UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2019 AND 2018

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR19000493

To the Board of Directors and Shareholders of Unimicron Technology Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Unimicron Technology Corp. and its subsidiaries (the "Group") as at December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter – Scope of the Audit section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants", "Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020" and generally accepted auditing standards in the Republic of China (ROC GAAS); and in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China (ROC GAAS) for our audit of the financial statements as of and for the year ended December 31, 2018. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of

Professional Ethics for Certified Public Accountants in the 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 and the reports of other auditors are sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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, we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of the Group for the year ended December 31, 2019 were as follows:

Valuation of inventory

Description

Refer to Note 4(12) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(4) for description of allowance for inventory valuation losses. As at December 31, 2019, the Group’s inventory and allowance for valuation loss amounted to NT$10,161,194 thousand and NT$1,443,006 thousand, respectively.

The Group is primarily engaged in manufacturing and sales of various kinds of electronic components. Due to short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses due from market value decline or obsolescence. The Group’s inventories are measured at the lower of cost and net realizable value. Inventory that is over certain age and individually identified obsolete or damaged inventory is measured at net realizable value.

Since the industry technology is rapidly changing, and the calculation of net realizable value used for obsolete inventories or inventories which are over a certain period involves subjective judgement, we identified the allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Ascertained whether the policies on allowance for inventory valuation losses were reasonable and consistently applied in all the periods.
2. Assessed the reasonableness and evidences of management in identifying individual obsolete or damaged inventory.
3. Verified the accuracy of aging report, and sampled the last movement of inventories before the balance sheet date in order to verify the accuracy of aging range.
4. Checked the inventory clearance on inventories which have been provided for loss on market value decline and obsolete and slow-moving inventories. Assessed the reasonableness of current allowance for inventory valuation losses and loss for obsolete and slow-moving inventories by comparing with prior years.
5. Checked the method in calculating the net realizable value of inventory and assessing the reasonableness of allowance for valuation loss.

Impairment assessment of investments accounted for using equity method

Description

Refer to Note 4(18) for accounting policy on impairment assessment of investments accounted for using equity method, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to impairment assessment of investments accounted for using equity method, and Note 6(5) for details of investments accounted for using equity method. As at December 31, 2019, the Group held investments accounted for using equity method amounting to NT$2,408,806 thousand.

Considering that the impairment assessment of investments accounted for using equity method involves subjective judgement, including estimated future cash flows, estimated growth rate, gross rate and discount rate which have high uncertainty, we determined the impairment of investments accounted for using equity method as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of procedures used by management to estimate the future cash flows of investment accounted for using equity method.
2. Interviewed management regarding estimated future cash flows, estimated growth rate and gross rate, and compared with historical results to determine whether the estimates are reasonable.
3. Checked the reasonableness of the related parameters of discount rate, including risk-free interest rate of cost of equity capital, industrial risk coefficient and rate of return in similar markets. Verified the result of impairment assessment of investments accounted for using equity method.

Impairment assessment of tangible assets

Description

Refer to Note 4(18) for accounting policy on tangible assets impairment, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to impairment assessment of tangible assets, Note 6(6) for details of property, plant and equipment impairment and Note 6(7) for details of right-of-use assets. As at December 31, 2019, the Group's tangible assets amounted to NT$ 52,251,787 thousand.

Because the impairment assessment of tangible assets involves subjective judgement, including estimated future cash flows, estimated growth rate, gross rate and discount rate which are subject to high uncertainty, we identified the impairment assessment of tangible assets a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of procedures used by management to estimate the future cash flows of tangible assets.
2. Interviewed management regarding estimated future cash flows, estimated growth rate and gross rate, and compared with historical results to determine whether the estimates are reasonable.
3. Checked the reasonableness of the related parameters of discount rate, including risk-free interest rate of cost of equity capital, industrial risk coefficient and rate of return in similar markets. Verified the result of impairment assessment of tangible assets.

Other matter – Scope of the Audit

We did not audit the financial statements of a wholly-owned consolidated subsidiary and investees accounted for under the equity method. Total assets (including investments accounted for using equity method) amounted to NT$3,203,001 thousand and NT$3,168,033 thousand, both constituting 3% of consolidated total assets as at December 31, 2019 and 2018, respectively. Operating income amounted to NT$2,145,270 thousand and NT$2,514,267 thousand, both constituting 3% of consolidated total operating income for the years ended December 31, 2019 and 2018, respectively, and comprehensive income accounted for using equity method of NT$110,574 thousand and NT$43,640 thousand, constituting 4% and 3% of consolidated total comprehensive income for the years ended December 31, 2019 and 2018, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it related to the amounts included in the financial statements relative to the consolidated subsidiary and investees, is based solely on the reports of the other auditors.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Unimicron Technology Corp. as at and for the years ended December 31, 2019 and 2018.

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 the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 supervisors (or audit committee), are responsible for overseeing the Group's financial reporting process.

Auditor's 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 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 ROC GAAS 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 ROC GAAS, we exercise professional judgement 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 auditor's 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 auditor's 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 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 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.

Wu, Han-Chi Wang, Kuo-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan
March 27, 2020

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 20,585,546	19	$ 22,812,437	22
1110	Financial assets at fair value through profit or loss - current	6(2)	575,121	-	21,529	-
1150	Notes receivable, net	6(3)	12,648	-	89,707	-
1170	Accounts receivable, net	6(3)	17,965,357	16	15,826,192	15
1180	Accounts receivable - related parties	7	4,570	-	917	-
1200	Other receivables	6(8) and 7	342,470	-	543,350	1
130X	Inventory	6(4)	8,718,188	8	7,976,880	8
1410	Prepayments		1,752,736	2	1,456,703	1
1470	Other current assets	6(1) and 8	5,516	-	57,680	-
11XX	**Total current assets**		49,962,152	45	48,785,395	47
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	3,201,789	3	2,529,533	2
1550	Investments accounted for under equity method	6(5)(11) and 7	2,408,806	2	2,391,276	2
1600	Property, plant and equipment	6(6), 7 and 8	49,759,077	45	46,705,281	45
1755	Right-of-use assets	6(7) and 7	2,492,710	2	-	-
1760	Investment property - net	6(9)	627,060	1	1,621,136	2
1780	Intangible assets	6(10)	257,899	-	221,063	-
1840	Deferred income tax assets	6(29)	989,238	1	809,449	1
1900	Other non-current assets	6(1)(7)(8) and 8	503,000	1	1,553,295	1
15XX	**Total non-current assets**		60,239,579	55	55,831,033	53
1XXX	**Total assets**		$ 110,201,731	100	$ 104,616,428	100

(Continued)

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	$ 9,451,235	9	$ 9,992,061	10
2110	Short-term notes and bills payable	6(13)	1,698,436	2	1,399,196	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)(14)	8,967	-	1,027	-
2150	Notes payable		54,457	-	53,907	-
2170	Accounts payable		12,636,684	11	11,787,509	11
2180	Accounts payable - related parties	7	236,627	-	180,722	-
2200	Other payables	6(15) and 7	8,195,821	7	7,677,365	7
2230	Current income tax liabilities	6(29)	591,108	1	488,557	1
2300	Other current liabilities	6(16)(22), 7 and 8	3,333,155	3	7,015,158	7
21XX	**Total current liabilities**		36,206,490	33	38,595,502	37
	Non-current liabilities					
2540	Long-term borrowings	6(16) and 8	21,653,228	20	17,901,680	17
2570	Deferred income tax liabilities	6(29)	313,487	-	236,640	-
2600	Other non-current liabilities	6(5)(6)(7)(17)(22) and 7	3,677,097	3	1,182,571	1
25XX	**Total non-current liabilities**		25,643,812	23	19,320,891	18
2XXX	**Total liabilities**		61,850,302	56	57,916,393	55
	Equity attributable to owners of parent					
	Share capital	6(19)				
3110	Share capital - common stock		15,047,323	14	15,048,658	14
	Capital surplus	6(20)				
3200	Capital surplus		8,632,597	8	8,589,248	8
	Retained earnings	6(21)				
3310	Legal reserve		4,674,080	4	4,503,549	4
3320	Special reserve		463,854	1	-	-
3350	Unappropriated retained earnings		16,738,695	15	15,336,752	15
	Other equity interest					
3400	Other equity interest		(861,619)	(1)	(463,854)	-
	Treasury stocks	6(19)				
3500	Treasury stocks		(803,247)	(1)	(892,759)	(1)
31XX	**Equity attributable to owners of the parent**		43,891,683	40	42,121,594	40
36XX	**Non-controlling interest**		4,459,746	4	4,578,441	5
3XXX	**Total equity**		48,351,429	44	46,700,035	45
	Significant contingent liabilities	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 110,201,731	100	$ 104,616,428	100

The accompanying notes are an integral part of these consolidated financial statements.

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

			Year ended December 31			
			2019		2018	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	**Sales revenue**	6(22) and 7	$ 82,535,553	100	$ 75,732,780	100
5000	**Operating costs**	6(4)(27)(28) and 7	(71,221,975)	(86)	(67,349,463)	(89)
5900	**Net operating margin**		11,313,578	14	8,383,317	11
	Operating expenses	6(27)(28) and 7				
6100	Selling expenses		(1,435,155)	(2)	(1,394,303)	(2)
6200	General and administrative expenses		(2,934,371)	(4)	(2,701,584)	(3)
6300	Research and development expenses		(3,441,954)	(4)	(2,905,839)	(4)
6000	**Total operating expenses**		(7,811,480)	(10)	(7,001,726)	(9)
	Operating profit		3,502,098	4	1,381,591	2
6500	**Net other (expenses) income**	6(23) and 7	(8,936)	-	7,971	-
6900	**Operating profit**		3,493,162	4	1,389,562	2
	Non-operating income and expenses					
7010	Other income	6(24) and 7	973,130	1	1,823,689	2
7020	Other gains and losses	6(25) and 7	386,884	1	(180,448)	-
7050	Finance costs	6(26) and 7	(696,077)	(1)	(661,467)	(1)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(5)	(118,615)	-	(89,521)	-
7000	**Total non-operating income and expenses**		545,322	1	892,253	1
7900	**Profit before income tax**		4,038,484	5	2,281,815	3
7950	Income tax expense	6(29)	(762,523)	(1)	(452,182)	-
8200	**Profit for the year**		$ 3,275,961	4	$ 1,829,633	3

(Continued)

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

			Year ended December 31			
			2019		2018	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans	6(17)	($ 18,865)	-	($ 13,843)	-
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		59,326	-	(21,373)	-
8310	**Other comprehensive income (loss) that will not be reclassified to profit or loss**		40,461	-	(35,216)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(583,975)	(1)	(534,020)	(1)
8370	Share of other comprehensive loss of associates and joint ventures accounted for under equity method		(6,116)	-	(480)	-
8360	**Other comprehensive loss that will be reclassified to profit or loss**		(590,091)	(1)	(534,500)	(1)
8300	**Total other comprehensive loss for the year**		($ 549,630)	(1)	($ 569,716)	(1)
8500	**Total comprehensive income for the year**		$ 2,726,331	3	$ 1,259,917	2
	Profit attributable to:					
8610	Owners of the parent		$ 3,259,882	4	$ 1,705,306	3
8620	Non-controlling interest		16,079	-	124,327	-
			$ 3,275,961	4	$ 1,829,633	3
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 2,794,349	3	$ 1,391,273	2
8720	Non-controlling interest		(68,018)	-	(131,356)	-
			$ 2,726,331	3	$ 1,259,917	2
	Earnings per share (in dollars)					
9750	**Basic earnings per share**	6(30)	$ 2.24		$ 1.15	
9850	**Diluted earnings per share**	6(30)	$ 2.20		$ 1.13	

The accompanying notes are an integral part of these consolidated financial statements.

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent												
				Retained Earnings			Other Equity Interest							
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Other equity - others	Treasury stocks	Total	Non-controlling interest	Total equity
Year ended December 31, 2018														
Balance at January 1, 2018		$ 15,290,868	$ 8,671,541	$ 4,462,113	$ 81,933	$ 14,252,481	$ 63,592	$ -	$ 39,670	($ 39,855)	($ 638,225)	$ 42,184,118	$ 4,468,339	$ 46,652,457
Effects of retrospective application and retrospective restatement		-	-	-	-	239,215	-	(226,678)	(39,670)	-	-	(27,133)	6,212	(20,921)
Balance at January 1 after adjustments		15,290,868	8,671,541	4,462,113	81,933	14,491,696	63,592	(226,678)	-	(39,855)	(638,225)	42,156,985	4,474,551	46,631,536
Profit for the year		-	-	-	-	1,705,306	-	-	-	-	-	1,705,306	124,327	1,829,633
Other comprehensive loss for the year		-	-	-	-	(21,567)	(278,830)	(13,636)	-	-	-	(314,033)	(255,683)	(569,716)
Total comprehensive income (loss)		-	-	-	-	1,683,739	(278,830)	(13,636)	-	-	-	1,391,273	(131,356)	1,259,917
Appropriations of 2017 earnings:	6(21)													
Legal reserve		-	-	41,436	-	(41,436)	-	-	-	-	-	-	-	-
Special reserve		-	-	-	(81,933)	81,933	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(746,624)	-	-	-	-	-	(746,624)	-	(746,624)
Difference between proceeds on acquisition of or disposal of equity interest in a subsidiary and its carrying amount	6(20)	-	11,944	-	-	-	-	-	-	-	-	11,944	-	11,944
Changes in ownership interests in subsidiaries	6(20)	-	(42,359)	-	-	-	-	-	-	-	-	(42,359)	-	(42,359)
Changes in equity of associates and joint ventures accounted for using equity method	6(20)	-	99	-	-	(47)	-	47	-	-	-	99	-	99
Compensation cost of newly issued employee restricted stocks	6(18)	-	-	-	-	-	-	-	-	31,506	-	31,506	-	31,506
Purchase of treasury shares	6(19)	-	-	-	-	-	-	-	-	-	(803,247)	(803,247)	-	(803,247)
Retirement of employee restricted stocks	6(19)(20)	(3,830)	3,830	-	-	-	-	-	-	-	-	-	-	-
Share-based payment	6(18)(20)	-	44,556	-	-	-	-	-	-	-	-	44,556	-	44,556
Treasury shares sold to employees	6(19)(20)	-	142	-	-	-	-	-	-	-	77,319	77,461	-	77,461
Retirement of treasury shares	6(19)(20)	(238,380)	(100,505)	-	-	(132,509)	-	-	-	-	471,394	-	-	-
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	235,246	235,246
Balance at December 31, 2018		$ 15,048,658	$ 8,589,248	$ 4,503,549	$ -	$ 15,336,752	($ 215,238)	($ 240,267)	$ -	($ 8,349)	($ 892,759)	$ 42,121,594	$ 4,578,441	$ 46,700,035

(Continued)

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent												
				Retained Earnings			Other Equity Interest							
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Other equity - others	Treasury stocks	Total	Non-controlling interest	Total equity
Year ended December 31, 2019														
Balance at January 1, 2019		$ 15,048,658	$ 8,589,248	$ 4,503,549	$ -	$ 15,336,752	($ 215,238)	($ 240,267)	$ -	($ 8,349)	($ 892,759)	$ 42,121,594	$ 4,578,441	$ 46,700,035
Effects of retrospective application and retrospective restatement		-	-	-	-	449	-	-	-	-	-	449	-	449
Balance at January 1 after adjustments		15,048,658	8,589,248	4,503,549	-	15,337,201	(215,238)	(240,267)	-	(8,349)	(892,759)	42,122,043	4,578,441	46,700,484
Profit for the year		-	-	-	-	3,259,882	-	-	-	-	-	3,259,882	16,079	3,275,961
Other comprehensive loss for the year		-	-	-	-	(24,337)	(505,958)	64,762	-	-	-	(465,533)	(84,097)	(549,630)
Total comprehensive income (loss)		-	-	-	-	3,235,545	(505,958)	64,762	-	-	-	2,794,349	(68,018)	2,726,331
Appropriations of 2018 earnings:	6(21)													
Legal reserve		-	-	170,531	-	(170,531)	-	-	-	-	-	-	-	-
Special reserve		-	-	-	463,854	(463,854)	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(1,164,584)	-	-	-	-	-	(1,164,584)	-	(1,164,584)
Changes in ownership interests in subsidiaries	6(20)	-	3,003	-	-	-	-	-	-	-	-	3,003	-	3,003
Changes in equity of associates and joint ventures accounted for using equity method	6(20)	-	38,718	-	-	(35,082)	-	35,082	-	-	-	38,718	-	38,718
Compensation cost of newly issued employee restricted stocks	6(18)	-	-	-	-	-	-	-	-	8,349	-	8,349	-	8,349
Retirement of employee restricted stocks	6(19)(20)	(1,335)	1,335	-	-	-	-	-	-	-	-	-	-	-
Treasury shares sold to employees	6(19)(20)	-	293	-	-	-	-	-	-	-	89,512	89,805	-	89,805
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(50,677)	(50,677)
Balance at Decemder 31, 2019		$ 15,047,323	$ 8,632,597	$ 4,674,080	$ 463,854	$ 16,738,695	($ 721,196)	($ 140,423)	$ -	$ -	($ 803,247)	$ 43,891,683	$ 4,459,746	$ 48,351,429

The accompanying notes are an integral part of these consolidated financial statements.

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 4,038,484	$ 2,281,815
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property and right-of-use asset)	6(6)(7)(9)(23)(27)	8,395,904	8,319,287
Amortisation	6(10)(27)	127,619	148,948
Provision (reveral of provision) for bad debts (including related parties)	12(2)	29,679	(7,017)
Net (gain) loss on financial asseets and liabilities at fair value through profit or loss	6(2)(25)	(739,857)	427,896
Gain on disposal of investments	6(25)	-	(216,463)
Interest expense	6(26)	662,652	619,093
Interest income	6(24)	(252,375)	(156,256)
Dividend income	6(24)	(34,890)	(23,648)
Share-based payments	6(18)	10,083	79,620
Share of loss of associates accounted for under equity method	6(5)	118,615	89,521
Cash dividends received from investments accounted for using equity method		38,155	42,124
Impairment loss on financial assets	6(11)(25)	-	7,710
Loss on disposal and scrap of property, plant and equipment (including investment property)	6(25)	54,718	31,239
Profit from lease modifications	6(25)	(695)	-
Exchange (gains) loss on valuation of long-term foreign borrowings	6(32)	(16,018)	143,884
Deferred credits - realised transfer income		(13,292)	(9,857)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		77,059	64,535
Accounts receivable		(2,158,061)	(1,020,863)
Accounts receivable due from related parties		(3,653)	(373)
Other receivables		202,841	866,655
Inventories		(741,308)	(176,898)
Prepayments		(372,090)	137,704
Other current assets		(1,431)	(2,386)
Other non-current assets		39,436	(69,565)
Changes in operating liabilities			
Notes payable		550	(21,078)
Accounts payable		849,175	1,298,441
Accounts payable to related parties		55,905	(54,893)
Other payables		366,281	1,407,499
Other current liabilities		15,687	3,719
Accrued pension liabilities		(7,778)	(5,975)
Contract liabilities		682,221	-
Other non-current liabilities		24,836	143,537
Cash inflow generated from operations		11,448,452	14,347,955
Interest received		250,330	150,482
Dividends received		34,890	23,648
Interest paid		(687,526)	(605,256)
Income tax paid		(769,166)	(381,942)
Net cash flows from operating activities		10,276,980	13,534,887

(Continued)

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		($ 2,103,724)	($ 4,446)
Proceeds from disposal of financial assets at fair value through profit or loss		1,590,912	87,555
Proceeds from capital reduction of financial assets mandatorily measured at fair value through profit or loss		9,648	5,160
Acquisition of investments accounted for using equity method		(86,554)	(56,234)
Proceeds from disposal of subsidiaries	6(31)	-	266,539
Proceeds from capital reduction of investments accounted for using equity method		-	29,952
Acquisition of property, plant and equipment	6(31)	(11,010,114)	(8,845,921)
Proceeds from disposal of property, plant and equipment (including investment property)		209,890	220,813
Acquisition of right-of-use assets		(37,455)	-
Cash incentive received for early repayment of property, plant and equipment	6(6)	86,350	-
Acquisition of intangible assets	6(10)	(169,493)	(117,013)
Decrease in restricted assets		94,711	36,745
Decrease in other non-current assets		-	72,219
Increase in prepayments for business facilities		-	(6,554)
Decrease (increase) in refundable deposits		18,442	(670,735)
Increase in other non-current assets – prepayment for investment	6(31)	(187,641)	-
Net cash flows used in investing activities		(11,585,028)	(8,981,920)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings	6(32)	(525,413)	105,907
Increase in short-term notes and bills payable	6(32)	299,240	699,943
Proceeds from long-term borrowings	6(32)	10,776,363	12,166,171
Repayments of long-term borrowings	6(32)	(9,995,064)	(14,758,272)
(Decrease) Increase in guarantee deposits received		(11,676)	10,653
Decrease in construction payables on behalf of others	6(32)	(73,890)	(135,676)
Payments for lease liabilities		(230,208)	-
Payments to acquire treasury shares		-	(803,247)
Treasury shares sold to employees		89,512	77,319
Change in non-controlling interests		(50,677)	235,246
Cash dividends paid	6(21)	(1,164,584)	(746,624)
Net cash flows used in financing activities		(886,397)	(3,148,580)
Effect of foreign exchange translations		(32,446)	(320,887)
Net (decrease) increase in cash and cash equivalents		(2,226,891)	1,083,500
Cash and cash equivalents at beginning of year	6(1)	22,812,437	21,728,937
Cash and cash equivalents at end of year	6(1)	$ 20,585,546	$ 22,812,437

The accompanying notes are an integral part of these consolidated financial statements.

