

**UNIMICRON TECHNOLOGY CORP. AND  
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT**

**SEPTEMBER 30, 2022 AND 2021**

UNIMICRON TECHNOLOGY CORP.  
SEPTEMBER 30, 2022 AND 2021 CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REVIEW REPORT  
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## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Unimicron Technology Corp. and its subsidiaries (the “Group”) as at September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2022 and 2021, as well as the consolidated statements of changes in equity and of cash flows for the nine months ended September 30, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of Review***

We conducted our reviews in accordance with the Statement of Auditing Standards No. 65, “Review of Financial Information Performed by the Independent Auditor of the Entity” in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our reviews and the reports of other independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months ended September 30, 2022 and 2021, and its consolidated cash flows for the nine months ended September 30, 2022 and 2021 in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed

by the Financial Supervisory Commission.

***Other matter***

We did not review the financial statements of certain consolidated subsidiaries. Those financial statements were reviewed by other independent auditors, whose reports thereon have been furnished to us, and our conclusion expressed herein, insofar as it relates to the amounts included in the financial statements was based solely on the review reports of other independent auditors. Those statements reflect total assets of NT\$1,467,295 thousand, constituting 1% of the consolidated total assets as at September 30, 2021, and total comprehensive income of NT\$62,142 thousand and NT\$134,541 thousand, constituting 1% and 2% of the consolidated total comprehensive income for the three months and nine months ended September 30, 2021, respectively.

Lin, Ya-Hui

Wu, Han-Chi

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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 independent auditors' report 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**  
**SEPTEMBER 30, 2022, DECEMBER 31, 2021 AND SEPTEMBER 30, 2021**  
(Expressed in thousands of New Taiwan dollars)  
(The balance sheets as of September 30, 2022 and 2021 are reviewed, not audited)

Assets	Notes	September 30, 2022		December 31, 2021		September 30, 2021		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 56,340,059	27	\$ 39,401,609	23	\$ 23,418,077	16
1110	Financial assets at fair value through profit or loss - current	6(2)	17,544	-	96,302	-	28,291	-
1150	Notes receivable, net	6(3)	30,098	-	41,293	-	32,964	-
1160	Notes receivable - related parties	7	345	-	-	-	-	-
1170	Accounts receivable, net	6(3) and 8	29,118,610	14	23,567,451	14	22,830,945	16
1180	Accounts receivable - related parties	7	22,376	-	30,462	-	27,528	-
1200	Other receivables	6(4)(8)(10) and 7	1,298,084	-	2,081,728	1	608,158	-
130X	Inventory	6(5)	14,244,489	7	12,151,603	7	11,503,330	8
1410	Prepayments	6(6)	2,127,107	1	2,488,837	2	2,714,727	2
1470	Other current assets	6(1) and 8	17,864	-	17,847	-	17,814	-
11XX	<b>Total current assets</b>		<u>103,216,576</u>	<u>49</u>	<u>79,877,132</u>	<u>47</u>	<u>61,181,834</u>	<u>42</u>
<b>Non-current assets</b>								
1510	Financial assets at fair value through profit or loss - non-current	6(2)	5,634,784	3	8,098,255	5	7,576,111	5
1517	Non-current financial assets at fair value through other comprehensive income		30,810	-	39,933	-	-	-
1535	Non-current financial assets at amortized cost	6(1) and 8	1,924,457	1	1,598,701	1	981,742	1
1550	Investments accounted for using equity method	6(7)	2,593,491	1	2,572,383	2	2,464,453	2
1600	Property, plant and equipment	6(8), 7 and 8	90,503,396	43	72,020,994	42	68,003,088	47
1755	Right-of-use assets	6(9) and 7	2,869,715	2	3,140,808	2	2,940,852	2
1760	Investment property - net	6(11)	388,225	-	575,138	-	575,991	-
1780	Intangible assets	6(12)	657,224	-	580,124	-	587,077	-
1840	Deferred income tax assets		1,281,840	1	1,298,125	1	994,582	1
1900	Other non-current assets	6(10)	211,632	-	253,660	-	401,143	-
15XX	<b>Total non-current assets</b>		<u>106,095,574</u>	<u>51</u>	<u>90,178,121</u>	<u>53</u>	<u>84,525,039</u>	<u>58</u>
1XXX	<b>Total assets</b>		<u>\$ 209,312,150</u>	<u>100</u>	<u>\$ 170,055,253</u>	<u>100</u>	<u>\$ 145,706,873</u>	<u>100</u>

(Continued)

**UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2022, DECEMBER 31, 2021 AND SEPTEMBER 30, 2021**  
(Expressed in thousands of New Taiwan dollars)  
(The balance sheets as of September 30, 2022 and 2021 are reviewed, not audited)

Liabilities and Equity	Notes	September 30, 2022		December 31, 2021		September 30, 2021		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>								
2100	Short-term borrowings	6(13) and 8	\$ 5,936,619	3	\$ 10,176,216	6	\$ 10,363,855	7
2110	Short-term notes and bills payable	6(14)	300,000	-	399,900	-	299,942	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)(15)	189,797	-	-	-	-	-
2150	Notes payable		19,675	-	149,184	-	228,065	-
2170	Accounts payable		12,874,782	6	13,139,238	8	12,668,773	9
2180	Accounts payable - related parties	7	208,592	-	206,771	-	201,886	-
2200	Other payables	6(16) and 7	21,057,796	10	16,432,729	10	14,973,307	10
2230	Current tax liabilities		4,187,894	2	2,657,472	2	1,221,303	1
2320	Long-term liabilities, current portion	6(19) and 8	3,161,456	1	2,594,726	1	2,546,538	2
2399	Other current liabilities	6(17)(26) and 7	5,774,460	3	3,304,091	2	3,150,360	2
21XX	<b>Total current liabilities</b>		<u>53,711,071</u>	<u>25</u>	<u>49,060,327</u>	<u>29</u>	<u>45,654,029</u>	<u>31</u>
<b>Non-current liabilities</b>								
2530	Bonds payable	6(18)	10,990,141	5	7,991,923	5	7,991,445	6
2540	Long-term borrowings	6(19) and 8	13,750,207	7	14,250,576	8	15,388,122	11
2570	Deferred income tax liabilities		829,336	-	239,532	-	269,200	-
2600	Other non-current liabilities	6(7)(8)(9)(20) (26), 7 and 9	44,924,758	22	32,996,719	19	16,299,395	11
25XX	<b>Total non-current liabilities</b>		<u>70,494,442</u>	<u>34</u>	<u>55,478,750</u>	<u>32</u>	<u>39,948,162</u>	<u>28</u>
2XXX	<b>Total liabilities</b>		<u>124,205,513</u>	<u>59</u>	<u>104,539,077</u>	<u>61</u>	<u>85,602,191</u>	<u>59</u>
<b>Equity attributable to owners of parent</b>								
Share capital								
3110	Common stock	6(23)	14,783,653	7	14,752,603	9	15,047,323	10
Capital surplus								
3200	Capital surplus	6(24)	9,930,741	5	9,396,676	6	9,481,872	6
Retained earnings								
3310	Legal reserve	6(25)	6,861,800	3	5,537,329	3	5,537,329	4
3320	Special reserve		332,855	-	550,543	-	550,543	-
3350	Unappropriated retained earnings		46,937,881	23	30,809,266	18	25,805,152	18
Other equity interest								
3400	Other equity interest		( 188,803)	-	( 332,855)	-	( 609,704)	-
Treasury stocks								
3500	Treasury stocks	6(23)	-	-	-	-	( 486,398)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>78,658,127</u>	<u>38</u>	<u>60,713,562</u>	<u>36</u>	<u>55,326,117</u>	<u>38</u>
36XX	Non-controlling interest		<u>6,448,510</u>	<u>3</u>	<u>4,802,614</u>	<u>3</u>	<u>4,778,565</u>	<u>3</u>
3XXX	<b>Total equity</b>		<u>85,106,637</u>	<u>41</u>	<u>65,516,176</u>	<u>39</u>	<u>60,104,682</u>	<u>41</u>
Significant contingent liabilities and unrecognized contract commitments								
	Significant disaster loss	10						
	Significant events after the balance sheet date	11						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 209,312,150</u>	<u>100</u>	<u>\$ 170,055,253</u>	<u>100</u>	<u>\$ 145,706,873</u>	<u>100</u>

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

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

	Items	Notes	Three months ended September 30				Nine months ended September 30			
			2022		2021		2022		2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(26) and 7	\$ 37,453,505	100	\$ 28,144,601	100	\$ 103,799,486	100	\$ 73,998,452	100
5000	Operating costs	6(5)(31)(32) and 7	( 23,154,624)	( 62)	( 21,352,500)	( 76)	( 66,108,375)	( 64)	( 58,801,207)	( 79)
5900	Net operating margin		<u>14,298,881</u>	<u>38</u>	<u>6,792,101</u>	<u>24</u>	<u>37,691,111</u>	<u>36</u>	<u>15,197,245</u>	<u>21</u>
	Operating expenses	6(31)(32) and 7								
6100	Selling expenses		( 469,663)	( 1)	( 383,200)	( 1)	( 1,403,071)	( 2)	( 1,107,244)	( 1)
6200	General and administrative expenses		( 1,288,425)	( 3)	( 1,088,338)	( 4)	( 3,468,408)	( 3)	( 3,352,125)	( 5)
6300	Research and development expenses		( 1,533,825)	( 4)	( 1,202,112)	( 4)	( 4,338,593)	( 4)	( 3,401,590)	( 5)
6000	Total operating expenses		( <u>3,291,913</u> )	( <u>8</u> )	( <u>2,673,650</u> )	( <u>9</u> )	( <u>9,210,072</u> )	( <u>9</u> )	( <u>7,860,959</u> )	( <u>11</u> )
	Net operating income		11,006,968	30	4,118,451	15	28,481,039	27	7,336,286	10
6500	Other (losses)/gains - net	6(27) and 7	<u>27,262</u>	-	<u>55,894</u>	-	<u>92,376</u>	-	<u>116,459</u>	-
6900	Operating profit		<u>11,034,230</u>	<u>30</u>	<u>4,174,345</u>	<u>15</u>	<u>28,573,415</u>	<u>27</u>	<u>7,452,745</u>	<u>10</u>
	Non-operating income and expenses									
7100	Interest income		180,630	-	37,043	-	397,867	-	115,844	-
7010	Other income	6(28) and 7	203,337	-	265,593	1	775,096	1	883,695	1
7020	Other gains and losses	6(29) and 7	617,558	2	844,990	3	986,706	1	1,891,694	3
7050	Finance costs	6(30) and 7	( 118,613)	-	( 81,179)	-	( 291,778)	-	( 247,869)	-
7060	Share of profit/(loss) of associates and joint ventures accounted for using equity method	6(7)	( <u>7,814</u> )	-	<u>61,458</u>	-	<u>66,618</u>	-	<u>127,680</u>	-
7000	Total non-operating income and expenses		<u>875,098</u>	<u>2</u>	<u>1,127,905</u>	<u>4</u>	<u>1,934,509</u>	<u>2</u>	<u>2,771,044</u>	<u>4</u>
7900	<b>Profit before income tax</b>		11,909,328	32	5,302,250	19	30,507,924	29	10,223,789	14
7950	Income tax expense	6(33)	( 2,865,450)	( 8)	( 963,511)	( 4)	( 7,190,338)	( 7)	( 1,864,770)	( 3)
8200	<b>Profit for the period</b>		<u>\$ 9,043,878</u>	<u>24</u>	<u>\$ 4,338,739</u>	<u>15</u>	<u>\$ 23,317,586</u>	<u>22</u>	<u>\$ 8,359,019</u>	<u>11</u>

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**UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

Items	Notes	Three months ended September 30				Nine months ended September 30			
		2022		2021		2022		2021	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Other comprehensive income</b>									
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>									
8311		\$ -	-	\$ -	-	\$ -	-	\$ 13,630	-
8320									
		36,925	-	37,888	-	53,451	-	72,817	-
8310		36,925	-	37,888	-	53,451	-	86,447	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>									
8361		( 286,488)	( 1)	( 27,257)	-	( 546,790)	-	( 73,778)	-
8370		3,263	-	( 223)	-	7,764	-	( 2,124)	-
8360		( 283,225)	( 1)	( 27,480)	-	( 539,026)	-	( 75,902)	-
8300		<u>(\$ 246,300)</u>	<u>( 1)</u>	<u>\$ 10,408</u>	<u>-</u>	<u>(\$ 485,575)</u>	<u>-</u>	<u>\$ 10,545</u>	<u>-</u>
8500		<u>\$ 8,797,578</u>	<u>23</u>	<u>\$ 4,349,147</u>	<u>15</u>	<u>\$ 22,832,011</u>	<u>22</u>	<u>\$ 8,369,564</u>	<u>11</u>
Profit attributable to:									
8610		\$ 8,561,503	23	\$ 4,215,025	15	\$ 22,258,395	21	\$ 8,226,145	11
8620		482,375	1	123,714	-	1,059,191	1	132,874	-
		<u>\$ 9,043,878</u>	<u>24</u>	<u>\$ 4,338,739</u>	<u>15</u>	<u>\$ 23,317,586</u>	<u>22</u>	<u>\$ 8,359,019</u>	<u>11</u>
Comprehensive income attributable to:									
8710		\$ 8,595,084	22	\$ 4,225,343	15	\$ 22,533,527	22	\$ 8,182,704	11
8720		202,494	1	123,804	-	298,484	-	186,860	-
		<u>\$ 8,797,578</u>	<u>23</u>	<u>\$ 4,349,147</u>	<u>15</u>	<u>\$ 22,832,011</u>	<u>22</u>	<u>\$ 8,369,564</u>	<u>11</u>
Earnings per share (in dollars)									
9750		\$	5.80	\$	2.87	\$	15.09	\$	5.60
9850		\$	5.63	\$	2.85	\$	14.63	\$	5.55

