

Stock Code:3576



United Renewable Energy Co., Ltd.

Handbook for the 2022 Annual Meeting of Shareholders

Convening Method: Physical Shareholders Meeting

MEETING TIME : June 24, 2022

**PLACE : No.7, Li-Hsin 3rd Rd., Hsinchu Science Park,
Hsinchu, Taiwan (International Conference
Hall)**

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United Renewable Energy Co., Ltd.
Procedure for the 2022 Annual
Meeting of Shareholders

- 1 Call the Meeting to Order**
- 2 Chairman's Address**
- 3 Report Items**
- 4 Matters for Ratification**
- 5 Matters for Discussion**
- 6 Other Business and Special Motion**
- 7 Meeting Adjourned**

United Renewable Energy Co., Ltd.

2022Annual General Shareholders' Meeting Agenda

Time : 9:30 AM, Friday, June 24, 2022

Place : No.7, Li-Hsin 3rd Rd., Hsinchu Science Park, Hsinchu, Taiwan
(International conference hall)

1. Call Meeting to Order
2. Chairman's Address
3. Report Items :
 - (1)2021 business report.
 - (2)Audit committee's report of 2021.
 - (3)The status of issuing common stock to increase capital by private placement.
 - (4)The Company resolved to abandon the private placement of common shares approved at the 2021 Annual Shareholders' Meeting for the remaining period.
 - (5)The status of sound business plan.
4. Matters for Ratification :
 - (1)2021 business report and financial statements.
 - (2)2021 appropriation of loss.
5. Matters for Discussion :
 - (1)Amendment to the "Articles of Incorporation".
 - (2)Proposal for a capital increased by cash or issuing overseas depositary receipt through issuing common stock.
 - (3)Proposal for a capital increased by private placement.
 - (4)Amendment to the "Procedures for Acquisition or Disposal of Assets" .
 - (5)Discussion on the issuance of Restricted Stock Awards.
6. Other Business and Special Motion
7. Meeting Adjourned

Report Items

Item 1

Motion : 2021 business report.

Please refer to ANNEX 1 ,the 2021 Business Report.

Item 2

Motion : Audit committee's report of 2021.

Please refer to ANNEX 2 ,the Audit Committee's report of 2021.

Item 3

Motion : The status of status of issuing common stock to increase capital by private placement..

1. Based on the need of the operational plan of the company, on March 28, 2018, the company submitted the following proposal to the shareholders' meeting for the first approval: Cash capital increase via the issuance of privately placed ordinary shares within the limit of 380,000 thousand shares: Passed. The same proposal was revised in the fifth shareholders meeting on October 1, 2018 in which the total amount of the private placement was NT \$2,781,306,962 with the issuance of 334,291,702 shares of common stock at par value of NT \$8.32 (dollars) per share. The subscribers of the private placement shall be affiliated to the National Development Fund, Executive Yuan or the management committee member of Yaohua Glass Co., Ltd.
2. Please refer to ANNEX 3.

Item 4

Motion : The Company resolved to abandon the private placement of common shares approved at the 2021 Annual Shareholders' Meeting for the remaining period.

1. The Company at the annual shareholders' meeting dated 7 May 2021, resolved to issue up to 250,000,000 common shares for capital increase through private placement. According to Item 7 of Article 43-6 of the Securities and Exchange Act, a private placement of common shares may be carried out in installments within one year from the date of the resolution of the shareholders' meeting.
2. To date the aforesaid private placement of common shares has not been executed. URE plans to abandon the original private placement for the remaining period.

Item 5

Motion : The status of sound business plan.

1. According to the Financial Supervision and Administration Commission of the Republic of China on September 22, 2021, the issue of the certificate No. 1100356583 and No. 11003565831, the sound operational plan mentioned by the company when reporting the capital increase by issuing ordinary shares and 3rd secured domestic convertible bonds. The implementation situation requires the report of the shareholders' meeting.
2. The status of sound business plan, Please refer to ANNEX 4.

Matters for Ratification

Item 1

Motion : 2021 business report and financial statements.

Explanatory Notes:

(Proposed by the Board of Directors)

1. URE's 2021 Standalone and Consolidated Financial Statements were audited by KPMG Taiwan CPAs, Chen-chien Chen, and Yung-hua Huang. The aforementioned and FY 2021 business report have been approved by the audit committee.
2. 2021 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements are attached hereto as ANNEX 1 & 5.

Resolution :

Item2

(Proposed by the Board of Directors)

Motion : 2021 appropriation of loss.

Explanatory Notes:

1. To accept 2021 appropriation of loss, For the loss offsetting list, please refer to ANNEX 6.

Resolution :

Matters for Discussion

Item 1

(Proposed by the Board of Directors)

Motion : Amendment to the "Articles of Incorporation".

Explanatory Notes:

1. In compliance with laws and operation need of the Company, amendment has been made to the "Articles of Incorporation." Please refer to the comparison chart of the Articles of Incorporation as ANNEX 7 of this handbook.

Resolution :

Item 2

(Proposed by the Board of Directors)

Motion : Proposal for a capital increased by cash or issuing overseas depository receipt through issuing common stock.

Explanatory Notes:

1. For the purpose of fulfilling the capital needs of the Company's quest for prime competitiveness via business expansion and development, sound financial operations, strong ability to pay back loans, additional funding may be required, thus, the board submits plans to issue, at an appropriate time and quantity schedule, up to 200,000,000 common shares and/or common shares for Global Depository Receipts (later referred as "the issuance").

(1) For the issuance of new common shares by capital increase.

According to Article 28, Section 1 of the Regulations Governing the Offering and Issuance of Securities, it is proposed to authorize the Board of Directors to adopt either "Book Building" or "Public Subscription for public offering". The percentage allocated for public offering is detailed in the following sections.

A. Book Building

- (a) According to Article 267 of the Company Act, 10% to 15% of the new shares to be issued will be reserved for subscription by the employees of the Company, although for those unsubscribed or renounced by the employees, it is further proposed to authorize the Chairman to allot these shares for subscription by designated persons at its issue price. According to Article 28 Section 1 of the Regulations Governing the Offering and Issuance of Securities, for the remaining 85% to 90% of the new shares to be issued, it is proposed to have all existing shareholders waive their pre-emptive rights in proportion to their respective shareholding and conduct a public offering through book building, which will be made in

- strict accordance with the Rules Governing Underwriting and Resale of Securities by Securities Firms issued by the Taiwan Securities Association.
- (b) According to Article 7 of the Disciplinary Rules for Securities Underwriters Assisting Issuing Companies in the Offering and Issuance of Securities issued by the Taiwan Securities Association (“Disciplinary Rules”), the actual price of the new common shares for cash by capital increase may not lower than 90% of average closing price of the common shares of the Company for either one, three or five business days prior to the pricing date after adjustment for any distribution of stock/cash dividends or capital reduction. It is proposed to authorize, after the expiry of the book building period, the Chairman to determine the actual issue price of the new common shares after discussion with and agreed by the lead underwriter considering the status of book building.
- B. Public Subscription:
- (a) According to Article 267 of the Company Act, 10% to 15% of the new shares to be issued will be reserved for subscription by the employees of the Company. 10% of the new shares will be allotted for public offering. The remaining 75%-80% of the new shares to be issued will be allocated for the subscription by the shareholders in proportion to their respective shareholding as shown on the shareholder register as of the record date. For those unsubscribed shares by employees and shareholders, it is further proposed to authorize the Chairman to allot these shares for subscription by designated persons at its issue price.
- (b) According to Article 6 of the Disciplinary Rules, the actual issue price of the new common shares by capital increase may not be lower than 70% of the average closing price of the common shares of the Company for either one, three or five business days prior to the date of pricing date after adjustment for any distribution of stock/cash dividends or capital reduction. It is proposed to authorize the Chairman to determine the actual issue price of the new common shares after discussion with and agreed by the lead underwriter.
- C. It is proposed to authorize the Board of Directors to handle all relevant matters of the issuance of new shares such as but not limited to its conditions, number of shares to be issued, price, raised amount, capital purpose plan, forecasted schedule, estimated potential impacts, determination of the respective effective date and receipt period of proceeds, underwriting and fundraising agreements. It is proposed to authorize the Board of Directors to handle all relevant matters of the issuance of new shares upon receipt of approvals from the competent authorities.
- (2) Capital increase by issuing underlying common stock for Global Depositary Receipts (GDR) offering.
- A. According to Article 267 of the Company Act, 10% to 15% of the new shares to be issued will be reserved for subscription by the employees of the Company, although for those unsubscribed by the employees, it is further proposed to authorize the Chairman to allot these shares for subscription by designated persons at its issue price. According to Article 28 Section 1 of the Regulations Governing the Offering and Issuance of Securities, for the remaining 85% to 90% of the new shares to be issued, it is proposed to have all existing shareholders waive their pre-emptive rights in proportion to their respective shareholding and conduct a public offering as the underlying shares of the proposed issuance of GDRs.
- B. According to Article 9 of the Disciplinary Rules, the issue price of the new

common shares by capital increase may not be lower than 90% of the closing price of common shares on the Taiwan Stock Exchange or 90% of average closing price of the common shares of the Company for either one, three or five business days prior to the pricing date, after adjustment for any distribution of stock/cash dividends or capital reduction. It is proposed to authorize the Chairman, within the scope of the local regulations and capital market situation to negotiate with the actual issue price with the lead underwriter.

- C. It is proposed to authorize the Board of Directors to handle all relevant matters of the issuance of new shares such as but not limited to its conditions, number of shares to be issued, price, raised amount, capital purpose plan, forecasted schedule, estimated potential benefits, determination of the respective underwriters and other relevant matters. It is proposed to authorize the Chairman to execute all agreements and documents and handle all relevant matters of the issuance of new shares upon receipt of approvals from the competent authorities.
2. Calculated based upon the maximum number of the issuance of new shares for cash by capital increase for the issuance of GDRs (i.e., 200,000,000 common shares), the shareholder equity may be diluted by 12% to the maximum. As the funds raised from the issuance of GDRs will be used to support and strengthen the expansion of the Company, its financial operations, its ability to pay back loans and/or other future developments, this proposal shall have positive impact on the shareholder equity.
3. The pricing of this issuance shall abide all existent regulations and be governed by the verifiable fair pricing mechanisms established by the Taiwan Stock Exchange, thus, is expected to fulfill the highest standards of rationality.
4. The shareholder's rights and obligations of the new shares to be issued for cash by capital increase or for the issuance of GDRs shall rank pari passu in all respects with the issued and outstanding common shares of the Company.
5. It is proposed to authorize the Board of Directors to handle all relevant matters of the issuance of new shares upon receipt of approvals from the competent authorities.

Resolution :

Item 3

(Proposed by the Board of Directors)

Motion : Proposal for a capital increased by private placement.

Explanatory Notes

1. In order to expand operational scale, increase operation fund, or meet the Company's need for funds for its future development to maintain the Company's continuing business development and increase its competitiveness relieve funding needs, the Company plans to proceed with a private placement by no more than 200,000,000 common shares, at NT\$10 per share face value.
2. In accordance with Provision 6, Article 43 in the Securities and Exchange Law, the private placement is described as follows:
 - (A) Base and reason for price setting:
 - (1) Price for the private placement must not be set lower than 80% of either of the following two bases, whichever is higher, on the price fixing day on the price fixing base authorized to the Board of Directors by a resolution from shareholders meeting.
 - (a) the simple arithmetical average closing price of the common shares of the Company for either 1, 3 or 5 consecutive business days before pricing date, after adjustment for any gratuitous distribution of stock dividends, cash dividends or capital reduction.

- (b) the simple arithmetical average closing price of the common shares of the Company for the 30 consecutive business days before pricing date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- (2) In respect of actual issue price for this private placement of the Company's common shares, at no lower than the percentage resolved by shareholders' meeting, the Board of Directors is authorized to determine it to consult particular persons and according to the market's situation in the future. This private placement of the Company's common shares might have to be issued under face value due to changes in the market, under consideration of stable management and sound financial structure of the Company. If for every share issue under face value, the difference between face value and actual private placement price lead to accumulated deficit on the books, which will be offset depending on future operation of the Company. After benefit from capital increase occurs, financial structure improves, which will benefit long term development of the Company and have positive impact on Shareholder's Equity.
- (3) The aforementioned private placement price is determined in accordance with relevant regulations for listed firms for private placement of securities. Therefore, the basis for pricing of private placement for the Company's common shares is quite reasonable.
- (B) Selection of specific persons:
Pursuant to the specific persons specified in Article 43-6 in the Securities and Exchange Law, as well as Letter No.0990046878 dated 1 Sept. 2010 from the Financial Supervisory Commission, Executive Yuan. As the Company has not yet decided any specific fund-raisers, it is proposed that the Board of Directors authorizes the Chairman to place one who can yield direct or indirect benefits in the future as the top consideration and selects from specific persons who meet regulations of the Competent Authorities.
- (C) Essential reasons for the private placement:
 - (1) Reasons for not adopting public issue: As currently the fund-raising market's condition is not easy to grasp, and in order to ensure the efficiency and feasibility of raising a fund and effectively lower its cost, the Company desires to increase its cash capital by private placement of its common shares. In addition, by authorizing the Board of Directors to undertake a private placement depending on the market's condition and as the Company actually needs, mobility and efficiency of the Company's fund-raising will be increased.
 - (2) Privately-placed amount: not more than 200,000,000 common shares of the Company; In respect of total amount for the private placement in accordance with the actual situation, the Board of Directors is authorized to decide it. It can be handled once or twice within a year.
 - (3) Purposes for the privately-placed fund: to expand the operational scale, increase the operational fund, or meet the needs for the Company's future development.
 - (4) Expected benefits: In addition to expanding the Company's operational scale in the future, effectively decreasing fund costs, and ensuring fund-raising efficiency, this plan expects to increase the Company's competitiveness, And strengthen the overall financial structure and solvency. raise its operational efficiency and benefit shareholders' equities positively.
- 3. All the rights and obligations for the privately placed common shares are the same as those for the issued common shares of the Company. However, according to the

Securities Exchange Act, except for being transferred to a transferee meeting the requirement under Article 43-8 of the Securities Exchange Act, the privately placed common shares cannot be sold within three years after their delivery. After three years from the delivery of privately placed common shares, according to related regulations, the Company shall apply with the competent authorities for public issuance.

4. In the case of this private placement of ordinary shares, if later the private placement cannot be completed within one year. It is proposed that the Shareholders' Meeting authorizes the Board of Directors with full power and authority to handle related matters. The Board of Directors will be convened before the deadline for discussing not to continue the private placement and publish the information compared to a major message on the Market Observation Post System (MOPS).
5. If corrections to issue conditions, plan items, fund utilizing progress, expected potential benefits, as well as matters not specified, or corrections required due to change in law or regulation or opinions of the Competent Authorities and based on operational assessment or objective environment, It is proposed that the Shareholders' Meeting authorizes the Board of Directors with full power and authority to handle related matters.
6. For the sake of proceeding with the private placement of common shares, It is proposed that the Board of Directors authorizes the Chairman or the Chairman may authorize a company manager designated by him/her to sign and deliberate all contracts and documents related to this private placement and sign all affairs related to this private placement on behalf of the Company.
7. Regarding proposal 2 and 3 proposed to this shareholders' meeting, after the proposals are resolved during the shareholders' meeting, the company proposes to authorize board of directors to conduct capital increase in cash by issuing ordinary shares at an appropriate timing within the ceiling amount of 200,000 thousand ordinary shares and participate in the issuance of overseas depositary receipt by conducting capital increase in cash from issuance of ordinary shares or conducting fund raising by methods such as issuing ordinary shares by private placement at an appropriate timing where the above may be conducted simultaneously, separately, in multiple times or only one of them is selected to conduct depending on actual situation.

Resolution :

Item 4 **(Proposed by the Board of Directors)**

Motion : Amendment to the "Procedures for Acquisition or Disposal of Assets".

