Stock Code:3576

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

**Consolidated Financial Statements**

**With Independent Auditors' Report**
**For the Years Ended December 31, 2024 and 2023**

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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, 2024 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 "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission, of the Republic of China. 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 7, 2025.

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# 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, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

## Key Audit 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 (r) "Revenue recognition" for accounting policy and note 6 (aa) "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. Assessment of impairment of non-financial assets

   Please refer to note 4 (p) “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 is essential for the industry development. However, in an environment where market demands and technology change rapidly, existing equipment may not be economically effective in the future due to product or technology upgrades. 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**

United Renewable Energy Co., Ltd. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 Huang, Yung-Hua and Yu, Sheng-Ho.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2025

**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, 2024 and 2023

## (Expressed in Thousands of New Taiwan Dollars)

| | Assets | December 31, 2024 Amount | % | December 31, 2023 Amount | % |
|---|---|---|---|---|---|
| | **Current assets:** | | | | |
| 1100 | Cash and cash equivalents (note 6(a)) | $ 6,780,159 | 25 | 4,474,941 | 15 |
| 1110 | Financial assets at fair value through profit or loss - current (note 6(b)) | 262,028 | 1 | 80,691 | - |
| 1120 | Financial assets at fair value through other comprehensive income - current (notes 6(c) and 8) | 115,916 | - | 150,676 | - |
| 1140 | Contract assets - current (notes 6(aa) and 7) | 179,748 | 1 | 163,256 | 1 |
| 1170 | Notes and accounts receivable, net (note 6(e)) | 679,173 | 3 | 1,067,568 | 4 |
| 1180 | Accounts receivable from related parties (notes 6(e) and 7) | 4,157 | - | - | - |
| 130X | Inventories (notes 6(f) and 9) | 1,373,078 | 5 | 1,679,838 | 6 |
| 1410 | Prepayments (note 9) | 95,661 | - | 143,975 | 1 |
| 1460 | Non-current assets held for sale (note 6(g)) | 371,401 | 1 | - | - |
| 1476 | Other financial assets (notes 7 and 8) | 493,047 | 2 | 2,228,561 | 8 |
| 1479 | Other current assets | 342,496 | 1 | 335,592 | 1 |
| | **Total current assets** | 10,696,864 | 39 | 10,325,098 | 36 |
| | **Non-current assets:** | | | | |
| 1517 | Financial assets at fair value through other comprehensive income - non-current (notes 6(c) and 8) | 1,155,230 | 4 | 610,925 | 2 |
| 1535 | Financial assets at amortized cost - non-current (note 6(d)) | - | - | - | - |
| 1550 | Investments accounted for using the equity method (note 6(h)) | 292,550 | 1 | 256,302 | 1 |
| 1600 | Property, plant and equipment (notes 6(k), 7 and 8) | 9,458,960 | 34 | 11,125,753 | 39 |
| 1755 | Right-of-use assets (note 6(l)) | 1,772,835 | 6 | 1,681,614 | 6 |
| 1760 | Investment property, net (notes 6(m) and 8) | 2,470,667 | 9 | 2,596,726 | 9 |
| 1780 | Intangible assets (note 6(n)) | 45,558 | - | 2,964 | - |
| 1840 | Deferred tax assets (note 6(x)) | 143,017 | 1 | 414,183 | 1 |
| 1915 | Prepayments - non-current (note 9) | 1,079,966 | 4 | 1,215,978 | 4 |
| 1920 | Refundable deposits (note 8) | 155,765 | 1 | 175,340 | 1 |
| 1990 | Other non-current assets (notes 7 and 8) | 361,506 | 1 | 334,991 | 1 |
| | **Total non-current assets** | 16,936,054 | 61 | 18,414,776 | 64 |
| | **Total assets** | $ 27,632,918 | 100 | 28,739,874 | 100 |

| | Liabilities and Equity | December 31, 2024 Amount | % | December 31, 2023 Amount | % |
|---|---|---|---|---|---|
| | **Current liabilities:** | | | | |
| 2100 | Short-term borrowings (note 6(o)) | $ 48,132 | - | 434,223 | 2 |
| 2110 | Short-term bills payable (note 6(p)) | 47,658 | - | - | - |
| 2120 | Financial liabilities at fair value through profit or loss - current (note 6(b)) | - | - | 331 | - |
| 2130 | Contract liabilities - current (notes 6(aa) and 7) | 488,828 | 2 | 580,676 | 2 |
| 2170 | Notes and accounts payable | 722,598 | 3 | 668,796 | 2 |
| 2260 | Liabilities related to non-current assets held for sale (note 6(g)) | 426,954 | 2 | - | - |
| 2280 | Lease liability - current (note 6(t)) | 108,435 | - | 114,019 | - |
| 2320 | Current portion of long-term borrowings, preference share liabilities and bonds payable (notes 6(q), (r) and (s)) | 3,415,998 | 12 | 5,878,968 | 20 |
| 2399 | Other current liabilities (notes 6(e) and 7) | 1,809,502 | 6 | 1,600,638 | 6 |
| | **Total current liabilities** | 7,068,105 | 25 | 9,277,651 | 32 |
| | **Non-Current liabilities:** | | | | |
| 2500 | Financial liabilities at fair value through profit or loss - non-current (notes 6(b) and (q)) | 258 | - | 11,643 | - |
| 2540 | Long-term borrowings (note 6(q)) | 6,812,965 | 25 | 4,098,246 | 14 |
| 2580 | Lease liability - non-current (note 6(t)) | 1,819,648 | 7 | 1,716,006 | 6 |
| 2670 | Other non-current liabilities (notes 6(u) and (x)) | 608,705 | 2 | 531,058 | 2 |
| | **Total non-current liabilities** | 9,241,576 | 34 | 6,356,953 | 22 |
| | **Total liabilities** | 16,309,681 | 59 | 15,634,604 | 54 |
| | **Equity attributable to owners of parent** (notes 6(b) and (y)) | | | | |
| 3110 | Ordinary shares | 16,277,954 | 59 | 16,277,954 | 57 |
| 3200 | Capital surplus | 413,186 | 1 | 211,412 | 1 |
| 3310 | Legal reserve | - | - | 35,473 | - |
| 3350 | Accumulated profit or loss | (5,806,951) | (21) | (3,707,474) | (13) |
| 3400 | Other equity | 424,626 | 2 | (47,659) | - |
| 3500 | Treasury shares | (18,699) | - | (18,699) | - |
| | **Total equity attributable to owners of parent** | 11,290,116 | 41 | 12,751,007 | 45 |
| 36XX | Non-controlling interests | 33,121 | - | 354,263 | 1 |
| | **Total equity** | 11,323,237 | 41 | 13,105,270 | 46 |
| | **Total liabilities and equity** | $ 27,632,918 | 100 | 28,739,874 | 100 |

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 Comprehensive Income

## For the years ended December 31, 2024 and 2023

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

| | | 2024 | | 2023 | |
|---|---|---|---|---|---|
| | | Amount | % | Amount | % |
| 4000 | **Net operating revenues** (notes 6(aa) and 7) | $ 5,784,135 | 100 | 12,516,227 | 100 |
| 5110 | **Operating costs** (notes 6(f), (t), (w), (ab) and 12) | 5,146,129 | 89 | 14,284,087 | 114 |
| 5900 | **Gross profit (loss) from operations** | 638,006 | 11 | (1,767,860) | (14) |
| | **Operating expenses** (notes 6(e), (t), (w), (ab) and 12): | | | | |
| 6100 | Selling expenses | 214,923 | 4 | 397,591 | 3 |
| 6200 | General and administrative expenses | 572,221 | 10 | 699,404 | 5 |
| 6300 | Research and development expenses | 82,498 | 1 | 88,148 | 1 |
| 6450 | Impairment losses (Reversal of impairment losses) on trade receivable | (2,969) | - | 26,640 | - |
| | **Total operating expense** | 866,673 | 15 | 1,211,783 | 9 |
| | **Income (Loss) from operations** | (228,667) | (4) | (2,979,643) | (23) |
| | **Non-operating income and expenses:** | | | | |
| 7010 | Other income (note 6(ac)) | 272,962 | 5 | 275,304 | 2 |
| 7020 | Other gains and losses (note 6(ac)) | (1,555,304) | (27) | (685,543) | (5) |
| 7050 | Finance costs (notes 6(r) and (t)) | (441,721) | (8) | (350,992) | (3) |
| 7060 | Share of gain (loss) of associates and joint ventures accounted for using equity method (note 6(h)) | (2,619) | - | 7,583 | - |
| 7100 | Interest income | 89,572 | 2 | 40,491 | - |
| | | (1,637,110) | (28) | (713,157) | (6) |
| | **Income (Loss) before income tax** | (1,865,777) | (32) | (3,692,800) | (29) |
| 7950 | **Less: income tax expense** (note 6(x)) | 279,934 | 5 | 222,158 | 2 |
| 8200 | **Net income (loss)** | (2,145,711) | (37) | (3,914,958) | (31) |
| 8300 | **Other comprehensive income:** | | | | |
| 8310 | **Items that may not be reclassified subsequently to profit or loss**: | | | | |
| 8316 | Unrealized gain on investments in equity instruments at fair value through other comprehensive income | 423,439 | 8 | 150,054 | 1 |
| 8360 | **Items that may be reclassified subsequently to profit or loss:** | | | | |
| 8361 | Exchange differences on translation of foreign statements | 27,257 | - | 177,668 | 1 |
| 8300 | **Total other comprehensive income** | 450,696 | 8 | 327,722 | 2 |
| | **Total comprehensive income (loss)** | **$ (1,695,015)** | **(29)** | **(3,587,236)** | **(29)** |
| | **Net income (loss) attributable to:** | | | | |
| | Shareholders of the parent | $ (2,134,357) | (37) | (3,888,981) | (31) |
| | Non-controlling interests | (11,354) | - | (25,977) | - |
| | | **$ (2,145,711)** | **(37)** | **(3,914,958)** | **(31)** |
| | **Total comprehensive income (loss) attributable to:** | | | | |
| | Shareholders of the parent | $ (1,675,896) | (29) | (3,566,579) | (29) |
| | Non-controlling interests | (19,119) | - | (20,657) | - |
| | | **$ (1,695,015)** | **(29)** | **(3,587,236)** | **(29)** |
| | **Loss per share** | | | | |
| 9750 | **Basic loss per share (NT dollars)** (note 6(z)) | **$ (1.31)** | | **(2.39)** | |

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, 2024 and 2023

### (Expressed in Thousands of New Taiwan Dollars)

| | Attributable to owners of parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Retained earnings | | Other equity | | | | | |
| | Share capital | | | | | | | | | |
| | Ordinary shares | Capital surplus | Legal reserve | Accumulated profit or loss | Exchange differences on translation of foreign financial statements | Unrealized gains (loss) on financial assets at fair value through other comprehensive income | Treasury shares | Total equity attributable to owners of parent | Non-controlling interest | Total equity |
| **Balance at January 1, 2023** | $ 16,277,905 | 187,699 | - | 354,726 | (447,440) | 102,412 | (18,699) | 16,456,603 | 639,816 | 17,096,419 |
| Net loss for the year ended December 31, 2023 | - | - | - | (3,888,981) | - | - | - | (3,888,981) | (25,977) | (3,914,958) |
| Other comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | - | 172,348 | 150,054 | - | 322,402 | 5,320 | 327,722 |
| Total comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | (3,888,981) | 172,348 | 150,054 | - | (3,566,579) | (20,657) | (3,587,236) |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Legal reserve appropriated | - | - | 35,473 | (35,473) | - | - | - | - | - | - |
| Cash dividends of ordinary share | - | - | - | (162,779) | - | - | - | (162,779) | - | (162,779) |
| Changes in equity of associates and joint ventures accounted for using the equity method | - | 23,560 | - | - | - | - | - | 23,560 | - | 23,560 |
| Conversion of convertible bonds | 49 | 50 | - | - | - | - | - | 99 | - | 99 |
| Adjustments of capital surplus for company's cash dividends received by subsidiaries | - | 107 | - | - | - | - | - | 107 | - | 107 |
| Disposal of investments in equity instruments at fair value through other comprehensive income | - | - | - | 25,033 | - | (25,033) | - | - | - | - |
| Difference between the price that has not been increased in proportion to shareholding and net value | - | (4) | - | - | - | - | - | (4) | 4 | - |
| Non-controlling interests | - | - | - | - | - | - | - | - | (264,900) | (264,900) |
| **Balance at December 31, 2023** | 16,277,954 | 211,412 | 35,473 | (3,707,474) | (275,092) | 227,433 | (18,699) | 12,751,007 | 354,263 | 13,105,270 |
| Net Loss for the year ended December 31, 2024 | - | - | - | (2,134,357) | - | - | - | (2,134,357) | (11,354) | (2,145,711) |
| Other comprehensive income (loss) for the year ended December 31, 2024 | - | - | - | - | 35,022 | 423,439 | - | 458,461 | (7,765) | 450,696 |
| Total comprehensive income (loss) for the year ended December 31, 2024 | - | - | - | (2,134,357) | 35,022 | 423,439 | - | (1,675,896) | (19,119) | (1,695,015) |
| Legal reserve used to offset accumulated deficits | - | - | (35,473) | 35,473 | - | - | - | - | - | - |
| Offset of deficit against capital surplus | - | (34,204) | - | 34,204 | - | - | - | - | - | - |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | - | - | - | (20,973) | - | - | - | (20,973) | - | (20,973) |
| Changes in equity of associates and joint ventures accounted for using the equity method | - | 2,635 | - | - | - | - | - | 2,635 | - | 2,635 |
| Disposal of investments in equity instruments at fair value through other comprehensive income | - | - | - | (13,824) | - | 13,824 | - | - | - | - |
| Changes in ownership interests in subsidiaries | - | 233,343 | - | - | - | - | - | 233,343 | (233,343) | - |
| Non-controlling interests | - | - | - | - | - | - | - | - | (68,680) | (68,680) |
| **Balance at December 31, 2024** | **$ 16,277,954** | **413,186** | **-** | **(5,806,951)** | **(240,070)** | **664,696** | **(18,699)** | **11,290,116** | **33,121** | **11,323,237** |

