

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

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2023 and 2022**

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

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Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheets of United Renewable Energy Co., Ltd. and its subsidiaries as of September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2023 and 2022, as well as the changes in equity and cash flows for the nine months ended September 30, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b) and 13(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$4,379,249 thousand and \$4,707,048 thousand, constituting 14% and 15% of consolidated total assets as of September 30, 2023 and 2022; total liabilities amounting to \$3,120,737 thousand and \$2,831,468 thousand, constituting 20% and 19% of consolidated total liabilities as of September 30, 2023 and 2022; total comprehensive income amounting to \$(620,972) thousand, \$(39,667) thousand, \$(531,866) thousand and \$96,499 thousand, constituting 47%, (11)%, 38% and 8% of consolidated total comprehensive income for the three months and nine months ended September 30, 2023 and 2022.

Furthermore, as stated in Note 6(h), the investments accounted for using the equity method of United Renewable Energy Co., Ltd. and its subsidiaries amounting to \$250,679 thousand and \$223,224 thousand as of September 30, 2023 and 2022, and its shares of profit of associates accounted for using the equity method amounting to \$7,928 thousand, \$2,649 thousand, \$12,974 thousand and \$7,085 thousand for the three months and nine months ended September 30, 2023 and 2022, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of United Renewable Energy Co., Ltd. and its subsidiaries as of September 30, 2023 and 2022, and of its consolidated financial performance for the three months and nine months ended September 30, 2023 and 2022, and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Yung-Hua Huang and Pao-Lian Chou.

KPMG

Taipei, Taiwan (Republic of China)
November 10, 2023

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2023, December 31, 2022, and September 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

	September 30, 2023		December 31, 2022 (After Restatement)		September 30, 2022 (After Restatement)			September 30, 2023		December 31, 2022 (After Restatement)		September 30, 2022 (After Restatement)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets							Liabilities and Equity						
Current assets:							Current liabilities:						
1100 Cash and cash equivalents (note 6(a))	\$ 4,695,375	15	4,755,068	14	3,699,076	11	2100 Short-term borrowings (note 6(n))	\$ 692,465	2	1,895,215	6	1,689,921	5
1110 Financial assets at fair value through profit or loss - current (notes 6(b) and (r))	73,242	-	-	-	76,861	-	2110 Short-term bills payable (note 6(o))	-	-	99,931	-	-	-
1120 Financial assets at fair value through other comprehensive income - current (notes 6(c) and 8)	139,266	-	152,171	-	166,628	1	2120 Financial liabilities at fair value through profit or loss - current (note 6(b))	11,159	-	4,504	-	2	-
1140 Contract assets - current (notes 6(aa) and 7)	127,502	-	339,307	1	396,376	1	2130 Contract liabilities - current (notes 6(aa) and 7)	526,900	2	381,104	1	570,818	2
1170 Notes and accounts receivable, net (note 6(e))	1,078,171	4	2,416,503	7	2,669,194	8	2170 Notes and accounts payable	828,170	3	1,194,056	4	1,367,936	4
1180 Accounts receivable from related parties (notes 6(e) and 7)	-	-	126,959	-	156,126	-	2280 Lease liability - current (note 6(s))	113,870	-	95,525	-	52,278	-
130X Inventories (note 6(f))	2,335,960	8	4,377,410	13	3,753,456	12	2320 Current portion of long-term borrowings and preference share liabilities (notes 6(p) and (r))	2,820,545	9	2,846,541	8	2,559,007	8
1410 Prepayments (note 9)	621,968	2	1,662,780	5	2,160,843	7	2399 Other current liabilities (note 7)	1,848,974	6	1,829,246	5	2,036,640	7
1460 Non-current assets held for sale (note 6(g))	546,892	2	530,209	2	538,586	2	Total current liabilities	6,842,083	22	8,346,122	24	8,276,602	26
1476 Other financial assets (notes 7 and 8)	1,534,609	5	1,080,324	3	1,116,707	4	Non-Current liabilities:						
1479 Other current assets	295,048	1	424,192	1	437,522	1	2500 Financial liabilities at fair value through profit or loss - non-current (notes 6(b) and (p))	14,221	-	21,775	-	66,004	-
Total current assets	11,448,033	37	15,864,923	46	15,171,375	47	2530 Bonds payable (note 6(q))	2,981,865	10	2,969,315	9	2,965,099	9
Non-current assets:							2540 Long-term borrowings (note 6(p))	3,565,944	11	3,993,300	12	3,046,197	9
1510 Financial assets at fair value through profit or loss - non-current (notes 6(b) and (q))	-	-	71,287	-	104,217	-	2580 Lease liability - non-current (note 6(s))	1,584,003	5	1,376,919	4	581,418	2
1517 Financial assets at fair value through other comprehensive income - non-current (notes 6(c) and 8)	592,051	2	520,559	2	505,268	2	2635 Preference share liabilities - non-current (note 6(r))	-	-	-	-	707	-
1535 Financial assets at amortized cost - non-current (note 6(d))	-	-	-	-	-	-	2670 Other non-current liabilities (note 6(t))	557,146	2	448,940	1	353,664	1
1550 Investments accounted for using the equity method (note 6(h))	250,679	1	235,382	1	223,224	1	Total non-current liabilities	8,703,179	28	8,810,249	26	7,013,089	21
1600 Property, plant and equipment (notes 6(j), 7 and 8)	11,067,993	35	10,188,315	30	9,875,691	31	Total liabilities	15,545,262	50	17,156,371	50	15,289,691	47
1755 Right-of-use assets (note 6(k))	1,546,604	5	1,344,837	4	448,968	1	Equity attributable to owners of parent (notes 6(x) and (y))						
1760 Investment property, net (notes 6(l) and 8)	2,628,061	8	2,722,066	8	2,753,419	8	3110 Ordinary shares	16,277,954	51	16,277,905	48	16,277,905	50
1780 Intangible assets (note 6(m))	3,038	-	3,250	-	3,677	-	3200 Capital surplus	195,625	1	187,699	-	178,454	1
1840 Deferred tax assets	649,447	2	649,096	2	630,830	2	3310 Legal reserve	35,473	-	-	-	-	-
1915 Prepayments - non-current (note 9)	2,071,051	7	2,051,077	6	2,090,509	7	3350 Accumulated profit or loss	(1,549,004)	(4)	354,726	1	328,388	1
1920 Refundable deposits (note 8)	160,913	1	156,092	-	140,787	-	3400 Other equity	(65,899)	-	(345,028)	(1)	(413,643)	(1)
1990 Other non-current assets (notes 7 and 8)	657,132	2	445,906	1	450,386	1	3500 Treasury shares	(18,699)	-	(18,699)	-	(18,699)	-
Total non-current assets	19,626,969	63	18,387,867	54	17,226,976	53	Total equity attributable to owners of parent	14,875,450	48	16,456,603	48	16,352,405	51
Total assets	\$ 31,075,002	100	34,252,790	100	32,398,351	100	36XX Non-controlling interests	654,290	2	639,816	2	756,255	2
							Total equity	15,529,740	50	17,096,419	50	17,108,660	53
							Total liabilities and equity	\$ 31,075,002	100	34,252,790	100	32,398,351	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 three months and nine months ended September 30, 2023 and 2022

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

	For the three months ended September 30				For the nine months ended September 30				
	2023		2022		2023		2022		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Net operating revenues (notes 6(aa) and 7)								
	\$	2,630,429	100	4,746,401	100	10,269,749	100	13,331,294	100
5110	Operating costs (notes 6(f), (s), (v), (ab), 7 and 12)								
		<u>3,500,896</u>	<u>133</u>	<u>4,273,718</u>	<u>90</u>	<u>10,767,661</u>	<u>105</u>	<u>11,700,582</u>	<u>88</u>
5900	Gross profit (loss) from operations								
		<u>(870,467)</u>	<u>(33)</u>	<u>472,683</u>	<u>10</u>	<u>(497,912)</u>	<u>(5)</u>	<u>1,630,712</u>	<u>12</u>
	Operating expenses (notes 6(e), (s), (v), (ab) and 12):								
6100	Selling expenses	51,610	2	172,003	4	290,418	3	344,387	2
6200	General and administrative expenses	154,191	6	200,342	4	493,974	5	518,563	4
6300	Research and development expenses	13,517	-	16,094	-	49,180	-	51,174	-
6450	Impairment losses (Reversal of impairment losses) on trade receivable	<u>5</u>	<u>-</u>	<u>83,689</u>	<u>2</u>	<u>(5,413)</u>	<u>-</u>	<u>92,963</u>	<u>1</u>
	Total operating expense	<u>219,323</u>	<u>8</u>	<u>472,128</u>	<u>10</u>	<u>828,159</u>	<u>8</u>	<u>1,007,087</u>	<u>7</u>
	Income (Loss) from operations	<u>(1,089,790)</u>	<u>(41)</u>	<u>555</u>	<u>-</u>	<u>(1,326,071)</u>	<u>(13)</u>	<u>623,625</u>	<u>5</u>
	Non-operating income and expenses:								
7010	Other income (note 6(ac))	75,514	3	96,506	2	198,627	2	283,510	2
7020	Other gains and losses (notes 6(i), (j) and (ac))	(274,276)	(10)	154,112	3	(384,785)	(3)	221,220	2
7050	Finance costs (notes 6(q) and (s))	(93,147)	(4)	(68,535)	(1)	(261,539)	(3)	(200,093)	(2)
7060	Share of gain of associates and joint ventures accounted for using equity method (note 6(h))	7,928	-	2,649	-	12,974	-	7,085	-
7100	Interest income	<u>6,792</u>	<u>-</u>	<u>2,463</u>	<u>-</u>	<u>21,874</u>	<u>-</u>	<u>5,514</u>	<u>-</u>
		<u>(277,189)</u>	<u>(11)</u>	<u>187,195</u>	<u>4</u>	<u>(412,849)</u>	<u>(4)</u>	<u>317,236</u>	<u>2</u>
	Income (Loss) before income tax	<u>(1,366,979)</u>	<u>(52)</u>	<u>187,750</u>	<u>4</u>	<u>(1,738,920)</u>	<u>(17)</u>	<u>940,861</u>	<u>7</u>
7950	Less: income tax expense (note 6(w))	<u>3,057</u>	<u>-</u>	<u>161</u>	<u>-</u>	<u>6,075</u>	<u>-</u>	<u>6,680</u>	<u>-</u>
8200	Net income (loss)	<u>(1,370,036)</u>	<u>(52)</u>	<u>187,589</u>	<u>4</u>	<u>(1,744,995)</u>	<u>(17)</u>	<u>934,181</u>	<u>7</u>
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	9,276	-	42,135	1	119,770	1	(7,485)	-
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of foreign statements	<u>25,640</u>	<u>1</u>	<u>124,221</u>	<u>3</u>	<u>214,068</u>	<u>2</u>	<u>355,532</u>	<u>3</u>
8300	Total other comprehensive income	<u>34,916</u>	<u>1</u>	<u>166,356</u>	<u>4</u>	<u>333,838</u>	<u>3</u>	<u>348,047</u>	<u>3</u>
	Total comprehensive income (loss)	<u>\$ (1,335,120)</u>	<u>(51)</u>	<u>353,945</u>	<u>8</u>	<u>(1,411,157)</u>	<u>(14)</u>	<u>1,282,228</u>	<u>10</u>
	Net income (loss) attributable to:								
	Shareholders of the parent	\$ (1,367,679)	(52)	192,918	4	(1,730,511)	(17)	967,305	7
	Non-controlling interests	<u>(2,357)</u>	<u>-</u>	<u>(5,329)</u>	<u>-</u>	<u>(14,484)</u>	<u>-</u>	<u>(33,124)</u>	<u>-</u>
		<u>\$ (1,370,036)</u>	<u>(52)</u>	<u>187,589</u>	<u>4</u>	<u>(1,744,995)</u>	<u>(17)</u>	<u>934,181</u>	<u>7</u>
	Total comprehensive income (loss) attributable to:								
	Shareholders of the parent	\$ (1,355,157)	(52)	312,095	7	(1,426,349)	(14)	1,219,958	10
	Non-controlling interests	<u>20,037</u>	<u>1</u>	<u>41,850</u>	<u>1</u>	<u>15,192</u>	<u>-</u>	<u>62,270</u>	<u>-</u>
		<u>\$ (1,335,120)</u>	<u>(51)</u>	<u>353,945</u>	<u>8</u>	<u>(1,411,157)</u>	<u>(14)</u>	<u>1,282,228</u>	<u>10</u>
	Earnings (Loss) per share								
9750	Basic earnings (loss) per share (NT dollars) (note 6(z))	\$	<u>(0.84)</u>	<u>0.12</u>		<u>(1.06)</u>		<u>0.59</u>	
9850	Diluted earnings per share (NT dollars) (note 6(z))		<u>\$</u>	<u>0.11</u>				<u>0.55</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the nine months ended September 30, 2023 and 2022****(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 (losses) on financial assets at fair value through other comprehensive income	Unearned employees benefits	Treasury shares	Total equity attributable to owners of parent	Non- controlling interest	Total equity
Balance at January 1, 2022	\$ 16,278,140	999,749	-	(1,461,427)	(775,360)	109,064	(867)	(18,699)	15,130,600	701,780	15,832,380
Net Income for the nine months ended September 30, 2022	-	-	-	967,305	-	-	-	-	967,305	(33,124)	934,181
Other comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	260,138	(7,485)	-	-	252,653	95,394	348,047
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	967,305	260,138	(7,485)	-	-	1,219,958	62,270	1,282,228
Offset of deficit against capital surplus	-	(822,510)	-	822,510	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	(7,835)	(7,835)
Compensation cost and cancellation of restricted shares for employees	(235)	20	-	-	-	-	867	-	652	-	652
Difference between the price that has not been increased in proportion to shareholding and net value	-	1,195	-	-	-	-	-	-	1,195	40	1,235
Balance at September 30, 2022	\$ 16,277,905	178,454	-	328,388	(515,222)	101,579	-	(18,699)	16,352,405	756,255	17,108,660
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 nine months ended September 30, 2023	-	-	-	(1,730,511)	-	-	-	-	(1,730,511)	(14,484)	(1,744,995)
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	184,392	119,770	-	-	304,162	29,676	333,838
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	(1,730,511)	184,392	119,770	-	-	(1,426,349)	15,192	(1,411,157)
Legal reserve appropriated	-	-	35,473	(35,473)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(162,779)	-	-	-	-	(162,779)	-	(162,779)
Adjustments of capital surplus for dividends distributed to subsidiaries	-	107	-	-	-	-	-	-	107	-	107
Changes in equity of associates and joint ventures accounted for using the equity method	-	7,773	-	-	-	-	-	-	7,773	-	7,773
Conversion of convertible bonds	49	50	-	-	-	-	-	-	99	-	99
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	-	-	-	-	-	-	-	-	-	(722)	(722)
Balance at September 30, 2023	\$ 16,277,954	195,625	35,473	(1,549,004)	(263,048)	197,149	-	(18,699)	14,875,450	654,290	15,529,740

