, during the year 2020 its internal control system (including its supervision and management of subsidiaries), as well as its internal controls to monitor the achievement of its objectives concerning operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations, were effective in design and operation, and reasonably assured the achievement of the above-stated objectives.
- 6 、 This Statement will be an integral part of URE Annual Report for the year 2020 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
- 7 、 This Statement has been passed by the Board of Directors in their meeting held on March 25 , 2021, with zero of the 11 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

United Renewable Energy Co., Ltd.  
Chairman : Hong, Chum-Sam  
CEO : Pan, Wen-Whe

2. Disclose the review report of independent auditors if they are retained for reviewing the internal control system: Not applicable

3.3.10. Punishment on the Company and its Staff in Violation of Law, or Punishment on its Employees in Violation of Internal Control System and Other Internal Regulations, Major Shortcomings and Status of Correction: None.

3.3.11. As of the date of this Annual Report, the following resolutions are adopted regarding annual shareholders' meeting and Board of Directors Meeting :

1. Annual Shareholders' Meeting :

Conven Date	Important Resolution	Implementation
June 22, 2020 Annual Shareholders' Meeting	1. The company recognized the 2019 business report and financial statements	Announced at Public Information Observatory website in accordance with regulations
	2. The company recognized the proposal of 2019 loss make-up	Admitted accordingly after the resolution of the shareholders' meeting
	3. The company approved the Amendment to the "Articles of Incorporation"	Implement in accordance with the articles of the new amendment
	4. URE plans to increase capital by issuing common stock or by issuing underlying common stock for Global Depository Receipts (GDR) offering	The case hasn't been performed.
	5. The Company plans to issue common shares in private	The case will not be processed

2. Board of Directors Meeting :

Conven Date	Important Resolution
Mar 26, 2020	<ol style="list-style-type: none"> <li>1. The company approved the 2019 business report and financial statements</li> <li>2. The company approved the 2019 appropriation of loss</li> <li>3. Abandon the private placement of common shares approved at the 2019 Annual Shareholders' Meeting for the remaining period</li> <li>4. Amendment to the articles of incorporation</li> <li>5. Perform the common stock issuance by capital increase or participate in the issuance of global depository receipts by issuing common stock by capital increase</li> <li>6. Proposal for a capital increased by private placement</li> <li>7. The 2019 "validity assessment of internal control system."</li> <li>8. The company approved the continuous providing endorsement/guarantee for General Energy Solutions UK Limited</li> </ol>
May 11, 2020	<ol style="list-style-type: none"> <li>1. Approved the Company participated Utech Solar Corporation cash capital increase.</li> <li>2. Approved the Company participated Electronic J.R.C., S.R.L. cash capital increase.</li> <li>3. Approved to announce the company changes accounting firm and accountants</li> <li>4. Approved the of the limit of the endorsement and guarantee to the subsidiary, Gintech(Thailand)Limited</li> <li>5. Approved the endorsement and guarantee to the subsidiary, GES UK.</li> </ol>
July 09, 2020	<ol style="list-style-type: none"> <li>1. Approved the company disposed chunan plant building and affiliated facilities facilities</li> <li>2. Approved the company disposed common shares of neo cathay power corp</li> <li>3. Approved the company disposed common shares of sino-american silicon products inc.</li> </ol>
Aug 10, 2020	<ol style="list-style-type: none"> <li>1. Approved the continuous provision of endorsement and guarantee for the subsidiary, nsp system.</li> <li>2. URE board of directors resolved to 2nd issue restricted stocks for employees.</li> </ol>
Nov 12, 2020	<ol style="list-style-type: none"> <li>1. Approved the continuous provision of endorsement and guarantee for the subsidiary, yong liang inc.</li> <li>2. To announce the new replacement for internal audit officer</li> <li>3. Approved the 2021 proposal for audit plan</li> </ol>
Dec 30, 2020	<ol style="list-style-type: none"> <li>1. Approved the 2021 proposal for a complete operational plan</li> <li>2. Approved the company participated utech solar corporation cash capital increase.</li> </ol>
Feb 05, 2021	<ol style="list-style-type: none"> <li>1. Election for directors (Including Independent Directors)</li> <li>2. Approved the list of director candidates and independent director candidates</li> <li>3. To remove restrictions on the prohibition of business for newly elected directors (Including Independent Directors)</li> </ol>
Mar 25, 2021	<ol style="list-style-type: none"> <li>1. The company approved the 2020 business report and financial statements</li> <li>2. The company approved the 2020 appropriation of loss</li> <li>3. Approved the resolved to reduce capital to make plosses.</li> <li>4. Approved the case of the issuance of common stocks by cash capital increase or participate in the issuance of global depository receipt through the issuance of common stocks by cash capital increase.</li> <li>5. Perform the common stock issuance by capital increase or participate in the issuance of global depository receipts by issuing common stock by capital increase</li> </ol>

Conven Date	Important Resolution
	6.Approved performing private common stock. 7.Approved the Endorsement and Guarantee to the subsidiary, Apex Solar Corporation. 8.Approved the Internal Control System Statement for the year of 2020. 9.Amend parts of Validity Assessment of Internal Control System.

3.3.12.As Of The Date Of This Annual Report, A Director Or A Supervisor Has Expressed Disagreement To A Resolution Passed By The Board Of Directors And Kept Document Or A Written Statement: None.

3.3.13.As Of The Date Of This Annual Report, Resignation Or Dismissal Of Personnel Responsible For Financial Report (Including Chairman, President, Accounting And Company Secretary And Audit Managers):

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
Internal audit officer	Derek.Huang	October ,17 2011	February,14 2020	Job transfer
Research and development officer	Adam.Hsu	May,06 2019	April,27 2020	Job transfer

### 3.4.Information Regarding Audit Fees :

#### 3.4.1.Audit Fees

Accounting Firm	Name of CPA		Audit PeriodCPA's Audit	Note
Deloitte & Touche	Yi-Hsin Kao	Yu-Feng Huang	2020/01~2020/03	N/A
KPMG	Cheng-Chien Chen	Yung-Hua Huang	2020/4~2020/12	N/A

Unit: In thousand of NTS

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal		
Deloitte & Touche	Yi-Hsin Kao	1,600	—	20	—	—	20	2020/01~2020/03	—
	Yu-Feng Huang.								
KPMG	Cheng-Chien Chen	6,680	—	100	—	450	550	2020/4~2020/12	Non-audit fee – others, mainly the service fee of tax refund regarding tax overpaid retained for offsetting the future tax payable
	Yung-Hua Huang								

3.4.2.Non-Audit Fee Paid to Auditors and the Accounting Firm Accounted for More Than One-Fourth of Total Audit Fee Shall Disclose the Amount and The Service Item: None.

3.4.3.When the Company Changes Its Accounting Firm and the Audit Fees Paid for the Fiscal Year in Which Such Change Took Place Are Lower Than Those for the Previous Year, The Reduction in the Amount of Audit Fees, Reduction Percentage, and Reason(S) Therefore Shall Be Disclosed:

- (1) The audit fee was NT\$9,320 thousands in 2019 and NT\$8,280 thousands in 2020. The annual audit was reduced NT\$ 1,040 thousands with 11% decreased.
- (2) After the 2020 first quarter financial auditing, the company initiated the process to re-select the auditing firm. KPMG was to be engaged as the new auditor decided by the board of the directors of the company. The auditing fee was then negotiated between the company and the selected auditing firm.
- 3.4.4. When the Audit Fees Paid for the Current Year Are Lower Than Those for the Previous Fiscal Year by 15 Percent Or More, the Reduction in the Amount of Audit Fees, Reduction Percentage, and Reason(S) Therefore Shall Be Disclosed: The audit fee was NT\$9,320 thousands in 2019 and NT\$8,280 thousands in 2020. The annual audit was reduced NT\$ 1,040 thousands with 11% decreased.

### 3.5. Replacement of CPA :

#### A. Regarding the former CPA

Replacement Date	From the second quarter of 2020		
Replacement reasons and explanations	We replaced the accounting firm in order to cooperate with the demand for corporate business development and management. Accountants Yi-Hsin Kao and Yu-Feng Huang from Deloitte & Touche are replaced by accountants Zhen-Qian Chen and Yong-Hua Huang from KPMG.		
Describe whether the Company terminated or the CPA did not accept the appointment	Parties	CPA	The Company
	Termination of appointment	-	✓
	No longer accepted (continued) appointment	-	-
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Differences with the company	Yes	-	Accounting principles or practices
		-	Disclosure of Financial Statements
		-	Audit scope or steps
		-	Others
	None	✓	
Remarks/specify details: None			
Other Revealed Matters	None		

#### B. Regarding the successor CPA

Name of accounting firm	KPMG
Name of CPA	Cheng-Chien Chen and Yung-Hua Huang
Date of appointment	May 11, 2020
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

**3.6. The Chairman, President, Finance or Accounting Manager Who Has Worked in the Accounting Firm or Affiliates in the Most Recent Year, the Name, Position and the Service Period Shall Be Disclosed:**  
None.

**3.7. Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders in Last Year and as of the Date of this Annual Report :**

3.7.1. Net Change in Shareholding and Net Change in Shares Pledged by Directors, Management and Shareholders with 10% Shareholding or More :

Unit: Shares

Title	Name	2020		As of Mar. 3, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman & CSO	Hong, Chum-Sam	0	0	0	0
Director&CEO	Pan, Wen-Whe	(1,050,000)	0	(130,000)	0
Director	Lin, Kun-Si	0	0	0	0
Director	Lin, Wen-Yuan	0	0	0	0
Director	Chiang, Wen-Hsing	0	0	0	0
Director	Long deed corporation	0	0	0	0
	Delegate: Liu, Kong-Hsin	0	0	0	0
Director	National Development Fund, Executive Yuan	0	0	0	0
	Delegate: Chiou Yih-Peng	0	0	0	0
Director	Yao-Hwa Glass Co., Ltd. Management Commission	0	0	0	0
	Delegate: Chou Chung-Pin	0	0	0	0
Independent Director	Ming-Jeng, Weng	0	0	0	0
Independent Director	Andrew C. Hsu	0	0	0	0
Independent Director	Tsai, Ming-Fang	0	0	0	0
Business President	Andy Shen	0	0	0	0
Business President	Tseng, Sheng-Cheng	0	0	0	0
Senior Vice President	Thomas Hsu	(45,000)	0	0	0
Vice President	Zabrina.Hsu	44,000	0	(9,000)	0
Vice President	Jack Chen	0	0	0	0
CFO	Pan, lay-lay	44,000	0	0	0
Vice President	Jorge Tseng	148,211	0	0	0
Vice President	Ben Pan	(110,000)	0	(26,000)	0
Vice President	Lai, Zhi-Jie	0	0	0	0
Vice President	Simon Li	0	0	0	0
Senior Vice President	Marco Hu	0	0	0	0
Vice President	Yan, ming-shuo	0	0	0	0
Senior Vice President	Stone Liu	(40,000)	0	0	0
Assistant Vice President	Kt Ou	(9,000)	0	0	0
Assistant Vice President	Chienping.Hsieh	(55,000)	0	(33,837)	0
Vice President	Adam.Hsu	(204,148)	0	(28,000)	0
Assistant Vice President	JeffHsieh	33,000	0	0	0
Assistant Vice President	Howard Liu	0	0	0	0
Vice President	Rita Yang	33,000	0	0	0

3.7.2. Shares Trading with Related Parties: None

3.7.3. Shares Pledge with Related Parties: None

**3.8. Relationship Information of the Top 10 Shareholders among Who are Related Parties, as Defined in the Statement of Financial Accounting Standard NO.6. :**

Date: Mar 09, 2021

Name	Shareholding		Shareholding under spouse or underage children		Shareholding under other		Top 10 shareholders among who are related parties		Note
	Share	%	Share	%	Share	%	Name	relation	
National Development Fund under the Executive Yuan	175,119,300	6.57%	0	0	0	0	0	0	—
Yao-Hwa Glass Co., Ltd. Management Commission	167,145,851	6.27%	0	0	0	0	0	0	—
Delta Electronics, Inc	55,308,750	2.08%	0	0	0	0	0	0	—
JPMorgan Chase The Norwegian Central Bank Investment Dedicated Account	32,123,526	1.21%	0	0	0	0	0	0	—
Vanguard Emerging Market Stock Index Fund Dedicated Account, managed by Vanguard Group, under custody of JP Morgan, Taipei Branch.	29,923,470	1.12%	0	0	0	0	0	0	—
JP Morgan Managed Advanced Stars advanced aggregate International Equity Index	25,187,363	0.95%	0	0	0	0	0	0	—
Credit Suisse TRUST ACCOUNT(iShares Emerging Markets ETF)	20,026,388	0.75%	0	0	0	0	0	0	—
CITI BANK TRUST ACCOUNT(DFA Emerging Markets Core Securities Investment Account)	17,308,313	0.65%	0	0	0	0	0	0	—
Credit Suisse International	14,712,000	0.55%	0	0	0	0	0	0	—
Ton Shun Investment Co., Ltd	14,584,615	0.55%	0	0	0	0	0	0	—

**3.9. Total Numbers and Equity of Shares Held In any Single Enterprise by the Company, Directors, Supervisors, Managers and Any Companies Controlled Either Directly or Indirectly by the Company :**

Date : 2020/12/31 ; Unit:in thousands of shares; %

Reinvestment	Investment by URE		Investments directly or indirectly controlled by directors, supervisors and managers		Total investment	
	Share	%	Share	%	Share	%
Ultimate Energy Solution Limited	62,188	100	0	0	62,188	100
DelSolar Holding (Cayman) Ltd.	155,126	100	0	0	155,126	100
NSP Systems (BVI) Ltd.	18,350	100	0	0	18,350	100
GES Energy Middle East FZE	4	100	0	0	4	100
Apex solar corporation	36,379	100	0	0	36,379	100
NSP UK Holding Limited	1,780	100	0	0	1,780	100
NSP System Development Corp.	14,420	100	0	0	14,420	100
New Ray Investment Corp	11,500	100	0	0	11,500	100
Zhong Yang Corp.	3,500	100	0	0	3,500	100
UREE Corp	2,530	100	0	0	2,530	100
DelSolar Holding Singapore Pte. Ltd.	1,250	100	0	0	1,250	100
Best Power Service Corp	600	60	0	0	600	60
Solartech Materials Corporation	1,000	100	0	0	1,000	100
Utech solar corporation	50,356	99.87	0	0	50,356	99.87
Yong Liang Inc.	24,900	100	0	0	24,900	100
Yong Shun Ltd.	-	100	0	0	0	100
JRC	145	59.69	97	40.31	242	100
Genera Energy Solutions UK Limited	95,890	100	0	0	95,890	100
Neo Cathy Power Corp.	-	40	0	0	-	40
TSST	97,701	42.12	0	0	97,701	42.12
V5 Technologies	7,789	32.73	3,694	15.52	11,483	48.25
Gintung energy corporation	13,460	36.38	0	0	13,460	36.38
DS Energy Technology Co., Ltd	1,050	29.17	0	0	1,050	29.17
Daxiangying Energy Co., Ltd.	10	100	0	0	10	100

Reinvestment	Investment by URE		Investments directly or indirectly controlled by directors, supervisors and managers		Total investment	
	Share	%	Share	%	Share	%
Xinkai Energy Co., Ltd.	10	100	0	0	10	100
Shanshang Energy Co., Ltd.	2,010	100	0	0	2,010	100
Jiangong Energy Co., Ltd.	10	100	0	0	10	100
Dongshi Energy Co., Ltd.	210	100	0	0	210	100
Yanshan Energy Co., Ltd.	10	100	0	0	10	100
Solarbright energy Co., Ltd.	3,000	30	0	0	3,000	30

#### IV. Capital Overview

##### 4.1. Capital and Shares

##### 4.1.1. Source of Capital :

Unit: in thousand of NT\$ ; Shares

Month / Year	Price	Authorized		Authorized		Source of capital	Capital increased by assets other than cash	Other
		Shares	Amount	Shares	Amount			
2020/01	10	3,200,000,000	32,000,000,000	2,665,577,382	26,655,773,820	Capital raising through issuance of common shares NT\$1,500,000 thousands.	None	Note 1
2020/04	10	3,200,000,000	32,000,000,000	2,665,337,532	26,653,375,320	Cancellation of new shares from restricted stock awards NT\$2,398 thousands.	None	Note 2
2020/06	10	3,200,000,000	32,000,000,000	2,665,112,632	26,651,126,320	Cancellation of new shares from restricted stock awards NT\$2,249 thousands.	None	Note 3
2020/08	10	3,600,000,000	36,000,000,000	2,665,907,632	26,659,076,320	Cancellation of new shares from restricted stock awards NT\$7,750 thousands.	None	Note 4
2020/09	10	3,600,000,000	36,000,000,000	2,665,572,882	26,655,728,820	Cancellation of new shares from restricted stock awards NT\$3,347 thousands.	None	Note 5
2020/12	10	3,600,000,000	36,000,000,000	2,665,311,332	26,653,113,320	Cancellation of new shares from restricted stock awards NT\$2,615 thousands.	None	Note 6

Note 1 : The 14 Jan 2020 Letter No. Science-Park-Listed-Company - 1090000958 of Science Park Administration  
Note 2 : The 17 Apr 2020 Letter No. Science-Park-Listed-Company - 1090010355 of Science Park Administration  
Note 3 : The 20 June 2020 Letter No. Science-Park-Listed-Company - 1090016665 of Science Park Administration  
Note 4 : The 26 Aug 2020 Letter No. Science-Park-Listed-Company - 1090024334 of Science Park Administration  
Note 5 : The 15 Sep 2020 Letter No. Science-Park-Listed-Company - 1090025777 of Science Park Administration  
Note 6 : The 15 Dec 2020 Letter No. Science-Park-Listed-Company - 1090030152 of Science Park Administration

##### 4.1.2. Type of Stock

Date: Mar 9, 2021

Type of Stock	Authorized Capital			Remark
	Outstanding Shares	Unissued Shares	Total Shares	
Common Stock	2,665,311,332	934,688,668	3,600,000,000	Listed Stock

##### 4.1.3. Shareholder Structure

Date: Mar 9, 2021

Structure	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institution & Persons	Individuals	treasury stocks	Total
Number	1	7	421	281	195,466	1	196,177
Ownership (Share)	175,119,300	2,608,967	366,796,964	287,184,863	1,833,307,738	293,500	2,665,311,332
Ownership (%)	6.57%	0.10%	13.76%	10.77%	68.79%	0.01%	100.00%

#### 4.1.4. Diffusion of Ownership

Date: Mar 9, 2021

Shareholder Ownership (Unit: Share)	Number of Shareholders	Ownership (Share)	Ownership (%)
1-999	44,061	7,100,892	0.27%
1,000-5,000	94,688	227,066,171	8.52%
5,001-10,000	25,811	205,428,173	7.71%
10,001-15,000	9,319	118,666,140	4.45%
15,001-20,000	6,410	118,963,254	4.46%
20,001-30,000	5,729	146,097,591	5.48%
30,001-40,000	2,704	96,252,180	3.61%
40,001-50,000	1,804	83,742,056	3.14%
50,001-100,000	3,239	231,150,910	8.67%
100,001-200,000	1,368	192,381,793	7.22%
200,001-400,000	653	180,641,530	6.78%
400,001-600,000	156	75,559,305	2.83%
600,001-800,000	67	45,122,597	1.69%
800,001-1,000,000	42	37,529,852	1.41%
1,000,001 the above	126	899,608,888	33.76%
Total	196,177	2,665,311,332	100.00%

#### 4.1.5. Major Shareholders

Date: Mar 9, 2021

Major Shareholders	Ownership (Share)	Ownership (%)
National Development Fund under the Executive Yuan	175,119,300	6.57%
Yao-Hwa Glass Co., Ltd. Management Commission	167,145,851	6.27%
Delta Electronics, Inc	55,308,750	2.08%
JPMorgan Chase The Norwegian Central Bank Investment Dedicated Account	32,123,526	1.21%
Vanguard Emerging Market Stock Index Fund Dedicated Account, managed by Vanguard Group, under custody of JP Morgan, Taipei Branch.	29,923,470	1.12%
JP Morgan Managed Advanced Stars advanced aggregate International Equity Index	25,187,363	0.95%
Credit Suisse TRUST ACCOUNT(iShares Emerging Markets ETF)	20,026,388	0.75%
Citi Bank Trust Account(Dfa Emerging Markets Core Securities Investment Account)	17,308,313	0.65%
Credit Suisse International	14,712,000	0.55%
Ton Shun Investment Co., Ltd	14,584,615	0.55%

#### 4.1.6. Market Price, Net Worth, Earnings, Dividends per Share for the Recent Two Years :

Unit: New Taiwan dollars ; Unless stated otherwise

Item	Year		2019	2020
	Highest	Lowest		
Market Price per Share	Highest		11.5	17.00
	Lowest		6.96	4.20
	Average		8.79	9.42
Net Worth per Share	Before Distribution		7.78	5.35
	After Distribution		7.78	5.35
Earnings per Share	Weighted Average Shares (thousands)		2,665,338	2,665,086
	Earnings per Share	Before adjustment	(2.26)	(2.31)
		After adjustment	—	—
Dividends per Share	Cash Dividends		—	—
	Stock Dividend	Retained Earning	—	—
		Capital Surplus	—	—
	Accumulated undistributed dividends		—	—
Return on Investment	Price/Earnings Rate		—	—
	Price/Dividend Rate		—	—
	Cash dividend Yield		—	—

Note 1: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 2: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 3: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

#### 4.1.7. The implementation and policies of the company's stock dividend distribution.

##### 1. Dividend distribution policy established by the article:

The Company shall, after retaining the amount of accumulated deficit cover, deduct the profit before appropriating remuneration of employees and directors from the current profit before tax. If there is still a surplus, the remuneration of employees shall be no less than 3%, and the remuneration of directors shall not exceed 2%. Actual value of appropriation shall be made by the Board of Directors with more than two-thirds of the directors' attendance and the resolution by more than half of the directors.