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, 2024 and 2023

## (Expressed in Thousands of New Taiwan Dollars)

| | | 2024 | 2023 |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| **Loss before income tax** | $ | (1,865,777) | (3,692,800) |
| **Adjustments:** | | | |
| Adjustments to reconcile profit (loss): | | | |
| Depreciation expense | | 1,217,486 | 1,232,976 |
| Amortization expense | | 8,740 | 2,375 |
| Expected credit loss | | 19,802 | 325,250 |
| Net (gain) loss on financial assets or liabilities at fair value through profit or loss | | 29,361 | (23,656) |
| Interest expense | | 335,483 | 266,668 |
| Interest income | | (89,572) | (40,491) |
| Dividends income | | (21,805) | (18,408) |
| Share of loss (profit) of associates and joint ventures accounted for using the equity method | | 2,619 | (7,583) |
| Gain on disposal of property, plant and equipment and power facilities business held for sale | | (38,208) | (5,114) |
| Gain on disposal of investments | | - | (44,251) |
| Impairment loss on assets | | 1,194,929 | 280,528 |
| Reversal of provisions | | (16,075) | (17,087) |
| Reversal of inventories | | (376,302) | 1,709,191 |
| Impairment loss on prepayments | | 13,677 | 794,285 |
| Others | | (8,971) | 40,009 |
| Total adjustments to reconcile profit (loss) | | 2,271,164 | 4,494,692 |
| **Changes in operating assets and liabilities:** | | | |
| Contract assets - current | | (16,492) | 159,250 |
| Notes and accounts receivable | | 394,210 | 1,349,435 |
| Accounts receivable from related parties | | (4,157) | 8,667 |
| Inventory | | 463,872 | 1,065,685 |
| Prepayments (including non-current) | | 157,475 | 1,428,603 |
| Other current assets | | 19,482 | 90,678 |
| Increase in financial assets at fair value through profit or loss | | (265,192) | - |
| Contract liabilities - current | | (108,742) | 199,572 |
| Notes and accounts payable (including related parties) | | 13,785 | (488,046) |
| Provisions | | 23,438 | 23,865 |
| Other current liabilities | | 464,254 | (201,971) |
| Total changes in operating assets and liabilities | | 1,141,933 | 3,635,738 |
| Cash flows generated from operations | | 1,547,320 | 4,437,630 |
| Income taxes paid | | (18,070) | (9,647) |
| **Net cash flows generated from operating activities** | | 1,529,250 | 4,427,983 |
| **Cash flows from investing activities:** | | | |
| Acquisition of financial assets at fair value through other comprehensive income | | (139,671) | (11,100) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | | 35,652 | 72,283 |
| Proceeds from capital reduction of financial assets at fair value through other comprehensive income | | 2,688 | - |
| Acquisition of investments accounted for using the equity method | | (18,719) | - |
| Proceeds from disposal of subsidiaries | | - | 276,489 |
| Acquisition of property, plant and equipment | | (1,341,453) | (2,020,109) |
| Proceeds from disposal of property, plant and equipment and power facilities business | | 542,327 | 14,450 |
| Decrease (increase) in refundable deposits | | 27,626 | (19,248) |
| Acquisition of intangible assets | | (8,960) | (2,089) |
| Decrease (increase) in other financial assets | | 1,725,407 | (1,280,754) |
| Decrease in other non-current assets | | 38,394 | 55,235 |
| Net cash outflows resulting from business combination | | (40,637) | - |
| Interest received | | 88,503 | 40,786 |
| Dividends received | | 24,454 | 20,535 |
| **Net cash flows generated from (used in) investing activities** | | 935,611 | (2,853,522) |
| **Cash flows from financing activities:** | | | |
| Decrease in short-term loans | | (386,091) | (1,452,041) |
| Increase (decrease) in short-term bills payable | | 47,800 | (100,000) |
| Repayments of bonds payable | | (2,999,900) | - |
| Proceeds from long-term borrowings | | 4,326,226 | 3,331,586 |
| Repayments of long-term borrowings | | (787,498) | (3,232,132) |
| Repayments of preference share liabilities | | (4,480) | (8,695) |
| Payment of lease liabilities | | (119,352) | (71,392) |
| Cash dividends paid | | - | (162,672) |
| Interest paid | | (332,919) | (266,777) |
| Others | | 10,014 | 33,471 |
| **Net cash flows used in financing activities** | | (246,200) | (1,928,652) |
| **Effect of exchange rate changes on cash and cash equivalents** | | 105,419 | 74,064 |
| **Net increase (decrease) in cash and cash equivalents** | | 2,324,080 | (280,127) |
| **Cash and cash equivalents at beginning of period** | | 4,474,941 | 4,755,068 |
| **Cash and cash equivalents at end of period** | **$** | **6,799,021** | **4,474,941** |
| **The components of cash and cash equivalents** | | | |
| Cash and equivalents listed on consolidated balance sheets | $ | 6,780,159 | 4,474,941 |
| Cash and equivalents related to non-current assets held for sale | | 18,862 | - |
| **Cash and equivalents at end of period** | **$** | **6,799,021** | **4,474,941** |

See accompanying notes to consolidated financial statements.

## (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 7, 2025.

## (3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(b) The impact of IFRS endorsed 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, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

**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 |
|---|---|---|
| IFRS 18 “Presentation and Disclosure in Financial Statements” | The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.<br>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.<br>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.<br>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. | January 1, 2027 |

(Continued)

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. 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"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

**(4) Summary of material accounting policies**

The material accounting policies presented in the consolidated financial statements are summarized below. 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;

(Continued)

(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.

The Group prepares consolidated financial statements using uniform accounting policies for like 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.

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

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

| Investor | Investee | Principal activity | % of Ownership December 31, 2024 | % of Ownership December 31, 2023 | Note |
|---|---|---|---|---|---|
| The Company | DelSolar Holding Singapore Pte. Ltd. (“DelSolar Singapore”) | Investment company | 100.00 % | 100.00 % | |
| | DelSolar Holding (“Cayman”) Ltd. (“DelSolar Cayman”) | Investment company | 100.00 % | 100.00 % | |
| | NSP Systems (“BVI”) Ltd. (“NSP BVI”) | Investment company | 100.00 % | 100.00 % | |
| | NSP UK Holding Limited (“NSP UK”) | Investment company | 100.00 % | 100.00 % | |
| | NSP System Development Corp. (“NSP System”) | Solar related business | 100.00 % | 100.00 % | |
| | GES Energy Middle East FZE (“GES ME”) | Solar related business | 100.00 % | 100.00 % | |
| | Utech solar corporation (“Utech”) | Electronic component manufacturing | 99.99 % | 99.99 % | |
| | Ultimate Energy Solution Limited (“UES”) | Investment company | 100.00 % | 100.00 % | |
| | Solartech Materials Corporation (“SMC”) | Solar related business | 100.00 % | 100.00 % | |
| | Zhongyang Corporation (“Zhongyang”) | Solar related business | 100.00 % | 100.00 % | |
| | Yong Liang Ltd. (“Yong Liang”) | Solar related business | 18.88 % | 19.94 % | |
| | Yong Zhou Ltd. (“Yong Zhou”) | Solar related business | 100.00 % | 100.00 % | |
| | General Energy Solutions UK Limited (“GES UK”) | Investment company | 100.00 % | 100.00 % | |
| | Hong Yi Energy Co., Ltd. (“Hong Yi”) | Solar related business | 100.00 % | 100.00 % | 6 |
| | United Intelligence Co., Ltd. (“United Intelligence”) | Electronic component manufacturing | 100.00 % | 100.00 % | |
| | Hong Wang Energy Co., Ltd. (“Hong Wang”) | Solar related business | 100.00 % | - % | 4 |
| | DS Energy Technology Co., Ltd (“DS Energy”) | Solar related business | 100.00 % | 12.14 % | 4 |
| GES UK | General Energy Solutions USA. Inc. (“GES USA”) | Investment company | 100.00 % | 100.00 % | |
| | General Energy Solutions CANADA Inc. (“GES CANADA”) | Investment company | 100.00 % | 100.00 % | |
| | NSP Germany | Solar related business | 90.00 % | 90.00 % | |
| GES USA | MEGATWO, LLC (“MEGATWO”) | Solar related business | 100.00 % | 100.00 % | |
| | GES MEGAFIVE, LLC (“MEGAFIVE”) | Solar related business | 100.00 % | 100.00 % | |
| | GES MEGASIX, LLC (“MEGASIX”) | Solar related business | 100.00 % | 100.00 % | |
| | GES MEGAEIGHT, LLC (“MEGAEIGHT”) | Solar related business | 100.00 % | 100.00 % | |
| | GES MEGATWELVE, LLC(“MEGATWELVE”) | Solar related business | 100.00 % | 100.00 % | |
| | GES MEGATHIRTEEN, LLC(“MEGATHIRTEEN”) | Solar related business | 100.00 % | 100.00 % | |
| | GES MEGASIXTEEN, LLC(“MEGASIXTEEN”) | Solar related business | - % | - % | 2 |
| | GES MEGANINETEEN, LLC(“MEGANINETEEN”) | Solar related business | 100.00 % | 100.00 % | |
| | GES MEGATWENTY, LLC(“MEGATWENTY”) | Solar related business | 100.00 % | 100.00 % | |
| | GES ASSET THREE LLC(“ASSET THREE”) | Solar related business | 100.00 % | 100.00 % | |
| | SH4 SOLAR LLC(“SH4”) | Solar related business | 100.00 % | 100.00 % | |
| | SEG MI 57 LLC(“SEG”) | Solar related business | 100.00 % | 100.00 % | |
| | Kinect Solar Fund 1, LLC(“KINECT”) | Solar related business | 100.00 % | 100.00 % | |
| | TEV II, LLC(“TEV II”) | Solar related business | 100.00 % | 100.00 % | |
| | Heywood Solar PGS, LLC(“HEYWOOD”) | Solar related business | 55.00 % | 55.00 % | |

(Continued)

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

| Investor | Investee | Principal activity | % of Ownership December 31, 2024 | % of Ownership December 31, 2023 | Note |
|---|---|---|---|---|---|
| NSP NEVADA | HEYWOOD | Solar related business | 45.00 % | 45.00 % | |
| | Industrial Park Drive Solar, LLC(“Industrial Park”) | Solar related business | 100.00 % | 100.00 % | |
| | Hillsboro Town Solar, LLC(“Hillsboro”) | Solar related business | 100.00 % | 100.00 % | |
| MEGATWO | Munisol S.A.P.I. de C.V.(“Munisol”) | Solar related business | 100.00 % | 100.00 % | |
| ASSET THREE | GES Asset Three Shima’s, LLC(“SHIMA’S”) | Solar related business | 100.00 % | 100.00 % | |
| | GES Asset Three Waimea, LLC(“WAIMEA”) | Solar related business | 100.00 % | 100.00 % | |
| | GES Asset Three Honokawai, LLC(“HONOKAWAI”) | Solar related business | 100.00 % | 100.00 % | |
| | GES Asset Three Eleele, LLC(“ELEELE”) | Solar related business | 100.00 % | 100.00 % | |
| | GES Asset Three Hanalei, LLC(“HANALEI”) | Solar related business | 100.00 % | 100.00 % | |
| | GES Asset Three Kapaa, LLC(“KAPAA”) | Solar related business | 100.00 % | 100.00 % | |
| | GES Asset Three Koloa, LLC(“KOLOA”) | Solar related business | 100.00 % | 100.00 % | |
| MEGASIXTEEN | GES AC SOLAR 2017, LLC (“GES AC”) | Solar related business | - % | - % | 2 |
| GES AC | Anderson North Solar Project LLC(“ANDERSON N.”) | Solar related business | - % | - % | 2 |
| | Anderson South Solar Project LLC(“ANDERSON S.”) | Solar related business | - % | - % | 2 |
| | Flora Solar Project LLC(“Flora”) | Solar related business | - % | - % | 2 |
| | Greenfield Solar Project LLC(“Greenfield”) | Solar related business | - % | - % | 2 |
| | Spiceland Solar Project LLC(“Spiceland”) | Solar related business | - % | - % | 2 |
| TEV II | TEV Solar Alpha18 LLC (“TEV Solar”) | Solar related business | 100.00 % | 100.00 % | |
| TEV Solar | AC GES Solar 2018 LLC(“AC GES Solar”) | Solar related business | 100.00 % | 66.19 % | |
| AC GES Solar | Richmond 2 Solar Park, LLC(“Richmond”) | Solar related business | 100.00 % | 100.00 % | |
| | Rensselaer 2 Solar Park, LLC(“Rensselaer”) | Solar related business | 100.00 % | 100.00 % | |
| | Advance Solar Park, LLC(“Advance”) | Solar related business | 100.00 % | 100.00 % | |
| DelSolar Cayman | DelSolar(“HK”)Ltd.(“DelSolar HK”) | Investment company | 100.00 % | 100.00 % | |
| | DelSolar US Holdings(“Delaware”) Corporation(“DelSolar US”) | Investment company | 100.00 % | 100.00 % | |
| | NSP SYSTEM NEVADA HOLDING CORP(“NSP NEVADA”) | Solar related business | 100.00 % | 100.00 % | |
| | URE NSP Corporation(“URE NSP”) | Solar related business | 100.00 % | 100.00 % | |
| NSP BVI | NSP HK Holding Ltd.(“NSP HK”) | Solar related business | 100.00 % | 100.00 % | |
| NSP UK | NSP Indygen UK Ltd.(“NSP Indygen”) | Solar related business | 100.00 % | 100.00 % | |
| NSP System | Hsin Jin Optoelectronics (“Hsin Jin Optoelectronics”) | Solar related business | 80.00 % | 80.00 % | |
| | Hsin Jin Solar Energy Co., Ltd. (“Hsin Jin Solar Energy”) | Solar related business | 60.00 % | 60.00 % | |
| | Si Two Corp. (“Si Two”) | Solar related business | 100.00 % | 100.00 % | |
| | Hong Ying Energy Co., Ltd. (“Hong Ying”) | Solar related business | 100.00 % | 100.00 % | 7 |
| | Success Energy Co., Ltd (“Success”) | Solar related business | 100.00 % | 100.00 % | 5 |
| Utech | Jiangung Energy Power Co., Ltd. (“Jiangung”) | Solar related business | 100.00 % | 100.00 % | |
| Jiangung | Yong Liang Ltd. (“Yong Liang”) | Solar related business | 81.12 % | 80.06 % | |
| DelSolar HK | DelSolar (Wu Jiang) Ltd. (“DelSolar Wu Jiang”) | Solar related business | 100.00 % | 100.00 % | |
| DelSolar US | Clean Focus Renewables Inc.(“CFR”) | Solar related business | - % | - % | 3 |
| | USD1 Owner LLC(“USD1”) | Solar related business | 100.00 % | 100.00 % | |
| | Beryl Construction LLC(“Beryl”) | Solar related business | 100.00 % | 100.00 % | |
| UES | Renewable Energy Solution Limited(“RES”) | Investment company | 100.00 % | 100.00 % | |
| RES | Gintech (“Thailand”) Limited(“Gintech (“Thailand”)”) | Solar related business | 100.00 % | 100.00 % | |

(Continued)

Note 1: The subsidiary was deemed as a subsidiary of the Group in accordance with IFRS 10.

Note 2: The Group disposed of all the equity shares in 2023.

Note 3: The Group had liquidated and dissolved in 2023.

Note 4: Please refer to Note 13(a) for the details of subsidiaries.

Note 5: Lianxi Energy Power Co., Ltd. has changed its name to Success Energy Co., Ltd on October 20, 2023.

Note 6: Shanshang Energy Power Co., Ltd. has changed its name to Hong Yi Energy Co., Ltd. On March 28, 2024.

Note 7: Lianzhang Energy Power Co., Ltd. has changed its name to Hong Ying Energy Co., Ltd. On April 1, 2024.

(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 using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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

(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 non-controlling 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

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

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(iii) It expects to realize the asset within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(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 short-term 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.

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.

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.

(Continued)

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 receivables, leases receivable, guarantee deposit paid and other financial assets) and contract 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.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group 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 Group's historical experience and informed credit assessment as well as forward-looking information.

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).

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

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.

(Continued)

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.

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) Compound financial instruments

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

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

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

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

6) 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.

7) 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.

(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.

(Continued)

(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) Non-current assets held for sale (or disposal groups)

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

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

(j) 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.

(Continued)

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.

The Group 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 Group 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 Group 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 Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group 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.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method without remeasuring the retained interest.

When the Group 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 Group's proportionate interest in the net assets of the associate. The Group 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 Group'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.

(k) 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.

(Continued)

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.

(l) 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.

(m) 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.

(Continued)

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: 3~31 years

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.

(n) Leases

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.

(i) As a leasee

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.

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.

The Group has selected not to recognize right-of-use assets and lease liabilities for short-term leases of other equipmants, 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.

(ii) As a leasor

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.

(Continued)

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'.

(o) 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.

(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.

(p) 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.

(Continued)

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 cash-generating units (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.

(q) 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.

(i) Warranties

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

(ii) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

(iii) Site restoration

The Group makes provision for its site restoration due to the recovery cost of its power station modules estimated in accordance with Regulations Governing the Installation of Renewable Energy Power Generation Equipment by Bureau of Energy, Ministry of Economic Affairs, wherein the amount is calculated based on the scale of the power station, and the provision is recognized based on the present value of the expected costs for the site restoration.