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Unimicron Technology Corp. (the "Company") was incorporated on January 25, 1990. The Company and its subsidiaries (the "Group") are primarily engaged in the manufacturing, processing, and sales of printed circuit boards, electrical equipment, electronic products, and testing and burn-in systems for integrated circuit products. The stock of the Company commenced trading on the Taipei Exchange in December 1998 and was approved for listing on the Taiwan Stock Exchange in August 2002. As of December 31, 2019, the Group had 30,448 employees.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 27, 2020.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC effective from 2019 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, 'Prepayment features with negative compensation'	January 1, 2019
IFRS 16, 'Leases'	January 1, 2019
Amendments to IAS 19, 'Plan amendment, curtailment or settlement'	January 1, 2019
Amendments to IAS 28, 'Long-term interests in associates and joint ventures'	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. IFRS 16, 'Leases'

(a) IFRS 16, 'Leases', replaces IAS 17, 'Leases' and related interpretations and SICs. The standard requires lessees to recognise a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

(b) The Group has elected to apply IFRS 16 by not restating the comparative information (referred herein as the 'modified retrospective approach') when applying "IFRSs" effective in 2019 as endorsed by the FSC. Accordingly, the Group increased 'right-of-use asset', financing lease receivable, lease liability and retained earnings by $2,003,361, $22,402, $1,435,659 and $449, respectively and decreased prepayments, property, plant and equipment, right-of-use of land (shown as part of other non-current assets) and other non-current liabilities by $82,157, $3,272, $507,403 and $3,177, respectively, with respect to the lease contracts of lessees on January 1, 2019.

(c) The Group has used the following practical expedients permitted by the standard at the date of initial application of IFRS 16:

i. The accounting for operating leases whose period will end before December 31, 2019 as short-term leases and accordingly, rent expense of $4,788 was recognised in 2019.

ii. The exclusion of initial direct costs for the measurement of 'right-of-use asset'.

iii. The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(d) The Group calculated the present value of lease liabilities by using the weighted average incremental borrowing interest rate ranging from 0.89% to 4.24%.

(e) The Group recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The amount of aforementioned present values is the same as the amount of lease liabilities recognised on January 1, 2019.

Operating lease commitments disclosed by applying IAS 17 as at December 31, 2018	$	1,584,326
Add: Lease payable recognised under finance lease by applying IAS 17 as at December 31, 2018		55,154
Less:Prepaid rents recognised under lease transaction by applying IAS 17 as at December 31, 2018	(	45,630)
Less: Short-term leases	(	58,769)
Less: Low-value assets	(	3,547)
Add:Adjustments as a result of a different treatment of extension and termination options		114,030
Total lease contracts amount recognised as lease liabilities by applying IFRS 16 on January 1, 2019	$	1,645,564
Incremental borrowing interest rate at the date of initial application		0.89%~4.24%
Lease liabilities recognised as at January 1, 2019 by applying IFRS 16	$	1,435,659

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, 'Interest rate benchmark reform'	January 1, 2020

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendment issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2021
Amendments to IAS 1, 'Classification of liabilities as current or noncurrent'	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets and liabilities at fair value through other comprehensive income Available-for-sale financial assets measured at fair value.

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture.

Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

		Main business	Ownership (%)		
Name of investor	Name of subsidiary	activities	December 31, 2019	December 31, 2018	Description
The Company	Hemingway Int'l Limited (Hemingway)	Holding company	100.00	100.00	
The Company	UMTC Holdings Limited (UMTC)	Holding company	100.00	100.00	
The Company	Hsin Yang Investment Corp. (Hsin Yang Investment)	Holding company	99.16	99.16	
The Company	UniBest Holding Limited (UniBest)	Holding company	100.00	100.00	
The Company	NEOCONIX, INC. (NEOCONIX)	Design and manufacture of connectors	92.00	92.00	
The Company	Unidisplay Holding Corp. (UniDH)	Holding company	100.00	100.00	
The Company and Hsin Yang Investment	Qun Hong Technology Inc. (Qun Hong Technology)	Manufacture and sale of electronic parts	94.95	94.95	
The Company and Hsin Yang Investment	UniCuisine, Inc. (UniCuisine)	Food and restaurants	100.00	100.00	
The Company and Hsin Yang Investment	Anoto Taiwan Corp. (Anoto)	Information delivery services	-	-	Note 5
The Company and Hsin Yang Investment	Apm Communication, Inc. (Apm Communication)	Manufacture and sale of electronic parts	51.37	51.37	
The Company and Apm Communication	PAVIDA Trading Limited (PAVIDA)	Holding company and trading	59.77	59.77	
UniCuisine	UniFresh, Inc. (UniFresh)	Manufacture and sales of food	69.97	99.98	
Hemingway and UMTC	Plato Electronics (Cayman) Limited (Plato-Cayman)	Holding company	83.53	83.53	
Hemingway and UMTC	Smart Idea Holdings Limited (SI)	Holding company	71.23	71.23	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2019	Ownership (%) December 31, 2018	Description
Hemingway and UMTC	Best Option Investments Limited (BO)	Holding company	97.92	88.27	
Hemingway and UMTC	UniSmart Holding Limited (UniSmart)	Holding company	100.00	100.00	
Hemingway, UMTC and UniBest	Unimicron Holding Limited (UHL)	Holding company	70.42	70.42	
UniBest	UniGreat Holding Limited (UniGreat)	Holding company	-	-	Note 1
UMTC	UniClover Holding Limited (UniClover)	Holding company	100.00	100.00	
UniClover	Clover Electronics Co., Ltd. (Clover)	Manufacture and sale of electronic parts	100.00	100.00	
Plato-Cayman	Unimicron Technology (ShenZhen) Corp. (Unimicron Technology (ShenZhen))	Manufacture and sale of electronic parts	83.53	83.53	
Plato-Cayman	Unimicron (SZ) Trading Ltd. (USZT)	Trading	83.53	83.53	
SI	Unimicron Technology (KunShan) Corp. (Unimicron Technology (KunShan))	Manufacture and sale of electronic parts	71.23	71.23	
SI	Circuitech (BVI) Limited (Circuitech)	Trading	-	-	Note 4
SI	FuturePower Holding Limited (FuturePower)	Holding company	-	71.23	Note 6
SI	UniRuwel Holding Limited (UniRuwel)	Holding company	71.23	71.23	
SI	Unimicron (KS) Trading Ltd. (UKST)	Trading	71.23	71.23	
SI	UniGreat	Holding Company	71.23	71.23	Note 1
UniRuwel	Unimicron Germany GmbH (U Germany)	Manufacture and sale of electronic parts	71.23	71.23	
Future Power	Unimicron Technology (Shandong) Corp. (Unimicron Technology (Shandong))	Manufacture and sale of electronic parts	-	-	Note 2
BO	Unifley Technology (KunShan) Inc. (Unifley Technology (KunShan))	Manufacture and sale of electronic parts	97.92	88.27	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2019	Ownership (%) December 31, 2018	Description
UHL	Unimicron Technology (SuZhou) Corp. (Unimicron Technology (SuZhou))	Manufacture and sale of electronic parts	70.42	70.42	
Unimicron Technology (KunShan)	Unimicron Management (KunShan) Corp., Ltd. (Unimicron Management (KunShan))	Business management consulting and property management	71.23	71.23	
Unimicron Management and UniGreat	Unimicron Technology (Huangshi) Corp. (Unimicron Technology (Huangshi))	Manufacture and sale of electronic parts	71.23	71.23	
UniDH and Hsin Yang Investment	Unidisplay Trading Corp. (UniDT)	Trading	98.16	98.16	
UniDH	UDI Trading Corp. (UDIT)	Trading	-	-	Notes 3
UniDT	Unimicron Touch (ShenZhen) Corp. (Unimicron Touch)	Manufacture and sale of electronic parts	98.16	98.16	
Unimicron Management (KunShan)	Hu Se Sn Li Managemnet Corp., Ltd. (Hu Se Sn Li)	Business management consulting	71.23	71.23	
Unimicron Technology (SuZhou)	Unimicron-Carrier Technology (Huangshi) Inc. (Unimicron-Carrier Technology (Huangshi))	Manufacture and sale of electronic parts	70.42	70.42	

The individual financial statements of the Company’s consolidated subsidiaries as of December 31, 2019 and 2018 were all audited by auditors appointed by the Company, with the exception of U Germany, whose financial statements were audited by other auditors.

Note 1: In 2018, UniBest sold 100% shares of UniGreat to SI. After disposal, it was still included in the consolidated entities.

Note 2: In 2018, FuturePower sold 100% shares of Unimicron Technology (Shandong) to third parties. After disposal, it was no longer included in the consolidated entities.

Note 3: UDIT completed the liquidation process in 2018.

Note 4: Circuitech completed the liquidation process in 2018.

Note 5: Anoto completed the liquidation process in 2018.

Note 6: FuturePower completed the liquidation process in 2019.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2019 and 2018, the non-controlling interest amounted to $4,459,746 and $4,578,441, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest				
		December 31, 2019		December 31, 2018		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
SI	Cayman	$ 2,530,978	28.77	$ 2,613,582	28.77	
UHL	Samoa	1,416,577	29.58	1,405,949	29.58	
		$ 3,947,555		$ 4,019,531		

Summarized financial information of the subsidiaries:

Balance sheets

	SI	
	December 31, 2019	December 31, 2018
Current assets	$ 9,338,326	$ 9,777,843
Non-current assets	9,249,865	8,188,940
Current liabilities	(8,655,092)	(7,969,944)
Non-current liabilities	(1,135,816)	(866,971)
Total net assets	$ 8,797,283	$ 9,129,868

	UHL	
	December 31, 2019	December 31, 2018
Current assets	$ 3,211,051	$ 2,958,244
Non-current assets	6,145,020	3,617,428
Current liabilities	(2,728,387)	(1,241,812)
Non-current liabilities	(1,836,737)	(620,096)
Total net assets	$ 4,790,947	$ 4,713,764

Statements of comprehensive income

	SI	
	Year ended December 31,	
	2019	2018
Operating revenue	$ 17,290,116	$ 16,247,337
Profit before income tax	183,418	833,242
Income tax expense	(162,537)	(81,005)
Profit for the year	20,881	752,237
Other comprehensive loss, net of tax	(167,191)	(514,051)
Total comprehensive income (loss) for the year	($ 146,310)	$ 238,186
Comprehensive income (loss) attributable to non-controlling interest	($ 42,093)	$ 68,526

	UHL	
	Year ended December 31	
	2019	2018
Operating revenue	$ 5,101,885	$ 4,701,917
Profit before income tax	329,311	412,747
Income tax expense	(60,565)	(90,435)
Profit for the year	268,746	322,312
Other comprehensive (loss) income, net of tax	(88,520)	(269,204)
Total comprehensive income for the year	$ 180,226	$ 53,108
Comprehensive income attributable to non-controlling interest	$ 53,311	$ 15,709

Statements of cash flows

	SI	
	Year ended December 31	
	2019	2018
Net cash provided by operating activities	$ 546,886	$ 1,208,566
Net cash used in investing activities	(2,118,805)	(2,999,601)
Net cash provided by financing activities	851,541	1,421,125
Effect of consolidated entity's movement	-	(70,301)
Effect of exchange rates on cash and cash equivalents	(104,337)	124,684
Decrease in cash and cash equivalents	(824,715)	(315,527)
Cash and cash equivalents, beginning of year	3,359,504	3,675,031
Cash and cash equivalents, end of year	$ 2,534,789	$ 3,359,504

	UHL	
	Year ended December 31	
	2019	2018
Net cash provided by operating activities	$ 1,258,920	$ 1,037,179
Net cash used in investing activities	(3,152,780)	(401,572)
Net cash provided by (used in) financing activities	1,590,469	(259,412)
Effect of exchange rates on cash and cash equivalents	(38,475)	(79,572)
(Decrease) increase in cash and cash equivalents	(341,866)	296,623
Cash and cash equivalents, beginning of year	1,801,853	1,505,230
Cash and cash equivalents, end of year	$ 1,459,987	$ 1,801,853

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions. All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, or losing of the former, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

D. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

The Group measures the loss allowance at an amount equal to lifetime expected credit losses for accounts receivable that do not contain a significant financing component at each balance sheet date.

(10) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(11) Leasing arrangements (lessor)－lease receivables/ operating leases

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.

(b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

(c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(12) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

D. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3 ~ 55 years
Machinery and equipment	2 ~ 15 years
Transportation equipment and other equipment	2 ~ 20 years

(15) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities)

Effective 2019

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 3 ~ 35 years.

(17) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 10 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(18) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognized.

B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(20) Accounts and notes payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(22) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(23) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Financial guarantee contracts

A financial guarantee contract is a contract that requires the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract is initially recognized at its fair value adjusted for transaction costs on the trade date. After initial recognition, the financial guarantee is measured at the higher of the initial fair value less cumulative amortisation and the best estimate of the amount required to settle the present obligation on each balance sheet date.

(25) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

The subsidiary in Mainland China has a defined contribution pension plan, under which the subsidiary makes monthly contributions to the employees' pension funds in accordance with local regulations and recognize such contributions as expenses in the current period.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognized immediately in profit or loss.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period.

(b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(c) For restricted stocks where employees have to pay to acquire those stocks, if the Company will pay the employees who resign during the vesting period to repurchase the stocks, the Company estimates such payments that will be made and recognizes such amounts as compensation cost and liability at the grant date, in accordance with the terms of restricted stocks.

(28) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(29) Share capital

Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(31) Revenue recognition

A. The Group researches and develops, manufactures and sells a range of printed circuit boards, electrician equipment, electronic products, and testing and burn-in systems for integrated circuit products. Sales are recognized when control of the products has transferred, being when the products are delivered to the distributor, the distributor has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the distributor's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the distributor, and either the distributor has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Sales are recognized at contract price net of expected business tax, returns, rebates and discounts for the sale of a range of printed circuit boards, electrician equipment, electronic products, and testing and burn-in systems for integrated circuit products. Revenue arising from the sales of goods is recognized when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

C. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(32) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(33) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Investment property

The Group uses a portion of the property for its own use and another portion to earn rentals or for capital appreciation. When these portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own-use portion accounts for less than 50% of the property.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories.

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2019, the carrying amount of inventories was $8,718,188.

B. Impairment assessment of investments accounted for using equity method

The Group assesses the impairment of an investment accounted for using equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recovered. The Group assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Group's share of expected future cash flows of the investee, and analyses the reasonableness of related assumptions.

As of December 31, 2019, the Group's investments accounted for under the equity method, net of impairment loss, amounted to $2,408,806.

C. Impairment assessment of tangible assets

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilized and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

As of December 31, 2019, the Group recognized property, plant and equipment and right-of-use assets, net of impairment loss, amounting to $52,251,787.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2018	December 31, 2018
Cash on hand	$ 2,776	$ 2,919
Checking accounts and demand deposits	5,794,142	7,238,180
Time deposits	10,783,242	11,023,171
Commercial paper	4,133,038	4,770,530
	20,713,198	23,034,800
Transferred to other current assets	(171)	(53,766)
Transferred to other non-current assets	(127,481)	(168,597)
	$ 20,585,546	$ 22,812,437

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Interest rates on term deposits ranged from 0.09% to 4.13% and 0.07% to 4.13% as of December 31, 2019 and 2018, respectively. Certain time deposits have been pledged as collateral and were reclassified as "other current assets" or "other non-current assets".

C. Interest rates on commercial paper ranged from 0.40% to 0.42% and 0.38% to 0.40% as of December 31, 2019 and 2018, respectively.

D. Details of the Group's cash and cash equivalents through profit or loss pledged to others as collateral are provided in Note 8.

(2) Financial assets at fair value through profit or loss

Items	December 31, 2019	December 31, 2018
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 12,373	$ 14,150
Derivatives	560,412	7,157
	572,785	21,307
Valuation adjustment	2,336	222
	$ 575,121	$ 21,529

Items	December 31, 2019	December 31, 2018
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 55,220	$ 56,757
Unlisted stocks	4,256,863	4,267,524
Foreign closed-end funds	88,030	86,510
Corporate bonds	87,728	87,728
	4,487,841	4,498,519
Valuation adjustment	(1,286,052)	(1,968,986)
	$ 3,201,789	$ 2,529,533

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

Financial assets mandatorily measured at fair value through profit or loss	2019	2018
Listed stocks	$ 12,471	($ 21,703)
Unlisted stocks	688,089	(405,564)
Foreign closed-end funds	(11,358)	(975)
Derivatives	50,655	346
	$ 739,857	($ 427,896)

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2019	
Derivative instruments	Contract amount (notional principal)	Contract period
Current items:		
Forward foreign exchange contracts		
- Buy USD sell EUR	(EUR 9,000,000)	2019.10.18~2020.01.21
- Buy JPY sell USD	(JPY 178,614,800)	2019.12.31~2020.06.18
	(JPY 260,000,000)	2019.09.30~2020.03.04
	(JPY 11,800,000)	2019.10.30~2020.01.06
	(JPY 59,600,000)	2019.10.30~2020.02.10
	(JPY 119,200,000)	2019.12.05~2020.03.12
Interest rate swap contracts		
- Buy EUR sell USD	(USD 29,880,900)	2019.11.18~2020.02.20
Hybrid contracts		
-Structured Deposit	(CNY 50,000,000)	2019.10.23~2020.01.17
	(CNY 50,000,000)	2019.12.25~2020.02.07
	(CNY 50,000,000)	2019.12.06~2020.01.17

	December 31, 2018	
Derivative instruments	Contract amount (notional principal)	Contract period
Current items:		
Forward foreign exchange contracts		
- Buy USD sell EUR	(EUR 9,000,000)	2018.10.16~2019.10.18
- Buy RMB sell EUR	(EUR 3,000,000)	2018.04.25~2019.04.22
Interest rate swap contracts		
- Buy EUR sell USD	(USD 19,380,000)	2018.11.22~2019.02.26

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Notes and accounts receivable

	December 31, 2019	December 31, 2018
Notes receivable	$ 12,648	$ 89,707
Accounts receivable	18,111,897	15,953,836
Less: Allowance for uncollectible accounts	(146,540)	(127,644)
	$ 17,965,357	$ 15,826,192

A. The ageing analysis of notes receivable and accounts receivable that were past due but not impaired is as follows:

	December 31, 2019	December 31, 2018
Not past due	$ 18,012,155	$ 15,916,533
1-30 days past due	70,386	71,959
31-60 days past due	27,054	39,340
61-90 days past due	1,362	2,435
Over 90 days past due	13,588	13,276
	$ 18,124,545	$ 16,043,543

The above ageing analysis was based on past due date.

B. As of December 31, 2019 and 2018, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2018, the balance of receivables from contracts with customers amounted to $15,087,215.

C. As at December 31, 2019 and 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were $12,648 and $89,707, and accounts receivable were $17,965,357 and $15,826,192, respectively.

D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2019		
	Cost	Allowance for valuation losses	Book value
Raw materials	$ 1,872,131	($ 160,259)	$ 1,711,872
Work in progress	4,516,056	(711,305)	3,804,751
Finished goods	3,773,007	(571,442)	3,201,565
	$ 10,161,194	($ 1,443,006)	$ 8,718,188

	December 31, 2018		
	Cost	Allowance for valuation losses	Book value
Raw materials	$ 1,715,033	($ 196,441)	$ 1,518,592
Work in progress	3,853,294	(723,647)	3,129,647
Finished goods	3,944,502	(615,861)	3,328,641
	$ 9,512,829	($ 1,535,949)	$ 7,976,880

The cost of inventories recognized as expense for the year:

	Years ended December 31,	
	2019	2018
Cost of goods sold	$ 69,342,061	$ 65,221,500
Loss on market value decline and obsolete and slow-moving inventories	201,581	587,342
Others (Note)	1,678,333	1,540,621
	$ 71,221,975	$ 67,349,463

Note: Primarily includes cost differences resulting from low capacity utilization and revenue from sale of scrap or waste materials.

(5) Investments accounted for using equity method

Investees	December 31, 2019	December 31, 2018
Subtron Technology Co., Ltd. (Subtron Technology)	$ 1,262,869	$ 1,211,278
Uniflex Technology Inc.	334,162	334,980
Advance Materials Corp.	299,852	301,875
Asia Pacific Microsystems, Inc.	174,532	223,949
Unipoint Technology Co., Ltd. (Unipoint Technology)	237,791	211,098
Others	99,600	108,096
	$ 2,408,806	$ 2,391,276
Credit balance of investments accounted for using equity method transferred to other non-current liabilities	$ 135,696	$ 136,890

A. For the years ended December 31, 2019 and 2018, the share of profit (loss) of associates and joint ventures accounted for using equity method recognized was ($118,615) and ($89,521), respectively. The financial statements of these entities were audited by auditors appointed by the Company, except for the financial statements of Subtron Technology, Maruwa Corporation, Unipoint and Unimax C.P.I Techonlogy Corp.

B. The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio December 31, 2019	Shareholding ratio December 31, 2018	Nature of relationship	Method of measurement
Subtron Technology	Taiwan	33.56%	34.38%	Investment accounted for using equity	Equity method

C. The summarized financial information of the associate that is material to the Group is as follows:

Balance sheet

	Subtron Technology	
	December 31, 2019	December 31, 2018
Current assets	$ 2,103,049	$ 1,862,025
Non-current assets	3,516,167	3,245,112
Current liabilities	(1,134,947)	(1,053,245)
Non-current liabilities	(1,012,962)	(707,805)
Total net assets	$ 3,471,307	$ 3,346,087
Share in associate's net assets	$ 1,164,971	$ 1,150,385
Difference on net value of equity	97,898	60,893
Carrying amount of the associate	$ 1,262,869	$ 1,211,278

Statement of comprehensive income

	Subtron Technology	
	Year ended December 31	
	2019	2018
Operating revenue	$ 3,346,067	$ 3,375,779
Profit for the year from continuing operations	101,420	172,494
Other comprehensive income (loss), net of tax	53,892	(27,146)
Total comprehensive income	$ 155,312	$ 145,348

D. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of December 31, 2019 and 2018, the carrying amount of the Group's individually immaterial associates amounted to $1,010,241 and $1,043,108, respectively.