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 nine months ended September 30, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2023	2022
Cash flows from operating activities:		
Profit (Loss) before income tax	\$ (1,738,920)	940,861
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	905,649	889,577
Amortization expense	1,730	1,846
Expected credit loss (gain)	(5,413)	92,963
Net loss on financial assets or liabilities at fair value through profit or loss	476	5,877
Interest expense	199,094	137,979
Interest income	(21,874)	(5,514)
Dividends income	(18,408)	(16,088)
Compensation cost of restricted shares for employees	-	652
Share of profit of associates and joint ventures accounted for using the equity method	(12,974)	(7,085)
Gain on disposal of property, plant and equipment and power facilities business held for sale	(5,074)	(33,529)
Loss on disposal of investments	-	648
Impairment loss on non-financial assets	253,494	121,545
Reversal of provisions	(580)	(25,038)
Write-down (reversal) of inventories	884,256	(26,970)
Others	176,124	(236,318)
Total adjustments to reconcile profit (loss)	<u>2,356,500</u>	<u>900,545</u>
Changes in operating assets and liabilities:		
Contract assets - current	211,805	(183,101)
Notes and accounts receivable	1,355,766	(832,634)
Accounts receivable from related parties	8,667	70,738
Inventory	1,237,403	(1,250,026)
Prepayments (including non-current)	959,060	(1,040,373)
Other current assets	129,814	(111,211)
Contract liabilities - current	145,796	64,152
Notes and accounts payable (including related parties)	(461,816)	32,898
Provisions	20,228	19,604
Other current liabilities	(94,175)	143,474
Total changes in operating assets and liabilities	<u>3,512,548</u>	<u>(3,086,479)</u>
Cash flows generated from (used in) operations	4,130,128	(1,245,073)
Income taxes received (paid)	(8,421)	4,824
Net cash flows generated from (used in) operating activities	<u>4,121,707</u>	<u>(1,240,249)</u>
Cash flows from investing activities:		
Proceeds from disposal (acquisition) of financial assets at fair value through other comprehensive income	61,183	(213,770)
Acquisition of investments accounted for using the equity method	-	(4,000)
Proceeds from disposal of associates	-	2,469
Proceeds from disposal of subsidiaries	-	386,976
Acquisition of property, plant and equipment	(1,541,116)	(1,968,286)
Proceeds from disposal of property, plant and equipment and power facilities business	14,410	33,921
Decrease (increase) in refundable deposits	(4,821)	514,143
Acquisition of intangible assets	(1,528)	(720)
Decrease (increase) in other financial assets	(565,515)	337,766
Decrease (increase) in other non-current assets	16,786	(133,403)
Interest received	21,740	6,856
Dividends received	20,535	17,689
Net cash flows used in investing activities	<u>(1,978,326)</u>	<u>(1,020,359)</u>
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(1,193,799)	1,628,306
Decrease in short-term bills payable	(100,000)	(221,300)
Proceeds from long-term borrowings	2,258,070	122,201
Repayments of long-term borrowings	(2,784,314)	(648,707)
Repayments of preference share liabilities	(6,475)	(13,117)
Payment of lease liabilities	(41,248)	(47,044)
Cash dividends paid	(162,672)	-
Interest paid	(200,015)	(150,189)
Others	62,696	5,359
Net cash flows generates from (used in) financing activities	<u>(2,167,757)</u>	<u>675,509</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(35,317)</u>	<u>30,002</u>
Net increase (decrease) in cash and cash equivalents	<u>(59,693)</u>	<u>(1,555,097)</u>
Cash and cash equivalents at beginning of period	<u>4,755,068</u>	<u>5,254,173</u>
Cash and cash equivalents at end of period	<u>\$ 4,695,375</u>	<u>3,699,076</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

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

(1) Company history

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

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

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

The consolidated financial statements were approved and released by the Group’s Board of Directors on November 10, 2023.

(3) New standards, amendments and interpretations adopted:

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

The details of impact on the Group’s adoption of the new amendments beginning January 1, 2023 are as follows:

- (i) Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group may need to recognize equal deferred income tax assets and deferred income tax liabilities. The application of the amendments resulting in deferred tax assets and deferred tax liabilities to both increase by \$1,524 thousand on January 1, 2022 and September 30, 2022; as well as the deferred tax assets and deferred tax liabilities to both increase by \$22,839 thousand on December 31, 2022. There is no significant impact on the comprehensive income statement and the statements of cash flows in the said period.

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

(ii) Other amendments

The following amendments are not expected to have a significant impact on the Group's consolidated financial statements.

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform – Pillar Two Model Rules"

(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, 2024, would not have a significant impact on its consolidated financial statements:

- 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"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following 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
- Amendments to IAS21 "Lack of Exchangeability"

(4) Summary of material accounting policies

(a) Statement of compliance

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

(Continued)

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

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

(b) Basis of consolidation

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

Investor	Investee	Principal activity	% of Ownership			Note	
			September 30, 2023	December 31, 2022	September 30, 2022		
The Company	DelSolar Holding Singapore Pte. Ltd. (“DelSolar Singapore”)	Investment company	100.00 %	100.00 %	100.00 %		
	DelSolar Holding (“Cayman”) Ltd. (“DelSolar Cayman”)	Investment company	100.00 %	100.00 %	100.00 %		
	NSP Systems (“BVI”) Ltd. (“NSP BVI”)	Investment company	100.00 %	100.00 %	100.00 %		
	NSP UK Holding Limited (“NSP UK”)	Investment company	100.00 %	100.00 %	100.00 %		
	Best Power Service Corp. (“BPS”)	Solar related business	- %	- %	- %	2	
	NSP System Development Corp. (“NSP System”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES Energy Middle East FZE (“GES ME”)	Solar related business	100.00 %	100.00 %	100.00 %		
	Utech solar corporation (“Utech”)	Electronic component manufacturing	99.99 %	99.99 %	99.99 %		
	Ultimate Energy Solution Limited (“UES”)	Investment company	100.00 %	100.00 %	100.00 %		
	Solartech Materials Corporation (“SMC”)	Solar related business	100.00 %	100.00 %	100.00 %		
	Zhongyang Corporation (“Zhongyang”)	Solar related business	100.00 %	100.00 %	100.00 %		
	United Renewable Energy Engineering Co. , Ltd. (“UREE”)	Solar related business	- %	- %	- %	2	
	Yong Liang Ltd. (“Yong Liang”)	Solar related business	19.94 %	25.70 %	25.70 %	5	
	Yong Zhou Ltd. (“Yong Zhou”)	Solar related business	100.00 %	100.00 %	100.00 %		
	General Energy Solutions UK Limited (“GES UK”)	Investment company	100.00 %	100.00 %	100.00 %		
	ELECTRONIC J.R.C. S.R.L (“JRC”)	Solar related business	- %	- %	- %	2	
	Dashiangying Energy Power Ltd. Co. (“Dashiangying”)	Solar related business	- %	- %	- %	3	
	Shinkai Energy Power Ltd. Co. (“Shinkai”)	Solar related business	- %	- %	- %	3	
	Shanshang Energy Power Ltd. Co. (“Shanshang”)	Solar related business	100.00 %	100.00 %	100.00 %		
	United Intelligence Co., Ltd. (“United Intelligence”)	Electronic component	100.00 %	100.00 %	100.00 %		
	Yanshan Energy Power Ltd. Co. (“Yanshan”)	Solar related business	- %	- %	- %	3	
	GES UK	General Energy Solutions USA. Inc. (“GES USA”)	Investment company	100.00 %	100.00 %	100.00 %	
		GES JAPAN CORPORATION (“GES JAPAN”)	Investment company	- %	- %	- %	3
	General Energy Solutions CANADA Inc. (“GES CANADA”)	Investment company	100.00 %	100.00 %	100.00 %		
	NSP Germany	Solar related business	90.00 %	90.00 %	90.00 %		

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

Investor	Investee	Principal activity	% of Ownership			Note	
			September 30, 2023	December 31, 2022	September 30, 2022		
GES USA	MEGATWO, LLC (“MEGATWO”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES MEGAFIVE, LLC (“MEGAFIVE”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES MEGASIX, LLC (“MEGASIX”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES MEGAEIGHT, LLC (“MEGAEIGHT”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES MEGATWELVE, LLC (“MEGATWELVE”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES MEGATHIRTEEN, LLC (“MEGATHIRTEEN”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES MEGASIXTEEN, LLC (“MEGASIXTEEN”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES MEGANINETEEN, LLC (“MEGANINETEEN”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES MEGATWENTY, LLC (“MEGATWENTY”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES ASSET TWO, LLC (“ASSET TWO”)	Solar related business	- %	- %	- %		
	GES ASSET THREE LLC (“ASSET THREE”)	Solar related business	100.00 %	100.00 %	100.00 %		
	SH4 SOLAR LLC (“SH4”)	Solar related business	100.00 %	100.00 %	100.00 %		
	Schenectady Solar, LLC (“Schenectady”)	Solar related business	- %	- %	- %		
	SEG MI 57 LLC (“SEG”)	Solar related business	100.00 %	100.00 %	100.00 %		
	Kinect Solar Fund 1, LLC (“KINECT”)	Solar related business	100.00 %	100.00 %	100.00 %		
	TEV II, LLC (“TEV II”)	Solar related business	100.00 %	100.00 %	100.00 %		
	Heywood Solar PGS, LLC (“HEYWOOD”)	Solar related business	55.00 %	55.00 %	55.00 %		
	NSP NEVADA	Heywood Solar PGS, LLC (“HEYWOOD”)	Solar related business	45.00 %	45.00 %	45.00 %	
		Livermore Community Solar Farm, LLC (“Livermore”)	Solar related business	- %	- %	100.00 %	3
		Industrial Park Drive Solar, LLC (“Industrial Park”)	Solar related business	100.00 %	100.00 %	100.00 %	
Hillsboro Town Solar, LLC (“Hillsboro”)		Solar related business	100.00 %	100.00 %	100.00 %		
GES CANADA	ELECTRONIC J.R.C., S.R.L (“JRC”)	Solar related business	- %	- %	- %	2	
	Munisol S.A.P.I. de C.V. (“Munisol”)	Solar related business	100.00 %	100.00 %	100.00 %		
MEGATWO ASSET THREE	GES Asset Three Shima’s, LLC (“SHIMA’S”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES Asset Three Waimea, LLC (“WAIMEA”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES Asset Three Honokawai, LLC (“HONOKAWAI”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES Asset Three Eleele, LLC (“ELEELE”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES Asset Three Hanalei, LLC (“HANALEI”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES Asset Three Kapaa, LLC (“KAPAA”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES Asset Three Koloa, LLC (“KOLOA”)	Solar related business	100.00 %	100.00 %	100.00 %		
	GES AC SOLAR 2017, LLC (“GES AC”)	Solar related business	67.59 %	67.59 %	67.59 %		
MEGASIXTEEN GES AC	Anderson North Solar Project LLC (“ANDERSON N.”)	Solar related business	100.00 %	100.00 %	100.00 %		
	Anderson South Solar Project LLC (“ANDERSON S.”)	Solar related business	100.00 %	100.00 %	100.00 %		
	Flora Solar Project LLC (“Flora”)	Solar related business	100.00 %	100.00 %	100.00 %		
	Greenfield Solar Project LLC (“Greenfield”)	Solar related business	100.00 %	100.00 %	100.00 %		
	Spiceland Solar Project LLC (“Spiceland”)	Solar related business	100.00 %	100.00 %	100.00 %		