(Continued)

(r) 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.

(Continued)

4) Service revenue

The Group provides solar cell OEM services to customers, and the provision of related services is based on the contract price and recognized on the degree of fulfillment of performance obligations on the reporting date.

5) 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.

(s) 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.

(t) 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.

(u) 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.

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

(Continued)

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 at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, 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.

(v) Earnings per share

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

(w) 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.

(x) Business combination

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

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

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

(y) Government grants

The Group recognizes an unconditional government grant in profit or loss as other income will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

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

In preparing this consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, 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.

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

Judgment of whether the Group has substantive control over its investees

The Group is not a 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:

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 stand-alone 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.

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 (i.e. as prices) or indirectly (i.e. 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(ad) for assumptions used in measuring fair value.

## (6) Explanation of significant accounts:

(a) Cash and cash equivalents

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Cash on hand, checking accounts and demand deposits | $ 4,717,205 | 3,281,298 |
| Time deposits | 367,687 | 151,221 |
| Cash equivalents - repurchase agreements collateralized by bonds | 1,695,267 | 1,042,422 |
| Cash and cash equivalents listed in the consolidated cash flow statements | **$ 6,780,159** | **4,474,941** |

Please refer to note 6(ad) 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, 2024 | December 31, 2023 |
|---|---|---|
| Financial assets mandatorily measured at fair value through profit or loss: | | |
| Derivatives not used for hedging | | |
| Foreign exchange swap contracts | $ - | 16,022 |
| Long call options | - | 64,669 |
| Non-derivative financial instruments | | |
| Open-end funds | 262,028 | - |
| Total | **$ 262,028** | **80,691** |
| | | |
| Current | $ 262,028 | 80,691 |
| Non-current | - | - |
| Total | **$ 262,028** | **80,691** |
| | | |
| Financial liabilities designated at fair value through profit or loss: | | |
| Derivatives not used for hedging | | |
| Short call options | **$ 258** | **11,974** |
| | | |
| Current | $ - | 331 |
| Non-current | 258 | 11,643 |
| Total | **$ 258** | **11,974** |

(Continued)

(i) The short call options mentioned above including (1) derived from the loan contract signed with Indiana Municipal Power Agency (IMPA), and IMPA has the right to buy back all of the subsidiary shares which were designated on the specific date. Refer to note 6(q) for more details; (2) Other investor has the right to buy back preference shares of UREE in the specific period.

(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(s) 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:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Shorting call options-TEV II | | |
| Estimated strike price | USD13,822 thousand | USD13,822 thousand |
| Expected volatility | -% | 20.69% |
| Duration | - years | 1.00 years |
| Discount rate | -% | 11.6533% |
| Longing call options-TEV II | | |
| Estimated strike price | | USD704 thousand |
| Expected volatility | | 20.40% |
| Duration | | 0.50 years |
| Discount rate | | 11.6533% |

In addition, the longing call options between TEV II and shareholders of preferred stock has been executed in 2024. The Group recognized the capital surplus of $ 233,343 thousand resulting from the non-controlling interest transaction.

(iv) The Group uses derivative financial instruments to hedge the certain foreign exchange and interest rate risk the Group exposures arising from its operating, financing and investing activities. 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:

| December 31, 2023 | Currency | Maturity Date | Contract Amount (in Thousands) |
|---|---|---|---|
| Foreign exchange swap contracts | USD/NTD | January 8, 2024 | USD23,000/ NTD721,809 |

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

| | | For the years ended December 31, | |
|---|---|---|---|
| | | 2024 | 2023 |
| Revaluation of derivatives listed in profit and loss | $ | (8,252) | (69,741) |
| Revaluation of non-derivatives listed in profit and loss | | (3,164) | - |
| | $ | (11,416) | (69,741) |

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

| | | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Equity instrument measured at fair value through other comprehensive income: | | | |
| Domestic investments | | | |
| Listed ordinary shares | $ | 1,012,616 | 464,101 |
| Unlisted ordinary shares | | 253,030 | 289,312 |
| Overseas investments - unlisted ordinary shares | | 5,500 | 8,188 |
| Total | $ | 1,271,146 | 761,601 |

(i) The Group’s equity instruments are not held for trading, therefore has been designated at fair value through other comprehensive income.

(ii) Due to the requirement of its business development, the Group increased its investment in GaN Power Technology Co., Ltd. through ordinary shares, at the amount of $11,100 thousand, in the third quarter of 2023.

(iii) To strengthen the strategic layout, the Group increased its investment in the ordinary shares of Kai-Hong Energy Co., Ltd. ("Kai-Hong ") by $72,019 thousand in the second and third quarter of 2024.

(iv) Due to the requirement of the business development, the Group increased investment Soar Taiwan Co., Ltd. ordinary shares $67,652 thousand in the second and third quarter of 2024.

(v) 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.

(vi) During the year ended December 31, 2024 and 2023, the dividends of $21,805 thousand and $18,408 thousand, related to equity investments at fair value through other comprehensive income were recognized.

(vii) During the years ended December 31, 2024 and 2023, the Group sold financial assets measured at fair value through other comprehensive gains and losses. The fair value at the time of disposal were $50,877 thousand and $72,283 thousand, and the accumulated disposal proceeds (losses) amounted to $(13,824) thousand and $25,033 thousand, transferred from other equity to retained earnings.

(Continued)

(viii) For credit risk and market risk, please refer to note 6(ad).

(ix) Please refer to Note 8 for details of the above-mentioned financial assets had been pledged as collateral.

(d) Financial assets at amortized cost

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Convertible preference shares - Phanes Holding Inc. | $ - | - |

(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.

(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.

(iv) The principal amount of the above-mentioned special stock transaction is USD5,000 thousand and the interest receivable is $29,176 thousand. According to the future recoverability which based on the preference shares cash flow assessment, the Group recognized impairment loss on financial assets.

(v) Financial assets at amortized cost had not been pledged as collateral.

(e) Notes and accounts receivables

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Notes and accounts receivable | $ 709,194 | 1,100,422 |
| Accounts receivable from related parties | 4,157 | - |
| Less: Loss Allowance | (30,021) | (32,854) |
| | $ 683,330 | 1,067,568 |

(i) As of December 31, 2024 and 2023, the Group expected to give discounts or concessions to its customers, and recognized the provisions of $128,562 thousand and $59,486 thousand, which were recoded respectively, under "other current liabilities".

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

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| | December 31, 2024 | | |
|---|---|---|---|
| | Gross carrying amount | Weighted-average loss rate | Loss allowance provision |
| Current | $ 610,579 | 0%~0.000% | - |
| 1 to 30 days past due | 7,852 | 0%~0.000% | - |
| 31 to 60 days past due | 2 | 0%~0.000% | - |
| More than 181 days past due | 94,918 | 0%~100% | 30,021 |
| Total | $ 713,351 | | 30,021 |

| | December 31, 2023 | | |
|---|---|---|---|
| | Gross carrying amount | Weighted-average loss rate | Loss allowance provision |
| Current | $ 818,590 | 0%~0.000% | - |
| 1 to 30 days past due | 70,414 | 0%~0.143% | 89 |
| 31 to 60 days past due | 109,632 | 0%~1.097% | 1,202 |
| 61 to 90 days past due | 36 | 0%~1.465% | - |
| 121 to 150 days past due | 5,862 | 0%~22.153% | 188 |
| 151 to 180 days past due | 3,789 | 0%~46.651% | - |
| More than 181 days past due | 92,099 | 0%~100% | 31,375 |
| Total | $ 1,100,422 | | 32,854 |

(iii) The movement in the allowance for notes and accounts receivables were as follows:

| | For the years ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Balance at January 1 | $ 32,854 | 219,318 |
| Impairment loss recognized (reversed) | (2,969) | 9,839 |
| Amounts written off | - | (196,289) |
| Foreign exchange gains (loss) | 136 | (14) |
| Balance at December 31 | $ 30,021 | 32,854 |

(iv) The aforementioned notes and accounts receivables of the Group had not been pledged as collateral.

(f) Inventories

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Finished goods and products | $ 803,704 | 990,945 |
| Raw materials | 207,922 | 294,435 |
| Construction in progress | 339,600 | 365,686 |
| Work in progress | 21,852 | 28,772 |
| | $ 1,373,078 | 1,679,838 |

(Continued)

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(i) The constructions in progress listed above were the construction costs incurred to build power plants that the Group intended to sell, wherein one of the foreign applications for extension on its commercial operation, which had been denied by the local authority due to deficiency, resulted in future uncertainty. Please refer to Note 9 for details.

(ii) The details of the cost of sales were as follows:

| | For the years ended December 31, 2024 | For the years ended December 31, 2023 |
|---|---|---|
| Cost of goods sold | $ 4,948,164 | 11,278,687 |
| Unallocated production overheads | 564,119 | 506,519 |
| Write-downs and retirement of inventories (Reversal of write-downs) | (376,302) | 1,709,191 |
| Impairment loss on prepayments | 13,677 | 794,285 |
| Others | (3,529) | (4,595) |
| Total | **$ 5,146,129** | **14,284,087** |

(iii) As of December 31, 2024 and 2023, the inventories of the Group had not been pledged as collateral.

(g) Non-current assets held for sale

The equipment and assets and liabilities of the  subsidiaries were presented as a disposal group held for sale, as the following.

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Bank deposit | $ 18,862 | - |
| Accounts receivable | 1,734 | - |
| Property, plant and equipment (note 6(k)) | 349,833 | - |
| Other assets | 972 | - |
| Assets held for sale | **$ 371,401** | **-** |
| Bank borrowings | $ 404,361 | - |
| Other payables | 22,593 | - |
| Liabilities held for sale | **$ 426,954** | **-** |

(i) The non-current assets held for sale, which were measured at the lower of other carrying amount and fair value less costs to sell as of June 30, 2023, were reclassified to non-current assets held for sale in the third quarter of 2022 and an impairment loss of $121,545 thousand was recognized. However, in consideration of the uncertainty of the performance progress, the Group reclassified the related assets from non non-current assets held for sale to property, plant and equipment at the end of 2023, and the sale of these assets was completed in the first quarter of 2024.

(ii) The Group provides a performance guarantee for the transaction, please refer to Note 9.

(iii) The Group decided to sell some of its foreign subsidiaries in the year 2024 and has begun handling the related sale matters. The assets and liabilities of these subsidiaries are reported as non-current assets held for sale. As of December 31, 2024, the assets and liabilities of the held-for-sale group amounted to 371,401 thousand and 426,954 thousand, respectively. Additionally, the non-current assets held for sale were measured at the lower of their carrying amount and fair value less costs to sell, resulting in an impairment loss of NT$140,251 thousand recognized in 2024, which was recorded under "other gains and losses".

(h) Investments accounted for using the equity method

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Associates | $ 292,550 | 256,302 |

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

(ii) The Group is not a 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.

(iii) Associates

1) 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, 2024 | December 31, 2023 |
|---|---|---|
| Carrying amount of individually insignificant associates' equity | $ 292,550 | 256,302 |

| | For the years ended December 31, 2024 | For the years ended December 31, 2023 |
|---|---|---|
| Attributable to the Group | | |
| Net income (loss) | $ (2,619) | 7,583 |
| Other comprehensive income (loss) | 20,162 | (8,150) |
| Comprehensive loss | $ 17,543 | (567) |

(iv) The aforementioned investments accounted for using the equity method of the Group had not been pledged as collateral.

(i) Business combination

(i) The Group acquired 54.82% of the shares in DS Energy Technology Co., Ltd., ("DS Energy") and obtained control of DS Energy in May 2024. Therefore, the Group's equity interest in DS Energy increased from 12.14% to 66.96%, and the acquisition amount for an amount of $84,000 thousand.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

| | | |
|---|---|---|
| Cash and cash equivalents | $ | 43,363 |
| Receivables | | 24,741 |
| Other current assets | | 16,176 |
| Property, plant and equipment (note 6(k)) | | 42,120 |
| Other non-current assets (note 6(l)) | | 15,588 |
| Long-term and short-term borrowings | | (37,059) |
| Notes and accounts payable | | (9,643) |
| Contract liabilities - current | | (16,894) |
| Other current liabilities | | (13,517) |
| Other non-current liabilities | | (2,443) |
| Total identifiable net assets acquired | **$** | **62,432** |

Goodwill arising from the acquisition has been recognized as follows:

| | | |
|---|---|---|
| Consideration transferred | $ | 84,000 |
| Non-controlling interest in the acquiree (proportionate share of the fair value of the identifiable net assets) | | 20,628 |
| Less: Fair value of identifiable net assets | | (62,432) |
| Goodwill | **$** | **42,196** |

(ii) From the acquisition date to December 31, 2024, DS Energy contributed revenue of $117,031 thousand and net profit (loss) of $666 thousand to the Group's results. If the acquisition had occurred on January 1, 2024, management estimated that consolidated revenue would have increased $140,601 thousand, and consolidated net profit (loss) for the year would have increased $1,142 thousand. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2024.

(j) Loss of control over a subsidiary

During years ended December 31, 2023, the Group sold all of its shares in subsidiaries and loss control of them, with the considerations of $276,489 thousand, respectively, the disposal loss was $44,251 thousand (including the effect of exchange rate changes of $584 thousand), which was included in other gains and losses.

The carrying amounts of assets and liabilities of subsidiary on the date of disposal were as follows:

| | | For the years ended December 31, 2023 |
|---|---|---|
| Property, plant and equipment | $ | 472,334 |
| Long-term liabilities | | (333,960) |
| Carrying amount of subsidiary's net assets | **$** | **138,374** |

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(k) Property, plant and equipment

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

| | | Land | Buildings | Machinery and equipment | Other equipment | Equipment to be inspected and construction in progress | Total |
|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | |
| Balance on January 1, 2024 | $ | 764,841 | 4,507,573 | 15,550,015 | 8,481,760 | 569,615 | 29,873,804 |
| Acquisition through business combination | | - | - | - | 47,461 | - | 47,461 |
| Additions | | - | - | 2,557 | 11,201 | 1,150,596 | 1,164,354 |
| Disposals | | - | - | (8,002,457) | (1,123,081) | - | (9,125,538) |
| Reclassification | | - | - | 563,260 | 937,302 | (1,460,009) | 40,553 |
| Reclassify to assets held for sale | | - | - | - | (660,998) | - | (660,998) |
| Effect of changes in foreign exchange rates | | 5,070 | 25,290 | 43,638 | 122,013 | 81 | 196,092 |
| Balance on December 31, 2024 | $ | **769,911** | **4,532,863** | **8,157,013** | **7,815,658** | **260,283** | **21,535,728** |
| Balance on January 1, 2023 | $ | 764,280 | 4,504,773 | 14,661,114 | 6,666,705 | 1,322,260 | 27,919,132 |
| Additions | | - | - | 32,269 | 36,429 | 2,029,262 | 2,097,960 |
| Disposals | | - | - | (584,299) | (625,818) | - | (1,210,117) |
| Reclassification | | - | - | 1,436,510 | 2,401,198 | (2,781,927) | 1,055,781 |
| Effect of changes in foreign exchange rates | | 561 | 2,800 | 4,421 | 3,246 | 20 | 11,048 |
| Balance on December 31, 2023 | $ | **764,841** | **4,507,573** | **15,550,015** | **8,481,760** | **569,615** | **29,873,804** |
| **Accumulated depreciation and impairment loss:** | | | | | | | |
| Balance on January 1, 2024 | $ | - | 2,276,840 | 13,816,393 | 2,654,818 | - | 18,748,051 |
| Acquisition through business combination | | - | - | - | 5,341 | - | 5,341 |
| Depreciation | | - | 204,128 | 359,231 | 402,146 | - | 965,505 |
| Impairment loss | | - | 32,128 | 656,553 | 472,216 | 23,068 | 1,183,965 |
| Disposals | | - | - | (8,000,352) | (621,069) | - | (8,621,421) |
| Reclassify to assets held for sale | | - | - | - | (311,165) | - | (311,165) |
| Effect of changes in foreign exchange rates | | - | 10,630 | 35,007 | 60,855 | - | 106,492 |
| Balance on December 31, 2024 | $ | **-** | **2,523,726** | **6,866,832** | **2,663,142** | **23,068** | **12,076,768** |
| Balance on January 1, 2023 | $ | - | 2,066,532 | 13,742,566 | 1,921,719 | - | 17,730,817 |
| Depreciation | | - | 209,554 | 409,671 | 376,310 | - | 995,535 |
| Impairment loss | | - | - | 246,172 | 34,356 | - | 280,528 |
| Disposals | | - | - | (584,299) | (153,484) | - | (737,783) |
| Reclassification | | - | - | - | 476,434 | - | 476,434 |
| Effect of changes in foreign exchange rates | | - | 754 | 2,283 | (517) | - | 2,520 |
| Balance on December 31, 2023 | $ | **-** | **2,276,840** | **13,816,393** | **2,654,818** | **-** | **18,748,051** |
| **Carrying amounts:** | | | | | | | |
| Balance on December 31, 2024 | $ | **769,911** | **2,009,137** | **1,290,181** | **5,152,516** | **237,215** | **9,458,960** |
| Balance on January 1, 2023 | $ | **764,280** | **2,438,241** | **918,548** | **4,744,986** | **1,322,260** | **10,188,315** |
| Balance on December 31, 2023 | $ | **764,841** | **2,230,733** | **1,733,622** | **5,826,942** | **569,615** | **11,125,753** |

(Continued)

(i) Impairment loss

The management implemented the regular impairment evaluating evaluation and testing on 2024 and 2023 December, considering the specific nonfinancial asset' s business purpose, usage status, and usage methods, the assets are classified according to the cashgenerating unit, and the expected recoverable amount is estimated based on the individual cashgenerating 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 pretax cash flow forecast of the financial budget, which approved by the management of each cashgenerating unit. The pretax discount rate of estimated value in 2024 and 2023 were 7.23%~10% and 7.78%~11.05%, respectively. It is an aftertax ratio measured based on the interest rate of a Tenyear 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 cashgenerating units.

