

**UNITED RENEWABLE ENERGY CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2021 and 2020**

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

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Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheets of United Renewable Energy Co., Ltd. and its subsidiaries as of March 31, 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b) and 13(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$6,253,212 thousand, constituting 20% of consolidated total assets; total liabilities amounting to \$3,751,051 thousand, constituting 22% of consolidated total liabilities as of March 31, 2021; total comprehensive income (loss) amounting to \$(170,021) thousand, constituting 28% of consolidated total comprehensive income (loss) for the three months ended March 31, 2021.

Furthermore, as stated in Note 6(h), the investments accounted for using the equity method of United Renewable Energy Co., Ltd. and its subsidiaries amounting to \$162,252 thousand as of March 31, 2021, and its shares of profit (loss) of associates accounted for using the equity method amounting to \$(9,366) thousand for the three months ended March 31, 2021, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of United Renewable Energy Co., Ltd. and its subsidiaries as of March 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of United Renewable Energy Co., Ltd. and its subsidiaries as of March 31, 2020. Those financial statements were reviewed by other auditors who expressed Qualified Conclusion on those statements dated May 11, 2020. Due to the financial statements of certain non-significant subsidiaries and investments accounted for using equity method were prepared by these investee companies, and not reviewed by other auditors.

The engagement partners on the reviews resulting in this independent auditors’ review report are Cheng-Chien Chen and Yung-Hua Huang.

KPMG

Taipei, Taiwan (Republic of China)
May 6, 2021

Notes to Readers

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

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with the generally accepted auditing standards as of March 31, 2021 and 2020

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2021, December 31, 2020, and March 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2021		December 31, 2020		March 31, 2020				March 31, 2021		December 31, 2020		March 31, 2020			
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%		
Assets																	
Current assets:																	
1100	Cash and cash equivalents (note 6(a))	\$ 4,903,644	16	4,954,658	15	4,904,137	11	2100	Short-term borrowings (note 6(m))	\$ 2,262,426	7	2,320,002	7	2,657,882	6		
1110	Financial assets at fair value through profit or loss - current (note 6(b))	4,921	-	2,714	-	4,935	-	2110	Short-term bills payable (note 6(n))	237,595	1	174,810	1	414,976	1		
1120	Financial assets at fair value through other comprehensive income - current (note 6(c))	113,814	-	114,715	-	87,988	-	2120	Financial liabilities at fair value through profit or loss - current (note 6(b))	793	-	5,437	-	2,818	-		
1140	Contract assets - current (notes 6(y) and 7)	63,269	-	175,041	1	259,113	1	2130	Contract liabilities - current (notes 6(y) and 7)	611,507	2	348,911	1	797,399	2		
1170	Notes and accounts receivable, net (note 6(e))	2,356,954	7	2,078,846	6	1,984,724	5	2170	Notes and accounts payable	1,315,394	4	1,336,177	4	1,577,916	4		
1180	Accounts receivable from related parties (notes 6(e) and 7)	210,006	1	206,901	1	488,103	1	2260	Liabilities related to non-current assets held for sale (note 6(g))	1,025,715	3	-	-	-	-		
1200	Other receivables	180,801	-	174,376	1	136,312	-	2280	Lease liability - current (note 6(q))	59,473	-	50,913	-	38,355	-		
1210	Other receivables from related parties (note 7)	513,720	2	785,448	2	1,355,556	3	2320	Current portion of long-term borrowings and preference share liabilities (notes 6(o) and (p))	4,544,186	15	5,381,804	17	5,717,161	13		
130X	Inventories (notes 6(f) and 8)	3,274,867	10	3,517,082	11	4,683,202	11	2399	Other current liabilities (note 6(r) and 7)	1,574,383	5	1,626,370	5	1,279,922	2		
1410	Prepayments (notes 7 and 9)	751,782	2	737,746	2	864,194	2	Total current liabilities				<u>11,631,472</u>	<u>37</u>	<u>11,244,424</u>	<u>35</u>	<u>12,486,429</u>	<u>28</u>
1460	Non-current assets held for sale (notes 6(g) and 8)	1,764,580	6	-	-	-	-	Non-Current liabilities:									
1476	Other financial assets (notes 8)	581,716	2	1,107,101	3	968,863	2	2500	Financial liabilities at fair value through profit or loss - non-current (notes 6(b) and (o))	87,044	-	99,741	-	135,640	-		
1479	Other current assets	232,625	1	246,734	1	777,288	2	2540	Long-term borrowings (note 6(o))	4,506,176	14	5,115,671	16	9,764,826	23		
Total current assets		<u>14,952,699</u>	<u>47</u>	<u>14,101,362</u>	<u>43</u>	<u>16,514,415</u>	<u>38</u>	2580	Lease liability - non-current (note 6(q))	596,247	2	605,021	2	969,875	2		
Non-current assets:																	
1510	Financial assets at fair value through profit or loss - non-current (notes 6(b) and (o))	180,394	1	182,058	1	230,791	1	2635	Preference share liabilities - non-current (note 6(p))	10,488	-	13,219	-	24,949	-		
1517	Financial assets at fair value through other comprehensive income - non-current (notes 6(c) and 8)	264,592	1	276,774	1	1,903,819	4	2670	Other non-current liabilities (note 6(r))	345,897	1	358,511	1	331,092	1		
1535	Financial assets at amortized cost - non-current (note 6(d))	142,525	-	140,475	-	151,150	-	Total non-current liabilities				<u>5,545,852</u>	<u>17</u>	<u>6,192,163</u>	<u>19</u>	<u>11,226,382</u>	<u>26</u>
1550	Investments accounted for using the equity method (notes 6(h), 7 and 8)	162,252	1	176,322	1	744,113	2	Total liabilities		<u>17,177,324</u>	<u>54</u>	<u>17,436,587</u>	<u>54</u>	<u>23,712,811</u>	<u>54</u>		
1600	Property, plant and equipment (notes 6(i), 7 and 8)	8,910,568	28	10,450,989	32	18,451,138	42	Equity attributable to owners of parent (notes 6(v) and (w))									
1755	Right-of-use assets (note 6(j))	571,866	2	568,497	2	961,975	2	3110	Ordinary shares	26,650,178	84	26,650,863	82	26,651,126	61		
1760	Investment property, net (note 6(k))	2,715,250	9	2,741,260	8	-	-	3200	Capital surplus	7,956	-	7,877	-	119,289	-		
1780	Intangible assets (note 6(l))	2,931	-	70,317	-	113,652	-	3350	Accumulated deficit	(12,114,100)	(38)	(11,581,063)	(36)	(6,700,589)	(15)		
1840	Deferred tax assets	639,907	2	639,924	2	1,056,736	3	3400	Other equity	(853,408)	(3)	(802,046)	(2)	(987,177)	(2)		
1915	Prepayments - non-current (notes 7 and 9)	1,968,594	6	1,979,465	6	2,186,107	5	3500	Treasury shares	(18,699)	-	(18,699)	-	(18,699)	-		
1920	Refundable deposits (note 8)	739,542	2	732,696	2	877,834	2	Total equity attributable to owners of parent				<u>13,671,927</u>	<u>43</u>	<u>14,256,932</u>	<u>44</u>	<u>19,063,950</u>	<u>44</u>
1942	Other receivables from related parties - non-current (note 7)	21,896	-	21,581	-	23,221	-	36XX	Non-controlling interests	756,507	3	767,182	2	754,378	2		
1990	Other non-current assets (note 8)	332,742	1	378,981	2	316,188	1	Total equity				<u>14,428,434</u>	<u>46</u>	<u>15,024,114</u>	<u>46</u>	<u>19,818,328</u>	<u>46</u>
Total non-current assets		<u>16,653,059</u>	<u>53</u>	<u>18,359,339</u>	<u>57</u>	<u>27,016,724</u>	<u>62</u>	Total liabilities and equity		<u>\$ 31,605,758</u>	<u>100</u>	<u>32,460,701</u>	<u>100</u>	<u>43,531,139</u>	<u>100</u>		
Total assets		<u>\$ 31,605,758</u>	<u>100</u>	<u>32,460,701</u>	<u>100</u>	<u>43,531,139</u>	<u>100</u>										

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2021 and 2020

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

		For the three months ended March 31			
		2021		2020	
		Amount	%	Amount	%
4000	Net operating revenues (notes 6(y) and 7)	\$ 3,004,968	100	2,986,853	100
5110	Operating costs (notes 6(f)(q)(t), 7 and 12)	<u>3,051,997</u>	<u>101</u>	<u>3,267,697</u>	<u>109</u>
5900	Gross loss from operations	(47,029)	(1)	(280,844)	(9)
5910	Less: Unrealized gains from sales	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5950	Realized gross loss	<u>(47,029)</u>	<u>(1)</u>	<u>(280,844)</u>	<u>(9)</u>
Operating expenses (notes 6(e)(q)(t) and 12):					
6100	Selling expenses	146,808	5	142,159	5
6200	General and administrative expenses	238,323	8	272,247	9
6300	Research and development expenses	27,983	1	45,484	2
6450	Impairment loss (reversal of impairment loss) on trade receivable	<u>622</u>	<u>-</u>	<u>3,572</u>	<u>-</u>
	Total operating expense	<u>413,736</u>	<u>14</u>	<u>463,462</u>	<u>16</u>
6500	Other income and expenses (note 6(i))	<u>-</u>	<u>-</u>	<u>(983)</u>	<u>-</u>
	Loss from operations	<u>(460,765)</u>	<u>(15)</u>	<u>(745,289)</u>	<u>(25)</u>
Non-operating income and expenses:					
7010	Other income (notes 6(s)(aa) and 7)	43,679	1	16,294	1
7020	Other gains and losses (notes 6(g)(h) and (aa))	(14,624)	-	206,926	6
7050	Finance costs (note 6(q))	(110,469)	(4)	(186,269)	(6)
7060	Share of gain (loss) of associates and joint ventures accounted for using equity method (note 6(h))	(9,366)	-	(2,279)	-
7100	Interest income (note 6(d))	<u>1,010</u>	<u>-</u>	<u>4,384</u>	<u>-</u>
		<u>(89,770)</u>	<u>(3)</u>	<u>39,056</u>	<u>1</u>
	Loss before income tax	(550,535)	(18)	(706,233)	(24)
7950	Less: income tax expense (note 6(u))	<u>3,675</u>	<u>-</u>	<u>7,155</u>	<u>-</u>
8200	Net loss	<u>(554,210)</u>	<u>(18)</u>	<u>(713,388)</u>	<u>(24)</u>
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss:				
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(13,081)	(1)	(534,090)	(18)
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign statements	<u>(30,054)</u>	<u>(1)</u>	<u>(421,916)</u>	<u>(14)</u>
8300	Total other comprehensive income (loss)	<u>(43,135)</u>	<u>(2)</u>	<u>(956,006)</u>	<u>(32)</u>
	Total comprehensive income (loss)	<u>\$ (597,345)</u>	<u>(20)</u>	<u>(1,669,394)</u>	<u>(56)</u>
	Net loss attributable to:				
	Shareholders of the parent	\$ (532,716)	(17)	(699,945)	(24)
	Non-controlling interests	<u>(21,494)</u>	<u>(1)</u>	<u>(13,443)</u>	<u>-</u>
		<u>\$ (554,210)</u>	<u>(18)</u>	<u>(713,388)</u>	<u>(24)</u>
	Total comprehensive income (loss) attributable to:				
	Shareholders of the parent	\$ (586,349)	(20)	(1,661,500)	(56)
	Non-controlling interests	<u>(10,996)</u>	<u>-</u>	<u>(7,894)</u>	<u>-</u>
		<u>\$ (597,345)</u>	<u>(20)</u>	<u>(1,669,394)</u>	<u>(56)</u>
	Loss per share				
9750	Basic loss per share (NT dollars) (note 6(x))	<u>\$ (0.20)</u>		<u>(0.26)</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Attributable to owners of parent					Total equity attributable to owners of parent	Non-controlling interest	Total equity
	Ordinary shares	Capital surplus	Accumulated deficits	Exchange differences on translation of foreign financial statements	Unrealized gains (loss) on financial assets at fair value through other comprehensive income	Unearned employees benefits	Treasury shares			
Balance at January 1, 2020	\$ 26,653,375	118,989	(6,000,644)	(296,106)	283,492	(18,414)	(18,699)	20,721,993	762,242	21,484,235
Net loss for the three months ended March 31, 2020	-	-	(699,945)	-	-	-	-	(699,945)	(13,443)	(713,388)
Other comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	(427,465)	(534,090)	-	-	(961,555)	5,549	(956,006)
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	(699,945)	(427,465)	(534,090)	-	-	(1,661,500)	(7,894)	(1,669,394)
Other changes in capital surplus:										
Non-controlling interests	-	-	-	-	-	-	-	-	30	30
Compensation cost of restricted shares for employees	-	-	-	-	-	4,225	-	4,225	-	4,225
Cancellation of restricted shares for employees	(2,249)	300	-	-	-	1,181	-	(768)	-	(768)
Balance at March 31, 2020	\$ 26,651,126	119,289	(6,700,589)	(723,571)	(250,598)	(13,008)	(18,699)	19,063,950	754,378	19,818,328
Balance at January 1, 2021	\$ 26,650,863	7,877	(11,581,063)	(669,674)	(124,956)	(7,416)	(18,699)	14,256,932	767,182	15,024,114
Net loss for the three months ended March 31, 2021	-	-	(532,716)	-	-	-	-	(532,716)	(21,494)	(554,210)
Other comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	(40,552)	(13,081)	-	-	(53,633)	10,498	(43,135)
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	(532,716)	(40,552)	(13,081)	-	-	(586,349)	(10,996)	(597,345)
Other changes in capital surplus:										
Cancellation of restricted shares for employees	(685)	79	-	-	-	606	-	-	-	-
Adjustments to capital surplus and retained earnings for changes in subsidiaries' equity	-	-	(321)	-	-	-	-	(321)	321	-
Compensation cost of restricted shares for employees	-	-	-	-	-	1,665	-	1,665	-	1,665
Balance at March 31, 2021	\$ 26,650,178	7,956	(12,114,100)	(710,226)	(138,037)	(5,145)	(18,699)	13,671,927	756,507	14,428,434