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

Investor	Investee	Principal activity	% of Ownership			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
TEV II	TEV Solar Alpha18 LLC (“TEV Solar”)	Solar related business	100.00 %	100.00 %	100.00 %	
TEV Solar	AC GES Solar 2018 LLC (“AC GES Solar”)	Solar related business	66.19 %	66.19 %	66.19 %	
AC GES Solar	Richmond 2 Solar Park, LLC (“Richmond”)	Solar related business	100.00 %	100.00 %	100.00 %	
	Rensselaer 2 Solar Park, LLC (“Rensselaer”)	Solar related business	100.00 %	100.00 %	100.00 %	
	Advance Solar Park, LLC (“Advance”)	Solar related business	100.00 %	100.00 %	100.00 %	
DelSolar Cayman	DelSolar (“HK”) Ltd. (“DelSolar HK”)	Investment company	100.00 %	100.00 %	100.00 %	
	DelSolar US Holdings (“Delaware”) Corporation (“DelSolar US”)	Investment company	100.00 %	100.00 %	100.00 %	
	NSP SYSTEM NEVADA HOLDING CORP (“NSP NEVADA”)	Solar related business	100.00 %	100.00 %	100.00 %	
	URE NSP Corporation (“URE NSP”)	Solar related business	100.00 %	100.00 %	100.00 %	
NSP BVI	NSP HK Holding Ltd. (“NSP HK”)	Solar related business	100.00 %	100.00 %	100.00 %	
NSP UK	NSP Indygen UK Ltd. (“NSP Indygen”)	Solar related business	100.00 %	100.00 %	100.00 %	
NSP System	Hsin Jin Optoelectronics (“Hsin Jin Optoelectronics”)	Solar related business	80.00 %	80.00 %	80.00 %	
	Hsin Jin Solar Energy Co., Ltd. (“Hsin Jin Solar Energy”)	Solar related business	60.00 %	60.00 %	60.00 %	
	Si Two Corp. (“Si Two”)	Solar related business	100.00 %	100.00 %	100.00 %	
	Lianzhang Energy Power Ltd. Co. (“Lianzhang”)	Solar related business	100.00 %	100.00 %	100.00 %	
	Success Energy Co., Ltd. (“Success”)	Solar related business	100.00 %	100.00 %	100.00 %	6
	Liancheng Energy Power Ltd. Co. (“Liancheng”)	Solar related business	- %	- %	- %	3
UREE	United Agriculture Ecology Ltd. Co. (“UAE”)	Solar and agriculture-related business	- %	- %	- %	2
Utech	Jiangung Energy Power Ltd. Co. (“Jiangung”)	Solar related business	100.00 %	100.00 %	100.00 %	
Jiangung	Yong Liang Ltd. (“Yong Liang”)	Solar related business	80.06 %	74.30 %	74.30 %	5
DelSolar HK	DelSolar (Wu Jiang) Ltd. (“DelSolar Wu Jiang”)	Solar related business	100.00 %	100.00 %	100.00 %	
DelSolar US	DelSolar Development (Delaware) LLC (“DelSolar Development”)	Solar related business	- %	- %	100.00 %	3
	Clean Focus Renewables Inc. (“CFR”)	Solar related business	- %	100.00 %	100.00 %	4
	USD1 Owner LLC (“USD1”)	Solar related business	100.00 %	100.00 %	100.00 %	
	Beryl Construction LLC (“Beryl”)	Solar related business	100.00 %	100.00 %	100.00 %	
DelSolar Development	DSS-USF PHX LLC	Solar related business	- %	- %	100.00 %	3
	DSS-RAL LLC	Solar related business	- %	- %	100.00 %	3
UES	Renewable Energy Solution Limited (“RES”)	Investment company	100.00 %	100.00 %	100.00 %	
RES	Gintech (“Thailand”) Limited (“Gintech Thailand”)	Solar related business	100.00 %	100.00 %	100.00 %	

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 2022.

Note 3: The Group had liquidated and dissolved in 2022.

Note 4: The Group had liquidated and dissolved during nine months ended September 30, 2023.

Note 5: Please refer to Note 13(a) for the details of subsidiaries.

Note 6: Lianxi Energy Power Ltd. Co. has changed company name to Success Energy Co., Ltd on October 20, 2023.

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

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

(c) 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.

(d) Income taxes

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

Income tax expenses for the period are measured by multiplying together the pretax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with note 5 of the consolidated financial statements for the year ended December 31, 2022.

(6) Explanation of significant accounts:

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2022. Please refer to the 2022 annual consolidated financial statements.

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

(a) Cash and cash equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand, checking accounts and demand deposits	\$ 3,534,802	4,746,367	3,690,374
Time deposits	201,849	8,701	8,702
Cash equivalents - repurchase agreements collateralized by bonds	<u>958,724</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents listed in the consolidated cash flow statements	<u>\$ 4,695,375</u>	<u>4,755,068</u>	<u>3,699,076</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets mandatorily measured at fair value through profit or loss:			
Derivatives not used for hedging			
Foreign exchange swap contracts	\$ -	-	2,720
Long call options	73,242	70,387	176,258
Embedded derivative-redemption	<u>-</u>	<u>900</u>	<u>2,100</u>
Total	<u>\$ 73,242</u>	<u>71,287</u>	<u>181,078</u>
Current	\$ 73,242	-	76,861
Non-current	<u>-</u>	<u>71,287</u>	<u>104,217</u>
Total	<u>\$ 73,242</u>	<u>71,287</u>	<u>181,078</u>
Financial liabilities designated at fair value through profit or loss:			
Derivatives not used for hedging			
Foreign exchange swap contracts	11,159	4,504	-
Short call options	<u>\$ 14,221</u>	<u>21,775</u>	<u>66,006</u>
Total	<u>\$ 25,380</u>	<u>26,279</u>	<u>66,006</u>
Current	\$ 11,159	4,504	2
Non-current	<u>14,221</u>	<u>21,775</u>	<u>66,004</u>
Total	<u>\$ 25,380</u>	<u>26,279</u>	<u>66,006</u>

(Continued)

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

- (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(p) 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(r) for more details.
- (iii) The fair value of the derivatives mentioned above is estimated using the Black-Scholes options evaluation model, and the relevant parameters were as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Shorting call options-MEGASIXTEEN			
Estimated strike price			USD13,347 thousand dollars
Expected volatility			22%
Duration			0.25 year
Discount rate			6.7473%
Shorting call options-TEV II			
Estimated strike price	USD13,822 thousand dollars	USD13,822 thousand dollars	USD13,822 thousand dollars
Expected volatility	23.78%	23.78%	30%
Duration	1.25 years	2 years	2.25 years
Discount rate	11.6533%	11.6533%	6.7473%
Longing call options-MEGASIXTEEN			
Estimated strike price			USD656 thousand dollars
Expected volatility			22%
Duration			0.25 year
Discount rate			6.7473%
Longing call options-TEV II			
Estimated strike price	USD704 thousand dollars	USD704 thousand dollars	USD704 thousand dollars
Expected volatility	23.88%	23.88%	32%
Duration	0.75 years	1.5 years	1.75 years
Discount rate	11.6533%	11.6533%	6.7473%

(Continued)

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

In addition, the long call option between MEGASIXTEEN and special shareholders and the short call option between MEGASIXTEEN and IMPA can be executed, and the relevant procedures are still being processed.

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

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amount (in Thousands)</u>
September 30, 2023			
Foreign exchange swap contracts	USD/NTD	October 18, 2023	USD23,000/ NTD730,056
December 31, 2022			
Foreign exchange swap contracts	USD/NTD	January 6, 2023~January 18, 2023	USD40,000/ NTD1,223,862
Foreign exchange swap contracts	USD/CNY	February 15, 2023	USD218/ CNY1,513
September 30, 2022			
Foreign exchange swap contracts	NTD/USD	October 5, 2022~October 6, 2022	NTD1,446,318/ USD46,000

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

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revaluation of derivatives listed in profit and loss	\$ <u>(45,560)</u>	<u>(97,133)</u>	\$ <u>(94,797)</u>	<u>(167,678)</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Equity instrument measured at fair value through other comprehensive income:			
Domestic investments			
Listed ordinary shares	\$ 449,136	333,541	328,958
Unlisted ordinary shares	273,993	331,001	334,750
Overseas investments - unlisted ordinary shares	<u>8,188</u>	<u>8,188</u>	<u>8,188</u>
Total	<u>\$ 731,317</u>	<u>672,730</u>	<u>671,896</u>

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

- (i) The Group's equity instruments are not held for trading, therefore has been designated at fair value through other comprehensive income.
- (ii) To strengthen the strategic layout, the Group increase investment EVERGREEN AVIATION TECHNOLOGIES CORPORATION ("EGAT") ordinary shares \$94,500 thousand in first quarter of 2022.
- (iii) Due to the requirement of the business development, the Group increase investment UREE preference shares \$119,270 thousand in third quarter of 2022.
- (iv) Due to the requirement of the business development, the Group increase investment GaN Power Technology Co., Ltd. ordinary shares \$11,100 thousand in third quarter of 2023.
- (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 nine months ended September 30, 2023 and 2022, the dividends of \$18,408 thousand and \$16,088 thousand, related to equity investments at fair value through other comprehensive income, respectively, was recognized.
- (vii) During the nine months ended September 30, 2023, the Group sold financial assets measured at fair value through other comprehensive gains and losses. The fair value at the time of disposal was \$72,283 thousand, and the accumulated disposal proceeds amounted to \$25,033 thousand, transferred from other equity to retained earnings. The Group did not dispose any equity instruments during nine months ended September 30, 2022. During the period, the accumulated gains and losses were not transferred into equity.
- (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

	September 30, 2023	December 31, 2022	September 30, 2022
Convertible preference shares - Phanes Holding Inc.	\$ <u> -</u>	<u> -</u>	<u> -</u>

- (i) The Group assessed its expected cash flows until maturity, which covers the entirety of interests and principle, and therefore, measured at amortized costs.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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- (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

	September 30, 2023	December 31, 2022	September 30, 2022
Notes and accounts receivable	\$ 1,095,800	2,635,821	2,884,239
Accounts receivable from related parties	-	126,959	156,127
Less: Loss Allowance	<u>(17,629)</u>	<u>(219,318)</u>	<u>(215,046)</u>
	<u>\$ 1,078,171</u>	<u>2,543,462</u>	<u>2,825,320</u>

- (i) 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:

	September 30, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 959,178	0%~0.014%	90
1 to 30 days past due	45,522	0%~0.091%	41
31 to 60 days past due	5,863	0%~0.256%	2
61 to 90 days past due	3,789	0%~0.56%	-
More than 181 days past due	<u>81,448</u>	0%~100%	<u>17,496</u>
Total	<u>\$ 1,095,800</u>		<u>17,629</u>

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

	December 31, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 2,219,996	0%~0.06%	1,018
1 to 30 days past due	167,387	0%~0.21%	302
31 to 60 days past due	34,716	0%~0.47%	120
61 to 90 days past due	49,293	0%~1.07%	245
91 to 120 days past due	2,703	0%~2.19%	59
151 to 180 days past due	14,708	0%~41.67%	-
More than 181 days past due	273,977	0%~100%	217,574
Total	\$ 2,762,780		219,318

	September 30, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 2,216,732	0%~0.06%	956
1 to 30 days past due	312,533	0%~0.21%	657
31 to 60 days past due	154,439	0%~0.47%	2,758
61 to 90 days past due	14,831	0%~1.07%	158
91 to 120 days past due	22,983	0%~2.19%	3,451
121 to 150 days past due	54,152	0%~6.48%	66
151 to 180 days past due	3,629	0%~41.67%	13
More than 181 days past due	261,067	0%~100%	206,987
Total	\$ 3,040,366		215,046

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

	For the nine months ended September 30,	
	2023	2022
Balance at January 1	\$ 219,318	203,677
Impairment loss (reversed) recognized	(5,413)	92,963
Amounts written off	(196,289)	(82,528)
Foreign exchange gains	13	934
Balance at September 30	\$ 17,629	215,046

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

(Continued)

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

(f) Inventories

	September 30, 2023	December 31, 2022	September 30, 2022
Finished goods and products	\$ 1,036,663	2,074,319	1,490,778
Construction in progress	967,415	1,336,701	1,335,888
Raw materials	288,643	864,010	799,485
Work in progress	<u>43,239</u>	<u>102,380</u>	<u>127,305</u>
	<u>\$ 2,335,960</u>	<u>4,377,410</u>	<u>3,753,456</u>

(i) The construction in progress listed above is the construction cost incurred to build the power plant that the Group is intending to sell. The commercial operation date of several foreign power plants result in uncertainty, due to its application procedure for extension of commercial operation has been considered deficient by the local authorities. Please refer to Note 9 for details.