Explanatory Notes:

1. In compliance with laws, amendment has been made to the "Procedures for Acquisition or Disposal of Assets" . Please refer to the comparison chart of the Acquisition or disposal of Assets Procedure on ANNEX 8 of this handbook.

Resolution :

Item 5 **(Proposed by the Board of Directors)**

Motion : It is proposed to issue Restricted Stock Awards (RSAs) to employee.

Explanatory Notes:

1. In order to encourage excellent employee and keep topnotch talent, it is proposed to issue RSA under Article 267 in the Company Law and criteria Governing the Offering and Issuance of Securities by Securities Issuers.
2. RSAs to be issued this time are described below:

- (A) Total issue amount: NT\$14,000,000, \$10 per share face value, totaling 1,400,000 shares.
- (B) Issue conditions:
- (1) Issue price: NT\$0 (i.e. gratuitous) per share face value.
 - (2) Vesting conditions:
 - (a) Vest 50% RSAs to those employee who still serve the Company 1 year after each issue day and who had good performance in the year of the issue day.
 - (b) Vest 50% RSAs to those employee who still serve the Company 2 years after each issue day and who had good performance in the next year of the issue day.
 - (3) Type of shares to be issued: the Company's common shares.
 - (4) When employee do not conform to the vesting conditions or in case of inheritance after they receive or subscribe for RSAs:
 - (a) When employees who receive RSAs each time voluntarily resign, are dismissed or apply for leave without pay:
 - (i) not-yet-vested RSAs: the Company may purchase at issue price.
 - (ii) stock dividends & cash dividends received during vesting period: the Company provides gratuitously.
 - (b) When employee are below good in performance in either of the two years each time they receive RSAs.
 - (i) receive not-yet-vested RSAs of the year: the Company may purchase at issue price.
 - (ii) stock dividends & cash dividends received during vesting period: the Company provides gratuitously.
 - (3) Retire: When employee who have retired or are applying for retirement received a good performance in the last year, they may obtain their not-yet-vesting RSAs in whole. If their performance is below good, the Company may purchase the not-yet-vesting RSAs at issue price.
 - (4) If dismissed, the Company may purchase the not-yet-vesting RSAs at issue price.
 - (5) In case of disability or death as a result of occupational injury or general death:
 - (i) When employee cannot continue to hold their posts due to disability as a result of occupational injury, they may claim the not-yet-vesting RSAs fully when leaving their jobs.
 - (ii) In case of death as a result of as a result of occupational injury, the not-yet-vesting RSAs will be considered "fully vested". After completing statutory procedure and provide related documents, their inheritors may claim their shares or rights which they are due to inherit.
 - (6) Transfer to affiliated firm: As the Company's operations need, if employees are required to transfer to the Company's affiliated firm or other firm after the Company's verification, the Company may purchase the not-yet-vested RSAs at issue price.
 - (7) Regarding all RSAs that the Company purchased back, the Company will cancel them.
- (C) Qualifications and shares which employee may receive or subscribe for:
- (1) RSAs are available only for all formal employees have taken office at the Company.
 - (2) RSAs for a single employee each fiscal year and total quantity of employee stock option certificates issued pursuant to Article 56-1, Provision 1 in the

Criteria Governing the Offering and Issuance of Securities by Securities Issuers, must not exceed three in a thousand of the total quantity of shares. And quantity of shares which a single employee may subscribe for with his/her employee stock option certificate each fiscal year and RSA which a single employee may receive, must not exceed 1% of the total quantity of shares.

- (3) Quantity of RSAs actually provided to employee and received by them needs to refer to seniority, rank, job performance, overall contribution, special achievements, etc., and to be submitted by the Chairman to the Board of Directors for approval. Only a manager or director who is an employee should be approved by the Compensation committee.
 - (D) Essential reasons for the RSAs: to attract, retain, encourage excellent talent and increase employees' loyalty, in order to make business continue toward a positive and stable development and create the maximum benefits for the Company and shareholders.
 - (E) Possible expensed amount, dilution on EPS, other effects on equities: issue price is calculated by NT\$0 (i.e. gratuitous), substituted into the option pricing model, fair value for a share is approximately \$19.80, resulting in a possible expensed amount \$27,720,000. After issue, expensed amounts allocated for 2022, 2023, 2024, and 2025 are \$4,331,000, \$11,839,000, \$9,529,000, and \$2,021,000, respectively; effects on earnings approximately \$0.003, \$0.007, \$0.006, and \$0.001, respectively. The Company's operations in the coming years are expected to continue its growing trends. As a result, estimated overall, the dilution on earnings per share (EPS) is limited and also might not have any significant effect on existing shareholders.
3. Within 1 year after passing shareholders' meeting, this proposal may proceed with the Competent Authorities at different times. Within 1 year after a declaration approval notice from the Competent Authorities arrives, depending on the actual needs, issue can be made at one time or several times, and actual issue date is decided by requesting the Board of Directors to authorize the Chairman.
 4. RSAs to be issued this time, related restrictions, and important agreed-on matters or matters not specified, will proceed under relevant law and regulations and issue measures specified by the Company.

Resolution :

Other Business and Special Motion

Meeting Adjourned

Annex

Annex 1

United Renewable Energy Co., Ltd. Business Report

Dear Shareholders,

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

As countries relaxed their COVID-19 prevention measures, positive global economic growth is expected, IMF predict 2021 global economic growth rate to be around 5.9%, even though growth still expected for 2022 but pandemic, inflation, supply chain bottleneck and environmental disaster triggered by greenhouse effect could weaken long term growth. After the COP26, global consensus is to increase the use of green energy with expectation that use of green energy could lessen the severity of environmental disaster and ultimately help the world reach Net Zero. This should increase the government investment in green energy infrastructure such as USA's Build Back Better plan, India's "Gati Shakti" and China's energy policy, and bring tremendous development opportunity to green energy sector. Solar industry faced numerous challenges such as pandemic, sharp increase in prices of raw material and international transportation cost etc. Even under these challenging times, the consolidated revenue of URE reached NT\$14.2 billion. With hard work and dedication from all our employees, the sales volume of solar cell and module increased significantly and URE maintain leadership position in Taiwan market.

URE continued to develop high efficiency solar products with 6 major advantages such as "high efficiency", "high value", "environmental sustainable", "highly reliable", "vertically integrated" and "highly rated". With PEACH VLM products, generating efficiency could reach 460W (M6) and 550W (M10), it's leading the Taiwan industry. URE also developed easy dismantled solar module, which overturn traditional module production, and leading the industry toward sustainable development. URE's products also pass the test by ITRI and SGS, and water quality standard by EPA. URE's products also pass REACH SVHC 221 and RoHS tests by ETC and proved to be environmental friendly. At same time, URE's products also pass TUV Rheinland's electromagnetic compatibility standard such as EN IEC61000-6-1:2019 and EN IEC61000-6-3:2021. In order to adapt to Taiwan's unique environment, URE's module pass ITRI's IEC 60068-2-52 Severity 8 tests and also PID for 300 hours. The raw material used can withstand CASS 288 hours (ASTM B368), equivalent to reliability of 40 years in coastal area. URE is the only company with products that are resistant to salt erosion and environmental friendly.

URE received many awards and recognition from international and domestic organizations such as IEC, VPC, UL, CEC, .Etc. URE product also certified as clean energy product by organizations from numerous countries. URE's solar cell and module was awarded Taiwan Excellent PV award by Bureau of Energy, Ministry of Economic Affairs in 2021, and its ninth consecutive years that URE has the honor of receiving this award. URE was also on the list of Bloomberg New Energy Finance Tier 1 Module Manufacturer List in 2021, further recognized URE's excellence in the PV field.

URE expands downstream solar system project business actively. URE has built up its core competences in development, construction, sales, and financing of global solar system projects. As well as providing O&M service for solar system. URE is largest developer of PV systems in Taiwan. In overseas market, URE forms strategic alliances with internationally renowned renewable energy management companies. URE focus on the development of the projects and sold it to asset management companies. In 2021, URE sold Monte Plata solar power station in Dominican Republic to MPC Capital, with asset value is over US\$50 million. Monte Plata was awarded PREMIOS ATABEY by famous ATABEY, the highest honor for environmental award in Dominican Republic. In Taiwan, URE group win over 230MW of government projects in 2021, with over 400 projects all over Taiwan, its estimated URE won over 60% of the government tender. After much hard work, URE managed to complete Taiwan largest school roof projects, largest projects from Taiwan Water Corporation and largest government building roof project in 4th quarter of 2021. URE is able to provide one stop services from professional consultation to module supply to customers, which increase URE's competitiveness. URE also have large utility scale projects in Yunlin, Changhua, Pingtung in development, those will be largest projects in next 5years. According to Bloomberg New Energy Finance forecast, as much as 252 GW of solar PV could be installed globally in 2022. Due to the future potential and stable income from solar system, URE will aggressively develop global solar system business which can also create demand for solar cell and module

products and driving future growth.

In order to provide total solutions for the renewable energy, URE invested in design and development of Energy Storage System (ESS) products, and is one of the important system integrator for ESS in Taiwan. URE won the tender for ESS procurement for Taipower's South Yan-Tian (SYT) system project. The energy-storage system at SYT will be coupled with a 150MW solar photo-voltaic (PV) site at the same location. The combined facility will become Taiwan's largest PV-plus-storage project; the total capacity is 15MW/15MWh. This energy-storage system will enable Taipower to perform grid-scale automatic frequency control, photo-voltaic (PV) smoothing, frequency regulation, and ancillary services. At same time, URE also began to build our own AFC ESS, and is target to own 12.3MW of ESS, total investment around NT\$ 260 million. URE will continue to develop Lithium Ion Battery module for all purposes including storage + UPS systems. According to Infolink, global ESS market could reach 70GWh by 2025 with compound annual growth rate of 48%.

The following are highlight of 2021 performance and business plan for the 2022:

1.The report on 2021 business result

1.1.2021 Financial Performance

Item	Unit: NT\$'000	
	2020	2019
Consolidated Net Sales	14,302,408	12,511,034
Consolidated Gross Income (Loss)	728,819	(876,476)
Consolidated Loss from Operation	(820,746)	(4,614,257)
Consolidated Loss After Income Tax	(1,341,587)	(6,162,307)
Net Loss Attributable to Shareholders of the Parent	(1,288,203)	(6,139,015)

1.2.Budget Implementation

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

1.3.Analysis of Receipts, Expenditures, and Profitability

1.3.1.Analysis of Receipts and Expenditures

In 2021, the net cash generated in operating activities amount to NT\$1.3 billion, net cash generated from investing activities amount to NT\$32 million, the net cash used in financing activities amount to NT\$950 million. URE will continue to maintain sufficient cash position and finance operation will continue to be conservative and prudent.

1.3.2.Analysis of Profitability

The consolidated revenue increased by 14% from previous year to NT\$14.3 billion, which was mainly due to strong overseas demand and stable growth from domestic market. The gross margin is 5%, the operating expenses declined by 18%, the net loss for the year was NT\$1.3 billion, decreased by 79% compared to same period previous year. URE's finance is stable and sound, cash and cash equivalents amount to NT\$5.3 billion by the end of 2021, URE will continue to maintain sufficient cash position and finance operation will continue to be conservative and prudent.

1.4.Examine Research and Development Work

URE developed products for different types of solar project (rooftop, ground mount, floating, and agrivoltaic...etc.). URE products include large size PEACH VLM, M6 and M10 is better suited to utility scale projects. Bifacial Glory PEACH is structurally more durable, and is suitable to non-arable land, its wind pressure resistant, and fireproof. PEACH BiFi has light structural design and high efficiency performance, suited to roof top projects. As system power station voltage increase, module and ground have higher voltage difference, which can impact on long term performance of the bifacial module. URE with support and subsidy from Bureau of Energy, Ministry of Economic Affairs, improved quality of solar cell as well as performance of the products. From reliability test by ITRI, it's proved that up to 10% more power can be generated. URE have applied for patent in Taiwan and USA, the new products are plan for the new production line, and will target the global market.

2.2022 Business Plan and Future Developmental Strategy

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

2.1. Production Policies

Total production capacity of solar cell is about 2.8GW, the module production capacity will reach 1.5GW in 2-3 years with vertical integration, and downstream system business will reach 1GW within next 5 years

2.2. Research and Development

The world is experiencing period of energy transition, shifting from fossil fuel to renewable energy. In order to improve efficiency and lower cost per watt, URE continued to lead in key technology and increase R&D process ability. With government target of 20GW by 2025, URE played an important role in solar sector, with “high efficiency”, “high value”, “highly reliable”, and “environmental sustainable” as cornerstone, URE lead the sector in technology capability

As solar module waste disposal became economic and political issue, IEA predicted there will be 6 million tons of waste by 2030, Taiwan EPA expected over 10,000 tons of waste by 2025. Government supported new design and recycle technology to solve this issue. URE in cooperation with ITRI to develop easy dismantled solar module, with can recycle material such as silicon wafer and glass, increase the value of waste recycle and lower environmental burden.

2.3. Sales Policies

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

2.4. System Business

In domestic market, with URE premium quality solar cell and module products, and Taiwan Government’s long term goal of 20GW accumulated PV capacity by 2025, URE will continue to expand domestic system business. And use experience accumulated in domestic market to aggressively develop international system business. As the world recovers from pandemic and governments increase investment in green energy, URE expected overseas business to improve, with vertical integration of solar industry, URE will be able to provide total solution to our customers.

2.5. New Business Development

URE is dedicated to providing co-generation solutions, including PV plus storage, for Taiwan’s large energy users, carbon reduction/green energy certification services, and energy systems powering Taipower’s AFC or automatic frequency control ancillary-services. At same time, URE will continue to develop Lithium Ion Battery module for all purposes including storage + UPS systems.

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

3.1. After the COP26, global consensus is to increase the use of green energy with expectation that use of green energy could lessen the severity of environmental disaster and ultimately reach Net Zero. This should increase the government investment in green energy infrastructure such as USA’s Build Back Better plan, India’s “Gati Shakti” and China’s energy policy, and bring tremendous development opportunity to green energy sector. URE has always been aggressive in the international solar market; URE is expected to expand solar system business internationally.

3.2. Many International company already set Net Zero target, as RE100 and clean energy regulations by various government on the way, URE is expected to increase company’s investment in solar power and ESS. URE will aggressively work with our clients to total provide solution for renewable energy generation and storage, and achieve the target set by government of renewable energy to total energy generated ratio of 20% by 2025.

3.3. The Council of Agriculture issue working guideline regarding agricultural land alternation, which limited large utility scale project development.

- 3.4. Taiwan government promote carbon reduction and increase in renewable energy, the green energy industry is one of the “5+2” innovative industries plan and 20GW PV installed target still on track for 2025, URE will aggressively develop and construct solar system business in order to achieve target set by government.
- 3.5. URE will continue to diversify and expand system investment to gain global market share in response to the trade war, it is expect to low the risk of international trade dispute.
- 3.6. Many countries have reach grid parity, the outlook for solar industry are optimistic. URE implement strategic transformation to compete in the global market, URE will also maintain competitive advantage in terms of cost and R&D, URE will continue to achieve the annual target in terms of business plan.
- 3.7. URE keep close watch on the foreign exchange risk control as our products tend to export to overseas market, URE monitor foreign exchange fluctuation and utilize hedge instrument to lower the risk of foreign exchange fluctuation.
- 3.8. URE will focus on strength module brand and increase solar system business, and hope to integrate the green energy supply chain to provide more added values, at same time regain profitability and growth for our shareholders.