See accompanying notes to consolidated financial statements.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2021	2020
Cash flows from operating activities:		
Loss before income tax	\$ (550,535)	(706,233)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	325,119	576,005
Amortization expense	2,858	2,392
Expected credit loss (gain)	622	3,572
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(16,629)	(5,860)
Interest expense	98,331	186,269
Interest income	(1,010)	(4,993)
Compensation cost of restricted shares for employees	1,665	3,805
Share of loss of associates and joint ventures accounted for using the equity method	9,366	2,279
Loss (Gain) on disposal of property, plant and equipment and power facilities business held for sale	(74)	2,205
Gain on disposal of investments	-	(217,826)
Other	83,361	(121,815)
Total adjustments to reconcile profit (loss)	503,609	426,033
Changes in operating assets and liabilities:		
Contract assets - current	111,772	224,134
Notes and accounts receivable	(327,710)	88,244
Accounts receivable from related parties	883	18,145
Other receivables	87,754	15,947
Other receivables from related parties	(1,956)	(6,284)
Inventory	180,754	181,269
Prepayments (including non-current)	(52,927)	(108,279)
Other current assets	(82,172)	109,358
Contract liabilities - current	262,596	473,567
Notes and accounts payable (including related parties)	(43,244)	63,753
Provisions	(62,549)	4,969
Other current liabilities	47,028	(197,138)
Total changes in operating assets and liabilities	120,229	867,685
Cash inflow generated from (used in) operations	73,303	587,485
Income taxes paid	(202)	(6)
Net cash flows generated from (used in) operating activities	73,101	587,479
Cash flows from investing activities:		
Proceeds from disposal of associates	278,613	960,406
Acquisition of property, plant and equipment	(124,362)	(96,066)
Proceeds from disposal of property, plant and equipment and power facilities business held for sale	74	25,295
Decrease in refundable deposits	(7,487)	33,652
Decrease (increase) in other financial assets	422,606	(300,831)
Decrease (increase) in other non-current assets	22,599	121
Interest received	1,342	3,128
Dividends received	746	-
Net cash flows generated from investing activities	594,131	625,705
Cash flows from financing activities:		
Decrease in short-term loans	(80,944)	(362,815)
Increase (decrease) in short-term bills payable	62,800	(900)
Proceeds from long-term borrowings	548,025	55,081
Repayments of long-term borrowings	(1,094,226)	(2,203,164)
Repayments of preference share liabilities	(4,387)	(4,489)
Payment of lease liabilities	(12,380)	(12,273)
Interest paid	(101,521)	(164,315)
Others	3,162	4,005
Net cash used in financing activities	(679,471)	(2,688,870)
Effect of exchange rate changes	898	8,507
Net decrease in cash and cash equivalents	(11,341)	(1,467,179)
Cash and cash equivalents at beginning of period	4,954,658	6,371,316
Cash and cash equivalents at end of period	\$ 4,943,317	4,904,137
The components of cash and cash equivalents		
Cash and equivalents listed on consolidated balance sheets	\$ 4,903,644	4,904,137
Cash and equivalents related to non-current assets held for sale	39,673	-
Cash and equivalents at end of period	\$ 4,943,317	4,904,137

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

United Renewable Energy Co., Ltd., formerly Neo Solar Power Corp., (the “Group”) was incorporated in the Republic of China on August 26, 2005. It specializes in manufacturing high-quality solar cells, solar cell modules and wafers. The Group’s main business activities include researching, developing, designing, manufacturing and selling solar cells, as well as participating in other solar-related businesses. Its ordinary shares have been listed on the Taiwan Stock Exchange (TWSE) since January 2009.

On October 1, 2018, the Group merged with former Gintech Energy Corporation (“Gintech”) and Solartech Energy Corporation (“Solartech”), with the Group as the sole surviving company. On March 31, 2019, the Group merged with former General Energy Solutions Inc. (GES), with the Group as the surviving company and GES as the dissolved entity.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were approved and released by the Group’s board of directors on May 6, 2021.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on April 1, 2021, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

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

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”	The amendments clarify that the ‘costs of fulfilling a contract’ comprises the costs that relate directly to the contract as follows: <ul style="list-style-type: none"> ● the incremental costs – e.g. direct labor and materials; and ● an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. 	January 1, 2022

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(4) Summary of significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2020. For related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2020.

(b) Basis of consolidation

Please refer to Note 13 (b) for the details of subsidiaries, shareholding ratios and main businesses and products included in the consolidated financial report.

(c) Non-current assets (or disposal groups)

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group’s accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group’s accounting policies. Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

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

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with note 5 of the consolidated financial statements for the year ended December 31, 2020.

(6) Explanation of significant accounts:

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2020. Please refer to the 2020 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Cash on hand, checking accounts and demand deposits	\$ 4,882,994	4,927,839	4,901,037
Time deposits	<u>20,650</u>	<u>26,819</u>	<u>3,100</u>
Cash and cash equivalents listed in the consolidated cash flow statements	<u>\$ 4,903,644</u>	<u>4,954,658</u>	<u>4,904,137</u>

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

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Financial assets mandatorily measured at fair value through profit or loss:			
Derivatives not used for hedging			
Forward exchange contracts	\$ 4,921	-	-
Foreign exchange swap contracts	-	2,714	4,935
Long call options	<u>180,394</u>	<u>182,058</u>	<u>230,791</u>
Total	<u>\$ 185,315</u>	<u>184,772</u>	<u>235,726</u>

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>
Current	\$ 4,921	2,714	4,935
Non-current	<u>180,394</u>	<u>182,058</u>	<u>230,791</u>
Total	<u>\$ 185,315</u>	<u>184,772</u>	<u>235,726</u>
Financial liabilities designated at fair value through profit or loss:			
Derivatives not used for hedging			
Forward exchange contracts	\$ -	5,437	2,818
Foreign exchange swap contracts	793	-	-
Short call options	<u>87,044</u>	<u>99,741</u>	<u>135,640</u>
Total	<u>\$ 87,837</u>	<u>105,178</u>	<u>138,458</u>
Current	\$ 793	5,437	2,818
Non-current	<u>87,044</u>	<u>99,741</u>	<u>135,640</u>
Total	<u>\$ 87,837</u>	<u>105,178</u>	<u>138,458</u>

- (i) The short call options mentioned above derived from the loan contract signed with Indiana Municipal Power Agency (IMPA). Refer to note 6(o) for more details.
- (ii) The long call options listed above were derived from the issuance of preference shares by the Group, making an agreement with the preference shareholders that the Group has the right to buy back all shares on the specific date. Refer to note 6(p) for more details.
- (iii) The fair value of the derivatives mentioned above is estimated using the Black-Scholes options evaluation model, and the relevant parameters were as follows:

	<u>March 31, 2021</u>	<u>December 31,</u> <u>2020</u>	<u>March 31, 2020</u>
Shorting call options-MEGA SIXTEEN			
Estimated strike price	USD13,347 thousand dollars	USD13,347 thousand dollars	USD13,347 thousand dollars
Expected volatility	33.0%	33.0%	17.5%
Duration	1.75 years	2 years	2.75 years
Discount rate	7.2898%	7.2898%	6.50%

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Shorting call options-TEV II			
Estimated strike price	USD13,822 thousand dollars	USD13,822 thousand dollars	USD13,822 thousand dollars
Expected volatility	25%	25%	18%
Duration	3.75 years	4 years	4.75 years
Discount rate	7.2898%	7.2898%	6.50%
Longing call options-MEGA SIXTEEN			
Estimated strike price	USD656 thousand dollars	USD656 thousand dollars	USD656 thousand dollars
Expected volatility	33.0%	33.0%	17.5%
Duration	1.75 years	2 years	2.75 years
Discount rate	7.2898%	7.2898%	6.50%
Longing call options-TEV II			
Estimated strike price	USD704 thousand dollars	USD704 thousand dollars	USD704 thousand dollars
Expected volatility	27%	27%	18%
Duration	3.25 years	3.5 years	4.25 years
Discount rate	7.2898%	7.2898%	6.50%

- (iv) The Group entered into such forward exchange contracts and foreign exchange swap contracts to mitigate risks that arises from exposure to exchange rate risk in business operations. The following derivative instruments, without the application of hedge accounting, were classified as financial assets mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amount (in Thousands)</u>
March 31, 2021			
Foreign exchange swap contracts	USD/NTD	April 22, 2021	USD5,000/ NTD141,720
Selling Forward exchange contracts	EUR/USD	April 6, 2021~July 12, 2021	EUR5,900/ USD7,099
December 31, 2020			
Foreign exchange swap contracts	USD/NTD	February 9, 2021~March 22, 2021	USD20,000/ NTD564,600
Selling Forward exchange contracts	EUR/USD	January 4, 2021~ April 6, 2021	EUR6,900/ USD8,313
March 31, 2020			
Foreign exchange swap contracts	USD/NTD	June 22, 2020、June 29, 2020	USD23,000/ NTD692,290
Foreign exchange swap contracts	EUR/USD	August 20, 2020	EUR5,000/ USD5,393
Selling Forward exchange contracts	EUR/USD	August 21, 2020、August 28, 2020	EUR7,000/ USD7,644

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(v) Financial instruments revalued at fair value through profit and loss were as follows:

	For the three months ended March 31,	
	2021	2020
Revaluation of derivatives listed in profit and loss	\$ <u>16,420</u>	<u>7,184</u>

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

	March 31, 2021	December 31, 2020	March 31, 2020
Equity instrument measured at fair value through other comprehensive income:			
Domestic investments			
Listed ordinary shares	\$ 315,415	328,498	1,898,200
Unlisted ordinary shares	47,699	47,699	73,181
Overseas investments - unlisted ordinary shares	<u>15,292</u>	<u>15,292</u>	<u>20,426</u>
Total	\$ <u>378,406</u>	<u>391,489</u>	<u>1,991,807</u>
Current	\$ 113,814	114,715	87,988
Non-current	<u>264,592</u>	<u>276,774</u>	<u>1,903,819</u>
Total	\$ <u>378,406</u>	<u>391,489</u>	<u>1,991,807</u>

- (i) The Group's equity instruments are not held for trading, therefore has been designated at fair value through other comprehensive income.
- (ii) Please refer to note 13(a) for details on the above mentioned equity instruments and fair value, among which the shares of ThinTech Materials Technology Co., Ltd. ("TTMC") were privately placed and its ordinary shares are subject to transfer restrictions in accordance with Article 43-8 of the Securities and Exchange Act.
- (iii) The Group did not dispose any strategic investments in the three months ended March 31, 2021 and 2020. During the period, the accumulated gains and losses were not transferred into equity.
- (iv) For credit risk and market risk, please refer to note 6(ab).
- (v) The financial assets mentioned above had been pledged as collateral for long-term borrowings; please refer to note 8.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(d) Financial assets at amortized cost

	March 31, 2021	December 31, 2020	March 31, 2020
Convertible preference shares - Phanes Holding Inc.	<u>\$ 142,525</u>	<u>140,475</u>	<u>151,150</u>

- (i) The Group assessed its expected cash flows until maturity, which covers the entirety of interests and principle, and therefore, measured at amortized costs.
- (ii) Phanes Holding Inc. a project developer, is an overseas unlisted company. In order to build a long-term cooperative strategic relationship with Phanes Holding Inc. the Group subscribed to the entire five-year callable preference shares (C-Shares III) for 24,000 shares, at par value, amounting to USD5,000 thousand.
- (iii) The above preference shares carried no voting rights and no dividend rights. Instead they carried preferential rights on dividends specified at 7% of the par value. The preference shares can be redeemed prior to, or later than, the maturity date under the agreement between the Group and Phanes Holding Inc. As of March 31, 2021, December 31 and March 31, 2020, the interest receivables, classified as other receivables from related parties, amounted to \$29,602 thousand, \$29,176 thousand and 23,799 thousand, respectively.
- (iv) As of March 31, 2021, December 31 and March 31, 2020, financial assets at amortized cost had not been pledged as security.

(e) Notes and accounts receivables

	March 31, 2021	December 31, 2020	March 31, 2020
Notes and accounts receivable	\$ 2,929,601	2,654,828	2,569,706
Accounts receivable from related parties	210,006	206,908	506,626
Less: Loss Allowance	<u>(572,647)</u>	<u>(575,989)</u>	<u>(603,505)</u>
	<u>\$ 2,566,960</u>	<u>2,285,747</u>	<u>2,472,827</u>

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

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	March 31, 2021		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 1,650,887	0%~0.18%	1,102
1 to 30 days past due	146,340	0%~0.98%	1,147
31 to 60 days past due	212,518	0%~2.43%	4,106
61 to 90 days past due	34,723	0%~6.42%	441
91 to 120 days past due	18,294	0%~11.16%	616
121 to 150 days past due	2,231	0%~25.58%	-
151 to 180 days past due	8,435	0%~56.16%	1,333
More than 181 days past due	<u>1,066,179</u>	0%~100%	<u>563,902</u>
Total	<u>\$ 3,139,607</u>		<u>572,647</u>
	December 31, 2020		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 1,464,649	0%~0.09%	825
1 to 30 days past due	230,088	0%~0.49%	653
31 to 60 days past due	76,778	0%~1.52%	1,132
61 to 90 days past due	17,015	0%~2.83%	354
91 to 120 days past due	25,008	0%~7.91%	-
121 to 150 days past due	3,417	0%~17.05%	-
151 to 180 days past due	6,220	0%~54.55%	1,092
More than 181 days past due	<u>1,038,561</u>	0%~100%	<u>571,933</u>
Total	<u>\$ 2,861,736</u>		<u>575,989</u>

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	March 31, 2020		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,553,493	0%~0.09%	473
1 to 30 days past due	106,353	0%~0.49%	74
31 to 60 days past due	172,377	0%~1.52%	631
61 to 90 days past due	25,083	0%~2.83%	164
91 to 120 days past due	33,046	0%~7.91%	1,996
121 to 150 days past due	81,286	0%~17.05%	7,403
151 to 180 days past due	50,898	0%~54.55%	10,850
More than 181 days past due	478,053	0%~100%	6,171
Signs of Counterparty Default	<u>575,743</u>	100%	<u>575,743</u>
Total	<u><u>\$ 3,076,332</u></u>		<u><u>603,505</u></u>

The movement in the allowance for notes and trade receivables were as follows:

	For the three months ended	
	March 31,	
	2021	2020
Balance at January 1	\$ 575,989	602,251
Impairment loss recognized	622	3,572
Amounts written off	(4,961)	-
Foreign exchange gains (loss)	<u>997</u>	<u>(2,318)</u>
Balance at March 31	<u><u>\$ 572,647</u></u>	<u><u>603,505</u></u>

The aforementioned notes and accounts receivables of the Group had not been pledged as collateral as of March 31, 2021, December 31 and March 31, 2020.