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

**UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

Equity attributable to owners of the parent													
	Retained Earnings					Other Equity Interest							
		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	Other equity, others	Treasury stocks	Total	Non-controlling interest	Total equity	
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	Other equity, others	Treasury stocks	Total	Non-controlling interest	Total equity	
<b>Nine months ended September 30, 2021</b>													
	\$ 15,047,323	\$ 8,831,415	\$ 4,994,171	\$ 861,619	\$ 19,851,219	(\$ 382,335)	(\$ 168,208)	\$ -	(\$ 608,194)	\$ 48,427,010	\$ 4,673,548	\$ 53,100,558	
	-	-	-	-	8,226,145	-	-	-	-	8,226,145	132,874	8,359,019	
	-	-	-	-	15,720	( 129,856)	70,695	-	-	( 43,441)	53,986	10,545	
	-	-	-	-	8,241,865	( 129,856)	70,695	-	-	8,182,704	186,860	8,369,564	
Appropriations of 2020 earnings	6(25)	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve		-	543,158	-	( 543,158)	-	-	-	-	-	-	-	
Special reserve		-	-	( 311,076)	311,076	-	-	-	-	-	-	-	
Cash dividends		-	-	-	( 2,054,577)	-	-	-	-	( 2,054,577)	-	( 2,054,577)	
Changes in ownership interests in subsidiaries	6(24)	( 4,116)	-	-	-	-	-	-	( 4,116)	-	-	( 4,116)	
Changes in equity of associates and joint ventures accounted for using equity method	6(24)	( 154)	-	-	( 1,273)	-	-	-	( 1,427)	-	-	( 1,427)	
Share-based payment	6(22)(24)	491,347	-	-	-	-	-	-	491,347	-	-	491,347	
Treasury shares sold to employees	6(23)(24)	163,472	-	-	-	-	-	-	121,796	285,268	-	285,268	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	( 81,843)	( 81,843)	
Reversal of capital surplus - dividends not received by shareholders	6(24)	( 92)	-	-	-	-	-	-	( 92)	-	-	( 92)	
Balance at September 30, 2021		\$ 15,047,323	\$ 9,481,872	\$ 5,537,329	\$ 550,543	\$ 25,805,152	(\$ 512,191)	(\$ 97,513)	\$ -	(\$ 486,398)	\$ 55,326,117	\$ 4,778,565	\$ 60,104,682
<b>Nine months ended September 30, 2022</b>													
	\$ 14,752,603	\$ 9,396,676	\$ 5,537,329	\$ 550,543	\$ 30,809,266	(\$ 304,802)	(\$ 28,053)	\$ -	\$ -	\$ 60,713,562	\$ 4,802,614	\$ 65,516,176	
	-	-	-	-	22,258,395	-	-	-	-	22,258,395	1,059,191	23,317,586	
	-	-	-	-	-	221,681	53,451	-	-	275,132	( 760,707)	( 485,575)	
	-	-	-	-	22,258,395	221,681	53,451	-	-	22,533,527	298,484	22,832,011	
Appropriations of 2021 earnings	6(25)	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve		-	1,324,471	-	( 1,324,471)	-	-	-	-	-	-	-	
Reversal of special reserve		-	-	( 217,688)	217,688	-	-	-	-	-	-	-	
Cash dividends		-	-	-	( 5,015,885)	-	-	-	-	( 5,015,885)	-	( 5,015,885)	
Changes in ownership interests in subsidiaries	6(24)	140,056	-	-	-	-	-	-	-	140,056	-	140,056	
Changes in equity of associates and joint ventures accounted for using equity method	6(24)	( 683)	-	-	( 7,112)	-	5,998	-	( 1,797)	-	-	( 1,797)	
Issuance of restricted shares to employees	6(22)(23)	31,050	394,999	-	-	-	-	( 141,717)	-	284,332	604,605	888,937	
Compensation costs of employee restricted stock	6(22)	-	-	-	-	-	-	4,639	-	4,639	-	4,639	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	742,807	742,807	
Reversal of capital surplus - dividends not received by shareholders	6(24)	( 328)	-	-	-	-	-	-	( 328)	-	-	( 328)	
Other	6(24)	21	-	-	-	-	-	-	21	-	-	21	
Balance at September 30, 2022		\$ 14,783,653	\$ 9,930,741	\$ 6,861,800	\$ 332,855	\$ 46,937,881	(\$ 83,121)	\$ 31,396	(\$ 137,078)	\$ 78,658,127	\$ 6,448,510	\$ 85,106,637	

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

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

	Notes	Nine months ended September 30	
		2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 30,507,924	\$ 10,223,789
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property and right-of-use assets)	6(8)(9)(11)(27)(31)	8,223,257	6,964,533
Amortization	6(12)(31)	231,646	173,285
Expected impairment loss (gain) (including related parties)	12(2)	118,209	( 16,514 )
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	6(2)(29)	2,977,295	( 2,266,589 )
Gain on disposal of investments	6(7)(29)	( 24,186 )	-
Interest expense	6(30)	274,152	226,614
Interest income		( 397,867 )	( 115,844 )
Dividend income	6(28)	( 193,627 )	( 159,023 )
Share-based payments	6(22)	7,490	491,684
Share of profit of associates accounted for using equity method	6(7)	( 66,618 )	( 127,680 )
Cash dividends received from investments accounted for using equity method		102,226	33,886
(Gain) loss on disposal and scrap of property, plant and equipment (including investment property)	6(29)	( 591,983 )	1,790
Impairment loss on property, plant and equipment	6(8)(29)	-	51,803
Exchange loss (gain) on valuation of long-term foreign borrowings	6(36)	415,483	( 3,572 )
Deferred credits - realized transfer income		( 13,383 )	( 13,268 )
Gain from lease modification	6(9)(29)	( 1,772 )	( 8 )
(Gain) loss by fire	6(8)	( 14,342 )	9,318
Amortization of discount on bonds payable	6(30)(36)	1,968	1,020
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		11,210	( 14,994 )
Notes receivable due from related parties		( 345 )	-
Accounts receivable		( 5,667,580 )	( 5,588,752 )
Accounts receivable due from related parties		8,086	( 15,268 )
Other receivables		770,696	902,633
Inventories		( 2,092,886 )	( 2,537,106 )
Prepayments		364,924	( 725,619 )
Other non-current assets		( 200 )	350
Changes in operating liabilities			
Notes payable		( 62,509 )	11,537
Accounts payable		( 264,456 )	849,732
Accounts payable to related parties		1,821	( 20,598 )
Other payables		2,545,785	2,350,309
Other current liabilities		( 194,031 )	( 2,923,848 )
Accrued pension liabilities		( 13,754 )	( 28,100 )
Contract liabilities		14,469,843	11,600,962
Other non-current liabilities		6,190	( 2,009 )
Cash inflow generated from operations		51,438,666	19,334,453
Interest received		350,660	112,510
Dividends received		193,563	159,023
Interest paid		( 267,182 )	( 226,618 )
Income tax paid		( 5,057,730 )	( 1,082,220 )
Net cash flows from operating activities		46,657,977	18,297,148

(Continued)

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

	Notes	Nine months ended September 30	
		2022	2021
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through profit or loss		(\$ 240,706 )	(\$ 260 )
Proceeds from disposal of financial assets at fair value through profit or loss		2,917	110,099
Proceeds from capital reduction of financial assets mandatorily measured at fair value through profit or loss		-	5,814
Proceeds from disposal of investments accounted for using equity method	6(7)	3,439	-
Acquisition of financial assets at amortized cost		( 267,072 )	( 562,987 )
Proceeds from capital reduction of investments accounted for using equity method		17,788	-
Acquisition of property, plant and equipment	6(35)	( 24,064,952 )	( 16,347,344 )
Proceeds from disposal of property, plant and equipment (including investment property)		1,019,160	93,730
Acquisition of right-of-use assets		-	( 97,688 )
Acquisition of intangible assets	6(12)	( 296,380 )	( 398,555 )
Increase in restricted assets		( 21,025 )	( 26 )
Decrease in refundable deposits		39,661	9,999
Increase in other non-current assets – prepayment for investment		-	( 50,000 )
Advance receipts for relocation	9	-	239,321
Net cash flows used in investing activities		( 23,807,170 )	( 16,997,897 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
(Decrease) increase in short-term borrowings	6(36)	( 4,312,609 )	1,851,542
(Decrease) increase in short-term notes and bills payable	6(36)	( 99,900 )	99,970
Proceeds from issuance of bonds	6(18)(36)	3,000,000	8,000,000
Issuance cost of bonds payable	6(36)	( 3,750 )	( 9,575 )
Proceeds from long-term borrowings	6(36)	3,265,070	8,036,669
Repayments of long-term borrowings	6(36)	( 3,716,907 )	( 17,934,221 )
Increase (decrease) in guarantee deposits received		7,052	( 14,039 )
Payments for lease liabilities	6(36)	( 294,499 )	( 373,267 )
Treasury shares sold to employees		-	121,796
Change in non-controlling interests		742,807	( 81,843 )
Cash dividends paid	6(25)	( 5,015,885 )	( 2,054,577 )
Issuance of restricted shares to employees		977,382	-
Reversal of capital surplus - dividends not received by shareholders	6(24)	( 328 )	( 92 )
Net cash flows used in financing activities		( 5,451,567 )	( 2,357,637 )
Effect of foreign exchange translations		( 460,790 )	282,000
Net increase (decrease) in cash and cash equivalents		16,938,450	( 776,386 )
Cash and cash equivalents at beginning of period	6(1)	39,401,609	24,194,463
Cash and cash equivalents at end of period	6(1)	\$ 56,340,059	\$ 23,418,077

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

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(REVIEWED, NOT AUDITED)

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 September 30, 2022, the Group had 29,670 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 October 25, 2022.

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 the FSC effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts— cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	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.

(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 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023

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 amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023

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 adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2021, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the

International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2021.

(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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "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:

The basis for preparation of these financial statements was consistent with the basis for the preparation of the financial statements for the year ended December 31, 2021.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2022	December 31, 2021	September 30, 2021	
The Company	Hemingway Int'l Limited (Hemingway)	Holding company	100.00	100.00	100.00	
The Company	UMTC Holdings Limited (UMTC)	Holding company	100.00	100.00	100.00	
The Company	Hsin Yang Investment Corp. (Hsin Yang Investment)	Holding company	100.00	100.00	100.00	
The Company	UniBest Holding Limited (UniBest)	Holding company	100.00	100.00	100.00	
The Company	NEOCONIX, INC. (NEOCONIX)	Design and manufacture of connectors	92.00	92.00	92.00	
The Company	Unidisplay Holding Corp. (UniDH)	Holding company	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2022	December 31, 2021	September 30, 2021	
The Company and Hsin Yang Investment	Qun Hong Technology Inc. (Qun Hong Technology)	Manufacture and sales of electronic parts	94.95	94.95	94.95	
The Company and Hsin Yang Investment	UniFresh, Inc. (UniFresh)	Food and restaurants	100.00	100.00	100.00	
The Company and Hsin Yang Investment	Asia Pacific Microsystems, Inc. (Asia Pacific)	Manufacture and sales of electronic parts	66.94	66.94	66.94	
The Company and Hsin Yang Investment	Apm Communication, Inc. (Apm Communication)	Manufacture and sales of electronic parts	72.11	72.11	72.11	
The Company and Apm Communication	PAVIDA Trading Limited (PAVIDA)	Holding company and trading	76.93	76.93	76.93	
UniFresh, Inc. (UniFresh)	UniCuisine, Inc. (UniCuisine)	Manufacture and sales of food	68.26	69.97	69.97	
Hemingway and UMTC	Plato Electronics (Cayman) Limited (Plato-Cayman)	Holding company	83.53	83.53	83.53	
Hemingway and UMTC	Smart Idea Holdings Limited (SI)	Holding company	71.23	71.23	71.23	
Hemingway, UMTC and UniBest	Best Option Investments Limited (BO)	Holding company	100.00	100.00	100.00	
Hemingway, UMTC and UniBest	UniSmart Holding Limited (UniSmart)	Holding company	100.00	100.00	100.00	
Hemingway, UMTC and UniBest	Unimicron Holding Limited (UHL)	Holding company	81.31	78.86	77.95	
UMTC	UniClover Holding Limited (UniClover)	Holding company	-	-	-	Note 1
UniClover	Unimicron JAPAN Co., Ltd. (U JAPAN)	Manufacture and sales of electronic parts	-	-	-	Note 1
UMTC	U JAPAN	Manufacture and sales of electronic parts	100.00	100.00	100.00	Note 1
Plato-Cayman	Unimicron Technology (ShenZhen) Corp. (Unimicron Technology (ShenZhen))	Manufacture and sales of electronic parts	83.53	83.53	83.53	
Plato-Cayman	Unimicron (SZ) Trading Ltd. (USZT)	Trading	83.53	83.53	83.53	
SI	Unimicron Technology (KunShan) Corp. (Unimicron Technology (KunShan))	Manufacture and sales of electronic parts	71.23	71.23	71.23	



Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2022	December 31, 2021	September 30, 2021	
SI	Kunshan Dingchangxin Electronic Technology Co., Ltd. (Kunshan Dingchangxin)	Manufacture and sales of electronic parts	71.23	71.23	71.23	
SI	UniRuwel Holding Limited (UniRuwel)	Holding company	71.23	71.23	71.23	
SI	Unimicron (KS) Trading Ltd. (UKST)	Trading	71.23	71.23	71.23	
SI	UniGreat Holding Limited (UniGreat)	Holding Company	71.23	71.23	71.23	
UniRuwel	Unimicron Germany GmbH (U Germany)	Manufacture and sales of electronic parts	71.23	71.23	71.23	
BO	Unifley Technology (KunShan) Inc. (Unifley Technology (KunShan))	Manufacture and sales of electronic parts	100.00	100.00	100.00	
UHL	Suzhou Qunye Enterprise Management Co., Ltd. (Suzhou Qunye)	Business management consulting	81.31	-	-	Note 3
UHL and Suzhou Qunye Enterprise Management	Unimicron Technology (SuZhou) Corp. (Unimicron Technology (SuZhou))	Manufacture and sales of electronic parts	78.46	78.86	77.95	
Unimicron Technology (KunShan)	Unimicron Management (KunShan) Corp., Ltd. (Unimicron Management (KunShan))	Business management consulting and property management	71.23	71.23	71.23	
Unimicron Management (KunShan) and UniGreat	Unimicron Technology (Huangshi) Corp. (Unimicron Technology (Huangshi))	Manufacture and sales of electronic parts	71.23	71.23	71.23	
UniDH and Hsin Yang Investment	Unidisplay Trading Corp. (UniDT)	Trading	-	98.16	98.16	Note 6
UniDT	Unimicron Touch (ShenZhen) Corp. (Unimicron Touch)	Manufacture and sales of electronic parts	-	-	98.16	Note 2
Unimicron Management (KunShan)	Hu Se Sn Li Managemnet Corp., Ltd. (Hu Se Sn Li)	Business management consulting	71.23	71.23	71.23	
Kunshan Dingchangxin	Kunshan Dingshengxin Electronics Co., Ltd. (Kunshan Dingshengxin)	Inspection of goods, sales of electronic component and equipment and property	71.23	-	-	Note 5
UHL and Unimicron Technology (SuZhou)	Unimicron-Carrier Technology (Huangshi) Inc. (Unimicron-Carrier Technology (Huangshi))	Manufacture and sales of electronic parts	79.32	78.86	77.95	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2022	December 31, 2021	September 30, 2021	
UHL and Unimicron Technology (SuZhou)	Kunshan Qunqi Technology Co., Ltd. (Kunshan Qunqi)	Manufacture and sales of electronic parts	79.89	-	-	Note 4

On December 31, 2021, except for U Germany which was audited by other auditors who were commissioned by the company, the financial statements of other consolidated subsidiaries and their consolidated entities were audited by auditors who were commissioned by the Company.

On September 30, 2022 and 2021, the consolidated subsidiaries and their consolidated entities were reviewed by the independent auditors who were commissioned by the Company.

Note 1: UniClover was liquidated on March 18, 2021. After the liquidation, U JAPAN was directly held by UMTC.

Note 2: Unimicron Touch completed the liquidation process in January 2022.

Note 3: Suzhou Qunye was established in February 2022.

Note 4: Kunshan Qunqi was established in June 2022.

Note 5: Kunshan Dingshengxin was established in July 2022.

Note 6: UniDT completed the liquidation process in September 2022.