	Year ended December 31	
	2019	2018
Loss for the year from continuing operations	($ 504,550)	($ 440,338)
Other comprehensive loss, net of tax	(10,818)	(26,956)
Total comprehensive loss	($ 515,368)	($ 467,294)

(6) Property, plant and equipment

	2018										
			Buildings and structures			Machinery and equipment					
	Land	Land-revaluation increment	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Transportation equipment and other equipment	Unfinished construction and equipment under acceptance	Total
At January 1											
Cost	$ 3,532,168	$ 10,162	$ 34,677,903	$ 188,432	$ 34,866,335	$ 55,560,023	$ 2,234	$ 55,562,257	$ 6,496,193	$ 3,426,865	$ 103,893,980
Accumulated depreciation	-	-	(18,683,988)	(56,137)	(18,740,125)	(33,899,754)	(2,234)	(33,901,988)	(4,235,830)	-	(56,877,943)
Accumulated impairment	-	-	-	-	-	(310,756)	-	(310,756)	-	-	(310,756)
	3,532,168	10,162	15,602,202	132,295	15,734,497	21,349,513	-	21,349,513	2,260,363	3,426,865	46,705,281
Effects of retrospective application and retrospective restatement											
Cost	-	-	-	-	-	-	-	-	(4,027)	-	(4,027)
Accumulated depreciation	-	-	-	-	-	-	-	-	755	-	755
	-	-	-	-	-	-	-	-	(3,272)	-	(3,272)
Balance At January 1 after adjustments											
Cost	3,532,168	10,162	34,677,903	188,432	34,866,335	55,560,023	2,234	55,562,257	6,492,166	3,426,865	103,889,953
Accumulated depreciation	-	-	(18,683,988)	(56,137)	(18,740,125)	(33,899,754)	(2,234)	(33,901,988)	(4,235,075)	-	(56,877,188)
Accumulated impairment	-	-	-	-	-	(310,756)	-	(310,756)	-	-	(310,756)
	$ 3,532,168	$ 10,162	$ 15,993,915	$ 132,295	$ 16,126,210	$ 21,349,513	$ -	$ 21,349,513	$ 2,257,091	$ 3,426,865	$ 46,702,009
At January 1	$ 3,532,168	$ 10,162	$ 15,993,915	$ 132,295	$ 16,126,210	$ 21,349,513	$ -	$ 21,349,513	$ 2,257,091	$ 3,426,865	$ 46,702,009
Additions	515,200	-	498,607	-	498,607	969,889	-	969,889	212,854	8,987,275	11,183,825
Disposals, net	(240)	-	-	-	-	(158,119)	-	(158,119)	(11,125)	-	(169,484)
Reclassifications	1,035,098	-	176,028	7,643	183,671	6,794,005	-	6,794,005	561,191	(7,629,068)	944,897
Depreciation	-	-	(1,982,408)	(6,607)	(1,989,015)	(5,699,396)	-	(5,699,396)	(457,746)	-	(8,146,157)
Other (Note)	-	-	(86,350)	-	(86,350)	-		-	-	-	(86,350)
Net exchange differences	(5,602)	-	(177,902)	-	(177,902)	(288,446)	-	(288,446)	(85,176)	(112,537)	(669,663)
At December 31	$ 5,076,624	$ 10,162	$ 14,421,890	$ 133,331	$ 14,555,221	$ 22,967,446	$ -	$ 22,967,446	$ 2,477,089	$ 4,672,535	$ 49,759,077
At December 31											
Cost	$ 5,076,624	$ 10,162	$ 34,469,239	$ 199,318	$ 34,668,557	$ 58,146,361	$ 2,234	$ 58,148,595	$ 7,002,494	$ 4,672,535	$ 109,578,967
Accumulated depreciation	-	-	(20,047,349)	(65,987)	(20,113,336)	(34,874,316)	(2,234)	(34,876,550)	(4,525,405)	-	(59,515,291)
Accumulated impairment	-	-	-	-	-	(304,599)	-	(304,599)	-	-	(304,599)
	$ 5,076,624	$ 10,162	$ 14,421,890	$ 133,331	$ 14,555,221	$ 22,967,446	$ -	$ 22,967,446	$ 2,477,089	$ 4,672,535	$ 49,759,077

Note:The bonus from repaying construction payables on behalf of others in advance was listed as deduction to cost.

	2018										
			Buildings and structures			Machinery and equipment					
	Land	Land-revaluation increment	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Transportation equipment and other equipment	Unfinished construction and equipment under acceptance	Total
At January 1											
Cost	$ 3,533,805	$ 10,162	$ 32,426,563	$ 139,188	$ 32,565,751	$ 53,348,483	$ 2,234	$ 53,350,717	$ 5,805,583	$ 7,604,557	$ 102,870,575
Accumulated depreciation	-	-	(16,794,401)	(36,853)	(16,831,254)	(34,252,127)	(2,207)	(34,254,334)	(3,778,864)	-	(54,864,452)
Accumulated impairment	-	-	-	-	-	(337,563)	-	(337,563)	-	-	(337,563)
	$ 3,533,805	$ 10,162	$ 15,632,162	$ 102,335	$ 15,734,497	$ 18,758,793	$ 27	$ 18,758,820	$ 2,026,719	$ 7,604,557	$ 47,668,560
At January 1	$ 3,533,805	$ 10,162	$ 15,632,162	$ 102,335	$ 15,734,497	$ 18,758,793	$ 27	$ 18,758,820	$ 2,026,719	$ 7,604,557	$ 47,668,560
Additions	-	-	999,325	-	999,325	3,158,967	-	3,158,967	492,557	3,481,227	8,132,076
Disposals, net	-	-	-	-	-	(242,370)	-	(242,370)	(7,778)	(1,904)	(252,052)
Effect of consolidated entity's movement	-	-	-	-	-	-	-	-	-	(706,140)	(706,140)
Reclassifications	-	-	1,436,080	34,574	1,470,654	5,425,025	-	5,425,025	334,037	(6,942,752)	286,964
Depreciation	-	-	(1,968,084)	(4,614)	(1,972,698)	(5,800,385)	-	(5,800,385)	(542,393)	-	(8,315,476)
Net exchange differences	(1,637)	-	(105,568)	-	(105,568)	49,483	(27)	49,456	(42,779)	(8,123)	(108,651)
At December 31	$ 3,532,168	$ 10,162	$ 15,993,915	$ 132,295	$ 16,126,210	$ 21,349,513	$ -	$ 21,349,513	$ 2,260,363	$ 3,426,865	$ 46,705,281
At December 31											
Cost	$ 3,532,168	$ 10,162	$ 34,677,903	$ 188,432	$ 34,866,335	$ 55,560,023	$ 2,234	$ 55,562,257	$ 6,496,193	$ 3,426,865	$ 103,893,980
Accumulated depreciation	-	-	(18,683,988)	(56,137)	(18,740,125)	(33,899,754)	(2,234)	(33,901,988)	(4,235,830)	-	(56,877,943)
Accumulated impairment	-	-	-	-	-	(310,756)	-	(310,756)	-	-	(310,756)
	$ 3,532,168	$ 10,162	$ 15,993,915	$ 132,295	$ 16,126,210	$ 21,349,513	$ -	$ 21,349,513	$ 2,260,363	$ 3,426,865	$ 46,705,281

A. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows:

	Year ended December 31	
	2019	2018
Amount capitalized	$ 38,813	$ 28,981
Range of the interest rates for capitalization	0.93%~4.15%	0.96%~4.33%

B. The significant components and useful life of property, plant and equipment are as follows:

Items	Significant components	Useful life
Buildings and structures	Plants, air conditioning system, and power engineering	3~55 years
Machinery and equipment	Drilling-machine, mask aligner, electroplating and laser machine	2~15 years
Transportation equipment and other equipment	Truck and fork lift	2~20 years

C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

D. The Company owned a land located at Luzhu Dist., Taoyuan City for building a plant and the related facilities, with an area of 833 square meters, and the cost amounted to $21,360. The land belongs to forest-floor, and the registration for transfer has not yet been completed as of December 31, 2019. The Company has obtained other rights of the land for securing certain rights to this land.

E. In December 2016, certain plants, buildings, equipment and inventory of U Germany, a subsidiary of the Company, were damaged in a fire. However, the damaged assets were covered by sufficient fire and business interruption insurance, so the Company did not incur any significant loss. For the years ended December 31, 2019 and 2018, income from business interruption insurance claims amounted to $103,867 and $554,191, respectively, for the year ended December 31, 2018, income from property damage claims amounted to $313,568. However, as of December 31, 2019, the insurance claims for fire damage were still being processed.

F. The second-tier subsidiary of the Company, Unimicron Technology (Huangshi), was eligible to receive development and machinery and equipment bulk purchase subsidies from their respective local governments in the amounts of RMB 21,960 thousand and RMB 934 thousand, respectively (included in other non-current liabilities), which will be recognized in profit or loss over the estimated useful lives on a straight-line basis. As of December 31, 2019, the remaining unamortized balances were RMB 17,925 thousand and RMB 822 thousand, respectively.

(7) Leasing arrangements－lessee

Effective 2019

A. The Group leases various assets including land, right-of-use of land, buildings, machinery and equipment, transportation equipment and other equipment. Rental contracts are typically made for periods of 1 to 70 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2019		Year ended December 31, 2019	
	Carrying amount		Depreciation charge	
Land and right of use of land	$	1,466,080	$	56,546
Buildings		967,607		172,457
Machinery and equipment		44,383		8,099
Transportation equipment and other equipment		14,640		8,834
	$	2,492,710	$	245,936

C. For the year ended December 31, 2019, the additions to right-of-use assets was $756,375.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31, 2019	
Items affecting profit or loss		
Interest expense on lease liabilities	$	38,372
Expense on short-term lease contracts		32,926
Expense on leases of low-value assets		2,033
Expense on variable lease payments		8,461

E. For the year ended December 31, 2019, the Group's total cash outflow for leases was $326,541.

F. Variable lease payments

Some of the Company's lease contracts contain variable lease payment terms that are linked to the usage amount of machinery and equipment, transportation equipment and other equipment. Lease payments are on the basis of variable payment terms and are accrued based on the usage amount of equipment. Various lease payments that depend on the usage amount of equipment are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

G. Extension options

(a) Extension options are included in the Company's lease contracts pertaining to land, right-of-use of land, buildings and structures, transportation equipment and other equipment. These terms and conditions aim to maximise optional flexibility in terms of managing contracts.

(b) In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

H. Long-term prepaid rents (shown as ‘Other non-current assets’)

		December 31, 2018
Land use right	$	507,403

Land use rights acquired by the Group have a duration of 40 to 70 years, starting from the acquisition date. For the years ended December 31, 2019 and 2018, depreciation expense and rent expenses were $22,716 and $13,607, respectively. In particular, Unimicron Technology (Shandong) and Unimicron Technology (Huangshi) were eligible to receive development subsidies from their respective local governments in the amounts of RMB 64,640 thousand and RMB 19,299 thousand, respectively (included in other non-current liabilities), which will be recognized in profit or loss over the duration of the land use rights on a straight-line basis. Because Unimicron Technology (Shandong) was sold during the year, as of December 31, 2018, the remaining unamortised balance of Unimicron Technology (Huangshi) was RMB 18,269 thousand.

(8) Leasing arrangements – lessor

Effective 2019

A. The Group leases various assets including land, buildings, machinery and equipment. Rental contracts are typically made for periods of 1 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor’s ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.

B. The Group leases land, buildings, machinery and equipment under a finance lease. For the year ended December 31, 2019, the amount of finance income from the net investment in the finance lease related to lease contracts was $782.

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

		December 31, 2019
Less than one year	$	2,539
More than one year but not later than five years		12,710
Over five years		7,197
	$	22,446

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	December 31, 2019 Current	December 31, 2019 Non-current
Undiscounted lease payments	$ 2,539	$ 19,907
Unearned finance income	(697)	(2,106)
Net investment in the lease	$ 1,842	$ 17,801

E. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2019
Less than one year	$ 57,612
More than one year but not later than five years	114,544
Over five years	17,153
	$ 189,309

(9) Investment property

	Land	Buildings and structures	Total
At January 1			
Cost	$ 1,569,311	$ 128,494	$ 1,697,805
Accumulated depreciation	-	(76,669)	($ 76,669)
	$ 1,569,311	$ 51,825	$ 1,621,136

	Land	Buildings and structures	Total
At January 1	$ 1,569,311	$ 51,825	$ 1,621,136
Additions	44,833	-	44,833
Disposals, net	-	(95,124)	(95,124)
Reclassifications (Note)	(1,035,098)	95,124	(939,974)
Depreciation	-	(3,811)	(3,811)
At December 31	$ 579,046	$ 48,014	$ 627,060

	Land	Buildings and structures	Total
At December 31			
Cost	$ 579,046	$ 128,494	$ 707,540
Accumulated depreciation	-	(80,480)	(80,480)
	$ 579,046	$ 48,014	$ 627,060

Note: Reclassified to land, building and equipment for owner-occupied.

	Land	Buildings and structures	Total
At January 1			
Cost	$ 1,569,311	$ 128,494	$ 1,697,805
Accumulated depreciation	-	(72,858)	(72,858)
	$ 1,569,311	$ 55,636	$ 1,624,947
At January 1	$ 1,569,311	$ 55,636	$ 1,624,947
Depreciation	-	(3,811)	(3,811)
At December 31	$ 1,569,311	$ 51,825	$ 1,621,136
At December 31			
Cost	$ 1,569,311	$ 128,494	$ 1,697,805
Accumulated depreciation	-	(76,669)	(76,669)
	$ 1,569,311	$ 51,825	$ 1,621,136

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31	
	2019	2018
Rental income from investment property	$ 11,736	$ 12,012
Direct operating expenses arising from the investment property that generated rental income during the year	$ 41,397	$ 33,566

B. The fair value of the investment property held by the Group as at December 31, 2019 and 2018 was $1,722,349 and $3,046,372, respectively, which was valued by independent valuers. Valuations were made using the income approach which is categorized within Level 3 in the fair value hierarchy.

(10) Intangible assets

	2019			
	Computer software	Goodwill	Others	Total
At January 1				
Cost	$ 705,114	$ 74,803	$ 188,102	$ 968,019
Accumulated amortization	(574,132)	-	(172,824)	(746,956)
	$ 130,982	$ 74,803	$ 15,278	$ 221,063
At January 1	$ 130,982	$ 74,803	$ 15,278	$ 221,063
Additions-acquired separately	161,094	-	8,399	169,493
Disposals-cost	(92,890)	-	(425)	(93,315)
Disposals-accumulated amortization	92,890	-	425	93,315
Amortization	(119,487)	-	(8,132)	(127,619)
Net exchange differences	(3,109)	(1,451)	(478)	(5,038)
At December 31	$ 169,480	$ 73,352	$ 15,067	$ 257,899
At December 31				
Cost	$ 773,318	$ 73,352	$ 192,975	$ 1,039,645
Accumulated amortization	(603,838)	-	(177,908)	(781,746)
	$ 169,480	$ 73,352	$ 15,067	$ 257,899

	2018			
	Computer software	Goodwill	Others	Total
At January 1				
Cost	$ 608,044	$ 72,673	$ 177,131	$ 857,848
Accumulated amortization	(453,641)	-	(158,259)	(611,900)
	$ 154,403	$ 72,673	$ 18,872	$ 245,948
At January 1	$ 154,403	$ 72,673	$ 18,872	$ 245,948
Additions-acquired separately	107,249	-	9,764	117,013
Disposals-cost	(93,114)	-	(6,101)	(99,215)
Disposals-accumulated amortization	93,114	-	6,101	99,215
Amortization	(130,103)	-	(18,845)	(148,948)
Net exchange differences	(567)	2,130	5,487	7,050
At December 31	$ 130,982	$ 74,803	$ 15,278	$ 221,063
At December 31				
Cost	$ 705,114	$ 74,803	$ 188,102	$ 968,019
Accumulated amortization	(574,132)	-	(172,824)	(746,956)
	$ 130,982	$ 74,803	$ 15,278	$ 221,063

A. Details of amortization on intangible assets are as follows:

	Year ended December 31	
	2019	2018
Operating costs	$ 71,418	$ 70,155
Selling expenses	1,354	1,661
General and administrative expenses	21,643	29,372
Research and development expenses	33,204	47,760
	$ 127,619	$ 148,948

B. Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segment:

	December 31, 2019	December 31, 2018
Mainland China	$ 68,205	$ 69,656
Others	5,147	5,147
	$ 73,352	$ 74,803

(11) Impairment of financial assets and non-financial assets

A. The Group recognized impairment loss for the years ended December 31, 2019 and 2018 of $0 and $7,710, respectively. Details of such loss are as follows:

	Year ended December 31	
	2019	2018
	Recognised in profit or loss	Recognised in profit or loss
Impairment loss-investments accounted for using equity method	$ -	$ 7,710

B. The impairment loss that was recognized in profit or loss reported by operating segments is as follows:

	Year ended December 31	
	2019	2018
	Recognised in profit or loss	Recognised in profit or loss
Taiwan	$ -	$ 7,710

C. Goodwill is allocated to the identified cash-generating units of the Group. The recoverable amount of all cash-generating units calculated using the value-in-use method exceeded their carrying amount, so goodwill was not impaired. The recoverable amount was determined by management based on past performance and expectations of market development.

(12) Short-term borrowings

	December 31, 2019	December 31, 2018
Bank borrowings	$ 8,845,534	$ 9,065,039
L/C borrowings	605,701	927,022
	$ 9,451,235	$ 9,992,061
Interest rate range	0.95%~3.57%	0.90%~3.97%
Undrawn borrowing facilities	$ 24,411,846	$ 25,932,847

As of December 31, 2019, the Group issued guarantee notes in the amount of $9,191,000 and US$133,000,000 for the aforementioned borrowings.

(13) Short-term notes and bills payable

	December 31, 2019	December 31, 2018
Commercial paper payable	$ 1,700,000	$ 1,400,000
Less: Unamortised discount	(1,564)	(804)
	$ 1,698,436	$ 1,399,196
Issue rate	0.60%~0.97%	0.60%~0.97%
Undrawn borrowing facilities	$ 1,700,000	$ 1,700,000

The aforementioned commercial paper payable of the Group is guaranteed by Ta Ching Bills Finance Corp., International Bill Finance Corp. and China Bills Finance Corp.

(14) Financial liabilities at fair value through profit or loss - current

Items	December 31, 2019	December 31, 2018
Current items:		
Financial liabilities held for trading		
Valuation adjustment	$ 8,967	$ 1,027

Details of nature and contract information of derivative financial instruments transactions are provided in Note 6(2) .

(15) Other payables

	December 31, 2019	December 31, 2018
Payable on machinery and equipment	$ 2,264,787	$ 2,060,232
Salaries and bonuses payable	2,105,192	1,858,724
Employees' compensation and directors' and supervisors' payable	792,757	386,815
Others	3,033,085	3,371,594
	$ 8,195,821	$ 7,677,365

(16) Long-term borrowings

	December 31, 2019	December 31, 2018
Bank borrowings	$ 20,665,864	$ 19,979,238
Commercial paper payable	4,000,000	4,000,000
Less: Unamortised discount	(1,273)	(1,010)
	24,664,591	23,978,228
Less: Current portion	(3,011,363)	(6,076,548)
	$ 21,653,228	$ 17,901,680
Interest rate range	0.50%~3.46%	0.49%~3.79%

A. The long-term borrowings listed above will mature between 2019 and 2024.

B. In 2018, the Company renewed commercial paper issuance agreements with companies including Ta Ching Bills Finance Corp. ("Bills Finance Corp."), who agreed to act as underwriters of commercial paper issued by Qun Hong Technology. Under the terms of the agreement, the Company must issue commercial paper with maturity of 90 days or less in the contractual period. If the Company does not issue the full amount during the period the agreement is in effect, it is required to pay a commitment fee to the other party at an annual interest rate of 1%. This agreement expires in June 2022.

C. In January 2019, the Company renewed a medium-term loan agreement of $850,000 with Bank Sinopac. The loan period is three years starting from the date the credit is first used. The Company promised to maintain the following financial ratios for the duration of the agreement (calculated based on the annual and half-year consolidated financial statements):

(a) Current ratio of 100% or more;

(b) Debt ratio not to exceed 150% (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders' equity less intangible assets);

(c) Interest coverage ratio of more than 4 (calculated as earnings before interest, taxes, depreciation and amortization divided by interest expense);

(d) Net tangible assets of not lower than $37,500,000.

D. In August 2019, the Company renewed a medium-term loan agreement of $700,000 with Taipei Fubon Bank, which expires in August 2022. The Company promised to maintain the following financial ratios for the duration of the agreement (calculated based on the annual and half-year consolidated financial statements):

(a) Current ratio of 100% or more;

(b) Debt ratio not to exceed 150% (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders' equity less intangible assets);

(c) Interest coverage ratio of 4 or more (calculated as earnings before interest, taxes, depreciation and amortization divided by interest expense).

(d) Net tangible assets of not lower than $40,000,000.

E. In October 2019, the Company renewed a medium-term loan agreement of $2,000,000 with Chinatrust Commercial Bank, which expires in October 2022. The Company promised to maintain the following financial ratios for the duration of the agreement (calculated based on the annual and half-year consolidated financial statements):

(a) Current ratio of 100% or more;

(b) Debt ratio not to exceed 150% (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders' equity less intangible assets);

(c) Interest coverage ratio of 10 or more (calculated as earnings before interest, taxes, depreciation and amortization divided by interest expense).

