

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

Consolidated Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2020 and 2019**

Address: No.7, Lixing 3rd Road, Hsinchu Science Park, Hsinchu City 30078,Taiwan
Telephone: (03)5780011

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

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Representation Letter

The entities that are required to be included in the combined financial statements of United Renewable Energy Co., Ltd. as of and for the year ended December 31, 2020 under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, United Renewable Energy Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: United Renewable Energy Co., Ltd.

Chairman: CHUM SAM HONG

Date: March 25, 2021



安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

Telephone 電話 + 886 2 8101 6666
Fax 傳真 + 886 2 8101 6667
Internet 網址 home.kpmg/tw

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of United Renewable Energy Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

Please refer to note 4 (q) “Revenue recognition” for accounting policy and note 6 (y) “Revenue from contracts with customers” of the consolidated financial statements for further information.

Description of key audit matter:

The Group's revenues are derived from the sales of solar modules, power plant and cells. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. In consideration of the high volume of sales transactions generated from world-wide operations, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding of revenue recognition policies and assessing whether revenue recognition policies are appropriate based on sales terms and revenue recognition criteria; understanding the design and process of implementation of internal controls and testing operating effectiveness; testing selected sales samples and agreeing to customer orders, delivery note and related documentation supporting sales recognition; testing sales cut-off, on a sample basis, for transactions incurred within a certain period before or after the balance sheet date by reviewing related sales terms, inspecting delivery documents, and other related supporting document to evaluate whether the revenue was recorded in proper period.

2. The valuation of power plants under construction

Please refer to note 4 (h) “Inventory” for accounting policy and note 5 “assumptions and judgments, and major sources of estimation uncertainty for valuation of power plants under construction” of the consolidated financial statements for further information.

Description of key audit matter:

The Group developed its power plants under construction and sold them to earn profits. Therefore, the project revenue of the power plants under construction and the estimated marketable price are deemed essential by the Group, the valuation of power plants under construction is one of the key areas our audit focused on.

How the matter was addressed in our audit:

Our principal audit procedures included: obtaining the comparative information of the total budget and actual accumulated expenditures of the projects currently under construction for the long-term equity investment and understanding the completion progress of each power plant project and additional costs needed to be invested as of the reporting date; reviewing the net realizable value of the power plants under construction as assessed by the management, including whether the evaluation method used complies with the International Financial Reporting Standards; checking the calculation of the net realizable value of the power plants under construction by the management, and evaluating the source of the estimated sales price.

3. Assessment of impairment of non-financial assets

Please refer to note 4 (o) “Impairment of non-financial assets” for accounting policy and note 5 “assumptions and judgments, and major sources of estimation uncertainty for impairment of non-financial assets” of the consolidated financial statements for further information.

Description of key audit matter:

The Group belongs to a high capital expenditure industry, and its production capacity relies on the customer needs. However, in an environment where market supply exceeds demand, product prices continue to decline. Therefore, the assessment of long-term non-financial asset impairment is important. The process of asset impairment assessment relies on the subjective judgment of the management. It is an accounting estimate with a high degree of uncertainty. Therefore, the assessment of impairment of non-financial assets is one of the key areas our audit focused on.

How the matter was addressed in our audit:

Our principal audit procedures included: assessing the cash-generating units recognized by the management that might have internal and external signs of impairment, and considering whether all assets that required annual impairment tests have been fully included in the assessment scope; evaluating whether the evaluation method used by the management to measure the recoverable amount of each cash-generating unit complies with the International Financial Reporting Standards, and reviewing its related calculations and various assumptions used, as well as conducting sensitivity analysis on important assumptions.

Other Matter

We did not audit the consolidated financial statements of the Group as of December 31, 2019. Those financial statements were audited by other auditors who expressed an unqualified opinion with emphasis of matter and other matter paragraphs on those statements dated March 26, 2020.

The Group has prepared its parent company only financial statements as of and for the years ended December 31, 2020 and 2019, on which we and other auditors expressed an unqualified opinion and an unqualified opinion with emphasis of matter and other matter paragraphs, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation developed by IFRIC or SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng Chien Chen and Yung Hua Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 25, 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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit 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' audit report and consolidated financial statements, the Chinese version shall prevail.

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

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 4,954,658	15	6,371,316	14	2100	Short-term borrowings (note 6(m))	\$ 2,320,002	7	2,988,798	7
1110	Financial assets at fair value through profit or loss - current (note 6(b))	2,714	-	2,392	-	2110	Short-term bills payable (note 6(n))	174,810	1	415,458	1
1120	Financial assets at fair value through other comprehensive income - current (note 6(c))	114,715	-	114,414	-	2120	Financial liabilities at fair value through profit or loss - current (note 6(b))	5,437	-	755	-
1140	Contract assets - current (notes 6(y) and 7)	175,041	1	483,247	1	2130	Contract liabilities - current (notes 6(y) and 7)	348,911	1	323,832	1
1170	Notes and accounts receivable, net (note 6(e))	2,078,846	6	2,060,117	4	2170	Notes and accounts payable	1,336,177	4	1,505,764	3
1180	Accounts receivable from related parties, net (notes 6(e) and 7)	206,901	1	515,469	1	2280	Lease liability - current (note 6(q))	50,913	-	65,778	-
1200	Other receivables	174,376	1	153,196	-	2320	Current portion of long-term borrowings, preference share liabilities and bonds payable (notes 6(o) and (p))	5,381,804	17	5,737,284	12
1210	Other receivables from related parties (note 7)	785,448	2	656,913	1	2399	Other current liabilities (note 6(r) and 7)	1,626,370	5	1,480,497	3
130X	Inventories (notes 6(f) and 8)	3,517,082	11	4,944,580	11		Total current liabilities	<u>11,244,424</u>	<u>35</u>	<u>12,518,166</u>	<u>27</u>
1410	Prepayments (notes 7 and 9)	737,746	2	752,686	2	Non-Current liabilities:					
1476	Other financial assets (note 8)	1,107,101	3	617,391	1	2500	Financial liabilities at fair value through profit or loss - non-current (notes 6(b) and (o))	99,741	-	143,814	-
1479	Other current assets	246,734	1	830,607	2	2540	Long-term borrowings (note 6(o))	5,115,671	16	11,776,935	25
	Total current assets	<u>14,101,362</u>	<u>43</u>	<u>17,502,328</u>	<u>37</u>	2580	Lease liability - non-current (note 6(q))	605,021	2	952,521	2
Non-current assets:						2635	Preference share liabilities - non-current (note 6(p))	13,219	-	28,178	-
1510	Financial assets at fair value through profit or loss - non-current (notes 6(b) and (o))	182,058	1	268,379	1	2670	Other non-current liabilities (notes 6(r) and (u))	358,511	1	322,635	1
1517	Financial assets at fair value through other comprehensive income - non-current (notes 6(c) and 8)	276,774	1	2,411,482	5		Total non-current liabilities	<u>6,192,163</u>	<u>19</u>	<u>13,224,083</u>	<u>28</u>
1535	Financial assets at amortized cost - non-current (note 6(d))	140,475	-	149,975	-		Total liabilities	<u>17,436,587</u>	<u>54</u>	<u>25,742,249</u>	<u>55</u>
1550	Investments accounted for using the equity method (notes 6(g), 7 and 8)	176,322	1	2,130,415	5	Equity attributable to owners of parent (notes 6(v) and (w))					
1600	Property, plant and equipment (notes 6(i), 7 and 8)	10,450,989	32	19,064,958	40	3110	Ordinary shares	26,650,863	82	26,653,375	57
1755	Right-of-use assets (note 6(j))	568,497	2	981,114	2	3200	Capital surplus	7,877	-	118,989	-
1760	Investment property, net (note 6(k))	2,741,260	8	-	-	3350	Accumulated deficit	(11,581,063)	(36)	(6,000,644)	(13)
1780	Intangible assets (note 6(l))	70,317	-	115,357	-	3400	Other equity	(802,046)	(2)	(31,028)	-
1840	Deferred tax assets (note 6(u))	639,924	2	1,056,550	2	3500	Treasury shares	(18,699)	-	(18,699)	-
1915	Prepayments - non-current (notes 7 and 9)	1,979,465	6	2,184,811	5		Total equity attributable to owners of parent	<u>14,256,932</u>	<u>44</u>	<u>20,721,993</u>	<u>44</u>
1920	Refundable deposits (note 8)	732,696	2	911,486	2	36XX	Non-controlling interests	767,182	2	762,242	1
1942	Other receivables from related parties - non-current (note 7)	21,581	-	23,041	-		Total equity	<u>15,024,114</u>	<u>46</u>	<u>21,484,235</u>	<u>45</u>
1990	Other non-current assets (note 8)	378,981	2	426,588	1	Total liabilities and equity		<u>\$ 32,460,701</u>	<u>100</u>	<u>47,226,484</u>	<u>100</u>
	Total non-current assets	<u>18,359,339</u>	<u>57</u>	<u>29,724,156</u>	<u>63</u>						
	Total assets	<u>\$ 32,460,701</u>	<u>100</u>	<u>47,226,484</u>	<u>100</u>						

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		2020		2019	
		Amount	%	Amount	%
4000	Net operating revenues (notes 6(y) and 7)	\$ 12,511,034	100	18,139,112	100
5110	Operating costs (notes 6(f)(q)(t), 7 and 12)	<u>13,443,714</u>	<u>107</u>	<u>19,121,643</u>	<u>105</u>
5900	Gross loss from operations	(932,680)	(7)	(982,531)	(5)
5920	Add: Realized (unrealized) profit from sales	<u>56,204</u>	-	<u>(1,792)</u>	-
5950	Realized gross loss	<u>(876,476)</u>	<u>(7)</u>	<u>(984,323)</u>	<u>(5)</u>
Operating expenses (notes 6(e)(q)(t) and 12):					
6100	Selling expenses	514,828	4	1,090,967	6
6200	General and administrative expenses	1,090,358	9	1,167,887	7
6300	Research and development expenses	176,893	1	218,674	1
6450	Impairment loss (reversal of impairment loss) on trade receivable	<u>(22,405)</u>	-	<u>(6,593)</u>	-
	Total operating expense	<u>1,759,674</u>	<u>14</u>	<u>2,470,935</u>	<u>14</u>
6500	Other income and expenses (note 6(i))	<u>(1,978,107)</u>	<u>(16)</u>	<u>(1,766,692)</u>	<u>(10)</u>
	Loss from operations	<u>(4,614,257)</u>	<u>(37)</u>	<u>(5,221,950)</u>	<u>(29)</u>
Non-operating income and expenses:					
7010	Other income (notes 6(d)(s)(aa) and 7)	347,489	3	241,234	1
7020	Other gains and losses (notes 6(g)(h) and (aa))	(802,967)	(7)	282,582	2
7050	Finance costs (note 6(q))	(651,941)	(5)	(874,294)	(5)
7060	Share of gain (loss) of associates and joint ventures accounted for using equity method (note 6(g))	(31,686)	-	(187,589)	(1)
7100	Interest income	<u>17,930</u>	-	<u>53,461</u>	-
		<u>(1,121,175)</u>	<u>(9)</u>	<u>(484,606)</u>	<u>(3)</u>
	Loss before income tax	(5,735,432)	(46)	(5,706,556)	(32)
7950	Less: Income tax expense (note 6(u))	<u>426,875</u>	<u>3</u>	<u>62,633</u>	-
8200	Net loss	<u>(6,162,307)</u>	<u>(49)</u>	<u>(5,769,189)</u>	<u>(32)</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	113,745	1	803,421	5
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign statements	<u>(422,528)</u>	<u>(4)</u>	<u>16,651</u>	-
8300	Total other comprehensive income (loss)	<u>(308,783)</u>	<u>(3)</u>	<u>820,072</u>	<u>5</u>
	Total comprehensive income (loss)	<u>\$ (6,471,090)</u>	<u>(52)</u>	<u>(4,949,117)</u>	<u>(27)</u>
	Net loss attributable to:				
	Shareholders of the parent	\$ (6,139,015)	(49)	(5,686,065)	(31)
	Non-controlling interests	<u>(23,292)</u>	-	<u>(83,124)</u>	<u>(1)</u>
		<u>\$ (6,162,307)</u>	<u>(49)</u>	<u>(5,769,189)</u>	<u>(32)</u>
	Total comprehensive income (loss) attributable to:				
	Shareholders of the parent	\$ (6,398,838)	(51)	(4,848,665)	(27)
	Non-controlling interests	<u>(72,252)</u>	<u>(1)</u>	<u>(100,452)</u>	-
		<u>\$ (6,471,090)</u>	<u>(52)</u>	<u>(4,949,117)</u>	<u>(27)</u>
	Loss per share				
9750	Basic loss per share (NT dollars) (note 6(x))	<u>\$ (2.31)</u>		<u>(2.26)</u>	

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(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, 2019	\$ 25,157,599	1,011,023	(369,468)	(328,960)	(527,897)	(16,586)	(18,699)	24,907,012	897,999	25,805,011
Effect of retrospective application	-	-	(306,244)	(1,125)	-	-	-	(307,369)	(34,173)	(341,542)
Balance at January 1, 2019 as restated	25,157,599	1,011,023	(675,712)	(330,085)	(527,897)	(16,586)	(18,699)	24,599,643	863,826	25,463,469
Net loss for the year ended December 31, 2019	-	-	(5,686,065)	-	-	-	-	(5,686,065)	(83,124)	(5,769,189)
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	33,979	803,421	-	-	837,400	(17,328)	820,072
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	(5,686,065)	33,979	803,421	-	-	(4,848,665)	(100,452)	(4,949,117)
Other changes in capital surplus:										
Offset of deficit against capital surplus	-	(369,468)	369,468	-	-	-	-	-	-	-
Issuance of new shares	1,500,000	(522,000)	-	-	-	-	-	978,000	-	978,000
Distribution of restricted shares for employees	22,050	(4,741)	-	-	-	(17,309)	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	(1,499)	(1,499)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	(7,968)	-	7,968	-	-	-	-	-
Compensation cost of restricted shares for employees	-	333	-	-	-	8,483	-	8,816	-	8,816
Cancellation of restricted shares for employees	(26,274)	204	-	-	-	6,998	-	(19,072)	-	(19,072)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	(367)	-	-	-	-	(367)	367	-
Compensation costs of employee shares options	-	3,638	-	-	-	-	-	3,638	-	3,638
Balance at December 31, 2019	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 year ended December 31, 2020	-	-	(6,139,015)	-	-	-	-	(6,139,015)	(23,292)	(6,162,307)
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	(373,568)	113,745	-	-	(259,823)	(48,960)	(308,783)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	(6,139,015)	(373,568)	113,745	-	-	(6,398,838)	(72,252)	(6,471,090)
Other changes in capital surplus:										
Changes in equity of associates and joint ventures accounted for using the equity method	-	7,819	-	-	-	-	-	7,819	-	7,819
Offset of deficit against capital surplus	-	(123,629)	123,629	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(84,834)	-	-	-	-	(84,834)	84,834	-
Changes in ownership interests in subsidiaries	-	473	-	-	-	-	-	473	(473)	-
Non-controlling interests	-	-	-	-	-	-	-	-	(7,970)	(7,970)
Distribution of restricted shares for employees	7,950	1,201	(1,591)	-	-	(7,560)	-	-	-	-
Cancellation of restricted shares for employees	(10,462)	1,429	-	-	-	6,000	-	(3,033)	-	(3,033)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	522,193	-	(522,193)	-	-	-	-	-
Adjustments to capital surplus and retained earnings for changes in subsidiaries' equity	-	1,595	(801)	-	-	-	-	794	801	1,595
Compensation cost of restricted shares for employees	-	-	-	-	-	12,558	-	12,558	-	12,558
Balance at December 31, 2020	\$ 26,650,863	7,877	(11,581,063)	(669,674)	(124,956)	(7,416)	(18,699)	14,256,932	767,182	15,024,114