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 September 30, 2022, December 31, 2021 and September 30, 2021, the non-controlling interest amounted to \$6,448,510, \$4,802,614 and \$4,778,565, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		September 30, 2022		December 31, 2021		
		Amount	Ownership (%)	Amount	Ownership (%)	
SI	Cayman	\$ 2,550,090	28.77	\$ 2,457,389	28.77	
UHL	Samoa	2,936,768	18.69	1,824,122	21.14	
		<u>\$ 5,486,858</u>		<u>\$ 4,281,511</u>		

Name of subsidiary	Principal place of business	Non-controlling interest	
		September 30, 2021	
		Amount	Ownership (%)
SI	Cayman	\$ 2,427,803	28.77
UHL	Samoa	1,709,209	22.05
		<u>\$ 4,137,012</u>	

Summarized financial information of the subsidiaries:

Balance sheets

	SI		
	September 30, 2022	December 31, 2021	September 30, 2021
Current assets	\$ 12,323,341	\$ 10,431,365	\$ 10,776,114
Non-current assets	11,220,883	10,078,970	9,865,775
Current liabilities	( 11,010,384)	( 10,413,036)	( 9,687,911)
Non-current liabilities	( 3,670,128)	( 1,555,800)	( 2,515,316)
Total net assets	<u>\$ 8,863,712</u>	<u>\$ 8,541,499</u>	<u>\$ 8,438,662</u>

	UHL		
	September 30, 2022	December 31, 2021	September 30, 2021
Current assets	\$ 22,515,150	\$ 12,348,292	\$ 5,669,226
Non-current assets	15,799,505	11,568,267	9,220,426
Current liabilities	( 6,028,410)	( 6,194,186)	( 4,883,848)
Non-current liabilities	( 16,573,200)	( 9,093,603)	( 2,270,982)
Total net assets	<u>\$ 15,713,045</u>	<u>\$ 8,628,770</u>	<u>\$ 7,734,822</u>

Statements of comprehensive income

	SI	
	Three months ended September 30	
	2022	2021
Operating revenue	\$ 5,451,496	\$ 5,239,419
Income before income tax	316,829	47,003
Income tax expense	( 66,091)	( 26,515)
Profit for the period	250,738	20,488
Other comprehensive loss, net of tax	( 699,033)	( 6,650)
Total comprehensive (loss) income for the period	<u>(\$ 448,295)</u>	<u>\$ 13,838</u>
Comprehensive (loss) income attributable to non-controlling interest	<u>(\$ 128,975)</u>	<u>\$ 3,981</u>

	SI	
	Nine months ended September 30	
	2022	2021
Operating revenue	\$ 15,471,933	\$ 14,638,509
Income (loss) before income tax	479,982	( 209,569)
Income tax expense	( 81,052)	( 41,812)
Profit (loss) for the period	398,930	( 251,381)
Other comprehensive (loss) income, net of tax	( 1,280,268)	58,000
Total comprehensive loss for the period	(\$ 881,338)	(\$ 193,381)
Comprehensive loss attributable to non-controlling interest	(\$ 253,561)	(\$ 55,636)

	UHL	
	Three months ended September 30	
	2022	2021
Operating revenue	\$ 5,561,355	\$ 2,768,351
Profit before income tax	2,807,335	705,755
Income tax expense	( 770,927)	( 117,956)
Profit for the period	2,036,408	587,799
Other comprehensive (loss) income, net of tax	( 912,208)	4,689
Total comprehensive income for the period	\$ 1,124,200	\$ 592,488
Comprehensive income attributable to non-controlling interest	\$ 373,773	\$ 130,644

	UHL	
	Nine months ended September 30	
	2022	2021
Operating revenue	\$ 13,954,028	\$ 7,279,241
Profit before income tax	6,511,813	1,455,584
Income tax expense	( 1,448,377)	( 255,260)
Profit for the period	5,063,436	1,200,324
Other comprehensive (loss) income, net of tax	( 1,539,367)	75,762
Total comprehensive income for the period	\$ 3,524,069	\$ 1,276,086
Comprehensive income attributable to non-controlling interest	\$ 859,227	\$ 281,377

## Statements of cash flows

	SI	
	Nine months ended September 30	
	2022	2021
Net cash provided by operating activities	\$ 1,693,350	\$ 36,001
Net cash used in investing activities	( 1,461,863)	( 1,466,416)
Net cash provided by financing activities	973,179	1,286,916
Effect of exchange rates on cash and cash equivalents	475,090	( 47,257)
Increase (decrease) in cash and cash equivalents	1,679,756	( 190,756)
Cash and cash equivalents, beginning of period	2,541,886	2,823,944
Cash and cash equivalents, end of period	<u>\$ 4,221,642</u>	<u>\$ 2,633,188</u>

  

	UHL	
	Nine months ended September 30	
	2022	2021
Net cash provided by operating activities	\$ 10,968,522	\$ 1,494,279
Net cash used in investing activities	( 5,344,127)	( 1,936,084)
Net cash provided by financing activities	163,119	1,403,000
Effect of exchange rates on cash and cash equivalents	1,816,207	( 48,873)
Increase in cash and cash equivalents	7,603,721	912,322
Cash and cash equivalents, beginning of period	9,041,719	1,673,384
Cash and cash equivalents, end of period	<u>\$ 16,645,440</u>	<u>\$ 2,585,706</u>

### (4) 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.
- iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' 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.

(5) 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.
- F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

##### 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 September 30, 2022, the carrying amount of inventories was \$14,244,489.

### 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 amount 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 September 30, 2022, the Group's investments accounted for using the equity method, net of impairment loss, amounted to \$2,593,491.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Cash on hand	\$ 3,183	\$ 3,472	\$ 2,663
Checking accounts and demand deposits	17,668,265	24,142,420	12,454,489
Time deposits	35,417,333	10,523,012	10,315,580
Commercial paper	5,193,599	6,349,253	1,644,901
	<u>58,282,380</u>	<u>41,018,157</u>	<u>24,417,633</u>
Transferred to other current assets (	17,864) (	17,847) (	17,814) (
Transferred to non-current financial assets at amortized cost (	1,924,457) (	1,598,701) (	981,742) (
	<u>\$ 56,340,059</u>	<u>\$ 39,401,609</u>	<u>\$ 23,418,077</u>

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 0.07% to 4.02%, 0.07% to 4.02% and 0.07% to 4.18% as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively. Certain time deposits which have been pledged as collateral were classified as long-term time deposits due to capital planning and reclassified as "other current assets" or "non-current financial assets at amortized cost".



C. Interest rates on commercial paper ranged from 0.97% to 1.28%, 0.25% to 0.26% and 0.23% to 0.30% as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

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

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

<u>Items</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 9,780	\$ 10,531	\$ 10,531
Derivatives	-	64,377	11,414
	9,780	74,908	21,945
Valuation adjustment	7,764	21,394	6,346
	<u>\$ 17,544</u>	<u>\$ 96,302</u>	<u>\$ 28,291</u>

<u>Items</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 45,499	\$ 45,499	\$ 47,443
Unlisted stocks	3,699,321	3,680,739	3,680,739
Foreign closed-end funds	89,648	89,648	89,648
Corporate bonds	87,728	87,728	87,728
	3,922,196	3,903,614	3,905,558
Valuation adjustment	1,712,588	4,194,641	3,670,553
	<u>\$ 5,634,784</u>	<u>\$ 8,098,255</u>	<u>\$ 7,576,111</u>

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

	<u>Three months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	(\$ 15,520)	\$ 4,539
Unlisted stocks	( 689,402)	830,047
Foreign closed-end funds	210	899
Derivatives	( 220,715)	35,891
	<u>(\$ 925,427)</u>	<u>\$ 871,376</u>

	Nine months ended September 30	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	(\$ 37,512)	\$ 28,353
Unlisted stocks	( 2,452,725)	2,120,749
Foreign closed-end funds	( 12,238)	( 27,883)
Derivatives	( 474,820)	145,370
	(\$ 2,977,295)	\$ 2,266,589

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

<u>Derivative instruments</u>	September 30, 2022	
	<u>Contract amount (notional principal)</u>	<u>Contract period</u>
Current items:		
Cross currency swap		
- Buy TWD sell EUR	EUR 10,800,000	2022.07.06~2022.10.06
- Buy TWD sell EUR	EUR 4,600,000	2022.07.25~2022.10.25
- Buy TWD sell EUR	EUR 7,650,000	2022.07.29~2022.10.31
- Buy TWD sell EUR	EUR 3,200,000	2022.07.29~2022.10.31
- Buy TWD sell EUR	EUR 30,000,000	2022.08.09~2022.11.03
- Buy TWD sell EUR	EUR 1,700,000	2022.09.22~2022.12.31
- Buy TWD sell USD	USD 23,000,000	2022.07.15~2022.10.17
- Buy TWD sell USD	USD 20,000,000	2022.08.10~2022.11.09
- Buy TWD sell USD	USD 8,000,000	2022.08.10~2022.11.10
- Buy TWD sell USD	USD 20,000,000	2022.08.10~2022.11.10
- Buy TWD sell USD	USD 30,000,000	2022.09.15~2022.12.15

December 31, 2021

<u>Derivative instruments</u>	<u>Contract amount (notional principal)</u>	<u>Contract period</u>
Current items:		
Forward foreign exchange contracts		
- Buy JPY sell CNY	JPY 180,680,000	2021.10.28~2022.01.06
- Buy JPY sell CNY	JPY 196,560,000	2021.11.26~2022.02.14
- Buy JPY sell CNY	JPY 88,862,600	2021.11.26~2022.02.16
- Buy JPY sell CNY	JPY 214,577,400	2021.12.13~2022.03.07
- Buy JPY sell CNY	JPY 230,000,000	2021.12.27~2022.04.21
- Buy JPY sell CNY	JPY 88,862,600	2021.12.28~2022.04.07
- Buy JPY sell CNY	JPY 88,862,600	2021.12.28~2022.04.20
Cross currency swap		
- Buy TWD sell EUR	EUR 4,300,000	2021.10.14~2022.01.13
- Buy TWD sell EUR	EUR 2,500,000	2021.09.24~2022.01.13
- Buy TWD sell EUR	EUR 3,150,000	2021.11.05~2022.02.09
- Buy TWD sell EUR	EUR 4,500,000	2021.12.08~2022.03.08
- Buy TWD sell EUR	EUR 4,000,000	2021.09.08~2022.01.13
- Buy TWD sell EUR	EUR 30,000,000	2021.11.04~2022.02.09
- Buy TWD sell EUR	EUR 1,700,000	2021.12.22~2022.03.22
- Buy TWD sell USD	USD 20,000,000	2021.11.10~2022.02.10
- Buy TWD sell USD	USD 30,000,000	2021.12.16~2022.03.15
- Buy TWD sell USD	USD 10,000,000	2021.12.07~2022.03.07
- Buy TWD sell USD	USD 6,000,000	2021.11.10~2022.02.10
- Buy TWD sell USD	USD 20,000,000	2021.11.12~2022.02.14
- Buy TWD sell USD	USD 10,000,000	2021.12.13~2022.03.14
- Buy TWD sell USD	USD 15,000,000	2021.12.15~2022.03.15
- Buy TWD sell USD	USD 23,000,000	2021.10.18~2022.01.18

September 30, 2021

<u>Derivative instruments</u>	<u>Contract amount (notional principal)</u>	<u>Contract period</u>
Current items:		
Forward foreign exchange contracts		
- Buy JPY sell CNY	JPY 200,000,000	2021.06.29~2021.10.28
- Buy JPY sell CNY	JPY 100,000,000	2021.06.29~2021.10.28
- Buy JPY sell CNY	JPY 200,000,000	2021.09.24~2021.12.28
- Buy USD sell CNY	USD 3,000,000	2021.08.25~2021.11.29
- Buy USD sell CNY	USD 5,000,000	2021.08.27~2021.11.30
- Buy USD sell CNY	USD 5,000,000	2021.09.10~2021.12.14
- Buy USD sell CNY	USD 2,000,000	2021.09.10~2021.12.14
- Buy USD sell CNY	USD 5,500,000	2021.09.15~2021.12.30
Cross currency swap		
- Buy TWD sell EUR	EUR 4,300,000	2021.07.14~2021.10.14
- Buy TWD sell EUR	EUR 3,150,000	2021.08.05~2021.11.05
- Buy TWD sell EUR	EUR 30,000,000	2021.08.17~2021.11.15
- Buy TWD sell EUR	EUR 4,500,000	2021.09.08~2021.12.08
- Buy TWD sell EUR	EUR 4,000,000	2021.09.08~2022.01.13
- Buy TWD sell EUR	EUR 2,500,000	2021.09.24~2022.01.13
- Buy TWD sell USD	USD 23,000,000	2021.07.16~2021.10.18
- Buy TWD sell USD	USD 2,500,000	2021.07.26~2021.10.26
- Buy TWD sell USD	USD 10,000,000	2021.08.10~2021.11.05
- Buy TWD sell USD	USD 6,000,000	2021.08.10~2021.11.10
- Buy TWD sell USD	USD 20,000,000	2021.08.17~2021.11.11
- Buy TWD sell USD	USD 20,000,000	2021.08.11~2021.11.12
- Buy TWD sell USD	USD 10,000,000	2021.09.07~2021.12.07
- Buy TWD sell USD	USD 10,000,000	2021.09.13~2021.12.13
- Buy TWD sell USD	USD 20,000,000	2021.09.15~2021.12.15
- Buy TWD sell USD	USD 15,000,000	2021.09.15~2021.12.15
- Buy TWD sell USD	USD 30,000,000	2021.09.16~2021.12.16

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Notes receivable	\$ 30,106	\$ 41,316	\$ 32,964
Less: Allowance for uncollectible accounts	( 8)	( 23)	-
	<u>\$ 30,098</u>	<u>\$ 41,293</u>	<u>\$ 32,964</u>
Accounts receivable	\$ 29,347,971	\$ 23,680,391	\$ 22,933,563
Less: Allowance for uncollectible accounts	( 229,361)	( 112,940)	( 102,618)
	<u>\$ 29,118,610</u>	<u>\$ 23,567,451</u>	<u>\$ 22,830,945</u>

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Not past due	\$ 29,233,739	\$ 23,640,639	\$ 22,888,433
1-30 days past due	111,075	62,492	57,646
31-60 days past due	17,272	4,983	6,276
61-90 days past due	2,952	1,563	398
Over 90 days past due	13,039	12,030	13,774
	<u>\$ 29,378,077</u>	<u>\$ 23,721,707</u>	<u>\$ 22,966,527</u>

The above ageing analysis was based on past due date.

B. As of September 30, 2022, December 31, 2021 and September 30, 2021, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables from contracts with customers amounted to \$17,362,781.

C. As at September 30, 2022, December 31, 2021 and September 30, 2021, 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 Group's notes receivable were \$30,098, \$41,293 and \$32,964, and accounts receivable were \$29,118,610, \$23,567,451 and \$22,830,945, respectively.

D. Information on guaranteed accounts receivable is provided in Note 8.

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

(4) Other receivables

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Fire insurance claims receivable (Note)	\$ 654,548	\$ 1,522,779	\$ 126,560
Interest receivable	212,735	88,069	65,948
Finance lease receivable	3,415	3,135	3,108
Others	427,386	467,745	412,542
	<u>\$ 1,298,084</u>	<u>\$ 2,081,728</u>	<u>\$ 608,158</u>

Note: Refer to Note 6(8) for the details of fire insurance claims receivable.

(5) Inventories

	September 30, 2022		
	Cost	Allowance for valuation losses	Book value
Raw materials	\$ 3,077,751	(\$ 337,868)	\$ 2,739,883
Work in progress	7,133,675	( 914,327)	6,219,348
Finished goods	6,109,462	( 824,204)	5,285,258
	<u>\$ 16,320,888</u>	<u>(\$ 2,076,399)</u>	<u>\$ 14,244,489</u>
	December 31, 2021		
	Cost	Allowance for valuation losses	Book value
Raw materials	\$ 3,337,679	(\$ 331,672)	\$ 3,006,007
Work in progress	5,397,326	( 600,520)	4,796,806
Finished goods	4,986,844	( 638,054)	4,348,790
	<u>\$ 13,721,849</u>	<u>(\$ 1,570,246)</u>	<u>\$ 12,151,603</u>
	September 30, 2021		
	Cost	Allowance for valuation losses	Book value
Raw materials	\$ 3,416,247	(\$ 348,831)	\$ 3,067,416
Work in progress	5,792,622	( 876,628)	4,915,994
Finished goods	4,214,341	( 694,421)	3,519,920
	<u>\$ 13,423,210</u>	<u>(\$ 1,919,880)</u>	<u>\$ 11,503,330</u>

The cost of inventories recognized as expense for the period:

	Three months ended September 30	
	2022	2021
Cost of goods sold	\$ 22,060,441	\$ 20,702,587
Loss on market value decline and obsolete and slow-moving inventories	413,869	163,896
Loss by fire (Note 1)	-	( 37,687)
Others (Note 2)	680,314	523,704
	<u>\$ 23,154,624</u>	<u>\$ 21,352,500</u>

	<u>Nine months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
Cost of goods sold	\$ 63,508,817	\$ 56,557,361
Loss on market value decline and obsolete and slow-moving inventories	727,000	599,115
Loss by fire (Note 1)	-	( 87,749)
Others (Note 2)	1,872,558	1,732,480
	<u>\$ 66,108,375</u>	<u>\$ 58,801,207</u>

Note 1: Refer to Note 6(8) for the details of inventory loss caused by fire in certain factory.