Targets of the employees' remuneration issuance shall include the employees who are eligible to the control of certain conditions or the subsidiary employees. The Board of Directors or its authorized person are authorized to set the relevant conditions and procedures.

Whether the employees' remuneration should be in stock or cash shall be made by the Board of Directors with more than two-thirds of the directors' attendance and the resolution by more than half of the Directors and reported to the shareholders' meeting.

If the Company has surplus earnings after settlement of each fiscal year, the company shall, after all taxes have been paid and its accumulated losses have been covered, first set aside 10% of such earnings as a legally required reserve and then set a certain amount by law as special reserve at the time of earnings distribution. When the legal reserve reaches the total amount of paid-in capital, it shall not be appropriated. If earnings still left after the arrangements above, with cumulative unappropriated retained earnings, the Board of Directors shall propose to distribute the proposal. When issuing new shares, it should be first submitted to the shareholders' meeting for resolution and then distributed.

In accordance with the provisions of the Company Act, the Company authorizes more than two-thirds of the directors from the Board of Directors to attend, and the resolution by more than half of the directors. All or a part of dividends and bonuses or the legal reserve and additional paid-in capital stipulated by Paragraph 1 of Article 241 of the Company Act shall be distributed in cash and reported to the shareholders' meeting.

The shareholders' bonus is based on the principle of matching stock dividends and cash dividends, and the distributed cash dividends are not be less than 10% of the total bonus of shareholders.

##### 2. Proposed dividend distribution of shareholders' meeting: None.

##### 3. Expected dividend policy major changes: None.

#### 4.1.8. Employee Bonus and Directors' and Supervisors' Remuneration :

##### 1. The scope or portion of the employee, directors and supervisors' remuneration recorded by the Articles of Incorporation:

Based on the needs of the company's operations and the maximization of shareholders' equity, the Company shall deduct the amount of accumulated loss from the retention of employees' compensation and the pre-remuneration benefits of the pre-tax profit for the current year. If there is still earnings remain, the employee shall be paid no less than 3%, and the director's remuneration shall not exceed 2%. The actual amount of the provision shall be determined by the board of directors with more than two-thirds of the directors present and more than half of the directors agree. Employees' remuneration shall include employees of subordinate companies that meet certain conditions, and the relevant conditions and methods shall authorize the board of directors or their authorized personnel to establish.

The employee's remuneration is issued by stocks or cash, and shall be reported by the board of directors with more than two-thirds of the director's attendance and a majority of the directors' consent.

##### 2. The accounting treatment if the actual distribution amount differs from the estimated number of columns, the Calculated based on the number of shares of employees paid by stocks, and the Estimated basis for the compensation for employees, directors and supervisors in this period:

The employees, directors, and remuneration of the company are based on the pre-tax profit of the current year, after deducting the employee's remuneration and the remuneration of the directors, after retaining the accumulated loss. If there is still earnings remain, it shall be estimated according to a specific ratio. After the end of the year, if there is a significant change in the amount of the resolution issued by the board of directors, the change will be adjusted to the original annual fee. At the date of the resolution of the shareholders' meeting, if the amount still changes, it shall be treated in accordance with the accounting estimates and adjusted in the resolution of the shareholders' meeting. If the resolution adopts stocks to issue employee compensation, the number of stock dividends is

determined by dividing the amount of the resolution by the fair value of the stock. The fair value of the stock refers to the closing price of the day before the resolution date of the shareholders' meeting and considers the impact of the ex-dividend as the basis for calculation.

- 3.The distribution of employees and directors' compensation that has been approved by the board of directors, but have not been resolved by the shareholder's meeting: Not applicable.
- 4.The actual distribution of employees and directors' compensation in the previous year (2019): Not applicable.

4.1.9 Buyback of Treasury Stock: NA

**4.2.Implementation of corporate bond, special stock, Overseas depositary receipts, employee stock option certificates and mergers or acquisitions of new shares of his company shares :**

4.2.1.Bonds : NA

4.2.2.Status of Preferred Stocks : NA

4.2.3.Status of GDR Issuance : NA

4.2.4.Status of Employee Stock Options : NA

4.2.5.Status of New Shares Issuance of Restricted Stocks for Employees:

(1)Issuance of Employee Stock Options

Type of the Restricted Stock Award	The 6rd Employee's Restricted Stock Awards	The 7rd Employee's Restricted Stock Awards
Effective date of declaration	October 01,2019	October 01,2019
Issuing date	November 11,2019	August 11,2020
Number of the new issuance of restricted stocks	2,205,000 shares	795,000 shares
Offering Price	NT\$0	NT\$0
Ratio of the number of new shares issued to the total number of shares issued	0.08%	0.13%
Terms and conditions of the employees' restricted stocks	If the employee's physical performance of each year reaches the following standards during the vested period: A.The employee who still serve in the company within one year from the issued date, and his/her performance result is excellent in the year of the issued date, he/she will be vested 50% of the issuance of new restricted employee shares. B.The employee who still serve in the company within two years from the issued date, and his/her performance result is excellent in the following year of the issued date, he/she will be vested 50% of the issuance of new restricted employee shares.	If the employee's physical performance of each year reaches the following standards during the vested period: A.The employee who still serve in the company within one year from the issued date, and his/her performance result is excellent in the year of the issued date, he/she will be vested 50% of the issuance of new restricted employee shares. B.The employee who still serve in the company within two years from the issued date, and his/her performance result is excellent in the following year of the issued date, he/she will be vested 50% of the issuance of new restricted employee shares.
Restriction on the rights associated with employees' restricted stocks	The shares allocated or subscribed by the employees do not have ownership of their shares before the vested conditions are fulfilled, ie they may not be disposed of, pledged, transferred, donated to others, set, or other disposal.	The shares allocated or subscribed by the employees do not have ownership of their shares before the vested conditions are fulfilled, ie they may not be disposed of, pledged, transferred, donated to others, set, or other disposal.
Custody of the employees' restricted new shares	The company represented the employee to sign a contract of trust deed with the stock trust custodian institution. The attendance, proposal, speech and voting rights of the shareholders' meeting are all executed by the trust custodian institution in accordance with the contract.	The company represented the employee to sign a contract of trust deed with the stock trust custodian institution. The attendance, proposal, speech and voting rights of the shareholders' meeting are all executed by the trust custodian institution in accordance with the contract.
Handing of employee's failure to meet the vesting conditions	The stock dividends and cash dividends obtained by employees during the vested period, the company gives employees free of charge, but the vested rights of new shares are not yet vested in the following ways: 1.Retirement: Retirement and application for retirement in the most recent year, the outstanding performance of the applicant, has not yet vested to the issuance of new restricted employee shares, employees can be fully vested on the effective date of retirement; if the outstanding, not yet vested to the issuance of new restricted employee shares, the company shall purchase with the issued price. 2.Resign: The vested person has not yet vested in the issuance of new restricted employee shares, and the company shall purchase with the issued price. 3.Persons with disabilities, death or general death due to occupational disasters: 4.Those who are unable to continue to serve due to physical disabilities due to occupational disasters, have not yet vested in the issuance of new restricted employee shares,	The stock dividends and cash dividends obtained by employees during the vested period, the company gives employees free of charge, but the vested rights of new shares are not yet vested in the following ways: 1.Retirement: Retirement and application for retirement in the most recent year, the outstanding performance of the applicant, has not yet vested to the issuance of new restricted employee shares, employees can be fully vested on the effective date of retirement; if the outstanding, not yet vested to the issuance of new restricted employee shares, the company shall purchase with the issued price. 2.Resign: The vested person has not yet vested in the issuance of new restricted employee shares, and the company shall purchase with the issued price. 3.Persons with disabilities, death or general death due to occupational disasters: 4.Those who are unable to continue to serve due to physical disabilities due to occupational disasters, have not yet vested in the issuance of new restricted employee shares,

Type of the Restricted Stock Award	The 6rd Employee's Restricted Stock Awards	The 7rd Employee's Restricted Stock Awards
	and employees can be fully awarded when they leave their posts. 5.Those who have died or are generally deceased due to occupational disasters have not yet acquired the rights to new shares of employees and are considered to be fully vested. The successor has completed the necessary statutory procedures and provided relevant supporting documents to apply for receiving the shares or the interests it has inherited. 6.Transferred to the enterprise: Due to the operation of the company, the employees of the company must be transferred to the company's affiliated companies or other companies as approved by the company, and the company has not yet acquired the rights of employees.	and employees can be fully awarded when they leave their posts. 5.Those who have died or are generally deceased due to occupational disasters have not yet acquired the rights to new shares of employees and are considered to be fully vested. The successor has completed the necessary statutory procedures and provided relevant supporting documents to apply for receiving the shares or the interests it has inherited. 6.Transferred to the enterprise: Due to the operation of the company, the employees of the company must be transferred to the company's affiliated companies or other companies as approved by the company, and the company has not yet acquired the rights of employees.
Number of the retrieved or bought shares of the employees' restricted shares	687,000 shares	123,000 shares
Number of new shares that have been released from restricted rights	772,500shares	0 shares
Number of new shares that have not yet been released from restricted rights	745,500 shares	672,000 shares
Ratio of the number of new shares outstanding to the total number of shares issued (%)	0.03%	0.03%
Effect on shareholders' equity	The number of shares that have not been restricted is only 0.03% of the number of issued shares, so the overall assessment shall have no significant impact on existing shareholders' equity.	The number of shares that have not been restricted is only 0.03% of the number of issued shares, so the overall assessment shall have no significant impact on existing shareholders' equity.

Notes: Calculated in 2,665,311,332shares as of the 2021 Annual shareholders' meeting book closure date (Mar 9, 2021) of the company.

(2)List of Executives Receiving New Restricted Employee Shares and the Top Ten Employees with New Restricted Employee Shares :

Dec. 31, 2020 Unit: share/ in New Taiwan Dollars

	Title	Name	No. of Stock Options	Stock Options as a Percentage of Shares Issued	Exercised			Unexercised				
					No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$)	Converted Shares as a Percentage of Shares Issued	No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$)	Converted Shares as a Percentage of Shares Issued
Manager	Vice President	LAI,ZHI-JIE i(Resigned)	907,000	0.03%	308,000	0	0	0.01%	423,000	0	4,230,000	0.02%
	Vice President	Pan,lai-lay										
	Vice President	Yan,ming-shuo (Resigned)										
	Vice President	Ben Pan										
	Vice President	Rita Yang										
	Vice President	Jorge Tseng										
	Vice President	Adam.Hsu										
	Vice President	Zabrina.Hsu										
	Assistant Vice President	Jeff Hsieh										
	Assistant Vice President	Chienping.Hsieh										
Staff	Director	Chen Chiung Chin(Resigned)	821,000	0.03%	177,500	0	0	0.01%	447,500	0	4,475,000	0.02%
	Senior Director	Howard Liu										
	Senior Director	Susan.Cheong										
	Director	Litan Tai										
	Director	Wang Shi Jie(Resigned)										
	Plant Director	Wu Shang Guang(Resigned)										
	Director	Lin Jin Zhong										
	Director	Vera.Tsai										
	Director	Irene.Cheng										
	deputy Director	Angella Lee										

**4.3.Status of New Shares Issuance in Connection with Mergers and Acquisitions :**

1. The completion of issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies for the recent year as of the date of the annual handbook had been printed: None
2. If, for the recent year as of the date of the annual handbook had been printed, the board of directors has approved any issuance of new shares in connection with a merger or acquisition or with acquisition of shares of any other company, the annual report shall specify its implementation situation or the information of merged or acquired company. The handling of issuance of new shares in connection with

mergers or acquisitions or with acquisitions of shares of other companies, the annual report shall specify the implementation and the impact on the shareholder's rights : None

#### 4.4.Financing Plans and Implementation :

##### 4.4.1.Finance Plans :

- (1)The company issued 334,291,702 shares of common stock by private placement. The total amount of the private placemen was NT \$2,781,306,962 . To invest inhigh-efficiency products, expand production capabilities,obtain the ability of module production, to develop systemsand relevant new fields of businesses, and/or to satisfy thefunding demands of the Company's long-term development inorder to raise the surviving company's corporate competitivenessand profitability; and to ensure the sustainable growth ofthe surviving company's business and to bring positive impacton shareholders' rights and interests.After capital increase, it would improve the financial structure, business operation and development, and benefit to the shareholders' equity.
- (2)The company handled a cash capital increase in the issuance of new shares in 2019. The total amount raised was NTD 978,000 thousand. Payments and improved financial balances will help the company 's future operations to grow steadily and have a positive benefit to shareholders 'equity.

##### 4.4.2.Implementation :

- (1)By 2020, December 31,This Private fund has been spent NT\$ 1,492,375 thousands.
- (2)By 2020, March 31, the cash capital increase in the issuance of new shares funds have been fully implemented.

### V 、 Bussiness Activities

#### 5.1.Business Scope :

##### 5.1.1.Business Scope :

###### 1.Main content of the business:

- (1) CC01080 Electronic Parts and Components Manufacturing.
- (2) CC01090 Batteries Manufacturing.
- (3)CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing.
- (4) IG03010 Energy Technical Services.
- (5)Electrical System Business
- (6) F119010 Wholesale of Electronic Materials (restricted to operate outside area.)
- (7) F219010 Retail Sale of Electronic Materials(restricted to operate outside area.)
- (8) F401010International Trade.

Research, develop, design, manufacture and sale the following products:

- (1) Solar cells and related systems.
- (2) Solar power module and wafer.
- (3) Running side business of import and export trade business related to the company's products.

###### 2.Revenue distribution :

Unit: in Thousand of New Taiwan Dollars

Major Divisions	Revenue distribution	
	2020	
	Total Sales	(%) of total sales
Solar	11,030,985	88.17%
Power plant	1,459,465	11.67%
Others	20,584	0.16%
total	12,511,034	100.00%

###### 3.Current product item

- (1) Monocrystalline germanium solar cell 156.75mm x 156.75mm (6")
- (2) Monocrystalline germanium solar cell 158.75mm x 158.75mm (6")

###### 4.The new products that planned to be developed

New structural high-efficiency Monocrystalline germanium solar cell.

##### 5.1.2.Industry overview :

###### 1.Industry status and development

Basically, the solar industry can be divided into two aspects: product manufacturing, system installation and, service supply, and power and energy demand. In terms of the supply side of

product manufacturing, taking crystalline germanium products as an example, there are manufacturing industries of polycrystalline germanium, germanium wafers, batteries, modules, inverters, etc. from upstream to downstream. Concerning the supply side of system installation and service, it can be divided into development, system design, installation, operation, and related financing service industry. The demand for electricity and energy is to compete with thermal power generation or other forms of power generation in the retail electricity market and the electricity market.

In terms of supply side, the main cost structure of a crystallization solar power system can be approximated by the following figure:

Solar energy system	Module	Cell	Silicon chips	Polycrystalline germanium
				Other
		Conductive gum, etc.		
	Package mold, junction box, glass, aluminum frame, etc.			
	Inverter			
	Other balance systems (BOS), etc.			
Development, system design, installation, operation, etc.				

Schematic diagram of the main cost structure of solar power generation system (not drawn according to cost size proportion)

The battery components in the solar module are the most critical core for converting light energy into electrical energy. As far as the technical distinction is concerned. Currently, the crystallization enthalpy(which is monocrystalline germanium and polycrystalline germanium)solar products (batteries and modules) have become the mainstream products of the solar market due to good conversion efficiency, high stability, and mature value chain. Among them, monocrystalline germanium has high quality and high battery process requirements. The conversion efficiency of high-efficiency crystal cells can reach more than 22.5%, and the price is also high. It is mostly used in roof type or other niche markets. The substrate size of polycrystalline germanium is slightly loose, and the conversion efficiency can reach 19.4%. However, due to the low profit, it has gradually signed off the market.

In terms of the thin film solar products, cadmium telluride (CdTe) and copper indium gallium selenide (CIGS) become mainstream currently while Amorphous germanium ( $\alpha$ -Si) has gradually withdrawn from the market. In the past two years, although the conversion efficiency has repeatedly made breakthroughs, it still fails to achieve the advantage of cost performance, and the market application and development are relatively limited.

Although it has postponed the scheduled decommissioning of nuclear power plants in 2027 through a referendum, it still maintains the target of 25GW of renewable energy installations. Under the strengthening concept of the public's environmental awareness and the improvement of the technology of the renewable energy industry, the Executive Yuan determined in September 2020 and ordered that all ministries shall achieve the plan of "Solar 6.5GW achievement for the year of 2020" proposed by the Ministry of Economy. According to the statistics of the Energy Bureau, the cumulative capacity of Taiwan's solar photovoltaic devices has exceeded 5.56GW at the end of 2020, a shortage of 0.94GW from the target, which was partially caused by the effect of the Government ceased development of agricultural land for solar power via the post in July of 2020. It is estimated that the number of required new photovoltaic devices in 2021 will be 1.8GW ~ 2.0GW, while United Renewable Energy Co., Ltd. (URE) also increased capacity in a response to the specification. Solar photovoltaic modules will be in short supply domestically due to reason of large-scale projects will launch one by one in the second half of the year; besides, the feed-in tariff mechanism in Taiwan mostly adopts the VPC specification. Module products are required to meet high-efficiency and high-reliability specifications to maximize the installable area.

Overviewing the global market, mainland China is still the most significant market and the primary supply manufacturing chain in the global solar industry. In 2020, the installed capacity of solar photovoltaics in mainland China was about 42GW, an increment of about 40% compared with

that in the previous year. Affected by epidemic, the global installable capacity is estimated to increase a bit compared with that in 2019. Looking ahead, with China policy supporting recycled energy in 2020, the installable capacity of solar power is predicted to reach 50GW above in China and global one is expected to reach 140GW. URE has deployed supply chain in China to meet the needs in Europe and Asia; while the Southern East Asia's supply chain in US Market, plus with Taiwan market share at Top No. 1, our goal is 3GW for shipment in 2021.

In terms of application analysis, the feed-in tariff and the cost of power generation in many countries begin to be lower than the selling price of the power supply market, making self-use, peak-load shaving renewable energy devices a new cost-saving option. The famous companies, Google and Apple, have promoted green energy and sustainable energy, and many other large power consumers in the manufacturing industry also purchase or construct renewable energy facilities. As for finance, renewable energy has also developed into new financial commodities, whether it is an investment in power plant, green bond, energy certificate, energy funds, etc., the scale and system have become more and more complete. The emerging markets such as India, Southeast Asia, Australia, and other countries are all actively developing the solar energy industry. Consequently, the demand for solar devices shall remain steady in the short term, and the energy storage devices will grow substantially and develop rapidly with new business models.

#### 2.The relevance between up, middle and downstream:

The industrial chain of solar cells can be divided from top to down: upstream: raw materials and wafers; midstream: batteries and modules; downstream: system vendors, distributors and peripheral parts suppliers.

#### 3.The development trend of products

The future development trend of solar products and application and their reasons are as follows:

- A.Continue to improve conversion efficiency: The subsidies for main mature solar markets such as Japan, Germany, and the United Kingdom are tilted toward roof-type and self-use requirements, while roof-type and self-use models have always had higher standards for conversion efficiency.
- B.Continue to reduce construction costs: With the gradual downward adjustment of policy subsidies, solar power costs must be able to compete with traditional energy sources so that the advantages can be obtained; the solar power generation cost across the most of countries in the world currently has been less than traditional cost for energy.
- C.Combined energy storage system: With the continuous decline of the cost of energy storage systems, in the market of high electricity prices or high penetration rate of solar power generation, the combined energy storage system has appeared. By making full use of the opportunity of low-cost solar energy advantages, the market share will be further pushed up by the complementarity between the two previously mentioned. URE has released residential and large energy reservoir system officially.