Chairman Dr. Hong

Annex 2

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

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements, and loss offsetting list. The CPA firm of KPMG Taiwan was retained to audit URE's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and loss offsetting list have been reviewed and determined to be correct and accurate by the Audit Committee members of United Renewable Energy Co., Ltd.. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

The Audit Committee of United Renewable Energy Co., Ltd

Chairman : Independent Director Tsai,Ming-Fang

March 11, 2022

Annex 3

Processing situation of 2018 private placement of common shares

Item	Private placement of common shares of 2018			
Type of private placement security	Common shares			
The date and amount approved by Shareholdings' Meeting	The total amount of private placement of common share approved by Extraordinary Shareholdings' Meeting of March.28, 2018 is within 380 million shares.			
The criteria and the reasonableness for determination of the price.	<p>1. According to "Directions for Public Companies Conducting Private Placements of Securities", the reference price shall be the higher of the following two calculations:</p> <p>a. The simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.</p> <p>b. The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.</p> <p>The price per share fixed for privately placed common shares would be not lower than 80 percent of the reference price.</p> <p>2. As above, The simple average closing price for the 30 business days before May 11, 2018, after adjustment for capital reduction is reference price, NT\$10.4. The price per share for private placement of common share is NT\$8.32, equal to 80% of the reference price. It's conformed to the resolution of Extraordinary Shareholders' Meeting.</p>			
The method for selecting the specific persons	In accordance with Article 43-6 of the Securities and Exchange Act.			
In the reasons for the necessity for conducting the private placement	Comparing to public offering, private placement of common stock can ensure the mobility and the timeliness of raising fund, and also reduce the cost of funding.			
The date of the price has been paid up in full	Oct 15, 2018			
Placee	Placee	Qualification	Shares	Relationship with the company
	National Development Fund, Executive Yuan Delegate: Chiou Yih-Peng	Article 43-6, paragraph 1, subparagraph 2 of the Securities and Exchange Act	167,145,851	NA
	United Renewable Energy Co., Ltd Delegate: Chou Chung-Pin	Article 43-6, paragraph 1, subparagraph 2 of the Securities and Exchange Act	167,145,851	NA
The actual private placement price	NT\$8.32 per share.			
The discrepancy between actual private price and reference price	The actual private placement price NT\$8.32 is 80% of the reference price NT\$10.4.			
Any effect of the private placement on shareholder equity	The Securities and Exchange Act regulates the qualification of placee, 3-year limit of transference, so there is certain protection on shareholder equity. °			
The status of utilization of the funds and the plan implementation progress	To enrich working capital and refund the short-term loan. As of Dec. 31, 2021, the NTD\$2,147,999 thousand from private placement has been utilized.			
The realization of plan benefits	After capital increase, it would improve the financial structure, business operation and development, and benefit to the shareholders' equity.			

Annex 4

United Renewable Energy Co., Ltd. The status of sound business plan

In Million of New Taiwan Dollars

Quarter Account Names	Fourth quarter of 2021 (Estimate)		Fourth quarter of 2021 (Actual number)		difference	Description
	Amount	%	Amount	%	%	
Operating Revenue	3,606	100.0	4,124	100.0	14.4	Mainly due to the increase in domestic demand market
Operating Costs	3,430	95.1	3,833	92.9	11.7	—
Gross Profit (or Loss)	176	4.9	291	7.1	65.4	Mainly due to the increase in demand and rise in selling price, resulting in higher gross profit
Operating Expenses	318	8.8	361	8.8	13.8	Mainly due to the rise in shipping prices and the increase in freight and miscellaneous charges.
Other Income and Expenses	0	0.0	(103)	(2.5)	0.00	Mainly due to recognize the impairment of overseas power plant assets
Profit (or Loss) from Operations	(141)	(3.9)	(173)	(4.2)	(22.1)	—
Non-Operating Income and Expenses	12	0.3	(286)	(6.9)	(2,479.4)	Mainly due to loss on disposal of idle assets
Net loss attributable to Shareholders of the parent	(129)	(3.6)	(440)	(10.7)	(240.1)	—

Quarter Account Names	three quarter of 2021 (Estimate)		three quarter of 2021 (Actual number)		difference	Description
	Amount	%	Amount	%	%	
Operating Revenue	3,913	100.0	3,504	100.0	(10.5)	Due to wafer shortage, lower utilization rate, resulted in lower sales volume
Operating Costs	3,671	93.8	3,289	93.9	(10.4)	—
Gross Profit (or Loss)	242	6.2	215	6.1	(11.4)	Mainly due to materials shortage, resulted in lower utilization rate and lower gross profit.
Operating Expenses	335	8.6	277	7.9	(17.3)	Due to the recovery of overdue accounts and a decrease in salary expense.
Profit (or Loss) from Operations	(92)	(2.4)	(62)	(1.8)	32.8	—
Non-Operating Income and Expenses	(35)	(0.9)	(40)	(1.1)	13.5	—
Net loss attributable to Shareholders of the parent	(127)	(3.3)	(91)	(2.6)	28.7	—

Account Names \ Quarter	second quarter of 2021 (Estimate)		second quarter of 2021 (Actual number)		difference	Description
	Amount	%	Amount	%	%	
Operating Revenue	3,887	100.0	3,670	100.0	(5.6)	—
Operating Costs	3,896	100.2	3,400	92.6	(12.7)	—
Gross Profit (or Loss)	(9)	(0.2)	270	7.4	(3,257.1)	Margin improved due to shipment of low cost inventory
Operating Expenses	337	8.7	395	10.8	17.3	Provision for loss on doubtful accounts receivable
Profit (or Loss) from Operations	(345)	(8.9)	(125)	(3.4)	63.7	—
Non-Operating Income and Expenses	(4)	(0.1)	(104)	(2.8)	2,473.5	Mainly due to the increase in interest expense and the increase in loss on disposal of investments
Net loss attributable to Shareholders of the parent	(349)	(9.0)	(225)	(6.1)	35.7	—

Account Names \ Quarter	first quarter of 2021 (Estimate)		first quarter of 2021 (Actual number)		difference	Description
	Amount	%	Amount	%	%	
Operating Revenue	8,608	100.0	3,005	100.0	(65)	Sales volume decrease due to lower production volume as result of changes in production site. As well as lower shipment due to increase in cost and financial risk
Operating Costs	8,227	95.6	3,052	101.6	63	—
Gross Profit (or Loss))	381	4.4	(47)	(1.6)	(112)	Decrease in sales volume
Operating Expenses	489	5.7	414	13.8	15	Decrease in employment expenses and transportation expenses
Profit (or Loss) from Operations	(109)	(1.3)	(461)	(15.3)	(324)	—
Non-Operating Income and Expenses	(141)	(1.6)	(90)	(3.0)	36	Decrease in interest expense and increase in lease income
Net loss attributable to Shareholders of the parent	(249)	(2.9)	(533)	(17.7)	(114)	—

Annex 5

Independent Auditors' Report

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

Opinion

We have audited the financial statements of United Renewable Energy Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2021 and 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the year ended December 31, 2021 and 2020, in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

Please refer to note 4 (p) “Revenue recognition” for accounting policy and note 6 (x) “Revenue from contracts with customers” of the parent company only financial statements for further information.

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Assessment of impairment of non-financial assets

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

3. Investment accounted for using the equity method

Please refer to note 4 (i) “Investment in subsidiaries ” for accounting policy and note 6 (g) “Investment accounted for using the equity method” of the parent company only financial statements for further information.

Description of key audit matter:

The Company invests in the construction of power plants via its subsidiaries, accounted for using the equity method. The assessment of impairment of the subsidiaries’ property, plant and equipment, and the evaluation of the power plants under construction are affected by the market environment and government policies, resulting in uncertainties in the recoverability of its non-financial assets. Therefore, the investment accounted for using the equity method is one of the key areas our audit focused on.

How the matter was addressed in our audit:

Our principal audit procedures included: assessing the policies of investments accounted for using the equity method whether they comply with the government regulations; planning and performing the necessary audit procedures in accordance with the regulations of Taiwan Auditing Standards to recognize the investment gains and losses under the equity method.

In addition, regarding the evaluation of the power plant under construction, the audit procedures include:

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management' s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company' s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor' s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor' s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investments accounted for using the equity method to express an opinion on these financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 18, 2022

UNITED RENEWABLE ENERGY CO., LTD.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2021</u>		<u>December 31, 2020</u>								
Assets		Amount	%	Amount	%							
Current assets:						2100	Short-term borrowings (note 6(m))	\$	-	-	2,320,002	9
1100	Cash and cash equivalents (note 6(a))	\$ 3,655,826	14	3,605,677	13	2120	Financial liabilities at fair value through profit or loss - current (note 6(b))	-	-	-	5,437	-
1110	Financial assets at fair value through profit or loss - current (note 6(b))	7,384	-	2,714	-	2130	Contract liabilities - current (notes 6(x) and 7)	337,967	1	261,976	1	
1120	Financial assets at fair value through other comprehensive income - current (note 6(c))	111,712	-	114,715	-	2170	Notes and accounts payable	1,077,242	4	1,164,553	4	
1170	Notes and accounts receivable, net (note 6(e))	1,564,893	6	1,815,386	7	2180	Accounts payable to related parties (note 7)	136,307	1	166,180	1	
1180	Accounts receivable from related parties (note 7)	400,842	2	155,970	1	2280	Lease liability - current (note 6(p))	26,780	-	10,610	-	
1200	Other receivables	68,958	-	19,793	-	2320	Current portion of long-term liabilities (note 6(n))	-	-	2,335,756	9	
1210	Other receivables from related parties (note 6(d) and 7)	298,908	1	403,188	1	2399	Other current liabilities (note 7)	<u>1,775,571</u>	<u>7</u>	<u>1,591,973</u>	<u>5</u>	
130X	Inventories (note 6(f))	1,211,447	5	1,487,041	6		Total current liabilities	<u>3,353,867</u>	<u>13</u>	<u>7,856,487</u>	<u>29</u>	
1410	Prepayments (notes 9)	704,222	3	319,866	1		Non-Current liabilities:					
1476	Other financial assets (note 8)	873,956	3	1,020,807	4	2530	Bonds payable (note 6(o))	2,952,450	12	-	-	
1479	Other current assets	<u>166,987</u>	<u>1</u>	<u>197,833</u>	<u>1</u>	2540	Long-term borrowings (note 6(n))	2,657,486	10	3,088,571	11	
	Total current assets	<u>9,065,135</u>	<u>35</u>	<u>9,142,990</u>	<u>34</u>	2580	Lease liability - non-current (note 6(p))	252,628	1	258,841	1	
	Non-current assets:					2650	Credit balance of investments accounted for using equity method (note 6(g))	995,054	4	1,279,873	5	
1510	Financial assets at fair value through profit or loss - non-current (notes 6(b) and (o))	6,900	-	-	-	2670	Other non-current liabilities (notes 6(g) and (t))	<u>236,757</u>	<u>1</u>	<u>258,907</u>	<u>1</u>	
1517	Financial assets at fair value through other comprehensive income - non-current (note 6(c))	333,791	1	249,676	1		Total non-current liabilities	<u>7,094,375</u>	<u>28</u>	<u>4,886,192</u>	<u>18</u>	
1535	Financial assets at amortized cost - non-current (note 6(d))	-	-	140,475	1		Total liabilities	<u>10,448,242</u>	<u>41</u>	<u>12,742,679</u>	<u>47</u>	
1550	Investments accounted for using the equity method (notes 6(g) and 7)	3,660,075	14	4,819,040	18		Equity (note 6(u))					
1600	Property, plant and equipment (notes 6(i), 7 and 8)	4,288,600	17	4,439,234	16	3110	Ordinary shares	16,278,140	64	26,650,863	99	
1755	Right-of-use assets (note 6(j))	201,636	1	192,327	1	3200	Capital surplus	999,749	4	7,877	-	
1760	Investment property (notes 6(k) and 8)	2,637,221	10	2,741,259	10	3350	Accumulated deficit	(1,461,427)	(6)	(11,581,063)	(43)	
1780	Intangible assets (note 6(l))	4,134	-	1,924	-	3400	Other equity	(667,163)	(3)	(802,046)	(3)	
1840	Deferred tax assets (note 6(t))	622,050	2	622,822	2	3500	Treasury shares	<u>(18,699)</u>	<u>-</u>	<u>(18,699)</u>	<u>-</u>	
1915	Prepayments - non-current (note 9)	1,920,057	8	1,942,715	7		Total equity	<u>15,130,600</u>	<u>59</u>	<u>14,256,932</u>	<u>53</u>	
1920	Refundable deposits (note 8)	634,844	3	706,987	3							
1942	Other receivables from related parties - non-current (note 7)	2,002,155	8	2,000,162	7		Total liabilities and equity	<u>\$ 25,578,842</u>	<u>100</u>	<u>26,999,611</u>	<u>100</u>	
1990	Other non-current assets (note 8)	<u>202,244</u>	<u>1</u>	<u>-</u>	<u>-</u>							
	Total non-current assets	<u>16,513,707</u>	<u>65</u>	<u>17,856,621</u>	<u>66</u>							
	Total assets	<u>\$ 25,578,842</u>	<u>100</u>	<u>26,999,611</u>	<u>100</u>							
		<u>December 31, 2021</u>		<u>December 31, 2020</u>								
	Liabilities and Equity	Amount	%	Amount	%							
	Current liabilities:											

UNITED RENEWABLE ENERGY CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000 Net operating revenues (notes 6(x) and 7)	\$ 12,027,712	100	10,716,898	100
5110 Operating costs (notes 6(f), 7 and 12)	11,558,981	96	11,028,558	103
5900 Gross loss from operations	<u>468,731</u>	<u>4</u>	<u>(311,660)</u>	<u>(3)</u>
Operating expenses (notes 6(e)(v)(y) and 12):				
6100 Selling expenses	352,317	3	321,263	3
6200 General and administrative expenses	647,413	5	775,609	7
6300 Research and development expenses	100,492	1	154,162	2
6450 Impairment loss (reversal of impairment loss) on trade receivable	(2,971)	-	(14,875)	-
Total operating expense	<u>1,097,251</u>	<u>9</u>	<u>1,236,159</u>	<u>12</u>
6500 Other income and expenses	-	-	(891,547)	(8)
Loss from operations	<u>(628,520)</u>	<u>(5)</u>	<u>(2,439,366)</u>	<u>(23)</u>
Non-operating income and expenses:				
7010 Other income (notes 6(r)(z) and 7)	284,075	2	311,704	3
7020 Other gains and losses (note 6(z))	(327,904)	(3)	(157,592)	(1)
7050 Finance costs (notes 6(o) and (p))	(215,220)	(2)	(349,226)	(3)
7060 Share of gain (loss) of subsidiaries and associates accounted for using equity method (note 6(g))	(402,473)	(3)	(3,517,700)	(33)
7100 Interest income	1,839	-	13,165	-
	<u>(659,683)</u>	<u>(6)</u>	<u>(3,699,649)</u>	<u>(34)</u>
Loss before income tax	<u>(1,288,203)</u>	<u>(11)</u>	<u>(6,139,015)</u>	<u>(57)</u>
7950 Less: income tax expense (note 6(t))	-	-	-	-
8200 Net loss	<u>(1,288,203)</u>	<u>(11)</u>	<u>(6,139,015)</u>	<u>(57)</u>
8300 Other comprehensive income:				
8310 Items that may not be reclassified subsequently to profit or loss:				
8316 Unrealized gain(loss) on investments in equity instruments at fair value through other comprehensive income	61,118	-	125,711	1
8330 Share of other comprehensive income(loss) of subsidiaries accounted for using equity method	-	-	(11,966)	-
8360 Items that may be reclassified subsequently to profit or loss:				
8361 Exchange differences on translation of foreign statements	(58,399)	-	(327,526)	(3)
8380 Share of other comprehensive income (loss) of subsidiaries accounted for using equity method	(47,287)	-	(46,042)	-
8300 Total other comprehensive income (loss)	<u>(44,568)</u>	<u>-</u>	<u>(259,823)</u>	<u>(2)</u>
Total comprehensive loss	<u>\$ (1,332,771)</u>	<u>(11)</u>	<u>(6,398,838)</u>	<u>(59)</u>
Loss per share				
9750 Basic loss per share (NT dollars) (note 6(w))	<u>\$ (0.84)</u>		<u>(4.08)</u>	