(d) Net tangible assets of not lower than $42,500,000.

F. In October 2018, the Company signed a five-year syndicated loan agreement totaling $6,000,000 with a consortium of banks led by Chinatrust Commercial Bank. The loan period is five years from the date the credit is first used (December 27, 2018). The Company promised to maintain the following financial ratios for the duration of the agreement (calculated based on the annual and half-year consolidated financial statements):

(a) Current ratio of 100% or more;

(b) Debt ratio not to exceed 150% (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders' equity less intangible assets);

(c) Interest coverage ratio of more than 4 (calculated as earnings before interest, taxes, depreciation and amortization divided by interest expense).

(d) Net tangible assets of not lower than $40,000,000.

G. In January 2019, Qun Hong Technology resigned a medium to long-term loan agreement of $500,000 with Bank Sinopac. The agreement is set to expire in July 2020. Qun Hong Technology is required to maintain the following financial ratios for the duration of the agreement (calculated based on the annual consolidated financial statements of Qun Hong Technology):

(a) Current ratio of at least 110%;

(b) Debt ratio not to exceed 185% (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders' equity less intangible assets);

(c) Net tangible assets of not lower than $1,000,000.

Certain financial ratios of Qun Hong, calculated from the financial statements for the years ended December 31 2017, did not meet the requirements in the loan agreement. However, immediate repayment was not required in this instance. Additionally, Qun Hong Technology has settled the long-term borrowings in 2019.

H. In November 2017, Qun Hong Technology signed a medium term loan agreement of $300,000 with Chinatrust Commercial Bank. The agreement is set to expire in April 2021. Qun Hong Technology is required to maintain the following financial ratios for the duration of the agreement (calculated based on the annual consolidated financial statements of Qun Hong Technology):

(a) Current ratio of at least 90%;

(b) Debt ratio not to exceed 160% in 2019, 130% in 2020 and 130% in 2021 (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders' equity less intangible assets).

(c) Net tangible assets of not lower than $1,800,000.

Certain financial ratios of Qun Hong Technology, calculated from the financial statements for the years ended December 31, 2019 and 2018 did not meet the requirements in the loan agreement. However, immediate repayment was not required in this instance; therefore, the loan was still included in long-term borrowings as of December 31, 2019 and 2018.

I. In May 2019, Qun Hong Technology signed a medium term loan agreement of $200,000 with Chinatrust Commercial Bank. The agreement is set to expire in June 2022. Qun Hong Technology is required to maintain the following financial ratios for the duration of the agreement (calculated based on the annual consolidated financial statements of Qun Hong Technology):

(a) Current ratio of at least 100%;

(b) Debt ratio not to exceed 350% (calculated as total liabilities divided by net tangible assets).

(c) Net tangible assets of not lower than $1,800,000 (net tangible assets equal stockholders' equity less intangible assets).

Certain financial ratios of Qun Hong Technology, calculated from the financial statements for the year ended December 31, 2019 did not meet the requirements in the loan agreement. However, immediate repayment was not required in this instance; therefore, the loan was still included in long-term borrowings as of December 31, 2019.

J. As of December 31, 2019, aside from the collateral listed in Note 8, the Company also issued guarantee notes in the amounts of $22,800,000 and US$95,000,000 for the aforementioned borrowings.

(17) Pensions

A. (a) The Company and Qun Hong Technology have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and Qun Hong Technology contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and Qun Hong Technology would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to be qualify for retirement in the following year, the Company and Qun Hong Technology will make contributions for the deficit by next March. Clove has a defined benefit retirement plan in accordance with local regulations.

(b) For the purpose of labor specialization and boosting competitiveness and operating performance, the shareholders resolved in the 2015 annual meeting to spin off the Company's rigid-flex board business and transfer associated assets and liabilities to Qun Hong Technology. The Company's employees originally working in rigid-flex board business became employees of Qun Hong Technology after the spin-off. On October 18, 2016, the Department of Labor of Taoyuan City approved the measure to determine the share of contribution from each entity's designated labor pension reserve funds account according to the time the employee worked at each entity.

(c) The amounts recognized in the balance sheet are as follows:

The Company and Qun Hong Technology

	December 31, 2019	December 31, 2018
Present value of defined benefit obligations	$ 1,501,768	$ 1,471,870
Fair value of plan assets	(798,664)	(776,882)
Net defined benefit liability	$ 703,104	$ 694,988

(d) Movements in net defined benefit liabilities are as follows:

The Company

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2019			
Balance at January 1	$ 1,351,047	($ 671,938)	$ 679,109
Current service cost	5,411	-	5,411
Interest expense (income)	13,510	(6,719)	6,791
	1,369,968	(678,657)	691,311
Remeasurements:			
Change in financial assumptions	51,593	-	51,593
Experience adjustments	(8,480)	(24,248)	(32,728)
	43,113	(24,248)	18,865
Pension fund contribution	-	(24,907)	(24,907)
Paid pension	(33,016)	33,016	-
Balance at December 31	$ 1,380,065	($ 694,796)	$ 685,269

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2018			
Balance at January 1	$ 1,342,258	($ 664,775)	$ 677,483
Current service cost	6,400	-	6,400
Interest expense (income)	16,107	(7,977)	8,130
	1,364,765	(672,752)	692,013
Remeasurements:			
Change in financial assumptions	34,396	-	34,396
Experience adjustments	(1,555)	(18,998)	(20,553)
	32,841	(18,998)	13,843
Pension fund contribution	-	(26,747)	(26,747)
Paid pension	(46,559)	46,559	-
Balance at December 31	$ 1,351,047	($ 671,938)	$ 679,109

Qun Hong Technology

2019	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
Balance at January 1	$ 3,094	($ 5,137)	($ 2,043)
Current service cost	956	-	956
Interest expense (income)	31	(51)	(20)
	4,081	(5,188)	(1,107)
Remeasurements:			-
Change in financial assumptions	120	-	120
Experience adjustments	(260)	(153)	(413)
	(140)	(153)	(293)
Pension fund contribution	-	(1,662)	(1,662)
Paid pension	(151)	151	-
Balance at December 31	$ 3,790	($ 6,852)	($ 3,062)

2018	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	$ 2,444	($ 3,532)	($ 1,088)
Current service cost	1,280	-	1,280
Interest expense (income)	27	(39)	(12)
	3,751	(3,571)	180
Remeasurements:			
Change in financial assumptions	34	-	34
Experience adjustments	(385)	(63)	(448)
	(351)	(63)	(414)
Pension fund contribution	-	(1,809)	(1,809)
Paid pension	(306)	306	-
Balance at December 31	$ 3,094	($ 5,137)	($ 2,043)

Clover

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2019			
Balance at January 1	$ 117,729	($ 99,807)	$ 17,922
Current service cost	11,030	-	11,030
Interest expense (income)	636	(3,258)	(2,622)
	129,395	(103,065)	26,330
Remeasurements:			-
Change in financial assumptions		-	-
Experience adjustments	96	-	96
Pension fund contribution	-	(4,362)	(4,362)
Paid pension	(11,011)	10,001	(1,010)
Net exchange differences	(567)	410	(157)
Balance at December 31	$ 117,913	($ 97,016)	$ 20,897

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2018			
Balance at January 1	$ 106,600	($ 96,864)	$ 9,736
Current service cost	9,834	-	9,834
Interest expense (income)	1,521	(871)	650
	117,955	(97,735)	20,220
Remeasurements:			-
Change in financial assumptions	1,606	-	1,606
Pension fund contribution	-	(4,523)	(4,523)
Paid pension	(5,063)	5,031	(32)
Net exchange differences	3,231	(2,580)	651
Balance at December 31	$ 117,729	($ 99,807)	$ 17,922

(e) The Bank of Taiwan was commissioned to manage the Fund of the Company’s and Qun Hong Technology’s defined benefit pension plan in accordance with the Fund’s annual investment and utilization plan and the “Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund” (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and Qun Hong Technology have no right to participate in managing and operating that fund and hence the Company and Qun Hong Technology are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2019 and 2018 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

Under Japanese local regulations, a commissioned group of annuity assets of defined benefit pension plan shall use plan assets based on Clover's utilisation plan of plan assets and treat the benefit of annuity participators as first priority. If the payment or balance of pension was insufficient, the Company shall aim on the finance balance of annuity assets and periodically review the finance situation to distribute annuity. The annuity assets faces interest risk and inflation risk of general investments, the Group shall assure the performance of defined contribution plan based on the utilisation plan of plan assets and take into consideration the risk and reward of investees to set and use investment portfolio in the tolerable risk range to assure the necessary long-term profit.

(f) The principal actuarial assumptions used were as follows:

The Company

	Year ended December 31	
	2019	2018
Discount rate	1.70%	1.00%
Future salary increases	4.50%	4.50%

Qun Hong Technology

	Year ended December 31	
	2019	2018
Discount rate	0.70%	1.00%
Future salary increases	4.50%	4.50%

Clover

	Year ended December 31	
	2019	2018
Discount rate	0.36%	0.53%

Future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2019 and 2018.

For the years ended December 31, 2019 and 2018, Clover's future mortality rate was estimated based on the 21th Annuity Table published by Japan Ministry of Health and Welfare.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected.

The analysis was as follows:

The Company

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2019				
Effect on present value of defined benefit obligation	($ 43,173)	$ 45,022	$ 39,872	($ 38,546)
December 31, 2018				
Effect on present value of defined benefit obligation	($ 42,814)	$ 44,672	$ 39,713	($ 38,366)

Qun Hong Technology

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2019				
Effect on present value of defined benefit obligation	($ 100)	$ 104	$ 91	($ 88)

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2018				
Effect on present value of defined benefit obligation	($ 84)	$ 87	$ 77	($ 74)

Clover

	Discount rate	
	Increase 0.25%	Decrease 0.25%
December 31, 2019		
Effect on present value of defined benefit obligation	($ 2,791)	$ 2,891

	Discount rate	
	Increase 0.25%	Decrease 0.25%
December 31, 2018		
Effect on present value of defined benefit obligation	($ 3,000)	$ 3,113

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(g) Expected contributions to the defined benefit pension plans of the Company, Qun Hong and Clover Technology for the year ending December 31, 2019 amount to $25,199, $1,733 and $10,931, respectively.

(h) As of December 31, 2019, the weighted average duration of the retirement plan of the Company, Qun Hong Technology and Clover is 13, 11 and 11 years, respectively.

B. (a) The Company, Qun Hong Technology, UniDisplay, UniFresh and Apm Communication have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company, Qun Hong Technology, UniDisplay, UniFresh and Apm Communication contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. However, UniDisplay was dissolved after the merger in October 2017.

(b)Consolidated subsidiaries, Unimicron Technology (ShenZhen), Unimicron Technology (KunShan), Unifley Technology (KunShan), Unimicron Technology (SuZhou), Unimicron Technology (Huangshi), Unimicron Touchand and U Germany, contribute a fixed percentage of the salaries and wages of its employees to a pension fund every month in accordance with local pension regulations. The contribution ratios range from 13% to 28%. The pension fund of each employee is administered by the government.

(c)Consolidated subsidiaries, Hemingway, UMTC, Circuitech, Plato-Cayman, SI, UHL, BO, UniSmart, UniRuwel, UniClover, UniDH, UniDT, UDIT, UniBest, FuturePower, USZT, UKST, UniGreat, NEOCONIX and PAVID, do not have employee retirement plans, nor are they required to have such plans according to local laws and regulations. In addition, UDIT and Circuitech finished the liquidation process in 2018. FuturePower finished the liquidation process in 2019.

(d)Hsin Yang Investment, Anoto, Unimicron Management (KunShan), UniCuisine, Unimicron Technology (Shandong), Unimicron-Carrier Technology (Huangshi) and Hu Se Sn Li have no employees and therefore do not have to recognize pension costs. In addition, Unimicron Technology (Shandong) was sold in 2018 and Anoto finished the liquidation process in 2018.

(e)The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2019 and 2018 were $778,818 and $707,623, respectively.

(18) Share-based payment

A. For the years ended December 31, 2019 and 2018, the Group's share-based payment arrangements were as follows:

(a) The Company:

Type of arrangement	Grant date	Quantity granted (Shares in thousands)	Contract period	Vesting conditions
First phase of the 7th treasury stocks transferred to employees	2018.05.09	6,119	0.42 years	Note
Second phase of the 7th treasury stocks transferred to employees	2018.05.09	5,881	0.67 years	Note

Note : The employees who have been fully employed for one year before the record date or have made special contributions to the Company will acquire 100% treasury shares if approved by the chairman of the Board of Directors.

(b) The Company:

Type of arrangement	Grant date	Quantity granted (Shares in thousands)	Contract period	Vesting conditions
1st issuance of new restricted stocks to employees	2016.10.14	1,582	2 years	Note
2nd issuance of new restricted stocks to employees	2017.07.17	7,282	2 years	Note

Note: Employees who were employed at the time of the issuance of new restricted stocks, have not violated their labor contracts, and whose recent performance reviews meet required standards will receive new shares according to the following schedule:

A. Employees will receive 50% of the assigned shares one year after the issuance date and be able to exercise the associated rights.

B. Employees will receive the remaining 50% of the assigned shares two years after the issuance date and be able to exercise the associated rights.

The aforementioned new restricted stocks issued by the Company cannot be transferred during the vesting period, with the exception of inheritance. However, the voting right and dividend right are not restricted on these stocks. If employees leave before the shares vest, the Company will buy back the shares at the original issuance price and cancel them, and the employees are not required to return dividends already received.

The share-based payment arrangements above are settled by equity.

(c) Qun Hong Technology:

Type of arrangement	Grant date	Quantity granted (Shares in thousands)	Contract period	Vesting conditions
Capital increase by cash reserved for employees	2016.12.23	7,200	2 years (Note)	Immediately
Capital increase by cash reserved for employees	2018.03.08	4,500	2 years (Note)	Immediately

Note: Shares acquired through employee stock warrants cannot be transferred for a certain period:

A.Shares cannot be transferred within one year of acquisition.

B.For shares held for one year or more, but less than 18 months, transfer of more than one third of the shares is prohibited.

C.For shares held for 18 months or more, but less than two years, transfer of more than two thirds of the shares is prohibited.

D.Once the shares are held for two years or more, no restrictions are imposed on transfers.

E. If fewer than 3,000 shares are acquired, up to 1,000 shares can be transferred after holding the stock for more than one year, and the remaining shares can be transferred after holding the stock for 18 months.

(d) Qun Hong Technology:

Type of arrangement	Grant date	Quantity granted (Shares in thousands)	Contract period	Vesting conditions
Employee stock options	2017.6.20	6,000	5 years	Note

Note: Stock warrants can be exercised starting from the first anniversary of the grant date according to the following schedule:

A. On the first anniversary of the grant date, up to 30% of the stock warrants granted can be exercised.

B. On the second anniversary of the grant date, up to 60% of the stock warrants granted can be exercised.

C. On the third anniversary of the grant date, 100% of the stock warrants granted can be exercised.

(e) NEOCONIX:

Type of arrangement	Grant date	Quantity granted (Shares in thousands)	Contract period	Vesting conditions
Stock options A~O	2003.10.23 ~2012.09.0	5,969	10 years	Note
Employee stock option certificates A~B	2012.06.18 ~2012.06.3	277	10 years	-

Note: Stock options can be exercised starting from the first anniversary of the grant date according to the following schedule:

A. On the first anniversary of the grant date, up to 25% of the stock options granted can be exercised.

B. On the second anniversary of the grant date, up to 50% of the stock options granted can be exercised.

C. On the third anniversary of the grant date, up to 75% of the stock options granted can be exercised.

D. On the fourth anniversary of the grant date, 100% of the stock options granted can be exercised.

E. Options must be exercised within ten years of the signing of the contract and can be exercised fully or partially without making cash payments. In the event of a merger or acquisition, the bank must decide whether to exercise or the options are immediately deemed as expired.

B. Details of above stated stock options and option plans are as follows:

(a) The Company:

i. Employee stock options

	Year ended December 31			
	2019		2018	
	No. of options (Shares in thousands)	Exercise price (in dollars)	No. of options (Shares in thousands)	Exercise price (in dollars)
Options outstanding at beginning of year	6,438	$ 13.97 and 14.00	-	$ -
Options granted	-	-	12,000	13.97 and 14.00
Options exercised	(6,438)	13.97 and 14.00	(5,562)	13.97 and 14.00
Options outstanding at end of year	-	$ -	6,438	$ 13.97 and 14.00
Employee stock options exercised	-	$ -	6,438	$ 13.97 and 14.00

ii. Restricted stocks to employees:

	Year ended December 31			
	2019		2018	
	No. of options (Shares in thousands)	Exercise price (in dollars)	No. of options (Shares in thousands)	Exercise price (in dollars)
Options outstanding at beginning of year	3,460	$ 10.00	8,817	$ 10.00
Options granted	-	-	-	-
Options exercised	(3,326)	10.00	(4,974)	10.00
Options expired	(134)	-	(383)	-
Options outstanding at end of year	-	$ -	3,460	$ 10.00
Employee stock options exercised	-	$ -	3,460	$ 10.00

(b) Qun Hong Technology:

i. Capital increase by cash reserved for employees

	Year ended December 31			
	2019		2018	
	No. of options (Shares in thousands)	Exercise price (in dollars)	No. of options (Shares in thousands)	Exercise price (in dollars)
Options outstanding at beginning of year	-	$ -	-	$ -
Options granted	-	-	4,500	20.00
Options exercised	-	-	(1,846)	20.00
Options expired	-	-	(2,654)	-
Options outstanding at end of year	-	$ -	-	$ -
Options exercisable at end of year	-	$ -	-	$ -

ii. Employee stock options

	Year ended December 31			
	2019		2018	
	No. of options (Shares in thousands)	Exercise price (in dollars)	No. of options (Shares in thousands)	Exercise price (in dollars)
Options outstanding at beginning of year	6,000	$ 16.89	6,000	$ 17.60
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	-	-
Options outstanding at end of year (Note)	6,000	$ 16.89	6,000	$ 16.89
Options exercisable at end of year (Note)	3,600	$ 16.89	1,800	$ 16.89

Note: Adjust the exercise price according to the rules of employee stock options since the numbers of options increased.

(c) NEOCONIX:

	Year ended December 31			
	2019		2018	
	No. of options (Shares in thousands)	Exercise price (in dollars)	No. of options (Shares in thousands)	Exercise price (in dollars)
Options outstanding at beginning of year	1,145	\$0.04~\$0.15	1,163	\$0.04~\$0.15
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	(18)	-
Options outstanding at end of year	1,145	\$0.04~\$0.15	1,145	\$0.04~\$0.15
Options exercisable at end of year	1,145	\$0.04~\$0.15	1,145	\$0.04~\$0.15

C. As of December 31, 2019, the exercise prices of stock options outstanding were NT\$13.97 and NT\$14.00. The weighted-average remaining contractual periods were 0 year and 0.17 years. In addition, as of December 31, 2019, the Company had no stock options outstanding.

D.As of December 31, 2019 and 2018, the exercise price of newly issued outstanding restricted stocks to employees was NT\$10 for both years; the weighted-average remaining contractual periods were 0 and 0 year and 0.54 and 0 years, respectively.

E.As of December 31, 2019 and 2018, the exercise prices of stock options outstanding of Qun Hong Technology were both NT\$16.89; the weighted-average remaining contractual period was 2.47 years and 3.47 years, respectively.

F. As of December 31, 2019 and 2018, the range of exercise prices of stock options outstanding of NEOCONIX was US\$0.04～\$0.15 for both years; the weighted-average remaining contractual period was 2.7 years and 3.7 years, respectively.

G. The fair value of stock options granted by the Company, Qun Hong Technology, UniDisplay and NEOCONIX is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

(a) The Company:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends (in dollars)	Risk-free interest rate	Fair value per unit (in dollars)
First phase of the 7th treasury stocks transferred to employees	2018.05.09	$ 17.15	$ 13.97	36.93%	0.42 years	$ -	0.3700%	$ 3.60
Second phase of the 7th treasury stocks transferred to employees	2018.05.09	$ 17.15	$ 14.00	36.93%	0.67 years	$ -	0.4000%	$ 3.87
1st issuance of new restricted stocks to employees	2016.10.14	$ 12.70	$ 10.00	-	-	$ -	-	$ 2.70
2nd issuance of new restricted stocks to employees	2017.07.17	$ 18.35	$ 10.00	-	-	$ -	-	$ 8.35

(b) Qun Hong Technology:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends (in dollars)	Risk-free interest rate	Fair value per unit (in dollars)
Capital increase by cash reserved	2016.12.23	$ 20.45	$ 20.00	33.00%	-	$ -	-	$ 0.45
Capital increase by cash reserved	2018.03.08	$ 13.43	$ 20.00	33.17%	-	$ -	-	$ -
Employee stock	2017.06.20	$ 13.06	$ 20.00	31.49%	3.0 years	$ -	0.67%	$ 1.11
Employee stock	2017.06.20	$ 13.06	$ 20.00	31.13%	3.5 years	$ -	0.71%	$ 1.29
Employee stock	2017.06.20	$ 13.06	$ 20.00	31.05%	4.0 years	$ -	0.74%	$ 1.49

(c) NEOCONIX

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends (in dollars)	Risk-free interest rate	Fair value per unit (in dollars)
Stock options A~O	2005.08.16~ 2012.09.06	$0.026~ $0.101	$0.05~$0.15	54.48%~ 71.92%	6.25 years	$ -	0.96%~ 4.83%	$1,548.00~ $110,828.55
Employee stock option certificates A~B	2012.06.18~ 2012.06.30	$ -	$ -	-	8.7 years	$ -	-	$ -

H. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2019	2018
Equity-settled	$ 10,083	$ 79,620

(19) Share capital

A. As of December 31, 2019, the Company's authorized and paid-in capital were $20,000,000 and $15,047,323, respectively.

Movements in the number of the Company's ordinary shares (in thousands) outstanding are as follows:

	Year ended December 31	
	2019	2018
At January 1	1,449,328	1,493,249
Treasury shares sold to employees	6,439	5,562
Issuance of employee restricted shares	(134)	(383)
Shares retired	-	(49,100)
At December 31	1,455,633	1,449,328

B. On December 19, 2017, the Company's Board of Directors resolved the retirement of 8,838 thousand treasury shares that has expired but have not been transferred to the employees. The effective date for capital reduction was January 8, 2018, and after capital reduction, the Company's paid-in capital was $15,202,488. In addition, the Company completed the registration of changes in capital on February 5, 2018.