#### 4.Competitive situation

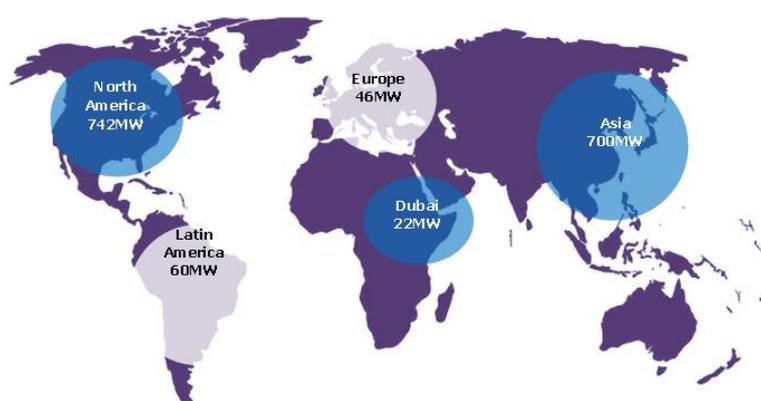
In recent years, the solar energy industry has been suffering from the severe expansion of production by mainland China manufacturers, leading to oversupply and a continuous decline in average sales prices, making the operating environment quite tricky. After the EU lifted the tariff restrictions in 2019, products made in China have covered Europe entirely. In contrast to the significant expansion of the production capacity of Chinese manufactures, the business of Taiwanese manufactures in Europe has been severely affected. Jinko, the largest solar module manufacturer in China, has been transcended by LONGi, among of which, only LONGi and Jinko's capacity in 2021 had more than 100GW, and global capacity is estimated to suffer excess globally. In the same period, prices of raw materials for solar power modules in 2021 rise up by longer cycle time of increased production, causing rise of module contractors' costs with keen competition. Facing with such strict challenge, URE also has adjusted the production of orders and OEMs, using overseas OEM production capacity, providing technical guidance in the factory to meet the demand of the customer, keeping raw materials and products in low inventory, avoiding compete in production capacity, and strive for perfect orders.

As the largest renewable energy supplier in Taiwan, United Renewable Energy Corporation is confident in the Taiwan market. After the merger in 2018, it focused on promoting the transformation into a solar energy integration solution provider and became the leader in the industry transformation. In 2019, United Renewable Energy Corporation expanded the two-in-one solution of solar energy and energy storage. The domestic manufacturers who can provide solar module products in the past also have system planning and case maintenance services currently. For domestic sales competition, the comprehensive brand service of United Renewable Energy Corporation has

become a priority for customers. Under the steady shipment of solar products, the company actively develops new renewable energy businesses, complies with the green energy policy of the government, and replaces competition with related companies by cooperation to create the next glory of the renewable energy industry in Taiwan. Large energy storage products are predicted to start sales step by step in 2021.

Recently, climate change has become increasingly extreme. Global warming has been regarded as the most significant crisis for humans by the United Nations. Consequently, more and more financial institutions and investment corporations have valued sustainable renewable energy investment. As a pioneer in combining semiconductor manufacturing discipline with solar energy-rich technologies, the Company has always been committed to offering continuous and cost-effective clean energy. Besides, the Company actively invests in the development of downstream solar power plants and continues to enhance its global layout, establishing the core abilities of development construction, sales, and financing of the global power plant. So far, the entire Company has completed a parallel power plant project and the planned power plant project (pipeline) is approximately 1.5GW. As the most complete and largest solar energy company in Taiwan in the layout of the global solar system, the Company will continue to emphasize the development of large power stations and use the advantages of its rich resources. With the advantages of PD (case development,) design and engineering, maintenance, finance and financing, network and sales, and the gather of global talent, the Company has become a few international energy companies covering comprehensive capabilities. Also, it complies with the new stage of 2.0 of the solar policy of the government, and actively transforms the solar market in Taiwan from the roof type to the ground type to achieve the goal of 20GW in 2025. With the completion of the continuous installation of new power plants and the active investment of sustainable renewable energy by financial institutions, the system will be kinetic of continued improvement of the Company in the future.

#### URE Group Projects around the world



Due to the increasing need of renewable energy across the globe, the government spares no efforts in promoting clean energy. In recent years, the investment targets of renewable energy are more and more popular. For this reason, the investment in renewable energy has become a trend. In 2021, the Company has obtained the bid regarding offshore solar power station in Zhangbin Industrial Park, whose scale is approximately 90MW. The bid is the largest offshore solar power station of this year in Taiwan. After the completion, the electricity production is estimated to be 110 million kWh, which is able to supply 30 thousand households with one-year electricity and reduce 56 million hectares of carbon emission equal to the carbon absorption of 110 thousand Taan Parks. This year the domestic bids obtained by the Company have reached 200MW. In the future, the Company will continue to participate in domestic bids actively, regard system operation development as the new direction, drive module manufacturing, system development, system engineering and other businesses, so as to expand the estuary of batteries and modules, and continue to develop, implement and take hold of quality solar power sites. The Company will still develop technology foresight, reduce the manufacturing cost and maintain customer confidence as the crux of competition and profit-gaining, actively response to subsidization policies of solar power among nations, adjust the expansion trend of market development, continue promoting to replace traditional energy with every sort of renewable energy, contribute to hit the targets of green energy profit-gaining and sustainable development.

#### 5.1.3. Techniques and Research and Development Overview:

##### 1. Technical level and research development of the operating business

The company has introduced high-efficiency industry-leading products over the years, such as Super19, which produces up to 20.0% of the conversion efficiency of the polycrystalline series during early stages; the general monocrystalline series has the highest conversion efficiency of 22.1% contributed by "Black 22," and the P-type bifacial cell "Glory-BiFi" with a maximum conversion efficiency of 22.8% in mass production. URE adhered to the excellent research and development capability, which has once again won the affirmation of the 2020 Energy Bureau Energy Award of the Ministry of Economic Affairs, and it was the only company that had won this award for eight consecutive years. In the meanwhile, the company actively carried out product research and development in advanced process, and acquired support from the project by Bureau of Energy, Ministry of Economic Affairs. Research fund subsidy is provided regarding to the research of N-type high-efficiency bifacial crystalline solar cell and module. Besides, the voluntary product verification by the Bureau of Standard, Metrology and Inspection has approved the company as the highest VPC power module manufacturer with a certified power of 420W, which ranked as the top in Taiwan. The company has constructed the first project of a 2MW water-based double-glass double-sided power generation system in Taiwan, setting up the benchmark in this field. In addition to providing customers with excellent battery efficiency and high wattage module products, the company is committed to improving the performance of photo induced attenuation (LID) and voltage induced attenuation (PID). The monocrystalline series "Black 22" battery has a LID of less than 3% and a module product of less than 2%, which is better than the industry average, creating even greater economic benefits for downstream power stations and end-users.. In addition, the company is also actively cooperating with domestic and foreign research institutions and prudently technical alliances with domestic and foreign players. In terms of the protection of intellectual property, the company patented essential techniques. As of the end of 2020, 139 patents have been obtained, and several patents have been applied simultaneously.

## 2. Research and Development Expenses by the Central Research Institute (CRI) in the Past Two Years

Unit: in Thousand of New Taiwan Dollars

Year	2019	2020
Research and Development Expenses	218,674	176,893

## 3. Research and development personnel and their academic experience

Education	Year	2019		2020		2021/3/9	
		Number of Employees	%	Number of Employees	%	Number of Employees	%
Ph.D.		11	26%	2	4%	2	4%
Masters		22	51%	29	57%	28	56%
Bachelor's Degree		7	16%	16	31%	16	32%
Senior High School		3	7%	4	8%	4	8%
Total		43	100%	51	100%	50	100%

## 4. The successfully developed techniques or products for the recent year as of the date of the annual handbook had been printed

Year	Research and Development Results
the recent year as of the date of the annual handbook had been printed	<ol style="list-style-type: none"> <li>1. Maximum conversion efficiency of "Black 22" and "BiFi" cell reached up to 22.8% by continuous development and innovation.</li> <li>2. Maximum wattage of single glass weather-resistant water-based 144-half-cut cell "PEACH" series module has reached 425W.</li> <li>3. All product series have been upgraded to ultra-salt-resistant and typhoon-resistant for high salinity coastal landform and frequent typhoon environment in Taiwan.</li> <li>4. All product series have been approved by UL fire-resistant test.</li> <li>5. All product series have passed the non-toxic water test which conducted and verified by the ITRI. All module products meet the water quality monitoring standards by the Environment Protection Administration Executive Yuan which is verified as non-toxic.</li> <li>6. United Renewal Energy Corporation has once again won its eighth consecutive award of Taiwan Excellent PV Award.</li> <li>7. Acquired affirmation and support from the project by Bureau of Energy, Ministry of Economic Affairs, providing research fund subsidy regarding to the research of N-type high-efficiency bifacial crystalline solar cell and module.</li> <li>8. Acquired 200MW large-scale ground type photovoltaic system in Tainan Qigu.</li> </ol>

### 5.1.4. Long-term and short-term business development plans :

#### 1. Short-term development plan:

A. Marketing Strategies:

- a. Enhance overall profitability through differentiation of company image and product excellence.
- b. Strengthen the company's image through the affirmation of a fair and a well-known third-party verification unit and strengthen the customer's after-sales service.
- c. Actively expand its market share with high quality and high conversion efficiency products.
- d. Actively participate in industrial activities such as related business exhibitions and seminars at home and abroad, and reinforce interaction with downstream manufacturers at home and abroad to enhance good communication and communication between industries.

B. Development strategies:

- a. Optimize existing capacity to meet supply needs.
- b. Advanced products quality to meet the demand of classifying products.
- c. With the company's high-quality batteries and modules, developing and expanding the seaport to the downstream system.
- d. Strengthen supply chain management and continuously reduce the cost of raw materials and equipment.
- e. In addition to the original power plants in Europe, America and Japan, the company will expand its business to Central and South America and the Middle East to build a global solar power plant network.
- f. Cooperate with the government's green energy policy to increase the construction of the Taiwan system, which makes the company has the most complete layout in the middle and lower reaches of the solar energy supply chain.

C. Product development direction:

- a. Improve the conversion efficiency of the cell through the process integration and optimization. In 2021, it is estimated that the conversion efficiency of mass production of "Black 22" and "BiFi" monocrystalline cells will be increased to 22.8%, the wattage of the split 120-cell PEACH module will reach 355W. The front power of the 144-cell module will reach 425W.
- b. Continuously lower the cost of production to enhance the competitiveness of products.
- c. Well-Designed module products that suitable for Taiwan cases regarding to special nature environment conditions in Taiwan. All product series have been upgraded to ultra-salt-resistant and typhoon-resistant for harsh environment in Taiwan such as high salinity coastal landform, poor cultivated farmland and fishing ponds. Product has been tested and verified by inspection division from Industrial Technology Research Institute (ITRI) as non-toxic to water, meet the water quality monitoring standards by the Environment Protection Administration Executive Yuan. All product series are non-toxic to water, fulfilling high-efficient, high reliability requirements and being environmentally friendly in the meanwhile.

2. Medium and long term development plan:

A. Marketing strategies:

- a. Committed to promoting strategic alliances in the upper, middle and downstream, to ensure a sound industrial chain and marketing network.
- b. Sign a long-term cooperation contract with downstream manufacturers to consolidate the customer base for sustainable operation.
- c. Virtual Supply Chain Integration, perfect global production and service layout.
- d. Maximize solar system power generation efficiency by matching and developing energy storage devices.

B. Development strategies:

- a. Adjust production capacity comply with the market demand and actively expand terminal system to cultivate the sea gate, to expand the seaport and maintain the long-term competitiveness of the company.
- b. Improve yield and conversion efficiency.
- c. Improve production quality.
- d. Reduce costs.
- e. Actively engage in patent layout, build barriers to competition, and ensure medium- and long-term competitive advantages.
- f. Set the development and long-term ownership of solar power system as the new strategy direction, aiming to develop, implement and take hold of 500 MW assets of solar power stations in three years, take hold of asset of solar power station whose scale is expected to reach 1GW in five years, forecasting the annual electricity fee revenue can reach 5.5 billion NTD, contributing steady cash flow around 28 billion NTD for twenty years.

C. The direction of product development:

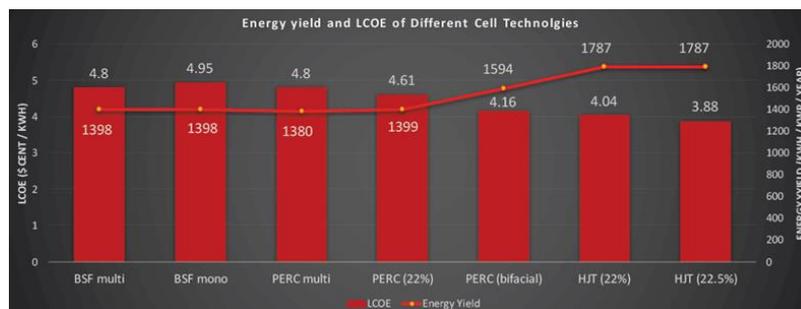
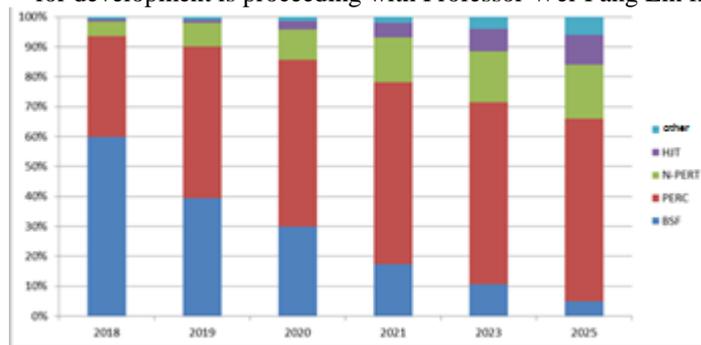
- a. Develop new and next-generation (P-type / N-type) solar cells. Continuously update the

manufacturing process, develop high conversion efficiency products, and enhance the conversion efficiency of solar cells.

Prepare Hetero-junction Technology in advance. The high-efficiency technologies in PERC and Hetero-junction Technology will gradually increase their share in the future and become mainstream according to the prediction of ITRPV (refer to the picture below.) These two technologies are also the two fields that United Renewable Energy Corporation highly emphasizes in the product development. As for the rear passivation technique, the Company will continue to optimize the process and reduce production costs.

To maintain excellent product competitiveness, the Company has actively prepared Hetero-junction Technology in the field of new technology, which is the lead of the development of the entire next generation of high-efficiency monocrystalline cells technology in Taiwan. It is estimated to increase the conversion efficiency of cells to 24.5% within two years. The 60-piece wattage of HELLO series, the corresponding module, can reach 340W, plus its outstanding double-glass power generation efficiency and low-temperature coefficient, the equivalent wattage is up to 408W. Besides, with the technology of the double-glass module, product reliability has been significantly improved. The Company has complete integration of cells and module technology; we arrange and product characteristics for different environments, whether it is water, desert, snow, or roof, there are corresponding products. The research and development team has always maintained a good cooperative relationship with domestic and foreign academic research institutions so that the team can receive information on developing new technology and equipment timely. Also, we have constructed a close relationship with upstream critical raw material suppliers to offer complete technology services and supports to downstream customers.

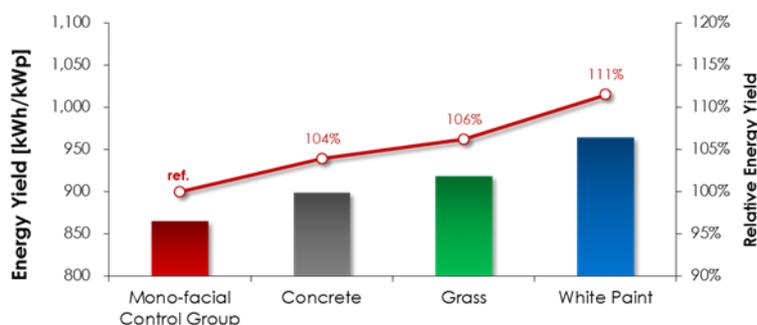
The company is following closely to the development and trend of the commonly discussed Perovskite Solar Cells, the star of next era. A collaboration between industry and school Project for development is proceeding with Professor Wei-Fang Lin from National Taiwan University.



b. Continue to cooperate with material manufacturers to develop high-quality and long-lasting weather-resistant modules to response to the special nature environment conditions,, combined with high-performance monocrystalline and polycrystalline cells to form a completely green energy solution provider.

Comply with the development of the green energy policy of the government; the number of solar installations will reach 20GW in 2025. As the leader of solar photovoltaic industry in Taiwan, the Company constructed the first highly automated module production line that is specifically designed high-efficiency half-cut modules for the Taiwan market in Hsinchu Corporate Headquarters, to solve the severe environmental problems such as frequent typhoons, less land, high temperature as well as humidity in Taiwan, produces explicitly lightweight double-sided power generation solar modules, the "PEACH" and "BiFi" series, which are able to

resist strong typhoons and are suitable for special environmental areas such as impounding reservoirs, reservoirs, and high salinity areas. Its unique double-sided power generation design is based on different ground environments, and the power generation capacity is increased by 5% ~ 20% compared to traditional modules. The structural design of lightweight and highly weather-resistance module providing even better power efficiency and quality assurance.



## 5.2. Market and production and sales overview :

### 5.2.1. Market analysis

#### 1. Sales (providing) area of the company's main products (services)

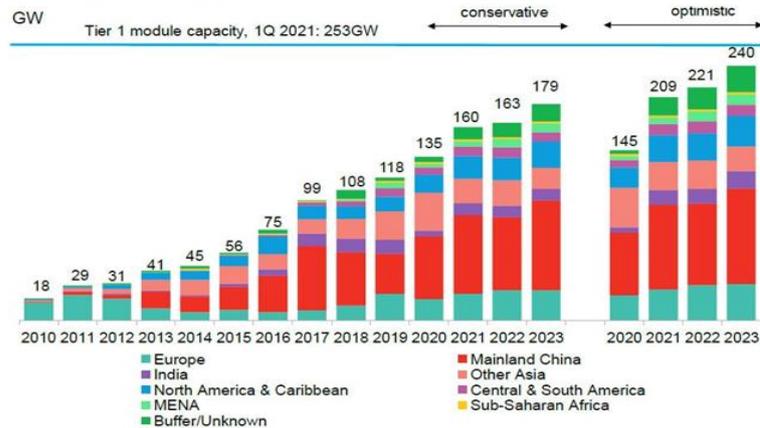
Unit: in Thousand of New Taiwan Dollars

Sales Area		2019		2020	
		Amount	%	Amount	%
Domestic sales		6,031,214	33.25%	6,262,093	50.05%
Export	The United States	2,810,770	15.50%	1,071,460	8.56%
	India	2,404,830	13.26%	928,885	7.42%
	Germany	2,319,921	12.79%	870,374	6.96%
	Other countries	4,572,377	25.20%	3,378,222	27.01%
	Minor total	12,107,898	66.75%	6,248,941	49.95%
Total		18,139,112	100%	12,511,034	100.00%

2. The company's market share in Taiwan is exceed 40%.

3. According to TrendForce Corporation, the chaos of 531 New Deal in mainland China accelerated the overseas deployment of the enterprises in 2019. As the European market has gradually recovered, and the emerging markets in Southeast Asia have risen, the global market will become more fragmented. In 2020, it is estimated that the new-added grid-connected quantity around the world will reach 125GW. From 2020 to 2025, the global market will grow slightly; yet, the annual growth rate is approximately 7%. It is estimated that the top five global markets in 2020 will be: China, the United States, India, Japan, and the Netherlands. Although the worldwide proportion of the Chinese market has gradually shrunk, it is still the most significant market on earth. Interestingly, although the European market has recovered, the primary global markets are still in the Asia-Pacific region, accounting for about 60% of the total of the world. Among them, the Southeast Asian market has become the main growth driver of the Asia-Pacific region.

Figure 1: PV new build, historical and forecast



Source: BloombergNEF Note: For updates see Capacity and Generation tool ([web](#) | [terminal](#)).

Sources: BloombergNEF

Taiwan solar energy industry has performed inferiorly for a long time in a competitive global market; however, with the energy transformation policy promoted by the R.O.C. Government, the solar energy market kept its growth and hit record high in 2020 as indicated in the Taipower's announcement showing the total installed quantity of solar energy device increased by 60%, accrued to more than 5.5GW, and the total power generation has gone beyond the total nuclear electricity generation at the peak times. The total volume installed expects to be 2.0GW in 2021, which remains that in 2020; the reason for decline of growth rate was the Government's stoppage in the construction of solar energy on a farmland. In addition, the Government prescribed the "High Energy User Clause" by revising the "Renewable Energy Development Act", wherein high energy users with the contracted volume more than 5000kW were requested to set up renewable energy power generator or energy storage with 10% of the stored volume within 5 years of 2020 or chose to purchase T-REC (Taiwan - Renewable Energy Certificate) or cash payment alternatively; hence, renewable energy and energy storage facility in demand will rise up significantly.

#### 4. Competitive niche

##### A. Operation team

The company merged in October 2018, the leading cadres of the new operation team have professional experience in solar energy or semiconductor manufacturing, plant construction, equipment, power generation, business marketing, and production management, etc. They have a complete qualification in the production and research and development of solar energy industry with high process linkage and leads the company to develop high-quality and high-standard niche market with excellent management experience.