UNITED RENEWABLE ENERGY CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Share capital			Other equity				Total equity
	Ordinary shares	Capital surplus	Accumulated deficits	Exchange differences on translation of foreign financial statements	Unrealized gains (loss) on financial assets at fair value through other comprehensive income	Unearned employees benefits	Treasury shares	
Balance at January 1, 2020	\$ 26,653,375	118,989	(6,000,644)	(296,106)	283,492	(18,414)	(18,699)	20,721,993
Net loss for the year ended December 31, 2020	-	-	(6,139,015)	-	-	-	-	(6,139,015)
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	(373,568)	113,745	-	-	(259,823)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	(6,139,015)	(373,568)	113,745	-	-	(6,398,838)
Other changes in capital surplus:								
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	7,819	-	-	-	-	-	7,819
Offset of deficit against capital surplus	-	(123,629)	123,629	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(84,834)	-	-	-	-	(84,834)
Changes in ownership interests in subsidiaries	-	473	-	-	-	-	-	473
Compensation cost of restricted shares for employees	-	-	-	-	-	12,558	-	12,558
Distribution of restricted shares for employees	7,950	1,201	(1,591)	-	-	(7,560)	-	-
Cancellation of restricted shares for employees	(10,462)	1,429	-	-	-	6,000	-	(3,033)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	522,193	-	(522,193)	-	-	-
Adjustments to capital surplus and retained earnings for changes in subsidiaries equity	-	1,595	(801)	-	-	-	-	794
Balance at December 31, 2020	26,650,863	7,877	(11,581,063)	(669,674)	(124,956)	(7,416)	(18,699)	14,256,932
Net loss for the year ended December 31, 2021	-	-	(1,288,203)	-	-	-	-	(1,288,203)
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	(105,686)	61,118	-	-	(44,568)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	(1,288,203)	(105,686)	61,118	-	-	(1,332,771)
Other changes in capital surplus:								
Offset of deficit against capital surplus	-	(9,887)	9,887	-	-	-	-	-
Capital increase by cash	1,200,000	792,000	-	-	-	-	-	1,992,000
Capital reduction to offset accumulated deficits	(11,571,175)	-	11,571,175	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(12)	-	-	-	-	-	(12)
Compensation cost of restricted shares for employees	-	-	-	-	-	4,621	-	4,621
Cancellation of restricted shares for employees	(1,548)	282	-	-	-	1,928	-	662
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	(172,902)	-	172,902	-	-	-
Adjustments to capital surplus and retained earnings for changes in subsidiaries equity	-	3,291	(321)	-	-	-	-	2,970
Issuance of convertible bonds	-	177,366	-	-	-	-	-	177,366
Compensation cost of issuing shares	-	28,832	-	-	-	-	-	28,832
Balance at December 31, 2021	\$ 16,278,140	999,749	(1,461,427)	(775,360)	109,064	(867)	(18,699)	15,130,600

UNITED RENEWABLE ENERGY CO., LTD.
Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Loss before income tax	\$ (1,288,203)	(6,139,015)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	825,388	1,315,807
Amortization expense	1,679	2,310
Expected credit loss (gain)	26,205	(14,875)
Net loss(gain) on financial assets or liabilities at fair value through profit or loss	(11,016)	4,360
Finance cost	162,879	349,226
Interest income	(1,839)	(13,165)
Dividends income	(14,178)	(89,028)
Compensation cost of restricted shares for employees	34,115	10,826
Share of loss of subsidiaries and associates accounted for using equity method	402,473	3,517,700
Loss (gain) on disposal of property, plant and equipment	108,620	(188,040)
Gain on disposal of investments	(83)	(80,408)
Impairment loss on property, plant and equipment	-	891,547
Impairment loss (reversal gain) on prepayment	(3,521)	116,788
Impairment loss on financial assets	163,650	-
Others	(87,010)	68,988
Total adjustments to reconcile profit (loss)	<u>1,607,362</u>	<u>5,892,036</u>
Changes in operating assets and liabilities:		
Contract assets - current	-	45,940
Notes and accounts receivable	235,400	(401,747)
Accounts receivable from related parties	(242,848)	248,106
Other receivables	(49,145)	276,824
Other receivables from related parties	57,636	217,577
Inventory	379,975	624,694
Prepayments (including non-current)	(406,196)	99,577
Other current assets	30,968	345,012
Contract liabilities - current	75,991	9,567
Notes and accounts payable (including related parties)	(104,878)	(78,459)
Provisions	(103,613)	95,058
Other current liabilities	183,733	313,139
Total changes in operating assets and liabilities	<u>57,023</u>	<u>1,795,288</u>
Cash inflow generated from (used in) operations	376,182	1,548,309
Income taxes received (paid)	(122)	1,472
Net cash flows generated from (used in) operating activities	<u>376,060</u>	<u>1,549,781</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(27,098)	(48,840)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	2,241,455
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6,614	6,470
Acquisition of investments accounted for using equity method	(439,994)	(872,430)
Proceeds from disposal of associates	198,382	816,622
Proceeds from capital reduction of investments accounted for using equity method	358,167	1,250,081
Acquisition of property, plant and equipment	(545,548)	(25,940)
Proceeds from disposal of property, plant and equipment	3,136	1,059,800
Decrease in refundable deposits	72,143	140,332
Acquisition of intangible assets	(3,889)	-
Increase in other financial assets	(47,501)	(479,705)
Interest received	1,643	6,136
Dividends received	253,832	159,138
Net cash flows generated from investing activities	<u>(170,113)</u>	<u>4,253,119</u>
Cash flows from financing activities:		
Decrease in short-term loans	(2,297,495)	(282,273)
Issuance of convertible bonds	3,120,780	-
Proceeds from long-term borrowings	4,748,425	1,562,610
Repayments of long-term borrowings	(7,486,342)	(7,960,609)
Increase in guarantee deposits received	4,327	55,779
Payment of lease liabilities	(33,767)	(25,666)
Proceeds from issuance of ordinary shares	1,992,000	-
Interest paid	(166,607)	(335,865)
Net cash used in financing activities	<u>(118,679)</u>	<u>(6,986,024)</u>
Effect of exchange rate changes	<u>(37,119)</u>	<u>(53,809)</u>
Net increase (decrease) in cash and cash equivalents	50,149	(1,236,933)
Cash and cash equivalents at beginning of period	3,605,677	4,842,610
Cash and cash equivalents at end of period	<u>\$ 3,655,826</u>	<u>3,605,677</u>

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of United Renewable Energy Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

Please refer to note 4 (r) "Revenue recognition" for accounting policy and note 6 (aa) "Revenue from contracts with customers" of the consolidated financial statements for further information.

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. The valuation of power plants under construction

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

3. Assessment of impairment of non-financial assets

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

Other Matter

United Renewable Energy Co., Ltd. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unqualified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 18, 2022

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020			December 31, 2021		December 31, 2020	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 5,254,173	17	4,954,658	152100	Short-term borrowings (note 6(n))	\$ 50,389	-	2,320,002	7
1110 Financial assets at fair value through profit or loss - current (note 6(b))	74,255	-	2,714	- 2110	Short-term bills payable (note 6(o))	221,253	1	174,810	1
1120 Financial assets at fair value through other comprehensive income - current (note 6(c))	111,712	-	114,715	- 2120	Financial liabilities at fair value through profit or loss - current (note 6(b))	1,924	-	5,437	-
					Contract liabilities - current (notes 6(aa) and 7)	506,666	2	348,911	1
1140 Contract assets - current (notes 6(aa) and 7)	215,187	1	175,041	12170	Notes and accounts payable	1,355,764	4	1,336,177	4
1170 Notes and accounts receivable, net (note 6(e))	1,871,520	6	2,078,846	62260	Liabilities related to non-current assets held for sale (note 6(g))	1,607,188	5	-	-
1180 Accounts receivable from related parties (notes 6(e) and 7)	225,389	1	206,901	12280	Lease liability - current (note 6(s))	59,058	-	50,913	-
1200 Other receivables	141,706	-	174,376	12320	Current portion of long-term borrowings and preference share liabilities (notes 6(p) and (r))	2,446,656	8	5,381,804	17
1210 Other receivables from related parties (note 7)	407,956	1	785,448	2					
130X Inventories (notes 6(f) and 8)	2,653,595	9	3,517,082	112399	Other current liabilities (note 6(t) and 7)	1,727,778	6	1,626,370	5
1410 Prepayments (notes 7 and 9)	1,149,948	4	737,746	2	Total current liabilities	7,976,676	26	11,244,424	35
1460 Non-current assets held for sale (notes 6(g) and 8)	2,145,372	7	-	-	Non-Current liabilities:				
1476 Other financial assets (notes 8)	924,036	3	1,107,101	32500	Financial liabilities at fair value through profit or loss - non-current (notes 6(b) and (p))	49,896	-	99,741	-
1479 Other current assets	211,531	1	246,734	1	Total bonds payable (note 6(q))	2,952,450	10	-	-
Total current assets	15,386,380	50	14,101,362	432530	Long-term borrowings (note 6(p))	3,525,712	11	5,115,671	16
Non-current assets:					Lease liability - non-current (note 6(s))	560,061	2	605,021	2
1510 Financial assets at fair value through profit or loss - non-current (notes 6(b), (q) and (r))	97,096	-	182,058	12580	Preference share liabilities - non-current (note 6(r))	4,377	-	13,219	-
					Other non-current liabilities (note 6(t))	313,704	1	358,511	1
1517 Financial assets at fair value through other comprehensive income - non-current (notes 6(c) and 8)	333,791	1	276,774	12670	Total non-current liabilities	7,406,200	24	6,192,163	19
1535 Financial assets at amortized cost - non-current (note 6(d))	-	-	140,475	-	Total liabilities	15,382,876	50	17,436,587	54
1550 Investments accounted for using the equity method (notes 6(h) and 7)	211,473	1	176,322	1	Equity attributable to owners of parent (notes 6(x) and (y))				
1600 Property, plant and equipment (notes 6(j), 7 and 8)	8,213,695	26	10,450,989	323110	Ordinary shares	16,278,140	52	26,650,863	82
1755 Right-of-use assets (note 6(k))	431,008	2	568,497	23200	Capital surplus	999,749	3	7,877	-
1760 Investment property, net (note 6(l) and 8)	2,844,125	9	2,741,260	83350	Accumulated deficit	(1,461,427)	(5)	(11,581,063)	(36)
1780 Intangible assets (note 6(m))	4,803	-	70,317	- 3400	Other equity	(667,163)	(2)	(802,046)	(2)
1840 Deferred tax assets (note 6(w))	629,448	2	639,924	23500	Treasury shares	(18,699)	-	(18,699)	-
1915 Prepayments - non-current (notes 9)	1,934,036	6	1,979,465	6	Total equity attributable to owners of parent	15,130,600	48	14,256,932	44
1920 Refundable deposits (note 8)	654,938	2	732,696	236XX	Non-controlling interests	701,780	2	767,182	2
1942 Other receivables from related parties - non-current (note 7)	21,255	-	21,581	-	Total equity	15,832,380	50	15,024,114	46
1990 Other non-current assets (note 8)	453,208	1	378,981	2					
Total non-current assets	15,828,876	50	18,359,339	57	Total liabilities and equity	\$ 31,215,256	100	32,460,701	100
Total assets	\$ 31,215,256	100	32,460,701	100					

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	%	Amount	%
4000	Net operating revenues (notes 6(aa) and 7)	\$ 14,302,408	100	12,511,034	100
5110	Operating costs (notes 6(f)(s)(v), 7 and 12)	13,573,589	95	13,387,510	107
5900	Gross gain (loss) from operations	728,819	5	(876,476)	(7)
Operating expenses (notes 6(e)(s)(v) and 12):					
6100	Selling expenses	465,493	3	514,828	4
6200	General and administrative expenses	836,757	6	1,090,358	9
6300	Research and development expenses	101,435	1	176,893	1
6450	Impairment loss (reversal of impairment loss) on trade receivable	43,283	-	(22,405)	-
	Total operating expense	1,446,968	10	1,759,674	14
6500	Other income and expenses	(102,597)	(1)	(1,978,107)	(16)
	Loss from operations	(820,746)	(6)	(4,614,257)	(37)
Non-operating income and expenses:					
7010	Other income (notes 6(ac) and 7)	288,158	2	347,489	3
7020	Other gains and losses (notes 6(g)(h) and (ac))	(407,284)	(3)	(802,967)	(7)
7050	Finance costs (note 6(q)(r))	(390,719)	(2)	(651,941)	(5)
7060	Share of gain (loss) of associates and joint ventures accounted for using equity method (note 6(h))	(15,628)	-	(31,686)	-
7100	Interest income	5,434	-	17,930	-
		(520,039)	(3)	(1,121,175)	(9)
	Loss before income tax	(1,340,785)	(9)	(5,735,432)	(46)
7950	Less: income tax expense (note 6(w))	802	-	426,875	3
8200	Net loss	(1,341,587)	(9)	(6,162,307)	(49)
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss:				
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	61,118	-	113,745	1
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign statements	(116,017)	-	(422,528)	(4)
8300	Total other comprehensive income (loss)	(54,899)	-	(308,783)	(3)
	Total comprehensive income (loss)	\$ (1,396,486)	(9)	(6,471,090)	(52)
	Net loss attributable to:				
	Shareholders of the parent	\$ (1,288,203)	(9)	(6,139,015)	(49)
	Non-controlling interests	(53,384)	-	(23,292)	-
		\$ (1,341,587)	(9)	(6,162,307)	(49)
	Total comprehensive income (loss) attributable to:				
	Shareholders of the parent	\$ (1,332,771)	(9)	(6,398,838)	(51)
	Non-controlling interests	(63,715)	-	(72,252)	(1)
		\$ (1,396,486)	(9)	(6,471,090)	(52)
	Loss per share				
9750	Basic loss per share (NT dollars) (note 6(z))	\$ (0.84)	(0.84)	(4.08)	(4.08)

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to owners of parent									Non-controlling interest	Total equity
	Share capital		Accumulated deficits	Other equity			Treasury shares	Total equity attributable to owners of parent			
	Ordinary shares	Capital surplus		Exchange differences on translation of foreign financial statements	Unrealized gains (loss) on financial assets at fair value through other comprehensive income	Unearned employees benefits					
Balance at January 1, 2020	\$ 26,653,375	118,989	(6,000,644)	(296,106)	283,492	(18,414)	(18,699)	20,721,993	762,242	21,484,235	
Net loss for the year ended December 31, 2020	-	-	(6,139,015)	-	-	-	-	(6,139,015)	(23,292)	(6,162,307)	
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	(373,568)	113,745	-	-	(259,823)	(48,960)	(308,783)	
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	(6,139,015)	(373,568)	113,745	-	-	(6,398,838)	(72,252)	(6,471,090)	
Other changes in capital surplus:											
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	7,819	-	-	-	-	-	7,819	-	7,819	
Offset of deficit against capital surplus	-	(123,629)	123,629	-	-	-	-	-	-	-	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(84,834)	-	-	-	-	(84,834)	84,834	-	
Changes in ownership interests in subsidiaries	-	473	-	-	-	-	-	473	(473)	-	
Non-controlling interests	-	-	-	-	-	-	-	-	(7,970)	(7,970)	
Distribution of restricted shares for employees	7,950	1,201	(1,591)	-	-	(7,560)	-	-	-	-	
Cancellation of restricted shares for employees	(10,462)	1,429	-	-	-	6,000	-	(3,033)	-	(3,033)	
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	522,193	-	(522,193)	-	-	-	-	-	
Difference between the price that has not been increased in proportion to shareholding and net value	-	1,595	(801)	-	-	-	-	794	801	1,595	
Compensation cost of restricted shares for employees	-	-	-	-	-	12,558	-	12,558	-	12,558	
Balance at December 31, 2020	26,650,863	7,877	(11,581,063)	(669,674)	(124,956)	(7,416)	(18,699)	14,256,932	767,182	15,024,114	
Net loss for the year ended December 31, 2021	-	-	(1,288,203)	-	-	-	-	(1,288,203)	(53,384)	(1,341,587)	
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	(105,686)	61,118	-	-	(44,568)	(10,331)	(54,899)	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	(1,288,203)	(105,686)	61,118	-	-	(1,332,771)	(63,715)	(1,396,486)	
Other changes in capital surplus:											
Offset of deficit against capital surplus	-	(9,887)	9,887	-	-	-	-	-	-	-	
Issue of shares	1,200,000	792,000	-	-	-	-	-	1,992,000	-	1,992,000	
Capital reduction to offset accumulated deficits	(11,571,175)	-	11,571,175	-	-	-	-	-	-	-	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(12)	-	-	-	-	-	(12)	12	-	
Non-controlling interests	-	-	-	-	-	-	-	-	(2,048)	(2,048)	
Compensation cost of restricted shares for employees	-	-	-	-	-	4,621	-	4,621	-	4,621	
Cancellation of restricted shares for employees	(1,548)	282	-	-	-	1,928	-	662	-	662	
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	(172,902)	-	172,902	-	-	-	-	-	
Difference between the price that has not been increased in proportion to shareholding and net value	-	3,291	(321)	-	-	-	-	2,970	349	3,319	
Issuance of convertible bonds	-	177,366	-	-	-	-	-	177,366	-	177,366	
Compensation cost of issuing shares	-	28,832	-	-	-	-	-	28,832	-	28,832	
Balance at December 31, 2021	\$ 16,278,140	999,749	(1,461,427)	(775,360)	109,064	(867)	(18,699)	15,130,600	701,780	15,832,380	