C. On March 15, 2018, the Company's Board of Directors resolved the retirement of 15 million treasury shares which have not been transferred to the employees within the time limit. The record date for capital reduction was May 16, 2018, and after capital reduction, the Company's paid-in capital was $15,050,693. In addition, the Company completed the registration of changes in capital on June 7, 2018.

D. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

Name of company		December 31, 2019	
holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	49,099 thousand shares	$ 803,247

Name of company		December 31, 2018	
holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	55,538 thousand shares	$ 892,759

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within the three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(20) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(Remainder of page intentionally left bank)

2019	Share premium	Employee stock options	Expired employee stock options	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates and joint ventures accounted for using equity method	Net assets from merger	Treasury share transactions	Employee restricted shares	Total
At January 1	$ 6,346,221	$ 24,534	$ 32,250	$ 11,944	$ 170,695	$ 16,469	$ 1,903,855	$ 20,163	$ 63,117	$ 8,589,248
Treasury shares sold to employees	-	(23,178)	-	-	-	-	-	23,471	-	293
Changes in ownership interests in subsidiaries	-	-	-	-	3,003	-	-	-	-	3,003
Changes in net assets of associates accounted for under equity method	-	-	-	-	-	38,718	-	-	-	38,718
At December 31	$ 6,346,221	$ 1,356	$ 32,250	$ 11,944	$ 173,698	$ 55,187	$ 1,903,855	$ 43,634	$ 63,117	$ 8,631,262

2018	Share premium	Employee stock options	Expired employee stock options	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates and joint ventures accounted for using equity method	Net assets from merger	Treasury share transactions	Employee restricted shares	Total
At January 1	$ 6,446,726	$ 32,249	$ -	$ -	$ 213,054	$ 16,370	$ 1,903,855	$ -	$ 59,287	$ 8,671,541
Retirement of treasury shares	(100,505)	-	-	-	-	-	-	-	-	(100,505)
Compensation cost of share-based payments	-	44,556	-	-	-	-	-	-	-	44,556
Treasury shares sold to employees	-	(20,021)	-	-	-	-	-	20,163	-	142
Expired employee stock options	-	(32,250)	32,250	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	(42,359)	-	-	-	-	(42,359)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	11,944	-	-	-	-	-	11,944
Changes in net assets of associates accounted for under equity method	-	-	-	-	-	99	-	-	-	99
Retirement of employees' restricted stock	-	-	-	-	-	-	-	-	3,830	3,830
At December 31	$ 6,346,221	$ 24,534	$ 32,250	$ 11,944	$ 170,695	$ 16,469	$ 1,903,855	$ 20,163	$ 63,117	$ 8,589,248

(21) Retained earnings

A. In accordance with the Articles of Incorporation, earnings is distributed in the following order:

(a) Payment of taxes.

(b) Covering accumulated deficit.

(c) Set aside 10% of the remaining earnings as legal reserve; however this is not required if total legal reserve equals total paid-in capital.

(d) Set aside or reverse special reserve in accordance with relevant laws and regulations or as required by the competent authority.

(e) The distribution of the remaining amount, plus unappropriated earnings from prior years, shall be proposed by the Board of Directors and resolved by shareholders in their general meeting.

B. The Company's dividend policy is carried out in accordance with the amended Articles of Incorporation, which take into account the Company's current and future investment environment, capital needs, domestic and foreign competition, and capital budget, along with shareholders' interests and the balance between dividends and long-term financial plans of the Company. Pursuant to existing regulations, the Board of Directors prepares an earnings distribution proposal every year and submits it to the shareholders for approval. The Company's dividend policy is as follows: taking into consideration the Company's future expansion plans and capital needs while operating in the high-tech electronics industry, cash dividends shall account for at least 10% of total dividends distributed, and no more than 90% of the Company's distributable earnings shall be appropriated as dividends.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. (a) The appropriations of 2018 and 2017 earnings as resolved by the shareholders during their meeting on June 21, 2019 and June 15, 2018, respectively, are as follows:

	Year ended December 31							
	2019				2018			
	Amount		Dividends per share (in dollars)		Amount		Dividends per share (in dollars)	
Legal reserve	$	170,531			$	41,436		
Special reserve (reversal)		463,854			(	81,933)		
Cash dividends		1,164,584	$	0.80		746,624	$	0.50
	$	1,798,969			$	706,127		

(b) The appropriations of 2019 earnings as proposed by the Board of Directors during its meeting on March 27, 2020 are as follows:

	Year ended December 31, 2019			
	Amount		Dividends per share (in dollars)	
Legal reserve	$	320,091		
Special reserve		397,765		
Cash dividends		1,601,196	$	1.10
	$	2,319,052		

As of March 27, 2020, the above stated appropriations of 2019 earnings have not yet been resolved by the shareholders.

F. The consolidated subsidiaries, Unimicron Technology (ShenZhen), Unimicron Technology (KunShan), Unifley Technology (KunShan), Unimicron Touch, Unimicron Technology (Huangshi), Unimicron Technology (Shandong), Unimicron Management (Kunshan), Unimicron-Carrier Technology (Huangshi) and Hu Se Sn Li, set aside a portion of after-tax profits for the reserve fund and staff bonus welfare fund in accordance with regulations on foreign invested enterprises as set forth in the Company Law of the People's Republic of China. The percentage of after-tax profits allocated to the reserve fund must be 10% or more. Once the amount of the reserve fund reaches 50% of the registered capital, contribution to the fund is no longer required. The percentage of after-tax profits allocated to the staff bonus welfare fund is determined by the company. No profits can be distributed before operating losses from prior years are first covered. In addition, Unimicron Technology (Shandong) was sold in 2018.

G. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(28).

(22) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following geographical regions:

2019	Taiwan	Asia	America	Others	Total
Revenue from external customer contracts	$ 18,586,998	$ 56,470,465	$ 2,099,195	$ 5,378,895	$ 82,535,553
Timing of revenue					
At a point in time	$ 18,586,998	$ 56,470,465	$ 2,099,195	$ 5,378,895	$ 82,535,553

2018	Taiwan	Asia	America	Others	Total
Revenue from external customer contracts	$ 16,574,136	$ 52,964,511	$ 1,508,351	$ 4,685,782	$ 75,732,780
Timing of revenue					
At a point in time	$ 16,574,136	$ 52,964,511	$ 1,508,351	$ 4,685,782	$ 75,732,780

B. Contract assets and liabilities (shown as other current liabilities and other non-current liabilities)

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2019	December 31, 2018	January 1, 2018
Contract liabilities - advance sales receipts	$ 684,933	$ 2,712	$ 2,253

C.Revenue recognised that was included in the contract liability balance at the beginning of the year

	2019	2018
Operating revenue	$ 1,220	$ 306

(23) Other income and expenses-net

	Year ended December 31	
	2019	2018
Rental income from investment property	$ 11,736	$ 12,012
Depreciation on investment property	(3,811)	(3,811)
Other income and expenses, net	(16,861)	(230)
	($ 8,936)	$ 7,971

(24) Other income

	Year ended December 31	
	2019	2018
Interest revenue – bank deposits	$ 251,593	$ 156,256
Interest revenue – lease transaction	782	-
Revenue from sale of scraps	225,056	255,512
Dividend income	34,890	23,648
Rental revenue	39,404	47,245
Indemnity income due to fire damage	103,867	867,759
Miscellaneous income	317,538	473,269
	$ 973,130	$ 1,823,689

(25) Other gains and losses

	Year ended December 31	
	2019	2018
Net currency exchange (losses) gains	($ 267,988)	$ 134,028
Gains on disposal of investments	-	216,463
Gains (losses) on disposal of property, plant and equipment	40,406	(31,239)
Losses on disposal of investment property	(95,124)	-
Net gains (losses) on financial assets or liabilities at fair value through profit or loss	739,857	(427,896)
Gains arising from lease modifications	695	-
Impairment loss	-	(7,710)
Miscellaneous disbursements	(30,962)	(64,094)
	$ 386,884	($ 180,448)

(26) Finance costs

	Year ended December 31	
	2019	2018
Interest expense-bank borrowings	$ 663,093	$ 648,074
Interest expense-lease transaction	38,372	$ -
Bill handling fee	33,397	30,165
Others	28	12,209
	734,890	690,448
Less: Capitalization of qualifying assets	(38,813)	(28,981)
	$ 696,077	$ 661,467

(27) Expenses by nature

	Year ended December 31	
	2019	2018
Employee benefit expense	$ 19,036,577	$ 17,154,927
Depreciation charges on property, plant and equipment (including right-of-use)	8,392,093	8,315,476
Amortisation charges on intangible assets	127,619	148,948
	$ 27,556,289	$ 25,619,351

(28) Employee benefit expense

	Year ended December 31	
	2019	2018
Salary expenses	$ 1,843,503	$ 14,325,124
Labour and health insurance fees	1,367,859	1,234,348
Pension and severance pay	813,340	736,482
Other personnel expenses	1,011,875	858,973
	$ 5,036,577	$ 17,154,927

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation. This ratio shall be between 5% and 15%. Directors' remuneration shall not exceed 0.7% of the distributable profit.

B. For the years ended December 31, 2019 and 2018, employees' compensation was accrued at $679,195 and $358,662, respectively; while directors' and supervisors' remuneration was accrued at $31,696 and $16,738, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' and supervisors' remuneration for 2019 as resolved by the Board of Directors were $679,195 and $31,696, respectively, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration for 2018 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2018 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the shareholders during their meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

C. In accordance with the amendment to the Articles of Incorporation of Qun Hong Technology, a ratio of distributable profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall range from 6% to 15% for employees' compensation and shall not be higher than 0.1% for directors' and supervisors' remuneration.

D. Qun Hong Technology, UniCuisine and Apm Communication in 2019 and 2018 did not accrue employees' compensation and directors' and supervisors' remuneration due to the loss before tax. For the year ended December 31, 2017, Qun Hong Technology's employees' compensation and directors' and supervisors' remuneration resolved at the meeting of Board of Directors amounted to $15,282. The difference of $288 between the amounts resolved at the Board meeting and the amounts recognized in the 2017 financial statements had been adjusted in the profit or loss of 2018.

E. No employees' compensation and directors' and supervisors' remuneration of Hsin Yang Investment, Anoto and UniCuisine was accrued as they had no employees. In addition, Anoto completed the liquidation process in 2018.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31	
	2019	2018
Current tax:		
Current tax on profits for the year	$ 611,013	$ 507,299
Provisional withholding tax	298,600	114,955
Prior year income tax overestimation	(65,099)	(113,683)
Total current tax	844,514	508,571
Deferred tax:		
Origination and reversal of temporary differences	(87,865)	17,732
Impact of change in tax rate	-	(76,984)
Effects of foreign exchange	5,874	2,863
Income tax expense	$ 762,523	$ 452,182

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2019	2018
Income tax calculated by applying statutory rate to the profit before tax	$ 763,415	$ 403,136
Effects from items disallowed by tax regulation	144,219	297,272
Prior year income tax over estimation	(65,099)	(113,683)
Effect from investment tax credits	(85,886)	(60,422)
Effect from changes in tax regulation	-	(76,984)
Effects of foreign exchange	5,874	2,863
Income tax expense	$ 762,523	$ 452,182

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2019			
	January 1	Recognized in profit or loss	Effects of foreign exchange	December 31
Temporary differences:				
－Deferred tax assets:				
Allowance for inventory valuation losses	$ 290,643	($ 8,324)	($ 1,602)	$ 280,717
Estimated sales discounts and allowances	29,019	3,838	-	32,857
Long-term investment losses	284,380	113,017	-	397,397
Others	205,407	79,527	(6,667)	278,267
	809,449	188,058	(8,269)	989,238
－Deferred tax liabilities:				
Others	(236,640)	(86,296)	9,449	(313,487)
	$ 572,809	$ 101,762	$ 1,180	$ 675,751

	2018			
	January 1	Recognized in profit or loss	Effects of foreign exchange	December 31
Temporary differences:				
－Deferred tax assets:				
Allowance for inventory valuation losses	$ 227,036	$ 64,493	($ 886)	$ 290,643
Estimated sales discounts and allowances	22,180	6,839	-	29,019
Long-term investment losses	177,341	107,039	-	284,380
Others	346,949	(138,818)	(2,724)	205,407
	773,506	39,553	(3,610)	809,449
－Deferred tax liabilities:				
Others	(257,708)	19,699	1,369	(236,640)
	$ 515,798	$ 59,252	($ 2,241)	$ 572,809

D. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets of the Company, Qun Hong Technology, Hsin Yang Investment, Apm Communication, UniCuisine and UniFresh in 2019 and 2018 are as follows:

Year ended December 31, 2019

Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2010	Assessed	$ 67,682	$ 67,682	2020
2011	Assessed	299,461	299,461	2021
2012	Assessed	296,231	296,231	2022
2013	Assessed	187,123	187,123	2023
2014	Assessed	200,629	200,629	2024
2015	Assessed	140,635	140,635	2025
2016	Assessed	81,484	81,484	2026
2017	Assessed	194,510	194,510	2027
2018	Filed	194,781	194,781	2028

Year ended December 31, 2018

Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2009	Assessed	$ 62,175	$ 62,175	2019
2010	Assessed	67,682	67,682	2020
2011	Assessed	299,461	299,461	2021
2012	Assessed	296,231	296,231	2022
2013	Assessed	187,123	187,123	2023
2014	Assessed	200,629	200,629	2024
2015	Assessed	140,635	140,635	2025
2016	Assessed	81,484	81,484	2026
2017	Filed	1,564,330	194,510	2027
2018	Estimated	148,205	148,205	2028

E. The amounts of deductible temporary differences that were not recognized as deferred tax assets are as follows:

	December 31, 2019	December 31, 2018
Deductible temporary differences	$ 619,238	$ 637,221

F. The consolidated subsidiaries, Unimicron Technology (ShenZhen), Unimicron Technology (KunShan), Unifley Technology (KunShan), Unimicron Technology (SuZhou), Unimicron Touch, Unimicron Technology (Huangshi) Unimicron Technology (Shandong), Unimicron Management (Kunshan), Unimicron-Carrier Technology (Huangshi) and Unimicron Management, Hu Se Sn Li are production type foreign investment enterprises established in the People’s Republic of China and therefore have been subject to the new income tax laws since January 1, 2008.

G. The Company's, Hsin Yang Investment's, UniCuisine's, UniFresh's, Qun Hong Technology's and Apm Communication's income tax returns through 2017 have been assessed and approved by the Tax Authority. In addition, Anoto's liquidation report has been assessed and approved by the Tax Authority in 2018.

H. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China in February, 2018, the Company's applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Group has assessed the impact of the change in income tax rate.

(30) Earnings per share

	Year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 3,259,882	1,454,133	$ 2.24
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 3,259,882	1,454,133	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		19,678	
Employee restricted shares		8,166	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 3,259,882	1,481,977	$ 2.20

	Year ended December 31, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,705,306	1,487,370	$ 1.15
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,705,306	1,487,370	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		18,229	
Employee restricted shares		7,849	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,705,306	1,513,448	$ 1.13

(31) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31	
	2019	2018
Acquisition of property, plant and equipment	$ 11,228,658	$ 8,132,076
Add: Opening balance of payable on equipment	2,060,232	2,788,477
Less: Ending balance of payable on equipment	(2,264,787)	(2,060,232)
Net exchange differences	(13,989)	(14,400)
Cash paid during the year	$ 11,010,114	$ 8,845,921

B. To meet the Group's strategy investment plan, on November 12, 2019, the Board of Directors of the Company resolved to increase investment in Asia Pacific Microsystems, Inc. ("Asia Pacific") in the amount of $187,641, with the effective date set on January 1, 2020. After the additional investment, the Group's comprehensive shareholding ratio in Asia Pacific increased from 47.00% to 66.94% thereby becoming the Company's subsidiary. Consequently, the following operating assets and liabilities will be consolidated to the Group on January 1, 2020:

	January 1, 2020
Cash in banks	$ 285,315
Notes and accounts receivable due from related parties, net	98,146
Inventories	127,612
Property, plant and equipment, net	212,590
Right-of-use assets	21,679
Others assets	9,383
Bank borrowings	(146,634)
Accounts payable (including related parties)	(32,865)
Other payables	(83,076)
Lease liabilities	(21,886)
	$ 470,264

C. The Group sold 100% of shares in the subsidiary – Unimicron Technology (Shandong) in 2018 and therefore lost control over the subsidiary (please refer to Note 4(3)). The details of the consideration received from the transaction (including cash and cash equivalents) and assets and liabilities relating to the subsidiary are as follows:

	March 31, 2018
Consideration received	$ 267,006
Cash	$ 267,006
Total consideration	
Carrying amount of the assets and liabilities of the subsidiary - Unimicron Technology (Shandong)	
Cash	$ 467
Other receivables	663
Prepayments	196
Property, plant and equipment	706,140
Other non-current assets	264,997
Other accounts payable	(535,440)
Other non-current liabilities	(380,379)
Total net assets	$ 56,644

(32) Changes in liabilities from financing activities

	2019				
	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Construction payables on behalf of others	Liabilities from financing activities - gross
At January 1	$ 9,992,061	$ 1,399,196	$ 23,978,228	$ 858,995	$ 36,228,480
Changes in cash flow from financing activities	(525,413)	299,240	765,281	(73,890)	465,218
Impact of changes in foreign exchange rate	(15,413)	-	(78,918)	-	(94,331)
At December 31	$ 9,451,235	$ 1,698,436	$ 24,664,591	$ 785,105	$ 36,599,367

	2018				
	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Construction payables on behalf of others	Liabilities from financing activities - gross
At January 1	$ 9,885,710	$ 699,253	$ 26,428,336	$ 994,671	$ 38,007,970
Changes in cash flow from financing activities	105,907	699,943	(2,448,217)	(135,676)	(1,778,043)
Impact of changes in foreign exchange rate	444	-	(1,891)	-	(1,447)
At December 31	$ 9,992,061	$ 1,399,196	$ 23,978,228	$ 858,995	$ 36,228,480

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Topoint Technology Co., Ltd. (Topoint Technology)	Investee held by the Company's subsidiary
Unipoint Technology Co., Ltd.	The Company is its director
Maruwa Corporation	Investee held by the Company's second-tier subsidiary
Yih Dar Technologies Co., Ltd.(Yih Dar)	The Company is its director
United Microelectronics Corp. (UMC)	The Company's director
3D Circuit Taiwan Company Ltd. (3D Circuit Taiwan)	The Company is its director (Note 1)
Unistars Corp.(Unistar)	The Company is its director
Advance Materials Corp. (Advance Materials)	The Company is its director
Emax Technology Co., Ltd.	The Company is its director
PixArt Imaging Inc.	The Company is its director (Note 2)
Uniflex Technology Inc. (Uniflex Technology)	Same chairman
Subtron Technology Co., Ltd (Subtron Technology)	Same chairman
Asia Pacific Microsystems, Inc. (Asia Pacific Microsystems)	Same chairman
Trillion Science Inc. (Trillion Science)	Investee held by the Company and the Company's second-tier subsidiary (Note 3)
Uniflex Technology (JiangSu) Ltd.	Uniflex Technology's second-tier subsidiary
Unted Semiconductor (Xiamen) Co., Ltd.	Indirectly owned investee held by UMC's subsidiary
Shanghai Topoint Precision Technology Corp.	Topoint Technology's subsidiary
HK3D-Circuit Ltd.	3D Circuit Taiwan's subsidiary (Note 1)

Note 1: In the process of liquidation, so there are no related party transactions this period.

Note 2: In the second quarter of 2018, the Company was no longer the director of the company, and therefore this was not included in related party transactions.

Note 3: In the third quarter of 2019, the Company's related parties disposed their shares in Trillion Science, which was not listed in the related parties transaction.

(2) Significant related party transactions and balances

A. Operating revenue:

	Year ended December 31 2019	Year ended December 31 2018
Operating revenue:		
- Key management personnel of the Company	$ 11,943	$ 8,386
- Other related parties and its subsidiaries	5,967	798
- Key management personnel of the entities	184	-
	$ 18,094	$ 9,184

Goods and processing services are provided based on the price lists in force and terms that would be available to third parties.

B. Purchases and processing expense:

	Year ended December 31 2019	Year ended December 31 2018
Purchases		
-Key management personnel of the entities and its subsidiaries	$ 216,443	$ 225,531
-Other related parties and its subsidiaries	12,287	1,827
	$ 228,730	$ 227,358
Processing cost		
-Key management personnel of the entities and its subsidiaries	$ 350,673	$ 209,046
-Other related parties and its subsidiaries	10,729	22,638
	$ 361,402	$ 231,684

Certain goods and processing services are purchased based on normal commercial terms and conditions. Payments are settled in 90 to 150 days and paid monthly.