##### B. The improvement of self-owned process technology and equipment

The company purchases overseas advanced equipment plus its process technology, develops excellent quality products in the early stage of mass production and improves formulation to increase output beyond original design capacity, gradually improve conversion efficiency and reduce production cost.

##### C. Yield control

Currently, in addition to actively optimizing existing production capacity, reducing production costs and strengthening yield control, the company also spare no effort to optimize quality and cost structure.

##### D. The supply source of upstream silicon material

The company uses the industrial resources within the group and accumulates rich technology and experience. The upstream silicon material supply is scattered, and the cost and quality are superior.

##### E. Partnership with customers

The company has an excellent sales team and after-sales service quality and has won many long-term cooperation orders and partnerships. The client base is spread all over the world, mainly covering main markets such as Germany, Japan, and China.

##### F. Possess the ability of offering the "one-stop shopping" service

The company has the module product development, manufacturing abilities, and the development of solar energy systems, which is capable of providing high quality and low-cost module solutions in response to the needs of customers.

##### G. Possess completed battery and module production base

The company has battery and module production bases in both Taiwan and Southeast Asia, which can meet the particular needs of customers in response to the trade of the main markets, such as the European Union's limit on the price of Chinese products and the US double-reverse restrictions on Chinese battery products, flexible shipment.

#### 5.The advantages and disadvantages as well as corresponding measures of the development prospect

##### A.advantages

###### ①Operational management ability

The operational team has rich experience in related industries and is familiar with the operation, management, planning, and execution abilities of the solar industry.

###### ②Process techniques and research and development abilities

The research and development team has practical experience in the solar or semiconductor industry, specializing in product yield, efficiency improvement and research and development.

###### ③Continuous research and development and innovation

The research and development team continues to deliver breakthroughs in component, conversion efficiency and, low-cost production for component characterization, new material testing, and process development to maximize added value.

###### ④Advanced technology and equipment

The advanced technology and equipment of the company, plus the mature semiconductor process and solar cell component technology, which makes the company's products maintain excellent competitiveness in the market.

###### ⑤The degree of market demand

Due to the global consensus on diminishing traditional energy reserves and reducing carbon dioxide emissions, which stimulates the rapid growth of demand for renewable energy. Although the solar photovoltaic industry is still yet entirely out of the stage of government subsidies, renewable energy is the world trend and trend, with the business value of sustainable operation and long-term development.

##### B.Disadvantages:

In recent years, new global manufacturers have actively joined the solar energy industry, and the market has become oversupply. It has also been affected by the successive reductions in the government subsidy policies of the main markets, resulting in a decline in the selling price of products, which affects sales and profits. The corresponding measures of the company are as follow:

①Diversely expand raw material supplier, control the material supply.

②Improve the quality of products, techniques and services.

③Contract up and downstream strategic partners to deepen long-term customers and increase market share.

④Keep controlling the industry's pulsation, research and development of new materials and new processes.

Also, because China's solar products continue to rise in global market share, which triggered part of the market countries to adopt trade methods to protect, after the United States and Europe have imposed anti-dumping and countervailing duties on Chinese products, the manufacturers of the Taiwanese products are also subject to the US anti-dumping tax rate, as to limit growth and profit-making space. The corresponding measures of the company are as follows:

①Make good use of relationships with strategic customers, and complement each other.

②Adjust the proportion of the configuration of the terminal market.

③Seeking overseas factory plans.

④Keep controlling the progress and strive for the negotiation of relevant department.

#### 5.2.2.The important usage and produce process of main products

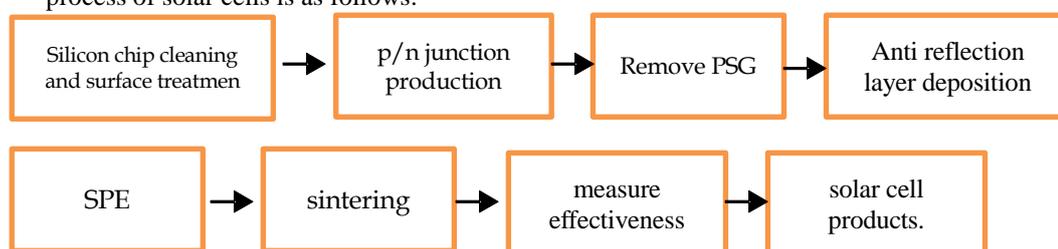
##### (1)Usage of main products

The main products are Solar Cell and Module. Solar cells convert sunlight into DC power without the use of fossil fuels; therefore, there is no waste or pollution. And due to the use of semiconductor components, there are no rotating components and noise problems. The application of solar cells is a solar cell module, which can be used for more than 20 years. The size of the solar module can be randomly changed; thus it can be used in a wide range of applications, from consumer products such as computers and watches to general households, industries, and even power plants. To sum up, as long as the usage is similar to the power supply of Taiwan Power Company, all of the company's products can be used instead.

##### (2)Production process of main products

The crystalline germanium solar cell structure is based on a P-type germanium wafer material, and the germanium wafer surface is roughened by etching the germanium wafer with an acidic or alkaline chemical etching solution, its purpose is to reduce the amount of reflection of the incident light. The surface layer of the first P-type wafer is converted into an N-type (front side) by diffusion in a tubular high-temperature furnace, and its purpose is to form a p/n Junction of the basic structure of the solar cell. The electric field caused by this p/n Junction can effectively separate the electrical holes generated by the solar cell illumination. When sunlight is incident on the surface of the crucible by air, reflection occurs. Therefore, a good anti-reflection layer is required to reduce the amount of reflection of the incident light. PECVD deposition can be used as an anti-reflection coating. Afterward, the front and back sides of the silicon chip are printed and sintered with silver or aluminum glue to form metal electrodes. The functions of the front and back metal electrodes are to extract the electrons generated by the solar cells after illumination and generate photocurrent for usage. Metal electrodes require low series resistance, high strength, resistance to soldering, etc. The electrode design of the solar cell receiving surface needs to be optimized for optical loss and resistance loss, the back electrode on the backlight side of the solar cell has an excellent ohmic contact due to no light loss problem, and the back electrode is usually made into a comprehensive wire. The simple.

process of solar cells is as follows:



### (3)Supply Status of Main Materials :

Major Raw Materials	Source of Supply	Supply Situation
Silicon Chip	101737、100981、101667	Good
Gum	101123、100010、104169	Good
Chemical Materials	105737、104419、100256	Good

### (4)Major Suppliers and Clients :

#### A.Major Suppliers in the Last Two Calendar Years :

Unit: in Thousand of New Taiwan Dollars

Item	Name	2019			2020			
		Amount	Percent	Relation with Issuer	Name	Amount	Percent	Relation with Issuer
1	Others	12,458,857	100	None	109411	837,227	10.37	None
2	-	-	-	-	Others	7,191,663	89.63	None
	Net Total Supplies	12,458,857	100	-	Net Total Supplies	8,028,890	100.00	-

#### B.Major Clients in the Last Two Calendar Years :

Unit: in Thousand of New Taiwan Dollars

Item	Company Name	2019			2020			
		Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Other	18,139,112	100	None	EZ	1,898,907	15.18	None
2	-	-	-	-	Others	10,612,127	84.82	None
	Net Sales	18,139,112	100	-	Net Sales	12,511,034	100	-

## (5) Production in the Last Two Years :

Unit: in Thousand of New Taiwan Dollars

Output Major Products (or by department)	Year	2019			2020		
		Capacity	Quantity	Amount	Capacity	Quantity	Amount
Solar Module & Solar Cell		834,853	308,732	11,068,826	408,183	215,968	8,461,831

## (6) Sales volume table in the Last Two Years :

Unit: in Thousand of New Taiwan Dollars

Year Shipments & Sales Major Products	2019				2020			
	Local		Export		Local		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Solar Module & Solar Cell	18,933	4,108,929	256,368	11,094,636	5,251	5,421,801	157,055	5,065,764
Others	1,809	1,922,285	3,187	1,013,262	4,477	840,292	6,474	1,183,177
Total	20,742	6,031,214	259,555	12,107,898	9,728	6,262,093	163,529	6,248,941

## 5.3. Human Resources :

Year		2019	2020	2021/3/9
Number of Employees	Staff	797	684	685
	Manufacturing	979	983	938
	Total	1,776	1,667	1,623
Average Age		34.59	36.88	36.90
Average Years of Service		4.85	6.49	6.51
Education	Ph.D.	1.01%	0.60%	0.63%
	Masters	14.30%	12.24%	12.75%
	Bachelor's Degree	45.95%	46.34%	46.33%
	Senior High School	13.46%	13.57%	13.80%
	Below Senior High School	25.28%	27.25%	26.49%

## 5.4. Information of environmental protection expenditures:

5.4.1. Explain the disposal of the total amount due to the loss of the company because of environmental pollution (including compensation,) and disclose its future corresponding measures and the possible expenditures for the recent year as of the date of the annual handbook had been printed: None.

5.4.2. The explanation of requisition, payment, and establishment of applicable requisition of facility establishment permit, or pollution discharge permit, or the payable pollution prevention fee, or shall establish environmental protection unit staff in accordance with the provisions:

(1) The permit of establishing pollution prevention facilities or the date of acquisition of the pollution discharge permit:

category \ Plant	Hsinchu First Plant	Hsinchu Second Plant	Hsinchu Science Park Plant	Zhu-Nan Hsinchu B Plant	Tainan Plant
Operation permit of stationary source pollution	-	2020/11/19	2020/11/23	2020/9/7	2020/5/20
Permissive document of water pollution prevention	-	2019/05/29	2020/12/08	2019/6/14	2020/5/18
Cleaning plan of business waste	2020/5/20	2020/5/20	2020/11/13	2020/6/24	2020/5/6

## (2) Payable pollution prevention fees in 2020:

Unit: New Taiwan Dollars

Plant category	Hsinchu Second Plant	Hsinchu Science Park Plant	Zhu-Nan Hsinchu B Plant	Tainan Plant
Air pollution prevention fee	142,128	95,281	103,518	149,418
Soil and groundwater pollution treatment fee	0	0	6,000	11,684

## (3) The establishment of environmental protection personnel:

Plant category	Hsinchu Second Plant	Hsinchu Science Park Plant	Zhu-Nan Hsinchu B Plant	Tainan Plant
Personnel of Air pollution prevention and control	—	Tehui Lin	Evan Hsu	David Chen
Personnel of Water pollution prevention and control	—	Mh Tu	Todd Huang	David Chen
Waste treatment professional technician	Joseph Wang	Jamie Huang	Carin Chen	Ivy Wu

## 5.4.3. The list of the company's investment of the main equipment for the prevention and control of environmental pollution and its usage and possible benefits :

In the initial stage of the company's construction, the company focused on the investment in pollution prevention equipment, sewage, and waste gas and had entrusted professional qualified cleaning companies to remove waste. The details of the purchased control equipment are as follows: :

## (1) Hsinchu Science Park Plant:

Equipment Name	Equipment Quantity	Usage and estimated benefits may create
Air pollution preventive facility	5	Usage: Treatment of waste gas from in-plant processes. Benefits: Meet the air pollution emission standards of the Environmental Protection Act.
Sewage treatment system	1	Usage: Dispose of wastewater discharged from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
High concentration hydrofluoric acid recycling improvement project	1	Usage: Recycle and outsourcing re-use the high concentration of hydrofluoric acid emitted from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.

## (2) Zhu-Nan B Plant:

Equipment Name	Equipment Quantity	Usage and estimated benefits may create
Air pollution preventive facility	12	Usage: Treatment of waste gas from in-plant processes. Benefits: Meet the air pollution emission standards of the Environmental Protection Act.
Sewage treatment system	1	Usage: Dispose of wastewater discharged from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
Fluorine wastewater treatment system	1	Usage: Treatment of nitrate nitrogen and ammonia nitrogen wastewater from in-plant processes. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
Biological treatment system	1	Usage: Dispose of wastewater discharged from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
Chemical treatment system	1	Usage: Dispose of wastewater discharged from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.

(3) Tainan Plant:

Equipment Name	Equipment Quantity	Usage and estimated benefits may create
Air pollution preventive facility	11	Usage: Treatment of waste gas from in-plant processes. Benefits: Meet the air pollution emission standards of the Environmental Protection Act.
Sewage treatment system	1	Usage: Dispose of wastewater discharged from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.
High concentration hydrofluoric acid recycling system	1	Usage: Recycle and outsourcing re-use the high concentration of hydrofluoric acid emitted from the in-plant process. Benefits: In compliance with environmental laws and regulations, and meets the standards for wastewater management in industrial areas.

5.4.4. Part of the company's products is sold to Europe. According to the section 4 of Article 2 of Directive 2011/65/EU, which was issued by the European Commission, Photovoltaic Panels had been excluded from the scope of the new RoHS Directive, which means that no relevant EU environmental directives had been covered.

## 5.5.Labor Relation

5.5.1.The current employee welfare measures, training, retirement system, and its implementation, as well as the agreement of labor, the maintenance and implementation of the employee's various rights:

1.The measures of employee welfare:

The company based on the premise of the principle of good faith, to protect the rights and interests of employees, established various management procedures and work regulations in accordance with the principles of the Labor Standard Laws, to provide the employee good salary and a safe working environment.

In addition to the national health insurance and labor insurance, the company also plans to handle group insurance for all employees, and arrange an annual health examination for the employee. Also, the company establishes the Staff Welfare Committee and the provision of employee benefits, continuing to promote diversified employee welfare measures and various welfare activities to improve the welfare system.

2.Training:

To reinforce the professional skills of employees and cultivate them into international talents, the company encourages employees to undergo a variety of educational training courses, including new staff training, on-the-job training courses, professional courses, work safety courses, and various training courses related to the job duties so as to cultivate talent within specific skills.

3.Retirement system and implementation:

The employees of the company that is applicable for the new labor retirement system , the company pays 6% of the individual's salary to the account of labor insurance bureau's personal pension. If the employee has voluntarily paid the pension, and the voluntary payment rate is deducted from the employee's monthly salary to the personal pension account of the Labor Insurance Bureau.

4.The agreement and negotiation of labor:

The company is an industry that applicable to the Labor Standard Laws and remarkably emphasizes labor relations. All operations are based on the Labor Standard Laws; the company regularly holds the labor meetings and listen to the employees' opinion and positively respond as well as improve itself. As of the date of the annual handbook had been printed, the relationship between the employer and employees were harmonious, there were no major labor disputes.

5.5.2.The recent year as of the date of the annual had been printed, the loss due to labor disputes and disclosure of current and future estimated amounts and corresponding measures: :

1.The recent two years as of the date of the annual had been printed, no major labor disputes have occurred. The relationship between the employers and employees were harmonious, there was no dispute between labor and management, and there was no loss arising from labor disputes.

2.The corresponding measures may occur currently and in the future:

(1) Comply with the labor-related laws and regulations and implement the procedures according to

- law.
- (2) Strengthen various welfare measures and actively strive for employee welfare.
- (3) Establish an open, honest labor relationship and communication channel.
- 3.The loss amount may occur currently and in the future: not applicable.

## 5.6.Important Contract

The contract content of currently valid and effective duration of the sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contract contents that is sufficient to affect the rights of investors:

Contract Nature	Party	The Start/End Date of the Contract	Primary Content	Restrictions
Authorization Contract	First commercial bank Cooperative bank Mega International Commercial Bank · ChinaTrust Commercial Bank	November 8, 2018 ~November 7, 2021	Syndicated Authorized Loan	—
Lease Contract	Hsinchu Industrial Park Administration, Technological Department	October 1, 2018 ~December 31, 2037	Land Lease	—
	Hsinchu Industrial Park Administration, Technological Department	August 13, 2007 ~December 31, 2026	Land Lease	—
Supply Contract	A Raw Material Supplier	January 1, 2009 ~December 31, 2018	Wafer Chips Supply	Maintain a certain amount of purchases
	B Raw Material Supplier	March 2007~ December , 2019	Wafer Chips Supply	
	G Raw Material Supplier	October 2007~ December 31, 2018	Wafer Chips Supply	
	AD Raw Material Supplier	March 18, 2011~December 31, 2022	Long-term Material Supply	

Notes: Due to the confidential agreement signed by the company and the supply, the code will be used as the expression.

## VI. Financial Information

### 6.1.Five-Year Financial Summary

#### 6.1.1.Condensed Balance Sheet based o IFRS (Standalone)

Unit:in Thousands of New Taiwan Dollars

Year		Five-Year Financial Summary(Note1)				
		2016	2017	2018	2019	2
Item						
Current assets		12,978,463	8,268,325	17,709,815	11,222,358	9,142,990
Property, Plant and Equipment		8,814,227	6,524,410	13,539,446	10,151,154	4,439,234
Intangible assets		—	—	8,098	4,234	1,924
Other assets		9,768,221	12,872,482	17,568,922	17,725,039	13,415,463
Total assets		31,560,911	27,665,217	48,826,281	39,102,785	26,999,611
Current liabilities	Before distribution	9,302,935	11,703,596	17,306,223	8,071,396	7,856,487
	After distribution	9,302,935	11,703,596	17,306,223	8,071,396	7,856,487
Non-current liabilities		6,195,025	4,882,219	6,920,415	10,309,396	4,886,192
Total liabilities	Before distribution	15,497,960	16,585,815	24,226,638	18,380,792	12,742,679
	After distribution	15,497,960	16,585,815	24,226,638	18,380,792	12,742,679
Equity attributable to shareholders of the parent		—	—	—	—	—
Capital stock		10,176,152	10,192,564	25,157,599	26,653,375	26,650,863
Capital surplus		12,345,346	6,028,165	1,011,023	118,989	7,877
Legal Reserve		—	—	—	—	—
Special Reserve		—	—	—	—	—
Retained Earnings	Before distribution	(6,309,786)	(4,611,501)	(675,712)	(6,000,644)	(11,581,063)
	After distribution	(6,309,786)	(4,611,501)	(675,712)	(6,000,644)	(11,581,063)
Other equity		(148,761)	(529,826)	(874,568)	(31,028)	(802,046)
Treasury stocks		—	—	(18,699)	(18,699)	(18,699)
Non-controlling interest		—	—	—	—	—
Total Shareholders' Equity	Before distribution	16,062,951	11,079,402	24,599,643	20,721,993	14,256,932
	After distribution	16,062,951	11,079,402	24,599,643	20,721,993	14,256,932

Note 1:Financial information for the past five years was audited and ◦

Note 2:The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into. Contracts identified as containing a lease of power facility, are not meet the definition of a lease under IFRS 16 and be accounted for in accordance with IFRS 15 because the customers do not have the right to direct the use of the identified assets. The Group elected to restate prior reporting periods with the cumulative effect of the initial application of IFRS 16 recognized at the date of initial application in accordance with IAS 8.

### 6.1.2. Consolidated Condensed Balance Sheet – Based on IFRS

Unit: in Thousands of New Taiwan Dollars

Item	Year	Five-Year Financial Summary (Note 1)				
		2016	2017	2018	2019	2020
Current assets		17,648,551	12,573,614	23,303,040	17,502,328	14,101,362
Property, Plant and Equipment		12,097,204	11,162,899	25,219,508	19,064,958	10,450,989
Intangible assets		314,879	261,350	202,962	115,357	70,317
Other assets		6,794,184	10,248,082	9,219,235	10,543,841	7,838,033
Total assets		36,854,818	34,245,945	57,944,745	47,226,484	32,460,701
Current liabilities	Before distribution	12,833,142	16,679,572	22,078,368	12,518,166	11,244,424
	After distribution	12,833,142	16,679,572	22,078,368	12,518,166	11,244,424
Non-current liabilities		7,342,094	6,228,563	10,402,908	13,224,083	6,192,163
Total liabilities	Before distribution	20,175,236	22,908,135	32,481,276	25,742,249	17,436,587
	After distribution	20,175,236	22,908,135	32,481,276	25,742,249	17,436,587
Equity attributable to shareholders of the parent		16,062,951	11,079,402	24,599,643	20,721,993	14,256,932
Capital stock		10,176,152	10,192,564	25,157,599	26,653,375	26,650,863
Capital surplus		12,345,346	6,028,165	1,011,023	118,989	7,877
Legal Reserve		—	—	—	—	—
Special Reserve		—	—	—	—	—
Retained Earnings	Before distribution	(6,309,786)	(4,611,501)	(675,712)	(6,000,644)	(11,581,063)
	After distribution	(6,309,786)	(4,611,501)	(675,712)	(6,000,644)	(11,581,063)
Other equity		(148,761)	(529,826)	(874,568)	(31,028)	(802,046)
Treasury stocks		—	—	(18,699)	(18,699)	(18,699)
Non-controlling interest		616,631	258,408	863,826	762,242	767,182
Total Shareholders' Equity	Before distribution	16,679,582	11,337,810	25,463,469	15,024,114	15,024,114
	After distribution	16,679,582	11,337,810	25,463,469	15,024,114	15,024,114

Note 1: Financial information for the past five years was audited and.