Note 2: Primarily includes cost differences resulting from low capacity utilization and revenue from sale of scrap or waste materials.

(6) Prepayments

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Excess business tax paid	\$ 796,871	\$ 927,198	\$ 721,732
Prepaid insurance premiums	92,949	602,227	769,051
Prepayments for material purchase	265,793	157,012	142,823
Others	971,494	802,400	1,081,121
	<u>\$ 2,127,107</u>	<u>\$ 2,488,837</u>	<u>\$ 2,714,727</u>

(7) Investments accounted for using equity method

<u>Investees</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Subtron Technology Co., Ltd. (Subtron Technology)	\$ 1,604,474	\$ 1,566,498	\$ 1,467,295
Uniflex Technology Inc. (Uniflex Technology)	321,093	334,658	338,993
Advance Materials Corp. (Advance Materials)	295,800	304,859	298,849
Unipoint Technology Co., Ltd. (Unipoint Technology)	270,526	258,756	255,042
Others	101,598	107,612	104,274
	<u>\$ 2,593,491</u>	<u>\$ 2,572,383</u>	<u>\$ 2,464,453</u>
Credit balance of investments accounted for using equity method transferred to other non-current liabilities	<u>\$ 116,014</u>	<u>\$ 131,199</u>	<u>\$ 131,441</u>

A. For the three months and nine months ended September 30, 2022 and 2021, the share of (loss) profit of associates and joint ventures accounted for using equity method recognized was (\$7,814), \$61,458, \$66,618 and \$127,680, respectively. The financial statements of these entities were reviewed by auditors appointed by the Company, except for the financial statements of Subtron Technology for the nine months ended September 30, 2021 which were reviewed by other auditors appointed by Subtron Technology.

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

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Method of measurement
		September 30, 2022	December 31, 2021	September 30, 2021		
Subtron Technology	Taiwan	31.95%	32.18%	32.58%	Investment accounted for using equity method	Equity method

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

Balance sheet

	Subtron Technology		
	September 30, 2022	December 31, 2021	September 30, 2021
Current assets	\$ 2,655,897	\$ 3,166,952	\$ 2,781,111
Non-current assets	5,382,090	4,783,176	4,713,569
Current liabilities	( 1,308,748)	( 1,423,529)	( 1,298,861)
Non-current liabilities	( 1,991,858)	( 1,970,544)	( 1,934,666)
Total net assets	<u>\$ 4,737,381</u>	<u>\$ 4,556,055</u>	<u>\$ 4,261,153</u>
Share in associate's net assets	\$ 1,513,593	\$ 1,466,138	\$ 1,388,284
Difference in net value of equity	90,881	100,360	79,011
Carrying amount of the associate	<u>\$ 1,604,474</u>	<u>\$ 1,566,498</u>	<u>\$ 1,467,295</u>

Statement of comprehensive income

	Subtron Technology	
	Three months ended September 30	
	2022	2021
Operating revenue	\$ 721,627	\$ 1,324,248
Profit for the period from continuing operations	19,790	190,571
Other comprehensive income, net of tax	144,281	99,558
Total comprehensive income	<u>\$ 164,071</u>	<u>\$ 290,129</u>
	Subtron Technology	
	Nine months ended September 30	
	2022	2021
Operating revenue	\$ 2,785,821	\$ 3,554,746
Profit for the period from continuing operations	221,564	406,897
Other comprehensive income, net of tax	243,795	182,323
Total comprehensive income	<u>\$ 465,359</u>	<u>\$ 589,220</u>

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 September 30, 2022, December 31, 2021 and September 30, 2021, the carrying amount of



the Group's individually immaterial associates amounted to \$873,003, \$874,686 and \$865,717, respectively.

	Three months ended September 30	
	2022	2021
(Loss) profit for the period from continuing operations	(\$ 66,824)	\$ 398
Other comprehensive income, net of tax	20,031	6,032
Total comprehensive (loss) income	<u>(\$ 46,793)</u>	<u>\$ 6,430</u>
	Nine months ended September 30	
	2022	2021
Loss for the period from continuing operations	(\$ 42,439)	(\$ 19,675)
Other comprehensive income, net of tax	45,666	3,601
Total comprehensive income (loss)	<u>\$ 3,227</u>	<u>(\$ 16,074)</u>

- E. The Group is one of the single shareholder of Subtron Technology, Advance Materials, Yih Dar Technologies Co., Ltd., UniSense Technology Co., Ltd. and MARUWA CORPORATION with a 31.95%, 24.14%, 26.67%, 30.98% and 28.24% equity interest, respectively. Given that 10 other large shareholders hold more shares than the Group, which indicates that the Group has no current ability to direct the relevant activities of the investees, the Group has no control, but only has significant influence, over the investees.
- F. The Group is the single largest shareholder of Uniflex Technology with a 26.19% equity interest. Given that the voting rights obtained by the Group did not account for more than half of the total voting rights for attendance in the shareholders' meetings in the past years, which indicates that the Group has no current ability to direct the relevant activities of Uniflex Technology, the Group has no control, but only has significant influence, over the investee.
- G. For the three months ended September 30, 2022, the Group disposed 1,500 shares of MARUWA CORPORATION. The consideration for the disposal and gain on disposal were \$3,439 and \$24,186, respectively. After the disposal, the Group's shareholding ratio was 28.24%.
- H. On February 22, 2022, the Board of Directors of the Company merged with Subtron Technology, comprehensively taking into consideration the demand of customers and suppliers, complex tax works and costs, shareholders' right of objection and retained talents. Under the contract, the method of merger may change. On March 30, 2022, the Board of Directors approved to terminate the original contract and change to shares swap. Under the signed shares swap contract, one common share of Subtron Technology can be exchanged for 0.219 common shares of the Company. The effective date originally was set on October 1, 2022, however, the application progress to the authority was delayed, thus, according to the shares swap contract, both parties agreed to change the effective date to January 1, 2023. The case was approved by the Board of Directors on September 23, 2022. Subtron Technology will become the wholly-owned subsidiary of the Company after the shares swap.

(8) Property, plant and equipment

2022

	2022										
	Land	Land-revaluation increment	Buildings and structures			Machinery and equipment			Transportation equipment and other equipment	Unfinished construction and equipment under acceptance	Total
			Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal			
At January 1											
Cost	\$ 6,181,780	\$ 10,162	\$ 49,789,232	\$ 229,603	\$ 50,018,835	\$ 68,026,407	\$ 2,234	\$ 68,028,641	\$ 2,612,342	\$ 11,904,232	\$ 138,755,992
Accumulated depreciation	-	-	( 27,160,991)	( 89,333)	( 27,250,324)	( 37,251,944)	( 2,234)	( 37,254,178)	( 1,723,043)	-	( 66,227,545)
Accumulated impairment	-	-	( 87,805)	-	( 87,805)	( 419,648)	-	( 419,648)	-	-	( 507,453)
	<u>\$ 6,181,780</u>	<u>\$ 10,162</u>	<u>\$ 22,540,436</u>	<u>\$ 140,270</u>	<u>\$ 22,680,706</u>	<u>\$ 30,354,815</u>	<u>\$ -</u>	<u>\$ 30,354,815</u>	<u>\$ 889,299</u>	<u>\$ 11,904,232</u>	<u>\$ 72,020,994</u>
At January 1	\$ 6,181,780	\$ 10,162	\$ 22,540,436	\$ 140,270	\$ 22,680,706	\$ 30,354,815	\$ -	\$ 30,354,815	\$ 889,299	\$ 11,904,232	\$ 72,020,994
Additions	120,001	-	2,019,143	-	2,019,143	1,023,937	-	1,023,937	121,200	22,682,811	25,967,092
Disposals, net	( 21,635)	-	( 195)	-	( 195)	( 231,526)	-	( 231,526)	( 2,391)	-	( 255,747)
Reclassifications	12,942	-	4,123,252	5,080	4,128,332	12,200,788	-	12,200,788	149,532	( 16,345,679)	145,915
Depreciation	-	-	( 2,089,860)	( 7,820)	( 2,097,680)	( 5,623,440)	-	( 5,623,440)	( 209,919)	-	( 7,931,039)
Net exchange differences	( 303)	-	204,761	-	204,761	244,634	-	244,634	5,859	101,230	556,181
At September 30	<u>\$ 6,292,785</u>	<u>\$ 10,162</u>	<u>\$ 26,797,537</u>	<u>\$ 137,530</u>	<u>\$ 26,935,067</u>	<u>\$ 37,969,208</u>	<u>\$ -</u>	<u>\$ 37,969,208</u>	<u>\$ 953,580</u>	<u>\$ 18,342,594</u>	<u>\$ 90,503,396</u>
At September 30											
Cost	\$ 6,292,785	\$ 10,162	\$ 56,192,399	\$ 238,033	\$ 56,430,432	\$ 76,779,037	\$ 2,234	\$ 76,781,271	\$ 2,857,087	\$ 18,342,594	\$ 160,714,331
Accumulated depreciation	-	-	( 29,314,465)	( 100,503)	( 29,414,968)	( 38,518,067)	( 2,234)	( 38,520,301)	( 1,903,507)	-	( 69,838,776)
Accumulated impairment	-	-	( 80,397)	-	( 80,397)	( 291,762)	-	( 291,762)	-	-	( 372,159)
	<u>\$ 6,292,785</u>	<u>\$ 10,162</u>	<u>\$ 26,797,537</u>	<u>\$ 137,530</u>	<u>\$ 26,935,067</u>	<u>\$ 37,969,208</u>	<u>\$ -</u>	<u>\$ 37,969,208</u>	<u>\$ 953,580</u>	<u>\$ 18,342,594</u>	<u>\$ 90,503,396</u>

## 2021

	Land-revaluation		Buildings and structures			Machinery and equipment			Transportation equipment and other equipment	Unfinished construction and equipment under acceptance	Total
	Land	increment	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal			
At January 1											
Cost	\$ 5,081,885	\$ 10,162	\$ 41,605,110	\$ 190,773	\$ 41,795,883	\$ 63,297,606	\$ 2,234	\$ 63,299,840	\$ 2,198,637	\$ 11,127,742	\$ 123,514,149
Accumulated depreciation	-	-	( 25,098,608)	( 69,482)	( 25,168,090)	( 38,472,680)	( 2,234)	( 38,474,914)	( 1,598,046)	-	( 65,241,050)
Accumulated impairment	-	-	-	-	-	( 292,360)	-	( 292,360)	-	-	( 292,360)
	<u>\$ 5,081,885</u>	<u>\$ 10,162</u>	<u>\$ 16,506,502</u>	<u>\$ 121,291</u>	<u>\$ 16,627,793</u>	<u>\$ 24,532,566</u>	<u>\$ -</u>	<u>\$ 24,532,566</u>	<u>\$ 600,591</u>	<u>\$ 11,127,742</u>	<u>\$ 57,980,739</u>
At January 1	\$ 5,081,885	\$ 10,162	\$ 16,506,502	\$ 121,291	\$ 16,627,793	\$ 24,532,566	\$ -	\$ 24,532,566	\$ 600,591	\$ 11,127,742	\$ 57,980,739
Additions	11,496	-	2,065,309	-	2,065,309	882,798	-	882,798	119,916	14,161,931	17,241,450
Disposals, net	-	( 1,396)	( 1,396)	-	( 1,396)	( 93,091)	( 1,033)	( 93,091)	( 1,033)	( 15,938)	( 95,520)
Loss by fire	-	-	-	-	-	( 36,721)	( 36,721)	( 36,721)	( 724)	( 15,938)	( 53,383)
Reclassifications	1,100,184	-	4,615,644	24,687	4,640,331	8,956,015	-	8,956,015	342,850	( 14,971,511)	67,869
Depreciation	-	( 1,636,411)	( 1,636,411)	( 5,708)	( 1,642,119)	( 4,874,405)	( 4,874,405)	( 4,874,405)	( 173,478)	-	( 6,690,002)
Impairment loss	-	-	-	-	-	( 51,803)	( 51,803)	( 51,803)	-	-	( 51,803)
Net exchange differences	( 9,909)	-	( 149,263)	-	( 149,263)	( 192,467)	-	( 192,467)	( 8,931)	( 35,692)	( 396,262)
At September 30	<u>\$ 6,183,656</u>	<u>\$ 10,162</u>	<u>\$ 21,400,385</u>	<u>\$ 140,270</u>	<u>\$ 21,540,655</u>	<u>\$ 29,122,892</u>	<u>\$ -</u>	<u>\$ 29,122,892</u>	<u>\$ 879,191</u>	<u>\$ 10,266,532</u>	<u>\$ 68,003,088</u>
At September 30											
Cost	\$ 6,183,656	\$ 10,162	\$ 47,891,971	\$ 229,603	\$ 48,121,574	\$ 67,500,578	\$ 2,234	\$ 67,502,812	\$ 2,584,981	\$ 10,266,532	\$ 134,669,717
Accumulated depreciation	-	-	( 26,491,586)	( 89,333)	( 26,580,919)	( 38,204,486)	( 2,234)	( 38,206,720)	( 1,705,790)	-	( 66,493,429)
Accumulated impairment	-	-	-	-	-	( 173,200)	-	( 173,200)	-	-	( 173,200)
	<u>\$ 6,183,656</u>	<u>\$ 10,162</u>	<u>\$ 21,400,385</u>	<u>\$ 140,270</u>	<u>\$ 21,540,655</u>	<u>\$ 29,122,892</u>	<u>\$ -</u>	<u>\$ 29,122,892</u>	<u>\$ 879,191</u>	<u>\$ 10,266,532</u>	<u>\$ 68,003,088</u>

- 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:

	Three months ended September 30	
	2022	2021
Amount capitalized	\$ 22,628	\$ 10,698
	Nine months ended September 30	
	2022	2021
Amount capitalized	\$ 56,793	\$ 35,564
Range of the interest rates for capitalization	0.60%~4.64%	0.67%~3.24%

- 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 883 square meters, and the cost amounted to \$21,360. The land belongs to forest-floor, and the registration for the transfer cannot be completed. The Company has obtained other rights of the land for securing certain rights to this land. In addition, the Company sold the land in June 2022. Refer to table 6 for related transactions.

- 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 three months and nine months ended September 30, 2022 and 2021, no claims income arising from suspension of operations and assets disaster was recognized. In addition, as of September 30, 2022, the related fire claims have not yet been settled.

- F. The second-tier subsidiary of the Company, Unimicron Technology (KunShan), caught fire in September 2020, resulting in losses on certain factory and buildings, equipment and inventory. For the three months and nine months ended September 30, 2022 and 2021, gain from fire incident amounted to \$0, \$5,344, \$14,342, \$42,696, respectively. As of September 30, 2022, Unimicron Technology (KunShan) has received claims of \$202,578 from the insurance company, and the related fire claims have been settled.

- G. Certain factories of the Company caught fire in October 2020 and February 2021, resulting in losses on certain factories and buildings, equipment and inventory. However, the said factories are covered with property and business interruption insurance and the Company is entitled to claim for compensation for its operating costs during the interruption period. Therefore, no significant loss was incurred by the Company. For the three months and nine months ended September 30, 2022 and 2021, loss from fire incident amounted to \$0, \$13,821, \$0 and \$52,014, respectively. In addition, as of September 30, 2022 and 2021, insurance claims receivable amounted to \$654,548 and \$40,658, respectively (included in other receivables). As of September 30, 2022, the Company has received claims of \$1,615,578 from the insurance company, and continued negotiating with the insurance company with respect to the final settlement of the claims.
- H. The second-tier subsidiary of the Company, Unimicron Technology (Huangshi), was eligible to receive development and machinery and equipment bulk purchase subsidies from the respective local government in the amounts of RMB 24,521 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 September 30, 2022, the remaining unamortized balances were RMB 11,157 thousand and RMB 455 thousand, respectively.