(f) Inventories

	March 31,	December 31,	March 31,
	2021	2020	2020
Construction in progress	\$ 1,838,442	1,965,203	2,390,141
Finished goods and products	863,419	1,093,257	1,498,963
Raw materials	480,982	386,667	736,490
Work in progress	<u>92,024</u>	<u>71,955</u>	<u>57,608</u>
	<u><u>\$ 3,274,867</u></u>	<u><u>3,517,082</u></u>	<u><u>4,683,202</u></u>

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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- (i) The construction in progress listed above is the construction cost incurred to build the power plant that the Group is intending to sell.
- (ii) The details of the cost of sales were as follows:

	For the three months ended March 31,	
	2021	2020
Cost of goods sold	\$ 2,960,750	2,973,437
Unallocated production overheads	92,307	221,330
Write-down and retirement of inventories	64,087	73,291
Others	<u>(65,147)</u>	<u>(361)</u>
Total	<u>\$ 3,051,997</u>	<u>3,267,697</u>

- (iii) The inventories of the Group had been pledged as collateral, please refer to note 8.

- (g) Non-current assets held for sale

During the first quarter in 2021, the Group decided to sell some foreign subsidiaries and has begun to process some selling matters, the assets and liabilities of foreign subsidiaries were presented as a disposal group held for sale. As of March 31, 2021, the assets and liabilities of disposal group were 1,764,580 thousand and 1,025,715 thousand, as the following:

	March 31, 2021
Bank deposit	\$ 39,673
Accounts receivable	55,733
Property, plant and equipment	1,430,708
Intangible assets	65,466
Restricted assets - non-current	155,865
Other assets	<u>17,135</u>
Assets held for sale	<u>\$ 1,764,580</u>
Bank borrowings	\$ 953,749
Other payables	37,213
Other liabilities	<u>34,753</u>
Liabilities held for sale	<u>\$ 1,025,715</u>

The impairment loss of \$21,317 thousand resulting from measuring at the lower of other carrying amount and fair value less costs to sell shall be disclosed in the consolidated statements of comprehensive income.

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(h) Investments accounted for using the equity method

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Associates	\$ 158,824	172,944	740,477
Joint ventures	3,428	3,378	3,636
	<u>\$ 162,252</u>	<u>176,322</u>	<u>744,113</u>

(i) Please refer to note 13(b) for list of investments, percentage of ownership and main activities.

(ii) Considering the associates are not the biggest stockholders to the Group, besides, they cannot get more than half director seats or more than half of majority voting rights at the stockholder's meeting. Therefore, the Group only had significant influence on associates.

(iii) Associates

- The Group held 28.67% of the equity of Clean Yield Focus (CFY). Both parties agreed to sell back all of the shares to CFY under certain terms and conditions, and the Group has executed the option in the first quarter of 2020, with the proceeds and gains on disposal of \$1,649,963 thousand and \$217,826 thousand, respectively, classified as other gains and losses; please refer to note 7.
- The Group's financial information on investments in individually insignificant associates accounted for using the equity method at the reporting date was as follows. This financial information was included in the consolidated financial statements:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Carrying amount of individually insignificant associates' equity	<u>\$ 158,824</u>	<u>172,944</u>	<u>740,477</u>
		For the three months ended	
		March 31,	
		<u>2021</u>	<u>2020</u>
Attributable to the Group			
Net income(loss)		\$ (9,366)	(2,279)
Other comprehensive income(loss)		(4,049)	(8,924)
Comprehensive income(loss)		<u>\$ (13,415)</u>	<u>(11,203)</u>

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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- (iv) The Group's financial information on investments in individually insignificant joint ventures accounted for using the equity method was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
The carrying amount of investments in the individually insignificant associates	\$ 3,428	3,378	3,636
		For the three months ended March 31,	
		2021	2020
Amount of individually insignificant associates' interests attributable to the Group:			
Net income(loss)		\$ -	-
Other comprehensive income(loss)		-	-
Comprehensive income(loss)		\$ -	-

- (v) The aforementioned investments accounted for using the equity method of the Group had not been pledged as collateral as of March 31, 2021, December 31 and March 31, 2020
- (vi) The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the three months ended March 31, 2021 and 2020 have not been reviewed.

- (i) Property, plant and equipment

The movements of cost, depreciation and impairment loss of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Machinery and equipment	Other equipment	Equipment to be inspected and construction in progress	Total
Cost:						
Balance on January 1, 2021	\$ 787,322	4,513,175	19,168,372	7,519,158	222,641	32,210,668
Additions	-	-	-	971	155,882	156,853
Disposals	-	(979)	(6,472)	(949)	-	(8,400)
Reclassification	-	-	(3,347)	6,290	(18,594)	(15,651)
Reclassify to lease property	-	-	(2,826)	-	-	(2,826)
Reclassify to assets held for sale	(19,229)	-	-	(1,775,876)	(197,721)	(1,992,826)
Effect of changes in foreign exchange rates	(2,263)	(12,665)	(10,670)	70,522	(286)	44,638
Balance on March 31, 2021	\$ 765,830	4,499,531	19,145,057	5,820,116	161,922	30,392,456

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	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Equipment to be inspected and construction in progress</u>	<u>Total</u>
Balance on January 1, 2020	\$ 1,541,409	8,176,387	21,497,167	7,193,271	874,195	39,282,429
Additions	-	-	11,204	469	77,914	89,587
Disposals	-	-	(834)	(62,192)	-	(63,026)
Reclassification	-	-	1,702	-	(10,444)	(8,742)
Effect of changes in foreign exchange rates	(6,428)	(31,904)	(116,982)	5,690	(4,044)	(153,668)
Balance on March 31, 2020	<u>\$ 1,534,981</u>	<u>8,144,483</u>	<u>21,392,257</u>	<u>7,137,238</u>	<u>937,621</u>	<u>39,146,580</u>
Accumulated depreciation						
Balance on January 1, 2021	\$ -	1,651,948	17,364,601	2,598,464	144,666	21,759,679
Depreciation	-	51,937	141,031	92,481	-	285,449
Disposal	-	(979)	(6,472)	(949)	-	(8,400)
Reclassification	-	-	(2,048)	(1,392)	-	(3,440)
Reclassify to lease property	-	-	(2,826)	-	-	(2,826)
Reclassify to assets held for sale	-	-	-	(415,746)	(146,372)	(562,118)
Effect of changes in foreign exchange rates	-	(1,876)	(2,792)	15,703	2,509	13,544
Balance on March 31, 2021	<u>\$ -</u>	<u>1,701,030</u>	<u>17,491,494</u>	<u>2,288,561</u>	<u>803</u>	<u>21,481,888</u>
Balance on January 1, 2020	\$ -	1,952,218	16,886,978	1,121,904	256,371	20,217,471
Depreciation	-	89,449	361,265	103,182	-	553,896
Disposal	-	-	(834)	(34,692)	-	(35,526)
Effect of changes in foreign exchange rates	-	(2,651)	(34,608)	(4,372)	1,232	(40,399)
Balance on March 31, 2020	<u>\$ -</u>	<u>2,039,016</u>	<u>17,212,801</u>	<u>1,186,022</u>	<u>257,603</u>	<u>20,695,442</u>
Carrying amounts:						
Balance on January 1, 2021	<u>\$ 787,322</u>	<u>2,861,227</u>	<u>1,803,771</u>	<u>4,920,694</u>	<u>77,975</u>	<u>10,450,989</u>
Balance on March 31, 2021	<u>\$ 765,830</u>	<u>2,798,501</u>	<u>1,653,563</u>	<u>3,531,555</u>	<u>161,119</u>	<u>8,910,568</u>
Balance on January 1, 2020	<u>\$ 1,541,409</u>	<u>6,224,169</u>	<u>4,610,189</u>	<u>6,071,367</u>	<u>617,824</u>	<u>19,064,958</u>
Balance on March 31, 2020	<u>\$ 1,534,981</u>	<u>6,105,467</u>	<u>4,179,456</u>	<u>5,951,216</u>	<u>680,018</u>	<u>18,451,138</u>

- (i) Reclassify to assets held for sale, please refer to Note 6(g).
- (ii) The aforementioned property, plant and equipment of the Group had been pledged as collateral, please refer to Note 8.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Right-of-use assets

	<u>Land</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Total</u>
Carrying amount:					
Balance at March 31, 2021	\$ <u>513,554</u>	<u>38,138</u>	<u>302</u>	<u>19,872</u>	<u>571,866</u>
Balance at December 31, 2020	\$ <u>523,240</u>	<u>23,887</u>	<u>65</u>	<u>21,305</u>	<u>568,497</u>
Balance at March 31, 2020	\$ <u>745,732</u>	<u>156,904</u>	<u>39,290</u>	<u>20,049</u>	<u>961,975</u>

There were no significant additions, disposal, or recognition and reversal of the impairment losses of right-of-use assets leased by the Group for the three months ended March 31, 2021 and 2020. Please refer to the 2020 annual consolidated financial statements for other related information.

(k) Investment property

The investment property includes the property owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 3 to 10 years. Some leases provide the lessees with options to extend at the end of the term.

The details of investment property are as follows:

	<u>Properties</u>		<u>Right-of-use asset</u>	
	<u>Land</u>	<u>Buildings</u>	<u>Land</u>	<u>Total</u>
Carrying amount:				
Balance at January 1, 2021	\$ <u>747,300</u>	<u>1,924,044</u>	<u>69,916</u>	<u>2,741,260</u>
Balance at March 31, 2021	\$ <u>747,300</u>	<u>1,898,708</u>	<u>69,242</u>	<u>2,715,250</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2021. Please refer to the 2020 annual consolidated financial statements for other related information.

The fair value of the investment property was not significantly different from those disclosed in the annual consolidated financial statements for the year ended December 31, 2020.

At March 31, 2021 and December 31, 2020, the investment property had been pledged as collateral for long-term borrowings; please refer to note 8.

(l) Intangible assets

	<u>Contract with Consultants</u>	<u>Contract with Customers</u>	<u>Other</u>	<u>Total</u>
Carrying amount:				
Balance at March 31, 2021	\$ <u>-</u>	<u>-</u>	<u>2,931</u>	<u>2,931</u>
Balance at December 31, 2020	\$ <u>-</u>	<u>64,976</u>	<u>5,341</u>	<u>70,317</u>
Balance at March 31, 2020	\$ <u>-</u>	<u>103,642</u>	<u>10,010</u>	<u>113,652</u>

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Due to reclassification of the intangible asset to the asset held for sale, it decreased by \$65,466 thousand. Except for the above, there were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2021 and 2020. Please refer to the 2020 annual consolidated financial statements for other related information.

(m) Short-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
Secured bank loans	\$ -	93,837	96,736
Unsecured bank loans	2,262,426	2,226,165	2,561,146
Total	<u>\$ 2,262,426</u>	<u>2,320,002</u>	<u>2,657,882</u>
Unused credit lines	<u>\$ 2,717,110</u>	<u>2,974,000</u>	<u>2,369,283</u>
Range of interest rates	<u>0.95%~1.86%</u>	<u>0.95%~1.86%</u>	<u>1.73%~4.97%</u>

There were no significant issues, repurchases and repayments of short-term borrowings for the three months ended March 31, 2021 and 2020, please refer to the 2020 annual consolidated financial statements for other related information.

Please refer to Note 8 for details of the guarantee situation of the consolidated company using assets to set mortgage for bank loans.