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Loss before income tax	\$ (5,735,432)	(5,706,556)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	2,058,233	3,348,315
Amortization expense	8,900	22,933
Expected credit loss (gain)	(22,405)	23,504
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	5,508	(74,862)
Finance cost	651,941	874,294
Interest income	(17,930)	(55,982)
Dividends income	(89,028)	(75,153)
Compensation cost of restricted shares for employees	10,826	(301)
Compensation cost of employee shares options	-	3,638
Share of loss of associates and joint ventures accounted for using the equity method	31,686	187,589
Loss (Gain) on disposal of property, plant and equipment and power facilities business held for sale	598,885	11,988
Gain on disposal of investments	(204,861)	(212,773)
Impairment loss on property, plant and equipment	1,977,516	1,617,369
Impairment loss on intangible assets	591	137,904
Impairment loss on prepayment	116,788	1,766
Other	451,479	(49,675)
Total adjustments to reconcile profit (loss)	5,578,129	5,760,554
Changes in operating assets and liabilities:		
Contract assets - current	308,206	(386,630)
Notes and accounts receivable	(49,122)	521,608
Accounts receivable from related parties	312,647	24,373
Other receivables	83,252	123,076
Other receivables from related parties	352,681	390,026
Inventory	801,045	(376,619)
Prepayments (including non-current)	94,512	(43,799)
Other current assets	419,515	(26,317)
Contract liabilities - current	25,079	(21,420)
Notes and accounts payable (including related parties)	(148,907)	(518,495)
Provisions	88,784	(128,904)
Other current liabilities	113,888	(792,414)
Total changes in operating assets and liabilities	2,401,580	(1,235,515)
Cash inflow generated from (used in) operations	2,244,277	(1,181,517)
Income taxes paid	(25,660)	(43,209)
Net cash flows generated from (used in) operating activities	2,218,617	(1,224,726)
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,241,455	6,755
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6,470	-
Acquisition of investments accounted for using the equity method	(30,000)	-
Proceeds from disposal of associates	1,873,903	-
Proceeds from disposal of subsidiaries	247,957	747,551
Acquisition of property, plant and equipment	(254,697)	(691,430)
Proceeds from disposal of property, plant and equipment and power facilities business held for sale	1,132,792	8,580
Decrease in refundable deposits	157,224	97,448
Increase in other receivables from related parties	-	(11,360)
Acquisition of intangible assets	-	(564)
Decrease (increase) in other financial assets	(504,920)	3,341,546
Decrease (increase) in other non-current assets	(10,839)	40,864
Interest received	13,300	64,431
Dividends received	95,577	90,360
Net cash flows generated from investing activities	4,968,222	3,694,181
Cash flows from financing activities:		
Decrease in short-term loans	(422,748)	(3,843,502)
Increase (decrease) in short-term bills payable	(241,200)	139,022
Repayments of bonds payable	-	(3,728,400)
Proceeds from long-term borrowings	1,768,160	13,150,879
Repayments of long-term borrowings	(8,703,728)	(11,406,920)
Repayments of preference share liabilities	(17,978)	(4,923)
Payment of lease liabilities	(80,518)	(59,470)
Proceeds from issuance of ordinary shares	-	978,000
Interest paid	(596,186)	(846,638)
Others	54,732	4,870
Net cash used in financing activities	(8,239,466)	(5,617,082)
Effect of exchange rate changes	(364,031)	(36,902)
Net decrease in cash and cash equivalents	(1,416,658)	(3,184,529)
Cash and cash equivalents at beginning of period	6,371,316	9,555,845
Cash and cash equivalents at end of period	\$ 4,954,658	6,371,316

See accompanying notes to consolidated financial statements.

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

Notes to the Consolidated Financial Statements

For the years ended December 31, 2020 and 2019

(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 March 25, 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 during 2020:

- Amendments to IFRS 3 “Definition of a Business”
- Amendments to IFRS 9, IAS39 and IFRS7 “Interest Rate Benchmark Reform”
- Amendments to IAS 1 and IAS 8 “Definition of Material”
- Amendments to IFRS 16 “COVID-19-Related Rent Concessions”

- (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 January 1, 2021, would not have a significant impact on its consolidated financial statements:

- 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”

(Continued)

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

- (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:

Standards or Interpretations	Content of amendment	Effective date per IASB
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”
- 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”

(Continued)

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

(4) Summary of significant accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized as follows. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Group’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

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

(Continued)

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

The Group prepares consolidated financial statements using uniform accounting policies for alike transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost ;and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

- (ii) List of subsidiaries in the consolidated financial statements:

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

- (iii) Subsidiaries not included in the consolidated financial statements: None.

- (d) Foreign currencies

- (i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies at the dates when the value was measured. Non-monetary items denominated in foreign currencies measured at historical cost are translated into the functional currencies at the dates of transaction date.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

(Continued)

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

(ii) Foreign operations

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

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non current.

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(Continued)

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

(f) Cash and cash equivalents

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

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(Continued)

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

2) Fair value through other comprehensive income (FVOCI)

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

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

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established (Usually on the ex-dividend date).

3) Fair value through profit or loss (FVTPL)

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

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

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and trade receivables, other receivable, leases receivable, guarantee deposit paid and other financial assets).

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

(Continued)

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

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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

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

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

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

5) Derecognition of financial assets

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

(Continued)

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

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Preference shares

The Group's redeemable preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognized as interest expense in profit or loss as accrued. Non-redeemable preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments. Discretionary dividends thereon are recognized as equity distributions on approval by the Company's shareholders.

5) Financial liabilities

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

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

6) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

(Continued)

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

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(i) Investment in associates

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

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

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

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

(Continued)

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

The Corporation discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Corporation accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Corporation reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued. If the Corporation's ownership interest in an associate is reduced while it continues to apply the equity method, the Corporation reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

When the Corporation subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Corporation's proportionate interest in the net assets of the associate. The Corporation records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Corporation's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics: (a) the parties are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 “Joint Arrangements” defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (ie activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the Group has joint control of the arrangement (i.e. joint venturers) in which the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in “Investments in Associates and Joint Ventures”, unless the Group qualifies for exemption from that Standard.

When assessing the classification of a joint arrangement, the Group considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Company reevaluates whether the classification of the joint arrangement has changed.

(Continued)

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

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

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

- 1) Buildings: 15~21 years
- 2) Machinery and equipment: 4~11 years
- 3) Other equipment: 3~25 years

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

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(l) Leases

(i) Identifying a lease

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

- 1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and
- 2) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- 3) the customer has the right to direct the use of the asset throughout the period of use only if either:
 - the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or
 - the relevant decisions about how and for what purpose the asset is used are predetermined and:
 - the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
 - the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

(ii) As a lessee

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

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

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

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

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

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The Group has selected not to recognize right-of-use assets and lease liabilities for short-term leases of other equipments, leases of low value lease object and staff dormitory leases of variable object. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The Group recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The interest income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(m) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

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

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

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(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are 1 to 15 years

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

(n) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

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

(o) Provisions

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

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(p) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods

The Group engages in the manufacturing of solar cells and modules, as well as in the development and sales of solar plant. The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, and when the customer obtains control of the promised assets.

The Group provides a standard warranty for sale of goods and bears the obligation to refund defects, in which the Group recognizes a warranty liability provision for this obligation.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Construction contracts

Customers provide construction contracts with specifications while the solar plants are still under construction. Because the customer controls the asset during the construction period, the Group recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The customer pays the fixed amount according to payment schedule. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional. For some variable considerations, accumulated experience is used to estimate the amount of variable consideration, using the expected value method.

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

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

3) Power electric revenue

The Group recognized its power electric revenue based on the actual electric units and electric rate.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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4) Financing components

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

(q) Employee benefits

(i) Defined contribution plans

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

(ii) Short-term employee benefits

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

(r) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

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

(s) Income taxes

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

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

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

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

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

(t) Earnings per share

The Group discloses the Group's basic and diluted earnings per share attributable to ordinary shareholders of the Group. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(u) Operating segments

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

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

The preparation of the consolidated financial statements in conformity with the IFRSs endorsed by the FSC 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 management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

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

(a) Judgment of whether the Group has substantive control over its investees

The Group are not controlling shareholder to the associates and it also cannot obtain more than half of the voting rights at board of directors and a shareholders' meeting. Therefore, it is determined that the Group has significant influence on its associates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(a) Valuation of inventories-construction in progress

The Group evaluate the completion progress of each power plant project and additional costs needed to be invested as of the reporting date and stated at the lower of cost or net realizable value. Due to market environment, government policy and business strategy, there may be significant changes in the net realizable value of inventories.

(b) Impairment of non-financial assets

In the process of evaluating the potential impairment of assets, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment losses or reversal in future years.

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

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

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

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

(6) Explanation of significant accounts:

- (a) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand, checking accounts and demand deposits	\$ 4,927,839	6,368,716
Time deposits	<u>26,819</u>	<u>2,600</u>
Cash and cash equivalents listed in the consolidated cash flow statements	<u>\$ 4,954,658</u>	<u>6,371,316</u>

Please refer to note 6(ac) for the interest rate risk, and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

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

	December 31, 2020	December 31, 2019
Financial assets mandatorily measured at fair value through profit or loss:		
Derivatives not used for hedging		
Foreign exchange swap contracts	\$ 2,714	2,392
Long call options	182,058	232,865
Put options	<u>-</u>	<u>35,514</u>
Total	<u>\$ 184,772</u>	<u>270,771</u>
Current	\$ 2,714	2,392
Non-current	<u>182,058</u>	<u>268,379</u>
Total	<u>\$ 184,772</u>	<u>270,771</u>

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	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Financial liabilities designated at fair value through profit or loss:		
Derivatives not used for hedging		
Forward exchange contracts	\$ 5,437	755
Short call options	<u>99,741</u>	<u>143,814</u>
Total	<u>\$ 105,178</u>	<u>144,569</u>
Current	\$ 5,437	755
Non-current	<u>99,741</u>	<u>143,814</u>
Total	<u>\$ 105,178</u>	<u>144,569</u>

- (i) The short call options mentioned above derived from the loan contract signed with 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>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Shorting call options-MEGA 16		
Estimated strike price	USD13,347 thousand dollars	USD13,347 thousand dollars
Expected volatility	33.0%	17.5%
Duration	2.00 years	3.00 years
Discount rate	7.2898%	6.50%
Shorting call options-TEV II		
Estimated strike price	USD13,822 thousand dollars	USD13,822 thousand dollars
Expected volatility	25%	18%
Duration	4.00 years	4.50 years
Discount rate	7.2898%	6.50%

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	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Longing call options-MEGA 16		
Estimated strike price	USD656 thousand dollars	USD656 thousand dollars
Expected volatility	33.0%	17.5%
Duration	2.00 years	3.00 years
Discount rate	7.2898%	6.50%
Longing call options-TEV II		
Estimated strike price	USD704 thousand dollars	USD704 thousand dollars
Expected volatility	27%	18%
Duration	3.50 years	4.50 years
Discount rate	7.2898%	6.50%

- (iv) The put options derived from an agreement between the Group and associate company Clean Focus Yield Limited (CFY) stating that 100% of the shares held can be sold back to CFY under certain conditions. The Group has executed the option in January of 2020. Please refer to note 6(g) for more details.
- (v) The Group entered into such foreign exchange forward contracts and cross-currency 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 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>
December 31, 2020			
Foreign exchange swap contracts	USD/NTD	February 9, 2021~ March 22, 2021	USD20,000/ EUR564,600
Selling Forward exchange contracts	EUR/USD	January 4, 2021~ April 6, 2021	EUR6,900/ USD8,313
December 31, 2019			
Foreign exchange swap contracts	USD/NTD	January 21, 2020	USD22,000/ NTD661,573
Selling Forward exchange contracts	EUR/USD	January 17, 2020	NTD3,000/ USD3,339

- (vi) Financial instruments revalued at fair value through profit and loss were as follows:

	For the years ended December 31,	
	<u>2020</u>	<u>2019</u>
Revaluation of derivatives listed in profit and loss	<u>\$ 36,818</u>	<u>106,212</u>

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

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Equity instrument measured at fair value through other comprehensive income:		
Domestic investments		
Listed ordinary shares	\$ 328,498	2,428,875
Unlisted ordinary shares	47,699	76,595
Overseas investments - unlisted ordinary shares	<u>15,292</u>	<u>20,426</u>
Total	<u>\$ 391,489</u>	<u>2,525,896</u>
Current	\$ 114,715	114,414
Non-current	<u>276,774</u>	<u>2,411,482</u>
Total	<u>\$ 391,489</u>	<u>2,525,896</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 recognized dividend income of \$89,028 thousand and \$75,153 thousand for the years ended December 31, 2020 and 2019, respectively, from the financial assets designated at fair value through other comprehensive income.
- (iv) Due to the changes in strategic layout in 2020, the Group sold parts of financial assets at fair value through other comprehensive income for \$2,241,455 thousand, and the accumulated disposal gain was \$534,159 thousand. Therefore, the Group transferred this account from other equity to retained earnings. The Group did not dispose any strategic investments in 2019. During the period, the accumulated gains and losses were not transferred into equity.
- (v) For credit risk and market risk, please refer to note 6(ab).
- (vi) The financial assets mentioned above had been pledged as collateral for long-term borrowings; please refer to note 8.