Note 2: The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into. Contracts identified as containing a lease of power facility, are not meet the definition of a lease under IFRS 16 and be accounted for in accordance with IFRS 15 because the customers do not have the right to direct the use of the identified assets. The Group elected to restate prior reporting periods with the cumulative effect of the initial application of IFRS 16 recognized at the date of initial application in accordance with IAS 8.

### 6.1.3. Condensed Statement of Income (Standalone)

Unit: in Thousands of New Taiwan Dollars

Item	Year	Five-Year Financial Summary				
		2016	2017	2018	2019	2020
Operating Revenue		15,171,908	9,119,985	10,419,460	14,911,766	10,716,898
Gross profit		(1,597,528)	(2,088,573)	(833,060)	(723,056)	(311,660)
Income from operations		(4,867,063)	(3,292,438)	(1,920,408)	(3,655,667)	(2,439,366)
Non-Operating Income and Expenses		(1,442,442)	(861,362)	1,344,298	(2,029,922)	(3,699,649)
Income before tax		(6,309,505)	(4,153,800)	(576,110)	(5,685,589)	(6,139,015)
Continuing business unit's current net profit (loss)		(6,309,786)	(4,154,163)	(577,240)	(5,686,065)	(6,139,015)
Loss of closed business units		—	—	—	—	—
Net income (Loss)		(6,309,786)	(4,154,163)	(577,240)	(5,686,065)	(6,139,015)
Other comprehensive income		(312,630)	(325,081)	(286,629)	837,400	(259,823)
Total comprehensive income		(6,622,416)	(4,479,244)	(863,869)	(4,848,665)	(6,398,838)
Net income attributable to shareholders of the parent		—	—	—	—	—
Net income attributable to non-controlling interest		—	—	—	—	—
Net income attributable to non-controlling interest		—	—	—	—	—
Comprehensive income attributable to non-controlling interest		—	—	—	—	—
Earnings per share		(6.53)	(4.08)	(0.42)	(2.26)	(2.31)

Note 1: Financial information for the past five years was audited and certified by Certified Public Accountants.

Note 2: The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into. Contracts identified as containing a lease of power facility, are not meet the definition of a lease under IFRS 16 and be accounted for in accordance with IFRS 15 because the customers do not have the right to direct the use of the identified assets. The Group elected to restate prior reporting periods with the cumulative effect of the initial application of IFRS 16 recognized at the date of initial application in accordance with IAS 8.

## 6.1.4. Condensed Statement of Income (Consolidated)

Unit: in Thousands of New Taiwan Dollars

Item	Year	Five-Year Financial Summary				
		2016	2017	2018	2019	2020
Operating Revenue		16,537,125	10,247,887	13,137,025	18,139,112	12,511,034
Gross profit		(1,912,373)	(1,983,395)	(884,136)	(984,323)	(876,476)
Income from operations		(6,350,959)	(3,892,948)	(2,863,361)	(5,221,950)	(4,614,257)
Non-Operating Income and Expenses		(64,648)	(237,778)	2,281,499	(484,606)	(1,121,175)
Income before tax		(6,415,607)	(4,130,726)	(581,862)	(5,706,556)	(5,735,432)
Continuing business unit's current net profit (loss)		(6,408,874)	(4,159,989)	(605,168)	(5,769,189)	(6,162,307)
Loss of closed business units		—	—	—	—	—
Net income (Loss)		(6,408,874)	(4,159,989)	(605,168)	(5,769,189)	(6,162,307)
Other comprehensive income		(346,339)	(363,194)	(270,698)	820,072	(308,783)
Total comprehensive income		(6,755,213)	(4,523,183)	(875,866)	(4,949,117)	(6,471,090)
Net income attributable to shareholders of the parent		(6,309,786)	(4,154,163)	(577,240)	(5,686,065)	(6,139,015)
Net income attributable to non-controlling interest		(99,088)	(5,826)	(27,928)	(83,124)	(23,292)
Net income attributable to non-controlling interest		(6,622,416)	(4,479,244)	(863,869)	(4,848,665)	(6,398,838)
Comprehensive income attributable to non-controlling interest		(132,797)	(43,939)	(11,997)	(100,452)	(72,252)
Earnings per share		(6.53)	(4.08)	(0.42)	(2.26)	(2.31)

Note 1: Financial information for the past five years was audited and certified by Certified Public Accountants.

Note 2: The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into. Contracts identified as containing a lease of power facility, are not meet the definition of a lease under IFRS 16 and be accounted for in accordance with IFRS 15 because the customers do not have the right to direct the use of the identified assets. The Group elected to restate prior reporting periods with the cumulative effect of the initial application of IFRS 16 recognized at the date of initial application in accordance with IAS 8

## 6.1.5. Auditors' Opinions for Last Five Years

Year	CPA's Name	Auditing Opinion	Note
2016	Deloitte & Touche	Cheng-Chih Lin · Shu-Chieh Huang	Other Differences in the Opinion Paragraph
2017	Deloitte & Touche	Cheng-Chih Lin · Shu-Chieh Huang	Other Differences in the Opinion Paragraph
2018	Deloitte & Touche	Yi-Hsin Kao · Yu-Feng Huang.	Other Differences in the Opinion Paragraph
2019	Deloitte & Touche	Yi-Hsin Kao · Yu-Feng Huang.	Qualified Conclusion, Emphasis of matter and other matters
2020	KPMG	Cheng-Chien Chen · Yung-Hua Huang	Qualified Conclusion,

Note 1: Part of the financial report of the subsidiary companies are verified by other accountants.

Note 2: The Company reevaluated the power plant contracts according to the hire definition of IFRS 16. Since some customers did not manage to obtain the right of use in leading in recognized assets, which does not conform the hire definition of IFRS 16, as a result we dealt with it according to the customer contract of IFRS 15, tracing and re-editing the financial reports during the comparison period according to IAS 8 on the first applicable day of IFRS 16.

## 6.2. Five-Year Financial Analysis

### 6.2.1. Financial Analysis based on IFRS (Standalone)

Item	Year	Financial Analysis for the Past Five Years				
		2016	2017	2018	2019	2020
Financial structure (%)	Ratio Of Liabilities To Assets	49.10	59.95	47.29	47.01	47.20
	Ratio Of Long-Term Capital To Property, Plant and Equipment	252.52	244.64	234.73	305.69	431.23
Solvency (%)	Current Ratio	139.51	70.65	113.05	139.04	116.38
	Quick Ratio	113.87	58.96	99.00	107.54	93.38
	Times Interest Earned Ratio	-	-	-	-	-
Operating performance	Accounts Receivable Turnover (Turns)	4.14	3.99	4.48	5.83	4.76
	Average Collection Period	88	91	81	63	77
	Inventory Turnover (Turns)	7.27	5.62	5.87	6.49	5.21
	Accounts Payable Turnover (Turns)	11.74	11.62	7.79	8.95	7.76
	Average Days In Sales	50	65	62	56	70
	Property, Plant and Equipment Turnover (Turns)	1.56	1.19	1.03	1.26	1.47
	Total Assets Turnover (Turns)	0.46	0.31	0.28	0.34	0.32
Profitability	Return On Total Assets (%)	(18.48)	(12.38)	(0.41)	(11.93)	(17.73)
	Return On Shareholders' Equity (%)	(35.23)	(30.61)	(2.60)	(25.09)	(35.10)
	Ratio of net profit to paid-in capital before tax (%)	(62.00)	(40.75)	(1.86)	(21.33)	(23.03)
	Profit Ratio (%)	(41.59)	(45.55)	(4.54)	(38.13)	(57.28)
	Earnings Per Share (\$) (Note:1)	(6.53)	(4.08)	(0.34)	(2.26)	(2.31)
Cash flow	Cash Flow Ratio (%)	(Note2)	9.44	2.27	(Note 2)	19.73

	Cash Flow Adequacy Ratio (%)	7.74	47.70	47.19	32.19	44.46
	Cash Reinvestment Ratio (%)	(Note2)	3.98	0.78	(Note 2)	4.38
Leverage	Operating Leverage	(Note3)	(Note3)	(Note3)	(Note 3)	(Note 3)
	Financial Leverage	(Note3)	(Note3)	(Note3)	(Note 3)	(Note 3)

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

1. Ratio Of Long-Term Capital To Property, Plant and Equipment : Mainly due to the houses selling and the loss of recognition reduction of 2020, the real estates, factories and equipment decreased, and consequently caused the rising ratio of long-term fund in real estates, factories and equipment.
2. Operating performance : Mainly because the sales revenue and cost of 2020 are less than 2019, the days of sales in receivables and the days of selling increased.
3. Profitability : Mainly because the business loss of 2020 is more than 2019, the return on assets, the return on liabilities and profit margin dropped consequently.
4. Cash flow : Mainly because the net cash inflow generated via business activities is more than 2019, the cash flow ratio, the cash flow adequacy ratio and cash re-investment ratio rose consequently.

Notes 1: Earnings per share are calculated based on the number of weighted average shares outstanding during the year.

Notes 2: If the net cash flow from operating activities is negative, shall not be calculated.

Notes 3: The operating loss of the year shall not be calculated.

#### 1. Financial Structure

(1) Ratio Of Liabilities To Assets = Total Liabilities/ Total Assets

(2) Ratio Of Long-Term Capital To Property, Plant and Equipment = (Net Shareholder's Equity + Non-current Liabilities)/ Net Property, Plant and Equipment

#### 2. Solvency

(1) Current Ratio = Current Assets / Current Liabilities.

(2) Quick Ratio = (Current Assets – Inventories – Prepaid Expenses) / Current Liabilities.

(3) Times Interest Earned Ratio = Earnings before Interests And Taxes/ Interest Expenses.

(1) Current Ratio = Current Assets / Current Liabilities.

(2) Quick Ratio = (Current Assets – Inventories – Prepaid Expenses) / Current Liabilities.

(3) Times Interest Earned Ratio = Earnings before Interests And Taxes/ Interest Expenses.

#### 3. Operating Ability

(1) Accounts Receivable Turnover = Net Sales / Average Trade Receivables.

(2) Average Collection Period = 365 / Accounts Receivable Turnover.

(3) Inventory Turnover = Cost Of Goods Sold / Average Inventory.

(4) Accounts Payable Turnover = Cost Of Goods Sold / Average Accounts Payable.

(5) Average Days In Sales = 365 / Inventory Turnover.

(6) Property, Plant and Equipment Turnover = Net Sales / Net Property, Plant and Equipment.

(7) Total Assets Turnover = Net Sales / Total Assets.

#### 4. Profitability

(1) Return on Total Assets (%) = [ Net Income + Interest Expense x (1-Effective Tax Rate)] / Average Total Assets.

(2) Return on Stockholders' Equity = Net Income / Average Stockholders' Equity.

(3) Profit Ratio (%) = Net Income / Net Sales.

(4) Earnings Per Share (\$) = (Net Income – Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding..

#### 5. Cash Flow

(1) Cash Flow Ratio (%) = Net Cash Provided by Operating Activities / Current Liabilities.

(2) Cash Flow Adequacy Ratio (%) = Five-year Sum of Cash from Operations / Five-year (Capital Expenditures + Inventories Additions + Cash Dividend)

(3) Cash Reinvestment Ratio (%) = (Net Cash Provided by Operating Activities - Cash Dividend) / (Gross Fixed Assets + Long-Term investments + Other Assets + Working Capital)

#### 6. Leverage

(1) Operating Leverage = (Net Sales – Variable Cost) / Income from operations.

(2) Financial Leverage = Income from operations / (Income from operations – Interest Expenditures).

### 6.2.2. Financial Analysis based on IFRS (Consolidated)

Item	Year	Financial Analysis for the Past Five Years				
		2016	2017	2018	2019	2020
Financial structure (%)	Ratio Of Liabilities To Assets	54.74	66.89	55.73	54.51	53.72
	Ratio Of Long-Term Capital To Property, Plant and Equipment	198.57	157.36	180.53	182.05	203.01
Solvency (%)	Current Ratio	137.52	75.38	106.35	139.82	125.41
	Quick Ratio	96.32	56.33	88.13	94.30	87.57
	Times Interest Earned Ratio	-	-	0.33	-	-
Operating performance	Accounts Receivable Turnover (Turns)	3.89	3.86	4.52	5.23	4.14
	Average Collection Period	94	95	81	70	88
	Inventory Turnover (Turns)	3.70	2.84	4.06	4.34	2.83
	Accounts Payable Turnover (Turns)	10.95	9.84	8.67	10.76	9.46
	Average Days In Sales	99	129	90	84	129
	Property, Plant and Equipment Turnover (Turns)	1.32	0.88	0.83	0.82	0.85
	Total Assets Turnover (Turns)	0.44	0.29	0.28	0.34	0.31
Profitability	Return On Total Assets (%)	(15.93)	(10.01)	0.13	(9.64)	(14.16)
	Return On Shareholders' Equity (%)	(34.61)	(29.70)	(2.50)	(24.58)	(33.76)
	Ratio of net profit to paid-in capital before tax (%)	(63.05)	(40.53)	(1.75)	(21.41)	(21.52)
	Profit Ratio (%)	(38.75)	(40.59)	(3.57)	(31.81)	(49.25)
	Earnings Per Share (\$) (Note:1)	(6.53)	(4.08)	(0.34)	(2.26)	(2.31)
Cash flow	Cash Flow Ratio (%)	(Note2)	2.60	(Note2)	(Note 2)	19.73

Item	Year	Financial Analysis for the Past Five Years				
		2016	2017	2018	2019	2020
	Cash Flow Adequacy Ratio (%)	(Note2)	7.04	(Note2)	(Note 2)	(Note 2)
	Cash Reinvestment Ratio (%)	(Note2)	1.43	(Note2)	(Note 2)	5.16
Leverage	Operating Leverage	(Note3)	(Note3)	(Note3)	(Note 3)	(Note 3)
	Financial Leverage	(Note3)	(Note3)	(Note3)	(Note 3)	(Note 3)
Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)						
1. Operating performance : Mainly because the sales revenue and cost of 2020 are less than 2019, the receivables turnover ratio and inventory turnover dropped consequently; the days of sales in receivables and the days of selling increased.						
2. Profitability : Mainly because the business loss of 2020 is more than 2019, the return on assets, the return on liabilities and profit margin dropped consequently.						
3. Cash flow : Mainly because the net cash inflow generated via business activities is more than 2019, the cash flow ratio, the cash flow adequacy ratio and cash re-investment ratio rose consequently.						
Notes 1: Earnings per share are calculated based on the number of weighted average shares outstanding during the year.						
Notes 2: If the net cash flow from operating activities is negative, shall not be calculated.						
Notes 3: The operating loss of the year shall not be calculated. Notes 4: The calculation formula of financial analysis, such as financial analysis - International Financial Reporting Standard (Consolidative).						

### 6.3. Audit Committee's Report in the Most Recent Year:

United Renewable Energy Co., Ltd.  
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements, and loss offsetting list. The CPA firm of KPMG Taiwan was retained to audit URE's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and loss offsetting list have been reviewed and determined to be correct and

accurate by the Audit Committee members of United Renewable Energy Co., Ltd.. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report. °

The Audit Committee of United Renewable Energy Co., Ltd  
Chairman : Independent Director MING-JENG, WENG  
March 25, 2021

**6.4. Financial Statements for the Years Ended December 31, 2020** : Please refer Attachment 1.

**6.5. Consolidated Financial Statements for the Years Ended December 31, 2020** : Please refer Attachment 2

**6.6. The Impact on the Company's Financial Status in Cases where the Company or its Affiliates have Financial Difficulties:** None

## VII. Review of Financial Conditions, Operating Results, and Risk Management

### 7.1. Analysis of Financial Status

Unit: in Thousands of New Taiwan Dollars

Item \ Year	2019	2020	Difference	
			Amount	%
Current Assets	17,502,328	14,101,362	(3,400,966)	(19.43)
Fixed Assets	19,064,958	10,450,989	(8,613,969)	(45.18)
intangible asset	115,357	70,317	(45,040)	(39.04)
other asset	10,543,841	7,838,033	(2,705,808)	(25.66)
Total Assets	47,226,484	32,460,701	(14,765,783)	(31.27)
current liabilities	12,518,166	11,244,424	(1,273,742)	(10.18)
non-current liabilities	13,224,083	6,192,163	(7,031,920)	(53.18)
Total Liabilities	25,742,249	17,436,587	(8,305,662)	(32.26)
Capital	26,653,375	26,650,863	(2,512)	(0.01)
Capital Surplus	118,989	7,877	(111,112)	(93.38)
reserve surplus ( or accumulated deficit)	(6,000,644)	(11,581,063)	(5,580,419)	93.00
Equity - Other	(31,028)	(802,046)	(771,018)	2,484.91
Treasury Stock	(18,699)	(18,699)	0	0.00
Non-controlling Interests	762,242	767,182	4,940	0.65
Total Equity	21,484,235	15,024,114	(6,460,121)	(30.07)
Explanation of significant change of items: (The amount changed by more than 10%, and the amount reached 1% of the total assets of the year.)				
1. Liquid Assets: Mainly due to the cash reduction from loan repayment and caused by successive inventory clearance of 2020.				
2. Real estates, factories and equipment: Mainly due to the house-selling and the loss of recognition reduction of 2020, and the reclassification into investment properties of 2020.				
3. Other assets: Mainly due to the selling of part of the financial assets evaluated according to fair value via other comprehensive incomes of 2020.				
4. Liquid Liabilities: Mainly due to the short-term loan repayment and the short-term notes and bills payable of 2020.				
5. Non-current Liabilities: Mainly due to the long-term loan repayment of 2020.				
6. Retained Earnings (accumulated deficit): Mainly due to the business loss and the loss of recognition reduction.				
7. Other Liabilities: Mainly due to the selling of part of the financial assets evaluated according to fair value via other comprehensive incomes, and caused by the transference of accumulated gain on disposal from other liabilities to retained earnings in 2020.				

### 7.2. Analysis of Operating Results

#### 7.2.1. Comparison Analysis of Business Results

Unit: in Thousands of New Taiwan Dollars

Item \ Year	2019	2020	Percent Change	
			Amount	%
Total Net Revenues	18,139,112	12,511,034	(5,628,078)	(31.03)
Cost of Revenue	19,123,435	13,387,510	(5,735,925)	(29.99)
Gross Profit	(984,323)	(876,476)	107,847	(10.96)
Operating Expense	2,470,935	1,759,674	(711,261)	(28.79)
Other Income And Expenses	(1,766,692)	(1,978,107)	(211,415)	11.97
Loss From Operations	(5,221,950)	(4,614,257)	607,693	(11.64)
Total non-operating income and expenses	(484,606)	(1,121,175)	(636,569)	131.36
Loss Before Income Tax	(5,706,556)	(5,735,432)	(28,876)	0.51
Income Tax Expense	(62,633)	(426,875)	(364,242)	581.55
Net Loss For The Year	(5,769,189)	(6,162,307)	(393,118)	6.81
Explanation of significant change of items: (The amount changed by more than 10%, and the amount reached 1% of the total assets of the year.)				
1. Net Sales Revenue, cost of sales, operating expenses and operating (deficit) profits: Mainly due to the pandemic of 2020, the sales decreased.				
2. Non-operating income and expenses: Mainly due to the disposition of real estates, factories and equipment, and the increase in power plant loss in 2020.				
3. Income tax fee: Mainly due to the allowance of deferred income tax assets.				

### 7.2.2.The analysis of operating gross profit changes

Unit:in Thousands of New Taiwan Dollars

Items	The increased/decreased number of change of the initial and later period	Reason for difference, advantages and disadvantages				
		Price difference	Cost difference	Sales difference	Quantity difference	Other
Solar cells and modules	515,228	(2,134,704)	2,979,992	690,192	(1,020,251)	-

## 7.3.Cash Flow

### 7.3.1.The liquidity analysis for the recent two years

Unit:in Thousands of New Taiwan Dollars : %

Items	2019	2020	Increased (decreased) amount	Increased (decreased) ratio
Operational activities	(1,224,726)	2,218,617	3,443,343	(281.15)
Investment activities	3,694,181	4,968,222	1,274,041	34.49
Fundraising activities	(5,617,082)	(8,239,466)	(2,622,384)	46.69

Explanation of significant change of items: (The change in the previous and later period reached more than 50%, and the amount of change reached 5% or more of the paid-up capital.)  
Business Activities: Mainly due to more receivables collection and successive inventory clearance of the Company in 2020, the net cash flow generated by business activities increased consequently.

### 7.3.2.The cash liquidity analysis for the next year

Unit:in Thousands of New Taiwan Dollars

Initial cash balance	Estimated net cash flow from the operating activities for the whole year	Estimated cash flow from the investment and fundraising activities for the whole year	Estimated remaining cash amount	Remedial measures for estimated cash shortfalls	
				Investment Plan	Financing Plan
4,954,658	858,245	(2,045,752)	3,767,151	Not applicable	Not applicable

1. The analysis of the change of cash flow liquidity for the next year:  
(1) The net cash outflow from operating activities was approximately NT\$ 858,245thousand.  
(2) The net cash inflow from estimated investment and fundraising activities was NT\$ 2,045,752thousand, which is due to the increase in borrowings 2.  
Remedial measures and liquidity analysis for expected cash shortfalls: not applicable.