(n) Short-term notes and bills payable

	March 31, 2021	December 31, 2020	March 31, 2020
Commercial paper payable	\$ 237,700	174,900	415,200
Less: discounts on commercial paper payable	(105)	(90)	(224)
	<u>\$ 237,595</u>	<u>174,810</u>	<u>414,976</u>

There were no significant issues, repurchases and repayments of short-term notes and bills payable for the three months ended March 31, 2021 and 2020. Please refer to the 2020 annual consolidated financial statements for other related information.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(o) Long-term liabilities

(i) Long-term borrowings

	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>
<u>Secured bank loans</u>			
10.13 billion syndicated loan from First Bank \$	4,264,523	4,562,171	8,115,602
4.5 billion syndicated loan from First Bank	2,255,560	2,267,560	2,315,560
FMO & DEG Bank	-	953,376	1,067,180
Cathay Bank	608,383	605,254	668,416
KGI Bank Loan	250,000	250,000	250,000
CTBC bank loan	-	-	100,344
IMPA	611,702	598,541	630,042
Machinery and equipment financing from EQUVO Pte. Ltd., Taiwan Branch (Singapore)	-	-	443,585
Other financing loan	479,551	424,595	494,808
<u>Unsecured bank loans</u>			
King's Town Bank	240,000	430,587	800,000
0.5 billion syndicated loan from First Bank	56,250	112,500	168,750
Chailease International Financial Service. Co., Ltd.	54,573	85,959	180,745
Inventories repurchase financing loans	37,090	69,069	103,750
Other financing loan	177,447	122,800	126,997
	9,035,079	10,482,412	15,465,779
Less: Current portion	(4,528,903)	(5,366,741)	(5,700,953)
Total	<u>\$ 4,506,176</u>	<u>5,115,671</u>	<u>9,764,826</u>
Unused credit lines	<u>\$ 581,675</u>	<u>1,276,100</u>	<u>1,281,940</u>
Range of interest rates	<u>0.86%~5.75%</u>	<u>0.90%~7.82%</u>	<u>1.50%~7.82%</u>

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 1) The long-term loan contracts listed above will expire in November 2043.
- 2) Except for the following, there were no significant issues, repurchases and repayments of long-term borrowings for the three months ended March 31, 2021 and 2020. Please refer to the 2020 annual consolidated financial statements for other related information.
- 3) Compliance with loan contracts
 - a) The Group entered into a syndicated loan contract with FMO Bank and DEG Bank. According to the terms and conditions on the contract, it requires the borrower, Electronic J.R.C Srl (JRC), to maintain certain financial ratios based on their annual and semiannual consolidated financial reports, wherein the balance of the special reserve account should not be below USD\$3,000 thousand. The Group intend to sell the subsidiaries and reclassify the related borrowings to liabilities held for sale, please refer to note 6(g).
 - b) The Group entered into a middle-to-long-term guaranteed loan from Cathay Bank. According to the terms and conditions of the contract, it requires that the borrower, GES USA, to maintain certain financial ratios during the credit period.
 - c) The Group entered into a long-term loan agreement with Far Eastern International Bank. According to the terms and conditions on the contract, it requires the borrower, Yong Liang, to maintain certain financial ratios based on their annual and semiannual financial reports.
 - d) The Group entered into \$10.13 billion and \$500 million syndicated loans with First Bank. According to the terms and conditions on the contract, it requires the Group to maintain certain financial ratios based on its annual and semiannual consolidated financial reports during the credit period.
 - e) The Group entered into middle-to-long-term guaranteed loan with CATHAY BANK. According to the terms and conditions on the contract, it requires the borrower, MEGA EIGHT and MEGA TWELVE to maintain certain financial ratios based on its annual financial reports during the credit period.

As of March 31, 2021, December 31 and March 31, 2020, the Group did not breach any of the terms stated above.

- f) The Group entered into a \$4.5 billion syndicated loan with First Bank. According to the terms and conditions on the contract, it requires Utech's to maintain certain financial ratios based on its annual financial reports during the credit period. The abovementioned syndicated loans will expire on September 30, 2021. The financial ratio before the loan due date need not be reviewed.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Other loan agreements

The Group signed two long term contracts, with a duration of 25 year, with IMPA in December of 2017 and June of 2018. According to the terms and conditions of the loan, IMPA has the right to purchase all the shares of both GES AC, a company owned by the Group through MEGA SIXTEEN, and AC GES, a company owned by the Group through TEV Solar, starting from December 2022 to June 2024. Therefore, the contract includes an embedded derivative (selling a call option) that is not closely related to the main contract and is recognized as a financial liability designated at fair value through profit and loss; please refer to note 6(b) and (ab). According to the contracts, it restricts part of the consolidated entities to transfer the shares before the derivatives instrument expires; please refer to note 13(b).

The interest rates of MEGA SIXTEEN and TEV II borrowing from IMPA were 4.25% and 4.75% respectively. After separating the short call option from the host contract, the adjusted loan interest rates became 11.08% and 11.38%, respectively.

(p) Preference share liabilities

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Class A preference shares	\$ 25,771	28,282	41,157
Less: Current portion	<u>(15,283)</u>	<u>(15,063)</u>	<u>(16,208)</u>
Total	<u>\$ 10,488</u>	<u>13,219</u>	<u>24,949</u>

The Group's subsidiaries, MEGA SIXTEEN and TEV II, have issued Class A preference shares through GES AC and AC GES respectively. Relevant information was as follows:

	<u>issued by MEGA SIXTEEN</u>	<u>issued by TEV II</u>
Issuance date	2017.12	2018.12
Total amount issued	USD11,920 thousand dollars	USD10,051 thousand dollars
percentages of Class A preference shares held by shareholders	32.41%	33.81%
Issuance terms		
- Voting rights	Yes	Yes
- Dividend rights	Shareholders will be given priority to receive cumulative cash dividend of 0.65% with a monthly fixed Asset Management Fee each quarter and are entitled to 99% of profits sharing before expiration date December 2022.	Shareholders will be given priority to receive cumulative cash dividend of 0.675% with a monthly fixed Asset Management Fee each quarter and are entitled to 99% of sharing earned before expiration date June 2024.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	issued by MEGA SIXTEEN	issued by TEV II
- Others	Starting from December 2022, the Group would be able to repurchase the entirety of Class A shares at contract price.	Starting from June 2024, the Group would be able to repurchase the entirety of Class A shares at contract price.

According to the above clauses, the Group has the financial obligation to make regular fixed payments to Class A preference shares shareholders. Therefore, the liabilities are separated and recognized as preference shares liabilities at the time of initial recognition.

In addition, the Group has the right to purchase all the Class A preference shares from the shareholders on a specified date. The above right is an embedded derivative call option, which is a financial asset designated at fair value through profit and loss at initial recognition, that is not closely related to the host contract. Please refer to note 6 (b) and (ab) for more details.

(q) Lease liabilities

The Group leases certain land, buildings and transportation equipment for operating with lease terms of 3 to 20 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. Therefore, some of these arrangements contain renewal options.

Carrying amount of the lease liabilities of the Group were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Current	\$ 59,473	50,913	38,355
Non-current	\$ 596,247	605,021	969,875

For the maturity analysis, please refer to note 6(ab) financial instruments.

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2021	2020
Interest on lease liabilities	\$ 4,368	6,845
Variable lease payments not included in the measurement of lease liabilities	\$ 3,177	1,611
Expenses relating to short-term leases	\$ 12,878	8,092
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 527	918

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Total cash outflow for leases	<u>\$ 28,962</u>	<u>22,894</u>

(r) Provisions

	March 31, 2021	December 31, 2020	March 31, 2020
Warranties	\$ 91,523	88,955	180,996
Onerous contracts	110,800	175,916	-
Total	<u>\$ 202,323</u>	<u>264,871</u>	<u>180,996</u>

There were no significant changes in provisions for the three months ended March 31, 2021 and 2020. Please refer to the consolidated financial statements for the year ended December 31, 2020 for other related information.

(s) Operating lease

There were no significant changes in operating lease for the three months ended March 31, 2021 and 2020. Please refer to the consolidated financial statements for the year ended December 31, 2020 for other related information.

(t) Employee benefits

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$12,597 thousand and \$14,131 thousand for the three months ended March 31, 2021 and 2020, respectively.

(u) Income Taxes

(i) Components of income tax of the Group were as follows:

	For the three months ended March 31,	
	2021	2020
Current tax expense	\$ 2,457	7,155
Deferred tax expense	1,218	-
Income tax expense	<u>\$ 3,675</u>	<u>7,155</u>

(ii) For the three months ended March 31, 2021 and 2020, there was no income tax recognized in other comprehensive income.

(iii) The Company's tax returns for the years through 2018 were assessed by the National Tax Bureau.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Capital and other equity

Except for the following disclosure, there was no significant change in for capital and other equity for the periods from January 1 to March 31, 2021 and 2020. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2020.

(i) Ordinary shares

	March 31, 2021	December 31, 2020	March 31, 2020
Authorized share capital	<u>\$ 36,000,000</u>	<u>36,000,000</u>	<u>32,000,000</u>
Issued share capital	<u>\$ 26,650,178</u>	<u>26,650,863</u>	<u>26,651,126</u>
Total shares issued	<u>\$ 2,665,018</u>	<u>2,665,086</u>	<u>2,665,113</u>

Of the Group's authorized shares, 80,000 thousand shares had been reserved for the issuance of employee share options.

The board of the Group decided to reduce capital to cover accumulated deficits \$11,571,176 thousand at March 25, 2021, pending the approval from the general meetings of shareholders and Financial Supervisory Commission.

(ii) Capital surplus

Information on capital surplus of the Group were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Share premium	\$ -	-	123,629
Changes in equity of the invested company accounted for using equity method	7,819	7,819	-
Movements of additional paid-in capital arising from changes in equities of subsidiaries	473	473	-
Difference between the consideration and carrying amount of the subsidiaries that has not been increased in proportion to shareholding	1,595	1,595	-
Restricted shares for employees	<u>(1,931)</u>	<u>(2,010)</u>	<u>(4,340)</u>
	<u>\$ 7,956</u>	<u>7,877</u>	<u>119,289</u>

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Retained Earnings

According to the Articles of Incorporation, after tax earnings are initially used to offset cumulative losses, and 10% of the remainder is set aside as a legal reserve, except when the legal reserve of the Group reaches its paid in capital, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Group's board of directors as the basis for proposing a distribution plan, which will be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

In accordance with the Group Law, two thirds of authorized board of directors must be present, and more than half of the directors present will reach an agreement to distribute the dividends and bonuses or all or a portion of the legal reserve and capital reserve as stipulated in Item 11 of Article 241 of the Group Law in the form of cash, which is reported to the meeting of shareholders.

The Articles of Incorporation of the Group also stipulate a dividend policy that the issuance of share dividends takes precedence over the payment of cash dividends. In principle, cash dividends should be not less than 10% of total dividends distributed.

On March 25, 2021 and June 22, 2020, the Group has accumulated deficit and had been proposed by the board of directors and resolved by the shareholders meeting not to appropriate the earnings, respectively. Related information can be found on the Market Observation Post System website of the Taiwan Stock Exchange.

(iv) Treasury shares

The Group acquired treasury shares as result of merging Gintech Energy on October 1, 2018. Related information was as follows:

	Number of shares held (in thousands of shares)	Carrying Amount	Market Price
Balance at March 31, 2021	<u>\$ 1,883</u>	<u>18,699</u>	<u>28,252</u>
Balance at December 31, 2020	<u>\$ 1,883</u>	<u>18,699</u>	<u>26,839</u>
Balance at March 31, 2020	<u>\$ 1,883</u>	<u>18,699</u>	<u>8,909</u>

The shares of the Group held by Utech has been treated as treasury shares. They were same as general shareholders except for the rights of cash injection and the rights of voting.

(w) Share-based payment

As of March 31, 2021, the Group's restricted share plan for employees were as follows. There were no significant changes in for share-based payment for the three months ended March 31, 2021 and 2020. Please refer to the consolidated financial statements for the year ended December 31, 2020 for other related information.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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	Restricted share plan for employees		
	Issued in 2020	Issued in 2019	Issued by the original Solartech Energy
Grant date	August 11, 2020	November 11, 2019	October 1, 2018
Number of shares granted (in thousand shares)	795	2,205	4,896
Contract term	2 years	2 years	2 years
Recipients	Employees of the Company	Employees of the Company	Employees of former Solartech Energy
Vested conditions	Still in service two years after the grant date	Still in service two years after the grant date	Still in service three years after the grant date
Other conditions	-	-	Taken on by the Group after the merging, with the outstanding amount of shares adjusted according to the exchange ratio on the merge date

(v) Information for the cost of share-based payment

	For the three months ended March 31,	
	2021	2020
Wages expense	\$ <u><u>1,665</u></u>	<u><u>3,805</u></u>

(x) Loss per share

Calculations on loss per share of the Group were as follows:

	For the three months ended March 31,	
	2021	2020
Basic loss per share:		
Loss attributable to ordinary shareholders of the Company	\$ <u><u>(532,716)</u></u>	<u><u>(699,945)</u></u>
Weighted average number of ordinary shares outstanding (in thousands of shares)	<u><u>2,661,717</u></u>	<u><u>2,660,243</u></u>
Loss per share	\$ <u><u>(0.20)</u></u>	<u><u>(0.26)</u></u>

The ordinary share equivalents of the Company were not included in this calculation due to their anti-dilutive effects.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(y) Revenue from contracts with customers

(i) Disaggregation of revenue:

	For the three months ended March 31, 2021			
	Solar energy	System	Other	Total
Revenue from contract with customers				
Revenue from sale of products	\$ 2,499,384	36	67,779	2,567,199
Other revenues	<u>203,854</u>	<u>233,915</u>	<u>-</u>	<u>437,769</u>
	<u>\$ 2,703,238</u>	<u>233,951</u>	<u>67,779</u>	<u>3,004,968</u>
	For the three months ended March 31, 2020			
	Solar energy	System	Other	Total
Revenue from contract with customers				
Revenue from sale of products	\$ 2,559,538	-	1,513	2,561,051
Other revenues	<u>107,864</u>	<u>317,938</u>	<u>-</u>	<u>425,802</u>
	<u>\$ 2,667,402</u>	<u>317,938</u>	<u>1,513</u>	<u>2,986,853</u>

(ii) Contract balance

	March 31, 2021	December 31, 2020	March 31, 2020
Notes and accounts receivable	<u>\$ 2,566,960</u>	<u>2,285,747</u>	<u>2,472,827</u>
Contract assets			
Power plant construction contract	\$ 63,269	175,041	259,113
Less: allowance for impairment	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 63,269</u>	<u>175,041</u>	<u>259,113</u>
Contract liabilities			
Sales of products	\$ 575,963	313,883	719,864
Power plant construction contract	<u>-</u>	<u>35,028</u>	<u>23,434</u>
Power plant sales contract	<u>35,544</u>	<u>-</u>	<u>54,101</u>
	<u>\$ 611,507</u>	<u>348,911</u>	<u>797,399</u>

- 1) The details on accounts receivable and allowance for impairment, please refer to note 6(e).
- 2) The beginning balance of contract liabilities recognized as revenue at January 1 to March 31, 2021 and 2020 were \$167,724 thousand and \$161,747 thousand respectively.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(z) Employee compensation and directors' remuneration

According to the Articles of Association, once the Company has annual profit, it should appropriate no less than 3% of the profit to its employees and 2% or less to its directors and supervisors as remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

The recipients of above-mentioned remuneration may include employees of controlling or affiliated companies who meet certain conditions, and the relevant conditions and methods are authorized by the board of directors or by persons authorized by them.