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(d) Financial assets at amortized cost

	December 31, 2020	December 31, 2019
Convertible preference shares - Phanes Holding Inc.	\$ 140,475	149,975

(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. For the years ended December 31, 2020 and 2019, the interest income of convertible preference shares amounted to \$8,180 thousand and \$9,541 thousand, respectively. As of December 31, 2020 and 2019, the interest receivables, classified as other receivables from related parties, amounted to \$29,176 thousand and \$20,997 thousand, respectively.

(iv) Credit risk

The Group considers the debtor's current financial situation and the industry's prospects to derive at the 12-months or lifetime Expected Credit Loss (ECL) of the debt instrument. The Group came to the conclusion that the debtor's credit risk is low and has sufficient ability to pay off the contracted cash flow, and therefore, there was no ECL rate.

(v) As of December 31, 2020 and 2019, financial assets at amortized cost had not been pledged as security.

(e) Notes and accounts receivables

	December 31, 2020	December 31, 2019
Notes and accounts receivable	\$ 2,654,828	2,653,904
Accounts receivable from related parties	206,908	523,933
Less: Loss Allowance	(575,989)	(602,251)
	\$ 2,285,747	2,575,586

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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:

	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><u>\$ 2,861,736</u></u>		<u><u>575,989</u></u>
	December 31, 2019		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 1,434,430	0%~0.22%	938
1 to 30 days past due	252,724	0%~4.09%	6,451
31 to 60 days past due	155,176	0%~4.10%	2,443
61 to 90 days past due	125,901	0%~11.53%	3,466
91 to 120 days past due	20,778	0%~19.89%	3,789
121 to 150 days past due	26,219	0%~27.55%	589
151 to 180 days past due	5,402	0%~26.35%	845
More than 181 days past due	579,146	0%~100%	5,669
Signs of Counterparty Default	<u>578,061</u>	100%	<u>578,061</u>
Total	<u><u>\$ 3,177,837</u></u>		<u><u>602,251</u></u>

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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The movement in the allowance for notes and trade receivables were as follows:

	For the years ended December 31,	
	2020	2019
Balance at January 1	\$ 602,251	622,654
Impairment loss recognized (reversed)	(23,661)	(6,593)
Amounts written off	(2,531)	(3,963)
Foreign exchange gains (loss)	(70)	(9,847)
Balance at December 31	<u>\$ 575,989</u>	<u>602,251</u>

The aforementioned notes and accounts receivables of the Group had not been pledged as collateral as of December 31, 2020 and 2019.

(f) Inventories

	December 31,	December 31,
	2020	2019
Construction in progress	\$ 1,965,203	2,533,566
Finished goods and products	1,093,257	1,769,145
Raw materials	386,667	606,876
Work in progress	71,955	34,993
	<u>\$ 3,517,082</u>	<u>4,944,580</u>

(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 years ended	
	December 31,	
	2020	2019
Cost of goods sold	\$ 11,974,478	17,284,075
Unallocated production overheads	692,238	1,767,618
Write-down and retirement of inventories	488,716	77,179
Others	288,282	(7,229)
Total	<u>\$ 13,443,714</u>	<u>19,121,643</u>

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

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(g) Investments accounted for using the equity method

	December 31, 2020	December 31, 2019
Associates	\$ 172,944	2,126,807
Joint ventures	<u>3,378</u>	<u>3,608</u>
	<u>\$ 176,322</u>	<u>2,130,415</u>

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

(ii) Associates

- 1) 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.
- 2) The Group sold the 40% shares of Neo Cathay. for \$705,876 thousand, the gain of disposal was \$80,408 thousand, which was classified as other gain and loss.
- 3) 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:

	December 31, 2020	December 31, 2019
Carrying amount of individually insignificant associates' equity	<u>\$ 172,944</u>	<u>2,126,807</u>
	For the years ended December 31,	
	2020	2019
Attributable to the Group		
Net income(loss)	\$ (31,686)	(124,151)
Other comprehensive income(loss)	<u>(9,699)</u>	<u>(1,099)</u>
Comprehensive income(loss)	<u>\$ (41,385)</u>	<u>(125,250)</u>

(iii) The Group's financial information on investments in individually insignificant joint ventures accounted for using the equity method was as follows:

	December 31, 2020	December 31, 2019
The carrying amount of investments in the individually insignificant associates	<u>\$ 3,378</u>	<u>3,608</u>

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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	For the years ended	
	December 31,	
	2020	2019
Amount of individually insignificant associates' interests attributable to the Group:		
Net income(loss)	\$ -	(63,438)
Other comprehensive income(loss)	-	-
Comprehensive income(loss)	<u>\$ -</u>	<u>(63,438)</u>

(iv) The investments accounted for using the equity method have been pledged as collateral for bank loans, refer to note 8.

(h) Loss of control of subsidiaries

For the years ended December 31, 2020 and 2019, the Group sold all of its shares in subsidiaries and loss control of them, with the considerations of \$264,490 thousand and \$747,551 thousand, the disposal gains (loss) are \$(93,374) thousand and \$212,773 thousand, respectively, which were included in other gains and losses.

	For the years ended	
	December 31,	
	2020	2019
Other current assets	\$ 163,339	5,653
Property, plant and equipment (deducting unrealized profit)	189,416	719,242
Right of use asset	154,196	-
Other assets	30,957	-
Long term loans	21,566	19,458
Current liability	-	(192,767)
Lease liability	(6,362)	-
Non-current liability	(194,801)	-
Carrying amount of subsidiary's net assets	<u>(447)</u>	<u>-</u>
	<u>\$ 357,864</u>	<u>551,586</u>

(Continued)

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

(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:

	<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>
Cost:						
Balance on January 1, 2020	\$ 1,541,409	8,176,387	21,497,167	7,193,271	874,195	39,282,429
Additions	-	11,538	169,905	34,690	9,751	225,884
Disposals	-	(1,420,357)	(3,174,559)	(541,707)	(135,994)	(5,272,617)
Reclassification	-	282,661	878,878	1,176,307	(468,303)	1,869,543
Reclassify to investment property	(747,300)	(2,510,319)	-	-	-	(3,257,619)
Reclassify to lease property	-	-	(106,962)	(24,927)	-	(131,889)
Effect of changes in foreign exchange rates	(6,787)	(26,735)	(96,057)	(318,476)	(57,008)	(505,063)
Balance on December 31, 2020	<u>\$ 787,322</u>	<u>4,513,175</u>	<u>19,168,372</u>	<u>7,519,158</u>	<u>222,641</u>	<u>32,210,668</u>
Balance on January 1, 2019	\$ 1,537,278	8,154,114	20,796,539	7,635,112	2,964,541	41,087,584
Additions	-	-	214,093	543,098	(123,337)	633,854
Disposals	-	-	(85,471)	(1,123,335)	(334)	(1,209,140)
Reclassification	-	-	568,001	79,160	(1,955,790)	(1,308,629)
Effect of changes in foreign exchange rates	4,131	22,273	4,005	59,236	(10,885)	78,760
Balance on December 31, 2019	<u>\$ 1,541,409</u>	<u>8,176,387</u>	<u>21,497,167</u>	<u>7,193,271</u>	<u>874,195</u>	<u>39,282,429</u>
Accumulated depreciation						
Balance on January 1, 2020	\$ -	1,952,218	16,886,978	1,121,904	256,371	20,217,471
Additions	-	341,129	1,222,099	417,963	-	1,981,191
Impairment loss	-	295,308	1,043,862	608,012	30,334	1,977,516
Disposal	-	(535,678)	(2,389,693)	(300,215)	(100,430)	(3,326,016)
Reclassification	-	187,415	739,004	838,781	-	1,765,200
Reclassify to investment property	-	(586,275)	-	-	-	(586,275)
Reclassify to lease property	-	-	(106,962)	(24,927)	-	(131,889)
Effect of changes in foreign exchange rates	-	(2,169)	(30,687)	(63,054)	(41,609)	(137,519)
Balance on December 31, 2020	<u>\$ -</u>	<u>1,651,948</u>	<u>17,364,601</u>	<u>2,598,464</u>	<u>144,666</u>	<u>21,759,679</u>
Balance on January 1, 2019	\$ -	1,175,351	13,379,415	1,055,361	257,949	15,868,076
Additions	-	378,248	2,423,116	447,394	-	3,248,758
Impairment loss	-	398,250	1,202,159	16,960	-	1,617,369
Disposal	-	-	(68,117)	(401,213)	-	(469,330)
Effect of changes in foreign exchange rates	-	369	(49,595)	3,402	(1,578)	(47,402)
Balance on December 31, 2019	<u>\$ -</u>	<u>1,952,218</u>	<u>16,886,978</u>	<u>1,121,904</u>	<u>256,371</u>	<u>20,217,471</u>
Carrying amounts:						
Balance on December 31, 2020	<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 January 1, 2019	<u>\$ 1,537,278</u>	<u>6,978,763</u>	<u>7,417,124</u>	<u>6,579,751</u>	<u>2,706,592</u>	<u>25,219,508</u>
Balance on December 31, 2019	<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>

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(i) Impairment loss

The management implemented the regular impairment evaluating evaluation and testing on 2020 and 2019 December, considering the specific non-financial asset's business purpose, usage status, and usage methods, the assets are classified according to the cash-generating unit, and the expected recoverable amount is estimated based on the individual cash-generating unit.

The Group expects to recover the value of assets through selling the assets, which estimated on selling price minus the disposal cost, as the best estimate of the recoverable amount, and the rest assets are determined on the value in use. The value in use is calculated based on the pre-tax cash flow forecast of the financial budget, which approved by the management of each cash-generating unit. The pre-tax discount rate of estimated value in 2020 and 2019 were 7.2898%~8.15% and 9.04%, respectively. It is an after-tax ratio measured based on the interest rate of a Ten-year government bonds in the same currency as the cash flow, and the risk premium is adjusted to reflect the increased risk of general investment in equity and the specific systemic risk of cash-generating units.

According to the future annual financial forecasts of each cash-generating unit, the Group estimated the carrying amount of the property, plant and equipment to be higher than its recoverable amount, resulting in the recognition of impairment losses amounting to \$1,977,516 thousand and \$1,617,369 thousand, respectively, which were included in the non-operating income and expenses of the consolidated income statement.

(ii) Collateral

Property, plant and equipment were pledged as collateral for long term borrowings and short-term borrowings. Please refer to note 8.

(iii) Reclassify to investment property

During 2020, some building was transferred to investment property, because it were no longer used by the Group and it was decided that the building would be leased to a third party. The valuation techniques and significant unobservable inputs used in measuring the fair value of the building at the date of transfer were the same as those applied to investment property at the reporting date, refer to note 6(k).

(j) Right-of-use assets

	<u>Land</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2020	\$ 790,905	203,891	46,958	35,710	1,077,464
Additions	1,135	997	564	7,645	10,341
Deductions	(116,060)	(152,301)	(46,727)	(20,703)	(335,791)
Reclassification to investment property	(75,293)	-	-	-	(75,293)
Effect of movement in exchange rates	13	(7,537)	(208)	4,182	(3,550)
Balance at December 31, 2020	<u>\$ 600,700</u>	<u>45,050</u>	<u>587</u>	<u>26,834</u>	<u>673,171</u>

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

	<u>Land</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Total</u>
Balance at January 1, 2019	\$ -	-	-	-	-
Effects of retrospective application	790,930	236,022	48,774	35,710	1,111,436
Deductions	-	(25,359)	-	-	(25,359)
Effect of movement in exchange rates	(25)	(6,772)	(1,816)	-	(8,613)
Balance at December 31, 2019	<u>\$ 790,905</u>	<u>203,891</u>	<u>46,958</u>	<u>35,710</u>	<u>1,077,464</u>
Accumulated depreciation and impairment losses:					
Balance at January 1, 2020	\$ 44,832	38,717	5,799	7,002	96,350
Additions	44,570	22,660	3,508	6,304	77,042
Deductions	(6,565)	(38,801)	(8,760)	(7,997)	(62,123)
Reclassification to investment property	(5,378)	-	-	-	(5,378)
Effect of movements in exchange rates	1	(1,413)	(25)	220	(1,217)
Balance at December 31, 2020	<u>\$ 77,460</u>	<u>21,163</u>	<u>522</u>	<u>5,529</u>	<u>104,674</u>
Balance at January 1, 2019	\$ -	-	-	-	-
Additions	44,832	41,490	6,016	7,219	99,557
Effect of movements in exchange rates	-	(2,773)	(217)	(217)	(3,207)
Balance at January 1, 2019	<u>\$ 44,832</u>	<u>38,717</u>	<u>5,799</u>	<u>7,002</u>	<u>96,350</u>
Carrying amount:					
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 December 31, 2019	<u>\$ 746,073</u>	<u>165,174</u>	<u>41,159</u>	<u>28,708</u>	<u>981,114</u>

(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.

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

The details of investment property are as follows:

	<u>Properties</u>		<u>Right-of-use asset</u>	<u>Total</u>
	<u>Land</u>	<u>Buildings</u>	<u>Land</u>	
Cost or deemed cost:				
Balance at January 1, 2020	\$ -	-	-	-
Reclassification from property, plant and equipment	747,300	2,510,319	-	3,257,619
Reclassify from right-of-use assets	-	-	75,293	75,293
Balance at December 31, 2020	<u>\$ 747,300</u>	<u>2,510,319</u>	<u>75,293</u>	<u>3,332,912</u>
Accumulated depreciation and impairment loss:				
Balance at January 1, 2020	\$ -	-	-	-
Reclassification from property, plant and equipment	-	586,275	-	586,275
Reclassify from right-of-use assets	-	-	5,378	5,378
Balance at December 31, 2020	<u>\$ -</u>	<u>586,275</u>	<u>5,378</u>	<u>591,653</u>
Carrying amount:				
Balance at December 31, 2020	<u>\$ 747,300</u>	<u>1,924,044</u>	<u>69,915</u>	<u>2,741,259</u>
Fair value:				
Balance at December 31, 2020			<u>\$ 3,223,643</u>	

Since the investment property listed above lacks comparable market information, its fair value was determined by the management authority of the Company with reference to the latest transaction price in the neighboring area where the individual investment property is located, and is measured in accordance with the third-level fair value.