## 7.4.Financial business impact on important capital expenditures

### 7.4.1.The usage of important capital expenditures and sources of funds

Unit:in Thousands of New Taiwan Dollars

Planning Items	Actual or expected sources of funds	The needed total amount of funds	actual or expected funds usage		
			2020	2021	2022
Equipment Expansion	Borrowed form the bank and capital increase by cash	653,003	167,316	194,249	291,438

7.4.2.The estimated benefits may possibly produce: It is expected to effectively increase production productivity and increase production.

## 7.5.Recent Reinvestment Policy, Major Reasons for Profits or Losses, Improvement Plan and Investment Plan for the Following Year :

### 7.5.1.The re-investment policy of the company

The company's re-investment policy is mainly based on current business-related investment targets. The relevant executive departments comply with the internal control system "investment cycle" and the "procedures for acquisition or disposal of assets." The above-mentioned methods or procedures are approved by the board of directors or shareholders' meeting discussion.

7.5.2. Major reasons for reinvestment profits or losses, improvement plans and investment plan for the following year:

Unit: in Thousands of New Taiwan Dollars

Investee Company	Main Businesses and Products	2020/12/31			Major Reasons For Profits or Losses	Improvement Plan	Investment Plan For Following Year
		Investment Amount	Carrying Value	Net Income (Loss) of the Investee			
UES	Investment company	1,910,636	739,862	-1,098,294	Recognized subsidiaries' investment loss of Thailand	To allocate investment gain upon improvement of subsidiary's business operation.	—
DelSolar Cayman	Investment company	4,906,789	604,644	-292,433	Recognized subsidiaries' investment loss of Chinese and United States of American.	To allocate investment gain upon improvement of subsidiary's business operation.	—
NSP BVI	Investment company	1,426,179	648,793	214,343	Recognized subsidiary CFY investment gain.	—	—
GES ME	Solar related business	418,805	182,811	-152,564	All the power plants have been completed while the electricity has been sold, only collect and discount the allowance reduction according to the economy.	—	Expected to be on sales in 2021
Apex	Solar related business	165,994	197,084	6,194	Power generation revenue from solar project	—	—
NSP UK	Investment company	71,881	157,915	49,184	Revenue has been generated due to sales of the subsidiaries.	—	—
NSP System	Solar related business	144,200	92,183	-53,235	Mainly due to the loss of recognized closed case of this year.	—	—
New Ray Investment	Investment company	115,000	59,478	-6	Starting liquidating process	—	Starting liquidating process
Zhongyang	Solar related business	24,121	26,824	-8,386	Mainly due to the decrease in income development this year, it was insufficient to pay operating expenses.	—	—
UREE	Solar related business	25,300	1,372	-18,417	Mainly due to the loss of recognized closed case of this year	—	—
DelSolar Singapore	Investment company	29,743	16,634	-1,630	Recognized investment benefits of subsidiary.	—	Expected to be on sales in 2021
BPS	Solar related business	6,000	15,277	9,873	Construction revenue from solar power plant	—	—
SMC	Solar related business	9,720	9,850	6	—	—	—
Utech	Electronic component manufacturing	717,070	-1,278,092	-1,393,646	As demand and price bottomed, company lower production and inventory, but speed of price collapse plus popularity of mono crystalline product lead to losses.	Company will altered silicon wafer business strategy based on market condition. Company will focus on Hydrogen fuel cell business and sales, providing growth momentum and return to profitability.	Capital increase based on fund needed.
Yong Liang	Solar related business	249,000	268,875	18,993	Project has been completed with steady revenue generation.	—	Expand capacity from new acquisition.
Yong Zhou	Solar related business	46,500	-1,781	-7,610	The improvement has not been shown due to adjusted strategies.	The improvement has not been shown due to adjusted strategies.	Capital raise as required with alignment of improvement plan.
JRC	Solar related business	3,220,164	1,629,329	-803,385	Incurred loss due to JRC's module	Assure maintain operation and control of relevant expenses	Plan to sell the stock share of JRC in order to recover capitals.
GES UK	Investment company	2,943,653	1,394,413	-773,159	Recognized investment benefits of subsidiary.	To allocate investment gain upon improvement of subsidiary's business operation.	—
TSST	Solar related business	417,692	72,842	-9,726	Allocate loss fix assets value loss due to market down- turn.	—	—
V5 Technology	Electronic component manufacturing and selling	114,084	65,420	-12,878	In response to the future operating mode, the HR expenses increased while the research consumables increased as a result of technology development scheme, the loss is expected to grow.	Allocate investment profit upon improvement of the business operation.	—
Gintung	Electronic component manufacturing	34,341	-	12,637	The operating situation of the industry is getting better while there is still a small loss, only gained profits this year under the support of government wage subsidies of 2020	Focus on the development of the business with periodic assessment of client's credit.	—
DSET	Solar related business	10,500	2,043	-9,295	The maintenance revenue, module selling and other products did not hit the target, the development plan has not shown any growth, which caused the loss.	To allocate investment gain upon improvement of subsidiary's business operation.	—
Dashiangying	Solar related and agriculture related business	100	67	-4	Start -up phase.	To allocate investment gain upon improvement of the	—

Investee Company	Main Businesses and Products	2020/12/31			Major Reasons For Profits or Losses	Improvement Plan	Investment Plant For Following Year
		Investment Amount	Carrying Value	Net Income (Loss) of the Investee			
						operation	
Shinkai	Solar related and agriculture related business	100	67	-4	Start -up phase.	To allocate investment gain upon improvement of the operation	—
Shanshang	Solar related and agriculture related business	20,100	20,059	-12	Start -up phase.	To allocate investment gain upon improvement of the operation	—
Jiangung	Solar related and agriculture related business	100	67	-4	Start -up phase.	To allocate investment gain upon improvement of the operation	—
Lian,Zhi-Neng	Solar related and agriculture related business	2,100	144	-1,927	Start -up phase.	To allocate investment gain upon improvement of the operation	—
yanshan	Solar related and agriculture related business	100	67	-4	Start -up phase.	To allocate investment gain upon improvement of the operation	—
Solarbright energy Co., Ltd.	Solar related business	30,000	29,828	-572	Start -up phase.	—	—
RES	Investment company	1,809,487	739,862	-1,098,294	Recognized investment benefits of subsidiary.	—	—
Gintech (Thailand)	Solar related business	1,802,435	732,946	-1,097,076	Polycrystalline was replaced by single crystal, causing the drop of productivity which influences the sales volume and the disposition of relevant machines and equipment.	Manufacture in Thailand in alliance with solar power plants from mainland China. URE provides land, factory and factory equipment, Chinese suppliers purchased latest machines, it is expected that we will have positive cash inflow every month.	To raise capital upon requirement and align with company strategies.
GES USA	Investment company	1,465,997	635,748	-682,197	Recognized investment loss of subsidiary	To facilitate the completion of the project to recognized power generation revenue.	Capital raise as required with alignment of construction.
NCH Solar 1	Solar related business	265,862	291,453	7,278	Project has been completed with steady revenue generation.	—	—
GES Solar 2	Solar related business	39,112	27,908	876	Project has been completed with steady revenue generation.	—	—
GES Solar 3	Solar related business	2,564	-3,891	-290	Incurred loss due to not reaching economy of scale.	Manage and control relevant expenses.	—
GES CANADA	Investment company	337,842	196,648	-52,160	Recognized loss from JRC.	To allocate investment gain upon improvement of subsidiary's business operation.	—
GES JAPAN	Investment company	322,611	268,080	-6,804	Due to corporate tax	—	—
MEGATWO	Solar related business	541,503	79,729	-325,744	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue	Capital raise as required with alignment of construction.
MEGATHREE	Solar related business	36,074	2,810	-1,254	Project has been completed with steady revenue generation	—	—
MEGAFIVE	Solar related business	17,840	18,608	711	Project has been completed with steady revenue generation	—	—
MEGASIX	Solar related business	73,806	11,950	-35,802	The loss is mainly caused by the proper allowance reduction of recoverable values	—	—
MEGAEIGHT	Solar related business	21,015	3,563	-15,352	The loss is mainly caused by the proper allowance reduction of recoverable values	—	—
MEGATWELVE	Solar related business	4,720	415	-2,094	The loss is mainly caused by the proper allowance reduction of recoverable values	—	—
MEGATHIRTEEN	Solar related business	56,190	53,593	489	Project has been completed with steady revenue generation.	—	—
MEGASIXTEEN	Solar related business	336,606	289,536	-15,254	Recognized loss of the subsidiaries	—	—
MEGANINETEEN	Solar related business	3,709	-2,735	-5,042	The loss is mainly caused by the proper allowance reduction of recoverable values	—	—
MEGATWENTY	Solar related business	3,484	1,432	-2,952	The loss is mainly caused by the proper allowance reduction of recoverable values	—	—
ASSET TWO	Solar related business	0	-300	-24	Incurred daily expenses with project still under construction.	Price adjustment for labor cost	—
ASSET THREE	Solar related business	79,762	17,839	-36,072	Recognized investment benefits of subsidiary.	—	—
SH4	Solar related business	17,391	10,473	-6,434	The loss is mainly caused by the proper allowance reduction of recoverable values	—	—
CEDAR FALLS	Solar related business	62,849	42,459	-15,035	The loss is mainly caused by the proper allowance reduction of	—	—

Investee Company	Main Businesses and Products	2020/12/31			Major Reasons For Profits or Losses	Improvement Plan	Investment Plant For Following Year
		Investment Amount	Carrying Value	Net Income (Loss) of the Investee			
					recoverable values		
Schenectady	Solar related business	0	-19,914	-15,260	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue.	—
VOC	Solar related business	67,231	32,183	35,332	Still under construction phase	To facilitate the completion of the project to recognized power generation revenue.	—
SEG	Solar related business	22,476	13,496	-6,566	The loss is mainly caused by the proper allowance reduction of recoverable values	—	—
KINECT	Solar related business	7,473	8,829	258	Project has been completed with steady revenue generation.	—	—
RER CT 57	Solar related business	54,251	35,875	-16,566	The loss is mainly caused by the proper allowance reduction of recoverable values	—	—
TEV II	Solar related business	2,810	-109,729	-5,617	Recognized investment loss of subsidiary.	—	—
Illini Power LLC	Solar related business	0	-70	-51	Still under construction phase	Speed up the development plan	And complete the sale of the case before NTP
PS CS LLC	Solar related business	0	-69	-50	Still under construction phase	Speed up the development plan	And complete the sale of the case before NTP
HEYWOOD	Solar related business	49,728	20,774	-10,825	Still under construction phase	Speed up the development plan	And complete the sale of the case before NTP
MP Solar	Solar related business	166,070	164,955	-1,058	Still under construction phase	To facilitate the completion of the project	And complete the sale of the case before the COD °
Ventura	Solar related business	153,904	153,206	-654	Still under construction phase	To facilitate the completion of the project	And complete the sale of the case before the COD °
Livermore	Solar related business	4,214	-39,547	-43,587	Mainly due to the loss of recognized closed case of this year.	—	—
Industrial Park	Solar related business	87,095	33,031	-56,667	The loss is mainly caused by the proper allowance reduction of recoverable values	—	—
Hillsboro	Solar related business	52,313	41,443	-11,245	The loss is mainly caused by the proper allowance reduction of recoverable values	—	—
MUNISOL	Solar related business	519,477	99,098	-325,716	Still under construction phase	To facilitate the completion of the project	And complete the sale of the case before the COD
SHIMA'S	Solar related business	4,299	-1,440	-5,438	Project has been completed with steady revenue generation. But the investment recovery period is not reached	Price adjustment for labor cost	—
WAIMEA	Solar related business	14,778	12,411	-3,166	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
HONOKAWAI	Solar related business	11,744	12,400	-179	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
ELEELE	Solar related business	17,897	15,546	-3,497	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
HANALEI	Solar related business	7,867	2,398	-5,029	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
KAPAA	Solar related business	21,380	12,903	-8,300	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
KOLOA	Solar related business	15,986	10,314	-6,666	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
GES AC	Solar related business	700,745	700,312	-14,378	Recognized investment benefits of subsidiary.	—	—
ANDERSON N.	Solar related business	379,479	363,679	-5,559	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
ANDERSON S.	Solar related business	53,802	52,247	-492	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—

Investee Company	Main Businesses and Products	2020/12/31			Major Reasons For Profits or Losses	Improvement Plan	Investment Plan For Following Year
		Investment Amount	Carrying Value	Net Income (Loss) of the Investee			
Flora	Solar related business	35,821	34,525	-410	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
Greenfield	Solar related business	552,741	552,676	-1,321	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
Spiceland	Solar related business	279,068	277,961	93	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
TEV Solar	Solar related business	2,810	2,613	-22	Recognized investment loss of subsidiary.	—	—
AC GES Solar	Solar related business	552,741	552,676	-1,321	Recognized investment loss of subsidiary.	—	—
Richmond	Solar related business	541,082	536,987	-1,178	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
Rensselaer	Solar related business	279,068	277,961	93	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
Advance	Solar related business	15,003	14,879	-6	Project has been completed with steady revenue generation. But the investment recovery period is not reached	—	—
NSP HK	Solar related business	—	—	—	—	—	Expected to be on sales in 2021
DelSolar HK	Investment company	3,517,494	210,376	-103,169	Recognized subsidiaries' investment loss of China	To allocate investment gain upon improvement of subsidiary's business operation	—
DelSolar US	Investment company	696,756	334,834	-85,413	Recognized investment loss of subsidiary.	—	—
NSP NEVADA	Solar related business	143,987	57,620	-96,484	Recognized investment loss of subsidiary.	To allocate investment gain upon improvement of subsidiary's business operation	—
URE NSP	Solar related business	14,048	14,189	-7,366	—	—	—
NSP Malaysia	Technical management services	—	—	-22	—	—	Starting liquidating process
NSP Vietnam	Technical management services	4,495	-604	-555	—	—	Starting liquidating process
NSP Germany	Solar related business	794	1,654	230	—	—	—
PV Power Park	Solar related business	765	413	-299	—	—	Starting liquidating process
NSP Indygen	Solar related business	—	109,073	50,164	ction and other minor related expenses	—	—
Hsin Jin Optoelectronics	Solar related business	10,647	11,525	1,554	Project has been completed with steady revenue generation.	—	—
Hsin Jin Solar Energy	Solar related business	13,981	15,111	2,680	Project has been completed with steady revenue generation.	—	—
Si Two	Solar related business	20,000	19,165	-271	Incurred daily expenses with project still under Development	—	—
Tienyang	Solar related business	100	-299	87	project still under Development	—	—
Deyang	Solar related business	100	-292	87	project still under Development	—	—
Shanyang	Solar related business	100	-292	87	project still under Development	—	—
Jeyang	Solar related business	100	-292	87	project still under Development	—	—
Lianzhang	Solar related business	100	108	26	project still under Development	—	—
Lianxi	Solar related business	100	68	-13	Incurred daily expenses with project still under Development	—	—
Liancheng	Solar related business	100	68	-14	Incurred daily expenses with project still under Development	—	—
Fengyang Green Power	Solar related business	100	60	-14	Incurred daily expenses with project still under Development	—	—
UAE	Solar and agriculture related business	100	67	-4	Incurred daily expenses with project still under Development	—	—

Investee Company	Main Businesses and Products	2020/12/31			Major Reasons For Profits or Losses	Improvement Plan	Investment Plan For Following Year
		Investment Amount	Carrying Value	Net Income (Loss) of the Investee			
DelSolar Wu Jiang	Solar related business	3,371,400	198,129	-91,463	Mainly due to the stock share disposition of URE (Nanchang), caused by the recognized disposition of investment loss.	manage to lower the costs with plan to China's production capacity.	—
DelSolar Development	Solar related business	61,809	20,545	-9,987	Incurred loss due to depreciation and high than market construction cost from investment solar project	Will recognize profit upon depreciation has been deplete	—
CFR	Solar related business	403,725	-68,352	-75,114	Provide operation and management after completion of the solar projects. Short term losses incurred to the fact that the development of solar projects require longer time frame.	Awaiting completion of existing projects and their sales closings. Also, to develop more projects.	—
USD1	Solar related business	100,636	184,523	-608	Mainly due to the recognition of general operating expenses.	—	—
Beryl	Solar related business	—	144,873	-747	Due to recognize the re-recognition of construction costs °	—	—
DSS-USF PHX LLC	Solar related business	10,395	9,883	-3,164	Incurred loss due to higher depreciation and procurement cost for components	Awaiting depletion of depreciation	—
DSS-RAL LLC	Solar related business	23,459	9,553	-7,461	—	—	—
DevCo One	Solar related business	12,474	1,689	-	—	—	—
DevCo Two	Solar related business	12,474	1,689	-	—	—	—

## 7.6. Analyzed Assessment of Risk Matters

7.6.1. The impact of interest rates, changes of exchange rate, inflation on the company's profit and loss, and future corresponding measures :

(1) Changes of Rate

The cash needed by Company and subsidiaries for operation and capital expenditure purposes are funded through capital market or borrowing from Banks, therefore the increase in interest rate does affect the Company. The trend of interest rate will be keenly observed and the borrowing that affected by fluctuations in floating and fixed interest rate is under strict control. The Company will negotiate will Banks for favorable borrowing rate, in order to lower the risk associate with changes in interest rate.

(2) Changes of Exchange Rate

The chief operating currencies of the company and its subsidiaries are USD and Euro, so the exchange rate changes have certain impacts on the company's profit and loss. The next exchange loss of the company in 2019 was NT\$ 25,950 thousand, and the net exchange profit of the company in 2020 was 16,640 thousand, which was 0.14% and 0.13% of the net operating income respectively. To effectively reduce the impact on lowering exchange rate, in addition to the natural hedging policy related to income and expenditures, the finance department has additionally established the personnel to collect information on various banks, pay close attention to changes of exchange rate, and adjust foreign currency positions timely. Furthermore, to effectively reduce the risk of lowering the exchange rate, the company will prevent risks by handling financial derivatives merchandise in accordance with the provisions of "Procedures for the Acquisition or Disposal of Assets."

(3) Inflation

Due to the industrial characteristics, inflation did not cause significant a impact on the operations of the company and its subsidiaries. However, the company shall still pay much attention to inflation. In the future, the company shall pay more attention to the relevant information on the oil price and commodity price, timely adjust the cost of the merchandise and the raw material inventory, to reduce or avoid the impact on the company's operation due to the change of commodity price.

7.6.2. The main reasons and future corresponding measures of high-risk, leverage investment, loaning funds to others, the endorsement/guarantees, and financial derivatives transactions for the recent years:

(1) The main reasons and future corresponding measures of high-risk, policies of leverage investment, and profit and loss.

The company and its subsidiaries are mainly focused on the development of the industry and have not invested in other high-risk industries, and the Company and its subsidiaries have always attached importance to stable operation and financial soundness, and do not make high leverage investment.

(2) The main reasons and future corresponding measures of the policies of loaning funds to others, and

profit and loss.

The company handles the loaning funds to other in accordance with the "Procedures and Policies for Governing the Endorsement/Guarantee," and correctly and timely announces the information of loaning funds to other under the provisions of the acts. If the counterparty of loaning funds of the company and its subsidiaries is the subsidiary of the corporation, its loaning funds and amount shall meet the "Procedures and Policies for Governing the Endorsement/Guarantee" established by every subsidiary.

- (3)The main reasons and future corresponding measures of the endorsement/guarantee, and profit and loss

The company handles the loaning funds to other in accordance with the "Procedures and Policies for Governing the Loaning Funds to Others and the Endorsement/Guarantee," and submits to the board of directors for approval of providing the subsidiaries endorsement/guarantee. The counterparty of the endorsement/guarantee of the company and its subsidiaries is the subsidiary or an affiliated company of the corporation. The limited amount, authorization, and relevant operating procedures shall meet the provisions of the procedures for the endorsement/guarantee of the company.

- (4)The main reasons and future corresponding measures of the policies of the financial derivatives transaction, and profit and loss

The purpose of the financial derivatives transaction of the company and its subsidiaries is to hedge the market risks that are mainly resulted from the fluctuating exchange rate and interest rate instead of arbitraging and speculation. Also, when the company and its subsidiaries engage in financial derivatives transactions, in addition to comply with the relevant provisions of regulations issued by the authorities and Generally Accepted Accounting Principles, the company shall strictly comply with the "Procedures for Acquisition or Disposal of Assets" established by the company, and correctly and timely announce the transaction information under the provisions of regulations.