(9) Leasing arrangements – lessee

- 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:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land and land use rights	\$ 1,832,156	\$ 1,913,024	\$ 1,737,201
Buildings	933,411	928,550	819,583
Machinery and equipment	83,228	276,828	360,021
Transportation equipment and other equipment	20,920	22,406	24,047
	<u>\$ 2,869,715</u>	<u>\$ 3,140,808</u>	<u>\$ 2,940,852</u>

	Three months ended September 30	
	2022	2021
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land and land use rights	\$ 40,276	\$ 39,413
Buildings	44,957	44,115
Machinery and equipment	6,238	28,438
Transportation equipment and other equipment	2,729	3,284
	<u>\$ 94,200</u>	<u>\$ 115,250</u>
	Nine months ended September 30	
	2022	2021
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land and land use rights	\$ 120,787	\$ 82,717
Buildings	134,395	129,279
Machinery and equipment	25,919	50,510
Transportation equipment and other equipment	8,576	9,452
	<u>\$ 289,677</u>	<u>\$ 271,958</u>

C. For the nine months ended September 30, 2022 and 2021, the additions to right-of-use assets were \$69,057 and \$710,584, respectively.

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

	Three months ended September 30	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 10,999	\$ 11,070
Expense on short-term lease contracts	30,312	21,726
Expense on leases of low-value assets	1,172	408
Expense on variable lease payments	3,736	2,493
Gain from lease modifications	1,085	-
	Nine months ended September 30	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 33,743	\$ 29,384
Expense on short-term lease contracts	75,760	57,869
Expense on leases of low-value assets	3,374	1,205
Expense on variable lease payments	10,121	10,189
Gain from lease modifications	1,772	8

E. For the nine months ended September 30, 2022 and 2021, the Group's total cash outflow for leases were \$420,582 and \$465,514, respectively.

#### F. Variable lease payments

Some of the Group'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 recognized 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 Group's lease contracts pertaining to land, land use rights, buildings and structures, transportation equipment and other equipment. These terms and conditions aim to maximize optional flexibility in terms of managing contracts.

(b) In determining the lease term, the Group 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. Land use rights acquired by the Group have a duration of 27 to 70 years, starting from the acquisition date. For the three months and nine months ended September 30, 2022 and 2021, depreciation expense and rent expenses were \$7,378, \$6,856, \$22,118 and \$19,504, respectively. In particular, Unimicron Technology (Huangshi) was eligible to receive development subsidies from the local government in the amount of RMB 19,299 thousand (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. The remaining unamortized balance of Unimicron Technology (Huangshi) was RMB 17,208 thousand.

#### (10) Leasing arrangements – lessor

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 three months and nine months ended September 30, 2022 and 2021, the amount of finance income from the net investment in the finance lease related to lease contracts was \$147, \$174, \$463 and \$542, respectively.

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Less than one year	\$ 3,933	\$ 3,738	\$ 3,738
More than one year but not later than five years	14,108	16,411	16,303
Over five years	<u>-</u>	<u>695</u>	<u>1,737</u>
	<u>\$ 18,041</u>	<u>\$ 20,844</u>	<u>\$ 21,778</u>

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows (included in other receivables and other non-current assets):

	<u>September 30, 2022</u>	<u>September 30, 2022</u>
	<u>Current</u>	<u>Non-current</u>
Undiscounted lease payments	\$ 3,933	\$ 14,108
Unearned finance income	( 518)	( 791)
Net investment in the lease	<u>\$ 3,415</u>	<u>\$ 13,317</u>
	<u>December 31, 2021</u>	<u>December 31, 2021</u>
	<u>Current</u>	<u>Non-current</u>
Undiscounted lease payments	\$ 3,738	\$ 17,106
Unearned finance income	( 603)	( 1,169)
Net investment in the lease	<u>\$ 3,135</u>	<u>\$ 15,937</u>
	<u>September 30, 2021</u>	<u>September 30, 2021</u>
	<u>Current</u>	<u>Non-current</u>
Undiscounted lease payments	\$ 3,738	\$ 18,040
Unearned finance income	( 630)	( 1,309)
Net investment in the lease	<u>\$ 3,108</u>	<u>\$ 16,731</u>

E. For the three months and nine months ended September 30, 2022 and 2021, the Group recognized rent income in the amounts of \$17,387, \$22,980, \$51,337 and \$42,641, respectively, based on the operating lease agreement, which does not include variable lease payments.

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Less than one year	\$ 65,543	\$ 69,198	\$ 52,717
More than one year but not later than five years	103,456	136,721	79,990
Over five years	<u>514</u>	<u>-</u>	<u>96</u>
	<u>\$ 169,513</u>	<u>\$ 205,919</u>	<u>\$ 132,803</u>



(11) Investment property

	2022		
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
At January 1			
Cost	\$ 534,213	\$ 128,494	\$ 662,707
Accumulated depreciation	-	( 87,569)	( 87,569)
	<u>\$ 534,213</u>	<u>\$ 40,925</u>	<u>\$ 575,138</u>
At January 1	\$ 534,213	\$ 40,925	\$ 575,138
Depreciation	-	( 2,541)	( 2,541)
Disposals, net	( 171,430)	-	( 171,430)
Reclassifications (Note)	( 12,942)	-	( 12,942)
At September 30	<u>\$ 349,841</u>	<u>\$ 38,384</u>	<u>\$ 388,225</u>
At September 30			
Cost	\$ 349,841	\$ 128,494	\$ 478,335
Accumulated depreciation	-	( 90,110)	( 90,110)
	<u>\$ 349,841</u>	<u>\$ 38,384</u>	<u>\$ 388,225</u>
	2021		
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
At January 1			
Cost	\$ 602,082	\$ 128,494	\$ 730,576
Accumulated depreciation	-	( 84,143)	( 84,143)
	<u>\$ 602,082</u>	<u>\$ 44,351</u>	<u>\$ 646,433</u>
At January 1	\$ 602,082	\$ 44,351	\$ 646,433
Depreciation	-	( 2,573)	( 2,573)
Reclassifications (Note)	( 67,869)	-	( 67,869)
At September 30	<u>\$ 534,213</u>	<u>\$ 41,778</u>	<u>\$ 575,991</u>
At September 30			
Cost	\$ 534,213	\$ 128,494	\$ 662,707
Accumulated depreciation	-	( 86,716)	( 86,716)
	<u>\$ 534,213</u>	<u>\$ 41,778</u>	<u>\$ 575,991</u>

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

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

	Three months ended September 30	
	2022	2021
Rental income from investment property	\$ 2,859	\$ 2,859
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 14,811	\$ 12,847
	Nine months ended September 30	
	2022	2021
Rental income from investment property	\$ 8,577	\$ 8,577
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 44,274	\$ 36,522

B. The fair value of the investment property held by the Group as at September 30, 2022, December 31, 2021 and September 30, 2021 was \$1,351,605, \$1,690,381 and \$1,727,963, 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.

(12) Intangible assets

	2022			
	<u>Computer software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
At January 1				
Cost	\$ 1,162,868	\$ 67,893	\$ 480,216	\$ 1,710,977
Accumulated amortization	( 888,912)	-	( 241,941)	( 1,130,853)
	<u>\$ 273,956</u>	<u>\$ 67,893</u>	<u>\$ 238,275</u>	<u>\$ 580,124</u>
At January 1	\$ 273,956	\$ 67,893	\$ 238,275	\$ 580,124
Additions-acquired separately	210,115	-	86,265	296,380
Reclassifications	1,146	-	-	1,146
Amortization	( 160,932)	-	( 70,714)	( 231,646)
Net exchange differences	1,301	9,230	689	11,220
At September 30	<u>\$ 325,586</u>	<u>\$ 77,123</u>	<u>\$ 254,515</u>	<u>\$ 657,224</u>
At September 30				
Cost	\$ 1,365,701	\$ 77,123	\$ 568,168	\$ 2,010,992
Accumulated amortization	( 1,040,115)	-	( 313,653)	( 1,353,768)
	<u>\$ 325,586</u>	<u>\$ 77,123</u>	<u>\$ 254,515</u>	<u>\$ 657,224</u>

	2021			
	<u>Computer software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
At January 1				
Cost	\$ 933,196	\$ 70,488	\$ 271,560	\$ 1,275,244
Accumulated amortization	( 719,825)	-	( 187,115)	( 906,940)
	<u>\$ 213,371</u>	<u>\$ 70,488</u>	<u>\$ 84,445</u>	<u>\$ 368,304</u>
At January 1	\$ 213,371	\$ 70,488	\$ 84,445	\$ 368,304
Additions-acquired separately	203,290	-	195,265	398,555
Disposals-cost	( 31,234)	-	( 3,634)	( 34,868)
Disposals-accumulated amortization	31,234	-	3,634	34,868
Amortization	( 144,347)	-	( 28,938)	( 173,285)
Net exchange differences	( 3,148)	( 2,310)	( 1,039)	( 6,497)
At September 30	<u>\$ 269,166</u>	<u>\$ 68,178</u>	<u>\$ 249,733</u>	<u>\$ 587,077</u>
At September 30				
Cost	\$ 1,105,252	\$ 68,178	\$ 470,270	\$ 1,643,700
Accumulated amortization	( 836,086)	-	( 220,537)	( 1,056,623)
	<u>\$ 269,166</u>	<u>\$ 68,178</u>	<u>\$ 249,733</u>	<u>\$ 587,077</u>

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

	<u>Three months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
Operating costs	\$ 55,374	\$ 50,766
Selling expenses	329	417
General and administrative expenses	11,886	7,352
Research and development expenses	17,453	13,527
	<u>\$ 85,042</u>	<u>\$ 72,062</u>
	<u>Nine months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
Operating costs	\$ 154,800	\$ 113,418
Selling expenses	1,028	1,232
General and administrative expenses	26,375	21,211
Research and development expenses	49,443	37,424
	<u>\$ 231,646</u>	<u>\$ 173,285</u>

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Mainland China	\$ 71,976	\$ 62,746	\$ 63,031
Others	5,147	5,147	5,147
	<u>\$ 77,123</u>	<u>\$ 67,893</u>	<u>\$ 68,178</u>

(13) Short-term borrowings

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Bank borrowings	\$ 3,292,878	\$ 6,973,730	\$ 6,841,700
L/C borrowings	2,643,741	3,202,486	3,522,155
	<u>\$ 5,936,619</u>	<u>\$ 10,176,216</u>	<u>\$ 10,363,855</u>
Interest rate range	<u>1.27%~4.94%</u>	<u>0.58%~1.92%</u>	<u>0.57%~1.92%</u>
Undrawn borrowing facilities	<u>\$ 50,681,113</u>	<u>\$ 45,928,171</u>	<u>\$ 40,312,964</u>

As of September 30, 2022, December 31, 2021 and September 30, 2021, aside from the collateral listed in Note 8, the Company also issued guarantee notes in the amounts of \$11,504,000 and US\$315,000,000, \$9,700,000 and US\$435,000,000, \$9,200,000 and US\$465,000,000 for the aforementioned borrowings, respectively.

(14) Short-term notes and bills payable

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Commercial paper payable	\$ 300,000	\$ 400,000	\$ 300,000
Less: Unamortized discount	-	( 100)	( 58)
	<u>\$ 300,000</u>	<u>\$ 399,900</u>	<u>\$ 299,942</u>
Issue rate	<u>1.2%</u>	<u>0.35%~0.52%</u>	<u>0.52%</u>
Undrawn borrowing facilities	<u>\$ 2,100,000</u>	<u>\$ 2,100,000</u>	<u>\$ 2,100,000</u>

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

(15) Financial liabilities at fair value through profit or loss – current

<u>Items</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Current items:			
Financial liabilities at fair value through profit or loss			
Valuation adjustment	<u>\$ 189,797</u>	<u>\$ -</u>	<u>\$ -</u>

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

(16) Other payables

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Payable on machinery and equipment	\$ 7,592,697	\$ 5,595,376	\$ 5,307,087
Employees' compensation and directors' payable	5,033,351	2,726,506	1,638,139
Salaries and bonuses payable	2,675,134	2,716,125	2,125,756
Others	5,756,614	5,394,722	5,902,325
	<u>\$ 21,057,796</u>	<u>\$ 16,432,729</u>	<u>\$ 14,973,307</u>

(17) Other current liabilities

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Contract liabilities (Note 1)	5,242,515	2,559,805	\$ 2,091,638
Lease liabilities	278,264	294,802	369,265
Fund collected for purchase of equipment on behalf of others (Note 2)	80,264	319,987	560,840
Others	173,417	129,497	128,617
	<u>\$ 5,774,460</u>	<u>\$ 3,304,091</u>	<u>\$ 3,150,360</u>

Note 1: Details of contract liabilities are provided in Note 6(26).

Note 2: It refers to fund collected for the purchase of equipment on behalf of customer who commissioned the Company to acquire equipment on its behalf.

(18) Bonds payable

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Bonds payable	\$ 11,000,000	\$ 8,000,000	\$ 8,000,000
Less: Amorization of discount on bonds payable	( 9,859)	( 8,077)	( 8,555)
	<u>\$ 10,990,141</u>	<u>\$ 7,991,923</u>	<u>\$ 7,991,445</u>

The terms of the domestic unsecured bonds issued by the Company are as follows:

<u>Name</u>	<u>Issuance date</u>	<u>Period</u>	<u>Coupon rate (%)</u>	<u>Original issue price</u>	<u>September 30, 2022</u>
1 <sup>st</sup> issuance in 2020	2021.01.13	five years	0.68	\$ 3,000,000	\$ 3,000,000
1 <sup>st</sup> issuance in 2021	2021.05.04	five years	0.75	5,000,000	5,000,000
1 <sup>st</sup> issuance in 2022	2022.01.12	five years	0.79	3,000,000	3,000,000
					<u>\$ 11,000,000</u>

Name	Issuance date	Period	Coupon rate (%)	Original issue price	December 31, 2021
1 <sup>st</sup> issuance in 2020	2021.01.13	five years	0.68	\$ 3,000,000	\$ 3,000,000
1 <sup>st</sup> issuance in 2021	2021.05.04	five years	0.75	5,000,000	5,000,000
					<u>\$ 8,000,000</u>

Name	Issuance date	Period	Coupon rate (%)	Original issue price	September 30, 2021
1 <sup>st</sup> issuance in 2020	2021.01.13	five years	0.68	\$ 3,000,000	\$ 3,000,000
1 <sup>st</sup> issuance in 2021	2021.05.04	five years	0.75	5,000,000	5,000,000
					<u>\$ 8,000,000</u>

(19) Long-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
Bank borrowings	\$ 13,811,663	\$ 13,745,698	\$ 14,835,375
Commercial paper payable	3,100,000	3,100,000	3,100,000
Less: Unamortized discount	-	( 396)	( 715)
	<u>16,911,663</u>	<u>16,845,302</u>	<u>17,934,660</u>
Less: Current portion	( 3,161,456)	( 2,594,726)	( 2,546,538)
	<u>\$ 13,750,207</u>	<u>\$ 14,250,576</u>	<u>\$ 15,388,122</u>
Interest rate range	<u>1.05%~4.64%</u>	<u>0.38%~2.05%</u>	<u>0.26%~2.05%</u>

- A. The long-term borrowings listed above will mature between 2021 and 2028.
- B. In 2021, the Company renewed commercial paper issuance agreements with companies including China Bills Finance Corporation (“Bills Finance Corp.”), who agreed to act as underwriters of commercial paper issued by the Company. 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 0.5%~0.7%. These agreements expire in January 2025, June 2025 and August 2025.
- C. In October 2019, the Company signed an agreement of loans for returning Taiwanese investors totaling \$2,000,000 with Taipei Fubon Bank. The loan period is five years from the date the credit is first used (April 23, 2020). The Company is required to maintain the following financial ratios for the duration of the agreement (calculated based on the annual and half-year consolidated financial statements):
- Current ratio of 100% or more;
  - Debt ratio not to exceed 150% (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders’ equity less intangible assets);
  - Interest coverage ratio of 4 or more (calculated as earnings before interest, taxes, depreciation and amortization divided by interest expense).
  - Net tangible assets of not lower than \$40,000,000.
- In addition, on June 27, 2022, the banks cancelled the financial commitments.