According to the future annual financial forecasts of each cashgenerating 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 for the years ended December 31, 2024 and 2023, amounting to $1,183,965 thousand and $280,528 thousand, respectively.

(ii) The aforementioned property, plant and equipment had been pledged as collateral. Please refer to Note 8.

(iii) Reclassify to assets held for sale, please refer to Note 6(g).

(iv) For the years ended December 31, 2024 and 2023, capitalized borrowing costs were $19,982 thousand and $30,928 thousand, respectively, relating to the acquisition of constructing factory, with capitalization rates of 2.53322%~3.40% and 2.5947%~3.40%, respectively.

(l) Right-of-use assets

The Group leases many assets including land and buildings, vehicles and machinery equipment. Information about leases for which the Group as a lessee was presented below:

| | Land | Building | Machinery and equipment | Other equipment | Total |
|---|---|---|---|---|---|
| **Cost:** | | | | | |
| Balance at January 1, 2024 | $ 474,773 | 1,419,458 | 2,276 | 17,610 | 1,914,117 |
| Acquisition through business combination | - | 8,361 | - | - | 8,361 |
| Additions | 17,258 | 211,913 | - | - | 229,171 |
| Deductions | - | (10,967) | - | (8,269) | (19,236) |
| Effect of movement in exchange rates | - | 986 | - | - | 986 |
| Balance at December 31, 2024 | **$ 492,031** | **1,629,751** | **2,276** | **9,341** | **2,133,399** |

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| | Land | Building | Machinery and equipment | Other equipment | Total |
|---|---|---|---|---|---|
| Balance at January 1, 2023 | $ 474,773 | 1,008,767 | 2,276 | 15,905 | 1,501,721 |
| Additions | - | 442,039 | - | 6,731 | 448,770 |
| Deductions | - | (31,427) | - | (5,026) | (36,453) |
| Effect of movement in exchange rates | - | 79 | - | - | 79 |
| Balance at December 31, 2023 | $ 474,773 | 1,419,458 | 2,276 | 17,610 | 1,914,117 |
| **Accumulated depreciation and impairment losses:** | | | | | |
| Balance at January 1, 2024 | $ 139,077 | 85,937 | 1,214 | 6,275 | 232,503 |
| Acquisition through business combination | - | 904 | - | - | 904 |
| Additions | 29,484 | 103,326 | 455 | 3,620 | 136,885 |
| Deductions | - | (5,578) | - | (4,487) | (10,065) |
| Effect of movements in exchange rates | - | 337 | - | - | 337 |
| Balance at December 31, 2024 | $ 168,561 | 184,926 | 1,669 | 5,408 | 360,564 |
| Balance at January 1, 2023 | $ 110,883 | 39,088 | 759 | 6,154 | 156,884 |
| Additions | 28,194 | 78,305 | 455 | 5,147 | 112,101 |
| Deductions | - | (31,427) | - | (5,026) | (36,453) |
| Effect of movements in exchange rates | - | (29) | - | - | (29) |
| Balance at December 31, 2023 | $ 139,077 | 85,937 | 1,214 | 6,275 | 232,503 |
| **Carrying amount:** | | | | | |
| Balance at December 31, 2024 | $ 323,470 | 1,444,825 | 607 | 3,933 | 1,772,835 |
| Balance at January 1, 2023 | $ 363,890 | 969,679 | 1,517 | 9,751 | 1,344,837 |
| Balance at December 31, 2023 | $ 335,696 | 1,333,521 | 1,062 | 11,335 | 1,681,614 |

(m) 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 3~10 years. Some leases provide the lessees with options to extend at the end of the term.

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The details of investment property are as follows:

| | Properties | | Right-of-use asset | |
|---|---|---|---|---|
| | **Land** | **Buildings** | **Land** | **Total** |
| **Cost or deemed cost:** | | | | |
| Balance at January 1, 2024 (Balance at December 31, 2024) | **$ 747,300** | **2,772,531** | **209,862** | **3,729,693** |
| Balance at January 1, 2023 (Balance at December 31, 2023) | **$ 747,300** | **2,772,531** | **209,862** | **3,729,693** |
| **Accumulated depreciation and impairment loss:** | | | | |
| Balance at January 1, 2024 | $ - | 1,064,093 | 68,874 | 1,132,967 |
| Depreciation for the year | - | 111,346 | 14,713 | 126,059 |
| Balance at December 31, 2024 | **$ -** | **1,175,439** | **83,587** | **1,259,026** |
| Balance at January 1, 2023 | $ - | 952,748 | 54,879 | 1,007,627 |
| Depreciation for the year | - | 111,345 | 13,995 | 125,340 |
| Balance at December 31, 2023 | **$ -** | **1,064,093** | **68,874** | **1,132,967** |
| **Carrying amount:** | | | | |
| Balance at December 31, 2024 | **$ 747,300** | **1,597,092** | **126,275** | **2,470,667** |
| Balance at January 1, 2023 | **$ 747,300** | **1,819,783** | **154,983** | **2,722,066** |
| Balance at December 31, 2023 | **$ 747,300** | **1,708,438** | **140,988** | **2,596,726** |
| **Fair value:** | | | | |
| Balance at December 31, 2024 | | | | **$ 3,247,007** |
| Balance at December 31, 2023 | | | | **$ 3,267,452** |

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 thirdlevel fair value.

Investment property includes several commercial real estates leased to others. Each lease contract includes the original irrevocable period of 3 ~ 10 years, and the subsequent lease period is negotiated with the lessee, and no contingent rent is collected. Please refer to Note 6(v) for other related information.

The investment property had been pledged as collateral for long-term borrowings, please refer to Note 8.

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(n) Intangible assets

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

| | | Goodwill | Patent and Others | Total |
|---|---|---|---|---|
| **Cost:** | | | | |
| Balance at January 1, 2024 | $ | - | 9,136 | 9,136 |
| Acquisition through business combinations | | 42,196 | 2,021 | 44,217 |
| Additions | | - | 8,960 | 8,960 |
| Deductions | | - | (6,585) | (6,585) |
| Effect of movement in exchange rates | | - | 398 | 398 |
| Balance at December 31, 2024 | **$** | **42,196** | **13,930** | **56,126** |
| Balance at January 1, 2023 | $ | - | 9,669 | 9,669 |
| Additions | | - | 2,089 | 2,089 |
| Deductions | | - | (2,622) | (2,622) |
| Balance at December 31, 2023 | **$** | **-** | **9,136** | **9,136** |
| **Accumulated amortization and impairment losses:** | | | | |
| Balance at January 1, 2024 | $ | - | 6,172 | 6,172 |
| Acquisition through business combinations | | - | 1,941 | 1,941 |
| Amortization for the year | | - | 8,740 | 8,740 |
| Deductions | | - | (6,585) | (6,585) |
| Effect of movement in exchange rates | | - | 300 | 300 |
| Balance at December 31, 2024 | **$** | **-** | **10,568** | **10,568** |
| Balance at January 1, 2023 | $ | - | 6,419 | 6,419 |
| Amortization for the year | | - | 2,375 | 2,375 |
| Deductions | | - | (2,622) | (2,622) |
| Balance at December 31, 2023 | **$** | **-** | **6,172** | **6,172** |
| **Carrying value:** | | | | |
| Balance at December 31, 2024 | **$** | **42,196** | **3,362** | **45,558** |
| Balance at December 31, 2023 | **$** | **-** | **2,964** | **2,964** |

The intangible assets of the Group had not been pledged as collateral.

The Group acquired goodwill of $42,196 thousand through a company combination in the second quarter of 2024, and there was no such transaction for the ended December 31, 2023, please refer to the Note 6(i) for other related information.

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(o) Short-term borrowings

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Unsecured bank loans | $ 48,132 | 434,223 |
| Range of interest rates | 2.5763%~2.5843% | 2.16%~3.161% |

(p) Short-term bills payable

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Commercial paper payable | $ 47,800 | - |
| Less: discounts on commercial paper payable | (142) | - |
| | $ 47,658 | - |

(q) Long-term liabilities

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Secured bank loans | | |
| Bank Loan - Syndicated loans | $ 6,839,693 | 4,067,094 |
| Bank Loan - Power Plant Project Loans | 1,836,531 | 985,067 |
| Bank Loan - Medium and Long-Term Loans | 753,308 | 698,363 |
| Other financing loan | - | 366,448 |
| Unsecured bank loans | | |
| Bank Loan - Medium and Long-Term Loans | 799,431 | 872,173 |
| | 10,228,963 | 6,989,145 |
| Less: Current portion | (3,415,998) | (2,890,899) |
| Total | $ 6,812,965 | 4,098,246 |
| Range of interest rates | 2.295%~4.75% | 2.17%~4.75% |

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

2) Compliance with loan contracts

a) The Group entered into a long-term loan agreement with Bank SinoPac. According to the terms and conditions on the contract, it requires the borrower, Yong Liang, to maintain certain financial ratios during the credit period. The financial ratios as of December 31, 2024, are in compliance with the above requirements.

b) The Group entered into $6 billion syndicated loans with First Bank in the third quater of 2021. 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 Debt-To-Equity Ratio, Interest Protection Multiples (IPM) and its tangible equity as of June 30, 2024, and the Interest Protection Multiples (IPM) and its tangible equity as of December 31, 2023, did not meet the above requirements, which were not considered as defaults under the contract. Instead, the Group have to pay the compensation fees to all joint credit banks each month until the next drawdown date or the base date of interest rate adjustments after the improvement of the above mentioned financial ratios, and the borrowing was repaid in the fourth quarter of 2024.

c) 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 and other loans which were lent by other banks had expired on September 30, 2024. The Group completed the negotiation to extend the maturity date to September 30, 2025, and the financial ratios before the maturity date need not be reviewed. As of December 31, 2024, the balance of bank loan was $2,169,984 thousand.

d) The Group entered into $6.8 billion syndicated loans with First Bank in the third quater of 2023. According to the terms and conditions on the contract, the Group was required 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 its tangible equity as of December 31, 2024 and 2023, and the Debt To Equity Ratio, Interest Protection Multiples (IPM) and its tangible equity as of June 30, 2024 did not meet the above requirements, which were not considered as defaults under the contract. Instead, the Group had to pay the compensation fees to all joint credit banks each month until the next drawdown date or the base date of interest rate adjustments after the improvement of the above mentioned financial ratios.

3) Other loan agreements

The Group signed the long term contract, with a duration of 25 year, with IMPA in 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 MEGASIXTEEN, and AC GES, a company owned by the Group through TEV II and TEV Solar, starting from 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 notes 6(b) and (ad). 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); please refer to note 13(b). The Group has disposed the shares of TEV II on January 21, 2025, so the Group reclassified the long-term loans as current liabilities held for sale; please refer to note 6(g) transaction.

The performance of its embedded derivative resulted in the Group's long-term borrowings from IMPA in December 2017 to be paid off in December 2023.

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

(r) Bonds payable

Information about the Group's issuance of secured convertible bonds is as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Issuance amount | $ 3,000,000 | 3,000,000 |
| Unamortized discount | - | (13,819) |
| Accumulated redeemed amount | (2,999,900) | - |
| Accumulated converted amount | (100) | (100) |
| Less: Current portion | - | (2,986,081) |
| Ending balance of bonds payable | $ - | - |
| Equity component－ conversion right (recorded as capital surplus) | $ - | 177,360 |

| | For the year ended December 31, 2024 | For the year ended December 31, 2023 |
|---|---|---|
| Embedded derivative component－revaluation profit (loss) on redemption rights (recorded as other gains and losses) | $ - | (900) |
| Interest expense | $ 13,819 | 16,866 |

The Issuance information on the secured convertible bonds was as follows:

| | 3rd domestic unsecured convertible bonds |
|---|---|
| Issuance amount | $3,000,000 thousand |
| Issuance date | 2021.10.25 |
| Issuance price | At 104.18% of par value |
| Coupon rate | 0% |
| Issuance period | 2021.10.25~2024.10.25 |
| Trustee bank | Bank SinoPac |
| Guarantee agencies | FIRST BANK and others |
| Redemption rights | The Company may redeem the bonds at face value with cash after January 26, 2022, and before September 14, 2024 that if the closing price of the common shares on TWSE on each trading day during a period of 30 consecutive trading dates exceeds at least 30% of the conversion price or if the outstanding balance of the bonds is less than 10% of the issuance amount. |

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| | 3rd domestic unsecured convertible bonds |
|---|---|
| Put option | None |
| Conversion period of convertible bonds | Each holder of the bonds will have the right at any time during the period from January 26, 2022, to October 25, 2024, to convert their bonds through Taiwan Depository & Clearing Corporation ("TDCC"). It is requested to the Company's stock agency to convert the convertible bonds held into the Company's ordinary shares in accordance with these regulations. |
| Conversion price | The conversion price is set at $20.9 per share at the time of issuance. In the event of an adjustment to the conversion price of the Company's ordinary shares that complies with the terms of issuance, the conversion price shall be adjusted according to the formula specified in the terms of issuance. The conversion price has been adjusted to $20.4 at present. |

(s) Preference share liabilities

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Class A preference shares | $ - | 1,988 |
| Less: Current portion | - | (1,988) |
| Total | $ - | - |

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

| | issued by TEV II |
|---|---|
| Issuance date | 2018.12 |
| Total amount issued | USD11,920 thousand |
| percentages of Class A preference shares held by shareholders | 33.81% |
| Issuance terms | |
| - Voting rights | Yes |
| - Dividend rights | 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. |
| - Others | 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 its 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. The Group has completed the transaction in 2024. Please refer to the note 6(b) for more details.