Investment property includes several commercial real estates leased to others. Each lease contract includes the original irrevocable period of three to ten years, and the subsequent lease period is negotiated with the lessee, and no contingent rent is collected. Please refer to note 6(p) for other related information. Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of three to ten years. Subsequent renewals are negotiated with the lessee and no contingent rents are charged. See note 6(s) for further information.

At December 31, 2020, the investment property 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
Notes to the Consolidated Financial Statements

(l) Intangible assets

(i) The Group intangible costs, accumulated amortization and impairments loss were as follows:

	<u>Contract with Consultants</u>	<u>Contract with Customers</u>	<u>Other</u>	<u>Total</u>
Cost:				
Balance at January 1, 2020	\$ 154,384	111,352	76,712	342,448
Disposals	-	(34,483)	-	(34,483)
Effect of movement in exchange rates	(9,779)	(3,473)	(2,137)	(15,389)
Balance at December 31, 2020	<u>\$ 144,605</u>	<u>73,396</u>	<u>74,575</u>	<u>292,576</u>
Balance at December 31, 2019	\$ 158,219	39,952	76,146	274,317
Additions	-	-	564	564
Reclassification	-	74,232	-	74,232
Effect of movement in exchange rates	(3,835)	(2,832)	2	(6,665)
Balance at December 31, 2019	<u>\$ 154,384</u>	<u>111,352</u>	<u>76,712</u>	<u>342,448</u>
Accumulated amortization and impairment losses:				
Balance at January 1, 2020	\$ 154,384	7,640	65,067	227,091
Disposals	-	(3,448)	-	(3,448)
Impairment loss	-	-	591	591
Amortization for the year	-	3,457	5,443	8,900
Effect of movement in exchange rates	(9,779)	771	(1,867)	(10,875)
Balance at December 31, 2020	<u>\$ 144,605</u>	<u>8,420</u>	<u>69,234</u>	<u>222,259</u>
Balance at January 1, 2019	\$ 22,613	2,587	46,155	71,355
Amortization for the year	10,495	5,246	7,192	22,933
Impairment loss	125,866	-	12,038	137,904
Effect of movement in exchange rates	(4,590)	(193)	(318)	(5,101)
Balance at December 31, 2019	<u>\$ 154,384</u>	<u>7,640</u>	<u>65,067</u>	<u>227,091</u>
Carrying value:				
Balance at December 31, 2020	<u>\$ -</u>	<u>64,976</u>	<u>5,341</u>	<u>70,317</u>
Balance at December 31, 2019	<u>\$ -</u>	<u>103,712</u>	<u>11,645</u>	<u>115,357</u>

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

- (ii) Contract with consultants are the long-term maintenance and management of power plants.
- (iii) Contracts with customers are long term electricity sales contracts signed with different local power companies, wherein they are expected to generate revenue from electricity sales in the next 20 years.
- (iv) The Group assessed the future requirements on certain parts of its intangible assets, wherein the carrying value is greater than the recoverable amount; therefore, the Group recognized the impairment losses of \$591 thousand and \$137,904 thousand, recognized as other income and expense in 2020 and 2019, respectively.
- (v) The intangible assets of the Group had not been pledged as collateral as of December 31, 2020 and 2019.

(m) Short-term borrowings

	December 31, 2020	December 31, 2019
Secured bank loans	\$ 93,837	244,459
Unsecured bank loans	2,226,165	2,744,339
Total	<u>\$ 2,320,002</u>	<u>2,988,798</u>
Unused credit lines	<u>\$ 2,974,000</u>	<u>2,700,284</u>
Range of interest rates	<u>0.95%~1.86%</u>	<u>1.73%~6.27%</u>

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

	December 31, 2020	December 31, 2019
Commercial paper payable	\$ 174,900	416,100
Less: discounts on commercial paper payable	(90)	(642)
	<u>\$ 174,810</u>	<u>415,458</u>

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

(o) Long-term liabilities

(i) Long-term borrowings

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<u>Secured bank loans</u>		
10.13 billion syndicated loan from First Bank	\$ 4,562,171	9,803,460
4.5 billion syndicated loan from First Bank	2,267,560	2,327,560
FMO & DEG Bank	953,376	1,071,422
Cathay Bank	605,254	678,119
KGI Bank Loan	250,000	250,000
CTBC bank loan	-	171,374
IMPA	598,541	620,998
Machinery and equipment financing from EQUVO Pte. Ltd., Taiwan Branch (Singapore)	-	488,134
Other financing loan	424,595	517,778
<u>Unsecured bank loans</u>		
King's Town Bank	430,587	904,916
0.5 billion syndicated loan from First Bank	112,500	225,000
Chailease International Financial Service. Co., Ltd.	85,959	143,061
Inventories repurchase financing loans	69,069	168,837
Other financing loan	<u>122,800</u>	<u>127,478</u>
	10,482,412	17,498,137
Less: Current portion	<u>(5,366,741)</u>	<u>(5,721,202)</u>
Total	<u>\$ 5,115,671</u>	<u>11,776,935</u>
Unused credit lines	<u>\$ 1,276,100</u>	<u>506,040</u>
Range of interest rates	<u>0.90%~7.82%</u>	<u>1.49%~7.82%</u>

- 1) The long-term loan contracts listed above will expire in November 2043.
- 2) 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 (JCR), 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.

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

- 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.

As of December 31, 2020 and 2019, the Group did not breach any of the terms stated above.

- 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. Although the Interest Protection Multiples (IPM) and the net tangible assets did not meet the above requirements, no breach of contract was committed. Instead, the Group will only have to pay compensation fees to all joint credit banks each month until the next utilization date or the base date of interest rate adjusted to improve the financial ratio.
- e) 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.
- f) The Group entered into a syndicated loan with CTBC Bank, wherein the Group is a joint guarantor. According to the terms and conditions of the contract, it requires Gintech (Thailand) Limited (Gintech (Thailand)) and the Group to maintain certain financial ratios. The Group failed to comply with the relevant regulations on December 31, 2019 and June 30, 2019. However, it was still in the improvement period, therefore, no breach of contract was committed. Instead, the Group will only need to pay the additional interest in accordance with the contract. The loan had already repaid in the second quarter of 2020.
- g) 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, MEGAEIGHT and MEGATWELVE to maintain certain financial ratios based on its annual financial reports during the credit period. Although the ratios did not meet the above requirements, the Group has increased the compensation fund in accordance to the terms, and no breach of contract was committed.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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3) 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 16, 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 16 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.

(ii) For the collateral for borrowings, please refer to note 8.

(p) Preference share liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Class A preference shares	\$ 28,282	44,260
Less: Current portion	<u>(15,063)</u>	<u>(16,082)</u>
Total	<u><u>\$ 13,219</u></u>	<u><u>28,178</u></u>

The Group's subsidiaries, MEGA 16 and TEV II, have issued Class A preference shares through GES USA and GES AC respectively. Relevant information was as follows:

	<u>issued by MEGA 16</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
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	issued by MEGA 16	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:

	December 31, 2020	December 31, 2019
Current	\$ 50,913	65,778
Non-current	\$ 605,021	952,521

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

The amounts recognized in profit or loss were as follows:

	For the years ended December 31,	
	2020	2019
Interest on lease liabilities	\$ 28,198	34,104
Variable lease payments not included in the measurement of lease liabilities	\$ 14,285	6,440
Expenses relating to short-term leases	\$ 17,742	20,725
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 2,708	7,909

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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The amounts recognized in the statement of cash flows for the Group was as follows:

	<u>2020</u>	<u>2019</u>	
Total cash outflow for leases	\$ <u>115,253</u>	<u>94,544</u>	
 (r) Provisions			
	<u>Warranties</u>	<u>Onerous contract</u>	<u>Total</u>
Balance at January 1, 2020	\$ 176,069	-	176,069
Provisions made during the year	17,699	175,916	193,615
Provisions reversed during the year	(104,831)	-	(104,831)
Effect of exchange rate changes	18	-	18
Balance at December 31, 2020	<u>\$ 88,955</u>	<u>175,916</u>	<u>264,871</u>
Balance at January 1, 2019	\$ 305,138	-	305,138
Provisions made during the year	50,384	-	50,384
Provisions used during the year	(52)	-	(52)
Provisions reversed during the year	(179,236)	-	(179,236)
Effect of exchange rate changes	(165)	-	(165)
Balance at December 31, 2019	<u>\$ 176,069</u>	<u>-</u>	<u>176,069</u>

(i) The Group's provision is mainly related to product sales, wherein the estimate was based on historical warranty trends and may vary as a result of the entry of new materials, altered manufacturing processes or other events affecting the product quality.

(ii) Onerous contract

The Group's provision for onerous contract liabilities was due to the signing of a long term purchase contract with the silicon raw material supplier. According to the contract, the Group purchases material at a fixed price and deducts the advance payment. In response to fluctuations in the spot market price, the Group has recognized the relevant liabilities, accounted as operating cost.

(s) Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(k) sets out information about the operating leases of investment property.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	December 31, 2020
Less than one year	\$ 242,060
One to five years	676,275
More than five years	14,363
Total undiscounted lease payments	\$ 932,698

Rental income from investment properties was 48,303 thousand in 2020.

(t) Employee benefits

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The total periodic pension costs of other subsidiaries were recognized as current expenses in accordance with the local regulations of their respective jurisdictions where they are domiciled.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$52,734 and \$76,693 for the years ended December 31, 2020 and 2019, respectively.

(u) Income Taxes

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

	For the years ended December 31,	
	2020	2019
Current tax expense	\$ 11,651	58,809
Deferred tax expense	415,224	3,824
Income tax expense	\$ 426,875	62,633

(ii) For the years ended December 31, 2020 and 2019, there was no income tax recognized in other comprehensive income.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(iii) Reconciliation of income tax and profit before tax for 2020 and 2019 was as follows:

	For the years ended December	
	31,	
	2020	2019
Profit excluding income tax	\$ (5,735,432)	(5,706,556)
Income tax using the Company's domestic tax rate	\$ (1,736,488)	(1,141,312)
Effect of tax rates in foreign jurisdiction	33,413	11,138
Tax effect of permanent differences	246,947	212,350
Change in unrecognized deferred tax asset	1,881,004	703,968
Temporary differences (recognized)reversed	-	275,213
Others	1,999	1,276
Total	\$ 426,875	62,633

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

Deferred tax assets have not been recognized in respect of the following items:

	December 31,	December 31,
	2020	2019
Unrecognized deferred tax assets		
Tax losses	\$ 3,069,427	3,200,744
Tax effect of deductible Temporary Differences	2,070,789	1,846,213
Total	\$ 5,140,216	5,046,957

The Group have not recognized any deferred tax liabilities in December 31, 2020 and 2019.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

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2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2020 and 2019 were as follows:

	Investment credits	Allowance for inventory valuation loss	Depreciation and impairment loss of property, plant and equipment	Loss carryforwards and other	Total
Deferred tax asset					
Balance on January 1, 2020	\$ 11,773	1,398	5,516	1,037,863	1,056,550
Recognized in profit or loss	(11,773)	(1,398)	(5,516)	(397,939)	(416,626)
Balance on December 31, 2020	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>639,924</u>	<u>639,924</u>
Balance on January 1, 2019	11,773	1,756	8,602	1,054,238	1,076,369
Recognized in profit or loss	-	(358)	(3,086)	(16,375)	(19,819)
Balance on December 31, 2019	<u>\$ 11,773</u>	<u>1,398</u>	<u>5,516</u>	<u>1,037,863</u>	<u>1,056,550</u>
	Unrealized exchange gain or loss	Unrealized gains on financial instruments at fair value through profit or loss	Gain on disposal of subsidiaries at a percentage different from its existing ownership percentage	Other	Total
Deferred tax liabilities					
Balance on January 1, 2020	\$ -	35,156	7,670	4,906	47,732
Recognized in profit or loss	-	(871)	2,606	(3,137)	(1,402)
Balance on December 31, 2020	<u>\$ -</u>	<u>34,285</u>	<u>10,276</u>	<u>1,769</u>	<u>46,330</u>
Balance on January 1, 2019	19,800	29,605	6,206	8,116	63,727
Recognized in profit or loss	(19,800)	5,551	1,464	(3,210)	(15,995)
Balance on December 31, 2019	<u>\$ -</u>	<u>35,156</u>	<u>7,670</u>	<u>4,906</u>	<u>47,732</u>

The Group's tax returns for the years through 2018 were assessed by the National Tax Bureau.

(v) Capital and other equity

(i) Ordinary shares

	December 31, 2020	December 31, 2019
Authorized share capital	<u>\$ 36,000,000</u>	<u>32,000,000</u>
Issued share capital	<u>\$ 26,650,863</u>	<u>26,653,375</u>
Total shares issued	<u>\$ 2,665,086</u>	<u>2,665,338</u>

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

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A resolution was passed during the board meeting held on June 14, 2019 for the issuance of 150,000 thousand ordinary shares for cash under public subscription, with par value of \$10 per share, issued at a discount of \$6.52. The Group has received the approval from the Financial Supervisory Commission for its capital increase on August 13, 2019, with December 10, 2019 as the base date.

To meet the strategy of the Group, a resolution was passed during the general meeting of shareholders held on June 22, 2020 for a \$4,000,000 thousand capital increase for cash. After the capital increase, the Group's capital amounted to \$36,000,000 thousand, with 3,600,000 ordinary shares, at a par value of \$10 per share.

- (ii) Information on capital surplus of the Group were as follows:

	December 31, 2020	December 31, 2019
Share premium	\$ -	123,629
Changes in equity of the invested company accounted for using equity method	7,819	-
Movements of additional paid-in capital arising from changes in equities of subsidiaries	473	-
Difference between the consideration and carrying amount of the subsidiaries that has not been increased in proportion to shareholding	1,595	-
Restricted shares for employees	<u>(2,010)</u>	<u>(4,640)</u>
	<u>\$ 7,877</u>	<u>118,989</u>

Both resolutions were approved during the general meetings of the shareholders held on June 22, 2020 and June 17, 2019 to offset the deficit against the capital surplus of \$123,629 thousand and \$369,468 thousand, respectively.