D. In March 2020, the Company signed an agreement of loans for returning Taiwanese investors totaling \$2,000,000 with Mega International Commercial Bank. The loan period is five years from the date the credit is first used (September 28, 2021). The Company is required 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).

In addition, on February 18, 2022, the banks cancelled the financial commitments.

E. In February 2020, Qun Hong Technology resigned a medium to long-term loan agreement of \$200,000 with Bank Sinopac. The agreement is set to expire in March 2023. 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 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 Technology, calculated from the financial statements for the year ended December 31, 2021 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, 2021. In addition, the Company repaid the long-term borrowings in August 2022.

F. In September 2020, Qun Hong Technology signed a medium term loan agreement of \$300,000 with Chinatrust Commercial Bank. The agreement is set to expire in November 2023. 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 200% in 2020, 190% in 2021, 180% in 2022 and 160% in 2023 (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 \$1,900,000.

In addition, the borrowing facility was revised to \$270,000 and financial ratios were revised in October 2021 (calculated based on the annual consolidated financial statements of the Company):

- (a) Cash flow from operating activities of at least \$0;

- (b) Debt ratio not to exceed 350% in 2021, 300% in 2022 and 250% in 2023 (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 \$800,000;
- (d) Earnings before interest, taxes, depreciation and amortization/current portion of long-term financial liabilities plus interest expense of more than 1.2.

For the year ended December 31, 2021, some financial ratios in the financial statements of Qun Hong Technology did not meet the regulations according to aforementioned calculations of financial ratios. However, the regulations did not require for immediate repayment of borrowings, thus, on December 31, 2021, it was still shown as long-term borrowings.

G. In May 2021, Qun Hong Technology signed a medium term loan agreement of \$200,000 with Taishin international bank. The agreement is set to expire in May 2024. 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 80%;
- (b) Debt ratio not to exceed 300% (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, 2021 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, 2021. In addition, the Company repaid the long-term borrowings in June 2022.

H. As of September 30, 2022, December 31, 2021 and September 30, 2021, aside from the collateral listed in Note 8, the Company also issued guarantee notes in the amounts of \$15,742,000 and US\$160,000,000, \$19,092,000 and US\$180,000,000, \$19,092,000 and US\$325,000,000 for the aforementioned borrowings, respectively.

(20) Other non-current liabilities

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Contract liabilities (Note 1)	\$ 41,368,149	\$ 29,349,607	\$ 12,917,048
Lease liabilities	1,386,769	1,481,048	1,171,588
Construction payable on behalf of others (Note 2)	811,574	792,059	784,571
Accrued pension liabilities	623,563	637,317	694,618
Others	734,703	736,688	731,570
	<u>\$ 44,924,758</u>	<u>\$ 32,996,719</u>	<u>\$ 16,299,395</u>

Note 1: Details of contract liabilities are provided in Note 6(26).

Note 2: Details of construction payable on behalf of others in Note 9D.



(21) Pensions

- A. (a) The Company, Qun Hong Technology, Apm Communication and Asia Pacific 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, Qun Hong Technology, Apm Communication and Asia Pacific 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, Qun Hong Technology, Apm Communication and Asia Pacific 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, Qun Hong Technology, Apm Communication and Asia Pacific will make contributions for the deficit by next March. U JAPAN has a defined benefit retirement plan in accordance with local regulations.
- (b) The pension costs under the defined benefit pension plans of the Group for the three months and nine months ended September 30, 2022 and 2021 were \$3,409, \$3,342, \$10,410 and \$10,133, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Company, Qun Hong, Asia Pacific and U JAPAN for the year ending December 31, 2022 amount to \$25,226, \$1,527, \$0 and \$6,820, respectively.
- B. (a) The Company, Qun Hong Technology, UniCuisine, Apm and Asia Pacific 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, UniCuisine, Apm and Asia Pacific 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.
- (b) Consolidated subsidiaries, Unimicron Technology (ShenZhen), Unimicron Technology (KunShan), Uniflex Technology (KunShan), Unimicron Technology (SuZhou), Unimicron Technology (Huangshi), Unimicron Touchand , Unimicron-Carrier Technology, Hu Se Sn Li Management Crop., Ltd. 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. Unimicron Touch completed the liquidation process in January 2022.

- (c) Consolidated subsidiaries, Hemingway, UMTC, Plato-Cayman, SI, UHL, BO, UniSmart, UniRuwel, UniClover, UniDH, UniDT, UniBest, 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, UniClover and UniDT finished the liquidation process in March 2021 and August 2022, respectively.
- (d) Hsin Yang Investment, Unimicron Management (KunShan), Kunshan Dingchangxin, Suzhou Qunye, Kunshan Qunqi, Kunshan Dingshengxin, and UniFresh have no employees and therefore do not have to recognize pension costs.
- (e) The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2022 and 2021 were \$275,325, \$239,384, \$821,352, and \$723,166, respectively.

(22) Share-based payment

A. For the nine months ended September 30, 2022 and 2021, the Group's share-based payment arrangements were as follows:

(a) The Company:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (Shares in thousands)</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Third phase of the 8 <sup>th</sup> treasury stocks transferred to employees	2021.04.27	265	0.04 years	Note
Fourth phase of the 8 <sup>th</sup> treasury stocks transferred to employees	2021.05.28	7,180	0.04 years	Note
Fifth phase of the 8 <sup>th</sup> treasury stocks transferred to employees	2021.10.26	260	0.03 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:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (Shares in thousands)</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Restricted stocks to employees	2022.09.12	3,105	2.5 years	Note

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

A. After 15 months starting from the issuance date of new restricted stocks, employees could exercise 50% of vested shares.

B. After 30 months starting from the issuance date of new restricted stocks, employees could exercise 50% of vested shares.

Except for inheritance, aforementioned restricted stocks issued by the Company cannot be sold, pledged, transferred, granted to others, creates the thing with a right in rem, or other ways of disposal during the vesting period, but voting right and dividend right are not restricted on these stocks. When employees do not reach those conditions, the Company will repurchase at original issuance price and retire those shares.

The aforementioned share-based payment arrangements all are equity-settled.

(c) Qun Hong Technology:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (Shares in thousands)</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Employee stock options	2017.06.20	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.

(d) NEOCONIX:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (Shares in thousands)</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Stock options A~O	2003.10.23~ 2012.09.06	5,969	10 years	Note
Employee stock option certificates A~B	2012.06.18~ 2012.06.30	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.

(e) Asia Pacific

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u> <u>(Shares in thousands)</u>	<u>Contract</u> <u>period</u>	<u>Vesting</u> <u>conditions</u>
Employee stock options	2021.09.01	2,357	3.5 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 50% of the stock warrants granted can be exercised.
- B. On the second anniversary of the grant date, up to 80% of the stock warrants granted can be exercised.
- C. On the 30 months of the grant date, 100% of the stock warrants granted can be exercised.

(f) Unimicron Technology (SuZhou)

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u> <u>(Shares in thousands)</u>	<u>Contract</u> <u>period</u>	<u>Vesting</u> <u>conditions</u>
Plan of increasing capital through employee stock options	2022.03.31	48,577	4 years and 6 years	Note

Note: The longer of employees' service period (for section managers and above, 72 consecutive months starting from April 1, 2022; and for those below section manager level, 48 consecutive months starting from April 1, 2022) or the Company listed in the market and IPO lock-up was satisfied.

With respect to Unimicron Technology (SuZhou)'s plan of increasing capital through employee stock options, if the vested conditions were not met and the partner did not formally agree in advance, limited partners could not transfer or pledge all or part of their investments or dispose in other ways. Additionally, if common partners agree, the dividends, bonus and other income shall be distributed in proportion of each partner's actual investments. If limited partner does not reach vested conditions, it shall be repurchased according to the partner agreement.

The aforementioned share-based payment arrangements all are equity-settled.

(g) UniCuisine

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (Shares in thousands) (Note)</u>	<u>Vesting conditions</u>
Cash capital increase reserved for employee preemption	2022.08.12	105	Vested immediately

Note: 25 thousand shares are reserved for the Company's employees.

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

(a) The Company:

i. Treasury stock transferred to employees

	<u>Nine months ended September 30</u>			
	<u>2022</u>		<u>2021</u>	
	<u>No. of rights of alienation (Shares in thousands)</u>	<u>Exercise price (in dollars)</u>	<u>No. of rights of alienation (Shares in thousands)</u>	<u>Exercise price (in dollars)</u>
Rights of alienation outstanding at beginning of period	-	\$ -	149	\$ 16.41
Rights of alienation granted	-	-	7,445	37.94 and 38.45
Rights of alienation exercised	-	-	( 7,445)	37.94 and 38.45
Rights of alienation expired	-	-	-	-
Rights of alienation outstanding at end of period	-	\$ -	149	\$ 16.41
Rights of alienation exercisable	-	\$ -	149	\$ 16.41

ii. Restricted stocks to employees

	Nine months ended September 30			
	2022		2021	
	No. of restricted stocks (Shares in thousands)	Exercise price (in dollars)	No. of restricted stocks (Shares in thousands)	Exercise price (in dollars)
Employee restricted shares at beginning of period	-	\$ -	-	\$ -
Shares granted	3,105	95.10	-	-
Shares vested	-	-	-	-
Shares repurchased	-	-	-	-
Employee restricted shares	<u>3,105</u>	<u>\$ 95.10</u>	<u>-</u>	<u>\$ -</u>

(b) Qun Hong Technology:

Employee stock options

	Nine months ended September 30			
	2022		2021	
	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 period	4,288	\$ 16.89	6,000	\$ 16.89
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired	(4,288)	-	-	-
Options outstanding at end of period	<u>-</u>	<u>\$ -</u>	<u>6,000</u>	<u>\$ 16.89</u>
Employee stock options exercised	<u>-</u>	<u>\$ -</u>	<u>6,000</u>	<u>\$ 16.89</u>

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

(c) NEOCONIX:

Stock options

	Nine months ended September 30			
	2022		2021	
	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 period	225	\$0.04~\$0.15	1,065	\$0.04~\$0.15
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired	(225)	-	(840)	-
Options outstanding at end of period	<u>-</u>	<u>\$ -</u>	<u>225</u>	<u>\$0.04~\$0.15</u>
Employee stock options exercised	<u>-</u>	<u>\$ -</u>	<u>225</u>	<u>\$0.04~\$0.15</u>

(d) Asia Pacific

Employee stock options

	Nine months ended September 30			
	2022		2021	
	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 period	2,327	\$ 10.20	-	\$ -
Options granted	-	-	2,357	10.20
Options exercised	-	-	-	-
Options expired	(187)	-	(27)	-
Options outstanding at end of period	<u>2,140</u>	<u>\$ 10.20</u>	<u>2,330</u>	<u>\$ 10.20</u>
Employee stock options exercised	<u>1,070</u>	<u>\$ 10.20</u>	<u>-</u>	<u>\$ -</u>

(e) Unimicron Technology (SuZhou)

Plan of increasing capital through employee stock options

	2022		2021	
	No. of shares used in increasing capital (Shares in thousands)	Exercise price (in RMB dollars)	No. of shares used in increasing capital (Shares in thousands)	Exercise price (in RMB dollars)
Number of shares held by employees used in increasing capital at beginning of period	-	\$ -	-	\$ -
Shares granted	48,577	3.11	-	-
Shares vested	-	-	-	-
Shares repurchased	-	-	-	-
Number of shares held by employees used in increasing capital	<u>48,577</u>	<u>\$ 3.11</u>	<u>-</u>	<u>\$ -</u>

(f) UniCuisine

Cash capital increase reserved for employee preemption

	Nine months ended September 30			
	2022		2021	
	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 period	-	\$ -	-	\$ -
Options granted	105	20.00	-	-
Options exercised (	105)	20.00	-	-
Options expired	-	-	-	-
Options outstanding at end of period	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Employee stock options exercised	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>



- C. As of September 30, 2021, the exercise price of rights of alienation outstanding was NT\$16.41. The weighted-average remaining contractual period was 0 year. In addition, there was no rights of alienation outstanding as of September 30, 2022 and December 31, 2021.
- D. As of September 30, 2021, the exercise price of restricted stocks to employees outstanding was NT\$95.10. The weighted-average remaining contractual period was 2.45 years.
- E. As of December 31, 2021 and September 30, 2021, the exercise prices of stock options outstanding of Qun Hong Technology was NT\$16.89 for both years; the weighted-average remaining contractual period was 0.47 year and 0.72 year, respectively. In addition, there was no stock option outstanding as of September 30, 2022.
- F. As of December 31, 2021 and September 30, 2021, 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 0.7 year and 0.9 year, respectively. In addition, there was no option outstanding as of September 30, 2022.
- G. As of September 30, 2022, December 31 2021 and September 30, 2022, the exercise price of stock options outstanding of Asia Pacific was NT\$10.20 for the periods; and the weighted-average remaining contractual period was 2.42 years, 3.17 years and 3.42 years, respectively.
- H. As of September 30, 2022, the exercise price of Unimicron Technology (SuZhou)'s plan of increasing capital through employee stock options outstanding was RMB 3.11, and the weighted average residual contract period was 5.5 years and 3.5 years.
- I. The fair value of stock options granted by the Company, Qun Hong Technology, NEOCONIX, Asia Pacific, Unimicron Technology (SuZhou) and UniCuisine is measured using the Black-Scholes option-pricing model or value equation 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)
Third phase of the 8 <sup>th</sup> treasury stocks transferred to employees	2021.04.27	\$ 102.50	\$ 37.94	51.93%	0.04 years	\$ -	0.1500%	\$ 64.56
Fourth phase of the 8 <sup>th</sup> treasury stocks transferred to employees	2021.05.28	\$ 104.50	\$ 38.45	54.15%	0.04 years	\$ -	0.1300%	\$ 66.05

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)
Fifth phase of the 8 <sup>th</sup> treasury stocks transferred to employees	2021.10.26	\$ 156.00	\$ 51.33	53.68%	0.03 years	\$ -	0.2300%	\$ 104.67
Restricted Stock to employees	2022.09.12	\$ 142.50	\$ 95.10	-	-	\$ -	-	\$ 47.40

(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)
Employee stock options	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	2003.10.23 ~ 2012.09.06	\$0.026~ \$0.101	\$0.04~ \$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	\$ -	-	\$ -

(d) Asia Pacific

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)
Employee stock options	2021.09.01	\$ 9.76	\$ 10.20	42.77%	2.55 years	\$ -	0.24%	\$ 2.47

(e) Unimicron Technology (SuZhou)

Type of arrangement	Grant date	Stock price (in RMB dollars)	Exercise price (in RMB dollars)	Expected price volatility	Expected option life	Expected dividends (in RMB dollars)	Risk-free interest rate	Fair value per unit (in RMB dollars)
Plan of increasing capital through employee stock options	2022.03.31	\$ 3.56	\$ 3.11	-	-	\$ -	-	\$ 0.45

(f) UniCuisine

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)
Cash capital increase reserved for employee preemption	2022.08.12	\$ 26.98	\$ 20.00	33.75%	-	\$ -	0.6889%	\$ 6.99

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

	Three months ended September 30	
	2022	2021
Equity-settled	\$ 6,009	\$ 337
	Nine months ended September 30	
	2022	2021
Equity-settled	\$ 7,490	\$ 491,684

(23) Share capital

- A. As of September 30, 2022, the Company's authorized and paid-in capital were \$20,000,000 and \$14,783,653, respectively.
- B. On October 26, 2021, the Board of Directors resolved to retire 29,472,000 treasury shares amounting to \$294,720. The ratio of capital reduction was 1.96%. The registration of retirement of treasury shares was completed on December 3, 2021.