Due to net loss for the three months ended March 31, 2021 and 2020, the Company did not estimate its employees', directors' and supervisors' remuneration.

(aa) Non-operating Income and Expenses

(i) Other income

	For the three months ended March 31,	
	2021	2020
Lease income	29,706	9,504
Other income	13,973	6,790
	\$ 43,679	16,294

(ii) Other gains and losses

	For the three months ended March 31,	
	2021	2020
Gain (loss) on foreign currency exchange	\$ 3,333	(18,074)
Gain on disposals of investments	-	217,826
Impairment loss of non-current assets held for sale	(21,317)	-
Other	3,360	7,174
	\$ (14,624)	206,926

(ab) Financial Instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2020.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The Group has a large customer base, and is diversified across different industries and geographical locations, not related to each other, therefore, the concentration of credit risk is not large.

3) Credit risk of receivables and debt securities

The Group's financial assets at amortized cost, accounts receivable and other receivables are all with low risk on the reporting date. Therefore, the Group measures the allowance for impairment based on the 12 months expected credit loss. Please refer to note 6(d), (e) for relevant credit risk information.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>Over 3 years</u>
March 31, 2021					
Non-derivative financial liabilities					
Bank borrowings	\$ 11,984,874	6,965,222	1,844,229	1,949,031	1,226,392
Short-term notes and bills payable	237,700	237,700	-	-	-
Lease liabilities	848,416	69,757	69,551	53,110	655,998
Non-interest bearing liabilities	2,570,322	2,570,322	-	-	-
Derivative financial liabilities (Note)					
Inflow	(344,069)	(344,069)	-	-	-
Outflow	339,941	339,941	-	-	-
	<u>\$ 15,637,184</u>	<u>9,838,873</u>	<u>1,913,780</u>	<u>2,002,141</u>	<u>1,882,390</u>
December 31, 2020					
Non-derivative financial liabilities					
Bank borrowings	\$ 13,980,834	7,944,618	3,421,963	270,403	2,343,850
Short-term notes and bills payable	174,900	174,900	-	-	-
Lease liabilities	869,451	68,040	65,233	63,938	672,240
Non-interest bearing liabilities	2,510,349	2,510,349	-	-	-
Derivative financial liabilities (Note)					
Inflow	(798,127)	(798,127)	-	-	-
Outflow	800,849	800,849	-	-	-
	<u>\$ 17,538,256</u>	<u>10,700,629</u>	<u>3,487,196</u>	<u>334,341</u>	<u>3,016,090</u>

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>Over 3 years</u>
March 31, 2020					
Non-derivative financial liabilities					
Bank borrowing	\$ 19,760,155	8,727,674	7,837,837	433,933	2,760,711
Short-term notes and bills payable	415,200	415,200	-	-	-
Lease liabilities	1,343,758	90,500	110,166	104,424	1,038,668
Non-interest bearing liabilities	2,602,557	2,602,557	-	-	-
Derivative financial liabilities (Note)					
Inflow	(1,086,368)	(1,086,368)	-	-	-
Outflow	1,084,251	1,084,251	-	-	-
	<u>\$ 24,119,553</u>	<u>11,833,814</u>	<u>7,948,003</u>	<u>538,357</u>	<u>3,799,379</u>

Note: The call option sold derives from the loan contract signed by the Group and IMPA (please refer to note 6(o) for more details). This financial liability is recognized at fair value (please refer to note 6(b)), and has been adjusted according to the real interest rate of the contract. The relevant cash flow also reflects the contractual cash flow of the bank loan, therefore it is not to be included in the cash flow from derivative financial instruments.

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>March 31, 2021</u>			<u>December 31, 2020</u>			<u>March 31, 2020</u>		
	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>
Financial assets									
Monetary items									
USD	\$ 158,462	28.5050	4,516,959	139,557	28.0950	3,920,854	159,300	30.2300	4,815,639
EUR	14,142	33.3700	471,919	8,850	34.5400	305,679	7,039	33.3300	234,610
CNY	2,787	4.3350	12,082	3,957	4.3220	17,102	4,723	4.2570	20,106
Non-Monetary items									
MYR	10,572	6.5585	69,340	10,870	6.7015	72,842	11,332	6.7275	76,234
Financial liabilities									
Monetary items									
USD	171,239	28.5050	4,881,168	143,712	28.0950	4,037,589	174,408	30.2300	5,272,354
JPY	33,938	0.2572	8,729	102,113	0.2724	27,816	1,539,071	0.2788	429,093

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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The Group's exposure to currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, and accounts and other payables that are denominated in foreign currency. The weakening or strengthening of 1% on the above mentioned foreign currency against the New Taiwanese Dollars would have decrease or increase by \$1,111 thousand and increase or decrease \$6,311 thousand in the net profit (loss) before tax for the three months ended March 31, 2021 and 2020, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the two periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2021 and 2020, foreign exchange gain (loss) (including realized and unrealized portions), please refer to note 6 (aa).

2) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 0.25%, the Group's net income would have decreased / increased by \$1,769 thousand and \$4,749 thousand for the three months ended March 31, 2021 and 2020 with all other variable factors remaining constant. This is mainly due to the exposure of the fair value interest rate risk of the Group's variable interest rate deposit and loans.

In addition, the Group's financial assets and liabilities with fixed interest rate are measured at amortized cost. The profit and loss of financial instruments are unaffected by fluctuations in interest rate on the reporting date, therefore, no sensitivity analysis has been disclosed.

3) Other market price risk

The Group's exposure to price risk on equity investments mainly arises from the investment of financial assets measured at fair value through other comprehensive income. If the price of the securities fluctuates on the reporting date (the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss), the impact on the consolidated income items are as follow:

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<u>Prices of securities at the reporting date</u>	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Increasing 5%	\$ <u>15,771</u>	<u>94,910</u>
Decreasing 5%	\$ <u>(15,771)</u>	<u>(94,910)</u>

4) Fair value of financial instruments

a) Fair value hierarchy

The Group's financial assets and liabilities measured at fair value through profit and loss, financial assets and liabilities for hedging and financial assets measured at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of various types of financial assets and liabilities (including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required) are listed as follows:

	March 31, 2021				Total
	Book value	Fair Value			
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit and loss					
Derivative financial assets	\$ <u>185,315</u>	<u>-</u>	<u>4,921</u>	<u>180,394</u>	<u>185,315</u>
Financial assets at fair value through other comprehensive income					
Listed domestic stocks	\$ 315,415	166,805	148,610	-	315,415
Non-quoted equity instruments measured at fair value	<u>62,991</u>	<u>-</u>	<u>-</u>	<u>62,991</u>	<u>62,991</u>
Subtotal	<u>\$ 378,406</u>	<u>166,805</u>	<u>148,610</u>	<u>62,991</u>	<u>378,406</u>
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 4,903,644				
Accounts receivable (including related parties)	2,566,960				
Other receivables (including receivables from related parties)	716,417				
Financial assets measured at amortized cost	142,525				
Other financial assets	914,458				
Refundable deposits	<u>739,542</u>				
	<u>\$ 9,983,546</u>				

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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		December 31, 2020			
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	\$ 12,802,412				
Short-term notes payable	174,810				
Accounts payable (including related parties)	1,336,177				
Lease liabilities	655,934				
Preference share liabilities	28,282				
Other financial liabilities	<u>1,174,172</u>				
	<u>\$ 16,171,787</u>				
		March 31, 2020			
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss					
Derivative financial assets	<u>\$ 235,726</u>	<u>-</u>	<u>4,935</u>	<u>230,791</u>	<u>235,726</u>
Financial assets at fair value through other comprehensive income					
Listed domestic stocks	\$ 1,898,200	1,797,470	100,730	-	1,898,200
Non-quoted equity instruments measured at fair value	<u>93,607</u>	<u>-</u>	<u>-</u>	<u>93,607</u>	<u>93,607</u>
Subtotal	<u>\$ 1,991,807</u>	<u>1,797,470</u>	<u>100,730</u>	<u>93,607</u>	<u>1,991,807</u>
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 4,904,137				
Accounts receivable (including accounts receivables from related parties)	2,472,827				
Other receivables (including receivables from related parties)	1,515,089				
Financial assets measured at amortized cost	151,150				
Other financial assets	1,285,051				
Refundable deposits	<u>877,834</u>				
	<u>\$ 11,206,088</u>				
Financial liabilities at fair value through profit and loss					
Derivative financial liabilities	<u>\$ 138,458</u>	<u>-</u>	<u>2,818</u>	<u>135,640</u>	<u>138,458</u>

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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	March 31, 2020				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	\$ 18,123,661				
Short-term notes payable	414,976				
Accounts payable (including accounts receivables from related parties)	1,577,916				
Lease liabilities	1,008,230				
Preference share liabilities	41,157				
Other financial liabilities	<u>1,024,641</u>				
	<u>\$ 22,190,581</u>				

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

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

i) Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

ii) Financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

c) Valuation techniques for financial instruments measured at fair value

i) Non-derivative financial instruments

If the financial instruments have a quoted price in an active market, the fair value should be determined on that price. The price quoted in major exchanges and over-the-counter trading are all considered basis for fair value determination for listed equity instruments.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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The financial instruments held by the Group are distinguished according to the evaluation sources used to determine its fair value as follows:

- Financial instruments with an active market: including listed company stocks and fund beneficiary certificates, etc. The fair value of these instruments is determined by reference to their respective market quotes.
- Financial instruments without active market: Fair value is based on valuation techniques or reference counterparty quotes. The fair value obtained through evaluation techniques can refer to the current fair value of other financial instruments with similar conditions and characteristics, discounted cash flow method or other evaluation techniques, including calculations based on market information available on the date of the consolidated balance sheet.

ii) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models; forward foreign exchange contracts are usually evaluated based on the current forward exchange rate, and the fair value of other types of derivative financial instruments are determined based on appropriate option pricing models (such as the Black-Scholes model) or other evaluation methods.

d) Reconciliation of Level 3 fair values

The changes in Level 3 fair values for the three months ended March 31, 2021 and 2020 are as follow:

	Derivative instrument - Net of fair value measured through profit and loss		Non quoted equity instrument - fair value through other comprehensive income	
	2021	2020	2021	2020
Opening balance	\$ 82,317	124,565	62,991	97,021
Total gains and losses recognized in profit and loss	9,778	5,380	-	-
Total gains and losses recognized in other comprehensive income	-	-	-	(3,414)
Disposal/Redemption	-	(35,654)	-	-
Effect of exchange rate changes	1,255	860	-	-
Ending balance	<u>\$ 93,350</u>	<u>95,151</u>	<u>62,991</u>	<u>93,607</u>

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As of March 31, 2021 and 2020, the total gains and losses were included in “other gains and losses” and “unrealized gains and losses of financial assets at fair value through other comprehensive income”. The relevant assets were as follow:

	For the three months ended March 31,	
	2021	2020
Total gains and losses recognized:		
In gains and losses, and presented in “other gains and losses”	\$ <u>9,778</u>	<u>5,380</u>
In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income”	\$ <u>-</u>	<u>(3,414)</u>
e) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement		

The Group’s financial instruments that use Level 3 inputs to measure fair value include “financial assets measured at fair value through profit or loss – derivative instruments” and “fair value through other comprehensive income – equity investments”.

Most of the fair value classified as Level 3 are singular significant unobservable input value, except for equity investments without an active market, which has multiple significant unobservable input data. The significant unobservable input values of equity instruments without an active market are independent of each other, thus there are no correlation between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Financial assets measured at fair value through profit and loss - derivatives instruments (long call options and short call options)	Option pricing model	Stock price volatility (25%~33% for March 31, 2021, and December 31, 2020, 17%~18% for March 31, 2020 ,respectively)	The higher the volatility of the stock price, the higher the fair value of longing the call option and lower the fair value of shorting the call option

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Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Financial assets measured at fair value through other comprehensive income - equity instruments without an active market	Black-Scholes options pricing model	<ul style="list-style-type: none"> · Value multiplier (1.63 for March 31, 2020) · Stock price volatility (38.22% for March 31, 2020) 	<ul style="list-style-type: none"> · The higher the value multiplier, the higher the fair value · The higher the volatility, the lower the fair value

- f) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

	Input value	Increase(+) or decrease(-)	The effect of fair value fluctuations in profit and loss	
			Favorable	Unfavorable
Financial assets measured at fair value through profit and loss - derivatives instruments (long call options)	27%~33%	+0.5%	-	-
Financial assets measured at fair value through profit and loss - derivatives instruments (short call options)	25%~33%	+0.5%	-	(2,113)
	27%~33%	-0.5%	2,115	-

The favorable and unfavorable effects represent the changes in fair value, which is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(ac) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in the consolidated financial statements for the year ended December 31, 2020.

(ad) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2020. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2020.