(t) Lease liabilities

The Group leases certain land, buildings and transportation equipment for operating with lease terms of 3 ~ 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, 2024 | December 31, 2023 |
|---|---|---|
| Current | $ 108,435 | 114,019 |
| Non-current | $ 1,819,648 | 1,716,006 |

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

The amounts recognized in profit or loss were as follows:

| | For the years ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Interest on lease liabilities | $ 40,572 | 37,168 |
| Variable lease payments not included in the measurement of lease liabilities | $ 32,888 | 23,515 |
| Expenses relating to short-term leases | $ 3,981 | 5,225 |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | $ 2,041 | 771 |

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

| | For the years ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Total cash outflow for leases | $ 198,834 | 138,071 |

(Continued)

(u) Provisions

| | | Warranties | Site restoration | Total |
|---|---|---|---|---|
| Balance at January 1, 2024 | $ | 128,334 | 162,811 | 291,145 |
| Provisions made during the year | | 29,665 | 35,092 | 64,757 |
| Provisions paid during the year | | - | (6,227) | (6,227) |
| Provisions reversed during the year | | (15,904) | (171) | (16,075) |
| Balance at December 31, 2024 | **$** | **142,095** | **191,505** | **333,600** |
| Balance at January 1, 2023 | $ | 121,556 | 116,412 | 237,968 |
| Provisions made during the year | | 23,865 | 46,399 | 70,264 |
| Provisions reversed during the year | | (17,087) | - | (17,087) |
| Balance at December 31, 2023 | **$** | **128,334** | **162,811** | **291,145** |

(i) The Group's warranty 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) The provision made by the Group for its site restoration cost is recognized under the provision for the module recovery expense in accordance with Regulations Governing the Installation of Renewable Energy Power Generation Equipment and the expected costs for the site restoration.

(v) Operating lease

The Group leases out its investment property and other assets. 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.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

| | | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Less than one year | $ | 313,311 | 148,712 |
| One to five years | | 1,073,985 | 215,100 |
| More than five years | | 971,386 | 44,847 |
| Total undiscounted lease payments | **$** | **2,358,682** | **408,659** |

Rental income generated from investment properties in 2024 and 2023 (relating expenses are already deducted), please refer to note 6(ac).

(w) 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 $40,037 thousand and $49,981 thousand for the years ended December 31, 2024 and 2023, respectively.

(x) Income Taxes

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

| | For the years ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Current tax expense | $ 1,651 | 8,538 |
| Deferred tax expense | 278,283 | 213,620 |
| Income tax expense | **$ 279,934** | **222,158** |

For the years ended December 31, 2024 and 2023, there was no income tax recognized in other comprehensive income.

(ii) Reconciliation of income tax and loss before tax for 2024 and 2023 was as follows:

| | For the years ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Loss excluding income tax | **$ (1,865,777)** | **(3,692,800)** |
| Income tax using the Company's domestic tax rate | $ (373,155) | (738,560) |
| Effect of tax rates in foreign jurisdiction | 7,789 | 16,389 |
| Tax effect of permanent differences | 10,748 | (31,432) |
| Change in unrecognized temporary differences | 613,319 | 773,817 |
| Others | 21,233 | 201,944 |
| Total | **$ 279,934** | **222,158** |

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(iii) 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, 2024 | December 31, 2023 |
|---|---|---|
| Unrecognized deferred tax assets | | |
| Tax losses | $ 4,281,876 | 3,796,602 |
| Tax effect of deductible Temporary Differences | 2,440,566 | 2,312,521 |
| Total | **$ 6,722,442** | **6,109,123** |

The Group have not recognized any deferred tax liabilities in December 31, 2024 and 2023.

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2024 and 2023 were as follows:

| | Loss carryforwards and other |
|---|---|
| **Deferred tax asset** | |
| Balance on January 1, 2024 | $ 414,183 |
| Recognized in profit or loss | (271,623) |
| Foreign currency translation differences for foreign operations | 457 |
| Balance on December 31, 2024 | **$ 143,017** |
| Balance on January 1, 2023 | $ 649,096 |
| Recognized in profit or loss | (234,921) |
| Foreign currency translation differences for foreign operations | 8 |
| Balance on December 31, 2023 | **$ 414,183** |

| | Unrealized gains on financial instruments at fair value through profit or loss | Gain on increase in subsidiaries at a percentage different from its existing ownership percentage | Other | Total |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Balance on January 1, 2024 | $ 4,517 | 7,301 | 30,699 | 42,517 |
| Recognized in profit or loss | 1,902 | - | 4,758 | 6,660 |
| Balance on December 31, 2024 | **$ 6,419** | **7,301** | **35,457** | **49,177** |
| Balance on January 1, 2023 | $ 33,678 | 7,301 | 22,839 | 63,818 |
| Recognized in profit or loss | (29,161) | - | 7,860 | (21,301) |
| Balance on December 31, 2023 | **$ 4,517** | **7,301** | **30,699** | **42,517** |

(Continued)

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(iv) The Group's tax returns for the years through 2022 were assessed by the National Tax Bureau.

(y) Capital and other equity

(i) Ordinary shares

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Authorized share capital | $ 36,000,000 | 36,000,000 |
| Issued share capital | $ 16,277,954 | 16,277,954 |
| Total shares issued | 1,627,795 | 1,627,795 |

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

(ii) Capital surplus

The Company's capital surplus includes share premium, conversion right of convertible bonds, change in equity of subsidiaries, associates and joint venture under equity method, restricted shares for employees, and treasury stock transactions, etc.

The resolution was approved during the general meetings of the shareholders held on June 21, 2024 to offset the deficit against the capital surplus and legal reserve of $34,204 thousand and $35,473 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. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid, the Company may, under its Articles of Incorporation or as required by the government, appropriate or reverse for special reserve. The remaining balance of the earnings, if any, may be appropriated according to the Board of Directors. Besides, if the distribution plan is issuing new shares, it should be appropriated according to a resolution of a shareholder's meeting.

In accordance with the Company Law, two thirds of directors must be present in the board meeting, and more than half of the directors present agree, then the Board of Directors is authorized to distribute dividends, bonuses or all or a portion of the legal reserve and capital surplus as stipulated in Item 1 of Article 241 of the Company Law in the form of cash, which is reported to the shareholders' meeting.

In principle, the Company distributes dividends via both shares and cash as their dividend policy, and cash dividends should not be less than 10% of total dividends distributed.

The company's board of directors resolved the profit distribution plan for the year of 2022 on March 13, 2023, and reported on the shareholders' meeting on June 28, 2023. The amount is as follows:

| | For the year ended December 31, 2022 | |
|---|---|---|
| | **dividend per share (dollar/share)** | **Amount** |
| Dividends distributed to ordinary shareholders: | | |
| Cash | $ 0.1 | 162,779 |

The offset of accumulated deficits for 2023 had been resolved, during the shareholder's meeting held on June 21, 2024. Since there was a net loss after tax in 2023, no surplus was distributed. Related information would be available at the Market Observation Post System website.

(iv) Treasury shares

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

| | **Number of shares held (in thousands of shares)** | **Carrying Amount** | **Market Price** |
|---|---|---|---|
| Balance at December 31, 2024 | 1,066 | $ 18,699 | 10,763 |
| Balance at December 31, 2023 | 1,066 | $ 18,699 | 15,665 |

The shares of the Company 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.

(z) Loss per share

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

| | For the years ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| **Basic loss per share:** | | |
| Loss attributable to ordinary shareholders of the Company | $ (2,134,357) | (3,888,981) |
| Weighted average number of ordinary shares outstanding (in thousands of shares) | 1,626,730 | 1,626,729 |
| Loss per share | $ (1.31) | (2.39) |

The ordinary share equivalents of the Group for the years ended December 31, 2024 and 2023, were not included in this calculation due to their anti-dilutive effects.

(aa) Revenue from contracts with customers

(i) Disaggregation of revenue:

| | | For the years ended December 31, | |
|---|---|---|---|
| | | **2024** | **2023** |
| Major products | | | |
| Solar products | $ | 4,720,818 | 11,569,283 |
| Other | | 1,063,317 | 946,944 |
| | $ | **5,784,135** | **12,516,227** |

(ii) Contract balance

| | | December 31, 2024 | December 31, 2023 | January 1, 2023 |
|---|---|---|---|---|
| Notes and accounts receivable | $ | **683,330** | **1,067,568** | **2,543,462** |
| Contract assets | | | | |
| OEM contract | $ | 140,578 | 93,749 | 43,518 |
| Construction contract | | 55,971 | 86,308 | 295,789 |
| Less: allowance for impairment | | (16,801) | (16,801) | - |
| Contract assets - current | $ | **179,748** | **163,256** | **339,307** |
| Contract liabilities | | | | |
| Sales of products | $ | 446,187 | 552,649 | 360,283 |
| Construction contract | | 42,641 | 28,027 | 20,821 |
| Contract liabilities - current | $ | **488,828** | **580,676** | **381,104** |

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 from January 1 to December 31, 2024 and 2023 were $334,883 thousand and $342,131 thousand, respectively.

3) Contract asset is providing OEM contracts for customers that exchange equivalent consideration rights and recognized construction income which has not yet been requested until the reporting date.

(ab) Employee compensation and directors' remuneration

According to the Articles of Incorporation, 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.

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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.

The remunerations to employees and directors are calculated based on the net profit before tax excluding the remunerations to employees and directors of each period, multiplied by the percentage of remunerations to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employee' remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors. Due to accumulated loss for the years ended December 31, 2024 and 2023, the Group did not estimate its employees'and directors' remuneration.

(ac) Non-operating Income and Expenses

(i) Other income

| | 2024 | 2023 |
|---|---|---|
| Lease income | $ 209,454 | 192,268 |
| Dividend income | 21,805 | 18,408 |
| Other income | 41,703 | 64,628 |
| | **$ 272,962** | **275,304** |

(ii) Other gains and losses

| | 2024 | 2023 |
|---|---|---|
| Gains on disposal of investments | $ 2,754 | 44,251 |
| Gains on foreign currency exchange | 38,023 | 16,807 |
| Gains on disposal of property, plant and equipment and power facilities business | 38,208 | 5,114 |
| Losses on financial assets and liabilities | (11,416) | (69,741) |
| Impairment loss on assets | (1,194,929) | (280,528) |
| Expected credit losses | (22,771) | (298,610) |
| Other | (405,173) | (102,836) |
| | **$ (1,555,304)** | **(685,543)** |

FM Co., one of the Group's clients, claimed that the products, which were not delivered according to the purchase order schedule, failed to meet their specifications and quality requirements, resulting in FM Co., to file a lawsuit against the Group demanding for compensation for the damage, wherein the court ruled in favor of FM Co. in the third quarter of 2023. However, both parties reached a settlement in the fourth quarter of 2023, in which the Group recognized $53,506 thousand as compensation losses.

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(ad) 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.

(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, 2024** | | | | | |
| Non-derivative financial liabilities | | | | | |
| Bank borrowings | $ 11,649,579 | 3,786,813 | 4,825,132 | 306,288 | 2,731,346 |
| Short-term bills payable | 47,800 | 47,800 | - | - | - |
| Lease liabilities | 2,338,818 | 155,336 | 151,616 | 149,586 | 1,882,280 |
| Non-interest bearing liabilities | 2,329,642 | 2,329,642 | - | - | - |
| | **$ 16,365,839** | **6,319,591** | **4,976,748** | **455,874** | **4,613,626** |
| **December 31, 2023** | | | | | |
| Non-derivative financial liabilities | | | | | |
| Bank borrowings | $ 8,190,883 | 3,520,232 | 886,992 | 1,779,283 | 2,004,376 |
| Bonds payable | 2,999,900 | 2,999,900 | - | - | - |
| Lease liabilites | 2,196,297 | 161,127 | 142,307 | 134,639 | 1,758,224 |
| Non-interest bearing liabilities | 2,156,866 | 2,156,866 | - | - | - |
| Derivative financial liabilites (Note) | | | | | |
| Inflow | (721,809) | (721,809) | - | - | - |
| Outflow | 705,787 | 705,787 | - | - | - |
| | **$ 15,527,924** | **8,822,103** | **1,029,299** | **1,913,922** | **3,762,600** |

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, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Foreign currency (in thousands) | Exchange rate | NTD | Foreign currency (in thousands) | Exchange rate | NTD |
| **Financial assets** | | | | | | |
| **Monetary items** | | | | | | |
| USD | $ 35,556 | 32.7700 | 1,165,170 | 61,042 | 30.7650 | 1,877,957 |
| EUR | 2,153 | 34.1100 | 73,439 | 2,852 | 34.0500 | 97,111 |
| GBP | 270 | 41.1400 | 11,108 | 29 | 39.2000 | 1,137 |
| **Non-Monetary items** | | | | | | |
| MYR | 15,304 | 7.0685 | 108,176 | 12,328 | 6.4200 | 79,147 |
| **Financial liabilities** | | | | | | |
| **Monetary items** | | | | | | |
| USD | 33,239 | 32.7700 | 1,089,242 | 28,085 | 30.7650 | 864,035 |
| EUR | 1,290 | 34.1100 | 44,002 | 1,073 | 34.0500 | 36,536 |

The Group's exposure to currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, and accounts and other payables that are denominated in foreign currency. The weakening or strengthening of 1% on the above-mentioned foreign currency against the New Taiwanese Dollars would have decreased or increased the net loss before tax for the years ended December 31, 2024 and 2023 by $1,165 thousand and $10,756 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 December 31, 2024 and 2023, foreign exchange gain (loss) (including realized and unrealized portions), please refer to note 6(ac).

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 or decreased by 0.25%, the Group's net loss would have increased or decreased by $8,981 thousand and $5,166 thousand for the years ended December 31, 2024 and 2023 with all other variable factors remaining constant. This is mainly due to the exposure of the fair value interest rate risk of the Group's variable interest rate deposit and loans.