- (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.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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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 June 22, 2020 and June 17, 2019, the Group has accumulated deficit and the Group's board of directors resolved not to appropriate the earnings. 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	Carrying Amount	Market Price
	(in thousands of shares)		
Balance at December 31, 2020	\$ 1,883	18,699	26,839
Balance at December 31, 2019	\$ 1,883	18,699	14,427

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

(i) Restricted stock

As of December 31, 2020, the Group's restricted share plan for employees are as follows:

	Restricted share plan for employees					
	Issued in 2017	Issued in 2019	Issued in 2020	Issued by the original Gintech Energy	Issued by the original Solartech Energy	
Grant date	September 15, 2017	November 11, 2019	August 11, 2020	October 1, 2018	October 1, 2018	
Number of shares granted (in thousand shares)	1,855	2,205	795	1,225	4,896	
Contract term	2 years	2 years	2 years	0.5 years	2 years	
Recipients	Employees of the former Neo Solar Power Corporation	Employees of the Company	Employees of the Company	Employees of former Gintech Energy	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 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	Taken on by the Group after the merging, with the outstanding amount of shares adjusted according to the exchange ratio on the merge date	

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Relevant information of the new restricted employee shares of the Group is as follows:

	Expressed in Thousands of shares	
	For the years ended December	
	31,	
	2020	2019
Outstanding at 1 January (number)	3,212	5,252
Issued during the year (number)	795	2,205
Vested during the year (number)	(1,475)	(1,619)
Forfeited during the year (number)	(1,046)	(2,626)
Outstanding at 31 December (number)	<u><u>1,486</u></u>	<u><u>3,212</u></u>

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

	For the years ended December	
	31,	
	2020	2019
Wages expense	<u><u>\$ 10,826</u></u>	<u><u>(301)</u></u>

(iii) Cash capital increase to retain employee stock options

A resolution was passed during the board meeting held on June 14, 2019 for the issuance of 150,000 thousand ordinary shares for cash under public subscription, with par value of \$10 per share. The Group has received the approval from the Financial Supervisory Commission for its capital increase on August 13, 2019, with November 29, 2019 as the given date and December 10, 2019 as the base date.

Cash capital increase to retain employee stock options using the Black-Scholes model as follow:

	Cash-settled
Share price at grant date	\$ 7.18
Exercise price	\$ 6.52
Expected volatility (%)	34.35 %
Expected life	21 days
Expected dividend	-
Risk-free interest rate (%)	0.45 %

Expected volatility is based on the Group's historical stock price information. The remuneration costs recognized by the Group in 2019 were 3,638 thousand.

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(x) Loss per share

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

	For the years ended December 31,	
	2020	2019
Basic loss per share:		
Loss attributable to ordinary shareholders of the Company	\$ (6,139,015)	(5,686,065)
Weighted average number of ordinary shares outstanding (in thousands of shares)	2,660,510	2,511,855
Loss per share	\$ (2.31)	(2.26)

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

(y) Revenue from contracts with customers

(i) Disaggregation of revenue:

	For the years ended December 31, 2020			
	Solar energy	System	Other	Total
Revenue from contract with customers				
Revenue from sale of products	\$ 10,480,454	-	19,779	10,500,233
Other revenues	550,531	1,459,465	805	2,010,801
	\$ 11,030,985	1,459,465	20,584	12,511,034
	For the years ended December 31, 2019			
	Modules	System	Other	Total
Revenue from contract with customers				
Revenue from sale of products	\$ 15,206,480	1,815	1,943	15,210,238
Other revenues	409,427	2,519,447	-	2,928,874
	\$ 15,615,907	2,521,262	1,943	18,139,112

(ii) Contract balance

	December 31, 2020	December 31, 2019	January 1, 2019
Notes and accounts receivable	\$ 2,285,747	2,575,586	3,134,295

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	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>January 1,</u> <u>2019</u>
Contract assets			
Power plant construction contract	\$ 175,041	483,247	96,617
Less: allowance for impairment	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 175,041</u>	<u>483,247</u>	<u>96,617</u>
Contract liabilities			
Sales of products	\$ 313,883	253,899	201,876
Power plant construction contract	35,028	42,777	102,876
Power plant sales contract	<u>-</u>	<u>27,156</u>	<u>40,500</u>
	<u>\$ 348,911</u>	<u>323,832</u>	<u>345,252</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 December 31, 2020 and 2019 were \$214,893 thousand and \$274,822 thousand respectively.

(z) Employee compensation and directors' remuneration

According to the Articles of Association, once the Group 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 Group 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 years ended December 31, 2020 and 2019, the Group did not estimate its employees', directors' and supervisors' remuneration.

(aa) Non-operating Income and Expenses

(i) Other income

	For the years ended December 31,	
	<u>2020</u>	<u>2019</u>
Lease income	\$ 103,569	27,277
Dividend income	89,028	75,153
Other income	<u>154,892</u>	<u>138,804</u>
	<u>\$ 347,489</u>	<u>241,234</u>

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(ii) Other gains and losses

	For the years ended December 31,	
	2020	2019
Gain (loss) on foreign currency exchange	\$ (16,639)	25,950
Loss on disposal of property, plant and equipment and power facilities business	(598,885)	-
Gain on disposals of investments	204,861	212,773
Contract compensation losses	(385,438)	-
Other	(6,866)	43,859
	\$ (802,967)	282,582

The Group failed to fulfill the procurement contract obligations with Supplier K. Therefore, Supplier K filed a lawsuit against the Group in the Hsin Chu District Court, requesting for the compensation of \$500,000 thousand. On October 13, 2017, the Hsin Chu District Court ruled in favor of Supplier K, wherein the Group has to pay for the damages caused to Supplier K with interest. The Group disagreed with the decision made by the Hsin Chu District Court; therefore, filed an appeal to the Taiwan High Court. On January 27, 2021, Taiwan High Court ruled against the Group, in which the Group disagreed with this decision. Hence, the Group filed an appeal, wherein the case is still in progress. In order to protect the legal rights and interests of the Group, a lawyer has been appointed to settle the case. In addition, the Group has evaluated and recognized all the possible losses.

(ab) Financial Instruments

(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) and (e) for relevant credit risk information.

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(ii) Liquidity risk

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

	Contractual cash flows	Within 1 year	1-2 years	2-3 years	Over 3 years
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>
December 31, 2019					
Non-derivative financial liabilities					
Bank borrowing	\$ 22,233,975	8,963,705	3,906,722	6,453,209	2,910,339
Short-term notes and bills payable	416,100	416,100	-	-	-
Lease liabilities	1,429,016	88,037	110,353	106,241	1,124,385
Non-interest bearing liabilities	2,594,319	2,594,319	-	-	-
	<u>\$ 26,673,410</u>	<u>12,062,161</u>	<u>4,017,075</u>	<u>6,559,450</u>	<u>4,034,724</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:

	December 31, 2020			December 31, 2019		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets						
Monetary items						
USD	\$ 139,557	28.0950	3,920,854	191,455	29.9950	5,742,693
EUR	8,850	34.5400	305,679	4,183	33.6200	140,632
CNY	3,957	4.3220	17,102	11,007	4.3000	47,330
Non-Monetary items						
MYR	10,870	6.7015	72,842	12,310	7.0380	86,638

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	December 31, 2020			December 31, 2019		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial liabilities						
Monetary items						
USD	143,712	28.0950	4,037,589	169,121	29.9950	5,072,784
JPY	102,113	0.2724	27,816	1,540,794	0.2760	425,259

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 Taiwan Dollars would have decrease or increase the net profit (loss) before tax for the years ended 2020 and 2019 by \$1,782 thousand and \$4,326 thousand, 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 years ended 2020 and 2019, 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 \$18,983 thousand and \$19,983 thousand for the years ended December 31, 2020 and 2019 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.

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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:

Prices of securities at the reporting date	For the years ended December 31,	
	2020	2019
Increasing 5%	\$ 16,425	121,444
Decreasing 5%	\$ (16,425)	(121,444)

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:

	December 31, 2020				
	Book value	Fair Value			Total
	Level 1	Level 2	Level 3	Total	
Financial assets at fair value through profit and loss					
Derivative financial assets	\$ 184,772	-	2,714	182,058	184,772
Financial assets at fair value through other comprehensive income					
Listed domestic stocks	\$ 328,498	169,038	159,460	-	328,498
Non-quoted equity instruments measured at fair value	62,991	-	-	62,991	62,991
Subtotal	\$ 391,489	169,038	159,460	62,991	391,489

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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	December 31, 2019				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalent	6,371,316				
Accounts receivable (including related parties)	2,575,586				
Other receivables (including related parties)	833,150				
Financial assets measured at amortized cost	149,975				
Other financial assets	982,245				
Refundable deposits	911,486				
	<u>\$ 11,823,758</u>				
Financial liabilities at fair value through profit and loss					
Derivative financial liabilities	<u>\$ 144,569</u>	<u>-</u>	<u>755</u>	<u>143,814</u>	<u>144,569</u>
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	20,486,935				
Short-term notes payable	415,458				
Accounts payable (including related parties)	1,505,764				
Lease liabilities	1,018,299				
Preference share liabilities	44,260				
Other financial liabilities	1,088,555				
	<u>\$ 24,559,271</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.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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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.

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.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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d) Reconciliation of Level 3 fair values

The changes in Level 3 fair values for the years ended December 31, 2020 and 2019 are as follow:

	Derivative instrument - Net of fair value measured through profit and loss		Non quoted equity instrument - fair value through other comprehensive income	
	2020	2019	2020	2019
Opening balance	\$ 124,565	51,340	97,021	135,751
Total gains and losses recognized in profit and loss	(1,148)	75,659	-	-
Total gains and losses recognized in other comprehensive income	-	-	1,711	(38,730)
Reclassified	-	-	(28,896)	-
Disposal/Redemption	(35,654)	-	(6,845)	-
Effect of exchange rate changes	(5,446)	(2,434)	-	-
Ending balance	<u>\$ 82,317</u>	<u>124,565</u>	<u>62,991</u>	<u>97,021</u>

As of December 31, 2020 and 2019, 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:

	<u>2020</u>	<u>2019</u>
Total gains and losses recognized:		
In gains and losses, and presented in “other gains and losses”	<u>\$ (1,148)</u>	<u>75,659</u>
In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income”	<u>\$ 1,711</u>	<u>(38,730)</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.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurements</u>
Financial assets measured at fair value through profit and loss - derivative instruments (put options)	Black-Scholes options pricing model	·Stock price volatility (38.58% for December 31, 2019)	·The higher the volatility of the stock price, the higher the fair value
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% and 17.5%~18% for December 31, 2020 and December 31, 2019 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
Financial assets measured at fair value through other comprehensive income - equity instruments without an active market	Black-Scholes options pricing model	·Value multiplier (1.63 for December 31, 2019) ·Stock price volatility (38.22% for December 31, 2019)	·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

	<u>Input value</u>	<u>Increase(+) or decrease(-)</u>	<u>The effect of fair value fluctuations in profit and loss</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
			Financial assets measured at fair value through profit and loss - derivatives instruments (long call options)	27%~33%
Financial assets measured at fair value through profit and loss - derivatives instruments (short call options)	25%~33%	-0.5%	2,397	(2,396)

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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

(i) Overview

The Group is exposed to the following risks arising from financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

Note 6(ab) presents detailed information on exposure to each of the above risks and on the objectives, policies, and processes for measuring and managing risk.

- (ii) The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee ensures that the supervision of the management is in compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by an Internal Audit. The Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(ad) Capital management

The Group's objectives for managing capital to safeguard its capacity to continue to operate, to continue to provide a return for shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

The main management of the Group regularly reviews the Group's capital structure, including the cost of various capital and related risks. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities. There were no such significant changes in the debt ratio at December 31, 2020 and 2019.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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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 years ended December 31, 2020 and 2019, 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, 2020	Cash flows	Foreign exchange movements and others	December 31, 2020
Long-term borrowings	\$ 17,498,137	(6,935,568)	(80,157)	10,482,412
Short-term borrowings	2,988,798	(422,748)	(246,048)	2,320,002
Shor-term notes paybale	415,458	(241,200)	552	174,810
Lease liabilities	1,018,299	(80,518)	(281,847)	655,934
Preference share liabilities	44,260	(17,978)	2,000	28,282
Total liabilities from financing activities	<u>\$ 21,964,952</u>	<u>(7,698,012)</u>	<u>(605,500)</u>	<u>13,661,440</u>

	January 1, 2019	Cash flows	Foreign exchange movements and others	December 31, 2019
Long-term borrowings	\$ 15,804,007	1,743,959	(49,829)	17,498,137
Short-term borrowings	6,869,628	(3,843,502)	(37,328)	2,988,798
Shor-term notes paybale	276,436	139,022	-	415,458
Lease liabilities	1,085,503	(59,470)	(7,734)	1,018,299
Preference share liabilities	60,694	(4,923)	(11,511)	44,260
Total liabilities from financing activities	<u>\$ 24,096,268</u>	<u>(2,024,914)</u>	<u>(106,402)</u>	<u>21,964,952</u>

(7) Related-party transactions:

- (a) Name and relationship with related parties

Name of related party	Relationship with the Group
Phanes FZ LLC	Other related party
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 3)
Taiwan Speciality Chemicals Corporation	Other related party (Note 3)
Top Green Energy Technologies Inc.	Other related party
Clean Focus Management Acquisition LLC ("CFM")	Other related party

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<u>Name of related party</u>	<u>Relationship with the Group</u>
Neo Cathay Power Corp. (“Neo Cathay”)	Associate (Note 4)
Neo Cathay Electric Power Corp.	Associate (Note 4)
DS Energy Technology Co., Ltd.	Associate
Si One Corp. (“Si One”)	Associate (Note 4)
Da Li Energy Co., Ltd. (“Da Li Energy”)	Associate (Note 4)
Yong Han Ltd.	Associate (Note 4)
Yun Yeh Energy Inc.	Associate (Note 4)
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
Sunshine PV Corporation (“Sunshine PV”)	Associate (Note 2)
CF MN DevCo One LLC (“DevCo One”)	Joint venture
CF MN DevCo Two LLC	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 resigned from the board of directors of Sunshine PV in May 2019, and no longer has significant control over it. Therefore, only show the transactions as of May 2019.