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Cost of goods sold	\$ 2,476,711	4,192,626	9,500,486	11,597,210
Unallocated production overheads	130,633	85,523	385,750	159,714
Write-downs and retirement of inventories (Reversal of write-downs)	894,460	7,053	884,256	(26,970)
Others	<u>(908)</u>	<u>(11,484)</u>	<u>(2,831)</u>	<u>(29,372)</u>
Total	<u>\$ 3,500,896</u>	<u>4,273,718</u>	<u>10,767,661</u>	<u>11,700,582</u>

(iii) As of September 30, 2023 and 2022 and December 31, 2022, the inventories of the Group had not been pledged as collateral.

(g) Non-current assets held for sale

The Group decided to sell some equipments and has begun to deal with the selling matters, the equipment of the Group were presented as a disposal group held for sale, as the following.

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

	September 30, 2023	December 31, 2022	September 30, 2022
Assets held for sale-Property, plant and equipment	<u>\$ 546,892</u>	<u>530,209</u>	<u>538,586</u>

(i) The impairment loss of \$121,545 thousand resulting from measuring at the lower of other carrying amount and fair value less costs to sell shall be disclosed as other gains and losses for the nine months ended September 30, 2022.

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

(h) Investments accounted for using the equity method

	September 30, 2023	December 31, 2022	September 30, 2022
Associates	\$ 246,799	231,686	219,402
Joint ventures	3,880	3,696	3,822
	<u>\$ 250,679</u>	<u>235,382</u>	<u>223,224</u>

(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 follow. This financial information was included in the consolidated financial statements:

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount of individually insignificant associates' equity	<u>\$ 246,799</u>	<u>231,686</u>	<u>219,402</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Attributable to the Group				
Net income	\$ 7,928	2,649	12,974	7,085
Other comprehensive income (loss)	6,097	2,854	(3,508)	6,152
Comprehensive income	<u>\$ 14,025</u>	<u>5,503</u>	<u>9,466</u>	<u>13,237</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
The carrying amount of investments in the individually insignificant joint ventures	\$ 3,880	3,696	3,822

- (v) The aforementioned investments accounted for using the equity method of the Group had not been pledged as collateral.
- (vi) The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the nine months ended September 30, 2023 and 2022 have not been reviewed.
- (i) Loss of control over a subsidiary

During nine months ended September 30, 2022, the Group sold all of its shares in subsidiaries and loss control of them, with the considerations of \$427,897 thousand, the disposal loss was \$648 thousand, which was included in other gains and losses. There were no disposal of subsidiaries for the nine months ended September 30, 2023.

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

	For the nine months ended September 30, 2022
Bank deposit	\$ 11,268
Receivables	55,398
Construction contracts receivable	1,912
Other current assets	97,787
Property, plant and equipment	1,179,531
Other assets	162,525
Long-term liabilities	(993,900)
Current liabilities	(84,422)
Non current liabilities	(249)
Carrying amount of subsidiary's net assets	\$ 429,850

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

(j) Property, plant and equipment

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

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Equipment to be inspected and construction in progress</u>	<u>Total</u>
Cost:						
Balance on January 1, 2023	\$ 764,280	4,504,773	14,661,114	6,666,705	1,322,260	27,919,132
Additions	-	-	27,473	8,493	1,665,662	1,701,628
Disposals	-	-	(584,299)	(4,325)	-	(588,624)
Reclassification	-	-	1,426,702	1,168,707	(2,492,702)	102,707
Effect of changes in foreign exchange rates	(1,064)	(5,308)	(9,323)	98,211	(153)	82,363
Balance on September 30, 2023	<u>\$ 763,216</u>	<u>4,499,465</u>	<u>15,521,667</u>	<u>7,937,791</u>	<u>495,067</u>	<u>29,217,206</u>
Balance on January 1, 2022	\$ 759,135	4,479,064	18,659,052	5,249,960	285,492	29,432,703
Additions	-	-	95,545	279,444	2,224,411	2,599,400
Disposals	-	-	(3,240,428)	(41,494)	-	(3,281,922)
Reclassification	-	-	13,559	1,613,242	(1,421,268)	205,533
Reclassify to assets held for sale	-	-	-	(1,030,662)	-	(1,030,662)
Effect of changes in foreign exchange rates	678	3,385	3,086	429,442	129	436,720
Balance on September 30, 2022	<u>\$ 759,813</u>	<u>4,482,449</u>	<u>15,530,814</u>	<u>6,499,932</u>	<u>1,088,764</u>	<u>28,361,772</u>
Accumulated depreciation:						
Balance on January 1, 2023	\$ -	2,066,532	13,742,566	1,921,719	-	17,730,817
Depreciation	-	157,240	322,228	249,728	-	729,196
Impairment loss	-	-	246,172	7,322	-	253,494
Disposals	-	-	(584,299)	(4,325)	-	(588,624)
Effect of changes in foreign exchange rates	-	(1,739)	(6,123)	32,192	-	24,330
Balance on September 30, 2023	<u>\$ -</u>	<u>2,222,033</u>	<u>13,720,544</u>	<u>2,206,636</u>	<u>-</u>	<u>18,149,213</u>
Balance on January 1, 2022	\$ -	1,851,219	17,196,768	2,171,021	-	21,219,008
Depreciation	-	156,830	419,979	178,396	-	755,205
Impairment loss	-	-	-	121,545	-	121,545
Disposals	-	-	(3,237,318)	(41,494)	-	(3,278,812)
Reclassify to assets held for sale	-	-	-	(492,076)	-	(492,076)
Effect of changes in foreign exchange rates	-	482	221	160,508	-	161,211
Balance on September 30, 2022	<u>\$ -</u>	<u>2,008,531</u>	<u>14,379,650</u>	<u>2,097,900</u>	<u>-</u>	<u>18,486,081</u>
Carrying amounts:						
Balance on January 1, 2023	<u>\$ 764,280</u>	<u>2,438,241</u>	<u>918,548</u>	<u>4,744,986</u>	<u>1,322,260</u>	<u>10,188,315</u>
Balance on September 30, 2023	<u>\$ 763,216</u>	<u>2,277,432</u>	<u>1,801,123</u>	<u>5,731,155</u>	<u>495,067</u>	<u>11,067,993</u>
Balance on January 1, 2022	<u>\$ 759,135</u>	<u>2,627,845</u>	<u>1,462,284</u>	<u>3,078,939</u>	<u>285,492</u>	<u>8,213,695</u>
Balance on September 30, 2022	<u>\$ 759,813</u>	<u>2,473,918</u>	<u>1,151,164</u>	<u>4,402,032</u>	<u>1,088,764</u>	<u>9,875,691</u>

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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- (i) Reclassify to assets held for sale, please refer to Note 6(g).
- (ii) The aforementioned property, plant and equipment of the Group had been pledged as collateral, please refer to Note 8.
- (iii) For the nine months ended September 30, 2023 and 2022, capitalized borrowing costs were \$24,926 thousand and \$22,196 thousand relating to the acquisition of constructing factory, with capitalization rates of 2.6779%~3.39% and 1.9439%~2.79%.
- (iv) Due to the transformation of business strategy, the Group considered that some of the equipment are insufficient which may not be recovered the future economic benefit. Therefore, the Group recognized impairment loss \$253,494 thousand for the nine months ended September 30, 2023, which was included in other gains and losses.

(k) Right-of-use assets

	<u>Land</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Total</u>
Carrying amount:					
Balance at September 30, 2023	\$ <u>342,745</u>	<u>1,192,030</u>	<u>1,176</u>	<u>10,653</u>	<u>1,546,604</u>
Balance at December 31, 2022	\$ <u>363,890</u>	<u>969,679</u>	<u>1,517</u>	<u>9,751</u>	<u>1,344,837</u>
Balance at September 30, 2022	\$ <u>370,939</u>	<u>20,132</u>	<u>1,631</u>	<u>56,266</u>	<u>448,968</u>

There were no significant additions, disposal, or recognition and reversal of the impairment losses of right of use assets leased by the Group for the nine months ended September 30, 2023 and 2022. Please refer to the 2022 annual consolidated financial statements for other related information.

(l) 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.

The details of investment property are as follows:

	<u>Properties</u>		<u>Right-of-use assets</u>	<u>Total</u>
	<u>Land</u>	<u>Buildings</u>	<u>Land</u>	
Carrying amount:				
Balance at September 30, 2023	\$ <u>747,300</u>	<u>1,736,274</u>	<u>144,487</u>	<u>2,628,061</u>
Balance at December 31, 2022	\$ <u>747,300</u>	<u>1,819,783</u>	<u>154,983</u>	<u>2,722,066</u>
Balance at September 30, 2022	\$ <u>747,300</u>	<u>1,847,638</u>	<u>158,481</u>	<u>2,753,419</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the nine months ended September 30, 2023 and 2022. Please refer to the 2022 annual consolidated financial statements for other related information.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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The fair value of the investment property was not significantly different from those disclosed in the annual consolidated financial statements for the year ended December 31, 2022.

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

(m) Intangible assets

	Patents and Other
Carrying amount:	
Balance at September 30, 2023	\$ <u>3,038</u>
Balance at December 31, 2022	\$ <u>3,250</u>
Balance at September 30, 2022	\$ <u>3,677</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 2023 and 2022. Please refer to the 2022 annual consolidated financial statements for other related information.

(n) Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured bank loans	\$ <u>692,465</u>	<u>1,895,215</u>	<u>1,689,921</u>
Range of interest rates	<u>2.16%~3.161%</u>	<u>2.101%~5.85%</u>	<u>1.8%~4.57%</u>

(o) Short-term bills payable

	September 30, 2023	December 31, 2022	September 30, 2022
Commercial paper payable	\$ -	100,000	-
Less: discounts on commercial paper payable	-	(69)	-
	<u>\$ -</u>	<u>99,931</u>	<u>-</u>

There were no significant issues, repurchases and repayments of short-term bills payable for the nine months ended September 30, 2023 and 2022. Please refer to the 2022 annual consolidated financial statements for other related information.

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(p) Long-term liabilities

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
<u>Secured bank loans</u>			
Bank Loan - Syndicated loans	\$ 4,073,086	4,441,503	4,451,389
Bank Loan - Power Plant Project Loans	612,592	375,270	309,082
Bank Loan - Medium and Long-Term Loans	691,363	1,000,000	-
Other financing loan	732,078	696,853	714,551
<u>Unsecured bank loans</u>			
Bank Loan - Medium and Long-Term Loans	<u>273,973</u>	<u>319,229</u>	<u>120,735</u>
	6,383,092	6,832,855	5,595,757
Less: Current portion	<u>(2,817,148)</u>	<u>(2,839,555)</u>	<u>(2,549,560)</u>
Total	<u>\$ 3,565,944</u>	<u>3,993,300</u>	<u>3,046,197</u>
Range of interest rates	<u>2.17%~4.75%</u>	<u>2.045%~4.75%</u>	<u>1.92%~4.75%</u>

- 1) The long-term loan contracts listed above will expire in November 2043.
- 2) Except for the following, there were no significant issues, repurchases and repayments of long term borrowings for the nine months ended September 30, 2023 and 2022. Please refer to the 2022 annual consolidated financial statements for other related information.
- 3) Compliance with loan contracts
 - a) The Group entered into a syndicated loan contract with FMO Bank and DEG Bank. According to the terms and conditions on the contract, it requires the borrower, JRC, to maintain certain financial ratios based on their annual and semiannual consolidated financial reports, wherein the balance of the special reserve account should not be below USD\$3,000 thousand. The Group had sold the subsidiaries in the second quarter of 2022.
 - b) The Group entered into a middle-to-long-term guaranteed loan from CATHAY BANK. According to the terms and conditions of the contract, it requires that the borrower, GES USA, to maintain certain financial ratios during the credit period. The loan had already been repaid in February 2022.
 - c) 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 30 September 2023 are in compliance with the above requirements.