C. Receivables from related parties, net

	December 31, 2019	December 31, 2018
Accounts receivable		
-Key management personnel of the Company	$ 3,983	$ 494
-Other related parties and its subsidiaries	587	423
	$ 4,570	$ 917

	December 31, 2019	December 31, 2018
Other receivables:		
-Key management personnel of the entities and its subsidiaries	$ 11,709	$ 28,835
-Other related parties and its subsidiaries	3,382	3,530
	$ 15,091	$ 32,365

The above other receivables primarily arise from payments on behalf of others and accounts receivable due from aforementioned related parties transferred to other receivables in accordance with the related regulations.

D. Payables to related parties:

	December 31, 2019	December 31, 2018
Accounts payable:		
-Key management personnel of the entities and its subsidiaries	$ 223,338	$ 172,539
-Other related parties and its subsidiaries	13,289	8,183
	$ 236,627	$ 180,722
Other payables:		
-Key management personnel of the entities and its subsidiaries	$ 14,521	$ 19,154
-Other related parties and its subsidiaries	353	894
	$ 14,874	$ 20,048

The above other payables primarily arise from other companies in handling the Group's transactions on behalf of the Company.

E. Property transactions:

Acquisition of property, plant and equipment:

	Year ended December 31	
	2019	2018
-Other related parties and its subsidiaries	$ 198	$ -

Disposal of property, plant and equipment:

	Year ended December 31			
	2019		2018	
	Disposal proceeds	Gain on disposal	Disposal proceeds	Gain on disposal
-Other related parties	$ 1	$ 1	$ 5,561	$ 730

F. Lease transactions - lessee

(a) The Group leases buildings, transportation equipment and other equipment from related parties. Rental contracts are typically made for periods of 1 to 10 years. The rentals are paid monthly, and the price is mutually agreed.

(b) On January 1, 2019 (the date of initial application of IFRS 16), the Group increased right-of-use assets by $45,340.

(c)Rent expense

	2019	2018
Rent expense		
-Key management personnel of the entities	$ 24	$ 202
-Other related parties	-	5,717
	$ 24	$ 5,919

G. Acquisition of financial assets:

	Account	No. of shares	Year ended December 31, 2019 Object	Consideration
Ultimate parent company	Investments accounted for using equity method	7,212,819	Uniflex Technogy	$ 86,554

	Account	No. of shares	Year ended December 31, 2018 Object	Consideration
Ultimate parent company	Investments accounted for using equity method	6,248,234	Uniflex Technogy	$ 56,234

H. Other income and expenses

	Year ended December 31	
	2019	2018
Rental income -Key management personnel of the entities		
Advance Materials	$ 11,947	$ 12,012
Yih Dar	7,371	6,427
Unistar	6,084	6,421
Other	883	2,229
Miscellaneous income -Key management personnel of the entities	646	862
-Other related parties	1,803	167
	$ 28,734	$ 28,118

(a) The rentals are received monthly, and the price is mutually agreed.

(b) Miscellaneous income arise from the service provided to associates or other miscellaneous income.

(3) Key management compensation

	Year ended December 31	
	2019	2018
Salaries and other short-term employee benefits	$ 240,223	$ 211,341

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value December 31, 2019	Book value December 31, 2018	Purpose
Time deposit (shown as other current assets)	$ 171	$ 169	Guarantee for post-release duty payment
Demand deposit (shown as other non-current assets)	-	53,597	Customs duty guarantee, guarantee for bonded factory and guarantee for applying research subsidy
Time deposit (shown as other current assets)	127,481	168,597	Customs duty guarantee, guarantee for bonded factory and guarantee for applying research subsidy
Land	678,247	678,983	Long-term borrowings
Building and structures	1,862,065	2,001,510	Long-term borrowings
Machinery and equipment	2,490,905	2,971,670	Long-term borrowings
	$ 5,158,869	$ 5,874,526	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of December 31, 2019, the Group has applied for non-cancellable letters of credit. The letter of credit amount for raw materials and equipment not yet imported was $2,574,945.

(2) Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2019	December 31, 2018
Property, plant and equipment	$ 1,980,888	$ 151,525

(3) Operating lease agreements

Effective 2018

The Group leases employees' dormitory, plant and office under non-cancellable operating lease agreements. The future lease payments are as follows:

	December 31, 2018
Less than one year	$ 239,712
Later than one year but not later than five years	752,427
Over 5 years	592,187
	$ 1,584,326

(4)Endorsements and guarantees

As of December 31, 2019, in order to support subsidiaries to obtain the borrowing facilities, the endorsements and guarantees provided to subsidiaries are as follows:

		December 31, 2019
UHL	$	601,600
Qun Hong Technology		1,504,000
Unifley Technology (KunShan) and BO		300,800
Unimicron Technology (Huangshi) Corp.		470,000
Unimicron Technology (KunShan)		676,800
Unifley Technology (KunShan)		541,440
		307,200
		133,990

(5) On April 17, 2017, the Group signed an investment agreement involving the manufacturing of new types of electronic components and all types of printed circuit boards with the Huangshi Municipal People's Government of Hubei Province for the purpose of expanding its geographic footprint in the Mainland China market. On December 8, 2017, the Company's subsidiary Unimicron-Carrier Technology (Huangshi) signed a construction payment agreement with the Administrative Committee of the Economic and Technological Development Zone in Huangshi (the "Committee") and Huangshi CI-HU High-tech Development Company (CI-HU). Under the terms of the agreement, CI-HU will make payments for the construction of a carrier board plant on behalf of Unimicron-Carrier Technology (Huangshi). Once the construction of the plant is completed and accepted by Unimicron-Carrier Technology (Huangshi), CI-HU will be paid back in installments. As of December 31, 2019, construction payables amounted to RMB 36,377 thousand.

10. <u>SIGNIFICANT DISASTER LOSS</u>

None.

11. <u>SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE</u>

(1) On March 27, 2020, the Board of Directors proposed for the distribution of 2018 earnings as described in Note 6(21), E(b).

(2) On January 1, 2020, the Company increased its investment in Asia Pacific which became one of the Company's subsidiaries. Please refer to Note 6(31)B for details.

(3) Because of the outbreak of COVID-19 virus, the Group's operations in some locations were affected starting from January 2020. As of the report date, those companies have returned to work. However, the impact on the Group will depend on the subsequent control of this pandemic and currently cannot be reasonably estimated.

(4) On March 27, 2020, the Board of Directors of the Company approved to adjust the expected investment amount in expanding the high-class IC flip chip substrate factory from 2019 to 2023. The investment was adjusted from $20 billion to $28.5 billion.

12. OTHERS

(1) Capital management

The objective of the Group's capital management is to ensure it has the necessary financial resources and operating plans to fund its working capital needs, capital expenditures, research and development expenses, debt repayments and dividend payments. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the parent company balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the parent company balance sheet plus net debt.

During the year ended December 31, 2019, the Group's strategy was unchanged from 2018. The gearing ratios at December 31, 2019 and 2018were as follows:

	December 31, 2019	December 31, 2018
Total borrowings	$ 35,814,262	$ 35,369,485
Less: Cash and cash equivalents	(20,585,546)	(22,812,437)
Net debt	15,228,716	12,557,048
Total equity	43,891,683	42,121,594
Total capital	$ 59,120,399	$ 54,678,642
Gearing ratio	25.76%	22.97%

(2) Financial instruments

A. Financial instruments by category

Financial assets	December 31, 2019	December 31, 2018
Financial assets at fair value through profit or loss	$ 3,776,910	$ 2,551,062
Financial assets at amortised cost (Note)	38,910,591	39,272,603
	$ 42,687,501	$ 41,823,665
Financial liabilities		
Financial liabilities at fair value through profit or loss	$ 8,967	$ 1,027
Financial liabilities at amortised cost (Note)	56,937,851	55,068,988
Lease liabilities	1,335,932	-
	$ 58,282,750	$ 55,070,015

Note: Financial assets at amortized cost include cash and cash equivalents, notes and accounts receivable, net (including related parties) and other receivables. Financial liabilities at amortized cost include short-term borrowings, short-term notes and bills payable, notes and accounts payable (including related parties), other payables and long-term borrowings (including current portion).

B. Financial risk management policies

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group complies with the policies, procedures and internal control which were built in accordance with the related regulations in order to identify, measure and control the Group’s various financial risks, and reduce the unfavorable effects arising from floating financial market.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group hedges foreign exchange rate by using forward exchange contracts, interest rate swaps and futures and hybrid contract does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Notes 6(2) and 6(14)

ii. The Group’s sales are primarily denominated in USD, and its purchases are denominated in NTD and RMB, as well as USD, JPY, EUR, and other currencies. The fair value changes according to fluctuations in market exchange rates. However, the potential risks of certain positions are avoided by entering into forward foreign exchange, interest rate swaps and commodity future transactions.

iii. The Group’s businesses involve some non-functional currency operations (the Company’s and certain subsidiaries’ functional currency: NTD; other certain subsidiaries’ functional currency: USD, JPY, EUR and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2019		
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 422,429	30.03	$ 12,685,543
USD:RMB	199,273	6.9902	5,984,168
Financial liabilities			
Monetary items			
USD:NTD	345,964	30.13	10,423,895
JPY:NTD	2,940,834	0.2792	821,081
USD:RMB	165,895	6.9328	4,998,416
JPY:RMB	592,282	0.0642	165,365

(Foreign currency: functional currency)	December 31, 2018 Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 304,366	30.67	$ 9,334,905
USD:RMB	200,236	6.8952	6,141,238
RMB:NTD	47,293	4.4480	210,359
EUR:RMB	5,548	7.8698	194,291
Financial liabilities			
Monetary items			
USD:NTD	327,014	30.77	10,062,221
JPY:NTD	4,246,492	0.2805	1,191,141

iv. The total exchange (loss) gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2019 and 2018 amounted to ($1267,988) and $134,028, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2019		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 101,484	$ -
USD:RMB	1%	47,873	-
Financial liabilities			
Monetary items			
USD:NTD	1%	83,391	-
JPY:NTD	1%	6,569	-
USD:RMB	1%	39,987	-
JPY:RMB	1%	1,323	-

(Foreign currency: functional currency)	Year ended December 31, 2018		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 74,679	$ -
JPY:NTD	1%	49,130	-
USD:RMB	1%	1,683	-
EUR:RMB		1,554	-
Financial liabilities			
Monetary items			
USD:NTD	1%	80,498	-
JPY:NTD	1%	9,529	-
USD:RMB	1%	40,671	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and available-for-sale financial assets. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio and invests in the familiar industries.

ii. The Group's investments in equity securities comprise shares and closed-end funds issued by the domestic or foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2019 and 2018 would have increased/decreased by $25,732 and $20,351, respectively as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

The Group has short-term borrowings, short-term notes and bills payable and long-term borrowings (including current portion) with floating rate whose long-term and short-term effective rate would change with market interest, and then affect the future cash flow. Every 1% increase in the market interest rate would result in an increase of $358,143 in the cash outflow.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.

ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for credit investigation and assessment of the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the management. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

v. The Group classifies customer's accounts receivable by applying the simplified approach to estimate expected credit loss under the provision matrix basis.

vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of notes and accounts receivable. As for December 31, 2019 and 2018, the provision matrix is as follows:

	Not past due	1~30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
At December 31, 2019						
Expected loss rate	0.59%	27.38%	23.95%	47.58%	100.00%	
Total book value	$18,012,155	$70,386	$27,054	$1,362	$13,588	$18,124,545
Loss allowance	106,555	19,270	6,479	648	13,588	146,540

	Not past due	1~30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
At December 31, 2018						
Expected loss rate	0.46%	21.42%	58.86%	85.09%	100.00%	
Total book value	$15,916,533	$71,959	$39,340	$2,435	$13,276	$16,043,543
Loss allowance	73,724	15,415	23,157	2,072	13,276	127,644

vii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable and other receivables are as follows:

	2019	
	Accounts receivable	Other receivables
At January 1	$ 127,644	$ 23,650
Provision for impairment loss	21,826	7,853
Effect of foreign exchange	(2,930)	-
At December 31	$ 146,540	$ 31,503

	2018	
	Accounts receivable	Other receivables
At January 1	$ 159,900	$ -
(Reversal of) provision for impairment loss	(30,667)	23,650
Write-offs	(400)	-
Effect of foreign exchange	(1,189)	-
At December 31	$ 127,644	$ 23,650

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Company treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

ii. Listed stocks invested by the Group all have active market, they can be rapidly sold at the price which is close to fair value, and will not have significant liquidity risk. The Group's investment in emerging stocks and unlisted stocks all have no active market, thus, they are expected having significant liquidity risk.

iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities		Between 1 year	
December 31, 2019	Less than 1 year	and 3 years	Over 3 years
Lease liabilities	$ 255,443	$ 363,464	$ 896,709
Long-term borrowings (including current portion)	3,038,203	19,606,304	2,856,611

Non-derivative financial liabilities December 31, 2018	Less than 1 year	Between 1 year and 3 years	Over 3 years
Long-term borrowings (including current portion)	6,143,323	11,562,747	7,294,937

Except for the above, the non-derivative and derivative financial liabilities of the Group are all due within one year.

(d) The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(9).

C. Financial instruments not measured at fair value.

The carrying amounts of cash and cash equivalents, notes and accounts receivable, net (including related parties), other receivables, other financial assets, short-term borrowings, short-term notes and bills payable, notes and accounts payable (including related parties), other payables and long-term borrowings (including current portion) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities as follows:

December 31, 2019	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 54,411	$ -	$ 3,095,630	$ 3,150,041
Debt securities	-	-	6,882	6,882
Foreign closed-end fund	-	-	59,575	59,575
Hybrid contract	-	561,727	-	561,727
Forward foreign exchange contracts	-	(1,315)	-	(1,315)
	$ 54,411	$ 560,412	$ 3,162,087	$ 3,776,910
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	$ -	$ 445	$ -	$ 445
Interest rate swap contracts	-	8,522	-	8,522
	$ -	$ 8,967	$ -	$ 8,967

December 31, 2018	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 46,764	$ -	$ 2,418,449	$ 2,465,213
Debt securities	-	-	9,279	9,279
Foreign closed-end fund	-	-	69,413	69,413
Forward foreign exchange contracts	-	7,157	-	7,157
	$ 46,764	$ 7,157	$ 2,497,141	$ 2,551,062
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Interest rate swap contracts	$ -	$ 1,027	$ -	$ 1,027

E. The methods and assumptions the Group used to measure fair value are as follows:

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

(c) Forward exchange contracts are usually valued based on the current forward exchange rate.

(d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, liquidity risk etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

(e) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

F. For the years ended December 31, 2019 and 2018, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the years ended December 31, 2019 and 2018:

	2019			
At January 1	$ 2,418,449	$ 9,279	$ 6,943	$ 2,434,671
Acquired during the year	-	-	1,520	1,520
Proceeds from capital reduction	(9,648)	-	-	(9,648)
Recorded as non-operating income and expenses	688,089	-	(11,358)	676,731
Effect of exchange rate changes	(1,260)	(2,397)	-	(3,657)
At December 31	$ 3,095,630	$ 6,882	($ 2,895)	$ 3,099,617

	2018			
	Equity instrument	Debt instrument	Funds instrument	Total
At January 1	$ -	$ -	$ -	$ -
Effect of retrospective application and retrospective restatement	2,861,489	8,995	67,978	2,938,462
Balance at January 1 after adjustments	2,861,489	8,995	67,978	2,938,462
Acquired during the year	-	-	2,410	2,410
Sold during the year	(36,424)	-	-	(36,424)
Proceeds from capital reduction	(3,149)	-	-	(3,149)
Recorded as non-operating income and expenses	(405,564)	-	(975)	(406,539)
Effect of exchange rate changes	2,097	284	-	2,381
At December 31	$ 2,418,449	$ 9,279	$ 69,413	$ 2,497,141

H. For the years ended December 31, 2019 and 2018, there was no transfer into or out from Level 3.

I. Investment segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	2019				
Non-derivative equity instrument:		Fair value at December 31, 2019	Debt valuation technique	Funds significant unobservable input	Relationship of inputs to fair value
Unlisted shares	$	231,067	Market comparable companies	Price to book ratio multiple, enterprise value to EBITA multiple	The higher the multiple and control premium, the higher the fair value
		4,167	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	The higher the weighted average cost of capital and discout for lack of control, the lower the fair value; the higher the long-term revenue growth rate
		2,860,396	Net asset value	Discount for lack of marketability	The higher the net asset value, the higher the fair value; the higher the discount for marketability, the lower the fair value
Foreign closed-end fund		59,575	Net asset value	N/A	The higher the net asset value, the higher the fair value
Non-derivative debt instrument:					
Corporate bond		6,882	-	-	-

Non-derivative equity instrument:	Fair value at December 31, 2018	Debt valuation technique	Funds significant unobservable input	Relationship of inputs to fair value
	2018			
Unlisted shares	$ 275,565	Market comparable companies	Price to price to book ratio multiple, enterprise value to EBITA multiple	The higher the multiple and control premium, the higher the fair value
	15,692	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	The higher the weighted average cost of capital and discout for lack of control, the lower the fair value;the higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value
	2,127,192	Net asset value	Discount for lack of marketability	The higher the net asset value, the higher the fair value; the higher the discount for marketability, the lower the fair value
Foreign closed-end fund	69,413	Net asset value	N/A	The higher the net asset value, the higher the fair value
Non-derivative debt instrument:				
Corporate bond	9,279	-	-	-

K. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

	Input	Change	December 31, 2019			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple, enterprise value to EBITA multiple	±1%	$ 2,311	($ 2,311)	$ -	$ -
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin,	±1%	42	(42)	-	-
Equity instrument	Net asset value	±1%	28,604	(28,604)	-	-
Foreign closed-end fund	Net asset value	±1%	596	(596)	-	-
			$ 31,553	($ 31,553)	$ -	$ -

	Input	Change	December 31, 2018			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple, enterprise value to EBITA multiple	±1%	$ 2,756	($ 2,756)	$ -	$ -
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin,	±1%	157	(157)	-	-
Equity instrument	Net asset value	±1%	21,272	(21,272)	-	-
Foreign closed-end fund	Net asset value	±1%	694	(694)	-	-
			$ 24,879	($ 24,879)	$ -	$ -

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

In accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the Company's significant transactions for the year ended December 31, 2019 are as follows. For disclosure of investees, certain financial statements of investees were audited by independent accountants, and following inter-company transactions within the Group were eliminated when preparing the consolidated statements. Following disclosure information is for reference only.

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to table 5.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 7.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2) (14) and 12(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2)Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 9.

(3)Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 11.

14. SEGMENT INFORMATION

(1) General information

The Board of Directors considers the business from a geographic perspective, and the reportable operating segments primarily consist of the regions of Taiwan and Mainland China. Other operating segments do not meet reporting requirements, and their operating results are reported in aggregate.

(2) Measurement of segment information

The Board of Directors require each operating segment to use its internal report as a basis to review its operating performance and to allocate corporate resources.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Year ended December 31, 2019

	Taiwan	Mainland China	Others	Subtotal	Write-offs	Total
Segment revenue						
Revenue from external customers	$ 52,627,563	$ 26,143,578	$ 3,764,412	$ 82,535,553	$ -	$ 82,535,553
Inter-segment revenue	2,779,040	8,049,158	59,222	10,887,420	(10,887,420)	-
Total segment revenue	$ 55,406,603	$ 34,192,736	$ 3,823,634	$ 93,422,973	($ 10,887,420)	$ 82,535,553
Segment income (loss)	$ 3,553,036	($ 109,531)	($ 999,655)	$ 2,443,850	$ 1,594,634	$ 4,038,484
Segment income (loss), including:						
Interest income	$ 273,341	$ 159,895	$ 20,594	$ 453,830	($ 201,455)	$ 252,375
Finance cost	($ 587,197)	($ 282,278)	($ 38,249)	($ 907,724)	$ 211,647	($ 696,077)
Depreciation and amortisation	$ 6,278,730	$ 1,951,277	$ 301,213	$ 8,531,220	($ 7,697)	$ 8,523,523
Share of profit (loss) of associates and joint ventures accounted for using equity method	($ 961,447)	$ 9,165	($ 779,628)	($ 1,731,910)	$ 1,613,295	($ 118,615)

Year ended December 31, 2018

	Taiwan	Mainland China	Others	Subtotal	Write-offs	Total
Segment revenue						
Revenue from external customers	$ 49,045,999	$ 23,534,750	$ 3,152,031	$ 75,732,780	$ -	$ 75,732,780
Inter-segment revenue	2,573,601	7,223,498	239,043	10,036,142	(10,036,142)	-
Total segment revenue	$ 51,619,600	$ 30,758,248	$ 3,391,074	$ 85,768,922	($ 10,036,142)	$ 75,732,780
Segment income (loss)	$ 1,472,409	$ 107,309	($ 820,248)	$ 759,470	$ 1,522,345	$ 2,281,815
Segment income (loss), including:						
Interest income	$ 124,839	$ 106,217	$ 16,738	$ 247,794	($ 91,538)	$ 156,256
Finance cost	($ 505,996)	($ 222,659)	($ 24,350)	($ 753,005)	$ 91,538	($ 661,467)
Depreciation and amortisation	($ 6,290,276)	($ 1,919,184)	($ 226,712)	($ 8,436,172)	($ 32,063)	($ 8,468,235)
Share of profit (loss) of associates and joint ventures accounted for using equity method	($ 1,084,921)	$ 15,918	($ 548,804)	($ 1,617,807)	$ 1,528,286	($ 89,521)

The adoption of IFRS 16, ‘Leases’, had the following impact on the segment information in 2019.