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

	2022	2021
At January 1	1,475,260,333	1,467,555,333
Treasury shares sold to employees	-	7,445,000
Issuance of restricted shares to employees	3,105,000	-
At September 30	1,478,365,333	1,475,000,333

C. On June 15, 2022, the shareholders of the Company resolved to issue restricted shares to employees (refer to Note 6(22) for details). It was effective after applying to the Financial Supervisory Commission on June 29, 2022, and the issuance could be divided into many times in 1 year. The effective date of new shares issuance was September 12, 2022, and the application was approved by the Ministry of Economic Affairs on October 19, 2022. The issuance contained 3,105 thousand common shares at an acquisition price of NT\$95.10 per share. The employee restricted ordinary shares issued are subject to certain transfer restrictions before their vesting conditions are met. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares.

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		September 30, 2022	
holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	-	\$ -
Name of company		December 31, 2021	
holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	-	\$ -
Name of company		September 30, 2021	
holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	29,732,000 shares	\$ 486,398

(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 five-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.

(24) 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. Further, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

2022											
			Difference between consideration and carrying	Changes in	Net change in equity of associates and joint ventures	Net assets	Treasury share	Employee	Others	Total	
	Employee	Expired	amount of subsidiaries	ownership interests	accounted for	from merger	transactions	restricted shares			
Share premium	stock options	employee stock options	acquired or disposed	in subsidiaries	using equity method						
At January 1	\$ 6,222,148	\$ -	\$ 34,314	\$ 11,944	\$ 144,247	\$ 77,957	\$ 1,903,855	\$ 937,482	\$ 64,452	\$ 277	\$ 9,396,676
Changes in ownership interests in subsidiaries	-	-	-	-	140,056	-	-	-	-	-	140,056
Changes in net assets of associates accounted for using equity method	-	-	-	-	-	( 683)	-	-	-	( 683)	
Reversal of capital surplus - dividends not received by shareholders	-	-	-	-	-	-	-	-	( 328)	( 328)	
Restricted stocks to employees	-	-	-	-	-	-	-	-	394,999	-	394,999
Others	21	-	-	-	-	-	-	-	-	-	21
At September 30	<u>\$ 6,222,169</u>	<u>\$ -</u>	<u>\$ 34,314</u>	<u>\$ 11,944</u>	<u>\$ 284,303</u>	<u>\$ 77,274</u>	<u>\$ 1,903,855</u>	<u>\$ 937,482</u>	<u>\$ 459,451</u>	<u>(\$ 51)</u>	<u>\$ 9,930,741</u>

2021											
			Difference between consideration and carrying	Changes in	Net change in equity of associates and joint ventures	Net assets	Treasury share	Employee	Others	Total	
	Employee	Expired	amount of subsidiaries	ownership interests	accounted for	from merger	transactions	restricted shares			
Share premium	stock options	employee stock options	acquired or disposed	in subsidiaries	using equity method						
At January 1	\$ 6,346,450	\$ 2,064	\$ 32,250	\$ 11,944	\$ 127,161	\$ 77,700	\$ 1,903,855	\$ 265,124	\$ 64,452	\$ 415	\$ 8,831,415
Share-based payments	-	491,347	-	-	-	-	-	-	-	-	491,347
Treasury shares sold to employees	-	( 491,347)	-	-	-	-	654,819	-	-	-	163,472
Changes in ownership interests in subsidiaries	-	-	-	( 4,116)	-	-	-	-	-	( 4,116)	
Changes in net assets of associates accounted for using equity method	-	-	-	-	-	( 154)	-	-	-	( 154)	
Reversal of capital surplus - dividends not received by shareholders	-	-	-	-	-	-	-	-	( 92)	( 92)	
At September 30	<u>\$ 6,346,450</u>	<u>\$ 2,064</u>	<u>\$ 32,250</u>	<u>\$ 11,944</u>	<u>\$ 123,045</u>	<u>\$ 77,546</u>	<u>\$ 1,903,855</u>	<u>\$ 919,943</u>	<u>\$ 64,452</u>	<u>\$ 323</u>	<u>\$ 9,481,872</u>

(25) 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. The appropriations of 2021 and 2020 earnings as resolved by the shareholders during their meeting on June 15, 2022 and August 12, 2021, respectively, are as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Legal reserve	\$ 1,324,471		\$ 543,158	
Reversal of special reserve	( 217,688)		( 311,076)	
Cash dividends	<u>5,015,885</u>	\$ 3.40	<u>2,054,577</u>	\$ 1.40
	<u>\$ 6,122,668</u>		<u>\$ 2,286,659</u>	

F. The consolidated subsidiaries, Unimicron Technology (ShenZhen), Unimicron Technology (KunShan), Uniflex Technology (KunShan), Unimicron Technology (SuZhou) Unimicron Touch, Unimicron Technology (Huangshi), Unimicron Management (Kunshan), Kunshan Dingchangxin, Unimicron-Carrier Technology (Huangshi), SuZhou Qunye, Hu Se Sn Li, KunShan Qunqi and Kunshan Dingshengxin 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.

(26) 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:

<u>Three months ended September 30, 2022</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 9,579,089</u>	<u>\$25,828,991</u>	<u>\$ 947,024</u>	<u>\$1,080,401</u>	<u>\$ 37,435,505</u>
Timing of revenue recognition					
At a point in time	<u>\$ 9,579,089</u>	<u>\$25,828,991</u>	<u>\$ 947,024</u>	<u>\$1,080,401</u>	<u>\$ 37,435,505</u>
<u>Three months ended September 30, 2021</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 5,522,577</u>	<u>\$20,629,199</u>	<u>\$ 791,813</u>	<u>\$1,201,012</u>	<u>\$ 28,144,601</u>
Timing of revenue recognition					
At a point in time	<u>\$ 5,522,577</u>	<u>\$20,629,199</u>	<u>\$ 791,813</u>	<u>\$1,201,012</u>	<u>\$ 28,144,601</u>
<u>Nine months ended September 30, 2022</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$23,772,639</u>	<u>\$73,719,171</u>	<u>\$2,821,516</u>	<u>\$3,486,160</u>	<u>\$ 103,799,486</u>
Timing of revenue recognition					
At a point in time	<u>\$23,772,639</u>	<u>\$73,719,171</u>	<u>\$2,821,516</u>	<u>\$3,486,160</u>	<u>\$ 103,799,486</u>
<u>Nine months ended September 30, 2021</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$14,882,658</u>	<u>\$53,671,734</u>	<u>\$1,856,519</u>	<u>\$3,587,541</u>	<u>\$ 73,998,452</u>
Timing of revenue recognition					
At a point in time	<u>\$14,882,658</u>	<u>\$53,671,734</u>	<u>\$1,856,519</u>	<u>\$3,587,541</u>	<u>\$ 73,998,452</u>

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

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>	<u>January 1, 2021</u>
Contract liabilities - advance sales receipts	<u>\$ 46,610,664</u>	<u>\$ 31,909,412</u>	<u>\$ 15,008,686</u>	<u>\$ 3,407,724</u>

C. Revenue recognized that was included in the contract liability balance at the beginning of the period

	Three months ended September 30	
	2022	2021
Operating revenue	\$ 789,179	\$ 86,516
	Nine months ended September 30	
	2022	2021
Operating revenue	\$ 2,015,415	\$ 133,859

As of September 30, 2022, December 31, 2021 and September 30, 2021, certain letters of credit guaranteed by a bank for the abovementioned contract liabilities amounted to USD 90,030 thousand, RMB 8,760 thousand, USD 87,431 thousand and USD 89,700 thousand, respectively.

(27) Other income and expenses-net

	Three months ended September 30	
	2022	2021
Rental income from investment property	\$ 2,859	\$ 2,859
Depreciation on investment property	( 847)	( 857)
Other income and expenses, net	25,250	53,892
	\$ 27,262	\$ 55,894
	Nine months ended September 30	
	2022	2021
Rental income from investment property	\$ 8,577	\$ 8,577
Depreciation on investment property	( 2,541)	( 2,573)
Other income and expenses, net	86,340	110,455
	\$ 92,376	\$ 116,459

(28) Other income

	Three months ended September 30	
	2022	2021
Revenue from sale of scraps	\$ 93,355	\$ 95,778
Dividend income	483	45,371
Rental revenue	14,528	19,733
Miscellaneous income	94,971	104,711
	\$ 203,337	\$ 265,593
	Nine months ended September 30	
	2022	2021
Revenue from sale of scraps	\$ 272,679	\$ 281,361
Dividend income	193,627	159,023
Rental revenue	42,760	33,587
Miscellaneous income	266,030	409,724
	\$ 775,096	\$ 883,695



(29) Other gains and losses

	Three months ended September 30	
	2022	2021
Net currency exchange gains	\$ 1,613,163	\$ 38,261
Gains on disposal of investments	24,186	-
Gains on disposal of property, plant and equipment	1,566	535
Net (losses) gains on financial assets or liabilities at fair value through profit or loss	( 925,427)	871,376
Gains arising from lease modifications	1,085	-
Miscellaneous disbursements	( 97,015)	( 65,182)
	<u>\$ 617,558</u>	<u>\$ 844,990</u>
	Nine months ended September 30	
	2022	2021
Net currency exchange gains (losses)	\$ 3,428,237	(\$ 177,990)
Gains on disposal of investments	24,186	-
Gains (losses) on disposal of property, plant and equipment (including investment assets )	591,983	( 1,790)
Impairment loss on property, plant and equipment	-	( 51,803)
Net (losses) gains on financial assets or liabilities at fair value through profit or loss	( 2,977,295)	2,266,589
Gains arising from lease modifications	1,772	8
Miscellaneous disbursements	( 82,177)	( 143,320)
	<u>\$ 986,706</u>	<u>\$ 1,891,694</u>

(30) Finance costs

	Three months ended September 30	
	2022	2021
Interest expense-bank borrowings	\$ 101,489	\$ 58,387
Interest expense-bonds payable	20,395	14,468
Interest expense-lease transactions	10,999	11,070
Bill handling fee	5,675	5,429
Amortization of discount on bonds payable	666	479
Others	2,017	2,044
	<u>141,241</u>	<u>91,877</u>
Less: Capitalization of qualifying assets	( 22,628)	( 10,698)
	<u>\$ 118,613</u>	<u>\$ 81,179</u>

	Nine months ended September 30	
	2022	2021
Interest expense-bank borrowings	\$ 230,954	\$ 200,689
Interest expense-bonds payable	60,195	30,061
Interest expense-lease transactions	33,743	29,384
Bill handling fee	15,636	20,214
Amortization of discount on bonds payable	1,968	1,020
Others	6,075	2,065
	<u>348,571</u>	<u>283,433</u>
Less: Capitalization of qualifying assets	( 56,793)	( 35,564)
	<u>\$ 291,778</u>	<u>\$ 247,869</u>

(31) Expenses by nature

	Three months ended September 30	
	2022	2021
Employee benefit expense	\$ 7,758,546	\$ 6,123,307
Depreciation charges on property, plant and equipment (including investment assets and right-of-use assets)	2,887,472	2,492,621
Amortization charges on intangible assets	85,042	72,062
	<u>\$ 10,731,060</u>	<u>\$ 8,687,990</u>

	Nine months ended September 30	
	2022	2021
Employee benefit expense	\$ 22,068,759	\$ 17,490,053
Depreciation charges on property, plant and equipment (including investment assets and right-of-use assets)	8,223,257	6,964,533
Amortization charges on intangible assets	231,646	173,285
	<u>\$ 30,523,662</u>	<u>\$ 24,627,871</u>

(32) Employee benefit expense

	Three months ended September 30	
	2022	2021
Salary expenses	\$ 6,791,736	\$ 5,195,218
Labour and health insurance fees	448,137	406,012
Pension and severance pay	279,368	244,242
Other personnel expenses	239,305	277,835
	<u>\$ 7,758,546</u>	<u>\$ 6,123,307</u>

	Nine months ended September 30	
	2022	2021
Salary expenses	\$ 18,982,298	\$ 14,667,780
Labour and health insurance fees	1,339,874	1,237,087
Pension and severance pay	834,125	746,807
Other personnel expenses	912,462	838,379
	<u>\$ 22,068,759</u>	<u>\$ 17,490,053</u>

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 between 6% and 16% for employees' compensation and shall not exceed 0.9% for directors' remuneration.

B. For the three months and nine months ended September 30, 2022 and 2021, employees' compensation was accrued at \$1,873,504, \$786,478, \$4,928,666, and \$1,469,661, respectively; while directors' remuneration was accrued at \$7,938, \$6,878, \$22,319 and \$19,708, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on the percentage of distributable profit for the nine months ended September 30, 2022 as of the end of the reporting period as prescribed by the Company's Articles of Incorporation. The employees' compensation and directors' remuneration for 2021 were \$2,324,419 and \$29,472, respectively, as resolved by the Board of Directors. The difference of (\$166,030) between employees' compensation as resolved by the Board of Directors and the amount recognized in the 2021 financial statements had been adjusted in profit or loss for 2022. The employees' compensation will be distributed in the form of cash.

Information about employees' compensation and directors' 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. For the three months and nine months ended September 30, 2022 and 2021, employees' compensation of UniCuisine was accrued at \$723, \$1,062, \$2,041 and \$3,301, respectively; while directors' and supervisors' remuneration was accrued at \$20, \$37, \$56 and \$80, respectively. The aforementioned amounts were recognized in salary expenses.

D. For the three months and nine months ended September 30, 2022, employees' compensation of Apm Communication was accrued at \$975 and \$975, respectively; no directors' and supervisors' remuneration was accrued by Apm Communication. The aforementioned amounts were recognized in salary expenses. For the three months and nine months ended September 30, 2021, Apm Communication did not accrue employees' compensation and directors' and supervisors' remuneration due to the accumulated deficit.

E. For the three months and nine months ended September 30, 2022 and 2021, Qun Hong Technology and Asia Pacific did not accrue employees' compensation and directors' and supervisors' remuneration due to the loss before tax or accumulated deficit.

F. For the three months and nine months ended September 30, 2022 and 2021, no employees' compensation and directors' and supervisors' remuneration was accrued by Hsin Yang Investment and UniFresh as they had no employees.

(33) Income tax

A. Income tax expense

Components of income tax expense:

	<u>Three months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
Current tax:		
Current tax on profits for the period	\$ 2,449,178	\$ 929,669
Prior year income tax under estimation	1,336	601
Tax on undistributed surplus earnings	<u>658</u>	<u>-</u>
Total current tax	2,451,172	930,270
Deferred tax:		
Origination and reversal of temporary differences	420,848	32,415
Effects of foreign exchange	<u>(6,570)</u>	<u>826</u>
Income tax expense	<u>\$ 2,865,450</u>	<u>\$ 963,511</u>
	<u>Nine months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
Current tax:		
Current tax on profits for the period	\$ 6,641,547	\$ 1,854,411
Prior year income tax over estimation	(65,669)	(9,098)
Tax on undistributed surplus earnings	<u>658</u>	<u>-</u>
Total current tax	6,576,536	1,845,313
Deferred tax:		
Origination and reversal of temporary differences	619,624	16,967
Effects of foreign exchange	<u>(5,822)</u>	<u>2,490</u>
Income tax expense	<u>\$ 7,190,338</u>	<u>\$ 1,864,770</u>

B. The consolidated subsidiaries, Unimicron Technology (ShenZhen), Unimicron Technology (KunShan), Uniflex Technology (KunShan), Unimicron Technology (SuZhou), Unimicron Touch, Unimicron Technology (Huangshi), Kunshan Dingchangxin, Unimicron-Carrier Technology (Huangshi), Suzhou Qunye, Kunshan Qunqi and Kunshan Dingshengxin are production type foreign investment enterprises, Unimicron Management (KunShan) and Hu Se Sn Li Managemnet Corp., Ltd. are domestic-invested enterprises established in the People's Republic of China, and therefore have been subject to the new income tax laws since January 1, 2008.