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(ae) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the three months ended March 31, 2021 and 2020, were as follows:

- (i) Acquisition of Right-of-use assets by lease, please refer to note 6(j).
(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2021	Cash flows	Foreign exchange movements and others	March 31, 2021
Long-term borrowings	\$ 10,482,412	(546,201)	(901,132)	9,035,079
Short-term borrowings	2,320,002	(80,944)	23,368	2,262,426
Shor-term notes payable	174,810	62,800	(15)	237,595
Lease liabilities	655,934	(12,380)	12,166	655,720
Preference share liabilities	28,282	(4,387)	1,876	25,771
Total liabilities from financing activities	<u>\$ 13,661,440</u>	<u>(581,112)</u>	<u>(863,737)</u>	<u>12,216,591</u>

	January 1, 2020	Cash flows	Foreign exchange movements and others	March 31, 2020
Long-term borrowings	\$ 17,498,137	(2,148,083)	115,725	15,465,779
Short-term borrowings	2,988,798	(362,815)	31,899	2,657,882
Shor-term notes payable	415,458	(900)	418	414,976
Lease liabilities	1,018,299	(12,273)	2,204	1,008,230
Preference share liabilities	44,260	(4,489)	1,386	41,157
Total liabilities from financing activities	<u>\$ 21,964,952</u>	<u>(2,528,560)</u>	<u>151,632</u>	<u>19,588,024</u>

(7) Related-party transactions:

- (a) Name and relationship with related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
Phanes Holding Inc.	Other related party
Oryx Solar System Solutions LLC	Other related party
ThinTech Materials Technology Co., Ltd.	Other related party
Sino-American Silicon Products Inc. ("SAS")	Other related party (Note 2)
Clean Focus Management Acquisition LLC ("CFM")	Other related party
Neo Cathay Power Corp. ("Neo Cathay")	Associate (Note 3)
Neo Cathay Electric Power Corp.	Associate (Note 3)

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<u>Name of related party</u>	<u>Relationship with the Group</u>
DS Energy Technology Co., Ltd.	Associate
Si One Corp. (“Si One”)	Associate (Note 3)
Da Li Energy Co., Ltd. (“Da Li Energy”)	Associate (Note 3)
Yong Han Ltd. (“Yong Han”)	Associate (Note 3)
Yun Yeh Energy Inc.	Associate (Note 3)
Solarbright energy Co., Ltd.	Associate
Clean Focus Yield Limited (“CFY”)	Other related party (Note 1)
Clean Focus Corporation (“CFC”)	Other related party (Note 1)
CF Gainesville Owner One, LLC	Other related party (Note 1)
CF SBC Owner One LLC	Other related party (Note 1)
CF Lessee LOB LLC	Other related party (Note 1)
Verde Solar Inc.	Other related party (Note 1)
V5 Technologies Co., Ltd.	Associate
Gintung energy Corporation	Associate
CF MN DevCo One LLC (“DevCo One”)	Joint venture
NSP ET CAP MN HOLDINGS LLC	Joint venture

Note 1: Former associates of the Group, wherein the Group disposed all of CFY’s shares in January 2020. In addition, due to the fact that the directors of CFY are the same as those of the Company, therefore, the Group has significant control over CFY; hence CFY and its subsidiaries were listed as other related parties of the Group.

Note 2: The Company did not serve as director of SAS in June 2020, and no longer has significant control over it. Therefore, only show the transactions as of June 2020.

Note 3: The Company disposed Neo Cathay’s shares in September 2020, and no longer has significant control over it and its subsidiaries. Therefore, only show the transactions as of September 2020.

(b) Significant transactions with related parties

(i) Sales, accounts receivable and contract assets

Details of sales by the Group to related parties were as follows:

	For the three months ended	
	March 31,	
	2021	2020
Associates	\$ 18,566	139,981
Other related parties	-	2,309
	<u>\$ 18,566</u>	<u>142,290</u>

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The terms of sale between the Group and related parties are negotiated by both parties based on the market conditions of the relevant products. The details of the accounts receivable and contract assets from the above transactions were as follows:

	<u>March 31, 2021</u>		<u>December 31, 2020</u>		<u>March 31, 2020</u>	
	<u>Accounts Receivable</u>	<u>Contract Assets</u>	<u>Accounts Receivable</u>	<u>Contract Assets</u>	<u>Accounts Receivable</u>	<u>Contract Assets</u>
Associates						
Da Li Energy	\$ -	-	-	-	4,093	61,366
Si One	-	-	-	-	153,538	162,734
Yong Han	-	-	-	-	2,863	28,263
Others	554	-	-	-	20,389	-
Other related parties						
CFC	130,594	-	129,183	-	239,676	-
Verde Solar Inc.	78,859	-	77,725	-	83,631	-
Others	-	-	-	-	2,436	-
Less: Impairment allowance	(1)	-	(7)	-	(18,523)	-
	<u>\$ 210,006</u>	<u>-</u>	<u>206,901</u>	<u>-</u>	<u>488,103</u>	<u>252,363</u>

(ii) Purchases, accounts payable, contract liabilities and prepayments

Details of purchases by the Group to related parties were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties	\$ -	44,027
Associates	3,704	-
	<u>\$ 3,704</u>	<u>44,027</u>

The terms of the purchase between the Group and related parties are based on conditions agreed upon by both parties. The details of the accounts payable and contract liabilities from the above transactions were as follows:

	<u>March 31, 2021</u>		<u>December 31, 2020</u>		<u>March 31, 2020</u>	
	<u>Accounts Payable</u>	<u>Contract Liabilities</u>	<u>Accounts Payable</u>	<u>Contract Liabilities</u>	<u>Accounts Payable</u>	<u>Contract Liabilities</u>
Associates	\$ -	-	-	-	505	63,481
Other related parties	-	-	-	-	12,372	11
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,877</u>	<u>63,492</u>

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In addition, the details of prepayments made by the Group related to purchase were as follows:

	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>
Other related parties			
SAS	\$ -	-	<u>1,116,808</u>

- (iii) The following are mainly generated from mutual advance payments for building power facilities between the Group and related parties, which were including in other receivables and other current liabilities:

	<u>Other receivables</u>		
	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>
Associates	\$ 341	840	2,090
Joint ventures			
DevCo One	36,403	35,880	154,601
Others	10,832	10,676	11,487
Other related parties			
CFC	301,792	297,451	320,055
CFM	-	-	181,421
Others	29,602	29,176	24,649
Less: Impairment allowance	<u>(10,832)</u>	<u>(10,676)</u>	<u>(11,487)</u>
	<u>\$ 368,138</u>	<u>363,347</u>	<u>682,816</u>
	<u>Other current liabilities</u>		
	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>
Joint ventures	\$ 22,453	22,130	140,049
Other related parties	-	-	4,867
	<u>\$ 22,453</u>	<u>22,130</u>	<u>144,916</u>

- (iv) Purchase of property, plant and equipment

	<u>For the three months ended</u> <u>March 31,</u>		<u>Payables on equipment (classified as other</u> <u>current liabilities)</u>		
	<u>2021</u>	<u>2020</u>	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>
Other related parties	\$ -	-	<u>2,010</u>	<u>1,981</u>	-

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Disposal of associates

The Group invested in 28.67% of CFY's shares, with the right of redemption. Both parties agreed the Group require CFY to redeem all of its shares with certain conditions. The right has been executed by the Group in the first quarter of 2020, with the execution price of \$1,649,963 thousand and the profit of \$253,480 thousand, which includes the put option valuation gain of \$35,514 thousand, recognized in 2019; and also a gain on disposal of investments of \$217,826 thousand, as well as an impact of exchange rate differences of \$140 thousand, both recognized in the first quarter of 2020. Please refer to note 6(h) for more details. In addition, as of March 31, 2021, December 31 and March 31, 2020, the remaining balance on the above disposal amounting to \$167,478 thousand, \$443,682 thousand and \$695,961 thousand, respectively, which has not yet to be collected, accounted for as other receivables from related parties.

(c) Key management personnel compensation

	For the three months ended	
	March 31,	
	2021	2020
Short-term employee benefits	\$ 16,399	23,308
Post-employment benefits	357	465
Share-based payments	425	1,140
Total	\$ 17,181	24,913

Please refer to note 6(w) for further explanations related to share-based payments.

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	March 31,	December 31,	March 31,
	2021	2020	2020
Property, plant and equipment	\$ 5,105,608	6,572,006	12,349,418
Investment property	2,645,985	2,671,322	-
Non-current assets held for sale	1,179,935	-	-
Financial assets at fair value through other comprehensive income	113,700	-	1,709,482
Restricted bank deposit (accounted for as current assets and other non-current assets)	881,706	1,453,667	1,249,759
Inventory	277,432	273,442	293,012
Refundable deposit	739,542	732,696	877,834
Lease receivables (accounted for as other current assets and other non-current assets)	32,752	32,415	35,294
	\$ 10,976,660	11,735,548	16,514,799

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Significant contingent liabilities and unrecognized commitments:

(a) Unrecognized contract commitments

(i) Unrecognized contract commitments

	March 31, 2021	December 31, 2020	March 31, 2020
Unused letter of credit (in USD thousand) \$	<u>-</u>	<u>4,211</u>	<u>7,363</u>
Unused letter of credit (in EUR thousand) \$	<u>4,745</u>	<u>-</u>	<u>-</u>
Bank guarantee (Note 13(a))	<u>\$ 3,704,898</u>	<u>3,567,818</u>	<u>3,693,247</u>

- (ii) The Group have obtained orders for power facility construction and contracted the projects out to contractors. The Group entered into construction and materials contract with several contractors, and the unpaid amounts were as follow:

	March 31, 2021	December 31, 2020	March 31, 2020
Unpaid amount	<u>\$ 1,192,013</u>	<u>643,249</u>	<u>878,619</u>

- (iii) The Group agreed to buy back the Class A preference shares issued by GES AC and AC GES on specific dates; please see note 6 (p) for more details. In addition, the Group and IMPA agreed to sell all the shares of GES AC and AC GES; please see note 6 (o) for more details.
- (iv) The Group signed an electricity purchase contract with several companies. According to the contract, the Group can sell its own power plant to these companies, who are not allowed to resell electricity without authorization from the Group. The contracts are irrevocable, with contract periods ranging from 20-25 years.
- (v) Due to power plant installations, the Group signed non-fixed lease payment agreements with others, please refer to Note 6(q).
- (vi) The Group entered into separate long-term purchase agreements with several different silicon wafer suppliers. The Group has to make advance payments as guarantee and the suppliers shall meet the supply of materials in accordance with the contract terms. The advance payment may not be used for any other purposes than to deduct the payables arising from the purchase which is decided by both parties according to market price. In addition, the Group will recognize the impairments on the prepaid amounts according to the suppliers' operations as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Advance payment	<u>\$ 2,110,395</u>	<u>2,160,495</u>	<u>2,205,073</u>
Accumulated impairment loss	<u>\$ 164,853</u>	<u>164,853</u>	<u>51,732</u>

- (vii) As of March 31, 2021, the Group issued guarantee for Directorate General of Customs and sales Project, amounting to \$1,131,184 thousand.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(10) Losses due to major disasters: None

(11) Subsequent Events: None

(12) Others:

Employee benefits, depreciation and amortization expense are summarized based on functions as follows:

Functions	For the three months ended March 31, 2021			For the three months ended March 31, 2020		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expense	263,061	127,658	390,719	266,112	176,794	442,906
Depreciation expense (Note)	263,425	35,683	299,108	491,295	84,710	576,005
Amortization expense	463	2,395	2,858	959	1,433	2,392

Note: Exclude the depreciation expense of investment property during January 1, 2021 to March 31, 2021, \$26,011 thousand. There were no the same situation in the three months ended March 31, 2021.

(13) Other disclosures:

(a) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2021:

- (i) Lending to other parties: None.
- (ii) Guarantee and Endorsement for other parties: Please see Table 1 attached.
- (iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures not included): Please see Table 2 attached.
- (iv) Information regarding purchase or sale of securities for the period exceeding 300 million or 20% of the Group’s paid-in capital: : None.
- (v) Information on acquisition of real estate with purchase amount exceeding 300 million or 20% of the Group’s paid-in capital: None.
- (vi) Information regarding receivables from disposal of real estate exceeding 300 million or 20% of the Group’s paid-in capital: : None.
- (vii) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Group’s paid-in capital: Please see Table 3 attached.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital: Please see Table 4 attached.
- (ix) Information regarding trading in derivative financial instruments: Please refer to Note 6(b) for related information.
- (x) Significant transactions and business relationship between the parent company and its subsidiaries: Please see Table 5 attached.

(b) Information on investees:

The followings are the information on investees for the three months ended March 31, 2021: Please see Table 6 attached.

(c) Information on investment in Mainland China: Please see Table 7 attached.

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
National Development Fund, Executive Yuan		175,119,300	6.57 %
Management Committee of Yaohua Glass Corporation Ltd.		167,145,851	6.27 %

Note 1: This Table provides the information of number of ordinary shares and special shares which were delivered through non-physical registration (including treasury shares) owned by major shareholders with ownership of 5% or greater and was calculated by Taiwan Depository & Clearing Corporation using the last business day at the end of the quarter. There might be a difference between the share capital listed on the Group's financial statements and the actual number of shares delivered through non-physical registration due to different basis of calculation.