#### 7.6.3.Development Plan:

- (1)Short-term Research and Development Plan:

The company continues to invest in research and development projects to maintain its technological leadership. The short-term plan is to improve the conversion efficiency of the cell through process integration and optimization. It is estimated that the highest conversion efficiency of the "Black 22" and "BiFi P-type" monocrystalline battery will be increased to 23% and above in 2021. Concerning the research and development of modules, it is estimated that in 2021, the "PEACH" series will reach 425W, the "Glory PEACH" series will reach 420W which is equivalent to 470W All product series have been upgraded to ultra-salt-resistant and typhoon-resistant for harsh environment in Taiwan such as high salinity coastal landform, poor cultivated farmland and fishing ponds. Product has been tested and verified by inspection division from Industrial Technology Research Institute (ITRI) as non-toxic to water, meet the water quality monitoring standards by the Environment Protection Administration Executive Yuan.

- (2)Medium and Long-term Research and Development Plan:

In addition to the continuous efficiency improvement of traditional P-type battery, the company focuses on the next generation (P-type / N-type) solar cell development. For example, a heterojunction battery, it is expected that its battery conversion efficiency will increase to 24.5% within one year, and the relative module HELLO series can wattage up to 360W. Plus the one-year investment plan of its excellent double-sided power generation efficiency and low-temperature coefficient, which makes the equivalent wattage up to 380W. Besides, product reliability is greatly improved with dual glass module technology. The company has a comprehensive integration of battery and module technology, with different battery and product characteristics for different environments. Whether it is water, desert, snow, and roof, there are corresponding products respectively. The research and development team has always maintained good cooperative relationships with academic research institutions at home and abroad, to obtain information on the development of various novel technologies and equipment continuously. Also, to establish a close contact network with the upstream critical raw material suppliers, to provide complete technical services and support to the downstream customers. In the meanwhile, M6/M10 large-size cells with multiple busbars of P-type products will be developed in cell and module, stepping further towards the large-size and high-wattage module market. M6 "PEACH" series module is expected to reach 460W combining with highly weather-resistant materials to apply in large scale ground type cases, 10% of system construction cost BOS could be cut down.

- (3)The Estimated Costs of Research and Development:

Research and development are essential to reinforcing the company's competitiveness, acquiring new technologies, new products, and new materials, and maintaining the company's sustainable development. In 2021, the estimated costs of investing in research and development will be higher than in 2020, which is approximately 2%~3% of the net sales.

- 7.6.4. The financial business influences and future corresponding measures of the changes of important policies and laws at home and abroad for the recent year:  
For the recent year as of the date of the annual handbook has been printed, the company has not been affected by important policies and laws at home and abroad. The company established the legal department to continually pay attention to the change of important policies and laws at home and abroad, and timely actively proposes corresponding measures.
- 7.6.5. The financial business influences and future corresponding measures of the change of technology as well as industry for the recent year:  
In response to the development of new generation solar cells, the company continues to improve research and development through process improvement, product conversion efficiency, and patent layout. The company reduces the market risks and pursues the long-term stability of the company's financial business through the development of high-efficiency solar cell with high-level twin structure and high reliability module, and simultaneously responding the needs and changes brought about by technological changes by transforming the company itself, and vigorously expand the downstream solar power plant business.
- 7.6.6. The influences and future corresponding measures of the change of corporation images and the management of corporation crisis for the recent year:  
The company operates in a stable and pragmatic spirit, with a good image and no crisis in corporation management.
- 7.6.7. The expected benefits and possible risks when engaging in merger:  
For the recent year as of the date of the annual handbook has been printed, there has no merger plan.
- 7.6.8. The estimated benefits and possible risks of the expansion of the factory :  
The company's plan of factory expansion is carefully evaluated after cautious assessment of market supply and demand, and the control of future order. Therefore, although the solar industry faces market ups and downs, it has helped the company to consolidate its market position, reinforce its ability to take orders, meet customer needs, expand market share, and enjoy economies of scale. The company has always focused on the coordination of production and sales and will continue to modify the global solar industry growth and customer expansion and development by the mode of long-term strategic partner, strictly assess the expected benefits and risks of the expansion of the plant to continue to maintain a rising trend.
- 7.6.9. The possible risks and corresponding measures of consolidation of sales or purchasing operations:  
(1) The risk assessment and corresponding of centralized purchasing:  
The producers of polycrystalline germanium raw materials in the upstream of the solar energy industry are dominated by suppliers of Europe, America, and Japan, and the supply of it is more than 90% of the world. Therefore, the solar industry generally has the industry characteristics of centralized purchasing. In recent years, the industry have flourished and attracted many manufacturers to engage. The industrial characteristics of centralized purchasing have been massively improved, the risks of it has been significantly reduced by establishing a long-term supply relationship with several well-known international manufacturers.  
(2) The risk assessment and corresponding measures of consolidation of sales  
The company actively expands the market scale and develops new customers, and the source of orders continues to be diversified to reduce the risk of sales being over consolidated on a single customer.
- 7.6.10. The director, supervisor or major shareholder that holds more than 10% of the shares, the influences and risks of the company by massively transferring or changing shares:  
For the recent year as of the date of the annual handbook has been printed, there was no massively transferring or changing shares of the director, supervisor, or major shareholder that held more than 10% of the shares.
- 7.6.11. The influences and risks of the company by changing the operation rights :  
For the recent year as of the date of the annual handbook has been printed, there has no changes of operation rights.
- 7.6.12. The major lawsuit, non-litigation or administrative litigation incident that the company shall state itself and the company's directors, supervisors, general manager, actual personnel in charge, major shareholders holding more than 10% of the shares, and major lawsuits or subordinates that the subordinate company has decided to determine or are still in pendency. The result may have a significant impact on the shareholders' equity or the price of the securities. The facts of the dispute,

the amount of the subject-matter amounts, the commencement date of the lawsuit, the parties involved in the proceedings and as of the date of the printing of the annual report shall be disclosed as follows :

As a result of the non-compliance supply agreement, supplier K filed a lawsuit with Hsinchu District Court against the Company and requested a damage claim of 500,000 thousand; Hsinchu District Court decided the Company lost the verdict and should compensate the supplier for the damage along with the accrued interests on the October 13, 2017. However, the Company reckoned the conviction has several mistakes and entrusted a lawyer to file an appeal. After the proceedings of High Court, the appeal was adjudged to have been dismissed on the January 27, 2021. On the subject of the adjudication, the Company will entrust a lawyer to file an appeal regarding the mistakes in the court decision within the timescale so as to protect the legal interests of the Company; on the other hand, the Company has evaluated the possible loss and credited the estimation.

7.6.13. Other important risks and countermeasures (including information security risk assessment and countermeasures) :

The Information Division of the Management Center of URE is responsible for the management and maintenance of software and hardware facilities which related to information security. The information security risk management is divided into two aspects : internal control and external defense, as explained below.

(1) Internal control : perform authority management in accordance with work rights and responsibilities, restrict network access for non-work requirements, regularly perform password change operations, regularly perform backup operations and restore exercises, and prohibit unauthorized software or hardware use, regular release and promote information security related matters, etc.

(2) External defense : setup firewalls and related defense policies, turn off unnecessary or unused communication protocols, regularly update anti-virus/anti-hacking software signatures, detect and block abnormal network traffic and behaviors, etc.

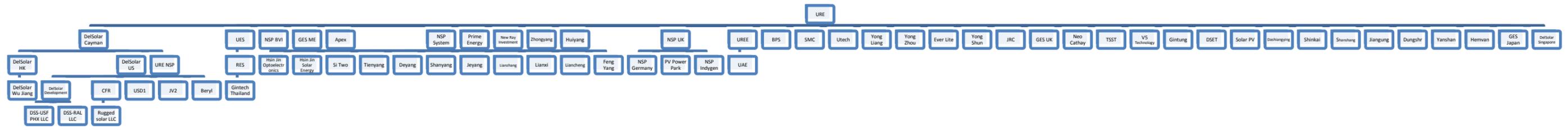
The above operations are performed in accordance with corporate governance documents (information security management policies).

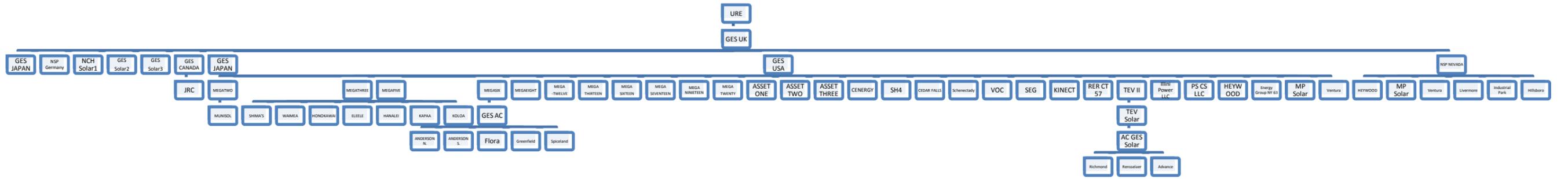
**7.7. Other important matters** : None.

VIII. Special Disclosure

8.1. Summary of Affiliated Companies :

8.1.1. Relationship organization chart (As of December 31, 2020)





## 8.1.2.Relationship with Affiliated Companies and Share Crossholdings

2020/12/31 Unit:in Thousands of New Taiwan Dollars

Name Of Affiliated Company	Main business items	investment shares			Holding the amount of shares of the company
		Amount	Share	%	
UES	Investment company	1,918,131	62,188	100.00	—
DelSolar Cayman	Investment company	4,906,789	155,126	100.00	—
NSP BVI	Investment company	470,424	18,350	100.00	—
GES ME	Solar related business	418,805	4	100.00	—
Apex	Solar related business	165,994	36,379	100.00	—
NSP UK	Investment company	71,881	1,780	100.00	—
NSP System	Solar related business	144,200	14,420	100.00	—
New Ray Investment	Investment company	115,000	11,500	100.00	—
Zhongyang	Solar related business	24,121	3,500	100.00	—
UREE	Solar related business	25,300	2,530	100.00	—
DelSolar Singapore	Investment company	29,743	1,250	100.00	—
BPS	Solar related business	6,000	600	60.00	—
SMC	Solar related business	9,720	1,000	100.00	—
Utech	Electronic component manufacturing	717,070	50,356	99.87	1,883 thousand shares
Yong Liang	Solar related business	249,000	24,900	100.00	—
Yong Zhou	Solar related business	46,500	0	100.00	—
JRC	Solar related business	707,908	242	100.00	—
GES UK	Investment company	2,943,653	95,890	100.00	—
TSST	Solar related business	417,692	97,701	42.12	—
V5 Technology	Electronic component manufacturing and selling	114,084	7,789	32.73	—
Gintung	Electronic component manufacturing	34,341	13,460	36.38	—
DSET	Solar related business	10,500	1,050	29.17	—
Dashiangying	Solar related and agriculture related business	100	10	100.00	—
Shinkai	Solar related and agriculture related business	100	10	100.00	—
Shanshang	Solar related and agriculture related business	20,100	2,010	100.00	—
Jiangung	Solar related and agriculture related business	100	10	100.00	—
Lian,Zhi-Neng	Solar related and agriculture related business	2,100	210	100.00	—
yanshan	Solar related and agriculture related business	100	10	100.00	—
Solarbright energy Co., Ltd.	Solar related business	30,000	3,000	30.00	—
RES	Investment company	1,809,497	62,188	100.00	—
Gintech (Thailand)	Solar related business	1,802,446	20,920	100.00	—
GES USA	Investment company	1,465,997	53,416	100.00	—
NSP Gemany	Solar related business	794	23	90.00	—
NCH Solar 1	Solar related business	265,862	6,947	100.00	—
GES Solar 2	Solar related business	39,112	1,022	100.00	—
GES Solar 3	Solar related business	2,564	67	100.00	—
GES CANADA	Investment company	337,842	10,540	100.00	—
GES JAPAN	Investment company	322,611	276	100.00	—
MEGATWO	Solar related business	541,503	19,274	100.00	—
MEGATHREE	Solar related business	36,074	1,284	40.00	—
MEGAFIVE	Solar related business	17,840	635	100.00	—
MEGASIX	Solar related business	73,806	2,627	100.00	—
MEGAEIGHT	Solar related business	21,015	748	100.00	—
MEGATWELVE	Solar related business	4,720	168	100.00	—
MEGATHIRTEEN	Solar related business	56,190	2,000	100.00	—
MEGASIXTEEN	Solar related business	336,606	11,981	100.00	—
MEGANINETEEN	Solar related business	3,713	132	100.00	—
MEGATWENTY	Solar related business	3,473	124	100.00	—
ASSET TWO	Solar related business	0	0	0.00	—
ASSET THREE	Solar related business	79,758	2,839	100.00	—
SH4	Solar related business	17,388	619	100.00	—
CEDAR FALLS	Solar related business	62,849	2,237	100.00	—
Schenectady	Solar related business	0	0	0.00	—
VOC	Solar related business	67,231	2,393	0.00	—
SEG	Solar related business	22,476	800	100.00	—
KINECT	Solar related business	7,464	266	100.00	—
RER CT 57	Solar related business	54,251	1,931	100.00	—
TEV II	Solar related business	2,810	0	100.00	—
Illini Power LLC	Solar related business	0	0	0.00	—
PS CS LLC	Solar related business	0	0	0.00	—
HEYWOOD	Solar related business	90,410	0	100.00	—
Energy Group NY 63	Solar related business	0	0	0.00	—
MP Solar	Solar related business	166,078	0	100.00	—
Ventura	Solar related business	153,908	3,013	100.00	—
Livermore	Solar related business	4,214	0	100.00	—

Name Of Affiliated Company	Main business items	investment shares			Holding the amount of shares of the company
		Amount	Share	%	
Industrial Park	Solar related business	87,095	0	100.00	—
Hillsboro	Solar related business	52,319	0	100.00	—
MUNISOL	Solar related business	519,477	347,071	100.00	—
SHIMA'S	Solar related business	4,311	153	100.00	—
WAIMEA	Solar related business	14,778	526	100.00	—
HONOKAWAI	Solar related business	11,744	418	100.00	—
ELEELE	Solar related business	17,897	637	100.00	—
HANALEI	Solar related business	7,867	280	100.00	—
KAPAA	Solar related business	21,380	761	100.00	—
KOLOA	Solar related business	15,986	569	100.00	—
GES AC	Solar related business	700,745	0	67.59	—
ANDERSON N.	Solar related business	379,479	13,507	100.00	—
ANDERSON S.	Solar related business	321,800	11,454	100.00	—
Flora	Solar related business	53,802	1,915	100.00	—
Greenfield	Solar related business	242,488	8,631	100.00	—
Spiceland	Solar related business	35,821	1,275	100.00	—
TEV Solar	Solar related business	2,810	100	100.00	—
AC GES Solar	Solar related business	552,742	0	66.19	—
Richmond	Solar related business	541,079	19,259	100.00	—
Rensselaer	Solar related business	279,054	9,933	100.00	—
Advance	Solar related business	14,994	534	100.00	—
NSP HK	Solar related business	0	0	100.00	—
DelSolar HK	Investment company	3,517,494	125,200	100.00	—
DelSolar US	Investment company	696,756	3	100.00	—
NSP NEVADA	Solar related business	143,987	5,125	100.00	—
URE NSP	Solar related business	14,048	500	100.00	—
NSP Vietnam	Technical management services	4,495	0	100.00	—
PV Power Park	Solar related business	765	0	100.00	—
NSP Indygen	Solar related business	0	0	100.00	—
Hsin Jin Optoelectronics	Solar related business	10,647	0	80.00	—
Hisn Jin Solar Energy	Solar related business	13,981	0	60.00	—
Si Two	Solar related business	20,000	2,000	100.00	—
Tienyang	Solar related business	100	10	100.00	—
Deyang	Solar related business	100	10	100.00	—
Shanyang	Solar related business	100	10	100.00	—
Jeyang	Solar related business	100	10	100.00	—
Lianzhang	Solar related business	100	10	100.00	—
Lianxi	Solar related business	100	10	100.00	—
Liancheng	Solar related business	100	10	100.00	—
Fengyang	Solar related business	100	10	100.00	—
XYH Suzhou	Solar related business	0	0	100.00	—
UAE	Solar and agriculture related business	100	10	100.00	—
DelSolar Wu Jiang	Solar related business	3,371,400	0	100.00	—
DelSolar Development	Solar related business	61,809	0	100.00	—
CFR	Solar related business	403,725	14,370	100.00	—
USD1	Solar related business	100,636	0	100.00	—
JV2	Solar related business	23,319	0	67.00	—
Beryl	Solar related business	0	0	100.00	—
DSS-USF PHX LLC	Solar related business	10,395	0	100.00	—
DSS-RAL LLC	Solar related business	23,459	0	100.00	—
DevCo One	Solar related business	12,480	0	40.00	—
DevCo Two	Solar related business	12,480	0	40.00	—

8.1.3. According to Company Act. Article 369-3, it shall be concluded as the existence of the controlling and subordinate relation : Please refer above form

8.1.4. It shall be concluded as the existence of the controlling and subordinate relation of the board members : Please refer below form.

8.1.5. Relation companies of business scope :  
In solar cell module manufacturing and related system construction and development

### 8.1.6.List of Directors, Supervisors and Presidents of Affiliated Companies

2020/12/31 Unit:in thousand of Shares

Name of affiliated company	Title	Name or representative	Shares held	
			Shares or capita	(%)
Ultimate Energy Solution Limited	Director	Pan,Wen-Whe	62,188	100.00
DelSolar Holding (Cayman) Ltd.	Director	Hong, Chum-Sam ∙ Andy Shen	155,126	100.00
NSP Systems (BVI) Ltd.	Director	Hong, Chum-Sam ∙ Andy Shen	18,350	100.00
GES Energy Middle East FZE	Director	Liao Guozhang	4	100.00
Apex Solar Corporation	Chairman	URE Delegate: Andy Shen	36,379	100.00
NSP UK Holding Limited	Director	Hong, Chum-Sam ∙ Andy Shen ∙ Thomas Sandner	1,780	100.00
NSP System Development Corp	Chairman	URE Delegate: Hong, Chum-Sam	14,420	100.00
	Director	URE Delegate: Pan,lai-lay ∙ Adam Hsu		
	Supervisor	URE Delegate: Zabrina.Hsu		
Zhong Yang Corp.	Chairman	URE Delegate: Hong, Chum-Sam	3,500	100.00
URE Engineering Co., Ltd.	Chairman	URE Delegate: Pan,Wen-Whe	2,530	100.00
	Director	URE Delegate: Hong, Chum-Sam ∙ Adam Hsu		
	Supervisor	URE Delegate: Pan,lai-lay		
DelSolar Holding Singapore Pte Ltd.	Director	Hong, Chum-Sam ∙ Andy Shen ∙ Wee Choo Peng	1,250	100.00
Best Power Service Corp	Chairman	URE Delegate: Andy Shen	600	60.00
	Director	URE Delegate: Pan,lai-lay ∙ Adam Hsu		
	Vice Chairman	Qi-An Technology Co., Ltd Delegate: Chen,Ying-Yao	400	40
	Director	Qi-An Technology Co., Ltd Delegate: Zhou,Yao-Yuan		
	Supervisor	Rita Yang ∙ Chen,Wei-Yu		
Solartech Materials Corporation	Chairman	URE Delegate:Andy Shen	1,000	100.00
Utech Solar Corporation	Chairman	URE Delegate:Chen Chien Feng	50,356	99.87
	Director	URE Delegate: Pan,Wen-Whe		
	Supervisor	Pan,lai-lay		
Yong Liang Ltd	Chairman	URE Delegate: Hong, Chum-Sam	24,900	100.00
Yong Zhou Ltd.	Chairman	URE Delegate: Hong, Chum-Sam	0	100.00
ELECTRONIC J.R.C.,S.R.L	Manager	Jack Chen ∙ Zabrina.Hsu	242	100.00
General Energy Solutions UK Limited	Director	Jack Chen	95,890	100.00
Daxiangying Energy Co., Ltd.	Chairman	URE Delegate: Pan,Wen-Whe	10	100.00
Xinkai Energy Co., Ltd.	Chairman	URE Delegate: Pan,Wen-Whe	10	100.00
Shanshang Energy Co., Ltd.	Chairman	URE Delegate: Pan,Wen-Whe	2,010	100.00
Jiangong Energy Co., Ltd.	Chairman	URE Delegate: Pan,Wen-Whe	10	100.00
Lian,Zhi-Neng Energy Co., Ltd.	Chairman	URE Delegate: Pan,Wen-Whe	210	100.00
Yanshan Energy Co., Ltd.	Chairman	URE Delegate: Pan,Wen-Whe	10	100.00
Renewable Eergy Solution Limited	Director	Pan,Wen-Whe	62,188	100.00
Gintech ( Thailand) Limited	Director	Wen-Whe Pan ∙ Ming-Tsung Liu ∙ Pornchai Chotwatthanaphinyo	20,920	100.00
General Energy Solutions USA, Inc.	Manager	Hong, Chum-Sam ∙ Zabrina.Hsu ∙ Jack Chen	53,416	100.00
NSP Germany GmbH	Director	Andy Shen ∙ Thomas Sandner ∙ Chienping.Hsieh	23	90.00
NCH Solar1 Limited	Director	Jack Chen	6,947	100.00
GES Solar2 Limited	Director	Jack Chen	1,022	100.00
GES Solar3 Limited	Director	Jack Chen	67	100.00
General Energy Solutions CANADA, Inc.	Director	Jack Chen ∙ Zabrina.Hsu ∙ James	10,540	100.00
Ges Japan Corporation (“Ges Japan”)	Chairman	Andy Shen	276	100.00
	Director	Zabrina.Hsu		
MegaTwo, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	19,274	100.00
GES MegaThree, LLC	Manager	N/A	1,284	40.00
GES MegaFive, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	635	100.00
GES MegaSix, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	2,627	100.00
GES MegaEight, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	748	100.00
GES MegaTwelve, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	168	100.00
GES MegaThirteen, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	2,000	100.00
GES MegaSixteen, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	11,981	100.00
GES MegaNineteen, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	132	100.00
GES MegaTwenty, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	124	100.00
GES ASSET TWO, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	0	0.00
GES ASSET THREE, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	2,839	100.00
SH4 SOLAR LLC	Manager	Jack Chen ∙ Zabrina.Hsu	619	100.00
Ceder Falls Solar Farm, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	2,237	100.00
Schenectady Solar, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	0	0.00
Village of Coxsackie Municipal Solar Project One, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	2,393	0.00
SEG MI 57 LLC	Manager	Jack Chen ∙ Zabrina.Hsu	800	100.00
Kinect Solar Fund 1, LLC	Manager	Jack Chen ∙ Zabrina.Hsu	266	100.00
RER CT 57, LLC	Manager	Jack Chen	1,931	100.00
TEV II, LLC	Manager	Jack Chen ∙ Albert Chen	0	100.00