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- d) The Group entered into middle-to-long-term guaranteed loan with CATHAY BANK. According to the terms and conditions on the contract, it requires the borrower, MEGATWELVE, MEGATHIRTEEN and ASSETTHREE to maintain certain financial ratios based on its annual financial reports during the credit period. The loan had already been repaid in February 2022.
- e) The Group entered into \$6 billion syndicated loans with First Bank. According to the terms and conditions on the contract, it requires the Group to maintain certain financial ratios based on its annual and semiannual consolidated financial reports during the credit period. The loan had already been repaid in September 2023.
- f) The Group entered into a \$4.5 billion syndicated loan with First Bank. According to the terms and conditions on the contract, it requires Utech's to maintain certain financial ratios based on its annual financial reports during the credit period. The abovementioned syndicated loans and other loans which were lent by other banks had expired on September 30, 2023. The Group completed the negotiation to extend the maturity date to September 30, 2024, and the financial ratios before the maturity date need not be reviewed. As of September 30, 2023, the balance of bank loan was \$2,243,533 thousand.
- g) The Group entered into \$6.8 billion syndicated loans with First Bank. According to the terms and conditions on the contract, it requires the Group to maintain certain financial ratios based on its annual and semiannual consolidated financial reports during the credit period. According to the terms on the contract, the financial ratios need not be reviewed this quarter.
- 4) Other loan agreements
- The Group signed two long term contracts, with a duration of 25 year, with IMPA in December of 2017 and June of 2018. According to the terms and conditions of the loan, IMPA has the right to purchase all the shares of both GES AC, a company owned by the Group through MEGASIXTEEN, and AC GES, a company owned by the Group through TEV II and TEV Solar, starting from December 2022 to June 2024. Therefore, the contract includes an embedded derivative (selling a call option) that is not closely related to the main contract and is recognized as a financial liability designated at fair value through profit and loss; please refer to note 6(b) and (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).
- 5) Please refer to note 8 for details of the guarantee situation of the consolidated company using assets to set mortgage for bank loans.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(q) Bonds payable

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

	September 30, 2023	December 31, 2022	September 30, 2022
Issuance amount	\$ 3,000,000	3,000,000	3,000,000
Unamortized discount	(18,035)	(30,685)	(34,901)
Accumulated converted amount	(100)	-	-
Ending balance of bonds payable	<u>\$ 2,981,865</u>	<u>2,969,315</u>	<u>2,965,099</u>
Embedded derivative component – redemption rights (recorded as financial assets at fair value through profit or loss - non-current)	<u>\$ -</u>	<u>900</u>	<u>2,100</u>
Equity component – conversion right (recorded as capital surplus)	<u>\$ 177,360</u>	<u>177,366</u>	<u>177,366</u>
	For the three months ended September 30,	For the nine months ended September 30,	
	2023	2022	2023
	2022	2023	2022
Embedded derivative component – revaluation loss on redemption rights (recorded as other gains and losses)	<u>\$ -</u>	<u>(1,500)</u>	<u>(900)</u>
Interest expense	<u>\$ 4,216</u>	<u>4,217</u>	<u>12,648</u>
	<u>12,649</u>	<u>12,649</u>	<u>12,649</u>

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.
Put option	None

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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**3rd domestic unsecured
convertible bonds**

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.

(r) Preference share liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Class A preference shares	\$ 3,397	6,986	10,154
Less: Current portion	(3,397)	(6,986)	(9,447)
Total	<u>\$ -</u>	<u>-</u>	<u>707</u>

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

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

(Continued)

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

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

(s) 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:

	September 30, 2023	December 31, 2022	September 30, 2022
Current	\$ <u>113,870</u>	<u>95,525</u>	<u>52,278</u>
Non-current	\$ <u>1,584,003</u>	<u>1,376,919</u>	<u>581,418</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Interest on lease liabilities	\$ <u>10,250</u>	<u>4,153</u>	<u>27,699</u>	<u>12,968</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>7,929</u>	<u>15,809</u>	<u>17,278</u>	<u>27,667</u>
Expenses relating to short-term leases	\$ <u>789</u>	<u>4,464</u>	<u>4,951</u>	<u>9,648</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>220</u>	<u>110</u>	<u>493</u>	<u>286</u>

(Continued)

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

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Total cash outflow for leases	<u>\$ 91,669</u>	<u>97,613</u>

(t) Provisions

	September 30, 2023	December 31, 2022	September 30, 2022
Warranties	\$ 141,204	121,556	112,435
Onerous contracts	-	-	39,600
Site restoration	<u>155,047</u>	<u>116,412</u>	<u>50,406</u>
	<u>\$ 296,251</u>	<u>237,968</u>	<u>202,441</u>

There were no significant changes in provisions for the nine months ended September 30, 2023 and 2022. Please refer to the 2022 annual consolidated financial statements for other related information.

(u) Operating lease

There were no significant changes in operating lease for the nine months ended September 30, 2023 and 2022. Please refer to the 2022 annual consolidated financial statements for other related information.

(v) Employee benefits

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$11,979 thousand, \$14,129 thousand, \$38,410 thousand and \$40,293 thousand for the three months and nine months ended September 30, 2023 and 2022, respectively.

(w) Income Taxes

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Income tax expense	<u>\$ 3,057</u>	<u>161</u>	<u>6,075</u>	<u>6,680</u>

(ii) For the nine months ended September 30, 2023 and 2022, there was no income tax recognized in other comprehensive income.

(iii) The Company's tax returns for the years through 2021 were assessed by the National Tax Bureau.

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

(x) Capital and other equity

Except for the following disclosure, there was no significant change in for capital and other equity for the periods from January 1 to September 30, 2023 and 2022. For the related information, please refer to the 2022 annual consolidated financial statements.

(i) Ordinary shares

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Authorized share capital	\$ <u>36,000,000</u>	<u>36,000,000</u>	<u>36,000,000</u>
Issued share capital	\$ <u>16,277,954</u>	<u>16,277,905</u>	<u>16,277,905</u>
Total shares issued	\$ <u>1,627,795</u>	<u>1,627,791</u>	<u>1,627,791</u>

Of the Group'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 shares etc.

The resolution was approved during the general meetings of the shareholders held on June 24, 2022 to offset the deficit against the capital surplus of \$822,510 thousand.

(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 Group 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:

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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	For the year ended December 31, 2022	
	dividend per share	Amount
	(dollar/share)	
Dividends distributed to ordinary shareholders:		
Cash	\$ 0.1	162,779

The offset of accumulated deficits for 2021 had been resolved, during the shareholder's meeting held on June 24, 2022. Related information would be available at the Market Observation Post System website.

(iv) Treasury shares

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

	Number of shares held (in thousands of shares)	Carrying Amount	Market Price
Balance at September 30, 2023	\$ 1,066	18,699	15,719
Balance at December 31, 2022	\$ 1,066	18,699	22,006
Balance at September 30, 2022	\$ 1,066	18,699	22,965

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

(y) Share-based payment

As of September 30, 2023, the Group's restricted share plan for employees are as follows. There were no significant changes in share based payment for the nine months ended September 30, 2023 and 2022. Please refer to the 2022 annual consolidated financial statements for other related information.

(i) Restricted employee shares

	Restricted share plan for employees
	Issued in 2020
Grant date	August 11, 2020
Number of shares granted (in thousand shares)	795
Contract term	2 years
Recipients	Employees of the Company
Vested conditions	Still in service two years after the grant date
Other conditions	The Group will reduce capital and adjust the number of forfeited shares

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

	For the nine months ended September 30,	
	2023	2022
Wages expense	<u>\$ -</u>	<u>652</u>

(z) Earnings (Loss) per share

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Basic earnings (loss) per share:				
Profit (loss) attributable to ordinary shareholders of the Company	<u>\$ (1,367,679)</u>	<u>192,918</u>	<u>(1,730,511)</u>	<u>967,305</u>
Weighted average number of ordinary shares outstanding (in thousands of shares)	<u>1,626,730</u>	<u>1,626,670</u>	<u>1,626,728</u>	<u>1,626,624</u>
Earnings (Loss) per share	<u>\$ (0.84)</u>	<u>0.12</u>	<u>(1.06)</u>	<u>0.59</u>
Diluted earnings per share:				
Profit attributable to ordinary shareholders of the Company		\$ 192,918		967,305
Bonds discount and amortized issuance costs		<u>3,373</u>		<u>10,119</u>
Total amount		<u>196,291</u>		<u>977,424</u>
Weighted average number of ordinary shares outstanding (in thousands of shares)		1,626,670		1,626,624
Effect of convertible bonds (in thousands of shares)		143,541		143,541
Effect of employee bonuses (in thousands of shares)		<u>1,732</u>		<u>1,732</u>
Weighted average number of ordinary shares (diluted) (in thousands of shares)		<u>1,771,943</u>		<u>1,771,897</u>
Diluted earnings per share		<u>\$ 0.11</u>		<u>0.55</u>

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(aa) Revenue from contracts with customers

(i) Disaggregation of revenue:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Major products				
Solar products	\$ 2,355,525	4,517,360	9,622,454	12,030,927
Other	274,904	229,041	647,295	1,300,367
	<u>\$ 2,630,429</u>	<u>4,746,401</u>	<u>10,269,749</u>	<u>13,331,294</u>

(ii) Contract balance

	September 30,	December 31,	September 30,
	2023	2022	2022
Notes and accounts receivable	<u>\$ 1,078,171</u>	<u>2,543,462</u>	<u>2,825,320</u>
Contract assets			
OEM contract	\$ 55,717	43,518	139,608
Construction contract	71,785	295,789	256,768
Less: allowance for impairment	-	-	-
Contract assets - current	<u>\$ 127,502</u>	<u>339,307</u>	<u>396,376</u>
Contract liabilities			
Sales of products	\$ 493,588	360,283	544,306
Construction contract	33,312	20,821	26,512
Contract liabilities - current	<u>\$ 526,900</u>	<u>381,104</u>	<u>570,818</u>

- 1) The details on accounts receivable and allowance for impairment, please refer to note 6(e).
- 2) The beginning balance of contract liabilities recognized as revenue from January 1 to September 30, 2023 and 2022 were \$336,097 thousand and \$417,251 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.

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

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 amounted to \$37,317 thousand and \$7,463 thousand, respectively, for the nine months ended September 30, 2022. The estimated amounts mentioned above 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 nine months ended September 30, 2023, the Group did not estimate its employees' and directors' remuneration. The remunerations to employees and directors amounted to \$39,857 thousand and \$3,986 thousand, respectively, for the year ended December 31, 2022, which was no different from the resolution of the board of directors. Related information would be available at the Market Observation Post System website.

(ac) Non-operating Income and Expenses

(i) Other income

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Lease income	\$ 49,763	50,618	142,961	148,937
Dividend income	17,207	16,088	18,408	16,088
Other income	8,544	29,800	37,258	118,485
	\$ 75,514	96,506	198,627	283,510

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

(ii) Other gains and losses

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Gain on foreign currency exchange	\$ 52,198	131,905	69,730	250,430
Gain on disposal of property, plant and equipment and power facilities business	4,300	95	5,074	33,529
Losses on disposal of investments	-	-	-	(648)
Losses on financial assets and liabilities	(45,560)	(97,133)	(94,797)	(167,678)
Impairment loss of non-current assets held for sale	-	(121,545)	-	(121,545)
Impairment loss of property, plant and equipment	(253,494)	-	(253,494)	-
Other	(31,720)	240,790	(111,298)	227,132
	<u>\$ (274,276)</u>	<u>154,112</u>	<u>(384,785)</u>	<u>221,220</u>

- 1) The Group didn't fulfill the procurement agreement with the supplier K, who won the lawsuit in the high court on January 27, 2021. Therefore, the Group recognized compensation losses on December 31, 2020. The Group has reached a settlement with the supplier K on August 19, 2022, and has reversed compensation losses \$526,152 thousand.
- 2) The clients FD and FE companies claimed damages from the Group according to the procurement agreement, the Group has reached a settlement with FD and FE companies on October 26, 2022. The Group has recognized \$156,800 thousand as compensation losses.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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- 3) FM Company, the sales customer of the Group, claimed that the products did not meet the product specifications and quality requirements, and the Group did not deliver the goods according to the purchase order schedule, and filed a request for damages to the Group. According to the result of the arbitration, the Group should pay \$63,339 thousand as compensation and the Group has recognized losses base on the arbitration in the third quarter of 2023.

(ad) Financial Instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2022.

(i) Credit risk

- 1) Credit risk exposure

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

- 2) Concentration of credit risk

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

- 3) Credit risk of receivables and debt securities

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

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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(ii) Liquidity risk

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

	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>Over 3 years</u>
September 30, 2023					
Non-derivative financial liabilities					
Bank borrowings	\$ 7,809,498	3,700,350	960,180	1,747,564	1,401,404
Bonds payable	2,981,865	-	2,981,865	-	-
Lease liabilities	2,077,628	150,829	137,035	124,750	1,665,014
Non-interest bearing liabilities	2,526,371	2,526,371	-	-	-
Derivative financial liabilities					
Inflow	(730,056)	(730,056)	-	-	-
Outflow	741,215	741,215	-	-	-
	<u>\$ 15,406,521</u>	<u>6,388,709</u>	<u>4,079,080</u>	<u>1,872,314</u>	<u>3,066,418</u>
December 31, 2022					
Non-derivative financial liabilities					
Bank borrowings	\$ 9,381,426	4,923,997	2,632,825	422,340	1,402,264
Short-term bills payable	100,000	100,000	-	-	-
Bonds payable	2,969,315	-	2,969,315	-	-
Lease liabilities	1,803,759	117,791	114,490	112,453	1,459,025
Non-interest bearing liabilities	2,836,909	2,836,909	-	-	-
Derivative financial liabilities					
Inflow	(1,230,535)	(1,230,535)	-	-	-
Outflow	1,235,039	1,235,039	-	-	-
	<u>\$ 17,095,913</u>	<u>7,983,201</u>	<u>5,716,630</u>	<u>534,793</u>	<u>2,861,289</u>
September 30, 2022					
Non-derivative financial liabilities					
Bank borrowings	\$ 7,926,247	4,421,161	2,246,987	104,572	1,153,527
Bonds payable	2,965,099	-	-	2,965,099	-
Lease liabilities	792,259	67,829	60,589	58,859	604,982
Non-interest bearing liabilities	3,192,326	3,192,326	-	-	-
Derivative financial liabilities					
Inflow	(1,466,318)	(1,466,318)	-	-	-
Outflow	1,463,598	1,463,598	-	-	-
	<u>\$ 14,873,211</u>	<u>7,678,596</u>	<u>2,307,576</u>	<u>3,128,530</u>	<u>1,758,509</u>

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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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 follow:

	September 30, 2023			December 31, 2022			September 30, 2022		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets									
Monetary items									
USD	\$ 67,862	32.2650	2,189,567	123,424	30.7300	3,792,820	133,156	31.7750	4,231,032
EUR	4,850	33.9000	164,415	5,878	32.7500	192,505	7,686	31.1500	239,419
GBP	33	39.1800	1,293	952	37.0400	35,262	1,218	35.2400	42,922
Non-Monetary items									
MYR	12,388	6.5730	81,424	12,098	6.6920	80,960	11,448	6.5750	75,269
Financial liabilities									
Monetary items									
USD	38,501	32.2650	1,242,228	72,816	30.7300	2,237,636	58,932	31.7750	1,872,564
EUR	2,517	33.9000	85,326	5,662	32.7500	185,431	6,366	31.1500	198,301

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 increased or decreased and decreased or increased the net profit (loss) before tax for the nine months ended September 30, 2023 and 2022 by \$10,277 thousand and \$24,425 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 nine months ended September 30, 2023 and 2022, 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.