UNITED RENEWABLE ENERGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Loss before income tax	\$ (1,340,785)	(5,735,432)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,197,448	2,058,233
Amortization expense	4,808	8,900
Expected credit loss (gain)	72,459	(22,405)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(35,473)	5,508
Finance cost	315,215	651,941
Interest income	(5,434)	(17,930)
Dividends income	(14,178)	(89,028)
Compensation cost of restricted shares for employees	34,115	10,826
Share of loss of associates and joint ventures accounted for using the equity method	15,628	31,686
Loss on disposal of property, plant and equipment and power facilities business held for sale	108,823	598,885
Loss (gain) on disposal of investments	88,312	(204,861)
Impairment loss on property, plant and equipment	102,597	1,977,516
Impairment loss on intangible assets	-	591
Impairment loss on prepayment	-	116,788
Impairment loss on financial assets	163,650	-
Reversal of provisions	(130,985)	-
Others	(168,656)	451,479
Total adjustments to reconcile profit (loss)	<u>1,748,329</u>	<u>5,578,129</u>
Changes in operating assets and liabilities:		
Contract assets - current	(40,146)	308,206
Notes and accounts receivable	85,133	(49,122)
Accounts receivable from related parties	(16,446)	312,647
Other receivables	80,996	83,252
Other receivables from related parties	33,159	352,681
Inventory	739,094	801,045
Prepayments (including non-current)	(443,098)	94,512
Other current assets	31,516	419,515
Contract liabilities - current	157,755	25,079
Notes and accounts payable (including related parties)	31,894	(148,907)
Provisions	31,907	88,784
Other current liabilities	245,627	113,888
Total changes in operating assets and liabilities	<u>937,391</u>	<u>2,401,580</u>
Cash inflow generated from (used in) operations	<u>1,344,935</u>	<u>2,244,277</u>
Income taxes paid	<u>(9,268)</u>	<u>(25,660)</u>
Net cash flows generated from (used in) operating activities	<u>1,335,667</u>	<u>2,218,617</u>
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	(27,098)	2,241,455
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6,614	6,470
Acquisition of investments accounted for using the equity method	(60,000)	(30,000)
Proceeds from disposal of associates	341,827	1,873,903
Proceeds from disposal of subsidiaries	549,456	247,957
Acquisition of property, plant and equipment	(681,490)	(254,697)
Proceeds from disposal of property, plant and equipment and power facilities business held for sale	3,213	1,132,792
Decrease in refundable deposits	66,342	157,224
Acquisition of intangible assets	(3,889)	-
Increase in other financial assets	(223,967)	(504,920)
Decrease (increase) in other non-current assets	38,994	(10,839)
Interest received	7,432	13,300
Dividends received	14,924	95,577
Net cash flows generated from investing activities	<u>32,358</u>	<u>4,968,222</u>
Cash flows from financing activities:		
Decrease in short-term loans	(2,247,103)	(422,748)
Increase (decrease) in short-term bills payable	46,400	(241,200)
Proceeds from issuing bonds	3,120,780	-
Proceeds from long-term borrowings	4,961,736	1,768,160
Repayments of long-term borrowings	(8,412,911)	(8,703,728)
Repayments of preference share liabilities	(16,903)	(17,978)
Payment of lease liabilities	(73,896)	(80,518)
Proceeds from issuance of ordinary shares	1,992,000	-
Interest paid	(322,026)	(596,186)
Others	1,581	54,732
Net cash used in financing activities	<u>(950,342)</u>	<u>(8,239,466)</u>
Effect of exchange rate changes	<u>(115,717)</u>	<u>(364,031)</u>
Net decrease in cash and cash equivalents	301,966	(1,416,658)
Cash and cash equivalents at beginning of period	4,954,658	6,371,316
Cash and cash equivalents at end of period	<u>\$ 5,256,624</u>	<u>4,954,658</u>
The components of cash and cash equivalents		
Cash and equivalents listed on consolidated balance sheets	\$ 5,254,173	4,954,658
Cash and equivalents related to non-current assets held for sale	2,451	-
Cash and equivalents at end of period	<u>\$ 5,256,624</u>	<u>4,954,658</u>

Annex 6**United Renewable Energy Co., Ltd.**
Appropriation of Loss Statement
Year 2021

Unit: NT\$

Item	Amount	
	Total	Grand Total
Initial cumulative undistributed earnings		0
Current period after-tax net loss	(1,288,203,311)	
Disposal of financial assets as fair value through other comprehensive income	(172,901,961)	
The difference between the price and net value of the capital increase in subsidiaries not in accordance with the shareholding ratio	(320,900)	
Amount to be compensated this year		(1,461,426,172)
Current year compensation items		
Capital reserve	822,510,159	
Amount to be compensated after this year		(638,916,013)
Note: Company's loss is compensated by capital reserve NT\$822,510,159. After compensation, the amount to be compensated is NT\$638,916,013.		

Annex 7

United Renewable Energy Co., Ltd. Articles of Incorporation Comparison Chart

Item	After the Revision	Before the Revision	Explanations for the Revision
Article. 2	<p>The scope of business of the Corporation shall be:</p> <ol style="list-style-type: none"> 1. CC01080 Electronic Parts and Components Manufacturing 2. CC01090 Batteries Manufacturing. 3. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery. 4. <u>D101060 Self-usage power generation equipment utilizing renewable energy industry.</u> 5. IG03010 Energy Technology Services. 6. E601010 Electrical Systems Business 7. F119010 Wholesale of Electronic Materials (Operation is restricted to be made outside Hsinchu Science Park) 8. F219010 Retail Sale of Electronic Materials (Operation is restricted to be made outside Hsinchu Science Park) 9. F401010 International Trade. <p>Research & development, design, manufacture and sale of the following products:</p> <ol style="list-style-type: none"> (1) Solar cells and related systems. (2) Solar power generation modules and wafers.. (3) Import and export trade business related to the Company's products. 	<p>The scope of business of the Corporation shall be:</p> <ol style="list-style-type: none"> 1. CC01080 Electronic Parts and Components Manufacturing 2. CC01090 Batteries Manufacturing. 3. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery. 4. IG03010 Energy Technology Services. 5. E601010 Electrical Systems Business 6. F119010 Wholesale of Electronic Materials (Operation is restricted to be made outside Hsinchu Science Park) 7. F219010 Retail Sale of Electronic Materials (Operation is restricted to be made outside Hsinchu Science Park) 8. F401010 International Trade. <p>Research & development, design, manufacture and sale of the following products:</p> <ol style="list-style-type: none"> (1) Solar cells and related systems. (2) Solar power generation modules and wafers.. (3) Import and export trade business related to the Company's products. 	<p>In order to meet the company's future operation plan, add the business items in operation.</p>
Article. 10	<p>Shareholders' meetings of the Corporation are of two kinds, namely, general meetings and special meetings.</p> <p>General meetings shall be called by the Board of Directors, within six months after the end of each fiscal year. Special meetings may be called by the Board of Directors in accordance with law, if necessary. <u>The Company's shareholders' meetings can be held by means of visual communication network or other methods promulgated by the Ministry of Economic Affairs.</u></p>	<p>Shareholders' meetings of the Corporation are of two kinds, namely, general meetings and special meetings.</p> <p>General meetings shall be called by the Board of Directors, within six months after the end of each fiscal year. Special meetings may be called by the Board of Directors in accordance with law, if necessary.</p>	<p>The Company Act amends Article 172-2 of the Company Act, which provides that public companies may apply the provisions of the visual communication meeting of shareholders.</p>
Article. 36	<p>This article was concluded on August 12, 2005.</p> <p>The first amendment was made on September 12, 2005.</p> <p>.....</p> <p>The 20th amendment was made on March 28, 2018. The amendments to No. 6 and No. 17 were effective on March 28, 2018. This amendment to No. 1 takes effect on the record date of merging the Company with Gintech Energy Corp. and Solartech Energy Corp..</p> <p>The 21st amendment was made on June 17, 2019</p> <p>The 22st amendment was made on June 22, 2020</p> <p><u>The 23st amendment was made on June 24, 2022</u></p>	<p>This article was concluded on August 12, 2005.</p> <p>The first amendment was made on September 12, 2005.</p> <p>.....</p> <p>The 20th amendment was made on March 28, 2018. The amendments to No. 6 and No. 17 were effective on March 28, 2018. This amendment to No. 1 takes effect on the record date of merging the Company with Gintech Energy Corp. and Solartech Energy Corp..</p> <p>The 21st amendment was made on June 17, 2019</p> <p>The 22st amendment was made on June 22, 2020</p>	

Annex 8

United Renewable Energy Co., Ltd.

Comparison Chart of Acquisition or Disposal of Assets Procedure

Article No.	After the Revision	Before the Revision	Explanations for the Revision
Article 6	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>一、It/He shall not have previously received a final and unappealable sentence to imprisonment for one year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime; provided, however, that this provision does not apply if three years have already passed since the completion of the term of the imprisonment sentence, since expiration of the period of a probation, or since it/he was pardoned.</p> <p>二、It/He may not be a related party or de facto related party of any party to the transaction.</p> <p>三、If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of the industry associations to which they belong</u> and with the following provisions :</p> <p>(I)Prior to accepting a case, it/he shall prudently assess its/his own professional capabilities, practical experience, and independence.</p> <p>(II)When <u>conducting</u> a case, it/he shall appropriately plan and execute adequate working process, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The relevant working procedures, data collected, and conclusion shall be fully and accurately specified in the working papers for the case.</p> <p>(II)It/He shall undertake an item-by-item evaluation of the comprehensiveness, <u>appropriate</u>, and reasonableness of the sources of data, the parameters, and the information used, as the basis for issuance of the appraisal report or the opinion.</p> <p>(IV)They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is</p>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>一、It/He shall not have previously received a final and unappealable sentence to imprisonment for one year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime; provided, however, that this provision does not apply if three years have already passed since the completion of the term of the imprisonment sentence, since expiration of the period of a probation, or since it/he was pardoned.</p> <p>二、It/He may not be a related party or de facto related party of any party to the transaction.</p> <p>三、If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with and with the following provisions :</p> <p>(I)Prior to accepting a case, it/he shall prudently assess its/his own professional capabilities, practical experience, and independence.</p> <p>(II)When a case, it/he shall appropriately plan and execute adequate working process, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The relevant working procedures, data collected, and conclusion shall be fully and accurately specified in the working papers for the case.</p> <p>(II)It/He shall undertake an item-by-item evaluation of the comprehensiveness, fully and accurately, reasonableness of the sources of data, the parameters, and the information used, as the basis for issuance of the appraisal report or the opinion.</p> <p>(IV)They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is and</p>	<p>In compliance with the amendment to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Article No.	After the Revision	Before the Revision	Explanations for the Revision
	<p><u>appropriate</u> and reasonable, and that they have complied with applicable laws and regulations.</p>	<p>reasonable, and that they have complied with applicable laws and regulations.</p>	
Article 7	<p>Disposition procedures for acquisition or disposal of real property ,equipment or its right-of-use asset.</p> <p>一、Assessment and operating procedure ...omitted below.</p> <p>四、Appraisal reports for real property ,equipment or its right-of-use asset</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use asset held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I)Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance and the same shall apply to any subsequent changes, if any, to the terms and conditions of the transaction.</p> <p>(II)Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1.The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>...omitted below.</p>	<p>Disposition procedures for acquisition or disposal of real property ,equipment or its right-of-use asset.</p> <p>一、Assessment and operating procedure ...omitted below.</p> <p>四、Appraisal reports for real property ,equipment or its right-of-use asset</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use asset held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I)Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance and the same shall apply to any subsequent changes, if any, to the terms and conditions of the transaction.</p> <p>(II)Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1.The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>...omitted below.</p>	<p>In compliance with the amendment to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>
Article 8	<p>Investment and disposition procedures for acquisition or disposal of securities</p> <p>一、Assessment and operating procedure ...omitted below.</p> <p>四、Acquisition of opinion from professionals</p> <p>(I)In acquiring or disposing of securities,</p>	<p>Investment and disposition procedures for acquisition or disposal of securities</p> <p>一、Assessment and operating procedure ...omitted below.</p> <p>四、Acquisition of opinion from professionals</p> <p>(I)In acquiring or disposing of securities,</p>	<p>In compliance with the amendment to the Regulations Governing the Acquisition and Disposal of Assets by</p>

Article No.	After the Revision	Before the Revision	Explanations for the Revision
	<p>where the monetary amount of the transaction reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>...omitted below.</p>	<p>where the monetary amount of the transaction reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>...omitted below.</p>	Public Companies.
Article 9	<p>Disposition procedure for transaction with a related party</p> <p>一、When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with provisions in Article 7 of the disposition procedures for acquiring or disposing real property ,equipment or its right-of-use asset.</p> <p>The calculation of the transaction amounts shall be done in accordance with Article 14, paragraph 1 herein. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>二、Assessment and operating procedure</p> <p>When the company intends to acquire or dispose of real property or its right-of-use asse from or to a related party, or when it intends to acquire or dispose of assets other than real property or its right-of-use asse from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by ½ of the</p>	<p>Disposition procedure for transaction with a related party</p> <p>一、When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with provisions in Article 7 of the disposition procedures for acquiring or disposing real property ,equipment or its right-of-use asset.</p> <p>The calculation of the transaction amounts shall be done in accordance with Article 14, paragraph 1 herein. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>二、Assessment and operating procedure</p> <p>When the company intends to acquire or dispose of real property or its right-of-use asse from or to a related party, or when it intends to acquire or dispose of assets other than real property or its right-of-use asse from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters</p>	In compliance with the amendment to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. In order to strengthen the management of related party transactions, it is added that if the Company or the subsidiary thereof that is not a domestic public company acquires or disposes of assets from a related party and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the relevant information to the shareholders' meeting for approval before doing so in order to protect the shareholders' interests. However, transactions between the Company and the parent company or subsidiaries or between the subsidiaries, a resolution of the shareholders' meeting is not required.