Note 3: 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 4: 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.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(b) Significant transactions with related parties

(i) Sales, accounts receivable and contract assets

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

	For the years ended December 31,	
	2020	2019
Associates	\$ 491,401	1,487,725
Other related parties	(2,585)	11,210
	\$ 488,816	1,498,935

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:

	December 31, 2020		December 31, 2019	
	Accounts Receivable	Contract Assets	Accounts Receivable	Contract Assets
Associates				
CFC	\$ -	-	280,111	-
Verde Solar Inc.	-	-	82,981	-
Da Li Energy	-	-	119,371	50,967
Si One	-	-	25,559	364,151
Others	-	-	15,911	45,940
Other related parties				
CFC	129,183	-	-	-
Verde Solar Inc.	77,725	-	-	-
Less: Impairment allowance	(7)	-	(8,464)	-
	\$ 206,901	-	515,469	461,058

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

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

	For the years ended December 31,	
	2020	2019
Associates	\$ 10,490	-
Other related parties	79,957	11,620
	\$ 90,447	11,620

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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>December 31, 2020</u>		<u>December 31, 2019</u>	
	<u>Accounts Payable</u>	<u>Contract Liabilities</u>	<u>Accounts Payable</u>	<u>Contract Liabilities</u>
Associates				
Si One	\$ -	-	-	32,588
Others	-	-	-	7,083
Other related parties	-	-	<u>6,652</u>	<u>11</u>
	<u>\$ -</u>	<u>-</u>	<u>6,652</u>	<u>39,682</u>

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other related parties		
SAS	<u>\$ -</u>	<u>1,117,975</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>December 31, 2020</u>	<u>December 31, 2019</u>
Associates		
CFC	\$ -	320,566
Others	840	1,470
Joint ventures		
DevCo One	35,880	153,166
Others	10,676	11,398
Other related parties		
CFC	297,451	-
CFM	-	183,755
Others	29,176	20,997
Less: Impairment allowance	<u>(10,676)</u>	<u>(11,398)</u>
	<u>\$ 363,347</u>	<u>679,954</u>

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	Other current liabilities	
	December 31, 2020	December 31, 2019
Associates	\$ -	600
Joint ventures	22,130	138,960
Other related parties	-	4,229
	<u>\$ 22,130</u>	<u>143,789</u>

(iv) Purchase of property, plant and equipment

	For the years ended December 31,		Payables on equipment (classified as other current liabilities)	
	2020	2019	December 31, 2020	December 31, 2019
Other related parties	<u>\$ 10,617</u>	<u>80,035</u>	<u>1,981</u>	<u>964</u>

(v) Loaning of funds and interest income

Details of loaning of funds between the Group and related parties from January 1 to December 31, 2019 were as follows. There were no such loans from January 1 to December 31, 2020.

	Maximum balance of the current period	Ending balance	Interest rate
Associates			
CFY	\$ 107,590	-	5 %
Sunshine PV	200,000	-	1.608 %
		<u>-</u>	

Details on interest income received by the Group due to the above-mentioned loaning of funds and investments in convertible preference shares issued by other related parties were as follows:

	For the years ended December 31,	
	2020	2019
Other related parties		
Phanes Holding Inc.	\$ 8,180	9,541
Associates	-	4,145
Joint ventures	-	390
	<u>\$ 8,180</u>	<u>14,076</u>

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(vi) 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(g) for more details. In addition, as of December 31, 2020, the remaining balance on the above disposal amounting to \$443,682 thousand, which has not yet to be collected, accounted for as other receivables from related parties.

(vii) Other income

	For the years ended December 31,	
	2020	2019
Associates	\$ 3,988	14,715
Other related parties	<u>375</u>	<u>5,446</u>
	<u>\$ 4,363</u>	<u>20,161</u>

(viii) Dividend income

	For the years ended December 31,	
	2020	2019
Other related parties		
SAS	\$ -	65,581
Others	<u>7,000</u>	<u>2,800</u>
	<u>\$ 7,000</u>	<u>68,381</u>

(c) Key management personnel compensation

	For the years ended December 31,	
	2020	2019
Short-term employee benefits	\$ 78,109	95,720
Post-employment benefits	1,604	2,076
Share-based payments	<u>3,645</u>	<u>1,686</u>
Total	<u>\$ 83,358</u>	<u>99,482</u>

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

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(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	December 31, 2020	December 31, 2019
Property, plant and equipment	\$ 6,572,006	13,226,082
Investment property	2,671,322	-
Financial assets at fair value through other comprehensive income	-	2,172,922
Restricted bank deposit (accounted for as other financial assets and other non-current assets)	1,453,667	947,105
Investments accounted for using the equity method	-	559,639
Inventory	273,442	290,734
Refundable deposit	732,696	911,486
Lease receivables (accounted for as other current assets and other non-current assets)	32,415	35,140
	<u>\$ 11,735,548</u>	<u>18,143,108</u>

(9) Significant contingent liabilities and unrecognized commitments:**(a) Unrecognized contract commitments****(i) Unrecognized contract commitments**

	December 31, 2020	December 31, 2019
Unused letter of credit (in USD thousand)	<u>\$ 4,211</u>	<u>3,411</u>
Bank guarantee (Note 13(a))	<u>\$ 3,567,818</u>	<u>4,024,226</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:

	December 31, 2020	December 31, 2019
Unpaid amount	<u>\$ 643,249</u>	<u>907,301</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.

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- (v) 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:

	December 31, 2020	December 31, 2019
Advance payment	\$ 2,160,495	2,213,188
Accumulated impairment loss	\$ 164,853	51,732

- (vi) As of December 31, 2020, the Group issued guarantee for Directorate General of Customs and sales Project, amounting to \$926,350 thousand.

(10) Losses due to major disasters: None

(11) Subsequent Events:

- (a) A resolution was decided during the board meeting held on March 25, 2021 for the Group to reduce its capital to cover for its deficit 11,571,176 thousand. The above resolution is subject for approval during the shareholders' meeting, and agreed by the relevant securities authority. Please see the Market Observation Post System for more details.
- (b) Judgment of damages litigation between the Group and the supplier, please refer to note 6 (aa).
- (c) To expand the scale of operations and increase the use asset efficiently, the Group expects to issue ordinary shares or/and global depositary receipts or/and private shares in cash, with the maximum limit of 250,000 thousand ordinary shares. The above transaction will be submitted for discussion in the shareholders' meeting to be held in May 2021

(12) Others:

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

Functions	For the years ended December 31, 2020			For the years ended December 31, 2019		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expense	1,011,119	582,756	1,593,875	1,625,089	774,385	2,399,474
Depreciation expense	1,755,939	302,294	2,058,233	3,071,168	277,147	3,348,315
Amortization expense	3,485	5,415	8,900	5,885	17,048	22,933

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(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 years ended December 31, 2020:

- (i) Lending to other parties: Please see Table 1 attached.
- (ii) Guarantee and Endorsement for other parties: Please see Table 2 attached.
- (iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures not included): Please see Table 3 attached.
- (iv) Information regarding purchase or sale of securities for the period exceeding 300 million or 20% of the Group’s paid-in capital: Please see Table 4 attached.
- (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: Please see Table 5 attached.
- (vii) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Group’s paid-in capital: Please see Table 6 attached.
- (viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company’s paid-in capital: Please see Table 7 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 8 attached.

(b) Information on investees:

The followings are the information on investees for the years ended December 31, 2020: Please see Table 9 attached.

(c) Information on investment in Mainland China: Please see Table 10 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 %

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Notes to the Consolidated Financial Statements

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.

(14) Segment information:

(a) General information

For the purpose of resource allocation and performance measurement, the Group distinguishes its operating departments based on the business it operates, and the Group operating decision-makers regularly supervise and manage the operating results of each business unit. The reportable departments of the Group is the solar energy department, the system department and the others department.

The profit or loss of each operating department of the Group is based on the profit earned by each department, excluding the apportionable operating expenses, non-operating income and expenditure. This measurement amount is provided to the chief operating decision maker for the allocation of resources to the department and for evaluation.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine its resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but excluding any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence, they are not able to be allocated to each reportable segment. In addition, not all reportable segments include the depreciation and amortization of significant non-cash items. The reportable amount is similar to that of in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note o "Significant accounting policies" except for the recognition and measurement of pension cost, which is paid on a cash basis.

The Group deemed the treated intersegment sales and transfers as third-party transactions, in which they are measured at market price.

(Continued)

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

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

<u>For the years ended December 31, 2020</u>	<u>Solar energy</u>	<u>System</u>	<u>Others</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
Revenue					
Revenue from external customers	\$ 11,030,985	1,459,465	20,584	-	12,511,034
Intersegment revenues	84,479	-	-	(84,479)	-
Total revenue	<u>\$ 11,115,464</u>	<u>1,459,465</u>	<u>20,584</u>	<u>(84,479)</u>	<u>12,511,034</u>
Reportable segment profit or loss	<u>\$ (861,584)</u>	<u>(76,512)</u>	<u>5,416</u>	<u>56,204</u>	<u>(876,476)</u>
<u>For the years ended December 31, 2019</u>	<u>Solar energy</u>	<u>System</u>	<u>Others</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
Revenue					
Revenue from external customers	\$ 15,615,907	2,521,262	1,943	-	18,139,112
Intersegment revenues	224,234	-	-	(224,234)	-
Total revenue	<u>\$ 15,840,141</u>	<u>2,521,262</u>	<u>1,943</u>	<u>(224,234)</u>	<u>18,139,112</u>
Reportable segment profit or loss	<u>\$ (1,202,297)</u>	<u>218,444</u>	<u>1,322</u>	<u>(1,792)</u>	<u>(984,323)</u>

(c) Product and service information

The Group's product revenues from external customers were as follows:

Products and services	<u>2020</u>	<u>2019</u>
Solar energy	\$ 10,487,565	15,203,565
System	1,459,465	2,521,262
Others	564,004	414,285
	<u>\$ 12,511,034</u>	<u>18,139,112</u>

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers .

<u>Geographical information</u>	<u>Revenue from external customers</u>		<u>Non-current asset</u>	
	<u>2020</u>	<u>2019</u>	<u>2019</u>	<u>2019</u>
Revenue from external customers:				
Taiwan	\$ 6,262,093	6,031,214	9,465,615	12,506,476
United States	1,071,460	2,810,770	1,592,385	2,415,878
India	928,885	2,404,830	-	-
Germany	870,374	2,319,921	-	-
Other countries	3,378,222	4,572,377	2,134,249	4,142,604
Total	<u>\$ 12,511,034</u>	<u>18,139,112</u>	<u>13,192,249</u>	<u>19,064,958</u>

(Continued)

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

Non-current assets exclude investments accounted for using the equity method, prepaid investments in shares, financial instruments, deferred tax assets, goodwill, brands and other assets.

(e) Major customers

The details of the Group's customers whose individual sales income accounted for more than 10% of the net operating income on the consolidated income statement for the years ended December 31, 2020 and 2019 are as follow:

	2020	2019
EZ Company	<u><u>\$ 1,898,907</u></u>	<u><u>Note</u></u>

Note : The amount of income failed to reach 10% of the consolidated income.

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED December 31, 2020

TABLE 1 (In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 1)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	GES JAPAN	GES UK	Other receivables from related party	Y	252,900	-	-	-	2	-	Operating capital	-	-	-	268,080	268,080
2	DelSolar Wu Jiang	NSP Nanchang	Other receivables from related party	Y	194,760	-	-	-	2	-	Operating capital	-	-	-	198,129	198,129
3	NSP Indygen UK Ltd	UNITED RENEWABLE ENERGY CO.,LTD.	Other receivables from related party	Y	76,940	-	-	-	2	-	Operating capital	-	-	-	109,073	109,073

Note 1: The nature of financing purposes:

- 1) Represents entities with business transaction with the Group;
- 2) Represents where an inter-company or inter-firm short-term financing facility is necessary.

Note 2: The financing company's total financing amount for one counterparty should not exceed 40% of the financing company's net asset value. The net asset value of GES JAPAN and DelSolar Wu Jiang is based on the latest settlement financial statement.

Note 3: The financing company's total financing should not exceed 20% of its net asset value. A single financing should not exceed the transaction amount between the financing company and counterparty within one year and should not exceed the highest amount of purchases or sales.

Note 4: The Company's total amount of financing for short-term financing should not exceed 20% of its net asset value and the financing for a counterparty should not exceed 10% of its net asset value.

Note 5: Overseas subsidiaries wholly-owned directly or indirectly by the Company are not subjected to Note 2. The financing company's total financing should not exceed three years and the total amount of financing and the financing for a counterparty should not exceed 100% of its net asset value.

Note 6: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED December 31, 2020

TABLE 2 (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	Nevada	(2)	2,851,386	46,110	-	-	-	-	7,128,466	Y	N	N
0	The Company	NSP Indygen	(2)	2,851,386	356,220	-	-	-	-	7,128,466	Y	N	N
0	The Company	Apex	(2)	2,851,386	263,000	263,000	261,000	-	1.84	7,128,466	Y	N	N
0	The Company	Gintech (Thailand)	(2)	2,851,386	897,510	283,080	-	-	1.99	7,128,466	Y	N	N
0	The Company	GES USA	(2)	2,851,386	559,176	421,425	421,425	-	2.96	7,128,466	Y	N	N
0	The Company	NSP NEVADA	(2)	2,851,386	500,000	500,000	136,400	-	3.51	7,128,466	Y	N	N
0	The Company	GES UK	(2)	2,851,386	604,600	561,900	85,971	-	3.94	7,128,466	Y	N	N
0	The Company	Yong Liang	(2)	2,851,386	1,017,250	1,017,250	76,887	-	7.14	7,128,466	Y	N	N
0	The Company	The Company(Note4)	(2)	2,851,386	51,120	-	-	-	-	7,128,466	N	N	N
1	GES USA	TEV Solar Alpha 18	(4)	635,748	304,415	282,355	282,355	-	44.41	1,271,496	Y	N	N
1	GES USA	MEGA16	(4)	635,748	257,465	238,808	238,808	-	37.56	1,271,496	Y	N	N
1	GES USA	Munisol	(4)	635,748	134,488	-	-	-	-	1,271,496	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.