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UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
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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 income (loss) would have increased or decreased by \$3,454 thousand and decreased or increased \$2,468 thousand for the nine months ended September 30, 2023 and 2022 with all other variable factors remaining constant. This is mainly due to the exposure of the fair value interest rate risk of the Group's variable interest rate deposit and loans.

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

3) Other market price risk

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

<u>Prices of securities at the reporting date</u>	<u>For the nine months ended September 30, 2023</u>	<u>For the nine months ended September 30, 2022</u>
Increasing 5%	\$ <u>22,457</u>	<u>16,448</u>
Decreasing 5%	\$ <u>(22,457)</u>	<u>(16,448)</u>

4) Fair value of financial instruments

a) Fair value hierarchy

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

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	September 30, 2023				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit and loss					
Derivative financial assets	\$ <u>73,242</u>	<u>-</u>	<u>-</u>	<u>73,242</u>	<u>73,242</u>
Financial assets at fair value through other comprehensive income					
Listed domestic stocks	\$ 449,136	218,766	230,370	-	449,136
Non-quoted equity instruments measured at fair value	<u>282,181</u>	<u>-</u>	<u>-</u>	<u>282,181</u>	<u>282,181</u>
Subtotal	<u>\$ 731,317</u>	<u>218,766</u>	<u>230,370</u>	<u>282,181</u>	<u>731,317</u>
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 4,695,375				
Accounts receivable (including related parties)	1,078,171				
Other financial assets	1,534,609				
Refundable deposits	160,913				
Other non-current assets	<u>654,932</u>				
	<u>\$ 8,124,000</u>				
Financial liabilities at fair value through profit and loss					
Derivative financial liabilities	\$ <u>25,380</u>	<u>-</u>	<u>11,159</u>	<u>14,221</u>	<u>25,380</u>
Financial liabilities measured at amortized cost					
Bonds payable	\$ 2,981,865				
Long-term and short-term borrowings	7,075,557				
Accounts payable (including related parties)	828,170				
Lease liabilities	1,697,873				
Preference share liabilities	3,397				
Other financial liabilities	<u>1,698,201</u>				
	<u>\$ 14,285,063</u>				

(Continued)

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

	December 31, 2022				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ <u>71,287</u>	<u>-</u>	<u>-</u>	<u>71,287</u>	<u>71,287</u>
Financial assets at fair value through other comprehensive income					
Listed domestic stocks	\$ 333,541	152,171	181,370	-	333,541
Non-quoted equity instruments measured at fair value	<u>339,189</u>	<u>-</u>	<u>-</u>	<u>339,189</u>	<u>339,189</u>
Subtotal	<u>\$ 672,730</u>	<u>152,171</u>	<u>181,370</u>	<u>339,189</u>	<u>672,730</u>
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 4,755,068				
Accounts receivable (including related parties)	2,543,462				
Other financial assets	1,080,324				
Refundable deposits	156,092				
Other non-current assets	<u>445,906</u>				
	<u>\$ 8,980,852</u>				
Financial liabilities at fair value through profit and loss					
Derivative financial liabilities	\$ <u>26,279</u>	<u>-</u>	<u>4,504</u>	<u>21,775</u>	<u>26,279</u>
Financial liabilities measured at amortized cost					
Bonds payable	\$ 2,969,315				
Lone-term and short-term borrowings	8,728,070				
Short-term bills payable	99,931				
Accounts payable (including related parties)	1,194,056				
Lease liabilities	1,472,444				
Preference share liabilities	6,986				
Other financial liabilities	<u>1,642,853</u>				
	<u>\$ 16,113,655</u>				

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

	September 30, 2022				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit and loss					
Derivative financial assets	\$ <u>181,078</u>	<u>-</u>	<u>2,720</u>	<u>178,358</u>	<u>181,078</u>
Financial assets at fair value through other comprehensive income					
Listed domestic stocks	\$ 328,958	166,628	162,330	-	328,958
Non-quoted equity instruments measured at fair value	<u>342,938</u>	<u>-</u>	<u>-</u>	<u>342,938</u>	<u>342,938</u>
Subtotal	<u>\$ 671,896</u>	<u>166,628</u>	<u>162,330</u>	<u>342,938</u>	<u>671,896</u>
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 3,699,076				
Accounts receivable (including related parties)	2,825,320				
Other financial assets	1,116,707				
Refundable deposits	140,787				
Other non-current assets	<u>450,386</u>				
	<u>\$ 8,232,276</u>				
Financial liabilities at fair value through profit and loss					
Derivative financial liabilities	\$ <u>66,006</u>	<u>-</u>	<u>-</u>	<u>66,006</u>	<u>66,006</u>
Financial liabilities measured at amortized cost					
Bonds payable	\$ 2,965,099				
Long-term and short-term borrowings	7,285,678				
Accounts payable (including related parties)	1,367,936				
Lease liabilities	633,696				
Preference share liabilities	10,154				
Other financial liabilities	<u>1,824,390</u>				
	<u>\$ 14,086,953</u>				

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

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

i) Financial assets measured at amortized cost

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

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

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.

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

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 September 30, 2023, December 31 and September 30, 2022 were \$79,500 thousand, \$68,108 thousand and \$71,523 thousand respectively. The company's stock was classified as Level 3 because it had no public market quotation and the fair value was measured using significant unobservable inputs on September 30, 2022. 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. There were no such situation for the nine months ended September 30, 2022.

e) Reconciliation of Level 3 fair values

The changes in Level 3 fair values for the nine months ended September 30, 2023 and 2022 are as follows:

	Derivative instrument - Net of fair value measured through profit and loss		Non quoted equity instrument - fair value through other comprehensive income	
	2023	2022	2023	2022
Opening balance	\$ 49,512	112,146	339,189	55,887
Additions / Disposals	-	(14,493)	11,100	228,262
Total gains and losses recognized in profit and loss	6,179	(1,213)	-	-
Total gains and losses recognized in other comprehensive income	-	-	-	53,173
Reclassification	-	-	-	5,616
Transfer from Level 3	-	-	(68,108)	-
Effect of exchange rate changes	3,330	15,912	-	-
Ending balance	<u>\$ 59,021</u>	<u>112,352</u>	<u>282,181</u>	<u>342,938</u>

As of September 30, 2023 and 2022, 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:

	For the nine months ended September 30,	
	2023	2022
Total gains and losses recognized:		
In gains and losses, and presented in "other gains and losses"	\$ <u>6,179</u>	<u>(1,213)</u>
In other comprehensive income, and presented in "unrealized gains and losses from financial assets at fair value through other comprehensive income"	\$ <u>-</u>	<u>53,173</u>

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

- 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 follow:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurements</u>
Financial assets measured at fair value through profit and loss - derivatives instruments (long call options and short call options)	Option pricing model	·Stock price volatility (23.78%~27.82% for September 30, 2023 and December 31, 2022, 22%~32% for September 30, 2022, 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	Market Approach	·Discount for Lack of Marketability (10% for December 31, 2022 and September 30, 2022) ·Price-Book Ratio (1.8 for December 31, 2022, 1.89 for September 30, 2022, respectively)	·The higher the Discount for Lack of Marketability, the lower the fair value ·The higher the ratio, the higher the fair value
Financial assets measured at fair value through other comprehensive income - equity instruments without an active market	Income Approach	·Discount rate (15.7236% for September 30, 2023 and 2022 and December 31, 2022)	·The higher the volatility, the lower the fair value

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

- 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
September 30, 2023						
Financial assets measured at fair value through profit and loss - derivatives instruments (long call options)	23.88%	+0.5%	-	-	-	-
Financial liabilities measured at fair value through profit and loss - derivatives instruments (short call options)	23.78%~27.82%	+0.5%	-	(663)	-	-
Financial assets measured at fair value through other comprehensive income - equity instruments without an active market	15.7236%	+3%	-	-	-	(34,037)
	15.7236%	-3%	-	-	64,095	-
December 31, 2022						
Financial assets measured at fair value through profit and loss - derivatives instruments (long call options)	23.88%	+0.5%	-	-	-	-
Financial liabilities measured at fair value through profit and loss - derivatives instruments (short call options)	23.78%~27.82%	+0.5%	-	(5,839)	-	-
Financial assets measured at fair value through other comprehensive income - equity instruments without an active market	10%	+5%	-	-	-	(3,784)
	10%	-5%	-	-	3,784	-
Financial assets measured at fair value through other comprehensive income - equity instruments without an active market	1.8	+5%	-	-	3,405	-
	1.8	-5%	-	-	-	(3,405)
Financial assets measured at fair value through other comprehensive income - equity instruments without an active market	15.7236%	+3%	-	-	-	(34,037)
	15.7236%	-3%	-	-	64,095	-
September 30, 2022						
Financial assets measured at fair value through profit and loss - derivatives instruments (long call options)	22%~32%	+0.5%	-	-	-	-
Financial assets measured at fair value through profit and loss - derivatives instruments (short call options)	22%~30%	+0.5%	-	(1,503)	-	-
	22%~30%	-0.5%	1,501	-	-	-
Financial assets measured at fair value through profit and loss - equity instruments without an active market	10%	+5%	-	(3,974)	-	-
	10%	-5%	3,974	-	-	-
Financial assets measured at fair value through profit and loss - equity instruments without an active market	1.89	+5%	3,576	-	-	-
	1.89	-5%	-	(3,576)	-	-
Financial assets measured at fair value through other comprehensive income - equity instruments without an active market	15.7236%	+3%	(34,037)	-	-	-
	15.7236%	-3%	-	64,095	-	-

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

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

There were no significant changes in the Group's financial risk management and policies as disclosed in the consolidated financial statements for the year ended December 31, 2022.

(af) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2022. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2022.

(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 nine months ended September 30, 2023 and 2022, were as follows:

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

	January 1, 2023	Cash flows	Foreign exchange movements and others	September 30, 2023
Long-term borrowings	\$ 6,832,855	(526,244)	76,481	6,383,092
Short-term borrowings	1,895,215	(1,193,799)	(8,951)	692,465
Short-term bills payable	99,931	(100,000)	69	-
Lease liabilities	1,472,444	(41,248)	266,677	1,697,873
Preference share liabilities	6,986	(6,475)	2,886	3,397
Bonds payable	<u>2,969,315</u>	<u>-</u>	<u>12,550</u>	<u>2,981,865</u>
Total liabilities from financing activities	<u>\$ 13,276,746</u>	<u>(1,867,766)</u>	<u>349,712</u>	<u>11,758,692</u>

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

	January 1, 2022	Cash flows	Foreign exchange movements and others	September 30, 2022
Long-term borrowings	\$ 5,960,245	(526,506)	162,018	5,595,757
Short-term borrowings	50,389	1,628,306	11,226	1,689,921
Short-term bills payable	221,253	(221,300)	47	-
Lease liabilities	619,119	(47,044)	61,621	633,696
Preference share liabilities	16,500	(13,117)	6,771	10,154
Bonds payable	<u>2,952,450</u>	<u>-</u>	<u>12,649</u>	<u>2,965,099</u>
Total liabilities from financing activities	<u>\$ 9,819,956</u>	<u>820,339</u>	<u>254,332</u>	<u>10,894,627</u>

(7) Related-party transactions:

- (a) Name and relationship with related parties

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

Note 1: The Group has no significant influence on the company in the third quarter of 2022.