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

3) Other market price risk

The Group's exposure to price risk on equity investments mainly arises from the investment of financial assets measured at fair value through other comprehensive income and financial assets at fair value through profit or loss. 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 follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Prices of securities at the reporting date** | **Other comprehensive increase before income tax** | **Income before income tax** | **Other comprehensive increase before income tax** | **Income before income tax** |
| Increasing 5% | $ 50,631 | 13,101 | 23,205 | - |
| Decreasing 5% | $ (50,631) | (13,101) | (23,205) | - |

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, 2024 | | | | |
|---|---|---|---|---|---|
| | | Fair Value | | | |
| | Book value | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets at fair value through profit and loss** | | | | | |
| Open-end funds | **$ 262,028** | **262,028** | **-** | **-** | **262,028** |
| **Financial assets at fair value through other comprehensive income** | | | | | |
| Listed domestic stocks | $ 1,012,616 | 576,096 | 436,520 | - | 1,012,616 |
| Non-quoted equity instruments measured at fair value | 258,530 | - | - | 258,530 | 258,530 |
| Subtotal | **$ 1,271,146** | **576,096** | **436,520** | **258,530** | **1,271,146** |
| **Financial assets measured at amortized cost** | | | | | |
| Cash and cash equivalent | $ 6,780,159 | | | | |
| Accounts receivable (including related parties) | 683,330 | | | | |
| Other financial assets | 493,047 | | | | |
| Refundable deposits | 155,765 | | | | |
| Other non-current assets | 359,649 | | | | |
| | **$ 8,471,950** | | | | |
| **Financial liabilities at fair value through profit and loss** | | | | | |
| Derivative financial liabilities | **$ 258** | **-** | **-** | **258** | **258** |
| **Financial liabilities measured at amortized cost** | | | | | |
| Long-term and short-term borrowings | $ 10,277,095 | | | | |
| Short-term bills payable | 47,658 | | | | |
| Accounts payable (including related parties) | 722,598 | | | | |
| Lease liabilities | 1,928,083 | | | | |
| Other financial liabilities | 1,607,044 | | | | |
| | **$ 14,582,478** | | | | |

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**UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES**
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| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | | Fair Value | | | |
| | Book value | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets at fair value through profit or loss** | | | | | |
| Derivative financial assets | $ 80,691 | - | 16,022 | 64,669 | 80,691 |
| **Financial assets at fair value through other comprehensive income** | | | | | |
| Listed domestic stocks | $ 464,101 | 232,051 | 232,050 | - | 464,101 |
| Non-quoted equity instruments measured at fair value | 297,500 | - | - | 297,500 | 297,500 |
| Subtotal | $ 761,601 | 232,051 | 232,050 | 297,500 | 761,601 |
| **Financial assets measured at amortized cost** | | | | | |
| Cash and cash equivalent | $ 4,474,941 | | | | |
| Accounts receivable (including related parties) | 1,067,568 | | | | |
| Other financial assets | 2,228,561 | | | | |
| Refundable deposits | 175,340 | | | | |
| Other non-current assets | 332,859 | | | | |
| | $ 8,279,269 | | | | |
| **Financial liabilities at fair value through profit and loss** | | | | | |
| Derivative financial liabilities | $ 11,974 | - | - | 11,974 | 11,974 |
| **Financial liabilities measured at amortized cost** | | | | | |
| Long-term and short-term borrowings | $ 7,423,368 | | | | |
| Bonds payable | 2,986,081 | | | | |
| Accounts payable (including related parties) | 668,796 | | | | |
| Lease liabilities | 1,830,025 | | | | |
| Preference share liabilities | 1,988 | | | | |
| Other financial liabilities | 1,488,070 | | | | |
| | $ 14,398,328 | | | | |

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

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

i) Financial assets measured at amortized cost

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

ii) Financial liabilities measured at amortized cost

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

c) Valuation techniques for financial instruments measured at fair value

i) Non-derivative financial instruments

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

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

The financial instruments held by the Group are distinguished according to the evaluation sources used to determine its fair value as follows:

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

ii) Derivative financial instruments

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

d) Transfer between Level 1 and level 3

The shares of EGAT held by the Group are classified as financial assets measured at fair value through other comprehensive income. The fair values on December 31, 2024 and 2023 were $72,900 thousand and $81,375 thousand respectively. The shares of EGAT began to be listed, and there were quotations in the active market in March 2023. Therefore, its fair value measurement was transferred from Level 3 to Level 1 on March 31, 2023.

The shares of TSC held by the Group are classified as financial assets measured at fair value through over comprehensive income. The fair values on December 31, 2024 and 2023 were $387,280 thousand and $137,101 respectively. The shares of TSC began to be listed, and there were quotations in the active market in September 2024. Therefore, its fair value measurement was transferred from Level 3 to Level 1 on September 30, 2024. There were no such situation for the year ended December 31, 2023.

e) Reconciliation of Level 3 fair values

The changes in Level 3 fair values for the years ended December 31, 2024 and 2023 are as follows:

| | Derivative instrument - Net of fair value measured through profit and loss | | Non quoted equity instrument - fair value through other comprehensive income | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Opening balance | $ 52,695 | 49,512 | 297,500 | 339,189 |
| Additions / Disposals | (68,883) | - | 139,670 | 11,100 |
| Total gains and losses recognized in profit and loss | 11,730 | 3,130 | - | - |
| Total gains and losses recognized in other comprehensive income | - | - | (33,236) | 15,319 |
| Capital reduction and refund of share capitals | - | - | (2,688) | - |
| Transfer from Level 3 | - | - | (137,101) | (68,108) |
| Reclassification | - | - | (5,615) | - |
| Effect of exchange rate changes | 4,200 | 53 | - | - |
| Ending balance | $ (258) | 52,695 | 258,530 | 297,500 |

As of December 31, 2024 and 2023, 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 follows:

| | 2024 | 2023 |
|---|---|---|
| Total gains and losses recognized: | | |
| In gains and losses, and presented in "other gains and losses" | $ 11,730 | 3,130 |
| In other comprehensive income, and presented in "unrealized gains and losses from financial assets at fair value through other comprehensive income" | $ (33,236) | 15,319 |

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

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

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

Quantified information of significant unobservable inputs was as follows:

| Item | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurements |
|---|---|---|---|
| Financial assets measured at fair value through profit and loss - derivatives instruments (long call options and short call options) | Option pricing model | ·Stock price volatility (20.69% and 20.69%~28.32% for December 31, 2024 and 2023, 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 | Income Approach | ·Discount rate (11.6081% for December 31, 2023) | ·The higher the ratio, the lower the fair value |

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

| | Input value | Increase(+) or decrease(-) | The effect of fair value fluctuations in profit and loss | | The effect of fair value fluctuations in other comprehensive income | |
|---|---|---|---|---|---|---|
| | | | Favorable | Unfavorable | Favorable | Unfavorable |
| **December 31, 2024** | | | | | | |
| Financial liabilities measured at fair | 20.69% | +0.5% | - | (44) | - | - |
| value through profit and loss - derivatives instruments (short call options) | 20.69% | -0.5% | 40 | - | - | - |
| **December 31, 2023** | | | | | | |
| Financial assets measured at fair | 23.88% | +0.5% | - | - | - | - |
| value through profit and loss - derivatives instruments (long call options) | 23.88% | -0.5% | - | - | - | - |
| Financial liabilities measured at fair | 20.69% | +0.5% | - | (964) | - | - |
| value through profit and loss - derivatives instruments (short call options) | 20.69% | -0.5% | 307 | - | - | - |
| Financial liabilities measured at fair | 28.32% | +0.5% | - | (410) | - | - |
| value through profit and loss - derivatives instruments (short call options) | 28.32% | -0.5% | 407 | - | - | - |
| Financial assets measured at fair value | 11.6081% | +0.5% | - | - | - | (9,299) |
| through other comprehensive income - equity instruments without an active market | 11.6081% | -0.5% | - | - | 9,908 | - |

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.

(ae) Financial risk management

(i) Overview

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

1) Credit risks

2) Liquidity risk

3) Market risk

Note 6(ad) 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.

(af) 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, 2024 and 2023.

The Group's objectives for managing its capital to safeguard the capacity to continue its operation took into account the debts and the optimization of the balance of its shareholder's equity to maximize the shareholders' returns.

(ag) 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, 2024 and 2023, were as follows:

(i) Acquisition of Right-of-use assets by lease, please refer to note 6(l).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

| | | January 1, 2024 | Cash flows | Foreign exchange movements and others | December 31, 2024 |
|---|---|---|---|---|---|
| Long-term borrowings | $ | 6,989,145 | 3,538,728 | (298,910) | 10,228,963 |
| Short-term borrowings | | 434,223 | (386,091) | - | 48,132 |
| Shor-term bills payable | | - | 47,800 | (142) | 47,658 |
| Lease liabilities | | 1,830,025 | (119,352) | 217,410 | 1,928,083 |
| Preference share liabilities | | 1,988 | (4,480) | 2,492 | - |
| Bonds payable | | 2,986,081 | (2,999,900) | 13,819 | - |
| Total liabilities from financing activities | **$** | **12,241,462** | **76,705** | **(65,331)** | **12,252,836** |

(Continued)

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| | January 1, 2023 | Cash flows | Foreign exchange movements and others | December 31, 2023 |
|---|---|---|---|---|
| Long-term borrowings | $ 6,832,855 | 99,454 | 56,836 | 6,989,145 |
| Short-term borrowings | 1,895,215 | (1,452,041) | (8,951) | 434,223 |
| Shor-term bills payable | 99,931 | (100,000) | 69 | - |
| Lease liabilities | 1,472,444 | (71,392) | 428,973 | 1,830,025 |
| Preference share liabilities | 6,986 | (8,695) | 3,697 | 1,988 |
| Bonds payable | 2,969,315 | - | 16,766 | 2,986,081 |
| Total liabilities from financing activities | **$ 13,276,746** | **(1,532,674)** | **497,390** | **12,241,462** |

**(7) Related-party transactions:**

(a) Name and relationship with related parties

| Name of related party | Relationship with the Group |
|---|---|
| Phanes Holding Inc. | Other related party |
| Oryx Solar System Solutions LLC | Other related party |
| Solarbright energy Co., Ltd. | Associate |
| Apex Solar Corporation (“Apex”) | Associate |
| Gintung Energy Corporation | Associate |
| Clean Focus Yield Limited (“CFY”) | Other related party |
| Clean Focus Corporation (“CFC”) | Other related party |
| V5 Technologies Co., Ltd. | Associate |
| CF MN DevCo One LLC | Joint venture (Note 1) |
| CF MN DevCo Two LLC | Joint venture (Note 1) |
| NSP ET CAP MN HOLDINGS LLC | Joint venture |

Note 1: The company had liquidated and dissolved in the first quarter of 2024.

(b) Significant transactions with related parties

(i) Sales, accounts receivable, contract assets and contract liabilities

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

| | For the years ended December 31, 2024 | 2023 |
|---|---|---|
| Associates | **$ 21,961** | **89,942** |

(Continued)

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, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| | **Accounts Receivable** | **Contract Assets** | **Accounts Receivable** | **Contract Assets** |
| Associates | | | | |
| Apex | $ 4,157 | 19,267 | - | 29,349 |

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

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Associates | $ - | 7,946 |

(ii) 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:

| | Other receivables(classified as other financial asstes and other non-current assets) | |
|---|---|---|
| | **December 31, 2024** | **December 31, 2023** |
| Associates | $ 1,506 | 398 |
| Joint ventures | 12,453 | 11,691 |
| Other related parties | | |
| CFC | 280,725 | 263,857 |
| Less: Impairment allowance | (293,178) | (255,704) |
| | $ 1,506 | 20,242 |

| | Other current liabilities | |
|---|---|---|
| | **December 31, 2024** | **December 31, 2023** |
| Associates | $ 344 | - |

(iii) Purchase of property, plant and equipment

| | Payables on equipment (classified as other current liabilities) | |
|---|---|---|
| | **December 31, 2024** | **December 31, 2023** |
| Other related parties | $ 2,310 | 2,169 |

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(iv) Disposal of investee companies that adopt equity method

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 2020, with the execution price of $1,649,963 thousand. In addition, as of December 31, 2024 and 2023, the remaining balance on the above disposal amounting to $0 thousand and $111,535 thousand, respectively, which has not yet be collected.

(c) Key management personnel compensation

| | For the years ended December 31, 2024 | For the years ended December 31, 2023 |
|---|---|---|
| Short-term employee benefits | $ 45,591 | 51,666 |
| Post-employment benefits | 979 | 977 |
| Total | **$ 46,570** | **52,643** |

**(8) Pledged assets**

The carrying amounts of pledged assets were as follows:

| Pledged assets | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Property, plant and equipment | $ 5,296,354 | 4,379,412 |
| Investment property | 2,265,934 | 2,367,281 |
| Financial assets at fair value through other comprehensive income | 1,039,859 | 629,096 |
| Restricted bank deposit (accounted for as other financial assets and other non-current assets) | 781,860 | 2,365,038 |
| Refundable deposit | 155,765 | 175,340 |
| | **$ 9,539,772** | **9,916,167** |

**(9) Significant contingent liabilities and unrecognized commitments:**

(a) Unrecognized contract commitments

(i) Unrecognized contract commitments

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Unused letter of credit (in EUR thousand) | **$ -** | **213** |
| Bank guarantee (Note 13(a)) | **$ 1,965,813** | **2,499,961** |

(ii) The Group provides a performance guarantee for the sales of the solar power plant by the subsidiary, which has been approved by the board of directors. The guarantee includes the legality of the transactions and no tax arrears or other uncertainties. The guarantee amounts is equivalent to $884,539 thousand.

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

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Unpaid amount | $ 2,497,119 | 1,544,924 |

(iv) The Group agreed to have an obligation to sell the shares of the investees in the specific period, please refer to note 6(b).

(v) 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 20~31 years.

(vi) Due to power plant installations, the Group signed non-fixed lease payment agreements with others, please refer to note 6(t).

(vii) 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 of long-term purchase agreements, according to the suppliers' operations as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Advance payment | $ 1,995,069 | 2,007,444 |
| Accumulated impairment loss | $ 923,325 | 909,648 |

(viii) As of December 31, 2024 and 2023, the Group issued guarantee for Directorate General of Customs and sales project, amounting to $736,602 thousand and $740,014 thousand, respectively.

(ix) The purchase contract between the Group and specific supplier stipulates that some of the photovoltaic modules purchases are restricted by the U.S. UFLPA Act, relevant obligations shall be assumed by the Group.

(b) Contingencies

(i) The Group leased its plants to DU then a fire broke out in October 2017, and DU was affected and requested damages from the Group. The two parties reached a settlement in May 2019 that offset the money DU owed to the Group. However, EZ Bank, the mortgagee of DU’ s equipment, had objections to the settlement, and requested the Group to pay damages to DU, claim that the creditor’s rights and debts could not be offset by the Group. The Group assessed that it was against DU that the creditor’s rights of DU and DU’s right to claim damages against the Group are legally offset, so EZ Bank’s request has no basis. In this case, on July 1, 2021, the court judged that the Group should pay EZ Bank $159,335 thousand. The Group has appointed a lawyer to file an appeal on the grounds that the judgment was unreasonably flawed.

(ii) The Group and its subcontractor, FN Co., had a disagreement in the interpretation of the payment terms for the second phase of the construction and materials contract. For this reason, FN Co. requested $79,841 thousand from the Group with a payment order. The Group assessed that FN Co. did not complete the contract requirements, so the Group objected to the above-mentioned payment order and will enter into litigation. However, the litigation process has not yet started, and the request of FN Co. has not been fulfilled according to the contract. Therefore, the Group evaluates that the case should not have an immediate or significant impact on its finance or business.

(iii) The Group, FP and FQ Co. claimed for the arbitration due to a dispute over the maintenance contract. The Group has recognized estimated losses and will make necessary adjustments in the future depends on the results of the settlement.

(iv) The Group’s supplier, G Co. had the dispute with CE Co., and CE Co. filed a garnishment and transfer order to the Group, and requested $60,480 thousand with 5% interest annually. In this case, CE Co. was ruled in favor of the first instance, and the Group has assessed and recognized possible losses. However, the Group appealed for the inaccuracies in the judgment. In 2021, the second instance ruled that the Group won the case, and the Supreme Court has now remanded it for retrial due to doubts about the application of laws and regulations.

(v) The Group invested in the construction of solar power plants in Mexico according to its strategic overseas expansion plan. However, at the end of August 2023, the Mexican Energy Regulatory Commission notified the Group that its application for extension on commercial operation in November 2020 has been denied due to deficiency and changes in the local energy policy, resulting in future uncertainty. For that matter, the Group filed a lawsuit against the Mexican government and has appointed local lawyers to handle the case. Although the outcome of the litigation has not yet been determined, the Group has recognized the possible losses of $1,113,273 thousand according to the currently available information. As of December 31, 2024, the carrying amount of the power plant was $296,258 thousand, recognized as inventories.

(vi) FV Co., one of the Group's clients, claimed that the Group failed to deliver the goods according to the purchase order schedule, hence, filed a lawsuit against the Group and for the compensation of $62,197 thousand, which the Group disagreed to and engaged a lawyer to handle the case. The case is under trial, and the Group has also recognized possible losses.

(vii) The Group and its subcontractor, FW Co., had a dispute over relevant development application procedures, hence, FW Co. filed a lawsuit against the Group and for the compensation of $6,973 thousand, which the Group assessed that the claim of FW Co. was unfounded, and engaged a lawyer to handle the case.