Note 4: In accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" Article 4.1.1. (3), although, the guaranteed party is the Company, the Company issued a separate promissory note to a non-financial enterprise to meet the financing needs, which is still in accordance with the term "endorsements/guarantees" under Article 4 of the regulations.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED December 31, 2020

TABLE 3

(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	2020.12.31				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	114,715	0.39%	114,715	
	ThinTech Materials Technology Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income- non-current	7,000	159,460	9.52%	159,460	1
	GIGA SOLAR MATERIALS CORPORATION	-	Financial assets at fair value through other comprehensive income- non-current	266	54,323	0.44%	54,323	
	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	140,475	100.00%	140,475	
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	

Note 1 : Private placement ordinary shares, subjected to transfer restrictions in accordance with Article 43-8 of the Securities and Exchange Act.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED December 31, 2020

TABLE 4

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares (thousands)	Amount
The Company	<u>Shares</u> NSP BVI	Investment accounted for using the equity method	(Note1)	Subsidiary	50,050	1,411,425	-	-	31,700	955,755	955,755	193,123	18,350	648,793
												(Note4)		
The Company	JRC	Investment accounted for using the equity method	(Note3)	Subsidiary	1	466	144	427,680	-	-	-	(215,725)	145	212,421
							(Note3)					(Note4)		
The Company	Neo Cathay	Investment accounted for using the equity method	San Ching Engineering	Non-related party	60,000	608,967	-	-	60,000	705,876	625,468	80,408	-	-
												(Note8)		
The Company	Shares-Utech	Investment accounted for using the equity method	(Note3)	Subsidiary	39,324	(264,541)	37,996	379,152	(26,962)	-	-	(1,392,703)	50,358	(1,278,092)
							(Note3)					(Note4)		
NSP BVI	CFY	Investment accounted for using the equity method	CFY(Note2)	Other related party	9,672	1,169,805	-	-	9,672	1,649,963	1,396,483	253,480	-	-
											(Note2)	(Note2)		
DelSolar Wu Jiang and Desolar HK	NSP Nanchang	Investment accounted for using the equity method	(Note3)	Subsidiary	-	(561,223)	-	675,321	-	12,769	107,091	(94,322)	-	-
							(Note3)					(Note7)		
GES UK	Shares-GES JAPAN	Investment accounted for using the equity method	(Note1)	Subsidiary	276	714,485	-	-	-	448,573	448,573	2,168	276	268,080
												(Note4)		
The Company	Shares-SAS	Financial assets at fair value through other comprehensive income- non-current	(Note5)	(Note6)	21,860	2,172,922	-	-	21,860	2,241,455	1,707,296	534,159	-	-

Note 1 : Cash capital reduction.

Note 2 : The Group executed put option and recognized call option valuation gains of \$35,514 thousand recognized in the year 2019, impact of exchange rate differences of \$140 thousand, and gains on disposal of investments of \$217,826 thousand recognized in the first and second quarter of 2020. Please refer to note6(h) and 7. In addition, carrying amount includes financial assets measured at fair value through profit or loss-the right to sell.

Note 3 : Issuance of common stock for cash and difference between consideration and carrying amount of subsidiaries's net assets due to the amount of the Group's proportionate interest.

Note 4 : Included share of loss (gains) of associates accounted for using equity method and cumulative translation adjustment.

Note 5 : Securities sold on the open market of stock exchange.

Note 6 : Originally was other related party of the Group, the Company didn't serve as a director of SAS since the end of June 2020, and no longer has a significant influence over it. Therefore, SAS is non-related parties since July 2020.

Note 7 : The Group disposed of all the equity shares of NSP Nanchang in the third quarter of 2020. Please refer to Note 6(h).

Note 8 : The Group disposed of all the equity shares of Neo Cathay in the third quarter of 2020. Please refer to Note 6(g)and 7.

Note 9 : The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
DISPOSAL PROPERTIES, PLANTS AND ERUIPMENT AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED December 31, 2020

TABLE 5 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Property name	Date of Transaction	Original acquisition date	Book value	Transaction amount	Price collection situation	Disposal gain	Trading partner	Relationship with the Holding Company	Purpose of disposal	Reference for price determination	Other agreement terms
The Company	Jhunan Science Park Jhunan plant A	109/7/9	97/3/1~100/8/25	789,380	1,038,306	As shown in the contract	248,926	Taiwan Mask Corporation	Non-related party	Increase asset use efficiency	Refer to the actual transaction prices, market conditions of neighboring real estate, and the appraisal report.	N

(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 YEAR ENDED December 31, 2020

TABLE 6

(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	565,527	7%	OA 14 days after receipt	-	-	(137,335)	(10.32%)	2
The Company	Gintech(Tailand)	Subsidiary	Purchase	573,180	7%	60 days from the invoice date	-	-	(28,845)	(2.17%)	2
The Company	Gintech(Tailand)	Subsidiary	Sale	(148,988)	1%	60 days from the invoice date	-	-	149,964	6.51%	2
NSP System	Si One	Associate	Sale	(290,693)	2%	15 days from the invoice date	-	-	(註1)	-	1
NSP System	Da Li Energy	Associate	Sale	(152,310)	1%	15 days from the invoice date	-	-	(註1)	-	1

Note 1: Originally was an associate of the Group. However, the Group disposed of all the shares in September 2020, it no longer has the significant influence on the company, which became non-related party to the Group since September 2020.

Note 2 : 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 YEAR ENDED December 31, 2020

TABLE 7

(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	753,690	-	753,690	Receivable according to the financial situation	-	-
The Company	GES ME	Subsidiary	592,455	-	592,455	Receivable according to the financial situation	1,066	-
The Company	NSP NEVADA	Subsidiary	495,011	-	495,011	Receivable according to the financial situation	-	-
The Company	GES USA	Subsidiary	247,419	-	120,991	Receivable according to the financial situation	-	-
The Company	Gintech (Thailand)	Subsidiary	149,964	0.9	57,361	Receivable according to the financial situation	-	-
TEV II	TEV Solar	Subsidiary	552,773	-	-	Receivable according to the financial situation	-	-
GES USA	MUNISOL	Grandson company	815,060	-	-	Receivable according to the financial situation	-	-
DelSolar US	Beryl	Subsidiary	707,670	-	-	Receivable according to the financial situation	-	-
NSP NEVADA	GES USA	Subsidiary	228,342	-	-	Receivable according to the financial situation	-	-
USD1	Beryl	Associate	107,292	-	-	Receivable according to the financial situation	-	-
Beryl	CFC	Associate	408,045	-	-	Receivable according to the financial situation	-	-
TEV II	TEV Solar	Subsidiary	552,773	-	-	Receivable according to the financial situation	-	-
Utech	The Company	Parent company	137,629	-	-	Receivable according to the financial situation	-	-
NSP BVI	The Company	Parent company	205,092	-	-	Receivable according to the financial situation	-	-
NSP BVI	CFY	Other related party	443,682	-	-	Receivable according to the schedule of signing contracts	-	-

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.

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
 BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 FOR THE YEAR ENDED December 31, 2020

TABLE 8

(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	753,690	Note 3	2%
0	The Company	NSP NEVADA	1	Other receivable	495,011	Note 3	2%
0	The Company	GES ME	1	Other receivable	592,455	Note 3	2%
0	The Company	Gintech(Thailand)	1	Purchase	573,180	Note 3	5%
0	The Company	Gintech(Thailand)	1	Sales	148,988	Note 3	1%
0	The Company	Utech	1	Purchase	565,527	Note 3	5%
1	DeSolar US	Beryl	3	Other receivable	707,670	Note 3	2%
2	GES USA	MUNISOL	3	Other receivable	815,060	Note 3	3%
3	TEV II	TEV Solar	3	Other receivable	552,773	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 INVESTEES IN MAINLAND CHINA)
 FOR THE YEAR ENDED December 31, 2020

TABLE 9 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2020			Highest % of Ownership during 2020	Investee recognized		Note
				December 31, 2020	December 31, 2019	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 1,910,636	62,188	100%	739,862	100%	(1,098,294)	(1,134,337)	
	DelSolar Cayman	Cayman Islands	Investment company	NTD 4,906,789	NTD 4,906,789	155,126	100%	604,644	100%	(292,433)	(292,080)	
	NSP BVI	British Virgin Islands	Investment company	NTD 470,424	NTD 1,426,179	18,350	100%	648,793	100%	214,343	214,343	
	GES ME	The United Arab Emirates	Solar related business	NTD 418,805	NTD 418,805	4	100%	182,811	100%	(152,564)	(152,564)	
	Apex	Taiwan	Solar related business	NTD 165,994	NTD 165,994	36,379	100%	197,084	100%	6,194	6,194	
	NSP UK	UK	Investment company	NTD 71,881	NTD 138,967	1,780	100%	157,915	100%	49,184	49,184	
	NSP System	Taiwan	Solar related business	NTD 144,200	NTD 144,200	14,420	100%	92,183	100%	(53,235)	(3,907)	
	Prime Energy	Taiwan	Electronic component manufacturing and selling	NTD -	NTD 90,000	-	-%	-	100%	(17)	(17)	Note 7
	New Ray Investment	Taiwan	Investment company	NTD 115,000	NTD 115,000	11,500	100%	59,478	100%	(6)	(6)	
	Zhongyang	Taiwan	Solar related business	NTD 24,121	NTD 24,121	3,500	100%	26,824	100%	(8,386)	(8,386)	
	Huiyang	Taiwan	Solar related business	NTD -	NTD 30,427	-	-%	-	-%	-	-	Note 7
	UREE	Taiwan	Solar related business	NTD 25,300	NTD 20,000	2,530	100%	1,372	100%	(18,417)	(18,417)	
	DelSolar Singapore	Singapore	Investment company	NTD 29,743	NTD 29,743	1,250	100%	16,634	100%	(1,630)	(1,630)	
	BPS	Taiwan	Solar related business	NTD 6,000	NTD 6,000	600	60.00%	15,277	60.00%	9,873	5,924	
	SMC	Taiwan	Solar related business	NTD 9,720	NTD 9,720	1,000	100%	9,850	100%	6	6	
	Utech	Taiwan	Electronic component manufacturing	NTD 717,070	NTD 337,114	50,356	99.87%	(1,278,092)	99.87%	(1,393,646)	(1,392,703)	
	Yong Liang	Taiwan	Solar related business	NTD 249,000	NTD 249,000	24,900	100%	268,875	100%	18,993	18,993	
	Yong Zhou	Taiwan	Solar related business	NTD 46,500	NTD 46,500	-	100%	(1,781)	100%	(7,610)	(7,610)	
	Ever Lite	Taiwan	Electronic component selling	NTD -	NTD -	-	-%	-	-%	-	-	Note 7
	Yong Shun	Taiwan	Solar related business	NTD -	NTD 2,000	-	-%	-	-%	(1)	(1)	Note 7
	JRC	Dominican	Solar related business	NTD 431,397	NTD 3,717	145	59.69%	212,421	59.69%	(28,329)	(7,956)	
	GES UK	UK	Investment company	NTD 2,943,653	NTD 3,170,893	95,890	100%	1,394,413	100%	(773,159)	(797,232)	
	Neo Cathay	Taiwan	Investment company	NTD -	NTD 600,000	-	-	-	40%	57,626	23,050	Note 1,12
	TSST	Malaysia	Solar related business	NTD 417,692	NTD 417,692	97,701	42.12%	72,842	42.12%	(9,726)	(4,097)	Note 1
	V5 Technology	Taiwan	Electronic component manufacturing and selling	NTD 114,084	NTD 114,084	7,789	32.73%	65,420	41.43%	(12,878)	(9,168)	Note 1
	Gintung	Taiwan	Electronic component manufacturing	NTD 34,341	NTD 34,341	13,460	36.38%	-	36.38%	12,637	-	Note 1
	DSET	Taiwan	Solar related business	NTD 10,500	NTD 10,500	1,050	29.17%	2,043	35%	(9,295)	(3,156)	Note 1
	Solar PV	Cayman Islands	Investment company	NTD -	NTD -	-	-%	-	-%	-	-	Note 1,7
	Dashiangying	Taiwan	Agriculture related business	NTD 100	NTD 100	10	100%	67	100%	(4)	(4)	
	Shinkai	Taiwan	Agriculture related business	NTD 100	NTD 100	10	100%	67	100%	(4)	(4)	
Shanshang	Taiwan	Solar related business	NTD 20,100	NTD 100	2,010	100%	20,059	100%	(12)	(12)		
Jiangung	Taiwan	Agriculture related business	NTD 100	NTD 100	10	100%	67	100%	(4)	(4)		
Dungshr	Taiwan	Electronic component	NTD 2,100	NTD 100	210	100%	144	100%	(1,927)	(1,927)		
Yanshan	Taiwan	Agriculture related business	NTD 100	NTD 100	10	100%	67	100%	(4)	(4)		
Hemvan	Taiwan	Solar related business	NTD 30,000	NTD -	3,000	30%	29,828	30%	(572)	(172)		
UES	RES	Independent State of Samoa	Investment company	USD 64,406	USD 64,148	62,188	100%	739,862	100%	(1,098,294)	-	Note 10
RES	Gintech Thailand	Thailand	Solar related business	USD 64,155	USD 63,897	20,920	100%	732,946	100%	(1,097,076)	-	Note 10