	Taiwan	Mainland China	Others	Total
Depreciation expense increased	$ 155,006	$ 83,571	$ 7,359	$ 245,936
Segment assets increased	$ 1,221,371	$ 1,255,783	$ 15,556	$ 2,492,710
Segment liabilities increased	$ 1,189,285	$ 115,301	$ 31,346	$ 1,335,932

(4) Information on products and services

Details of revenue for the years ended December 31, 2019 and 2018 are as follows:

	Year ended December 31	
	2019	2018
Printed circuit board	$ 82,185,979	$ 75,395,871
Others	349,574	336,909
	$ 82,535,553	$ 75,732,780

(5) Geographical information

Geographical information for the years ended December 31, 2019 and 2018 is as follows:

	Years ended December 31,			
	2019		2018	
	Revenue	Other non-current assets	Revenue	Other non-current assets
Taiwan	$ 18,586,998	$ 34,651,472	$ 16,574,136	$ 33,745,175
Asia	56,470,465	16,547,641	52,964,511	13,718,193
America	2,099,195	-	1,508,351	-
Others	5,378,895	2,440,633	4,685,782	2,637,407
	$ 82,535,553	$ 53,639,746	$ 75,732,780	$ 50,100,775

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2019 and 2018 is as follows:

	Year ended December 31, 2019		Year ended December 31, 2018	
	Revenue	Segment	Revenue	Segment
A	$ 13,256,829	Taiwan and mainland China	$ 14,045,479	Taiwan and mainland China

Unimicron Technology Corp. and subsidiaries

Loans to others

Year ended December 31, 2019

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 7)(Note 9)	Ceiling on total loans granted (Note 7)(Note 9)	Note
0	The Company	Unimicron Touch (ShenZhen) Corp.	Other receivables	Y	$ -	$ -	$ -	2.00	2	-	Operation needs	$ -	-	$ -	$ 17,556,673	$ 17,556,673	
0	The Company	Unimicron Technology (KunShan) Corp.	Other receivables	Y	-	-	-	2.00	2	$ -	Operation needs	-	-	-	17,556,673	17,556,673	
0	The Company	Qun Hong Technology Inc.	Other receivables	Y	800,000	-	-	2.00	2	-	Operation needs	-	-	-	17,556,673	17,556,673	
0	The Company	NEOCONIX, INC.	Other receivables	Y	120,320	105,280	0	200.00%	2	-	Operation needs	-	-	-	17,556,673	17,556,673	
0	The Company	UniGreat Holding Limited	Other receivables	Y	120,320	120,320	0	200.00%							17,556,673	17,556,673	
0	The Company	Unimicron Technology (ShenZhen) Corp.	Other receivables	Y	376,000	225,600	0	200.00%	2	-	Operation needs	-	-	-	17,556,673	17,556,673	
0	The Company	Best Option Investments Limited	Other receivables	Y	601,600	360,960	0	200.00%	2	-	Operation needs	-	-	-	17,556,673	17,556,673	
0	The Company	Clover Electronics Co., Ltd.	Other receivables	Y	837,144	837,144	0	200.00%	2	-	Operation needs	-	-	-	17,556,673	17,556,673	
0	The Company	Unimicron Technology (SuZhou) Corp.	Other receivables	Y	1,203,200	902,400	2.55%~3.30%	200.00%	2	-	Operation needs	-	-	-	17,556,673	17,556,673	
0	The Company	Unifley Technology (KunShan) Inc.	Other receivables	Y	1,203,200	1,203,200	0	200.00%	2	-	Operation needs	-	-	-	17,556,673	17,556,673	
0	The Company	Unimicron Technology (Hangshi) Corp.	Other receivables	Y	1,330,706	1,229,486	0	200.00%	2	-	Operation needs	-	-	-	17,556,673	17,556,673	
0	The Company	Unimicron Germany GmbH	Other receivables	Y	1,323,520	1,323,520	2.55%~3.30%	200.00%	2	-	Operation needs	-	-	-	17,556,673	17,556,673	
0	The Company	Smart Idea Holdings Limited	Other receivables	Y	1,804,800	1,804,800	2.80%~3.30%	200.00%	2	-	Operation needs	-	-	-	17,556,673	17,556,673	
1	Plato Electronics (Cayman) Limited	Unimicron Technology (ShenZhen) Corp.	Other receivables	Y	-	-	-	200.00%	2	-	Operation needs	-	-	-	843,971	843,971	
2	Best Option Investments Limited	Unifley Technology (KunShan) Inc.	Other receivables	Y	-	-	-	200.00%	2	-	Operation needs	-	-	-	158,981	158,981	
3	Hemingway Int'l Limited	UniGreet Holding Limited	Other receivables	Y	-	-	-	200.00%	2	-	Operation needs	-	-	-	3,186,014	3,186,014	
3	Hemingway Int'l Limited	Unifley Technology (KunShan) Inc.	Other receivables	Y	-	-	-	200.00%	2	-	Operation needs	-	-	-	3,186,014	3,186,014	
3	Hemingway Int'l Limited	Unimicron Germany GmbH	Other receivables	Y	-	-	-	200.00%	2	-	Operation needs	-	-	-	3,186,014	3,186,014	

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)(Note 9)	Ceiling on total loans granted (Note 7)(Note 9)	Note
													Item	Value			
4	UMTC HOLDINGS LIMITED	Unimicron Germany GmbH	Other receivables	Y	$ -	$ -	$ -	2.00	2	$ -	Operation needs	$ -	-	$ -	$ 1,598,478	$ 1,598,478	
5	UniCuisine, Inc.	UniFresh, Inc.	Other receivables	Y	-	-	-	200.00%	2	-	Operation needs	-	-	-	18,987	18,987	
6	Unimicron Technology (KunShan) Corp.	Unimicron Technology (Huangshi) Corp.	Other receivables	Y	1,033,440	1,033,440	3.14%~3.58%	200.00%	2	-	Operation needs	-	-	-	4,220,831	4,220,831	
6	Unimicron Technology (KunShan) Corp.	Unifley Technology (KunShan) Inc.	Other receivables	Y	447,824	447,824	3.13%~3.19%	200.00%	2	-	Operation needs	-	-	-	4,220,831	4,220,831	
7	Unimicron Technology (SuZhou) Corp.	Unimicron -Carrier Technology (Huangshi) Inc.	Other receivables	Y	753,550	-	-	200.00%	2	-	Operation needs	-	-	-	2,280,370	2,280,370	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2019.

Note 4: The column of ‘Nature of loan’ shall fill in

(1) Business transaction is 1.

(2) Short-term financing is 2.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Note 9:The foreign subsidiary that was directly or indirectly wholly owned by the Company was not limited by above restriction.

Unimicron Technology Corp. and subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2019

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed: Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3) (Note 8)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2019 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2019 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)(Note 8)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements / guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	The Company	FuturePower Holding Limited	3	$ 13,167,505	$ 137,740	$ -	$ -	$ -	0.00	$ 21,945,842	Y	N	N	
0	The Company	Unimicron Holding Limited	3	13,167,505	1,106,000	1,052,800	601,600	-	2.40	21,945,842	Y	N	N	
0	The Company	Qun Hong Technology Inc.	3	13,167,505	1,580,000	1,504,000	1,504,000	-	3.43	21,945,842	Y	N	N	
0	The Company	Unimicron Technology (SuZhou) Corp. and Unimicron Holding Limited	3	13,167,505	-	-	-	-	-	21,945,842	Y	N	Y	
0	The Company	Unimicron Technology (SuZhou) Corp.	3	13,167,505	307,600	-	-	-	0.00	21,945,842	Y	N	Y	
0	The Company	Unifley Technology (KunShan) Inc. and Best Option Investments Limited	3	13,167,505	474,000	451,200	300,800.00	-	1.03	21,945,842	Y	N	Y	
0	The Company	Unimicron Technology (Huangshi) Corp.	3	13,167,505	1,422,000	1,353,600	470,000	-	3.08	21,945,842	Y	N	Y	
0	The Company	Unimicron Technology (KunShan) Corp.	3	13,167,505	1,422,000	1,353,600	676,800	-	3.08	21,945,842	Y	N	Y	
0	The Company	Unifley Technology (KunShan) Inc.	3	13,167,505	1,676,950	1,654,400	541,440	-	3.77	21,945,842	Y	N	Y	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1)The Company is ‘0’.
(2)The subsidiaries are numbered in order starting from ‘1’.
Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:
(1)Having business relationship.
(2). The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3). The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
(4). The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
(5). Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
(6). Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(7). Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.
Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees”, and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.
Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8: In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", ;imit on total endorsements granted by the Company is 50% of the Company's net assets. Limit on total endorsements to a single party is 20% of the Company's net assets. The Ceiling of the Company's toatl endorsements/ guaranteed is 50% of the Company's net assets.

Unimicron Technology Corp. and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2019

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2019 Number of shares	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
The Company	Unitech Capital Inc.'s stocks	Investee of United Microelectronics Corp.	Financial assets at fair value through profit or lass-non-current	6,500,000	$ 179,325	13.00%	$ 179,325	
The Company	Shieh Yong Investment Co., Ltd.'s stocks	None	Financial assets at fair value through profit or lass-non-current	127,182,000	1,137,266	16.67%	1,137,266	
The Company	NexPower Technology Corp.'s stocks	The Company is the company's director	Financial assets at fair value through profit or lass-non-current	400,326	-	0.56%	-	
The Company	Shihlien Fine Chemicals Co., Ltd.'s stocks	The Company is the company's director	Financial assets at fair value through profit or lass-non-current	12,778,831	112,603	5.01%	112,603	
The Company	Emax Tech Co., LTD.'s stocks	The Company is the company's director	Financial assets at fair value through profit or lass-non-current	1,526,996	40,758	5.86%	40,758	
The Company	Unistars Corp.'s stocks	The Company is the company's director	Financial assets at fair value through profit or lass-non-current	3,820,779	-	6.93%	-	
The Company	PI R&D Co., Ltd's stocks	None	Financial assets at fair value through profit or lass-non-current	8,000	-	0.44%	-	
The Company	TNP Small/Medium Size & Venture Enterprises Growth Promotion Investment Limited Partnership funds	None	Financial assets at fair value through profit or lass-non-current	310	59,575	6.38%	59,575	
The Company	Trillion Science Inc.'s stocks	None	Financial assets at fair value through profit or lass-non-current	4,666,666	-	8.16%	-	
The Company	Yann Yuan Investment Co., Ltd.'s stocks	The Company is the company's director	Financial assets at fair value through profit or lass-non-current	20,000,000	1,498,355	13.42%	1,498,355	
The Company	Eminent Materials Corporation's stocks	The Company is the company's director	Financial assets at fair value through profit or lass-non-current	1,000,000	465	16.67%	465	
The Company	Eagle Technology., Ltd's stocks	None	Financial assets at fair value through profit or lass-non-current	10,000	1,323	14.29%	1,323	
The Company	Faraday Technology Corp.'s stocks	None	Financial assets at fair value through profit or lass-non-current	120,000	6,756	0.05%	6,756	
Hsin Yang Investment Corp.	Shihlien Fine Chemicals Co., Ltd.'s stocks	The Company is the company's director	Financial assets at fair value through profit or lass-non-current	5,123,771	45,176	2.01%	45,176	
Hsin Yang Investment Corp.	Stack Devices Corporation's stocks	None	Financial assets at fair value through profit or lass-non-current	76,626	-	0.12%	-	
Hsin Yang Investment Corp.	ADL Engineering Inc.'s stocks	None	Financial assets at fair value through profit or lass-non-current	217,676	-	1.82%	-	
Hsin Yang Investment Corp.	Platum Technology Corporation's stocks	None	Financial assets at fair value through profit or lass-non-current	1,375,000	-	12.50%	-	
Hsin Yang Investment Corp.	Ocean Net Inc.'s stocks	None	Financial assets at fair value through profit or lass-non-current	91,575	-	9.16%	-	
Hsin Yang Investment Corp.	Solargate Technology Croporation's stocks	None	Financial assets at fair value through profit or lass-non-current	30,769	-	0.51%	-	
Hsin Yang Investment Corp.	Ability I Venture Capital Corporation's stocks	None	Financial assets at fair value through profit or lass-non-current	1,700,000	13,388	2.00%	13,388	
Hsin Yang Investment Corp.	Integrated Digital Technologies, Inc.'s stocks	None	Financial assets at fair value through profit or lass-non-current	520,000	-	1.81%	-	

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2019 Number of shares	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
Hsin Yang Investment Corp.	NeoPac Lighting, Ltd.'s stocks	None	Financial assets at fair value through profit or lass-non-current	4,500,000	$ -	5.73%	$ -	
Hsin Yang Investment Corp.	Pomiran Metalization Research Co., Ltd.	None	Financial assets at fair value through profit or lass-non-current	700,000	-	3.26%	-	
Hsin Yang Investment Corp.	Unimemory Technologr (s) Pte Ltd.	None	Financial assets at fair value through profit or lass-non-current	325,945	7,591	10.81%	7,591	
Hsin Yang Investment Corp.	Taimide Technology Inc.'s stocks	None	Financial assets at fair value through profit or lass-non-current	158,037	7,953	0.12%	7,953	
Hsin Yang Investment Corp.	Topoint Technology Co., Ltd.'s stocks	None	Financial assets at fair value through profit or lass-non-current	1,760,635	39,702	1.24%	39,702	
UMTC Holdings Limited	AMC Holding Limited's stocks	None	Financial assets at fair value through profit or lass-non-current	897,750	32,062	7.09%	32,062	
UMTC Holdings Limited	UMT Technology Corp.'s stocks	None	Financial assets at fair value through profit or lass-non-current	230,000	-	19.01%	-	
Plato Electronics (Cayman) Limited	Biloda International Limited 's stocks	None	Financial assets at fair value through profit or lass-non-current	1,440,000	24,939	18.00%	24,939	
UniSmart Holding Limited	PI R&D Co., Ltd's stocks	None	Financial assets at fair value through profit or lass-non-current	173,300	-	9.52%	-	
UniSmart Holding Limited	Trillion Science Inc.'s stocks	None	Financial assets at fair value through profit or lass-non-current	3,199,999	-	5.60%	-	
UniSmart Holding Limited	Aqua Science Corporation's stocks	None	Financial assets at fair value through profit or lass-non-current	333	-	0.36%	-	
UniSmart Holding Limited	Shocking Technologies, Inc.'s stocks	None	Financial assets at fair value through profit or lass-non-current	1,468,533	-	2.26%	-	
UniSmart Holding Limited	MARUWA CORPORATION's bonds	None	Financial assets at fair value through profit or lass-non-current	2,450	6,882	27.65%	6,882	
Unimicron Germany GmbH	Naavinya CAD Soft Pvt Ltd 's equity shares	None	Financial assets at fair value through profit or lass-non-current	-	2,379	0.00%	2,379	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities in accordance with IFRS 9.
Note 2: Leave the column blank if the issuer of marketable securities is non-related party.
Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.
Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Unimicron Technology Corp. and subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

Year ended December 31, 2019

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

					Balance as at January 1, 2019		Addition（Note 3）		Disposal（Note 3）				Balance as at December 31, 2019	
Investor	Marketable securities（Note 1）	General ledger account	Counterparty（Note 2）	Relationship with the investor（Note 2）	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
The Company	Hemingway Int'l Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	159,988,866	$ 7,984,522	28,000,000	($ 19,488)（Note 5）	-	$ -	$ -	$ -	187,988,866	$ 7,965,034
Hemingway Int'l Limited	Best Option Investments Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	67,263,312	211,966	560,000,000	150,487（Note 6）	-	-	-	-	627,263,312	362,453
Best Option Investments Limited	Unifley Technology (KunShan) Inc.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	640,523	-	12,093（Note 7）	-	-	-	-	-	652,616
Smart Idea Holdings Limited	UniGreat Holding Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	18,000,050	361,869	21,000,000	459,769（Note 8）	-	-	-	-	39,000,050	821,638
UniGreet Holding Limited	Unimicron Technology (Hangshi) Corp.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	398,528	-	512,091.00（Note 9）	-	-	-	-	-	910,619
Unimicron Technology (KunShan) Corp.	Unimicron Maragerent (Kun shan) Corp., Ltd.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	1,644,952	-	1,155,320.00（Note 10）	-	-	-	-	-	2,800,272
Unimicron Maragerent (Kun shan) Corp., Ltd.	Unifley Technology (Huangshi) Corp.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	929,899	-	1,194,879（Note 11）	-	-	-	-	-	2,124,778

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 5:The amount includes investment increase of $863,520, capital surplus - difference between proceeds on acquisition of or disposal of equity interest in a subsidiary and its carrying amount investment decrease of $150,728, investment loss recognised for the year of $424,852 and translation differences decrease of $307,428.

Note 6:The amount includes investment increase of $863,520, decrease of $17,278 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership, investment loss of $664,248 recognised in profit or loss and translation differences decrease of $31,507.

Note 7: The amount includes investment increase of $863,520, investment loss recognised for the year of $812,848 and translation differences decrease of $38,579.

Note 8: The amount includes investment increase of $645,780, investment loss recognised for the year of $163,301 and translation differences decrease of $22,710.

Note 9: The amount includes investment increase of $645,780, investment loss recognised for the year of $108,751 and translation differences decrease of $24,938.

Note 10: The amount includes investment increase of $1,483,923, investment loss recognised for the year of $268,178 and translation differences decrease of $60,425.

Note 11: The amount includes investment increase of $1,506,820, investment loss recognised for the year of $253,752 and translation differences decrease of $58,189.

Unimicron Technology Corp. and subsidiaries

Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more

Year ended December 31, 2019

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below: Original owner who sold the real estate to the counterparty	Relationship original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
The Company		2019.08.12	$ 530,000	Fully paid $424,000 based on the contract	Carnival Industrial Corporation	-	-	-	-	$ -	It was appraised by CCIS Real Estate Joint Appraisers Firm.	For the Company's future development	-
The Company		2019.08.23	1,520,000	Not yet paid	Ever Accord Construction Corp.	-	-	-	-	-	NA	For production	-

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Unimicron Technology Corp. and subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2019

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote (Note 2）
The Company	Unimicron (SZ) Trading Limited	The Company's subsidiary	Sales	$ 1,861,197	4%	3 months after monthly billings	$ -	-	$ 1,051,888	12%	
The Company	Unimicron (KS) Trading Limited	The Company's subsidiary	Sales	129,118	0%	3 months after monthly billings	-	-	56,831	1%	
Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	Same parent company	Sales	4,118,617	26%	3 months after monthly billings	-	-	566,335	13%	
Unimicron Technology (KunShan) Corp.	Unimicron Germany GmbH	Same parent company	Sales	401,090	3%	3 months after monthly billings	-	-	100,867	2%	
Unimicron Holding Limited	The Company	Ultimate parent company	Sales	700,317	20%	3 months after monthly billings	-	-	104,007	22%	
Unimicron (KS) Trading Limited	The Company	Ultimate parent company	Sales	2,105,789	24%	3 months after monthly billings	-	-	257,371	14%	
Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	3,503,170	40%	3 months after monthly billings	-	-	1,077,488	60%	
Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	Same parent company	Sales	3,451,202	67%	3 months after monthly billings	-	-	928,451	73%	
Unimicron Technology (SuZhou) Corp.	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	535,489	10%	3 months after monthly billings			60,833	5%	
Unifley Technology (KunShan) Inc.	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	883,247	17%	3 months after monthly billings	-	-	104,102	7%	
Unifley Technology (KunShan) Inc.	Best Option Investments Limited	Same parent company	Sales	558,489	11%	3 months after monthly billings	-	-	300,271	22%	
Unimicron Technology (ShenZhen) Corp.	NEOCONIX, INC.	Same parent company	Sales	319,512	6%	3 months after monthly billings	-	-	163,596	8%	
Unimicron Technology (ShenZhen) Corp.	Unimicron (KS) Trading Limited	Same parent company	Sales	246,055	5%	3 months after monthly billings	-	-	108,591	5%	
Unimicron (SZ) Trading Limited	Unimicron Technology (SuZhou) Corp.	Same parent company	Sales	1,826,059	46%	3 months after monthly billings	-	-	1,048,276	100%	
Qun Hong Technology Inc.	The Company	Ultimate parent company	Sales	420,116	5%	3 months after monthly billings	-	-	197,391	7%	
Qun Hong Technology Inc.	Unimicron Technology (SuZhou) Corp.	Same parent company	Sales	260,495	3%	3 months after monthly billings	-	-	257,000	10%	

Unimicron Technology Corp. and subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2019

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote (Note 2）
Unimicron Technology (Hangshi) Corp.	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	$ 1,217,845	46%	3 months after monthly billings	-	-	$ 183,844	16%	
Unimicron Technology (Hangshi) Corp.	Unimicron (KS) Trading Limited	Same parent company	Sales	1,413,046	53%	3 months after monthly billings	-	-	967,795	84%	
The Company	Advance Materials Corp.	The Company's investee	Purchase and processing expense	(198,211)	1%	3 months after monthly billings	-	-	(68,356)	1%	
The Company	Unipoint Technology Co., Ltd.	The Company's investee	Processing expense	(126,771)	1%	3 months after monthly billings	-	-	(53,591)	1%	

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the ‘Unit price’ and ‘Credit term’ columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity paid-in capital shall be replaced by 10% of equity

Note 4: These transactions are shown in revenue, and related transations were no longer disclosed.