Name of affiliated company	Title	Name or representative	Shares held	
			Shares or capita	(%)
Heywood Solar PGS, LLC	Director	Jack Chen 、Zabrina.Hsu	0	100.00
MP Solar, LLC	Director	Jack Chen 、Zabrina.Hsu	0	100.00
Ventura Solar LL	Director	Jack Chen 、Zabrina.Hsu	3,013	100.00
Livermore Community Solar Farm, LLC	Manager	Jack Chen 、Zabrina.Hsu	0	100.00
Industrial Park Drive Solar, LLC	Manager	Jack Chen 、Zabrina.Hsu	0	100.00
Hillsboro Town Solar, LLC	Manager	Jack Chen 、Zabrina.Hsu	0	100.00
Munisol S.A.de C.V	Manager	Jack Chen 、Zabrina.Hsu	347,071	100.00
GES ASSET Three Shima's, LLC	Manager	Jack Chen 、Zabrina.Hsu	153	100.00
GES ASSET Three Waimea, LLC	Manager	Jack Chen 、Zabrina.Hsu	526	100.00
GES ASSET Three Honokowai, LLC	Manager	Jack Chen 、Zabrina.Hsu	418	100.00
GES ASSET Three Eleele, LLC	Manager	Jack Chen 、Zabrina.Hsu	637	100.00
GES ASSET Three Hanalei, LLC	Manager	Jack Chen 、Zabrina.Hsu	280	100.00
GES ASSET Three Kappa, LLC	Manager	Jack Chen 、Zabrina.Hsu	761	100.00
GES ASSET Three Koloa, LLC	Manager	Jack Chen 、Zabrina.Hsu	569	100.00
GES AC SOLAR 2017, LLC	Manager	Jack Chen 、Jhongthan	0	67.59
Anderson North Solar Project LLC.	Manager	Jack Chen 、Zabrina.Hsu	13,507	100.00
Anderson South Solar Project LLC	Manager	Jack Chen 、Zabrina.Hsu	11,454	100.00
Flora Solar Project LLC	Manager	Jack Chen 、Zabrina.Hsu	1,915	100.00
Greenfield Solar Project Llc	Manager	Jack Chen 、Zabrina.Hsu	8,631	100.00
Spiceland Solar Project LLC	Manager	Jack Chen 、Zabrina.Hsu	1,275	100.00
TEV Solar Alpha18 LLC	Manager	Jack Chen	100	100.00
AC GES Solar 2018 LLC	Manager	Jack Chen	0	66.19
Richmond 2 Solar Park, LLC	Manager	Jack Chen 、Zabrina.Hsu	19,259	100.00
Rensselaer 2 Solar Park, LLC	Manager	Jack Chen 、Zabrina.Hsu	9,933	100.00
Advance Solar Park, LLC	Manager	Jack Chen 、Zabrina.Hsu	534	100.00
NSP HK Holding Limited	Director	Hong, Chum-Sam 、Andy Shen	0	100.00
DelSolar (HK) Ltd.	Director	Hong, Chum-Sam 、Andy Shen	125,200	100.00
DelSolar US Holdings (Delaware) Corp.	Director	Jack Chen 、Zabrina.Hsu	3	100.00
Nsp System Nevada Holding Corp	Director	Hong, Chum-Sam 、Jack Chen 、Zabrina.Hsu	5,125	100.00
URE NSP	Director	Zabrina.Hsu	0	80
NSP Indygen UK Ltd.	Director	Jack Chen 、Huang,Jing-Ning 、David Anthony Ashton	0	100.00
Hsin Jin Co., Ltd	Chairman	NSP System: Adam Hsu	0	80
	Director	NSP Syste Delegate: Thomas Hsu 、Zabrina.Hsu	0	
Hsinking Co., Ltd	Chairman	NSP Syste Delegate: Adam Hsu	0	60
	Director	NSP Syste Delegate: Thomas Hsu		
	Director	Hsin Jin Solar Energy Co., Ltd. Zi san de		
Si Two Corp	Chairman	NSP Syste Delegate: Hong, Chum-Sam	2,000	100.00
	Director	NSP Syste Delegate: Andy Shen 、Thomas Hsu		
	Supervisor	NSP Syste Delegate: Zabrina.Hsu		
Tienyang Green Power Ltd. Co.	Chairman	URE Delegate: Adam Hsu	10	100.00
Deyang Green Power Ltd. Co.	Chairman	URE Delegate: Adam Hsu	10	100.00
Shanyang Green Power Ltd. Co	Chairman	URE Delegate: Adam Hsu	10	100.00
Jeyang Green Power Ltd. Co.	Chairman	URE Delegate: Adam Hsu	10	100.00
Lien,Chang Energy Co., Ltd.	Chairman	URE Delegate: Adam Hsu	10	100.00
Lien,Cheng Energy Co., Ltd.	Chairman	URE Delegate: Adam Hsu	10	100.00
Lien,His Energy Co., Ltd.	Chairman	URE Delegate: Adam Hsu	10	100.00
Fengyang Green Power	Chairman	NSP System: Adam Hsu	10	100.00
United ecological agriculture Co., Ltd	Chairman	URE Delegate: Pan,Wen-Whe	10	100.00
DelSolar(Wu Jiang) Ltd.	Chairman	Andy Shen	0	100.00
	Supervisor	Zabrina.Hsu		
DelSolar Development (Delaware) LLC.	Manager	Jack Chen 、Zabrina.Hsu	0	100.00
Clean Focus Renewables Inc.	Director	Hong, Chum-Sam 、Thomas Hsu 、 John Chang	14,370	100.00
USD1 Owner LLC	Manager	John Chang 、Stanley Chin	0	100.00
Beryl Construction LLC	Manager	John Chang 、Stanley Chin	0	100.00
DSS-USF PHX LLC	Manager	Jack Chen 、Zabrina.Hsu	0	100.00
DSS-RAL LLC	Manager	Jack Chen 、Zabrina.Hsu	0	100.00

### 8.1.7.Relationship Enterprise Operation Overview :

2020/12/31 Unit:thousands

Relationship company name	Currency	Capital amount	Total assets	Total liabilities	net worth	Operating income	Operating profit and loss	After-tax (loss) benefits
UES	USD	62,188	26,334	0	26,334	0	0	(37,191)
DelSolar Cayman	USD	155,126	21,965	0	21,965	0	0	(9,903)
NSP BVI	USD	13,301	23,093	0	23,093	0	0	7,258
GES ME	USD	12,200	27,828	21,321	6,507	1,881	(129)	(5,166)
Apex Solar Corporation	TWD	363,792	381,460	184,375	197,085	40,494	11,130	6,194
NSP UK Holding Limited	TWD	144,200	355,084	251,737	103,347	561,496	(49,077)	(53,235)

Relationship company name	Currency	Capital amount	Total assets	Total liabilities	net worth	Operating income	Operating profit and loss	After-tax (loss) benefits
NSP UK	GBP	1,780	4,127	1	4,126	0	(24)	1,297
New Ray Investment	TWD	115,000	59,478	0	59,478	0	(7)	(6)
Zhongyang	TWD	35,000	94,116	64,292	29,824	6,424	(8,393)	(8,386)
Gintech (Thailand)	THB	2,091,970	1,159,644	382,889	776,755	1,313,118	(401,688)	(1,157,317)
Yong Liang Ltd	TWD	249,000	609,280	304,406	304,874	84,169	26,414	18,993
Yong Zhou Ltd.	TWD	6,500	55,975	57,757	(1,782)	290	(6,393)	(7,610)
GES UK	USD	95,890	53,441	3,116	50,325	-	(147)	(26,181)
GES USA	USD	52,180	62,674	3,116	59,558	522	(1,291)	(23,101)
NCH Solar1	GBP	6,947	7,488	58	7,430	938	192	192
GES Solar2	GBP	1,022	715	9	706	92	23	23
GES Solar3	GBP	67	50	154	(104)	7	(8)	(8)
GES CANADA	USD	12,025	9,744	2,282	7,462	0	(12)	(766)
Ges Japan	JPY	480,411	992,374	8,232	984,142	0	(49,933)	(24,572)
MEGATWO	USD	19,274	4,490	1,461	3,029	0	(10,839)	(11,031)
MEGATHREE	USD	2,415	2,925	518	2,407	213	35	35
MEGAFIVE	USD	635	1,534	871	663	191	33	24
MEGASIX	USD	2,627	1,326	157	1,169	103	(38)	(1,212)
MEGAEIGHT	USD	748	451	316	135	62	(13)	(520)
MEGATWELVE	USD	168	358	343	15	45	6	(71)
MEGATHIRTEEN	USD	2,000	3,776	1,869	1,907	230	79	17
MEGASIXTEEN	USD	11,981	24,993	14,688	10,305	0	(2)	(517)
MEGANINETEEN	USD	132	199	296	(97)	24	(2)	(171)
MEGATWENTY	USD	124	432	381	51	45	14	(100)
PS CS	USD	0	1,062	1,064	(2)	0	0	(2)
Illini Power	USD	0	3,188	3,191	(3)	0	0	(2)
ASSET TWO	USD	0	-	11	(11)	0	0	(1)
ASSET THREE	USD	2,839	3,411	2,776	635	0	0	(1,221)
SH4	USD	619	374	1	373	45	(3)	(218)
CEDAR FALLS	USD	2,237	2,454	992	1,462	235	64	(509)
Schenectady	USD	0	418	1,126	(708)	0	(517)	(517)
VOC	USD	2,393	1,161	16	1,145	0	(1196)	(1,196)
HEYWOOD	USD	4,886	2,112	0	2,112	0	(367)	(367)
SEG	USD	800	676	195	481	47	(112)	(222)
KINECT	USD	266	764	450	314	70	21	9
RER CT 57	USD	1,931	2,624	1,347	1,277	320	148	(561)
MP Solar	USD	0	5,871	0	5,871	0	(17)	(18)
Ventura	USD	0	5,465	11	5,454	0	(10)	(11)
TEV II	USD	200	11,101	15,006	(3,905)	0	309	(381)
JRC	USD	24,230	50,069	37,249	12,820	7,335	2140	(959)
MUNISOL	MXN	347,071	674,756	600,830	73,926	0	(237,691)	(237,691)
SHIMA'S	USD	153	196	247	(51)	20	(6)	(184)
WAIMEA	USD	526	806	374	432	74	16	(107)
HONOKAWAI	USD	418	946	504	442	85	27	(6)
ELEELE	USD	637	981	438	543	90	20	(118)
HANALEI	USD	280	322	247	75	30	(2)	(170)
KAPAA	USD	761	1,051	602	449	96	13	(281)
KOLOA	USD	569	775	417	358	71	8	(226)
GES AC	USD	35,932	35,387	1,016	34,371	0	(8)	(487)
ANDERSON N.	USD	13,507	12,945	0	12,945	396	(188)	(188)
ANDERSON S.	USD	11,454	10,976	0	10,976	330	(166)	(166)
Flora	USD	1,915	1,860	0	1,860	68	(17)	(17)
Greenfield	USD	8,631	8,287	0	8,287	274	(100)	(94)
Spiceland	USD	1,275	1,236	7	1,229	43	(14)	(14)
TEV Solar	USD	100	19,783	19,690	93	0	0	(1)
AC GES Solar	USD	29,170	29,537	601	28,936	0	(8)	(45)
Richmond	USD	19,259	19,114	0	19,114	812	(40)	(40)
Rensselaer	USD	9,933	9,894	0	9,894	443	3	3
Advance	USD	534	535	6	529	24	0	0
NSP HK	USD	0	0	0	0	0	0	0
DelSolar HK	USD	125,200	7,490	2	7,488	0	(3)	(3,494)
DelSolar US	USD	24,800	38,765	26,847	11,918	0	(21)	(2,892)
NSP NEVADA	USD	5,125	19,970	17,919	2,051	686	686	(3,267)
URE NSP	USD	500	2,077	1,571	506	(153)	(258)	(249)
NSP Malaysia	MYR	0	0	0	0	0	0	0
NSP Vietnam	VND	3,632,800	244,333	798,480	(554,147)	503,764	(338,515)	(484,230)
NSP Germany	EUR	25	60	6	54	88	19	14
PV Power Park	EUR	25	12	0	12	0	(9)	(9)
NSP Indygen	GBP	0	5,310	2,460	2,850	0	(181)	1,323
Hsin Jin Co., Ltd	TWD	13,309	42,682	28,276	14,406	5,608	2,266	1,554
Hsinking Co., Ltd	TWD	23,302	67,845	42,659	25,186	10,144	3,960	2,680
Si Two Corp	TWD	20,000	19,331	166	19,165	0	(277)	(271)
DelSolar(Wu Jiang) Ltd.	RMB	810,211	48,679	2,827	45,852	0	3	(21,360)
Livermore	USD	200	99	1,507	(1,408)	0	(1,476)	(1,476)
Industrial Park	USD	3,100	1,373	197	1,176	68	(1,919)	(1,919)
Hillsboro	USD	1,862	1,579	104	1,475	69	(381)	(381)
DelSolar Development	USD	2,200	749	18	731	0	23	(338)
CFR	USD	14,370	651	3,084	(2,433)	0	(2,475)	(2,544)
USD1	USD	3,582	7,356	788	6,568	0	(21)	(21)
Beryl	USD	0	35,918	30,761	5,157	0	(25)	(25)
DSS-USF PHX LLC	USD	370	393	41	352	102	(140)	(107)

Relationship company name	Currency	Capital amount	Total assets	Total liabilities	net worth	Operating income	Operating profit and loss	After-tax (loss) benefits
DSS-RAL LLC	USD	835	379	39	340	160	(319)	(253)
DevCo One	USD	444	0	0	0	0	0	0
DevCo Two	USD	444	0	0	0	0	0	0
UREE	TWD	25,300	1,403	31	1,372	0	(17,029)	(18,417)
UAE	TWD	100	67	0	67	0	(4)	(4)
Daxiangying	TWD	100	67	0	67	0	(4)	(4)
Xinkai Energy	TWD	100	67	0	67	0	(4)	(4)
Shanshang Energy	TWD	20,100	20,067	8	20,059	0	(12)	(12)
Jiangong Energy	TWD	100	67	0	67	0	(4)	(4)
Lian,Zhi-Neng	TWD	2,100	978	834	144	0	(1,927)	(1,927)
Yanshan	TWD	100	67	0	67	0	(4)	(4)
Tienyang	TWD	100	88	387	(299)	0	87	87
Deyang	TWD	100	76	368	(292)	0	87	87
Shanyang	TWD	100	76	368	(292)	0	87	87
Jeyang	TWD	100	76	368	(292)	0	87	87
Lianzhang	TWD	100	43,948	43,840	108	0	(22)	26
Lianxi	TWD	100	11,852	11,784	68	0	(14)	(13)
Liancheng	TWD	100	68	0	68	0	(14)	(14)
Solarbright energy Co., Ltd.	TWD	100,000	99,928	500	99,428	0	(580)	(572)
Fengyang Green Power	TWD	100	10,975	10,915	60	0	(27)	(27)

## DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2020 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates have all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

United Renewable Energy Co., Ltd.

By:



HONG, CHUM-SAM  
Chairman

March 25, 2021

## 8.2. Private Placement Securities in the Most Recent Years:

Items	First private placement of securities in 2018 (same below) Date of issuance (Distribution date of stocks): Nov. 16, 2018 / number of shares: 334,291,702 shares				
Type of private placement of securities	Ordinary shares				
Date and amount resolved by shareholders meeting	The resolution is resolved on the 2018 first special shareholders' meeting on March 28, 2018, where private placement of shares may be conducted with the ceiling amount of 380,000,000 shares all at once or in multiple times since the resolved date of 2018 first special shareholders' meeting.				
Basis for establishing the price and its reasonableness	<p>According to the price establishment principle resolved during first special shareholders' meeting held on March 28, 2018, the price should be established by 80% of the higher calculated price between the two standard ones (referred to as the reference price hereunder) on the price establishment date of Oct. 1, 2018:</p> <p>(1) simple average closing prices of the ordinary shares for 1, 3, or 5 business days before the price determination date were NT\$ 10.5, NT\$ 10.4, NT\$ 10.44, respectively where the lowest price was NT\$ 10.4; or</p> <p>(2) simple average closing price of the ordinary shares for 30 business days before the price determination date was NT\$ 9.57;</p> <p>The higher one was taken as the reference price in accordance with the regulations, which is the lowest among the simple average closing prices of the ordinary shares for 1, 3, or 5 business days before the price determination date. After comprehensive considerations, the price for private placement was established as 80% of the reference price, namely, NT\$ 8.32. The total raised fund was NT\$ 2,781,306,962.</p> <p>The aforementioned established price for private placement should be reasonable by considering the limitation of transfer within three years on private placement of securities in Securities and Exchange Act, the regulation on the qualification of subscribers, benefits to future business operations of the company and the effects on shareholders' equity under the recognition of subscribers.</p>				
Method for the selection of specific person	Limited to those who satisfied the qualification criteria stipulated in the provisions of Article 43-6 of Securities and Exchange Act and relevant letters, knew the business operations of the company relatively well and are beneficial to future business of the company.				
Necessary reasons for conducting private placement	Fund raising conducted by private placement was chosen by considering the status of current capital market and getting hold of the factors for capital raising, such as convenience, timeliness and issuance costs, in order to obtain required funds in the shortest amount of time.				
Completion date for payment	Oc. 15, 2018				
Information on subscribers	Counterparty for private placement	Qualification criteria	Subscription quantity (shares)	Relation with the company	Participation in company's business
	National Development Fund, Executive Yuan	Satisfied Article 43-6, paragraph 1, subparagraph 2 of Securities and Exchange Act	167,145,851	None	None
	Yao-Hwa Glass Co., Ltd. Management Commission	Satisfied Article 43-6, paragraph 1, subparagraph 2 of Securities and Exchange Act	167,145,851	None	None
Actual subscription (or conversion) price	NT\$ 8.32 per share				
Differences between the actual subscription (or conversion) price and the reference price	Subscription price of the private placement is NT\$ 8.32 per share, which is 80% of the reference price of NT\$ 10.4				
Effect on shareholders' equity by conducting private placement (such as resulted in the increase in cumulative losses, etc.)	Cumulative loss caused by the difference between the actual price of private placement and denomination shown on the statement will be made up based on the future operational status of the company since the actual price of private placement is lower than the denomination. The financial structure of the company will be improved after the benefit results from increasing capital have shown, which will be beneficial to stable profound development of the company. This will be a positive benefit to shareholders' equity.				
Application of funds from private placement and the execution progress of the plan	<p>Funds from private placement is expected to be used in the investment of products with high effectiveness, the expansion of production capabilities, the acquisition of module production capability, the investment of system business and relevant new business and/or dealing with fund demands in response to long-term development of the company, hoping that enterprise competitiveness and profitability capability of the company can be enhanced, which will be helpful to stable growth in future business operation and is a positive benefit to shareholders' equity.</p> <p>The company has used the fund by private placement of NT\$ 1,492,376 thousand till Dec 31, 2020.</p>				
Benefit result of private placement	Enterprise competitiveness and profitability capability of the company is enhanced, which is helpful to stable growth in future business operations. This should have positive benefits on shareholders' equity.				

## 8.3. The Shares in the Company Held or Disposed of By Subsidiaries in the Most Recent Years:

Utech Solar Corp. holds 1,833 thousands shares of URE ◦

## 8.4. Any Events And as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Rights or Security Prices as Stated in Item 2 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: Please refer to Page 34 for the information regarding the replacement of accountants.