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2020			Highest % of Ownership during 2020	Investee recognized		Note	
				December 31, 2020	December 31, 2019	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%	635,748	100%	(682,197)	-	Note 10	
	NSP Germany	Germany	Solar related business	EUR 23	EUR -	23	90%	1,654	90%	230	-	Note 9,10	
	NCH Solar1	UK	Solar related business	GBP 6,947	GBP 7,447	6,947	100%	291,453	100%	7,278	-	Note 10	
	GES_Solar2	UK	Solar related business	GBP 1,022	GBP 1,022	1,022	100%	27,908	100%	876	-	Note 10	
	GES_Solar3	UK	Solar related business	GBP 67	GBP 67	67	100%	(3,891)	100%	(290)	-	Note 10	
	GES CANADA	Canada	Investment company	USD 12,025	USD 12,025	10,540	100%	196,648	100%	(52,160)	-	Note 10	
	GES JAPAN	Japan	Investment company	JPY 1,184,330	JPY 2,764,330	276	100%	268,080	100%	(6,804)	-	Note 10	
GES USA	MEGATWO	US	Solar related business	USD 19,274	USD 17,723	19,274	100%	79,729	100%	(325,744)	-	Note 10	
	MEGATHREE	US	Solar related business	USD 1,284	USD 1,284	1,284	40%	2,810	40%	(1,254)	(31,268)	Note 1,10	
	MEGAFIVE	US	Solar related business	USD 635	USD 635	635	100%	18,608	100%	711	-	Note 10	
	MEGASIX	US	Solar related business	USD 2,627	USD 2,627	2,627	100%	11,950	100%	(35,802)	-	Note 10	
	MEGAEIGHT	US	Solar related business	USD 748	USD 760	748	100%	3,563	100%	(15,352)	-	Note 10	
	MEGATWELVE	US	Solar related business	USD 168	USD 168	168	100%	415	100%	(2,094)	-	Note 10	
	MEGATHIRTEEN	US	Solar related business	USD 2,000	USD 2,000	2,000	100%	53,593	100%	489	-	Note 10	
	MEGASIXTEEN	US	Solar related business	USD 11,981	USD 11,981	11,981	100%	289,536	100%	(15,254)	-	Note 10	
	MEGASEVENTEEN	US	Solar related business	USD -	USD 51	-	-%	-	-%	-	-	-	Note 3,7,10
	MEGA NINETEEN	US	Solar related business	USD 132	USD 132	132	100%	(2,735)	100%	(5,042)	-	Note 10	
	MEGATWENTY	US	Solar related business	USD 124	USD 124	124	100%	1,432	100%	(2,952)	-	Note 10	
	ASSET ONE	US	Solar related business	USD -	USD 1,060	-	-%	-	-%	(2,393)	-	Note 7,10	
	ASSET TWO	US	Solar related business	USD -	USD -	-	-%	(300)	-%	(24)	-	Note 3,10	
	ASSET THREE	US	Solar related business	USD 2,839	USD 2,839	2,839	100%	17,839	100%	(36,072)	-	Note 10	
	CENERGY	US	Solar related business	USD -	USD -	-	-%	-	-%	-	-	-	Note 3,7,10
	SH4	US	Solar related business	USD 619	USD 619	619	100%	10,473	100%	(6,434)	-	Note 10	
	CEDAR FALLS	US	Solar related business	USD 2,237	USD 2,287	2,237	100%	42,459	100%	(15,035)	-	Note 10	
	Schenectady	US	Solar related business	USD -	USD -	-	-%	(19,914)	-%	(15,260)	-	Note 3,10	
	VOC	US	Solar related business	USD 2,393	USD -	2,393	-%	32,183	-%	(35,332)	-	Note 3,10	
	SEG	US	Solar related business	USD 800	USD 800	800	100%	13,496	100%	(6,566)	-	Note 10	
	KINECT	US	Solar related business	USD 266	USD 266	266	100%	8,829	100%	258	-	Note 10	
	RER CT 57	US	Solar related business	USD 1,931	USD 2,031	1,931	100%	35,875	100%	(16,566)	-	Note 10	
	TEV II	US	Solar related business	USD 100	USD 100	0.2	100%	(109,729)	100%	(5,617)	-	Note 4,10	
	Illini Power LLC	US	Solar related business	USD -	USD -	-	-%	(70)	-%	(51)	-	Note 3,10	
	PS CS LLC	US	Solar related business	USD -	USD -	-	-%	(69)	-%	(50)	-	Note 3,10	
	HEYWOOD	US	Solar related business	USD 1,770	USD 1,770	-	55%	20,774	55%	(10,825)	-	Note 10	
	Energy Group NY 63	US	Solar related business	USD -	USD -	-	-%	-	-%	(1)	-	Note 3,10	
MP Solar	US	Solar related business	USD 3,251	USD 3,251	-	55%	90,725	55%	(529)	-	Note 10		
Ventura	US	Solar related business	USD 3,013	USD 3,013	3,013	55%	84,263	55%	(327)	-	Note 10		

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2020			Highest % of Ownership during 2020	Investee recognized		Note	
				December 31, 2020	December 31, 2019	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%	35,066	45%	(10,825)	-	Note 10	
	MP Solar	US	Solar related business	USD 2,660	USD 2,660	-	45%	74,230	45%	(529)	-	Note 10	
	Ventura	US	Solar related business	USD 2,465	USD 2,465	-	45%	68,943	45%	(327)	-	Note 10	
	Livermore	US	Solar related business	USD 150	USD 150	-	100%	(39,547)	100%	(43,587)	-	Note 10	
	Industrial Park	US	Solar related business	USD 3,100	USD 400	-	100%	33,031	100%	(56,667)	-	Note 10	
	Hillsboro	US	Solar related business	USD 1,862	USD 1,862	-	100%	41,443	100%	(11,245)	-	Note 10	
GES JAPAN	Hashimoto	Japan	Solar related business	JPY -	JPY 238,450	-	-%	-	100%	4,476	-	Note 10,13	
GES CANADA	JRC	Dominican	Solar related business	USD 9,842	USD 7,511	97	40.31%	234,916	99%	(30,226)	-	Note 10	
MEGATWO	MUNISOL	Mexico	Solar related business	USD 18,490	USD 16,840	347,071	100%	99,098	100%	(325,716)	-	Note 10	
ASSET THREE	SHIMA'S	US	Solar related business	USD 153	USD 153	153	100%	(1,440)	100%	(5,438)	-	Note 10	
	WAIMEA	US	Solar related business	USD 526	USD 526	526	100%	12,411	100%	(3,166)	-	Note 10	
	HONOKAWAI	US	Solar related business	USD 418	USD 418	418	100%	12,400	100%	(179)	-	Note 10	
	ELELEE	US	Solar related business	USD 637	USD 637	637	100%	15,546	100%	(3,497)	-	Note 10	
	HANALEI	US	Solar related business	USD 280	USD 280	280	100%	2,398	100%	(5,029)	-	Note 10	
	KAPAA	US	Solar related business	USD 761	USD 761	761	100%	12,903	100%	(8,300)	-	Note 10	
	KOLOA	US	Solar related business	USD 569	USD 569	569	100%	10,314	100%	(6,666)	-	Note 10	
	MEGASIXTEEN	GES AC	US	Solar related business	USD 24,942	USD 24,942	0	68%	700,312	68%	(14,378)	-	Note 8,10
	GES AC	ANDERSON N.	US	Solar related business	USD 13,507	USD 13,507	13,507	100%	363,679	100%	(5,559)	-	Note 8,10
		ANDERSON S.	US	Solar related business	USD 11,454	USD 11,454	11,454	100%	308,361	100%	(4,905)	-	Note 8,10
TEV II	Flora	US	Solar related business	USD 1,915	USD 1,915	1,915	100%	52,247	100%	(492)	-	Note 8,10	
	Greenfield	US	Solar related business	USD 8,631	USD 8,631	8,631	100%	232,823	100%	(2,781)	-	Note 8,10	
	Spiceland	US	Solar related business	USD 1,275	USD 1,275	1,275	100%	34,525	100%	(410)	-	Note 8,10	
TEV Solar	TEV Solar	US	Solar related business	USD 100	USD 100	100	100%	2,613	100%	(22)	-	Note 8,10	
	AC GES Solar	US	Solar related business	USD 19,674	USD 19,674	0	66%	552,676	66%	(1,321)	-	Note 8,10	
	Richmond	US	Solar related business	USD 19,259	USD 19,259	19,259	100%	536,987	100%	(1,178)	-	Note 8,10	
	Rensselaer	US	Solar related business	USD 9,933	USD 9,933	9,933	100%	277,961	100%	93	-	Note 8,10	
NSP BVI	Advance	US	Solar related business	USD 534	USD 534	534	100%	14,879	100%	(6)	-	Note 8,10	
	CFY	Cayman Islands	Investment company	USD -	USD 39,000	-	-%	-	-%	-	-	Note 1,5,10	
	CFGP	British Virgin Islands	Solar operation management services	USD -	USD 6,000	-	-%	-	60%	-	-	Note 7,10	
DelSolar Cayman	NSP Stars	British Virgin Islands	Trust company	USD -	USD -	-	-%	-	-%	-	-	Note 10	
	NSP HK	Hong Kong	Solar related business	USD -	USD -	-	100%	-	100%	-	-	Note 10	
	DelSolar HK	Hong Kong	Investment company	USD 125,200	USD 125,200	125,200	100%	210,376	100%	(103,169)	-	Note 10	
	DelSolar US	US	Investment company	USD 24,800	USD 24,800	3	100%	334,834	100%	(85,413)	-	Note 10	
DelSolar Singapore	NSP NEVADA	US	Solar related business	USD 5,125	USD 5,125	5,125	100%	57,620	100%	(96,484)	-	Note 10	
	URE NSP	US	Solar related business	USD 500	USD 500	500	100%	14,189	100%	(7,366)	-	Note 10	
	NSP Malaysia	Malaysia	Technical management services	USD -	USD 760	-	-%	-	100%	(22)	-	Note 10	
NSP UK	NSP Vietnam	Vietnam	Technical management services	USD 160	USD 160	-	100%	(604)	100%	(555)	-	Note 10	
	NSP Germany	Germany	Solar related business	GBP -	GBP 17	-	-%	-	90%	230	-	Note 9,10	
NSP System	PV Power Park	Germany	Solar related business	GBP 20	GBP 20	-	100%	413	100%	(299)	-	Note 10	
	NSP Indygen	UK	Solar related business	GBP -	GBP -	-	100%	109,073	100%	50,164	-	Note 10	
	Hsin Jin Optoelectronics	Taiwan	Solar related business	NTD 10,647	NTD 10,647	-	80%	11,525	80%	1,554	-	Note 10	
	Hsin Jin Solar Energy	Taiwan	Solar related business	NTD 13,981	NTD 13,981	-	60%	15,111	60%	2,680	-	Note 10	
	Si Two	Taiwan	Solar related business	NTD 20,000	NTD 20,000	2,000	100%	19,165	100%	(271)	-	Note 10	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2020			Highest % of Ownership during 2020	Investee recognized		Note
				December 31, 2020	December 31, 2019	Shares (Thousands)	% of Ownership	Carrying Value		Net Income (Loss) of the Investee	Investment Gain (Loss)	
NSP System	Tienyang	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	(299)	100%	87	-	Note 10
	Deyang	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	(292)	100%	87	-	Note 10
	Shanyang	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	(292)	100%	87	-	Note 10
	Jeyang	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	(292)	100%	87	-	Note 10
	Lianzhang	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	108	100%	26	-	Note 10
	Lianxi	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	68	100%	(13)	-	Note 10
	Liancheng	Taiwan	Solar related business	NTD 100	NTD 100	10	100%	68	100%	(14)	-	Note 10
	Feng Yang	Taiwan	Solar related business	NTD 100	NTD -	10	100%	60	100%	(14)	-	Note 10
	NSP HK	XYH Suzhou	China	Solar related business	USD -	USD -	-	100%	-	100%	-	-
UREE	UAE	Taiwan	Agriculture related business	NTD 100	NTD 100	10	100%	67	100%	(4)	-	Note 10
CFGP	CFGP (HK)	Hong Kong	Solar operation management services	USD -	USD 530	-	-%	-	100%	-	-	Note 10
DelSolar HK	DelSolar Wu Jiang	China	Solar related business	USD 120,000	USD 120,000	-	100%	198,129	100%	(9,463)	-	Note 10
	NSP JAPAN	Japan	Solar related business	USD -	USD 97	-	-%	-	100%	-	-	Note 7,10
DelSolar US	NSP Nanchang	China	Solar related business	USD -	USD 5,000	-	-%	-	11.36%	-	-	Note 10,13
	DelSolar Development	US	Solar related business	USD 2,200	USD 4,850	-	100%	20,545	100%	(9,987)	-	Note 10
	CFR	US	Solar related business	USD 14,370	USD 14,370	14,370	100%	(68,352)	100%	(75,114)	-	Note 10
	USD1	US	Solar related business	USD 3,582	USD 3,582	-	100%	184,523	100%	(608)	-	Note 10
	JV2	US	Solar related business	USD 830	USD 830	-	67%	-	67%	-	-	Note 1,2,10
	Beryl	US	Solar related business	USD -	USD -	-	100%	144,873	100%	(747)	-	Note 10
DelSolar Wu Jiang	NSP Nanchang	China	Solar related business	USD -	USD 39,000	-	-%	-	92.53%	-	-	Note 10,13
DelSolar Development	DSS-USF PHX LLC	US	Solar related business	USD 370	USD 1,370	-	100%	9,883	100%	(3,164)	-	Note 10
	DSS-RAL LLC	US	Solar related business	USD 835	USD 2,555	-	100%	9,553	100%	(7,461)	-	Note 10
CFR	Rugged solar LLC	US	Solar related business	USD -	USD 2,784	-	-%	-	-%	-	-	Note 3,10
USD1	DevCo One	US	Solar related business	USD 444	USD 444	-	40%	1,689	40%	-	-	Note 1,10
	DevCo Two	US	Solar related business	USD 444	USD 444	-	40%	1,689	40%	-	-	Note 1,10
CFGP (HK)	CFGP (Shanghai)	China	Solar operation management services	USD -	USD 530	-	-%	-	100%	-	-	Note 10
NSP Stars	CFY	Cayman Islands	Investment company	USD -	USD -	-	-%	-	-%	-	-	Note 6,10

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 : The Group had executed the call option of CFY share in the first quarter of 2020, please refer to the note6(g).

Note 6 : Before reaching specific conditions, NSP Stars could not adopt surplus distribution rights to CFY share.

Note 7 : As of December 31 2020, the company had liquidated and dissolved.

Note 8 : 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 note6(o) for details.

Note 9 : 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 10 : 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 11 : The abovementioned subsidiaries included in the consolidated financial report are all non-significant subsidiaries.

Note 12 : As of December 31 2020, the Group disposed of all the equity shares. Please refer to note 6(g) for details.

Note 13 : As of December 31 2020, the Group disposed of all the equity shares. Please refer to note 6(h) for details.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
 INFORMATION ON INVESTMENTS IN MAINLAND CHINA
 FOR THE YEAR ENDED December 31, 2020

TABLE 10

(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, 2020	Investment flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income (Loss) of the Investee (Note 2)	% Ownership of Direct or Indirect Investment	Highest % of Ownership during 2020	Investment Gain (Loss)	Carrying Amount as of December 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outflow	Inflow							
DelSolar Wu Jiang	Solar related business	USD 120,000 \$ 3,371,400	Note 1	USD 120,000 \$ 3,371,400	-	-	USD 120,000 \$ 3,371,400	(91,463)	100%	100%	(91,463)	198,129	-
NSP Nanchang	Solar related business	USD 0 \$ -	Note 3	USD 5,000 \$ 140,475	-	-	USD 5,000 \$ 140,475	註3	-	100%	(1,395)	-	-

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2020 (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 4,030,228	USD 149,618 4,203,518	8,554,159

Note 1 : Investments Mainland China through a third region.

Note 2 : Subsidiaries mentioned above were recognized on the basis of unaudited financial statements as September 30, 2020.

Note 3 : The Group disposed of all the shares of NSP Nanchang in the third quarter of 2020.

Note 4 : The exchange rate used is the rate on December 31, 2020.