Unimicron Technology Corp. and subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2019

Table 7 Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	Unimicron (SZ) Trading Limited	The Company's subsidiary	$ 1,051,888	2.07	$ -	-	$ 151,016	$ -
The Company	3D Circuit Taiwan Company Ltd.	Investee accounted for using equity	156,564	Note 3	156,564	Note 4	-	156,564
Unimicron Technology (KunShan) Corp.	Unimicron Germany GmbH	Same parent company	100,867	1.72	-	-	53,762	-
Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	Same parent company	566,335	7.03	-	-	290,502	-
Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	Same parent company	928,451	3.75	-	-	278,203	-
Unifley Technology (KunShan) Inc.	Best Option Investments Limited	Same parent company	300,271	2.13	-	-	47,874	-
Unifley Technology (KunShan) Inc.	Unimicron Technology (KunShan) Corp.	Same parent company	104,102	8.28	-	-	80,933	-
Unimicron Technology (ShenZhen) Corp.	NEOCONIX, INC.	Same parent company	163,596	3.36	-	-	23,799	-
Unimicron Technology (ShenZhen) Corp.	Unimicron (KS) Trading Limited	Same parent company	108,591	3.00	-	-	21,372	-
Unimicron (KS) Trading Limited	Unimicron Technology Corp.	Ultimate parent company	257,371	4.45	-	-	92,544	-
Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	Same parent company	1,077,488	3.84	-	-	340,518	-
Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	Same parent company	1,048,276	2.03	-	-	153,852	-
Unimicron Holding Limited	Unimicron Technology Corp.	Ultimate parent company	104,007	4.34	-	-	22,522	-
Qun Hong Technology Inc.	Unimicron Technology Corp.	Ultimate parent company	197,391	1.97	-	-	39,387	-
Qun Hong Technology Inc.	Unimicron Technology (ShenZhen) Corp.	Same parent company	257,000	2.03	-	-	1,296	-
Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	Same parent company	183,844	4.00	-	-	48,469	-
Unimicron Technology (Huangshi) Corp.	Unimicron Technology (KunShan) Corp.	Same parent company	967,795	2.92	-	-	226,018	-
The Company	Unimicron Technology (SuZhou) Corp.	The Company's subsidiary	915,148	Note 2	-	-	82	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019 （Note 1）	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	Unifley Technology (KunShan) Inc.	The Company's subsidiary	$ 1,827,616	Note 2	-	-	-	-
The Company	Clover Electronics Co., Ltd	The Company's subsidiary	841,699	Note 2	-	-	-	-
The Company	Unimicron Germany GmbH	The Company's subsidiary	1,233,799	Note 2	-	-	56	-
The Company	Smart Idea Holdings Limited	The Company's subsidiary	1,333,453	Note 2	-	-	-	-
The Company	Best Option Investments Limited	The Company's subsidiary	367,940	Note 2	-	-	2,474	-
The Company	NEOCONIX, INC.	The Company's subsidiary	105,589	Note 2	-	-	-	-
The Company	UniGreat Holding Limited		125,604		-	-	2,540	
The Company	Unimicron Technology (Huangshi) Corp.	The Company's subsidiary	1,205,974	Note 2	-	-	-	-
The Company	Unimicron Technology (ShenZhen) Corp.		229,496		-	-	-	
The Company	Qun Hong Technology Inc.	The Company's subsidiary	342,706	Note 2	-	-	-	-
Unimicron Technology (KunShan) Corp.	Unifley Technology (KunShan) Inc.	Same parent company	454,558	Note 2	-	-	-	-
Unimicron Technology (KunShan) Corp.	Unimicron Technology (Huangshi) Corp.	Same parent company	1,057,179	Note 2	-	-	-	-

Note 1: Fill in separately the balances of accounts receivable–related parties, notes receivable–related parties, other receivables–related parties….

Note 2: Primarily other receivables arising from financing and payments made on behalf of other parties, therefore calculation of turnover rate is not needed.

Note 3: No sales were made to company for the year.

Note 4: The company has declared bankruptcy. Allowance for doubtful accounts equal to the full amount of the receivables due from this company has been recorded.

Unimicron Technology Corp. and subsidiaries

Significant inter-company transactions during the reporting period

Year ended December 31, 2019

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction (Note 5)			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of total operating revenues or total assets (Note 3)
1	The Company	Unimicron (SZ) Trading Limited	1	Accounts receivable	$ 1,051,888	Available for the third party	1%
2	Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	3	Accounts receivable	1,077,488	Available for the third party	1%
3	Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	3	Accounts receivable	1,048,276	Available for the third party	1%
4	The Company	Unimicron Germany GmbH	1	Other receivables	1,233,799	Available for the third party	1%
5	The Company	Unimicron Technology (Huangshi) Corp.	1	Other receivables	1,205,974	Available for the third party	1%
6	Unimicron Technology (KunShan) Corp.	Unimicron Technology (Huangshi) Corp.	3	Other receivables	1,057,179	Available for the third party	1%
7	The Company	Unifley Technology (KunShan) Inc.	1	Other receivables	1,827,616	Available for the third party	2%
8	The Company	Smart Idea Holdings Limited	1	Other receivables	1,333,453	Available for the third party	1%
9	Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	3	Sales	4,118,617	Available for the third party	5%
10	Unimicron (KS) Trading Limited	Unimicron Technology Corp.	2	Sales	2,105,789	Available for the third party	3%
11	Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	3	Sales	3,503,170	Available for the third party	4%
12	Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	3	Sales	3,451,202	Available for the third party	4%
13	The Company	Unimicron (SZ) Trading Limited	1	Sales	1,861,197	Available for the third party	2%
14	Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	3	Sales	1,826,059	Available for the third party	2%
15	Unimicron Technology (Huangshi) Corp.	Unimicron Technology (KunShan) Corp.	3	Sales	1,217,845	Available for the third party	1%
16	Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	3	Sales	1,413,046	Available for the third party	2%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Note 5: Individual transactions not exceeding $1 billion are not disclosed. Those transactions are shown in assets and revenue. Relative related are not disclosed.

Unimicron Technology Corp. and subsidiaries

Information on investees

Year ended December 31, 2019

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2019					
Investor	Investee (Notes 1 and 2)	Location	Main business activities	Balance as at December 31, 2019	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value （Note 4）	Net profit (loss) of the investee for the year ended December 31, 2019 （Note 2(2)）	Investment income (loss) recognized by the Company for the year ended December 31, 2019 （Note 2(3))	Footnote
The Company	Subtron Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic parts	$ 1,333,548	$ 1,333,548	90,613,516	31.93	$ 1,204,756	$ 101,420	$ 32,817	
The Company	Hsin Yang Investment Corp.	Taiwan	Holding company	3,414,878	3,414,878	195,918,290	99.16	1,085,100	(87,171)	(86,182)	
The Company	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	198,962	198,962	19,175,303	16.79	219,356	(40,722)	(6,658)	
The Company	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	794,510	794,510	10,711,930	39.75	145,075	(115,527)	(45,923)	
The Company	Hemingway Int'l Limited	BVI	Holding company	6,118,151	5,254,631	187,988,866	100.00	7,965,034	(424,852)	(424,852)	
The Company	UMTC Holdings Limited	BVI	Holding company	5,695,851	5,695,851	169,331,597	100.00	3,996,194	(159,042)	(159,042)	
The Company	3D Circuit Taiwan Company Ltd.	Taiwan	Manufacture and sale of electronic parts	220,833	220,833	10,416,962	42.83	(74,899)	-	-	
The Company	UniBest Holding Limited.	Samoa	Holding company	169,735	169,735	5,000,000	100.00	182,177	10,168	10,168	
The Company	Uniflex Technology Inc.	Taiwan	Manufacture and sale of electronic parts	342,385	255,831	15,586,822	12.36	123,459	(393,298)	(36,460)	
The Company	NEOCONIX, INC.	USA	Design and manufacure of connector	118,963	118,963	865,526,530	92.00	(93,295)	3,654	3,104	
The Company	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	107,959	107,959	4,657,650	49.57	8,877	(8,746)	(4,335)	
The Company	UniCuisine, Inc.	Taiwan	Food and restaurants	26,000	26,000	2,600,000	24.42	9,470	(7,033)	(1,547)	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount: Balance as at December 31, 2019	Initial investment amount: Balance as at December 31, 2019	Shares held as at December 31, 2019: Number of shares	Shares held as at December 31, 2019: Ownership (%)	Shares held as at December 31, 2019: Book value (Note 4)	Net profit (loss) of the investee for the year ended December 31, 2019 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2019 (Note 2(3))	Footnote
The Company	HK3D-Circuit Ltd.	Hong Kong	Manufacture and sale of electronic parts	$ 31,170	$ 31,170	7,750,000	18.61	$ -	$ -	$ -	
The Company	Yih Dar Technologies Co., Ltd.	Taiwan	Manufacture and sale of electronic parts	40,000	40,000	4,000,000	26.67	-	(30,234)	(4,127)	
The Company	Qun Hong Technology Inc.	Taiwan	Manufacture and sale of electronic parts	2,435,152	2,435,152	153,653,543	91.41	1,969,915	(251,837)	(236,661)	
The Company	Unidisplay Holding Corp.	Samoa	Holding company	342,372	342,372	11,790,000	100.00	13,105	(4,356)	(4,308)	
The Company	PAVIDATrading Limited	Samoa	Holding company	4,406	4,406	139,818	17.27	2,234	2,134	368	
Hsin Yang Investment Corp.	UniCuisine, Inc.	Taiwan	Food and restaurants	80,480	76,000	8,048,000	75.58	34,275	(7,033)	(4,675)	
Hsin Yang Investment Corp.	UniSense Technology Co. Ltd.	Taiwan	Manufacture and sale of electronic parts	48,231	48,231	4,823,074	31.12	67,307	1,273	(666)	
Hsin Yang Investment Corp.	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	355,496	355,496	1,952,861	7.25	29,457	(115,527)	(8,376)	
Hsin Yang Investment Corp.	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	95,935	95,935	7,781,675	6.81	80,496	(40,722)	(2,702)	
Hsin Yang Investment Corp.	Subtron Technology Co., Ltd	Taiwan	Manufacture and sale of electronic parts	9,934	9,934	4,620,710	1.63	58,113	101,420	1,673	
Hsin Yang Investment Corp.	Unimax C.P.I Technology Corp.	Mauritius	Holding company	112,326	112,326	2,304,000	23.79	17,132	1,794	245	
Hsin Yang Investment Corp.	3D Circuit Taiwan Company Ltd.	Taiwan	Manufacture and sale of electronic parts	18,360	18,360	612,000	2.52	(4,669)	-	-	
Hsin Yang Investment Corp.	Unipoint Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic parts	190,037	190,037	19,003,703	38.24	237,791	67,189	26,892	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount: Balance as at December 31, 2019	Initial investment amount: Balance as at December 31, 2019	Shares held as at December 31, 2019: Number of shares	Shares held as at December 31, 2019: Ownership (%)	Shares held as at December 31, 2019: Book value（Note 4）	Net profit (loss) of the investee for the year ended December 31, 2019（Note 2(2)）	Investment income (loss) recognized by the Company for the year ended December 31, 2019（Note 2(3))	Footnote
Hsin Yang Investment Corp.	Uniflex Technology Inc.	Taiwan	Manufacture and sale of electronic parts	$ 427,121	$ 427,121	18,770,919	14.88	$ 210,703	($ 393,298)	($ 77,522)	
Hsin Yang Investment Corp.	Unidisplay Trading Corp.	Samoa	Trading	859,190	859,190	41,666,666	76.50	42,428	(19,091)	(14,604)	
Hsin Yang Investment Corp.	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	58,337	58,337	168,801	1.80	(629)	(8,746)	(157)	
Hsin Yang Investment Corp.	Qun Hong Technology Inc.	Taiwan	Manufacture and sale of electronic parts	110,863	110,863	5,947,153	3.54	78,350	(251,837)	(9,370)	
UniCuisine, Inc.	UniFresh, Inc.	Taiwan	Sales and manufacture of food	81,622	77,142	1,398,507	69.97	4,093	(8,008)	(6,184)	
APM communication, Inc.	PAVIDATrading Limited	Samoa	Holding company and trading	20,832	20,832	670,000	82.73	10,701	2,134	1,765	
Hemingway Int'l Limited	Plato Electronics (Cayman) Limited	Cayman	Holding company	1,926,000	1,926,000	44,553,346	72.02	1,648,238	28,978	20,870	
Hemingway Int'l Limited	Smart Idea Holdings Limited	Cayman	Holding company	888,787	888,787	30,000,000	42.10	3,739,089	20,881	28,720	
Hemingway Int'l Limited	Best Option Investments Limited	Samoa	Holding company	2,944,634	2,081,114	627,263,312	92.16	362,453	(829,999)	(664,248)	
Hemingway Int'l Limited	Unimicron Holding Limited	Samoa	Holding company	1,134,560	1,134,560	38,000,000	32.30	1,585,185	268,746	86,805	
Hemingway Int'l Limited	UniSmart Holding Limited	Samoa	Holding company	174,124	18,824	5,628,775	19.33	2,105	(158,234)	(19,558)	
UMTC Holdings Limited	Plato Electronics (Cayman) Limited	Cayman	Holding company	289,378	289,378	7,122,043	11.51	163,006	28,978	3,335	
UMTC Holdings Limited	Smart Idea Holdings Limited	Cayman	Holding company	629,580	629,580	20,761,904	29.13	2,558,693	20,881	19,872	
UMTC Holdings Limited	Best Option Investments Limited	Samoa	Holding company	1,149,576	1,149,576	39,195,000	5.76	29,155	(829,999)	(121,788)	
UMTC Holdings Limited	Unimicron Holding Limited	Samoa	Holding company	1,210,064	1,210,064	40,400,000	34.33	1,609,109	268,746	92,260	
UMTC Holdings Limited	UniSmart Holding Limited	Samoa	Holding company	703,420	703,420	23,496,668	80.67	(47,911)	(158,234)	(138,677)	
UMTC Holdings Limited	UniClover Holding Limited	Cayman	Holding company	1,113,854	1,113,854	34,262,845	100.00	(392,483)	2,043	2,043	
Plato Electronics (Cayman) Limited	Unimicron(SZ) Trading Ltd.	Samoa	Trading	202,525	16,405	6,500,000	100.00	(40,704)	(239,377)	(239,377)	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount: Balance as at December 31, 2019	Initial investment amount: Balance as at December 31, 2019	Shares held as at December 31, 2019: Number of shares	Shares held as at December 31, 2019: Ownership (%)	Shares held as at December 31, 2019: Book value （Note 4）	Net profit (loss) of the investee for the year ended December 31, 2019 （Note 2(2)）	Investment income (loss) recognized by the Company for the year ended December 31, 2019 （Note 2(3))	Footnote
Smart Idea Holdings Limited	UniGreat Holding Limited	Samoa	Holding company	$ 1,203,527	$ 557,747	39,000,050	100.00	$ 821,638	($ 163,301)	($ 163,301)	
Smart Idea Holdings Limited	FuturePower Holding Limited	Samoa	Holding company	-	69,605	-	0.00	-	(696)	(696)	Note 4
Smart Idea Holdings Limited	UniRuwel Holding Limited	Cayman	Holding company	1,049,300	1,049,300	35,000,000	100.00	1,097,822	(213,691)	(213,691)	
Smart Idea Holdings Limited	Unimicron (KS)Trading Ltd.	Samoa	Trading	-	-	1	100.00	(539,957)	(114,988)	(114,988)	
UniSmart Holding Limited	MARUWA CORPORATION	Japan	Manufacture and sales of flexible Print	118,482	118,482	3,900	45.88	(56,128)	-	-	
UniRuwel Holding Limited	Unimicron Germany GmbH	Germany	Manufacture and sale of electronic parts	917,473	917,473	25,000	100.00	1,096,415	(198,455)	(204,244)	
UniClover Holding Limited	Clover Electronics Co.,Ltd	Japan	Manufacture and sale of electronic parts	912,440	912,440	31,130	100.00	(384,881)	(92,311)	2,204	
Unidisplay Holding Corp.	Unidisplay Trading Corp.	Samoa	Trading	335,776	335,776	11,800,000	21.66	12,013	(19,091)	(4,135)	
UniBest Holding Limited	Unimicron Holding Limited	Samoa	Holding company	151,550	151,550	4,464,286	3.79	182,162	268,746	10,185	

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1)The columns of ‘Investee’, ‘Location’, ‘Main business activities’, Initial investment amount’ and ‘Shares held as at December 31, 2019’ should fill orderly in the Company’s (public company’s) information on investees and every directly or indirectly controlled investee’ s investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2)The 'Net profit (loss) of the investee for the year ended December 31, 2019' column should fill in amount of net profit (loss) of the investee for this period.

(3)The 'Investment income (loss) recognised by the Company for the year ended December 31, 2019' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary’s net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3: Unrealised gains and losses have not been excluded.

Note 4:The company finished the liquidation process in 2018.

Unimicron Technology Corp. and subsidiaries

Information on investments in Mainland China

Year ended December 31, 2019

Table 10

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Unimicron Technology (ShenZhen) Corp.	Manufacture and sale of electronic parts	$ 3,050,860	Plato-Cayman	$ 1,484,856	$ -	$ -	$ 1,484,856	$ 124,418	83.53	$ 108,148	$ 1,187,447	$ -	
Unimicron Technology (KunShan) Corp.	Manufacture and sale of electronic parts	2,369,600	SI	1,372,769	-	-	1,372,769	547,348	71.23	387,927	6,216,742	-	
Unifley Technology (KunShan) Inc.	Manufacture and sale of electronic parts	3,648,252	BO	3,204,191	863,520	-	4,067,711	(812,648)	97.92	(795,940)	639,042	-	
Unimicron Technology (SuZhou) Corp.	Manufacture and sale of electronic parts	3,500,358	UHL	951,290	-	-	951,290	469,715	70.42	330,792	3,942,411	-	
Suzhou AMC Technology Co., Ltd.	Manufacture and sale of electronic parts	1,263,293	AMCHOLDING LIMITED	192,869	-	-	192,869	(7,837)	6.28	-	32,062	-	
Unipoint Technology (KunShan) Corp.	Manufacture and sale of electronic parts	35,544	UMT Technology Corp.	6,813	-	-	6,813	-	19.01	-	-	-	
Unimicron Touch (ShenZhen) Corp.	Manufacture and sale of electronic parts	1,189,540	UniDT	1,159,920	-	-	1,159,920	(16,723)	98.16	(16,392)	65,404	-	
Kunshan 3D Circuit Technology Co., Ltd.	Manufacture and sale of electronic parts	125,925	HK3D-Circuit Ltd.	31,170	-	-	31,170	-	18.61	-	(13,080)	-	
Unimicron Technology (Huangshi) Corp.	Manufacture and sale of electronic parts	1,838,150	UniGreat and Unimicron Management	-	-	-	-	(362,503)	71.23	(258,211)	2,162,114	-	
Unimicron Management (KunShan) Corp., Ltd.	Manufacture and sale of electronic parts	1,554,431	Unimicron Technology (KunShan)	-	-	-	-	(268,178)	71.23	(191,023)	1,994,634	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Unimicron-Carrier Technology (Huangshi) Inc.	Manufacture and sale of electronic parts	$ 193,959	UHL and Unimicron Technology (SuZhou)	$ -	$ -	$ -	$ -	($ 8,013)	70.42	($ 5,643)	$ 120,651	$ -	
Hu Se Sn Li Managemnet Corp., Ltd.	Business management consulting	681,144	Unimicron Management	-	-	-	-	(11,055)	71.23	(7,874)	460,597	-	
Gobo Lighting Technology Ltd.	Manufacture and sale of lighting products	38,943	PAVIDA	17,914	-	-	17,914	4,975	27.49	2,191	15,161	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
The Company	$ 9,470,582	$ 11,179,189	$ -

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others： Investment in Mainland Chinese company through an investment company in the same region

Note 2: Investment income (loss) recognised for the year in accordance with the financial statements that are audited and attested by R.O.C. parent company's CPA.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: Subsequent investments in Mainland China with disposal proceeds of other investments in Mainland China are included in ceiling on investments in Mainland China not remitted back to Taiwan.

Note 5: On December 20, 2017, the Company received an approval letter issued by the Industrial Development Bureau of the Ministry of Economic Affairs, effective from December 15, 2017 to December 14, 2020. Hence, calculation of investment limit is not needed.

Unimicron Technology Corp. and subsidiaries

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Year ended December 31, 2019

Table 11

Expressed in thousands of NTD

(Except as otherwise indicated)

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2019	%	Balance at December 31, 2019	Purpose	Maximum balance during the year ended December 31, 2019	Balance at December 31, 2019	Interest rate	Interest during the year ended December 31, 2019	Others
Unimicron Technology (ShenZhen) Corp.	$ 1,861,511	4%	$ -	-	$ 1,051,888	6%	$ -	-	$ 1,235,600	$ 376,000	0	$ 3,896	
Unimicron Technology (ShenZhen) Corp.	(60,068)	0%	-	-	(3,696)	0%	-	-	-	-	-	-	
Unimicron Technology (KunShan) Corp.	129,118	0%	-	-	56,831	0%	1,353,600	Borrowings	1,235,600	-	-	-	
Unimicron Technology (KunShan) Corp.	(2,105,789)	10%	-	-	(219,016)	2%	-	-	-	-	-	-	
Unifley Technology (KunShan) Inc.	-	-	-	-	-	0%	1,654,400	Borrowings	3,160,000	1,804,800	2.80%~3.30%	42,448	
Unimicron Technology (SuZhou) Corp.	8,241	0%	84,540	1	5,558	0%	-	-	1,896,000	1,203,200	2.55%~3.30%	9,876	
Unimicron Technology (SuZhou) Corp.	(700,317)	3%	-	-	(98,729)	1%	-	-	-	-	-	-	
Unimicron Technology (Huangshi) Corp.	-	0%	-	-	-	0%	1,353,600	Borrowings	2,439,200	1,203,200	2.55%	40,512	

Note 1: The transactions between the Company and Unimicron Technology (ShenZhen) Corp., Unimicron Technology (KunShan) Corp., Unifley Technology (KunShan) Inc., and Unimicron Technology (SuZhou) Corp. are through the indirect investee companies of the Company - Unimicron (SZ) Trading Limited, Unimicron (KS) Trading Limited, Best Option Investments Limited and Unimicron Holding Limited, respectively.