(viii) The Group and its subcontractor, FX Co., had a dispute over maintenance obligations under the construction contract. FX Co. filed a lawsuit against the Group and for the request payment of $11,119 thousand. The Group has estimated relevant costs and engaged a lawyer to handle the case.

(ix) FY Co., one of the Group's clients, negotiated with the Group to offset the payment via cash and inventory due to its financial difficulties. However, the Group received a notice from the U.S. court that the client's parent company had declared bankruptcy and the aforementioned assets had been used to offset the payment, amounting to USD 15,200 thousand, should be included in the scope of liquidation distribution, resulting in the court requesting the Group to return the said amount in June 2024. Thereafter, the Group has evaluated that the legality of this matter and the amount of the request have yet to be verified, and has engaged a lawyer to handle the litigation, however, the Company still estimates the possible loss in this matter.

(x) During July and August 2024, the Company received notices of contract termination from some lessors due to the Company's failure to comply with the solar power plant lease contracts. Upon discovery of the breaches of the contracts, the Company started to make improvements in accordance with the contracts and wrote to the lessors requesting for cooperation in the relevant improvement work, however, due to failure to obtain the response from the lessors, it was not possible to complete the improvements on schedule, therefore, the Company engaged a lawyer to handle the case. Please refer to Market Observation Post System for relevant information. In addition, the Company is still estimating the possible loss on this case.

(xi) The Group had a dispute with its subcontractor, GC Co., over a construction contract. GC Co. requested payment of $32,888 thousand without passing the acceptance inspection and applied for mediation. The Group has already estimated relevant costs and has engaged a lawyer to handle the mediation matters.

(xii) The Group had a dispute with GE Co. over the module warranty. GE Co. requested the replacement of all modules due to defects in some modules and related costs totaling approximately $360,470 thousand. The Group assessed that GE Co.'s request was unfounded, andthe case has been referred to a lawyer for handling.

(xiii) The Group has agreed with GD Co. to assist the power plant in obtaining a land lease for the grid connection point within the specified contract period. If the lease is not obtained within the contract period and no feasible alternative can be found, GD Co. has the right to request the Group to buy back the power plant. As of the date of this report, both parties are still negotiating the land lease for the grid connection point and evaluating possible alternatives.

**(10) Losses due to major disasters: None**

**(11) Subsequent Events: None**

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

## (12) Others:

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

| Functions / Nature | 2024 Operating cost | 2024 Operating expenses | 2024 Total | 2023 Operating cost | 2023 Operating expenses | 2023 Total |
|---|---|---|---|---|---|---|
| Employee benefit expense | | | | | | |
| Salaries | 649,829 | 327,852 | 977,681 | 918,626 | 386,105 | 1,304,731 |
| Labor and health insurance | 64,654 | 26,723 | 91,377 | 86,830 | 31,427 | 118,257 |
| Pension | 26,653 | 13,384 | 40,037 | 33,438 | 16,543 | 49,981 |
| Others | 83,346 | 19,060 | 102,406 | 79,366 | 17,276 | 96,642 |
| Depreciation expense (Note) | 1,028,521 | 62,906 | 1,091,427 | 1,046,220 | 61,416 | 1,107,636 |
| Amortization expense | 1,052 | 7,688 | 8,740 | 27 | 2,348 | 2,375 |

Note: Exclude the depreciation expense of investment property $126,059 thousand and $125,340 thousand during 2024 and 2023, respectively.

## (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, 2024:

(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: None.

(viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital: Please see Table 6 attached.

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

(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 7 attached.

(b) Information on investees:

The followings are the information on investees for the years ended December 31, 2024: Please see Table 8 attached.

(c) Information on investment in Mainland China: Please see Table 9 attached.

(d) Major shareholders:

| Shareholding<br>Shareholder's Name | Shares | Percentage |
|---|---|---|
| National Development Fund, Executive Yuan | 99,084,679 | 6.08 % |
| Management Committee of Yaohua Glass Corporation Ltd. | 94,573,203 | 5.80 % |

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 merged company are 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.

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

| For the years ended December 31, 2024 | Solar energy | Others | Reconciliation and elimination | Total |
|---|---|---|---|---|
| Revenue | | | | |
| Revenue from external customers | $ 4,727,459 | 1,056,676 | - | 5,784,135 |
| Intersegment revenues | 110,331 | - | (110,331) | - |
| Total revenue | **$ 4,837,790** | **1,056,676** | **(110,331)** | **5,784,135** |
| Reportable segment profit or loss | **$ 469,391** | **168,615** | **-** | **638,006** |

| For the years ended December 31, 2023 | Solar energy | Others | Reconciliation and elimination | Total |
|---|---|---|---|---|
| Revenue | | | | |
| Revenue from external customers | $ 11,570,793 | 945,434 | - | 12,516,227 |
| Intersegment revenues | 147,145 | - | (147,145) | - |
| Total revenue | **$ 11,717,938** | **945,434** | **(147,145)** | **12,516,227** |
| Reportable segment profit or loss | **$ (627,781)** | **(1,140,079)** | **-** | **(1,767,860)** |

(c) Product and service information

The Group's product revenues from exterior clients were as follows:

| Product and services | 2024 | 2023 |
|---|---|---|
| Solar energy | $ 4,720,818 | 11,569,283 |
| Others | 1,063,317 | 946,944 |
| Total | **$ 5,784,135** | **12,516,227** |

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

(d) Geographic information

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

| Geographical information | Revenue from external customers | | Non-current asset | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue from external customers: | | | | |
| Taiwan | $ 3,254,152 | 6,403,022 | 11,598,407 | 12,415,644 |
| United States | 1,160,402 | 2,337,465 | 666,177 | 811,184 |
| Singapore | 752,566 | 1,892,629 | - | - |
| Europe | 366,687 | 1,290,162 | - | - |
| Other countries | 250,328 | 592,949 | - | 495,651 |
| Total | **$ 5,784,135** | **12,516,227** | **12,264,584** | **13,722,479** |

Non-current assets exclude investments accounted for using the equity method, financial instruments, deferred tax assets, intangible assets 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, 2024 and 2023 are as follow:

| | For the years ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| FG Co. | **$ 1,002,552** | **1,950,410** |
| FO Co. | **$ 752,566** | **1,889,551** |
| FZ Co. | **$ 614,335** | **Note** |

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

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
LENDING TO OTHER PARTIES
FOR THE YEAR ENDED December 31, 2024

TABLE 1 (In Thousands of New Taiwan Dollars)

| No. | Name of the company providing loans to others | Party to transactions | Account classification | Related Party | Maximum balance of the period | Ending Balance | Amount actually drawn | Interest Rate Range (%) | Type of Loans (Note 2) | Amount of transaction | Purposes of the borrowers prepared | Allowance for bad debts | Collateral | | Limit on loans to a single business | Limit on the amount of loans |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Name | Value | | |
| 1 | Gintech ("Thailand") Limited | The Company | Other receivables | Y | 262,960 | 0 | 0 | 0.00% | 2 | - | Operations | - | | - | 951,355 (Note 4) | 951,355 (Note 4) |
| 2 | Gintech ("Thailand") Limited | The Company | Other receivables | Y | 246,525 | 245,775 | 245,775 | 7.27% | 2 | - | Operations | - | | - | 951,355 (Note 4) | 951,355 (Note 4) |

Note 1: Fill in of numbers:
1. 0 represents the parent company.
2. The subsidiaries start with number 1.

Note 2: 1. Where an inter-company or inter-firm business transaction calls for a loan arrangement.
2. Where a short-term financing facility is necessary.

Note 3: According to the Company's Regulations Governing Loaning of Funds : the total amount of the loaning should not exceed 40% of the company's net worth.

Note 4: According to the Company's Regulations Governing Loaning of Funds : the company lending to the parent company or overseas subsidiaries wholly-owned directly or indirectly by the parent company, should not exceed three years and the total amount of financing and the financing for a counterparty should not exceed 100% of its net worth.

Note 5: The aforementioned transactions about consolidated entities 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, 2024

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 | Yong Liang | (2) | 2,258,023 | 1,810,000 | 1,810,000 | 581,267 | - | 16.03 | 5,645,058 | Y | N | N |
| 0 | The Company | GES Energy Middle East FZE | (2) | 2,258,023 | 887,239 | 884,539 | - | - | 7.83 | 5,645,058 | Y | N | N |
| 0 | The Company | UREE | (6) | 2,258,023 | 119,270 | 119,270 | 119,270 | - | 1.06 | 5,645,058 | N | N | N |
| 0 | The Company | DS Energy | (2) | 2,258,023 | 36,543 | 36,543 | - | - | 0.32 | 5,645,058 | Y | N | N |
| 1 | GES USA | TEV SOLAR ALPHA18 LLC | (2) | 1,189,196 | 330,344 | - | - | - | - | 1,486,495 | 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 500% of GES USA’s net asset value, and the limit of the guaranteed amount for a single party was 400% of GES USA’s net asset value. But for business purposes, the limit on the guaranteed amount was the total of the purchases from or sales to GES USA within the most recent year.  GES USA’s net asset value is based on its latest settlement financial statement.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED December 31, 2024

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 | 2024.12.31 | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Number of Shares | Carrying Amount | Percentage of Ownership | Fair Value | |
| The Company | Funds | | | | | | | |
| | Yuanta US 20+ Year AAA-A Corporate Bond ETF | - | Financial assets at fair value through profit or loss- current | 1,750 | 59,168 | - | 59,168 | |
| | Yuanta US 20+ Year BBB Corporate Bond ETF | - | Financial assets at fair value through profit or loss- current | 1,450 | 51,373 | - | 51,373 | |
| | Cathay BBB Corporate bond ex China Coupon 4.5% 10Yr+ 20% Sector Capped ETF | - | Financial assets at fair value through profit or loss- current | 919 | 34,683 | - | 34,683 | |
| | Yuanta U.S. Treasury 20+ Year Bond ETF | - | Financial assets at fair value through profit or loss- current | 2,050 | 58,733 | - | 58,733 | |
| | Cathay U.S. Treasury 20+ Year Bond ETF | - | Financial assets at fair value through profit or loss- current | 1,950 | 58,071 | - | 58,071 | |
| | Shares | | | | | | | |
| | CTCI Corporation | - | Financial assets at fair value through other comprehensive income- current | 3,003 | 115,916 | 0.37% | 115,916 | |
| | ThinTech Materials Technology Co., Ltd. | - | Financial assets at fair value through other comprehensive income- non-current | 7,000 | 436,520 | 6.45% | 436,520 | 1 |
| | Taiwan Speciality Chemicals Corporation | - | Financial assets at fair value through other comprehensive income- non-current | 2,226 | 387,280 | 1.51% | 387,280 | |
| | 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 | 441 | 5,500 | 10.00% | 5,500 | |
| | SUN APPENNINO CORPORATION | - | Financial assets at fair value through other comprehensive income- non-current | 0 | - | 26.09% | - | |
| | FICUS CAPITAL CORPORATION | - | Financial assets at fair value through other comprehensive income- non-current | 0 | - | 28.07% | - | |
| | EVERGREEN AVIATION TECHNOLOGIES CORPORATION | - | Financial assets at fair value through other comprehensive income- non-current | 750 | 72,900 | 0.20% | 72,900 | |
| | GaN Power Technology Co., Ltd. | - | Financial assets at fair value through other comprehensive income- non-current | 1,110 | 11,100 | 2.29% | 11,100 | |
| | Kai-Hong Energy Co., Ltd. | - | Financial assets at fair value through other comprehensive income- non-current | 7,202 | 72,019 | 8.33% | 72,019 | |
| | Soar Taiwan Co., Ltd. | - | Financial assets at fair value through other comprehensive income- non-current | 6,765 | 67,652 | 3.53% | 67,652 | |
| | United Renewable Energy Engineering Co. ,Ltd. | Other related party | Financial assets at fair value through other comprehensive income- non-current | 57,300 | 100,259 | 60.00% | 100,259 | 2 |
| | Convertible preference shares-Phanes Holding Inc. | Other related party | Financial assets at amortized cost- non-current | 24 | - | 100.00% | - | 3 |

Note 1: It is a private stock which subject to transfer restrictions in accordance with Article 43-8 of the Securities and Exchange Act.
Note 2: It is preference share. The shareholding ratio listed here is calculated based on the number of shares.
Note 3: Please refer to Note6(d) for details.

(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, 2024

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 (thousands) | Amount | Shares (thousands) | Amount | Shares (thousands) | Amount | Carrying Amount | Gain (Loss) on Disposal | Shares (thousands) | Amount |
| | Shares | | | | | | | | | | | | | |
| The Company | Shares-Utech | Investment accounted for using the equity method | Utech (Note1) | Subsidiary | 54,805 | (423,272) | 38,000 | 380,000 | (25,068) | | | (330,262) (Note2) | 67,737 | (373,534) |

Note 1：Due to issue of shares and capital reduction to cover losses.

Note 2：Included share of gain (loss) of associates accounted for using equity method and difference between the price that has not been increased in proportion to shareholding and net value.

Note 3：The aforementioned transactions about consolidated entities have been eliminated in the consolidated financial statements.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

DISPOSAL OF REAL ESTATE EXCEEDING 300 MILLION OR 20% OF THE COMPANY'S PAID-IN CAPITAL

FOR THE YEAR ENDED December 31, 2024

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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GES ME | Power facilities business | 113.03.21 | 108.03.01 | USD15,961 | USD16,359 | As shown in the contract | USD398 | Siraj Power Machinery and Equipment Leasing LLC | Non-related party | Increase asset use efficiency | A third-party appraisal confirms that the price is in line with the current value | Relevant provisions of the Group's endorsement and guaranteed sale contract |

(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, 2024

TABLE 6

(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 | Grandson company | 481,768 | - | 481,768 | Receivable according to the financial situation | - | - |
| GES USA | Munisol | Grandson company | 1,011,673 | - | - | Receivable according to the financial situation | - | - |
| DelSolar US | Beryl | Subsidiary | 497,726 | - | - | Receivable according to the financial situation | - | - |
| TEV II | TEV Solar | Subsidiary | 643,771 | - | - | Receivable according to the financial situation | - | - |
| Beryl | CFC | Other related party | 259,588 | - | 259,588 | Receivable according to the financial situation | - | 259,588 |
| Richmond | TEV II | Grandson company | 111,999 | - | - | Receivable according to the financial situation | - | - |
| NSP NEVADA | GES USA | Affiliated company | 213,420 | - | - | Receivable according to the financial situation | - | - |
| GES UK | GES USA | Subsidiary | 108,352 | - | 108,352 | Receivable according to the financial situation | - | - |
| Gintech ("Thailand") | The Company | Parent company | 245,223 | - | - | Receivable according to the financial situation | - | - |
| USD1 | Beryl | Affiliated company | 125,145 | - | - | Receivable according to the financial situation | - | - |

Note 1：Receivables arising from the payment of power plant construction payments or procurement transactions don’t apply to turnover rate.
Note 2：The aforementioned transactions about consolidated entities have been eliminated in the consolidated financial statements.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED December 31, 2024

TABLE 7

(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 | DelSolar US | 1 | Other receivable | 481,768 | Note 3 | 2% |
| 0 | The Company | Utech | 1 | Purchase | 56,943 | Note 3 | 1% |
| 1 | DeSolar US | Beryl | 3 | Other receivable | 497,726 | Note 3 | 2% |
| 2 | GES USA | Munisol | 3 | Other receivable | 1,011,673 | Note 3 | 4% |
| 3 | TEV II | TEV Solar | 3 | Other receivable | 643,771 | 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 transactions about consolidated entities 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

INVESTEES(EXCLUDING INFORMATION ON INVESTEES IN MAINLAND CHINA)