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

(b) Significant transactions with related parties

(i) Sales, accounts receivable and contract assets

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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Associates	<u>\$ 23,126</u>	<u>67,868</u>	<u>71,092</u>	<u>150,165</u>

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:

	September 30, 2023		December 31, 2022		September 30, 2022	
	Accounts Receivable	Contract Assets	Accounts Receivable	Contract Assets	Accounts Receivable	Contract Assets
Associates						
Apex	\$ -	12,185	-	66,653	16,906	27,758
Other related parties						
CFC	<u>-</u>	<u>-</u>	<u>126,959</u>	<u>-</u>	<u>139,220</u>	<u>-</u>
	<u>\$ -</u>	<u>12,185</u>	<u>126,959</u>	<u>66,653</u>	<u>156,126</u>	<u>27,758</u>

(ii) Purchases, accounts payable and contract liabilities

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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Associates	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>3,996</u>

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

	September 30,	December 31,	September 30,
	2023	2022	2022
Associates	<u>\$ 7,946</u>	<u>20,608</u>	<u>25,386</u>

(Continued)

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

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

	Other receivables(classified as other financial asstes and other non-current assets)		
	September 30, 2023	December 31, 2022	September 30, 2022
Associates	\$ 381	381	381
Joint ventures	54,093	51,419	52,979
Other related parties			
CFC	313,258	183,073	189,298
Less: Impairment allowance	<u>(12,261)</u>	<u>(11,677)</u>	<u>(12,075)</u>
	<u>\$ 355,471</u>	<u>223,196</u>	<u>230,583</u>
	Other current liabilities		
	September 30, 2023	December 31, 2022	September 30, 2022
Associates	\$ -	6,595	5,259
Joint ventures	25,415	24,206	25,029
	<u>\$ 25,415</u>	<u>30,801</u>	<u>30,288</u>

- (iv) Purchase of property, plant and equipment

	Payables on equipment (classified as other current liabilities)		
	September 30, 2023	December 31, 2022	September 30, 2022
Other related parties	<u>\$ 2,275</u>	<u>2,166</u>	<u>2,240</u>

- (v) 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 September 30, 2023, December 31 and September 30, 2022, the remaining balance on the above disposal amounting to \$116,974 thousand, \$111,409 thousand and \$115,197 thousand, respectively, which has not yet be collected.

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

(c) Key management personnel compensation

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Short-term employee benefits	\$ 11,927	19,328	37,649	52,493
Post-employment benefits	206	287	707	922
Share-based payments	-	(1)	-	151
Total	\$ 12,133	19,614	38,356	53,566

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

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	September 30, 2023	December 31, 2022	September 30, 2022
Property, plant and equipment	\$ 4,446,024	3,637,226	3,576,229
Investment property	2,392,618	2,468,628	2,493,965
Financial assets at fair value through other comprehensive income	603,997	504,755	-
Restricted bank deposit (accounted for as other financial assets and other non-current assets)	1,624,497	1,017,682	1,015,156
Refundable deposit	160,913	156,092	140,787
	\$ 9,228,049	7,784,383	7,226,137

(9) Significant contingent liabilities and unrecognized commitments:

(a) Unrecognized contract commitments

(i) Unrecognized contract commitments

	September 30, 2023	December 31, 2022	September 30, 2022
Unused letter of credit (in USD thousand)	\$ 729	-	-
Unused letter of credit (in EUR thousand)	1,771	7,961	4,439
Bank guarantee (Note 13(a))	2,527,786	2,499,312	3,376,052

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

- (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 in 2023. The guarantee includes the legality of the transactions and no tax arrears or other uncertainties. The guarantee amounts is equivalent to \$870,908 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:

	September 30, 2023	December 31, 2022	September 30, 2022
Unpaid amount	<u>\$ 2,414,093</u>	<u>3,182,335</u>	<u>3,821,528</u>

- (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(s).
- (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 according to the suppliers' operations as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Advance payment	<u>\$ 2,084,757</u>	<u>2,091,757</u>	<u>2,094,517</u>
Accumulated impairment loss	<u>\$ 164,853</u>	<u>164,853</u>	<u>164,853</u>

- (viii) As of September 30, 2023, December 31 and September 30, 2022, the Group issued guarantee for Directorate General of Customs and sales Project, amounting to \$703,942 thousand, \$804,976 thousand and \$822,758 thousand, respectively.

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

(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 Company, had a disagreement in the interpretation of the payment terms for the second phase of the construction and materials contract. For this reason, FN Company requested \$79,841 thousand from the Group with a payment order. The Group assessed that FN Company 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 Company 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 Company 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.
- (iv) The Group's supplier, G Company had the dispute with CE Company, and CE Company filed a garnishment and transfer order to the Group, and requested \$70,480 thousand with 5% interest annually. In this case, CE Company 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 due to its strategic overseas expansion plan. However, at the end of August 2023, Mexican Energy Regulatory Commission noticed the application for extension of commercial operation in November 2020 was rejected, because they considered the application procedure was deficient. In accordance with the above reasons, the commercial operation date result in uncertainty. The Group has assessed that the main reason for the above-mentioned events is the change of energy policy of Mexican government, and the Group has appointed local lawyers to handle relevant litigation matters. Although the outcome of the litigation is not yet been determined, the Group has also recognized the possible losses of \$605,285 thousand according to the currently available information. As of September 30, 2023, the carrying amount of power plant was \$600,522 thousand which was including in inventories.

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

(10) Losses due to major disasters: None

(11) Subsequent Events: None

(12) Others:

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

Functions	For the three months ended September 30, 2023			For the three months ended September 30, 2022		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Nature						
Employee benefit expense						
Salaries	224,922	88,987	313,909	267,457	112,275	379,732
Labor and health insurance	20,278	7,144	27,422	23,894	8,111	32,005
Pension	8,154	3,825	11,979	9,889	4,240	14,129
Others	18,212	3,946	22,158	28,465	4,688	33,153
Depreciation expense (Note)	260,618	15,443	276,061	270,798	15,826	286,624
Amortization expense	5	624	629	-	596	596

Functions	For the nine months ended September 30, 2023			For the nine months ended September 30, 2022		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Nature						
Employee benefit expense						
Salaries	708,692	295,007	1,003,699	810,529	328,979	1,139,508
Labor and health insurance	67,114	25,045	92,159	71,628	24,288	95,916
Pension	25,791	12,619	38,410	29,886	10,407	40,293
Others	63,444	13,055	76,499	102,638	13,889	116,527
Depreciation expense (Note)	765,598	46,046	811,644	747,825	47,745	795,570
Amortization expense	5	1,725	1,730	-	1,846	1,846

Note: Exclude the depreciation expense of investment property \$31,335 thousand, \$31,336 thousand, \$94,005 thousand and \$94,007 thousand during the three months ended and nine months ended September 30, 2023 and 2022, 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 nine months ended September 30, 2023:

- (i) Lending to other parties: Please see Table 1 attached.
- (ii) Guarantee and Endorsement for other parties: Please see Table 2 attached.

(Continued)

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

- (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: None.
 - (vii) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Group's paid-in capital: Please see Table 5 attached.
 - (viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital: Please see Table 6 attached.
 - (ix) Information regarding trading in derivative financial instruments: Please refer to note 6(b) for related information.
 - (x) Significant transactions and business relationship between the parent company and its subsidiaries: Please see Table 7 attached.
- (b) Information on investees:
- The followings are the information on investees for the nine months ended September 30, 2023: Please see Table 8 attached.
- (c) Information on investment in Mainland China: Please see Table 9 attached.
- (d) Major shareholders:

Shareholder's Name	Shareholding	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.

(Continued)

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

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:

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

For the nine months ended September 30, 2023	Solar energy	Others	Reconciliation and elimination	Total
Revenue				
Revenue from external customers	\$ 9,623,744	646,005	-	10,269,749
Intersegment revenues	<u>175,934</u>	<u>-</u>	<u>(175,934)</u>	<u>-</u>
Total revenue	<u>\$ 9,799,678</u>	<u>646,005</u>	<u>(175,934)</u>	<u>10,269,749</u>
Reportable segment profit or loss	<u>\$ 63,107</u>	<u>(561,019)</u>	<u>-</u>	<u>(497,912)</u>
For the three months ended September 30, 2023	Solar energy	Others	Reconciliation and elimination	Total
Revenue				
Revenue from external customers	\$ 2,355,525	274,904	-	2,630,429
Intersegment revenues	<u>59,230</u>	<u>-</u>	<u>(59,230)</u>	<u>-</u>
Total revenue	<u>\$ 2,414,755</u>	<u>274,904</u>	<u>(59,230)</u>	<u>2,630,429</u>
Reportable segment loss	<u>\$ (351,971)</u>	<u>(518,496)</u>	<u>-</u>	<u>(870,467)</u>
For the nine months ended September 30, 2022	Solar energy	Others	Reconciliation and elimination	Total
Revenue				
Revenue from external customers	\$ 12,068,142	1,263,152	-	13,331,294
Intersegment revenues	<u>305,082</u>	<u>-</u>	<u>(305,082)</u>	<u>-</u>
Total revenue	<u>\$ 12,373,224</u>	<u>1,263,152</u>	<u>(305,082)</u>	<u>13,331,294</u>
Reportable segment profit	<u>\$ 1,261,349</u>	<u>369,363</u>	<u>-</u>	<u>1,630,712</u>
For the three months ended September 30, 2022	Solar energy	Others	Reconciliation and elimination	Total
Revenue				
Revenue from external customers	\$ 4,518,505	227,896	-	4,746,401
Intersegment revenues	<u>40,360</u>	<u>-</u>	<u>(40,360)</u>	<u>-</u>
Total revenue	<u>\$ 4,558,865</u>	<u>227,896</u>	<u>(40,360)</u>	<u>4,746,401</u>
Reportable segment profit	<u>\$ 426,453</u>	<u>46,230</u>	<u>-</u>	<u>472,683</u>

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
LENDING TO OTHER PARTIES
FOR THE NINE MONTHS ENDED September 30, 2023

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	258,120	258,120	258,120	6.82%	2	-	Operations	-	-	-	938,493 (Note 4)	938,493 (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 NINE MONTHS ENDED September 30, 2023

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)	2,975,090	1,810,000	1,810,000	743,814	-	12.17	7,437,725	Y	N	N
0	The Company	UREE	(6)	2,975,090	119,270	119,270	119,270	-	0.80	7,437,725	N	N	N
0	The Company	GES Energy Middle East FZE	(2)	2,975,090	870,908	870,908	-	-	5.85	7,437,725	Y	N	N
1	GES USA	GES Megasixteen	(2)	570,365	274,253	274,253	274,253	-	48.08	1,140,730	Y	N	N
1	GES USA	TEV SOLAR ALPHA18 LLC	(2)	570,365	324,263	324,263	324,263	-	56.85	1,140,730	Y	N	N

Note 1: The relation between guarantor and guarantee :

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

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

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

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
FOR THE NINE MONTHS ENDED September 30, 2023

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	2023.9.30				Note
				Number of Shares	Carrying Amount	Percentage of Ownership	Fair Value	
The Company	Shares							
	CTCI Corporation	-	Financial assets at fair value through other comprehensive income- current	3,003	118,468	0.37%	118,468	
	GIGA SOLAR MATERIALS CORPORATION	-	Financial assets at fair value through other comprehensive income- current	266	20,798	0.29%	20,798	
	ThinTech Materials Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income- non-current	7,000	230,370	9.52%	230,370	1
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through other comprehensive income- non-current	2,226	121,848	1.61%	121,848	
	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	531	8,188	10.00%	8,188	
	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	79,500	0.20%	79,500	
	DS Energy Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income- non-current	1,450	5,616	12.14%	5,616	
	GaN Power Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income- non-current	1,110	11,100	2.44%	11,100	
	United Renewable Energy Engineering Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income- non-current	57,300	133,429	60.00%	133,429	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 Note(6)(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 NINE MONTHS ENDED September 30, 2023

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
The Company	<u>Shares</u> Shares-Utech	Investment accounted for using the equity method	Utech (Note1)	Subsidiary	41,096	(701,038)	38,000	380,000	(24,291)			(70,235)	54,805	(391,273)
												(Note2)		

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
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED September 30, 2023

TABLE 5

(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	Utech	Subsidiary	Purchase	162,674	3%	OA 14 days after receipt	-	-	(47,838)	(7.91%)	1
The Company	Yong Liang	Grandson company	Sale and Operation and Maintenance	140,225	2%	60 days after the invoice date	-	-	43,985	4.18%	2
NSP System	Yong Liang	Associate	Contracted project	176,303	58%	14 days after the invoice date	-	-	35,949	53.15%	1,2

Note 1 : The aforementioned transactions about consolidated entities have been eliminated in the consolidated financial statements.

(Continued)

Note 2 : The contracted company recognizes its construction revenue through percentage of completion method, and the amount of sales included.