Note 2: If the shareholder delivered the shares to the trust, the above information would be revealed by the individual trust account under fiduciary account opened by the trustee. As for the shareholders handled the insider ownership declarations with shareholdings over 10% in accordance with the Securities and Exchange Act, their shareholdings include the shares owned by themselves plus the shares delivered to the trust which they have the right on allocating the trust properties, please refer to the Market Observation Post System website for information about insider ownership declaration.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

The Group's operating segment information and reconciliation are as follows:

	<u>Solar energy</u>	<u>System</u>	<u>Others</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
<u>For the three months ended March 31, 2021</u>					
Revenue					
Revenue from external customers	\$ 2,703,238	233,951	67,779	-	3,004,968
Intersegment revenues	<u>3,730</u>	<u>-</u>	<u>-</u>	<u>(3,730)</u>	<u>-</u>
Total revenue	<u>\$ 2,706,968</u>	<u>233,951</u>	<u>67,779</u>	<u>(3,730)</u>	<u>3,004,968</u>
Reportable segment profit or loss	<u>\$ (37,123)</u>	<u>(19,659)</u>	<u>9,753</u>	<u>-</u>	<u>(47,029)</u>
<u>For the three months ended March 31, 2020</u>					
Revenue					
Revenue from external customers	\$ 2,667,402	317,938	1,513	-	2,986,853
Intersegment revenues	<u>18,142</u>	<u>-</u>	<u>-</u>	<u>(18,142)</u>	<u>-</u>
Total revenue	<u>\$ 2,685,544</u>	<u>317,938</u>	<u>1,513</u>	<u>(18,142)</u>	<u>2,986,853</u>
Reportable segment profit or loss	<u>\$ (360,183)</u>	<u>77,954</u>	<u>1,385</u>	<u>-</u>	<u>(280,844)</u>

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
 ENDORSEMENTS/GUARANTEES PROVIDED
 FOR THE THREE MONTHS ENDED March 31, 2021

TABLE 1 (In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Counter-party of guarantee and endorsement		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Maximum amount for guarantees and endorsements	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Gintech (Thailand)	(4)	2,734,385	276,510	273,990	-	-	2.00	6,835,964	Y	N	N
0	The Company	GES UK	(4)	2,734,385	570,100	570,100	54,587	-	4.17	6,835,964	Y	N	N
0	The Company	GES USA	(4)	2,734,385	427,575	427,575	427,575	-	3.13	6,835,964	Y	N	N
0	The Company	NSP System	(4)	2,734,385	500,000	500,000	-	-	3.66	6,835,964	Y	N	N
0	The Company	Yong Liang	(4)	2,734,385	1,017,250	1,017,250	74,993	-	7.44	6,835,964	Y	N	N
0	The Company	Apex	(4)	2,734,385	387,215	387,215	261,000	-	2.83	6,835,964	Y	N	N
1	GES USA	TEV Solar	(2)	547,536	286,475	286,475	286,475	-	52.32	1,095,072	Y	N	N
1	GES USA	MEGA SIXTEEN	(4)	547,536	242,293	242,293	242,293	-	44.25	1,095,072	Y	N	N

Note 1: The relation between guarantor and guarantee :

- (1) Ordinary business relationship.
- (2) Subsidiary which owned more than 50 percent by the guarantor.
- (3) An investee owned more than 50 percent in total by both the guarantor and its subsidiary.
- (4) An investee owned more than 90 percent by the guarantor or its subsidiary.
- (5) Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
- (6) An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
- (7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for per-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: In accordance with the "Rules of Guarantees by the Company," the ceiling for the total guaranteed amount was 50% of the Company's net asset value, and the limit on the guaranteed amount for a single party was 20% of the Company's net asset value. But for business purposes, the limit of the guaranteed amount was the total of the purchases from or sales to the Company within the most recent year.

Note 3: Based on the "Rules of Guarantees by GES USA," the ceiling for the total guaranteed amount was 200% of GES USA's net asset value, and the limit of the guaranteed amount for a single party was 100% of GES USA's net asset value. But for business purposes, the limit on the guaranteed amount was the total of the purchases from or sales to GES USA within the most recent year. GES USA's net asset value is based on its latest settlement financial statement.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
FOR THE THREE MONTHS ENDED March 31, 2021

TABLE 2

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	2021.3.31				Note
				Number of Shares	Carrying Amount	Percentage of Ownership	Fair Value	
The Company	<u>Shares</u>							
	CTCI Corporation	-	Financial assets at fair value through other comprehensive income- current	3,003	113,814	0.39%	113,814	
	ThinTech Materials Technology Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income- non-current	7,000	148,610	9.52%	148,610	
	GIGA SOLAR MATERIALS CORPORATION	-	Financial assets at fair value through other comprehensive income- non-current	266	52,991	0.44%	52,991	
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through other comprehensive income- non-current	1,691	18,601	0.58%	18,601	
	NTNU Innovation Investment Holding Company	-	Financial assets at fair value through other comprehensive income- non-current	200	2,000	2.00%	2,000	
	ASIA GLOBAL VENTURE CAPITAL II CO., LTD	-	Financial assets at fair value through other comprehensive income- non-current	770	15,292	10.00%	15,292	
	SUN APPENNINO CORPORATION	-	Financial assets at fair value through other comprehensive income- non-current	-	-	26.09%	-	
	FICUS CAPITAL CORPORATION	-	Financial assets at fair value through other comprehensive income- non-current	-	-	28.07%	-	
	Convertible preference shares-Phanes Holding Inc.	Other related party	Financial assets at amortized cost- non-current	24	142,525	100.00%	142,525	
Apex	<u>Shares</u> Top Green Energy Technologies Inc.	Other related party	Financial assets at fair value through other comprehensive income- non-current	8,889	27,098	7.11%	27,098	

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED March 31, 2021

TABLE 3 (In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	Utech	Subsidiary	Purchase	105,694	5%	OA 14 days after receipt	-	-	(129,600)	(9.28%)	1
The Company	Gintech(Tailand)	Subsidiary	Purchase	227,504	10%	Payment at sight	-	-	(139,986)	(10.02%)	1

Note 1 : The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED March 31, 2021

TABLE 4

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate (Note1)	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	DelSolar US	Subsidiary	764,689	-	764,689	Receivable according to the financial situation	-	-
The Company	NSP NEVADA	Subsidiary	502,235	-	502,235	Receivable according to the financial situation	-	-
The Company	GES ME	Subsidiary	600,019	-	600,019	Receivable according to the financial situation	-	-
The Company	GES USA	Subsidiary	251,028	-	251,028	Receivable according to the financial situation	-	-
The Company	Gintech (Thailand)	Subsidiary	206,772	0.16	122,899	Receivable according to the financial situation	-	-
The Company	NSP System	Subsidiary	179,763	-	147,213	Receivable according to the financial situation	-	-
The Company	Yong Liang	Subsidiary	144,830	-	144,830	Receivable according to the financial situation	-	-
Gintech (Thailand)	The Company	Parent company	146,680	-	-	Receivable according to the financial situation	-	-
NSP BVI	The Company	Parent company	490,764	-	-	Receivable according to the financial situation	295,507	-
NSP BVI	CFY	Other related party	167,478	-	-	Receivable according to the schedule of signing contracts	-	-
DelSolar US	Beryl	Subsidiary	717,997	-	-	Receivable according to the financial situation	-	-
USD1	Beryl	Associate	108,858	-	-	Receivable according to the financial situation	-	-
NSP NEVADA	GES USA	Subsidiary	231,675	-	-	Receivable according to the financial situation	-	-
Beryl	CFC	Associate	413,999	-	-	Receivable according to the financial situation	-	-
GES USA	Munisol	Grandson company	828,782	-	-	Receivable according to the financial situation	-	-
TEV II	TEV Solar	Subsidiary	560,839	-	-	Receivable according to the financial situation	-	-
Utech	The Company	Parent company	129,600	-	-	Receivable according to the financial situation	-	-

Note 1 : Receivables arising from the payment of power plant construction payments or procurement transactions don't apply to turnover rate.

Note 2 : The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
 BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 FOR THE THREE MONTHS ENDED March 31, 2021

TABLE 5

(In Thousands of New Taiwan Dollars)

No (Note 1)	Company Name	Related Party	Relationship(Note 2)	Intercompany transactions			
				Financial Statement Account	Amount	Trading Terms	Percentage of the consolidated net revenue or total assets
0	The Company	DeSolar US	1	Other receivable	764,689	Note 3	2%
0	The Company	NSP NEVADA	1	Other receivable	502,235	Note 3	2%
0	The Company	GES ME	1	Other receivable	600,019	Note 3	2%
0	The Company	Gintech(Thailand)	1	Purchase	227,504	Note 3	8%
0	The Company	Utech	1	Purchase	105,694	Note 3	4%
0	The Company	NSP BVI	1	Other expense payable	490,764	Note 3	2%
1	DeSolar US	Beryl	3	Other receivable	717,997	Note 3	2%
2	GES USA	Munisol	3	Other receivable	828,782	Note 3	3%
3	TEV II	TEV Solar	3	Other receivable	560,839	Note 3	2%

Note 1: fill in of numbers :

1. 0 represents the parent company.
2. The subsidiaries start with number 1.

Note 2: Relationship with counterparty are represented below :

1. Transactions from parent company to subsidiary.
2. Transactions from subsidiary to parent company.
3. Transactions between subsidiaries.

Note 3: Based on general trading conditions and prices.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 5: If other transactions do not reach 1% of the combined total revenue or total assets ratio will not be disclosed.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
 INVESTEESEXCLUDING INFORMATION ON INVESTEEES IN MAINLAND CHINA)
 FOR THE THREE MONTHS ENDED March 31, 2021

TABLE 6

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2021			Investee recognized		Note
				March 31, 2021	December 31, 2020	Shares (Thousands)	% of Ownership	Carrying Value	Net Income (Loss) of the Investee	Investment Gain (Loss)	
The Company	UES	Independent State of Samoa	Investment company	NTD 1,918,131	NTD 1,918,131	62,188	100%	718,429	2,060	2,060	
	DelSolar Cayman	Cayman Islands	Investment company	NTD 4,906,789	NTD 4,906,789	155,126	100%	596,775	(14,785)	(14,594)	
	NSP BVI	British Virgin Islands	Investment company	NTD 470,424	NTD 470,424	18,350	100%	658,262	2	2	
	GES ME	The United Arab Emirates	Solar related business	NTD 418,805	NTD 418,805	4	100%	177,740	(9,844)	(9,844)	
	Apex	Taiwan	Solar related business	NTD 165,994	NTD 165,994	36,379	100%	197,530	445	445	
	NSP UK	UK	Investment company	NTD 71,881	NTD 71,881	1,780	100%	94,684	(66,740)	(66,740)	
	NSP System	Taiwan	Solar related business	NTD 144,200	NTD 144,200	14,420	100%	83,558	(8,783)	(8,783)	
	New Ray Investment	Taiwan	Investment company	NTD 115,000	NTD 115,000	11,500	100%	-	(65)	(65)	
	Zhongyang	Taiwan	Solar related business	NTD 24,121	NTD 24,121	3,500	100%	26,463	(361)	(361)	
	UREE	Taiwan	Solar related business	NTD 25,300	NTD 25,300	2,530	100%	1,345	(26)	(26)	
	DelSolar Singapore	Singapore	Investment company	NTD 29,743	NTD 29,743	1,250	100%	16,859	(15)	(15)	
	BPS	Taiwan	Solar related business	NTD 6,000	NTD 6,000	600	60%	14,391	(1,476)	(886)	
	SMC	Taiwan	Solar related business	NTD 9,720	NTD 9,720	1,000	100%	9,858	8	8	
	Utech	Taiwan	Electronic component manufacturing	NTD 1,017,070	NTD 717,070	80,356	99.92%	(1,002,527)	(51,381)	(24,114)	
	Yong Liang	Taiwan	Solar related business	NTD 249,000	NTD 249,000	-	100%	272,643	3,768	3,768	
	Yong Zhou	Taiwan	Solar related business	NTD 46,500	NTD 46,500	-	100%	(2,977)	(1,196)	(1,196)	
	JRC	Dominican	Solar related business	NTD 431,397	NTD 431,397	145	59.69%	215,544	(853)	(509)	
	GES UK	UK	Investment company	NTD 2,943,653	NTD 2,943,653	95,890	100%	1,327,016	(26,479)	(26,479)	
	TSST	Malaysia	Solar related business	NTD 417,692	NTD 417,692	97,701	42.12%	69,340	1,295	545	Note 1
	V5 Technology	Taiwan	Electronic component manufacturing and selling	NTD 114,084	NTD 114,084	7,789	32.73%	55,970	(26,932)	(9,450)	Note 1
	Gintung	Taiwan	Electronic component manufacturing	NTD 34,341	NTD 34,341	13,460	36.38%	-	(20,953)	-	Note 1
	DSET	Taiwan	Solar related business	NTD 10,500	NTD 10,500	1,050	29.17%	1,792	(859)	(251)	Note 1
Dashiangying	Taiwan	Agriculture related business	NTD 100	NTD 100	10	100%	64	(3)	(3)		
Shinkai	Taiwan	Agriculture related business	NTD 100	NTD 100	10	100%	64	(3)	(3)		
Shanshang	Taiwan	Solar related business	NTD 20,100	NTD 20,100	2,010	100%	20,055	(4)	(4)		
Jiangung	Taiwan	Agriculture related business	NTD 100	NTD 100	10	100%	64	(3)	(3)		
Dungshr	Taiwan	Electronic component	NTD 2,100	NTD 2,100	210	100%	616	472	472		
Yanshan	Taiwan	Agriculture related business	NTD 100	NTD 100	10	100%	64	(3)	(3)		
Hemvan	Taiwan	Solar related business	NTD 30,000	NTD 30,000	3,000	30%	29,614	(714)	(214)	Note 1	
UES	RES	Independent State of Samoa	Investment company	USD 64,406	USD 64,406	62,188	100%	718,428	2,060	-	Note 7
RES	Gintech Thailand	Thailand	Solar related business	USD 64,155	USD 64,155	20,920	100%	711,411	2,060	-	Note 7