Article No.	After the Revision	Before the Revision	Explanations for the Revision
	<p>members of the Audit Committee and submitted to and ratified by the next board of directors meeting:</p> <p>(VI)An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(VII)Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts shall be made in accordance with Article 14, paragraph 1. Items that have been submitted to the Board of Directors for approval in accordance with the provisions of this Regulation need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and the parent or subsidiaries, or between the subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may, pursuant to Article 7, paragraph 2, subparagraph 2, delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting :</p> <p>(I)Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II)Acquisition or disposal of real property right-of-use assets held for business use.</p> <p><u>If the Company or the subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and the parent company or subsidiaries, or between the subsidiaries.</u></p> <p><u>The calculation of the transaction amounts shall be made in accordance with Article 14, paragraph 1. Items that have been approved by the shareholders meeting need not be counted toward the transaction amount.</u></p> <p>...omitted below.</p>	<p>have been approved by ½ of the members of the Audit Committee and submitted to and ratified by the next board of directors meeting:</p> <p>(VI)An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(VII)Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts shall be made in accordance with Article 14, paragraph 1. Items that have been submitted to the Board of Directors for approval in accordance with the provisions of this Regulation need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and the parent or subsidiaries, or between the subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may, pursuant to Article 7, paragraph 2, subparagraph 2, delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting :</p> <p>(I)Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II)Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>...omitted below.</p>	
Article 10	<p>Procedures for acquisition or disposal of intangible assets or right-of-use assets thereof or memberships</p> <p>一、Appraisal and operating procedures(The remaining are not yet amended.)</p> <p>四、Professional appraisal opinion report on intangible assets or right-of-use assets thereof or membership</p> <p>(I)If the Company acquires or disposes of</p>	<p>Procedures for acquisition or disposal of intangible assets or right-of-use assets thereof or memberships</p> <p>一、Appraisal and operating procedures(The remaining are not yet amended.)</p> <p>四、Professional appraisal opinion report on intangible assets or right-of-use assets thereof or membership</p> <p>(I)If the Company acquires or disposes of</p>	<p>In compliance with the amendment to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Article No.	After the Revision	Before the Revision	Explanations for the Revision
	<p>memberships with a transaction amount of NT\$20 million or more, it shall obtain an appraisal report from a professional appraiser.</p> <p>(II) If the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more shall obtain an appraisal report from a professional appraiser.</p> <p>(III) If the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>...omitted below.</p>	<p>memberships with a transaction amount of NT\$20 million or more, it shall obtain an appraisal report from a professional appraiser.</p> <p>(II) If the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more shall obtain an appraisal report from a professional appraiser.</p> <p>(III) If the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price, the CPA shall be in accordance with the provisions of Statement on Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.</p> <p>...omitted below.</p>	
Article 14	<p>Procedure for public information disclosure</p> <p>一、 items which shall be announced or reported and their standards</p> <p>(I) Acquisition or disposal of real property or its right-of-use asset from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use asset from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) Merger, demerger, acquisition, or transfer of shares.</p> <p>(III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(IV) Where equipment or its right-of-use asset for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$ 1 billion or more.</p> <p>(V) Acquisition or disposal by the company in the construction business of real property or its right-of-use asset or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.</p>	<p>Procedure for public information disclosure</p> <p>一、 items which shall be announced or reported and their standards</p> <p>(I) Acquisition or disposal of real property or its right-of-use asset from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use asset from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) Merger, demerger, acquisition, or transfer of shares.</p> <p>(III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(IV) Where equipment or its right-of-use asset for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$ 1 billion or more.</p> <p>(V) Acquisition or disposal by the company in the construction business of real property or its right-of-use asset or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.</p>	<p>In compliance with the amendment to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Article No.	After the Revision	Before the Revision	Explanations for the Revision
	<p>Disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>(VI) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterpart is not a Related Party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(VII) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u> 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds, or</u> of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange traded notes,</u> or subscription by a securities firm of securities as necessitated by its business undertaking or as an advisory recommending a securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with 	<p>Disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>(VI) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterpart is not a Related Party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(VII) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds. 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds or subscription by a securities firm of securities as necessitated by its business undertaking or as an advisory recommending a securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with 	

Article No.	After the Revision	Before the Revision	Explanations for the Revision
	<p>the same transaction counterparty within the preceding year.</p> <p>3.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>4.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these regulations need not be counted toward the transaction amount.</p> <p>...omitted below.</p>	<p>the same transaction counterparty within the preceding year.</p> <p>3.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>4.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these regulations need not be counted toward the transaction amount.</p> <p>...omitted below.</p>	

APPENDIX

APPENDIX 1

Articles of Incorporation of United Renewable Energy Co., Ltd. (Before the Revision)

Amended on June 22, 2020

Chapter I. General Provisions

Article 1

This Corporation, organized under the Company Act of the Republic of China, shall be named: United Renewable Energy Co., Ltd. (the "Corporation").

Article 2

The scope of business of the Corporation shall be:

1. CC01080 Electronic Parts and Components Manufacturing
2. CC01090 Batteries Manufacturing
3. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
4. D101040 Non-Public Electric Power Generation
5. E601010 Electrical Systems Business
6. F119010 Wholesale of Electronic Materials (Operation is restricted to be made outside Hsinchu Science Park)
7. F219010 Retail Sale of Electronic Materials (Operation is restricted to be made outside Hsinchu Science Park)
8. F401010 International Trade.

Research & development, design, manufacture and sale of the following products:

- (1) Solar cells and related systems.
- (2) Solar power generation modules and wafers..
- (3) Import and export trade business related to the Company's products.

Article 3

The Corporation may make investment in other company to meet business demand. The Corporation may, upon the resolution adopted by the board of directors, also act as a shareholder with limited liability of another company, and its investment may exceed 40% of the paid-in capital of the Corporation, notwithstanding Article 13 of the Company Act.

Article 4

The Corporation may, upon the resolution adopted by the board of directors, provide guarantee or endorsement to other company to meet business or investment demand.

Article 5

The Corporation shall have its head office in Hsinchu Science Park. When deemed necessary, branches, factories and offices may be set up at appropriate locations within or outside the territories of the Republic of China by resolution of the Board of Directors.

Chapter II. Shares

Article 6

The total capital of the Corporation is authorized at NT\$36,000,000,000, which is divided into 3,600,000,000 common shares with a par value of NT\$10 per share. Out of the total capital, NT\$800,000,000, which are divided into 80,000,000 common shares with a par value of NT\$10 per share, are reserved for issuing employee stock options, with the board of directors authorized to handle it in accordance with the Company Acts and relevant laws and regulations.

Article 6-1

The treasury stock purchased in accordance with law by the Company can be transferred to the targets including the employees who are eligible to the control of conditions or the subsidiary employees.

The Company's employee stock option certificates are issued to the targets including the employees who are eligible to the control of certain conditions or the subsidiary employees.

When the Company issues new shares, the employees who purchased the shares include the employees who are eligible to the control of certain conditions or the subsidiary employees.

The Company's issuance of new restricted employee shares to the targets include the employees who are eligible to the control of certain conditions or the subsidiary employees.

Article 7

The Company's stock adopts an inscribed manner. And, with signatures or seals by 3 or more directors, after being approved by the Competent Authorities or an issue registration institution ratified by the Competent Authorities under law, the stock can then be issued. Shares issued by the Company are free of printing share, but they should be registered at a Central Securities Depository (CSD).

Article 8

The share certificates of the Corporation shall bear the shareholders' names. If the shareholder is an individual shareholder, his/her name and resident address shall be stated in the roster of shareholders. If the shareholder is a corporate shareholder, the name of its representative and his/her resident address shall be stated in the roster of shareholders. If the share certificate is owned by two shareholders or more, a representative shall be elected among them.

Article 9

Regarding registration of share transfer, no change of account name and ownership transfer is allowed within 60 days before a shareholders' meeting is held, within 30 days before an extraordinary shareholders' meeting is held, or within 5 days before the base day when Company decides to distribute dividends and bonus or other benefits.

The Company's shareholders proceed with share related affairs, including share transfer, loss, inheritance, grant, and loss, change of chop or address change under the Company Law, "Criteria Governing Handling of Stock Affairs by Public Stock Companies", and other related law and regulation.

Chapter III. Shareholders' Meetings

Article 10

Shareholders' meetings of the Corporation are of two kinds, namely, general meetings and special meetings.

General meetings shall be called by the Board of Directors, within six months after the end of each fiscal year. Special meetings may be called by the Board of Directors in accordance with law, if necessary.

Article 11

30-day prior written notice shall be sent to all shareholders at their latest places of residence as registered with the Corporation for the convocation of a general meeting; 15-day written prior notice shall be sent to all shareholders at their latest places of residence as registered with the Corporation for the convocation of a special meeting. All notices shall state the purpose for the convocation of the meeting.

After the Corporation publicly issues share certificates, notice of convocation of meeting by publication may be made to the shareholder holding less than 1,000 registered shares.

Article 12

The quorum for all shareholders' meetings shall be the presence of shareholders representing more than one half of the total issued and outstanding shares; unless otherwise provided in the Company Act. All resolutions shall be passed by the concurrence of shareholders representing a majority of votes of the shareholders present, unless otherwise provided in the Company Act.

Article 13

If a shareholder is unable to attend a shareholders' meeting in person, such shareholder may authorize a proxy to attend the meeting, and exercise all rights of such shareholder, by the power of attorney printed by the Corporation specifying the scope of authorization to represent him/her at the meeting, in accordance with Article 177 of the Company Act.

Article 14

The shareholders of the Corporation shall be entitled to one vote for each share, but a shareholder have no voting power, if such shareholder is subject to the circumstance as specified in Article 179 of the Company Act.

Article 15

When a Shareholders' meeting is called by the Board of Directors, the Chairman of the Board shall serve as chairman of the meeting. In case the Chairman of the Board is unable to exercise his functions because of leave of absence, the Vice Chairman of the Board of Directors, shall preside in lieu of him; or if the Vice Chairman of the Board of Directors is unable to exercise his functions because of leave of absence, the Chairman of the Board shall designate one of the Directors to preside in lieu of him, otherwise the Directors shall elect one from among themselves to preside in lieu of the Chairman.

Article 16

Shareholders meeting's resolutions shall be made into minutes, which, after being signed or sealed by the Chairman, are distributed to all shareholders within 20 days after the meeting. Distribution of the above-said minutes shall proceed pursuant to the Company Law. The minutes, along with the signature book of attending shareholders and power of attorney for attendance forms, shall be kept in the Company.

Chapter IV. Directors

Article 17

The Corporation shall have 9 to 13 Directors, all to be elected at a shareholders' meeting from the persons with disposing capacity. The tenure of office of Directors will be 3 years and they will be eligible for re-election. The independent directors shall not be less than three in number and shall not be less than one-fifth of the total number of directors. The directors (, which includes independent directors,) are elected according to Article 192-1 of the Company Law shareholders from the list of candidates who are nominated. All relevant matters are followed by the Company Law and Securities and Exchange Act. For regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors, it shall be handled in accordance with the related provisions of the competent authority.

Article 17-1

The Corporation may secure liability insurance against any claims against directors in their performance of the business of the Corporation, to protect the rights and interest of all directors and minimize the risk of the Corporation's business operation.

Article 18

The Directors are members of the Board and shall elect from among themselves a Chairman of the Board with concurrence of a majority of Directors present at a Board meeting attended by at least two-thirds of the Directors. The Vice Chairman shall also be elected in the same manner. For the aggregate shareholding ratio of all shareholders after the Corporation publicly issued its share certificates, it shall be handled in accordance with the related provisions of the competent authority.

Article 19

The Chairman shall externally represent the Corporation and shall internally preside at the shareholders' meetings and the Board of Directors' meeting.

Article 20

The Chairman of the Board shall serve as the chairman of the Board of Directors' meeting. In case the Chairman of the Board cannot exercise his functions for some reasons, the Vice Chairman of the Board shall preside in lieu of him; or the Vice Chairman of the Board is unable to exercise his functions for some reasons, the Chairman of the Board shall designate one of the Directors to preside in lieu of him, otherwise the Directors shall elect one from among themselves to preside in lieu of the Chairman.

Article 21

The Board of Directors' meeting shall be called by the Chairman of the Board; provided that the initial meeting of each term of the Board of Directors shall be called by the director who receives the number of ballots representing the greatest number of votes. The notice for the Board of Directors' Meeting shall state the date, place and agenda of the meeting, and shall be sent by letter, e-mail or fax to each Director 7 days prior to the meeting; provided, however, that in case of emergency, the meeting may be called by the Board of Directors at any time by email or telephone. If Director can attend the meeting in person, it shall be deemed as a waiver of notice.

Article 22

The Board of Directors is authorized to determine the remuneration of the Directors, with reference to the standards of the same industry in Taiwan. For payment of remuneration of the Directors in their participation in performance of business or their holding concurrent positions of the Corporation, the Shareholders' meeting authorize the Chairman of the Board to handle it in accordance with the Rules for Internal Administration of the Corporation.

Article 23

The Board of Directors adopts resolutions in the Board of Directors' Meeting to perform its functions. At least one Board of Directors' meeting shall be held each quarter.

Article 24

The functions and powers of the Board of Directors are as follows:

- (1) To formulate important rules and regulations;
- (2) To decide the business policies and plans for the Corporation;
- (3) To approve budget and closing of books;
- (4) To appoint and discharge managerial officers;
- (5) To recommend distribution of profits or covering of losses;
- (6) To formulate and approve the purchase and disposition of important assets and immovable;
- (7) To provide, in the name of the Corporation, guarantee, endorsement, acceptance of bills, and undertaking to other party; to formulate rules for advancing money to, lending money to, and borrowing money from other person.

The Board of Directors may set up all kinds of functional committees. These functional committees shall formulate the rules for their own functions and powers. Implementation shall be made of these rules after the Board of Directors approves them.

Article 25

A Director may by written authorization appoint another Director to attend a Board meeting on his behalf and to vote for him on all matters presented at such meeting. No Director may act as a proxy for more than one other Director.

Article 26

Resolution matters of the Board of Directors shall be made into minutes, which, after being signed or sealed by the Chairman or chair of the Board of Directors, are distributed to all directors. The minutes, along with the signature book of attending directors and power of attorney for attendance forms, shall be kept in the Company.

Article 27

The Corporation establishes an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee is composed of 3 independent directors, one of them is convener, and at least one of them shall have accounting or financial expertise. A resolution of the audit committee shall have the concurrence of one-half or more of all members. The audit committee established by the Corporation in accordance with law is responsible for exercising the functions and powers of supervisor prescribed in the Company Act, Securities and Exchange Act, other laws and regulations, the Articles of Incorporation of the Corporation, and all Rules. The provisions of Article 25 of these Articles of Incorporation hereto with regard to attendance by proxy at meeting shall apply *mutatis mutandis* to the attendance of independent directors at audit committee.

Article 28

The supervisor system will be revoked at the establishment date of audit committee. The term of incumbent supervisor ends at the establishment date of audit committee of the Corporation.

Article 29

The Board of Directors may appoint several secretaries and assistants to handle and keep the minutes of Board of Directors' meeting and Shareholders' meeting, and the important documents and contracts for the Corporation.

Chapter V Managerial Officers

Article 30

The Corporation may have managerial officers. Their appointment and dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Article 31

The Corporation may have one Chief Operating Officer, who shall take charge of all daily affairs of the Corporation, supervise, execute and manage the business of the Corporation in compliance with the instruction of the Chairman of the Board.

Chapter VII. Accounting

Article 32

At the end of each fiscal year, the Board of Directors shall prepare the following statements and forward them on to the audit committee for examination; the audit committee shall examine them and submit an audit report to the General Shareholders' Meeting for ratification:

- (1) Business report.
- (2) Financial statements.
- (3) Proposal concerning appropriation of net profits or covering of losses.

Article 33

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

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

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

Article 33-1

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

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

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

Chapter VIII. Supplement Provisions

Article 34

After the Company's shares go public, if the Company's shares are to be cancelled of going public, the Board of Directors shall be requested for a special_resolution. And this article shall not be changed during emerging stock period and listed period.