FOR THE YEAR ENDED December 31, 2024

TABLE 8

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

| Investor Company | Investee Company | Location | Main Businesses and Products | Investment Amount | | highest shareholding during the period | Balance as of December 31, 2024 | | | Investee recognized | | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2024 | December 31, 2023 | % of Ownership | Shares (Thousands) | % of Ownership | Carrying Value | Net Income (Loss) of the Investee | Investment Gain (Loss) | |
| The Company | UES | Independent State of Samoa | Investment company | NTD 1,918,131 | NTD 1,918,131 | 100% | 62,188 | 100% | 959,519 | (66,726) | (66,726) | |
| | DelSolar Cayman | Cayman Islands | Investment company | NTD 5,187,602 | NTD 5,187,602 | 100% | 164,266 | 100% | (2,452) | (27,979) | (27,979) | Note 7 |
| | NSP BVI | British Virgin Islands | Investment company | NTD 104,617 | NTD 164,294 | 100% | 443 | 100% | 6,813 | (7,560) | (7,560) | Note 6 |
| | GES ME | The United Arab Emirates | Solar related business | NTD 418,805 | NTD 418,805 | 100% | 4 | 100% | - | (2,633) | (2,633) | Note 7 |
| | NSP UK | UK | Investment company | NTD 28,165 | NTD 28,165 | 100% | 580 | 100% | 55,905 | 1,134 | 1,134 | |
| | NSP System | Taiwan | Solar related business | NTD 254,200 | NTD 144,200 | 100% | 25,420 | 100% | 105,469 | 31,265 | 7,485 | Note 6 |
| | Zhongyang | Taiwan | Solar related business | NTD 131,121 | NTD 24,121 | 100% | 14,200 | 100% | 143,259 | 2,928 | 2,928 | Note 6 |
| | DelSolar Singapore | Singapore | Investment company | NTD 29,743 | NTD 29,743 | 100% | 1,250 | 100% | 18,378 | (86) | (86) | |
| | SMC | Taiwan | Solar related business | NTD 9,720 | NTD 9,720 | 100% | 1,000 | 100% | 10,123 | 118 | 118 | |
| | Utech | Taiwan | Electronic component manufacturing | NTD 2,237,049 | NTD 1,857,049 | 99.99% | 67,737 | 99.99% | (373,535) | (327,647) | (327,637) | Note 6 |
| | Yong Liang | Taiwan | Solar related business | NTD 249,000 | NTD 249,000 | 25.70% | 24,900 | 18.88% | 156,217 | (266,342) | (53,019) | |
| | Yong Zhou | Taiwan | Solar related business | NTD 73,000 | NTD 59,000 | 100% | - | 100% | 5,996 | (4,440) | (4,440) | Note 6 |
| | GES UK | UK | Investment company | NTD 2,829,100 | NTD 2,747,371 | 100% | 89,133 | 100% | 420,812 | (203,832) | (203,832) | Note 6 |
| | TSST | Malaysia | Solar related business | NTD 417,692 | NTD 417,692 | 42.12% | 97,701 | 42.12% | 108,176 | 20,050 | 8,867 | Note 1 |
| | V5 Technology | Taiwan | Electronic component manufacturing and selling | NTD 132,803 | NTD 114,084 | 26.23% | 8,458 | 21.04% | 91,697 | (63,475) | (13,454) | Note 1, 6 |
| | Gintung | Taiwan | Electronic component manufacturing | NTD 34,341 | NTD 34,341 | 36.38% | 13,460 | 36.38% | - | (34,083) | - | Note 1 |
| | DS Energy | Taiwan | Solar related business | NTD 125,444 | - | 100% | 11,947 | 100% | 105,051 | 666 | 580 | Note 8 |
| | Hong Yi | Taiwan | Solar related business | NTD 23,500 | NTD 20,100 | 100% | 2,350 | 100% | 542 | (30) | (30) | Note 6, 9 |
| | United Intelligence | Taiwan | Electronic component | NTD 2,100 | NTD 2,100 | 100% | 210 | 100% | 531 | (52) | (52) | |
| | Solarbright | Taiwan | Solar related business | NTD 30,000 | NTD 30,000 | 30% | 9,000 | 30% | 92,677 | 6,561 | 1,968 | Note 1 |
| | Hong Wang | Taiwan | Solar related business | NTD 100 | - | 100% | 10 | 100% | 81 | (19) | (19) | Note 11 |
| UES | RES | Independent State of Samoa | Investment company | USD 64,406 | USD 64,406 | 100% | 62,188 | 100% | 959,519 | (66,726) | - | Note 5 |
| RES | Gintech ("Thailand") | Thailand | Solar related business | USD 64,155 | USD 64,155 | 100% | 20,920 | 100% | 951,355 | (66,788) | - | Note 5 |
| GES UK | GES USA | US | Investment company | USD 68,466 | USD 65,930 | 100% | 53,416 | 100% | 297,299 | 21,934 | - | Note 5, 6 |
| | NSP Germany | Germany | Solar related business | EUR 23 | EUR 23 | 90% | 23 | 90% | 221 | (316) | - | Note 5 |
| | GES CANADA | Canada | Investment company | USD 6,125 | USD 6,125 | 100% | 5,540 | 100% | 2,201 | (103) | - | Note 5 |

(Continued)

| Investor Company | Investee Company | Location | Main Businesses and Products | Investment Amount | | highest shareholding during the period | Balance as of December 31, 2024 | | | Investee recognized | | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2024 | December 31, 2023 | % of Ownership | Shares (Thousands) | % of Ownership | Carrying Value | Net Income (Loss) of the Investee | Investment Gain (Loss) | |
| GES USA | MEGATWO | US | Solar related business | USD 19,594 | USD 19,594 | 100% | 19,594 | 100% | (761,032) | (9,290) | - | Note 5 |
| | MEGAFIVE | US | Solar related business | USD 635 | USD 635 | 100% | 635 | 100% | 23,651 | 642 | - | Note 5 |
| | MEGASIX | US | Solar related business | USD 1,547 | USD 1,547 | 100% | 1,547 | 100% | 8,817 | 1,676 | - | Note 5 |
| | MEGAEIGHT | US | Solar related business | USD 748 | USD 748 | 100% | 748 | 100% | 7,198 | 747 | - | Note 5 |
| | MEGATWELVE | US | Solar related business | USD 168 | USD 168 | 100% | 168 | 100% | 1,248 | 369 | - | Note 5 |
| | MEGATHIRTEEN | US | Solar related business | USD 2,000 | USD 2,000 | 100% | 2,000 | 100% | 69,102 | 1,622 | - | Note 5 |
| | MEGANINETEEN | US | Solar related business | USD 132 | USD 132 | 100% | 132 | 100% | (2,423) | 28 | - | Note 5 |
| | MEGATWENTY | US | Solar related business | USD 124 | USD 124 | 100% | 124 | 100% | 4,248 | 470 | - | Note 5 |
| | ASSET TWO | US | Solar related business | USD - | USD - | 0% | - | 0% | (429) | - | - | Note 3, 5 |
| | ASSET THREE | US | Solar related business | USD 2,839 | USD 2,839 | 100% | 2,839 | 100% | 21,879 | 51 | - | Note 5 |
| | SH4 | US | Solar related business | USD 489 | USD 489 | 100% | 489 | 100% | 7,747 | 109 | - | Note 5 |
| | Schenectady | US | Solar related business | USD - | USD - | 0% | - | 0% | (24,130) | (189) | - | Note 3, 5 |
| | SEG | US | Solar related business | USD 800 | USD 800 | 100% | 800 | 100% | 15,317 | 549 | - | Note 5 |
| | KINECT | US | Solar related business | USD 266 | USD 266 | 100% | 266 | 100% | 12,991 | 729 | - | Note 5 |
| | TEV II | US | Solar related business | USD 200 | USD 200 | 100% | 0 | 100% | (98,074) | (9,236) | - | Note 5 |
| | HEYWOOD | US | Solar related business | USD 1,770 | USD 1,770 | 55% | - | 55% | (5,947) | (840) | - | Note 5 |
| MEGATWO | Munisol | Mexico | Solar related business | USD 18,810 | USD 18,810 | 100% | 353,508 | 100% | (738,361) | (9,290) | - | Note 5 |
| ASSET THREE | SHIMA'S | US | Solar related business | USD 153 | USD 153 | 100% | 153 | 100% | (1,040) | 175 | - | Note 5 |
| | WAIMEA | US | Solar related business | USD 526 | USD 526 | 100% | 526 | 100% | 15,885 | 254 | - | Note 5 |
| | HONOKAWAI | US | Solar related business | USD 348 | USD 348 | 100% | 348 | 100% | 15,249 | 444 | - | Note 5 |
| | ELEELE | US | Solar related business | USD 637 | USD 637 | 100% | 637 | 100% | 16,791 | (1,674) | - | Note 5 |
| | HANALEI | US | Solar related business | USD 280 | USD 280 | 100% | 280 | 100% | 1,016 | (622) | - | Note 5 |
| | KAPAA | US | Solar related business | USD 761 | USD 761 | 100% | 761 | 100% | 15,448 | (155) | - | Note 5 |
| | KOLOA | US | Solar related business | USD 569 | USD 569 | 100% | 569 | 100% | 12,832 | (362) | - | Note 5 |
| TEV II | TEV Solar | US | Solar related business | USD 100 | USD 100 | 100% | 0.1 | 100% | 1,988 | (921) | - | Note 4, 5 |
| TEV Solar | AC GES Solar | US | Solar related business | USD 19,674 | USD 19,674 | 100% | 0.1 | 100% | 666,657 | (1,622) | - | Note 4, 5 |
| AC GES Solar | Richmond | US | Solar related business | USD 18,749 | USD 18,749 | 100% | 18,749 | 100% | 601,921 | (1,426) | - | Note 4, 5 |
| | Rensselaer | US | Solar related business | USD 9,593 | USD 9,593 | 100% | 9,593 | 100% | 312,700 | 70 | - | Note 4, 5 |
| | Advance | US | Solar related business | USD 534 | USD 534 | 100% | 534 | 100% | 17,257 | (25) | - | Note 4, 5 |

(Continued)

| Investor Company | Investee Company | Location | Main Businesses and Products | Investment Amount | | highest shareholding during the period | Balance as of December 31, 2024 | | | Investee recognized | | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2024 | December 31, 2023 | % of Ownership | Shares (Thousands) | % of Ownership | Carrying Value | Net Income (Loss) of the Investee | Investment Gain (Loss) | |
| NSP BVI | NSP HK | Hong Kong | Solar related business | USD - | USD - | 100% | - | 100% | - | - | - | Note 5 |
| DelSolar Cayman | DelSolar HK | Hong Kong | Investment company | USD 125,200 | USD 125,200 | 100% | 125,200 | 100% | 227,050 | (5,905) | - | Note 5 |
| | DelSolar US | US | Investment company | USD 24,800 | USD 24,800 | 100% | 3 | 100% | (515,770) | (22,267) | - | Note 5 |
| | NSP NEVADA | US | Solar related business | USD 14,265 | USD 14,265 | 100% | 5,125 | 100% | 267,343 | (1,536) | - | Note 5 |
| | URE NSP | US | Solar related business | USD 500 | USD 500 | 100% | 500 | 100% | 18,866 | 1,753 | - | Note 5 |
| NSP UK | NSP Indygen | UK | Solar related business | GBP - | GBP - | 100% | - | 100% | 12,104 | 25 | - | Note 5 |
| Utech | Jiangung | Taiwan | Solar related business | NTD 1,070,100 | NTD 1,000,100 | 100% | 107,010 | 100% | 876,414 | (213,322) | - | Note 5, 6 |
| Jiangung | Yong Liang | Taiwan | Solar related business | NTD 1,070,000 | NTD 1,000,000 | 81.12% | 107,000 | 81.12% | 860,351 | (266,342) | - | Note 5, 6 |
| NSP System | Hsin Jin Optoelectronics | Taiwan | Solar related business | NTD 10,647 | NTD 10,647 | 80% | - | 80% | 11,985 | 901 | - | Note 5 |
| | Hsin Jin Solar Energy | Taiwan | Solar related business | NTD 13,981 | NTD 13,981 | 60% | - | 60% | 16,378 | 2,247 | - | Note 5 |
| | Si Two | Taiwan | Solar related business | NTD 20,000 | NTD 20,000 | 100% | 2,000 | 100% | 16,674 | 372 | - | Note 5 |
| | Hong Ying | Taiwan | Solar related business | NTD 58,100 | NTD 58,100 | 100% | 2,242 | 100% | 22,360 | (2) | - | Note 5, 10 |
| | Success | Taiwan | Solar related business | NTD 13,100 | NTD 13,100 | 100% | 1,310 | 100% | 511 | (8) | - | Note 5 |
| DelSolar HK | DelSolar Wu Jiang | China | Solar related business | USD 120,000 | USD 120,000 | 100% | - | 100% | 212,871 | (5,874) | - | Note 5 |
| NSP NEVADA | HEYWOOD | US | Solar related business | USD 1,448 | USD 1,448 | 45% | - | 45% | (5,157) | (840) | - | Note 5 |
| | Industrial Park | US | Solar related business | USD 3,100 | USD 3,100 | 100% | - | 100% | 20,366 | 1,205 | - | Note 5 |
| | Hillsboro | US | Solar related business | USD 1,862 | USD 1,862 | 100% | - | 100% | 151 | (2,452) | - | Note 5 |
| DelSolar US | USD1 | US | Solar related business | USD 3,582 | USD 3,582 | 100% | - | 100% | 124,702 | (12) | - | Note 5 |
| | JV2 | US | Solar related business | USD 830 | USD 830 | 67% | - | 67% | - | - | - | Note 1, 2, 5 |
| | Beryl | US | Solar related business | USD - | USD - | 100% | - | 100% | (675,835) | (1,437) | - | Note 5 |

Note 1：It is an investment 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：According to the loan contract between the Group and IMPA, the Group cannot transfer the equity of the companies before the specified date. Please refer to note 6(p) for details.

Note 5：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 6：The change in the investment amount is due to the company's capital increase in cash during nine months ended September 30, 2024.

Note 7：It is the offset of long-term equity investment loan balance to other receivables.

Note 8：It had been originally classified as financial assets at fair value through other comprehensive income-non-current, which include in consolidated entity since the Group's equity interest in the company increased in the second quarter of 2024.

Note 9：As of March 28, 2024, the company Shanshang changed its name to Hong Yi.

Note 10：As of April 1, 2024, the company Lianzhang changed its name to Hong Ying.

Note 11：Hong Wang Energy Co., Ltd. was incorporated on March 29, 2024.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED December 31, 2024

TABLE 9

(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, 2024 | Investment flows | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 | Net Income (Loss) of the Investee (Note 2) | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) | Carrying Amount as of December 31, 2024 | Accumulated Repatriation of Investment Income as of December 31, 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Outflow | Inflow | | | | | | |
| DelSolar Wu Jiang | Solar related business | USD 120,000<br>$ 3,932,400 | Note 1 | USD 120,000<br>$ 3,932,400 | - | - | USD 120,000<br>$ 3,932,400 | (5,874) | 100% | (5,874) | 212,871 | - |
| NSP Nanchang | Solar related business | USD 0<br>$ - | Note 1 | USD 5,000<br>$ 163,850 | - | - | USD 5,000<br>$ 163,850 | - | - | - | - | - |

| Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2024 (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<br>4,700,857 | USD 149,618<br>4,902,982 | 6,774,070 |

Note 1：Investments Mainland China through a third region; The Group disposed of all the shares of NSP Nanchang in the third quarter of 2020.
Note 2：Subsidiaries mentioned above were recognized on the basis of financial statements as December 31, 2024.
Note 3：The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.
Note 4：The exchange rate used is the rate on December 31, 2024.