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 NINE MONTHS ENDED September 30, 2023

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	Subsidiary	625,989	-	625,989	Receivable according to the financial situation	151,669	-
The Company	GES ME	Subsidiary	667,143	-	667,143	Receivable according to the financial situation	-	-
The Company	NSP System	Subsidiary	120,711	-	-	Receivable according to the financial situation	-	-
GES USA	Munisol	Grandson company	967,088	-	-	Receivable according to the financial situation	-	-
DelSolar US	Beryl	Subsidiary	651,381	-	-	Receivable according to the financial situation	161,325	-
TEV II	TEV Solar	Subsidiary	634,818	-	-	Receivable according to the financial situation	-	-
Beryl	CFC	Other related party	292,447	-	-	Receivable according to the financial situation	-	-
NSP NEVADA	GES USA	Subsidiary	207,550	-	-	Receivable according to the financial situation	-	-
GES UK	GES USA	Subsidiary	106,682	-	106,682	Receivable according to the financial situation	-	-
Gintech ("Thailand")	The Company	Parent company	261,140	-	-	Receivable according to the financial situation	-	-
USD1	Beryl	Affiliated company	123,217	-	-	Receivable according to the financial situation	-	-
NSP BVI	CFY	Other related party	116,974	-	116,974	Receivable according to the schedule of signing contracts	-	-

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

Note 2 : The aforementioned 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 NINE MONTHS ENDED September 30, 2023

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	625,989	Note 3	2%
0	The Company	GES ME	1	Other receivable	667,143	Note 3	2%
0	The Company	Yong Liang	1	Sales revenue	140,225	Note 3	1%
0	The Company	Utech	1	Purchase	162,674	Note 3	2%
1	DeSolar US	Beryl	3	Other receivable	651,381	Note 3	2%
2	NSP System	Yong Liang	3	Sales revenue	176,303	Note 3	2%
3	GES USA	Munisol	3	Other receivable	967,088	Note 3	3%
4	TEV II	TEV Solar	3	Other receivable	634,818	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
 INVESTEEES(EXCLUDING INFORMATION ON INVESTEEES IN MAINLAND CHINA)
 FOR THE NINE MONTHS ENDED September 30, 2023

TABLE 8

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

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2023			Investee recognized		Note
				September 30, 2023	December 31, 2022	Shares (Thousands)	% of Ownership	Carrying Value	Net Income (Loss) of the Investee	Investment Gain (Loss)	
The Company	UES	Independent State of Samoa	Investment company	NTD 1,918,131	NTD 1,918,131	62,188	100%	946,410	67,459	67,459	
	DelSolar Cayman	Cayman Islands	Investment company	NTD 5,187,602	NTD 4,906,789	164,266	100%	614,768	(9,491)	(9,491)	
	NSP BVI	British Virgin Islands	Investment company	NTD 164,294	NTD 164,294	2,301	100%	123,621	(21)	(21)	
	GES ME	The United Arab Emirates	Solar related business	NTD 418,805	NTD 418,805	4	100%	(86,741)	(13,943)	(13,943)	
	NSP UK	UK	Investment company	NTD 28,165	NTD 28,165	580	100%	54,103	(3,842)	(3,842)	
	NSP System	Taiwan	Solar related business	NTD 144,200	NTD 144,200	14,420	100%	43,316	19,207	3,545	
	Zhongyang	Taiwan	Solar related business	NTD 24,121	NTD 24,121	3,500	100%	34,279	(514)	(514)	
	DelSolar Singapore	Singapore	Investment company	NTD 29,743	NTD 29,743	1,250	100%	18,050	(118)	(118)	
	SMC	Taiwan	Solar related business	NTD 9,720	NTD 9,720	1,000	100%	10,016	70	70	
	Utech	Taiwan	Electronic component manufacturing	NTD 1,857,049	NTD 1,477,049	54,805	99.99%	(391,273)	(71,281)	(71,270)	
	Yong Liang	Taiwan	Solar related business	NTD 249,000	NTD 249,000	24,900	19.94%	196,195	18,406	4,386	
	Yong Zhou	Taiwan	Solar related business	NTD 59,000	NTD 59,000	-	100%	(2,432)	(3,528)	(3,528)	
	GES UK	UK	Investment company	NTD 2,747,371	NTD 2,747,371	89,133	100%	694,189	(683,840)	(683,840)	
	TSST	Malaysia	Solar related business	NTD 417,692	NTD 417,692	97,701	42.12%	81,424	9,428	3,971	Note 1
	V5 Technology	Taiwan	Electronic component manufacturing and selling	NTD 114,084	NTD 114,084	7,789	24.19%	71,461	19,014	4,546	Note 1
	Gintung	Taiwan	Electronic component manufacturing	NTD 34,341	NTD 34,341	13,460	36.38%	-	1,969	-	Note 1
	Shanshang	Taiwan	Solar related business	NTD 20,100	NTD 20,100	2,010	100%	16,960	(64)	(64)	
	United Intelligence	Taiwan	Electronic component	NTD 2,100	NTD 2,100	210	100%	582	1	1	
Solarbright	Taiwan	Solar related business	NTD 30,000	NTD 30,000	9,000	30%	93,914	11,667	4,457	Note 1	
UES	RES	Independent State of Samoa	Investment company	USD 64,406	USD 64,406	62,188	100%	946,410	67,459	-	Note 5
RES	Gintech ("Thailand")	Thailand	Solar related business	USD 64,155	USD 64,155	20,920	100%	938,493	67,444	-	Note 5
GES UK	GES USA	US	Investment company	USD 65,930	USD 61,530	53,416	100%	570,365	(648,762)	-	Note 5
	NSP Germany	Germany	Solar related business	EUR 23	EUR 23	23	90%	821	80	-	Note 5
	GES CANADA	Canada	Investment company	USD 6,125	USD 7,025	5,540	100%	2,346	(747)	-	Note 5

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2023			Investee recognized		Note
				September 30, 2023	December 31, 2022	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	19,594	100%	(384,217)	(610,805)	-	Note 5
	MEGAFIVE	US	Solar related business	USD 635	USD 635	635	100%	20,693	22	-	Note 5
	MEGASIX	US	Solar related business	USD 1,727	USD 2,627	1,727	100%	12,834	840	-	Note 5
	MEGAEIGHT	US	Solar related business	USD 748	USD 748	748	100%	6,231	853	-	Note 5
	MEGATWELVE	US	Solar related business	USD 168	USD 168	168	100%	885	330	-	Note 5
	MEGATHIRTEEN	US	Solar related business	USD 2,000	USD 2,000	2,000	100%	65,735	1,460	-	Note 5
	MEGASIXTEEN	US	Solar related business	USD 11,981	USD 11,981	11,981	100%	280,028	(19,532)	-	Note 5
	MEGANINETEEN	US	Solar related business	USD 132	USD 132	132	100%	(2,484)	219	-	Note 5
	MEGATWENTY	US	Solar related business	USD 124	USD 124	124	100%	3,608	586	-	Note 5
	ASSET TWO	US	Solar related business	USD -	USD -	-	-	(422)	(25)	-	Note 3, 5
	ASSET THREE	US	Solar related business	USD 2,839	USD 2,839	2,839	100%	20,071	1,421	-	Note 5
	SH4	US	Solar related business	USD 519	USD 539	519	100%	9,573	210	-	Note 5
	Schenectady	US	Solar related business	USD -	USD -	-	-	(23,568)	(185)	-	Note 3, 5
	SEG	US	Solar related business	USD 800	USD 800	800	100%	14,479	618	-	Note 5
	KINECT	US	Solar related business	USD 266	USD 266	266	100%	11,898	209	-	Note 5
	TEV II	US	Solar related business	USD 200	USD 200	0.2	100%	(152,299)	(6,456)	-	Note 5
	HEYWOOD	US	Solar related business	USD 1,770	USD 1,770	-	55%	46,436	(748)	-	Note 5
MEGA TWO	MUNISOL	Mexico	Solar related business	USD 18,810	USD 18,810	353,508	100%	(12,169)	(610,780)	-	Note 5
ASSET THREE	SHIMA'S	US	Solar related business	USD 153	USD 153	153	100%	(1,214)	169	-	Note 5
	WAIMEA	US	Solar related business	USD 526	USD 526	526	100%	14,263	(531)	-	Note 5
	HONOKAWAI	US	Solar related business	USD 418	USD 418	418	100%	15,815	(167)	-	Note 5
	ELEELE	US	Solar related business	USD 637	USD 637	637	100%	18,635	1,278	-	Note 5
	HANALEI	US	Solar related business	USD 280	USD 280	280	100%	1,745	(64)	-	Note 5
	KAPAA	US	Solar related business	USD 761	USD 761	761	100%	15,529	(700)	-	Note 5
	KOLOA	US	Solar related business	USD 569	USD 569	569	100%	13,000	1,496	-	Note 5
MEGASIXTEEN	GES AC	US	Solar related business	USD 24,942	USD 24,942	0.1	67.59%	794,977	(9,031)	-	Note 4, 5
GES AC	ANDERSON N.	US	Solar related business	USD 13,337	USD 13,337	13,337	100%	396,926	(3,018)	-	Note 4, 5
	ANDERSON S.	US	Solar related business	USD 11,314	USD 11,314	11,314	100%	336,300	(2,908)	-	Note 4, 5
	Flora	US	Solar related business	USD 1,915	USD 1,915	1,915	100%	58,207	(437)	-	Note 4, 5
	Greenfield	US	Solar related business	USD 8,521	USD 8,521	8,521	100%	254,155	(2,379)	-	Note 4, 5
	Spiceland	US	Solar related business	USD 1,275	USD 1,275	1,275	100%	38,401	(289)	-	Note 4, 5
TEV II	TEV Solar	US	Solar related business	USD 100	USD 100	0.1	100%	2,945	11	-	Note 4, 5
TEV Solar	AC GES Solar	US	Solar related business	USD 19,674	USD 19,674	0.1	66.19%	634,670	1,066	-	Note 4, 5
AC GES Solar	Richmond	US	Solar related business	USD 18,909	USD 18,909	18,909	100%	602,883	(63)	-	Note 4, 5
	Rensselaer	US	Solar related business	USD 9,733	USD 9,733	9,733	100%	313,983	1,269	-	Note 4, 5
	Advance	US	Solar related business	USD 534	USD 534	534	100%	17,087	37	-	Note 4, 5

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2023			Investee recognized		Note
				September 30, 2023	December 31, 2022	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%	-	-	-	Note 5
DelSolar Cayman	DelSolar HK	Hong Kong	Investment company	USD 125,200	USD 125,200	125,200	100%	227,528	6,763	-	Note 5
	DelSolar US	US	Investment company	USD 24,800	USD 24,800	3	100%	29,836	(16,855)	-	Note 5
	NSP NEVADA	US	Solar related business	USD 5,125	USD 5,125	5,125	100%	340,911	475	-	Note 5
	URE NSP	US	Solar related business	USD 500	USD 500	500	100%	16,764	117	-	Note 5
NSP UK	NSP Indygen	UK	Solar related business	GBP -	GBP -	-	100%	11,493	(3,738)	-	Note 5
Utech	Jiangung	Taiwan	Solar related business	NTD 1,000,100	NTD 720,100	100,010	100%	1,034,743	13,904	-	Note 5
Jiangung	Yong Liang	Taiwan	Solar related business	NTD 1,000,000	NTD 720,000	100,000	80.06%	1,019,433	18,406	-	Note 5
NSP System	Hsin Jin Optoelectronics	Taiwan	Solar related business	NTD 10,647	NTD 10,647	-	80%	11,672	577	-	Note 5
	Hsin Jin Solar Energy	Taiwan	Solar related business	NTD 13,981	NTD 13,981	-	60%	16,149	2,128	-	Note 5
	Si Two	Taiwan	Solar related business	NTD 20,000	NTD 20,000	2,000	100%	16,408	428	-	Note 5
	Lianzhang	Taiwan	Solar related business	NTD 58,100	NTD 100	5,810	100%	22,394	(29)	-	Note 5
	Success	Taiwan	Solar related business	NTD 13,100	NTD 100	1,310	100%	523	(22)	-	Note 5, 6
DelSolar HK	DelSolar Wu Jiang	China	Solar related business	USD 120,000	USD 120,000	-	100%	213,628	6,852	-	Note 5
NSP NEVADA	HEYWOOD	US	Solar related business	USD 1,448	USD 1,448	-	45%	37,703	(748)	-	Note 5
	Industrial Park	US	Solar related business	USD 3,100	USD 3,100	-	100%	34,855	1,430	-	Note 5
	Hillsboro	US	Solar related business	USD 1,862	USD 1,862	-	100%	23,034	(608)	-	Note 5
DelSolar US	CFR	US	Solar related business	USD -	USD 14,370	-	0%	-	(140)	-	Note 5, 7
	USD1	US	Solar related business	USD 3,582	USD 3,582	-	100%	142,462	(11)	-	Note 5
	JV2	US	Solar related business	USD 830	USD 830	-	67%	-	-	-	Note 1, 2, 5
	Beryl	US	Solar related business	USD -	USD -	-	100%	(178,814)	(6,594)	-	Note 5
USD1	DevCo One	US	Solar related business	USD 444	USD 444	-	40%	1,940	-	-	Note 1, 5
	DevCo Two	US	Solar related business	USD 444	USD 444	-	40%	1,940	-	-	Note 1, 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 note6(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 : Lianxi has changed company name to Success on October 20, 2023.

Note 7 : The company had liquidated and dissolved during nine months ended September 30, 2023.

(Continued)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED September 30, 2023

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, 2023	Investment flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee (Note 2)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023
					Outflow	Inflow						
DelSolar Wu Jiang	Solar related business	USD 120,000 \$ 3,871,800	Note 1	USD 120,000 \$ 3,871,800	-	-	USD 120,000 \$ 3,871,800	6,852	100%	6,852	213,628	-
NSP Nanchang	Solar related business	USD 0 \$ -	Note 1	USD 5,000 \$ 161,325	-	-	USD 5,000 \$ 161,325	-	-	-	-	-

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2023 (US\$ in Thousands)	Investment Amount Authorized by the Investment Commission, MOEA (US\$ in Thousands)	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
USD 143,450 4,628,414	USD 149,618 4,827,425	8,925,270

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 unaudited financial statements as September 30, 2023.

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 September 30, 2023.