Article 35

Any matters not provided for in these Articles of Incorporation shall be governed by the Company Act and related laws and regulations.

Article 36

These Articles of Incorporation are adopted on August 12, 2005.

The 1st amendment is made on September 12, 2005.

The 2nd amendment is made on November 3, 2005.

The 3rd amendment is made on November 21, 2005.

The 4th amendment is made on December 30, 2005.

The 5th amendment is made on May 17, 2006.

The 6th amendment is made on July 28, 2006.

The 7th amendment is made on August 28, 2006.

The 8th amendment is made on May 17, 2007.

The 9th amendment is made on December 26, 2007.

The 10th amendment (Part I) is made on May 30, 2008.

The 10th amendment (Part II, 1st revision) is made on May 30, 2008.

The 10th amendment (Part II, 2nd revision) is made on May 30, 2008.

The 11th amendment is made on June 30, 2008.

The 12th amendment is made on June 19, 2009.

The 13th amendment is made on June 18, 2010.

The 14th amendment is made on April 11, 2011

The 15th amendment is made on June 19, 2012

The 16th amendment is made on May 31, 2013

The 17th amendment is made on June 11, 2014

The 18th amendment is made on June 16, 2016

The 19th amendment is made on June 14, 2017

The 20th amendment is made on March 28, 2018. The amendment to Articles 6 and 17 were effected on March 28, 2018. The amendment to Article 1 will be effective on the merger record date with Gintech Energy Corporation and Solartech Energy Corporation.

The 21st amendment was made on June 17, 2019

The 22st amendment was made on June 22, 2020

United Renewable Energy Co., Ltd.

Chairman: Sam Chum-Sam Hong

APPENDIX 2

United Renewable Energy Co., Ltd.

Procedures for Acquisition or Disposal of Assets(Before the Revision)

Amended on June 17, 2019

Article 1: Purpose

The procedures are stipulated to protect assets and implement the information disclosure.

Article 2: Legal Basis

The procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act") and relevant provisions of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" announced by Financial Supervisory Commission, Executive Yuan ("Financial Supervisory Commission").

Article 3: Scope of the "Assets"

- 一、Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- 二、Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- 三、Memberships.
- 四、Including patents, copyrights, trademarks, franchise rights, and other intangible assets.
- 五、Right-of-use assets.
- 六、Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- 七、Derivatives.
- 八、Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- 九、Other major assets.

Article 4: Definition of Terms

- 一、Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, swap contracts and compound contracts combining the above products whose value is derived from specified interest rates, financial instrument prices, commodity prices, foreign exchange rates, indexes of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
- 二、Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
- 三、Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 四、Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- 五、Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

- 六、 Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- 七、 The term “within the preceding year” refers to the year preceding the date of the current acquisition or disposal of assets. Items duly announced need not be counted toward the amount.
- 八、 The term “financial statements for the most recent period” refers to the financial statements of the company for the most recent period, certified or reviewed by a certified public accountant and disclosed in accordance with laws, before the company acquired or disposed assets.
- 九、 Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- 十、 The “securities exchange” referred to in these Procedures: “domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- 十一、 The “over-the-counter venue” (“OTC venue”) referred to in these Procedures: “domestic OTC venue” refers to a venue for over-the-counter trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution which is regulated by the foreign competent authority and permitted to conduct securities business.

Article 5: Amounts of real property or right-of-use assets thereof or securities invested for non-business use

Amounts and limits of real property or right-of-use assets thereof or securities invested by the company and each subsidiary for non-business use

- 一、 Limit of the company:
 - (I) Total amount of real property or right-of-use assets thereof acquisition for non-business use shall not be higher than 50% of the net value.
 - (II) Total amount of real property or right-of-use assets thereof acquisition securities for non-business use shall not be higher than 50% of the net value (fixed income from securities bought or sold within a year is excluded).
 - (III) Monetary amount of real property or right-of-use assets thereof acquisition individual securities invested shall not be higher than 25% of the net value.
- 二、 Investment limit of subsidiaries:

Acquisition non-operating real property or its right-of-use assets, securities limit of subsidiaries is calculated by the ratios listed above for our company accordingly, however, the net value still refers to the net value of our company.

Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- 一、 It/He shall not have previously received a final and unappealable sentence to imprisonment for one year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime; provided, however, that this provision does not apply if three years have already passed since the completion of the term of the imprisonment sentence, since expiration of the period of a probation, or since it/he was pardoned.
- 二、 It/He may not be a related party or de facto related party of any party to the transaction.
- 三、 If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following provisions :

- (I) Prior to accepting a case, it/he shall prudently assess its/his own professional capabilities, practical experience, and independence.
- (II) When a case, it/he shall appropriately plan and execute adequate working process, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The relevant working procedures, data collected, and conclusion shall be fully and accurately specified in the working papers for the case.
- (III) It/He shall undertake an item-by-item evaluation of the comprehensiveness, fully and accurately, and reasonableness of the sources of data, the parameters, and the information used, as the basis for issuance of the appraisal report or the opinion.
- (IV) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable, and that they have complied with applicable laws and regulations.

Article 7: Disposition procedures for acquisition or disposal of real property ,equipment or its right-of-use asset.

一、 Assessment and operating procedure

Acquisition or disposal of real property ,equipment or its right-of-use asset shall be done in accordance with fixed asset circulation procedures under the internal control system of the company.

二、 Decision procedure for transaction condition and degree of authority delegated

(I) When acquiring or disposing real property or its right-of-use asset, resolution of transaction condition and transaction price shall be made by referencing announced present value, assessed value, actual transaction price of neighboring real property, etc. Relevant information shall be submitted and ratified by the board of directors before executing. Where ratified in time is not possible, if the monetary amount is NT\$ 10 million or less, then it shall be approved by the general manager; if the monetary amount exceeds NT\$ 10 million, then it shall be approved by the chairman and submitted and ratified by the next board of directors meeting; if the monetary amount exceeds NT\$ 30 million, then the transaction shall proceed until approved by the audit committee and ratified by the board of directors meeting ; 其嗣後有交易條件變更時，亦同。

(II) Acquisition or disposal of equipment or its right-of-use asset:

1. This shall be done by one of the following methods, inquiry, parity, bargain or bid and its degree of authority delegated is as follows:

Manager for Approval	General Manager	Chief Executive Officer	Chairman	Board of Directors
Degree of authority delegated	10 million or less	More than 10 million to 100 million (include)	More than 100 million to 300 million (include)	300 million or more

2. However, in acquiring or disposing equipment or its right-of-use asset for business use, where the disposing object is expected to be a solar power plant and the transaction counterparty is not a related party, the degree of authority delegated is as follows:

Manager for Approval	General Manager	Chief Executive Officer	Chairman	Board of Directors

Degree of authority delegated	100 million or less	More than 100 million to 300 million (include)	More than 300 million to 1 billion (include)	1 billion or more
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三、 The units responsible for implementation

Acquisition or disposal of real property, equipment or its right-of-use asset by the company shall be approved based on the preceding degree of authority delegated and implemented by the department for use and administration department.

四、 Appraisal reports for real property, equipment or its right-of-use asset

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use asset held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

(I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance and the same shall apply to any subsequent changes, if any, to the terms and conditions of the transaction.

(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

(IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

(V) Where the company acquires or disposes assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

(VI) The calculation of the transaction amounts shall be done in accordance with Article 14, paragraph 1 herein. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 8: Investment and disposition procedures for acquisition or disposal of securities

一、 Assessment and operating procedure

The procurement and sale of securities shall be done in accordance with the provisions on investment circulation operation under the internal control system of the company.

二、 Decision procedure for transaction condition and degree of authority delegated

- (I) Trading securities done in stock exchange market or over-the-counter venue shall be determined and decided by responsible unit based on market price, and if the single transaction amount is NT 300 million or more or the total cumulated transaction amount is over 10% of the net value or more (fixed income from securities bought or sold within a year is excluded), the company may not proceed until submitted to and ratified by the next board of directors meeting; if the transaction amount does not satisfy the preceding criteria, then the transaction shall be approved by the chairman.
- (II) When trading securities which is not done in stock exchange market or over-the-counter venue, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and consider the net value per share, profitability and future development potential, etc., and if the single transaction amount is NT 300 million or more or the total cumulated transaction amount is over 10% of the net value or more, the company may not proceed until submitted to and ratified by the next board of directors meeting; if the transaction amount does not satisfy the preceding criteria, then the transaction shall be approved by the chairman.
- (III) However, when acquiring or disposing securities required by the business for selling solar power plant in accordance with daily operations, where the transaction counterparty is not a related party, not subjecting to the limit of transaction in subparagraph 1 and 2 of the paragraph, the company may not proceed until submitted to and ratified by the next board of directors meeting if the single transaction amount is NT 1 billion or more or one of the two is lower, the total cumulated transaction amount over 20% of the net value or more or NT 3 billion. If the transaction amount does not satisfy the preceding criteria in subparagraph 3, then it can be proceeded after approved by the chairman and is required to be submitted to the next board of directors meeting.

三、 The units responsible for implementation

Investment of securities by the company shall be approved based on the preceding degree of authority delegated and implemented by the financial and accounting department.

四、 Acquisition of opinion from professionals

- (I) In acquiring or disposing of securities, where the monetary amount of the transaction reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
- (II) Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
- (III) The calculation of the transaction amounts shall be done in accordance with Article 14, paragraph 1 herein. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 9: Disposition procedure for transaction with a related party

- 一、 When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with provisions in Article 7 of the disposition procedures for acquiring or disposing real property, equipment or its right-of-use asset.

The calculation of the transaction amounts shall be done in accordance with Article 14, paragraph 1 herein. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

二、 Assessment and operating procedure

When the company intends to acquire or dispose of real property or its right-of-use asset from or to a related party, or when it intends to acquire or dispose of assets other than real property or its right-of-use asset from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by ½ of the members of the Audit Committee and submitted to and ratified by the next board of directors meeting:

- (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (II) The reason for choosing the related party as a transaction counterparty.
- (III) With respect to the acquisition of real property or its right-of-use asset from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph 3, subparagraph 1 and 4 of the article.
- (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the paragraph 1 of the article.
- (VII) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts shall be done in accordance with Article 14, paragraph 2 herein. Items that have been approved by the board of directors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and the parent or subsidiaries, or between the subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may, pursuant to Article 7, paragraph 2, subparagraph 2, delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting :

- (I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- (II) Acquisition or disposal of real property right-of-use assets held for business use.

三、 Reasonableness assessment of the transaction cost

- (I) A company that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means
 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

- (II) Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- (III) The company that acquires real property from a related party and appraises the cost of the real property in accordance with paragraph 3, subparagraph 1 and 2 of the article shall also engage a CPA to check the appraisal and render a specific opinion.
- (IV) When the results of a company's appraisal conducted in accordance with subparagraph 1 and subparagraph 2 of paragraph 3 of the article are uniformly lower than the transaction price, the matter shall be handled in compliance with subparagraph 5 of paragraph 3 of the article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA has been obtained, this restriction shall not apply:
 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - (3) Completed leasing by unrelated parties within the preceding year involving other floors of the same property, where the transaction terms are similar after calculation of reasonable price discrepancies in floor prices in accordance with or leasing practices of real property.
 2. Where a company acquiring real property, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.
- (V) Where the company acquires real property from a related party and the results of appraisals conducted in accordance with paragraph 3, subparagraph 1 and 2 of the article are uniformly lower than the transaction price, the following steps shall be taken. The company and a public company using the equity method to account for its investment in a public company that has set aside a special reserve may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

1. A special reserve shall be set aside by the company in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in the company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the company's equity stake in the other company.
 2. Audit committee shall comply with Article 218 of the Company Act.
 3. Actions taken pursuant to paragraph 3, subparagraph 5, item 1 and 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
- (VI) Where the company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with paragraph 1 and 2 of the article, and the assessment provisions related to the reasonableness of the transaction cost in paragraph 3, subparagraph 1, 2 and 3 do not apply:
1. The related party acquired the real property through inheritance or as a gift.
 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.
 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
- (VII) When the company obtains real property from a related party, it shall also comply with paragraph 3, subparagraph 5 if there is other evidence indicating that the acquisition was not an arms-length transaction.

Article 10: Disposition procedure for acquiring or disposing intangible assets or its right-of-use asset or memberships

- 一、Assessment and operating procedure
Acquisition or disposal of intangible assets or its right-of-use asset or memberships shall be done in accordance with the provisions on fixed asset circulation procedure under the internal control system of the company.
- 二、Decision procedure for transaction condition and degree of authority delegated
 - (一) In acquiring or disposing memberships, fair market price shall be referenced to determine the transaction terms and transaction price and made as an analysis report regarding the transaction. Where the single transaction amount or cumulated transaction amount is NT\$ 20 million or more, then the company shall proceed until submitted and ratified by the board of directors meeting. If the transaction amount does not satisfy the preceding criteria, then the transaction shall be approved by chairman before proceeding.
 - (二) In acquiring or disposing intangible assets or its right-of-use asset, an appraisal report made by professionals and a fair market price shall be referenced to determine the transaction terms and transaction price and made as an analysis report regarding the transaction. Where the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, then the company shall proceed until submitted and ratified by the board of directors meeting. If the transaction amount does not satisfy the preceding criteria, then the transaction shall be approved by chairman before proceeding.
- 三、The units responsible for implementation
In acquiring or disposing intangible assets or its right-of-use asset or memberships, the actions shall be approved based on the preceding degree of authority delegated and implemented by the department for use and managing department.
- 四、Appraisal report and opinions from professionals for intangible assets or its right-of-use asset or memberships
 1. Where the company acquires or disposes of memberships and the transaction amount reaches NT\$20 million or more, the company shall engage a professional to render an appraisal report.

2. Where the company acquires or disposes of intangible assets or its right-of-use asset or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, the company shall engage a professional to render an appraisal report.
3. Where the company acquires or disposes of intangible assets or its right-of-use asset or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.
4. The calculation of the transaction amounts shall be done in accordance with Article 14, paragraph 1 herein. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 11: Disposition procedure for acquiring or disposing claims of financial institutions

In principle, the company does not do transaction on acquiring or disposing of financial institutions. If the company wishes to do transaction on acquiring or disposing of financial institutions afterwards, then the transaction shall be submitted and approved by the board of directors meeting, and its assessment and operating procedure shall be established.

Article 12: Disposition procedure for acquiring or disposing derivatives

一、Trading principles and strategies

(一) Type of derivatives

1. Derivatives engaged in the company refer transaction contracts, whose value is derived from assets, interest rates, foreign exchange rates, indexes and raw materials related to production activity of the company, such as silver or aluminum ingot related to conductive paste, or other interests (forward contracts, options, futures, interest rates or foreign exchange rates and compound contracts combining the above products, etc.)
2. Relevant matters regarding transaction of bond margin shall be done in accordance with relevant provisions of the disposition procedure herein. Transaction of bond with repurchase terms shall not apply the provisions in the disposition procedure herein.

(二) Operating (hedging) strategies

The transaction of derivatives by the company shall be done based on the hedging purposes. The transaction goods selected shall avoid the risks derived from business operations of the company. The currency held shall match with the currency needs for actual import and export transaction. The transaction shall base on the principle of self-squaring off internal positions of the company (referring to the income and expenditure of foreign currency) to reduce the risks from foreign currency exchange of the company and save the operating cost for foreign currency exchange. Transaction of other specific use shall be evaluated carefully and proceed until submitted and approved by the board of directors meeting. In addition, the company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of director approval dates and other the matters required to be carefully evaluated shall be recorded in detail in the log book.

(三) Division of responsibilities

1. Financial department

(1) Trading officer

- A. Trading officer is responsible for developing the strategies for all transactions of derivatives in the company.
- B. Trading officer shall calculate the positions every two weeks and collect market information to make a judgement on the trend, assess the risks and develop operating strategies, which will be taken as the basis for performing transaction after approved by the corresponding degree of authority delegated.