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2021			Investee recognized		Note
				March 31, 2021	December 31, 2020	Shares (Thousands)	% of Ownership	Carrying Value	Net Income (Loss) of the Investee	Investment Gain (Loss)	
GES UK	GES USA	US	Investment company	USD 52,180	USD 52,180	53,416	100%	547,536	4,545	-	Note 7
	NSP Germany	Germany	Solar related business	EUR 23	EUR 23	23	90%	1,289	(351)	-	Note 6,7
	NCH Solar1	UK	Solar related business	GBP 6,947	GBP 6,947	6,947	100%	283,941	(1,434)	-	Note 7
	GES_Solar2	UK	Solar related business	GBP 1,022	GBP 1,022	1,022	100%	27,429	(197)	-	Note 7
	GES_Solar3	UK	Solar related business	GBP 67	GBP 67	67	100%	(4,249)	(174)	-	Note 7
	GES CANADA	Canada	Investment company	USD 12,025	USD 12,025	10,540	100%	194,696	(5,513)	-	Note 7
GES USA	GES JAPAN	Japan	Investment company	JPY 1,184,330	JPY 1,184,330	276	100%	251,008	(2,197)	-	Note 7
	MEGA TWO	US	Solar related business	USD 19,274	USD 19,274	19,274	100%	34,623	(1,098)	-	Note 7
	MEGA THREE	US	Solar related business	USD 1,284	USD 1,284	1,284	40%	2,109	86	4	Note 1,7
	MEGA FIVE	US	Solar related business	USD 635	USD 635	635	100%	17,951	(924)	-	Note 7
	MEGA SIX	US	Solar related business	USD 2,627	USD 2,627	2,627	100%	33,273	(61)	-	Note 7
	MEGA EIGHT	US	Solar related business	USD 748	USD 748	748	100%	3,631	15	-	Note 7
	MEGA TWELVE	US	Solar related business	USD 168	USD 168	168	100%	294	(126)	-	Note 7
	MEGA THIRTEEN	US	Solar related business	USD 2,000	USD 2,000	2,000	100%	54,503	126	-	Note 7
	MEGA SIXTEEN	US	Solar related business	USD 11,981	USD 11,981	11,981	100%	290,094	457	-	Note 7
	MEGA NINETEEN	US	Solar related business	USD 132	USD 132	132	100%	(2,723)	51	-	Note 7
	MEGA TWENTY	US	Solar related business	USD 124	USD 124	124	100%	1,549	96	-	Note 7
	ASSET TWO	US	Solar related business	USD -	USD -	-	-%	(327)	(23)	-	Note 3,7
	ASSET THREE	US	Solar related business	USD 2,839	USD 2,839	2,839	100%	17,858	(241)	-	Note 7
	SH4	US	Solar related business	USD 619	USD 619	619	100%	10,721	95	-	Note 7
	CEDAR FALLS	US	Solar related business	USD 2,233	USD 2,237	2,233	100%	42,468	(607)	-	Note 7
	Schenectady	US	Solar related business	USD -	USD -	-	-%	(20,316)	(111)	-	Note 3,7
	VOC	US	Solar related business	USD 2,393	USD 2,393	2,393	-%	18,243	(14,334)	-	Note 3,7
	SEG	US	Solar related business	USD 800	USD 800	800	100%	13,665	(28)	-	Note 7
	KINECT	US	Solar related business	USD 266	USD 266	266	100%	9,068	110	-	Note 7
	RER CT 57	US	Solar related business	USD 1,931	USD 1,931	1,931	100%	37,007	604	-	Note 7
TEV II	US	Solar related business	USD 200	USD 200	0	100%	(113,658)	2,252	-	Note 4,7	
Illini Power LLC	US	Solar related business	USD -	USD -	-	-%	(94)	(23)	-	Note 3,7	
PS CS LLC	US	Solar related business	USD -	USD -	-	-%	(93)	(23)	-	Note 3,7	
HEYWOOD	US	Solar related business	USD 1,770	USD 1,770	-	55%	42,459	(332)	-	Note 7	
MP Solar	US	Solar related business	USD 3,251	USD 3,251	-	55%	92,037	(23)	-	Note 7	
Ventura	US	Solar related business	USD 3,013	USD 3,013	3,013	55%	85,480	(23)	-	Note 7	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2021			Investee recognized		Note	
				March 31, 2021	December 31, 2020	Shares (Thousands)	% of Ownership	Carrying Value	Net Income (Loss) of the Investee	Investment Gain (Loss)		
NSP NEVADA	HEYWOOD	US	Solar related business	USD 1,448	USD 1,448	-	45%	35,428	(332)	-	Note 7	
	MP Solar	US	Solar related business	USD 2,660	USD 2,660	-	45%	75,303	(23)	-	Note 7	
	Ventura	US	Solar related business	USD 2,465	USD 2,465	-	45%	69,939	(23)	-	Note 7	
	Livermore	US	Solar related business	USD 150	USD 150	-	100%	(41,525)	(1,394)	-	Note 7	
	Industrial Park	US	Solar related business	USD 3,100	USD 3,100	-	100%	32,314	(1,193)	-	Note 7	
	Hillsboro	US	Solar related business	USD 1,862	USD 1,862	-	100%	41,508	(537)	-	Note 7	
GES CANADA	JRC	Dominican	Solar related business	USD 9,842	USD 9,842	97	40.31%	233,345	(853)	-	Note 7	
MEGA TWO	Munisol	Mexico	Solar related business	USD 18,490	USD 18,490	347,071	100%	363,269	(1,076)	-	Note 7	
ASSET THREE	SHIMA'S	US	Solar related business	USD 153	USD 153	153	100%	(1,413)	37	-	Note 7	
	WAIMEA	US	Solar related business	USD 526	USD 526	526	100%	12,432	115	-	Note 7	
	HONOKAWAI	US	Solar related business	USD 418	USD 418	418	100%	12,696	104	-	Note 7	
	ELEELE	US	Solar related business	USD 637	USD 637	637	100%	15,587	89	-	Note 7	
	HANALEI	US	Solar related business	USD 280	USD 280	280	100%	2,192	34	-	Note 7	
	KAPAA	US	Solar related business	USD 761	USD 761	761	100%	12,939	122	-	Note 7	
	KOLOA	US	Solar related business	USD 569	USD 569	569	100%	10,334	144	-	Note 7	
	MEGA SIXTEEN	GES AC	US	Solar related business	USD 24,942	USD 24,942	0.1	67.59%	710,460	(72)	-	Note 5,7
	GES AC	ANDERSON N.	US	Solar related business	USD 13,507	USD 13,507	13,507	100%	366,306	(2,666)	-	Note 5,7
		ANDERSON S.	US	Solar related business	USD 11,454	USD 11,454	11,454	100%	310,661	(2,188)	-	Note 5,7
Flora		US	Solar related business	USD 1,915	USD 1,915	1,915	100%	52,652	(355)	-	Note 5,7	
Greenfield		US	Solar related business	USD 8,631	USD 8,631	8,631	100%	234,552	(1,659)	-	Note 5,7	
Spiceland		US	Solar related business	USD 1,275	USD 1,275	1,275	100%	34,762	(265)	-	Note 5,7	
TEV II	TEV Solar	US	Solar related business	USD 100	USD 100	0.1	100%	2,603	(48)	-	Note 5,7	
TEV Solar	AC GES Solar	US	Solar related business	USD 19,674	USD 19,674	0.1	66.19%	560,693	(48)	-	Note 5,7	
AC GES Solar	Richmond	US	Solar related business	USD 19,259	USD 19,259	19,259	100%	541,478	(3,329)	-	Note 5,7	
	Rensselaer	US	Solar related business	USD 9,933	USD 9,933	9,933	100%	280,621	(1,389)	-	Note 5,7	
	Advance	US	Solar related business	USD 534	USD 534	534	100%	15,019	(77)	-	Note 5,7	
NSP BVI	NSP HK	Hong Kong	Solar related business	USD -	USD -	-	100%	-	1	-	Note 7	
DelSolar Cayman	DelSolar HK	Hong Kong	Investment company	USD 125,200	USD 125,200	125,200	100%	209,930	(1,305)	-	Note 7	
	DelSolar US	US	Investment company	USD 24,800	USD 24,800	3	100%	329,359	(10,307)	-	Note 7	
	NSP NEVADA	US	Solar related business	USD 5,125	USD 5,125	5,125	100%	55,151	(3,293)	-	Note 7	
	URE NSP	US	Solar related business	USD 500	USD 500	500	100%	14,516	120	-	Note 7	
DelSolar Singapore	NSP Vietnam	Vietnam	Technical management services	USD -	USD 160	-	0%	-	-	-	Note 7,8	
NSP UK	PV Power Park	Germany	Solar related business	GBP 20	GBP 20	-	100%	399	-	-	Note 7	
	NSP Indygen	UK	Solar related business	GBP -	GBP -	-	100%	44,798	(66,697)	-	Note 7	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2021			Investee recognized		Note	
				March 31, 2021	December 31, 2020	Shares (Thousands)	% of Ownership	Carrying Value	Net Income (Loss) of the Investee	Investment Gain (Loss)		
NSP System	Hsin Jin Optoelectronics	Taiwan	Solar related business	NTD 10,647	NTD 10,647	0	80%	11,709	230	-	Note 7	
	Hsin Jin Solar Energy	Taiwan	Solar related business	NTD 13,981	NTD 13,981	0	60%	15,356	409	-	Note 7	
	Si Two	Taiwan	Solar related business	NTD 20,000	NTD 20,000	2,000	100%	19,147	(18)	-	Note 7	
	Tienyang	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	(302)	(3)	-	Note 7	
	Deyang	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	(295)	(3)	-	Note 7	
	Shanyang	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	(295)	(3)	-	Note 7	
	Jeyang	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	(295)	(3)	-	Note 7	
	Lianzhang	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	188	80	-	Note 7	
	Lianxi	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	66	(3)	-	Note 7	
	Liancheng	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	65	(3)	-	Note 7	
	Feng Yang	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	52	(8)	-	Note 7	
	UREE	UAE	Agriculture related business	NTD 100	NTD 100	10	100%	64	(3)	-	Note 7	
	DelSolar HK	DelSolar Wu Jiang	China	Solar related business	USD 120,000	USD 120,000	-	100%	197,565	(1,244)	-	Note 7
	DelSolar US	DelSolar Development	US	Solar related business	USD 2,200	USD 2,200	-	100%	19,210	(1,626)	-	Note 7
	CFR	US	Solar related business	USD 14,370	USD 14,370	14,370	100%	(71,141)	(1,782)	-	Note 7	
	USD1	US	Solar related business	USD 3,582	USD 3,582	-	100%	187,216	-	-	Note 7	
	JV2	US	Solar related business	USD 830	USD 830	-	67%	-	-	-	Note 1,2,7	
	Beryl	US	Solar related business	USD -	USD -	-	100%	140,207	(6,744)	-	Note 7	
DelSolar Development	DSS-USF PHX LLC	US	Solar related business	USD 370	USD 370	-	100%	9,798	(228)	-	Note 7	
	DSS-RAL LLC	US	Solar related business	USD 835	USD 835	-	100%	8,116	(1,568)	-	Note 7	
CFR	Rugged solar LLC	US	Solar related business	USD -	USD -	-	-	-	-	-	Note 3,7	
USD1	DevCo One	US	Solar related business	USD 444	USD 444	-	40%	1,714	-	-	Note 1,7	
	DevCo Two	US	Solar related business	USD 444	USD 444	-	40%	1,714	-	-	Note 1,7	

Note 1 : It is an investments accounted for using equity method and is an affiliated enterprise or a joint venture. Except for these entities, the remaining entities are all subsidiaries of the consolidated entity. The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2 : Although the Group holds more than half of JV2's equity, according to the joint venture contract, all major management decisions of JV2 must be agreed by all directors. Therefore, the Group assess no control over JV2.

Note 3 : The Group's structured entities.

Note 4 : GES USA and Telamon Enterprise Ventures (Telamon), non-related parties, established TEV II and obtained 50% of each of TEV II's equity in the contract agreement. According to the contract, GES USA was responsible for all related projects led by TEV II and assume the risk of variable remuneration. Therefore, GES USA has control over TEV II. Additionally, GES USA purchased a 50% stake in TEV II held by Telamon in August 2020.

Note 5 : According to the loan contract between the Group and IMPA, the Group cannot transfer the equity of the companies before the specified date. Please refer to note 6(o) for details.

Note 6 : Due to organization reorganization on May 2020, NSP Germany was recognized under NSP UK before May, and its shares have been transferred to GES UK since June, becoming a 90% owned subsidiary.

Note 7 : The investor disclosed the profits and losses of the investment, which include the profits and losses of the investee; therefore, no disclosure is needed from the Company.

Note 8 : As of March 31 2021, the Group disposed of all the equity shares.

Note 9 : The abovementioned subsidiaries included in the consolidated financial report are all non-significant subsidiaries.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
 INFORMATION ON INVESTMENTS IN MAINLAND CHINA
 FOR THE THREE MONTHS ENDED March 31, 2021

TABLE 7 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Investment flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2021	Net Income (Loss) of the Investee (Note 2)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2021	Accumulated Repatriation of Investment Income as of March 31, 2021
					Outflow	Inflow						
DelSolar Wu Jiang	Solar related business	USD 120,000 \$ 3,420,600	Note 1	USD 120,000 \$ 3,420,600	-	-	USD 120,000 \$ 3,420,600	(1,244)	100%	(1,244)	197,565	-
NSP Nanchang	Solar related business	USD 0 \$ -	Note 4	USD 5,000 \$ 142,525	-	-	USD 5,000 \$ 142,525	Note 4	-	-	-	-

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2021 (US\$ in Thousands)	Investment Amount Authorized by the Investment Commission, MOEA (US\$ in Thousands)	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
USD 143,450 4,089,042	USD 149,6189(Note 4) 4,264,861	8,203,156

Note 1 : Investments Mainland China through a third region.

Note 2 : Subsidiaries mentioned above were recognized on the basis of unaudited financial statements as March 31, 2021.

Note 3 : The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 4 : The Group disposed of all the shares of NSP Nanchang in the third quarter of 2020.

Note 5 : The exchange rate used is the rate on March 31, 2021.