- C. Trading officer shall execute the transaction based on degree of authority delegated and the established strategies.
 - D. When there are major changes to the financial market or the trading officer has determined the established strategies are not applicable, appraisal report shall be submitted at all times to develop new strategies and taken as the basis for performing transaction after approved by the chief executive officer.
- (2) Confirmation officer
 - Confirm the transaction.
 - (3) Settlement officer: perform settlement tasks.
 - (4) Degree of authority delegated for the derivatives
 - A. Degree of authority delegated for hedging transaction
 - Where single transaction amount reaches over 10 million US dollars or cumulated net position reaches over 50 million US dollars, the transaction shall proceed until approved by chief executive officer; where the single transaction amount does not exceed 30 million US dollars and the cumulated net position does not exceed 100 million US dollars and the degree of authority delegated is above the chief executive officer, the transaction shall proceed until approved by the chairman; where single transaction amount reaches over 30 million US dollars or cumulated net position reaches over 100 million US dollars, the transaction shall proceed until submitted and ratified by board of directors meeting.
 - B. Transaction for other specific use:
 - The company shall not perform transactions of derivatives for other specific use.
 - C. Non hedging transaction:
 - The company shall not perform transactions of non-hedging derivatives.
2. Audit unit
- The company's audit unit shall make a determination of the suitability of internal controls on derivatives, conduct audit of how faithfully derivatives trading by the trading department adheres to the operating procedures, analyze the transaction circulation, and prepare an audit report submitted before the end of next month for the audit committee to review after the audit item is completed. If any material violation or potential major loss to the company are discovered, internal audit personnel shall prepare a statement to notify the audit committee.
3. Performance evaluation
- (1) Hedging transaction
 - A. Performance evaluation is based on the income and loss derived from the cost of exchange rate on the book of the company and the transactions of the derivatives.
 - B. The company adopts monthly evaluation method to evaluate income and loss to get hold of and express the risks involving the appraisal of the transaction sufficiently.
 - C. Financial department shall provide position appraisal and market trend of the exchange rate and market analysis to serve as a managing reference and indication to the chief executive officer.
 - (2) Transaction for other specific use:
 - The company shall not perform transactions of derivatives for other specific use.
 - (3) Non hedging transaction:
 - The company shall not perform transactions of non-hedging derivatives.
4. Establishment of the upper limit for the total amount and loss of the contract
- (1) Total amount of the contract
 - A. Amount of hedging transactions
 - The financial department shall get hold of the whole positions of the company. The amount shall not exceed the business requirement of the current year.

At any timepoint, unresolved contract balance of foreign currency exchange shall not exceed 100 million US dollars; unresolved contract balance related to interest rate shall not exceed 50 million US dollars; unresolved contract balance related to raw materials shall not exceed 30 million US dollars.

However, when avoiding the exchange rate risks involving the issuance of overseas equity (such as GDR, ADR, etc.) or bond (such as ECB, etc.), it can be limited by the total amount of balance circulating externally.

B. Transaction for other specific use:

The company shall not perform transactions of derivatives for other specific use.

C. Non hedging transaction:

The company shall not perform transactions of non-hedging derivatives.

(2) Establishment of upper limit for losses

Stop loss point shall be set as less than 10 percent of the transaction amount of the contract and is applicable to individual contract and all the contracts.

When the loss amount reaches the established upper limit, chairman shall be notified immediately, and board of directors shall be notified to discuss necessary countermeasures.

二、 Risk management measures

(一) Credit risk management:

In terms of market risk management, it shall be performed based on the following principles due to the changes in all kinds of factors of the market, which easily caused operational risks by the derivatives:

Trading counterparty: Well-known domestic and foreign financial institutes.

Trading goods: This is limited to the goods provided by well-known domestic and foreign financial institutes.

(二) Market risk management:

Public foreign currency exchange and interest rate trading market provided by the band and domestic or foreign formal exchange of relevant financial goods.

(三) Risk management for liquidity:

When selecting financial goods, choose the ones with high liquidity to ensure market liquidity (squaring off can be done at all times on the market). The entrusted trading financial institutes shall have sufficient information and is capable of making transaction in any market at all times.

(四) Risk management for cash flow:

The fund resource for performing transaction of derivatives shall be limited to the company's own funds and predicted fund demands of cash income in the next three months shall be considered for operational monetary amount to ensure the stability of working capital turnover of the company.

(五) Risk management for operations:

1. Amount by the degree of authority delegated, operation process and incorporation into internal audit shall be complied surely to avoid operational risks.

2. The trading, confirmation, settlement operator for the derivatives shall not concurrent with each other.

3. The personnel for measuring, supervising and controlling risks shall belong to the different department than the personnel in the preceding paragraph. The board of directors or senior managers, who have not taken the responsibility for decisions on the transaction or position shall be reported with the risks.

4. The holding positions for the transaction of derivatives shall be evaluated at least one a week. Hedging transaction required for business demands shall be evaluated twice a month, and its evaluation report shall be submitted to senior manager authorized during the board of directors meeting.

(六) Risk management for goods:

The internal trading personnel shall have complete and correct professional knowledge on the financial goods. The bank shall be asked to disclose the risks sufficiently to avoid misuse the risks of the financial goods.

(七) Legal risk management:

The documents signed with financial institutes shall be viewed by the professionals for foreign exchange and legal affairs or legal consultants before signing it formally to avoid legal risks.

三、 Internal audit system

(一) The company's internal audit personnel shall periodically decide the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.

(二) The internal audit personnel shall announce the audit report and internal audit operations before February of the next year in accordance with the provisions of FSC and announce the rectification situations for the abnormal matters before May of the next year at the latest in accordance with the provisions of FSC for record.

四、 Periodic assessment method

(一) The board of directors shall authorized senior managers to supervise and evaluate whether the transaction of derivatives is complied with the transaction procedures stipulated by the company, whether the bore risks is within the permissible range and whether there are abnormal situations in the market price evaluation report (such as the holding positions have exceed the loss limit) periodically. These shall be submitted to the board of directors meeting and countermeasures shall be adopted.

(二) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

五、 The monitoring and controlling principles for the board of directors meeting when doing transactions of derivatives:

(一) The board of directors meeting shall designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk. The management principle is as follows:

1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company.

2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

(二) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

(三) A company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.

(四) The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under paragraph 4, subparagraph 2 and paragraph 5, subparagraph 1 and subparagraph 2 of the article, of the preceding article shall be recorded in detail in the log book.

Article 13: Disposition procedure for conducting a merger, demerger, acquisition, or transfer of shares

- 一、Assessment and operating procedure
 - (一) When conducting a merger, demerger, acquisition, or transfer of shares, the company shall engage a CPA, attorney, or securities underwriter to discuss an expected schedule for legal procedures jointly and organize a task force to execute in accordance with legal procedures. Prior to convening the board of directors to resolve on the matter, the company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.

However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
 - (二) The company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1, subparagraph 1 of the article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Moreover, where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
- 二、Other cautions
 - (一) Date of board of directors meeting: A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

 - (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
 - (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of director meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares

traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraphs 3 and 4.

- (二) Prior confidentiality commitment: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- (三) Principles for the establishment and alternation of share exchange ratio or acquisition price: Companies participating in a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors of both parties, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. The company may not arbitrarily alter the share exchange ratio or acquisition price in principle unless alternation terms are stipulated in the contract and have been disclosed to public. The terms for altering the share exchange ratio or acquisition price are as follows:
 - 1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.
 - 2. An action, such as a disposal of major assets, that affects the company's financial operations.
 - 3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - 4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - 5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - 6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- (四) Contents which shall be stated in the contract: The contract for participation by a company in a merger, demerger, acquisition, or transfer of shares shall record the following matters in accordance with Article 317-1 of Company Act and Article 22 of Enterprises Mergers and Acquisitions Act.
 - 1. Handling of breach of contract.
 - 2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - 3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - 4. The manner of handling changes in the number of participating entities or companies.
 - 5. Preliminary progress schedule for plan execution, and anticipated completion date.
 - 6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

- (五) The number of companies participating in a merger, demerger, acquisition, or transfer of shares changed: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- (六) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the company shall sign an agreement with the non-public company whereby the latter is required to abide by the date of board of directors meeting in paragraph 2, subparagraph 1 of the article, prior confidentiality commitment in the paragraph 2, subparagraph 2 of the article and the number of companies participating in a merger, demerger, acquisition, or transfer of shares changed in paragraph 2, subparagraph 5 of the article.

Article 14: Procedure for public information disclosure

一、 items which shall be announced or reported and their standards

- (一) Acquisition or disposal of real property or its right-of-use asset from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use asset from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (二) Merger, demerger, acquisition, or transfer of shares.
- (三) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- (四) Where equipment or its right-of-use asset for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$ 1 billion or more.
- (五) Acquisition or disposal by the company in the construction business of real property or its right-of-use asset or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million. Disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
- (六) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterpart is not a Related Party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- (七) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 1. Trading of domestic government bonds.
 2. Where done by professional investors—securities trading on domestic securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics that are offered and issued in the primary market, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these regulations need not be counted toward the transaction amount.

二、 Time limit for making announcement and report

Where the matter is covered in the announcement item in paragraph 1 of the article and the transaction amount reaches the standard for announcement and report, the company acquiring or disposing of assets shall publicly announce and report within 2 days counting inclusively from the date of occurrence of the event:

三、 Procedures for making announcement and report

- (一) The company shall announce and report relevant information on FSC's designated website.
- (二) The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
- (三) When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
- (四) The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.
- (五) Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 3. Change to the originally publicly announced and reported information.

四、 Content for announcement and report

The content for announcement and report shall be done in accordance with relevant provisions of FSC.

Article 15: The subsidiaries of the company shall handle the matters in accordance with the following provisions:

- 一、 The subsidiaries shall stipulate and execute the "Procedures for Acquisition or Disposal of Assets" in accordance with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".

- 二、 When the subsidiary is acquiring or disposing assets, it shall handle the matters in accordance with the provisions of the company.
- 三、 Where the subsidiary is not a public company, if it reaches the standard for announcement and report stipulating in “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” when acquiring or disposing assets, then the parent company shall handle the matters on the announcement and report on behalf of the subsidiary.
- 四、 The provision “reaching 20 percent of the paid-in capital or 10 percent of the total assets of the company” stated in the announcement and report of the subsidiaries is based on the paid-in capital or total assets of the parent company (the company).
- 五、 For the calculation of 10 percent of total assets under these regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the regulations governing the Preparation of Financial Reports by parent company (the company) shall be used.

Article 16: Penalties

Employees of the company shall be disciplined according to their severity of violating the procedures herein for the acquisition or disposal of assets in accordance with provisions in regulations on human resource management and working principles of the company.

Article 17: Implementation and amendment

The “Procedures for Acquisition or Disposal of Assets” of the company is ratified by the audit committee and board of directors meeting, submitted and approved by the shareholders meeting; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, it shall be recorded in the minutes of the board of directors meeting. Where the position of independent director has been created in accordance with the provisions of the Act, when the transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to provisions herein, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Article 18: Supplementary Provisions

Relevant regulations shall be complied for matters not mentioned herein.

APPENDIX 3

United Renewable Energy Co., Ltd. Rules and Procedures of Shareholders' Meeting

Established on May 17, 2007

Article 1

The rules of procedures for the company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 2

Unless otherwise provided by law or regulation, the company's shareholders meetings shall be convened by the board of directors.

Article 3

The venue for a shareholders meeting shall be the premises of the company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 4

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, its proxy shall be assigned in accordance with the provisions in the Company Act.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 5

When the shareholder cannot attend the shareholders meeting in person, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the company and stating the scope of the proxy's authorization.

If one person is entrusted by two or more shareholders at the same time, its acting voting rights shall not exceed 3 percent of the total number of voting rights of the issued shares unless approved by stock transfer agency of trust business or competent agencies for securities. When it exceeds the voting rights, it shall not be counted towards number of votes.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting and shall deliver the proxy form to the company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

Article 6

The company shall prepare attendance book for the shareholders attended in person or the entrusted proxy by the shareholder to sign-in his/her attendance. Sign-in cards handed in by the attending shareholders can also be considered as sign-in attendance to replace signing in on the attendance book. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

Article 7

Attendance at shareholders meetings shall be calculated based on numbers of shares.

Article 8

The chair shall call the meeting to order when the attending shareholders represent a majority of the total number of issued shares. When the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made.

If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the agreement of a majority of the votes represented by the attending shareholders can be formed as tentative resolution.

After the tentative resolution formed in accordance with the preceding paragraph, when, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 9

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. However, the execution of its voting rights is calculated based on its shareholdings.

Article 10

The company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 11

The company shall make an uninterrupted audio and video recording of the proceedings of the shareholders meeting and the recorded materials shall be retained for at least 1 year.

Article 12

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

Article 13

Before speaking, an attending shareholder or proxy must specify on a speaker's slip the subject of the speech, his/her shareholder account number or attendance card number, and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance or proxy who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 14

For the proposals listed in the meeting agenda by the shareholders or proxies, if there is an amendment or an alternative to a proposal or extraordinary motions put forward by the shareholders, it shall be seconded by other shareholders or proxies. Same applies when there is a change to the meeting agenda or extraordinary motions of meeting adjourned.

Article 15

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 16

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

Article 17

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 18

For the discussion of proposals, when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 19

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the company.

Vote counting shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting shall be announced on-site at the meeting, and a record made of the vote.

Article 20

When a meeting is in progress, the chair may announce a break based on time considerations.

Article 21

Except as otherwise provided in the Company Act and in this company's articles of incorporation, the passage of a proposal shall require over an affirmative vote of the majority number of the voting rights represented by the attending shareholders.

The passage of a proposal shall consider as passed after the chair asking for all the shareholders in attendance and none holds other opinions. This is as effective as voting.

If other opinions exist, then the passage of a proposal shall undergo discussion and voting. However, after the chair has asked for other opinions and announced with confirmation, other opinions shall not be submitted additionally.

Article 22

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 23

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 24

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting. The meeting minutes may be produced and distributed in electronic form in accordance with the provisions in the Company Act.

Article 25

When a meeting is in progress, the chair may announce a break based on time considerations.

If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 26

Provisions in the Company Act and the company's articles of incorporation shall be complied for matters not mentioned herein.

Article 27

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

APPENDIX 4

United Renewable Energy Co., Ltd. Shareholdings of Directors

1. The paid-in capital of the company is NT\$ 16,278,139,780 and the total number of issued shares is 1,627,813,978 shares till book closure date for the current annual shareholders meeting, April 26, 2022.
2. According to Article 26 of Securities Exchange Act, the legal least shareholdings of directors and the shareholdings of the individual and all directors registered on shareholders list till book closure date for the current annual shareholders meeting, April 26, 2022 have satisfied legal standard numbers.

(1) Legal least shareholdings of directors till April 26, 2022.

Position	Minimum shares	Recorded of the shareholders register
Directors	39,067,535 Shares	200,185,800 Shares

(2) Details for shareholdings of the directors till April 26, 2022.

Position	Name	Shareholdings
Chairman	Hong, Chum-Sam	1,561,591
Directors	Lin, Kun-Si	2,253,854
Directors	Pan, Wen-Whe	1,713,703
Directors	Lin, Wen-Yuan	0
Directors	LONG DEED CORPORATION Delegate: Liu, Kong-Hsin	998,770
Directors	National Development Fund, Executive Yuan Delegate: Faa-Jeng Lin	99,084,679
Directors	Yaohua Glass Co., Ltd. Management Commission Delegate: Chou, Chung-Pin	94,573,203
Directors	Chiang, Wen-Hsing	0
Independent Director	Chien-Yi Chang	0
Independent Director	Chang Jing-Shin	0
I Independent Director	Tsai, Ming-Fang	0
Total		200,185,800

3. The Company has established the audit committee. Therefore, supervisors' shareholding requirements are not applicable.