C. Hsin Yang Investment's, UniCuisine's, UniFresh's and Apm Communication's income tax returns through 2020 have been assessed and approved by the Tax Authority. The Company's, Qun Hong

Technology's and Asia Pacific's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(34) Earnings per share

	<u>Three months ended September 30, 2022</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 8,561,503	1,475,260	\$ 5.80
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 8,561,503	1,475,260	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		44,854	
Employee restricted shares		429	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 8,561,503</u>	<u>1,520,543</u>	<u>\$ 5.63</u>
	<u>Three months ended September 30, 2021</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 4,215,025	1,469,760	\$ 2.87
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 4,215,025	1,469,760	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		11,375	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 4,215,025</u>	<u>1,481,135</u>	<u>\$ 2.85</u>

<u>Nine months ended September 30, 2022</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 22,258,395	1,475,260	\$ 15.09
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 22,258,395	1,475,260	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		46,275	
Employee restricted shares		157	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 22,258,395</u>	<u>1,521,692</u>	<u>\$ 14.63</u>
<u>Nine months ended September 30, 2021</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 8,226,145	1,469,760	\$ 5.60
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 8,226,145	1,469,760	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		12,678	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 8,226,145</u>	<u>1,482,438</u>	<u>\$ 5.55</u>

(35) Supplemental cash flow information

A. Investing activities with partial cash payments

	Nine months ended September 30	
	2022	2021
Acquisition of property, plant and equipment	\$ 25,967,092	\$ 17,241,450
Add: Opening balance of payable on equipment	5,595,376	4,634,988
Opening balance of notes payable	67,000	-
Less: Ending balance of payable on equipment	( 7,592,697)	( 5,307,087)
Ending balance of notes payable	-	( 207,000)
Net exchange differences	28,181	( 15,007)
Cash paid during the period	<u>\$ 24,064,952</u>	<u>\$ 16,347,344</u>

(36) Changes in liabilities from financing activities

	2022						
	Short-term borrowings	Short-term notes and bills payable	Bonds payable	Long-term borrowings	Construction payables on behalf of others	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 10,176,216	\$ 399,900	\$ 7,991,923	\$ 16,845,302	\$ 792,059	\$ 1,775,850	\$ 37,981,250
Changes in cash flow from financing activities	( 4,312,609)	( 99,900)	2,996,250	( 36,354)	-	( 294,499)	( 1,747,112)
Changes in other non-cash items	-	-	1,968	-	-	162,542	164,510
Impact of changes in foreign exchange rate	73,012	-	-	102,715	19,515	21,140	216,382
At September 30	<u>\$ 5,936,619</u>	<u>\$ 300,000</u>	<u>\$ 10,990,141</u>	<u>\$ 16,911,663</u>	<u>\$ 811,574</u>	<u>\$ 1,665,033</u>	<u>\$ 36,615,030</u>
	2021						
	Short-term borrowings	Short-term notes and bills payable	Bonds payable	Long-term borrowings	Construction payables on behalf of others	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 8,580,823	\$ 199,972	\$ -	\$ 27,885,361	\$ 796,000	\$ 1,419,885	\$ 38,882,041
Changes in cash flow from financing activities	1,851,542	99,970	7,990,425	( 9,901,124)	-	( 373,267)	( 332,454)
Changes in other non-cash items	-	-	1,020	-	-	497,379	498,399
Impact of changes in foreign exchange rate	( 68,510)	-	-	( 49,577)	( 11,429)	( 3,144)	( 132,660)
At September 30	<u>\$ 10,363,855</u>	<u>\$ 299,942</u>	<u>\$ 7,991,445</u>	<u>\$ 17,934,660</u>	<u>\$ 784,571</u>	<u>\$ 1,540,853</u>	<u>\$ 38,915,326</u>

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## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Maruwa Corporation	Investee held by the Company's second-tier subsidiary
Yih Dar Technologies Co., Ltd. (Yih Dar)	The Company's investee
Shieh Yong Investment Co., Ltd.'s stocks (Shieh Yong)	The Company's management is this company's supervisor
United Microelectronics Corp. (UMC)	The Company's director
Gobo Lighting Technology Ltd.	The Company is its director
3D Circuit Taiwan Company Ltd.	The Company is its director (Note)
Unistars Corp.	The Company is its director (Note)
Advance Materials Corp. (Advance Materials)	The Company is its director
Emax Technology Co., Ltd.	The Company is its director
Unisense Technology Co., Ltd.	The Company is its director
Faraday Technology Corporation	The Company is its director
Unipoint Technology Co., Ltd. (Unipoint Technology)	The Company is its director
Yann Yuan Investment Co., Ltd. (Yann Yuan)	The Company is its director
Topoint Technology Co., Ltd. (Topoint Technology)	Unipoint Technology's parent company
Uniflex Technology Inc. (Uniflex Technology)	Same chairman
Subtron Technology Co., Ltd	Same chairman
Uniflex Technology (JiangSu) Ltd.	Uniflex Technology's second-tier subsidiary
Unted Semiconductor (Xiamen) Co., Ltd.	Within the same group as UMC
Shanghai Topoint Precision Technology	Topoint Technology's subsidiary

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

### (2) Significant related party transactions and balances

#### A. Operating revenue and processing transaction:

	<u>Three months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
- Key management personnel of the entities	\$ 12,295	\$ 13,321
- Other related parties and its subsidiaries	1,684	4,041
- Key management personnel of the company	-	7,747
	<u>\$ 13,979</u>	<u>\$ 25,109</u>



	Nine months ended September 30	
	2022	2021
- Key management personnel of the entities	\$ 44,237	\$ 33,007
- Other related parties and its subsidiaries	11,851	20,165
- Key management personnel of the company	1,538	14,888
	<u>\$ 57,626</u>	<u>\$ 68,060</u>

Certain sales and processing transactions are purchased based on normal commercial terms and conditions.

B. Purchases and processing expense:

	Three months ended September 30	
	2022	2021
Purchases		
-Key management personnel of the entities and its subsidiaries	\$ 72,441	\$ 52,314
-Other related parties and its subsidiaries	20,605	10,019
	<u>\$ 93,046</u>	<u>\$ 62,333</u>

Processing cost		
-Key management personnel of the entities and its subsidiaries	\$ 37,591	\$ 96,159
-Other related parties and its subsidiaries	14,470	148
	<u>\$ 52,061</u>	<u>\$ 96,307</u>

	Nine months ended September 30	
	2022	2021
Purchases		
-Key management personnel of the entities and its subsidiaries	\$ 205,020	\$ 152,460
-Other related parties and its subsidiaries	47,583	52,351
-Related parties	141	221
	<u>\$ 252,744</u>	<u>\$ 205,032</u>

Processing cost		
-Key management personnel of the entities and its subsidiaries	\$ 140,984	\$ 181,139
-Other related parties and its subsidiaries	27,515	1,287
-Related parties	17	20
	<u>\$ 168,516</u>	<u>\$ 182,446</u>

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Notes receivable			
- Related parties	\$ 345	\$ -	\$ -
Accounts receivable			
- Key management personnel of the entities	\$ 18,486	\$ 19,595	\$ 16,203
- Other related parties and its subsidiaries	3,890	10,867	4,443
- Key management personnel of the company	-	-	6,882
	<u>\$ 22,376</u>	<u>\$ 30,462</u>	<u>\$ 27,528</u>
	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Other receivables:			
- Key management personnel of the entities and its subsidiaries	\$ 6,877	\$ 6,475	\$ 6,386
- Related parties	401	197	322
- Other related parties and its subsidiaries	26	1,416	5,801
	<u>\$ 7,304</u>	<u>\$ 8,088</u>	<u>\$ 12,509</u>

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

D. Payables to related parties:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Accounts payable:			
-Key management personnel of the entities and its subsidiaries	\$ 167,543	\$ 184,122	\$ 184,700
-Other related parties and its subsidiaries	41,049	22,649	17,186
	<u>\$ 208,592</u>	<u>\$ 206,771</u>	<u>\$ 201,886</u>

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Other payables:			
-Key management personnel of the entities and its subsidiaries	\$ 32,458	\$ 24,469	\$ 26,820
-Other related parties and its subsidiaries	2,046	7,317	11,708
-Related parties	-	216	-
	<u>\$ 34,504</u>	<u>\$ 32,002</u>	<u>\$ 38,528</u>

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

E. Property transactions:

	<u>Three months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
Acquisition of property, plant and equipment:		
-Key management personnel of the entities	\$ 20,000	\$ -
-Other related parties	874	-
	<u>\$ 20,874</u>	<u>\$ -</u>

	<u>Nine months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
Acquisition of property, plant and equipment:		
-Key management personnel of the entities	\$ 46,040	\$ -
-Other related parties	874	-
	<u>\$ 46,914</u>	<u>\$ -</u>

Disposal of property, plant and equipment:

	<u>Three months ended September 30</u>			
	<u>2022</u>		<u>2021</u>	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Disposals of property, plant and equipment- Other related parties	\$ 724	\$ 201	\$ 53	\$ 13

	<u>Nine months ended September 30</u>			
	<u>2022</u>		<u>2021</u>	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Disposals of property, plant and equipment- Other related parties	\$ 43,551	\$ 4,881	\$ 53	\$ 13

F. Lease transactions - lessee

(a) The Group leases land 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) Acquisition of right-of-use assets:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
-Other related parties	\$ -	\$ 145,544	\$ 145,544

(c) Rent expense

	<u>Three months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
Rent expense		
-Key management personnel of the entities	\$ 6	\$ 6
	<u>Nine months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
Rent expense		
-Key management personnel of the entities	\$ 20	\$ 20

(d) Lease liabilities

A. Outstanding balance

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
-Other related parties	\$ 129,375	\$ 139,633	\$ 143,013

B. Interest expense

	<u>Three months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
-Other related parties	\$ 742	\$ 820
	<u>Nine months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
-Other related parties	\$ 2,286	\$ 1,651

G. Other income and expenses

	Three months ended September 30	
	2022	2021
Rental income		
-Key management personnel of the entities		
Advance Materials	\$ 2,859	\$ 2,950
-Related parties		
Yih Dar	1,354	1,354
Miscellaneous income		
-Key management personnel of the entities		
Yann Yuan	-	40,000
Others	4,506	5,637
-Other related parties	8	3,845
-Related parties		
Others	32	32
	<u>\$ 8,759</u>	<u>\$ 53,818</u>
	Nine months ended September 30	
	2022	2021
Rental income		
-Key management personnel of the entities		
Advance Materials	\$ 8,728	\$ 8,849
-Related parties		
Yih Dar	4,062	4,062
Miscellaneous income		
-Key management personnel of the entities		
Yann Yuan	40,000	40,000
Others	7,804	11,230
-Other related parties	5,407	3,951
-Related parties		
Shieh Yong	99,661	-
Others	97	84
	<u>\$ 165,759</u>	<u>\$ 68,176</u>

- (a) The rentals are received monthly, and the price is mutually agreed.
- (b) Miscellaneous income arise from the services provided to associates, dividend income and other miscellaneous income.

(3) Key management compensation

	Three months ended September 30	
	2022	2021
Salaries and other short-term employee benefits	\$ 274,475	\$ 179,180
Employee share-based payment	1,387	-
	<u>\$ 275,862</u>	<u>\$ 179,180</u>
	Nine months ended September 30	
	2022	2021
Salaries and other short-term employee benefits	\$ 768,075	\$ 343,090
Employee share-based payment	1,387	114,859
	<u>\$ 769,462</u>	<u>\$ 457,949</u>

8. PLEGGED ASSETS

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

Pledged asset	Book value			Purpose
	September 30, 2022	December 31, 2021	September 30, 2021	
Time deposit (shown as other current assets)	\$ 17,864	\$ 17,847	\$ 17,814	Guarantee for post-release duty payment
Time deposit (shown as non-current financial assets at amortized cost)	90,572	69,564	69,491	Customs duty guarantee, guarantee for bonded factory and guarantee for gas consumption used in
Accounts receivable - pledged	-	1,346,094	1,697,085	Short-term borrowings
Land	713,692	713,692	713,692	Long and Short-term borrowings
Building and structures	4,696,449	1,618,165	1,657,242	Long and Short-term borrowings
Machinery and equipment	379,946	1,143,496	1,473,616	Long-term borrowings
	<u>\$ 5,898,523</u>	<u>\$ 4,908,858</u>	<u>\$ 5,628,940</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group has applied for non-cancellable letters of credit. The letters of credit for raw materials and equipment not yet imported amounted to \$3,001,152, \$4,005,833 and \$4,380,038, respectively.

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

	September 30, 2022	December 31, 2021	September 30, 2021
Property, plant and equipment	<u>\$ 3,757,209</u>	<u>\$ 4,422,889</u>	<u>\$ 1,871,599</u>

The aforementioned amounts did not include the commitments as described in item (4) below.

(3) Endorsements and guarantees

As of September 30, 2022, December 31, 2021 and September 30, 2021, in order to support subsidiaries to obtain the borrowing facilities, the endorsements and guarantees provided to subsidiaries are as follows:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Uniflex Technology (KunShan) and BO	\$ -	\$ -	\$ 111,200
Uniflex Technology (KunShan)	2,634,420	2,351,950	1,807,000
UHL	-	553,400	556,000
Unimicron Technology (SuZhou)	317,400	1,037,625	1,112,000
Unimicron Technology (KunShan)	119,025	311,288	399,625
Unimicron Technology (Huangshi)	2,195,350	1,262,444	1,320,500
Unimicron Technology (Shenzhen)	634,800	-	-

- (4) On April 17, 2017, the Group signed an investment agreement involving the manufacture 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 September 30, 2022, construction payables amounted to RMB 36,377 thousand.
- (5) To cooperate with the environmental requirements of the Administrative Committee of Kunshan High-tech Industrial Development Zone, the Company’s subsidiary, Unimicron Technology (KunShan), entered into a relocation agreement with Kunshan JIAHANG Asset Management Co., Ltd. on July 2, 2021 and expects to receive relocation compensation totalling RMB 551,026 thousand. As of September 30, 2022, the subsidiary has received the first installment of relocation compensation of RMB 55,103 thousand (shown as other non-current liabilities). In addition, Unimicron Technology (KunShan) entered into a supplementary agreement with Kunshan JIAHANG on June 20, 2022 to adjust the relocation schedule. Accordingly, Unimicron Technology (KunShan) plans to close a plant by June 30, 2023, close all of the plants by June 30, 2024 and transfer the land by December 30, 2024.
- (6) To increase production capacity, the Company’s subsidiary, Unimicron Technology (SuZhou), entered into a land and plant transfer agreement with Suzhou AMC Technology Co., Ltd. on December 17, 2021 for a total price of RMB 136,200 thousand. As of September 30, 2022, the subsidiary has made a down payment of RMB 13,620 thousand as agreed. In addition, Unimicron Technology (SuZhou) entered into a ‘Suzhou Industrial Park Industrial Land Renewal Supervision Agreement’ with the Administrative Committee of the High-end Manufacturing and International Trade Zone in Suzhou Industrial Park on January 27, 2022 due to the change of ownership of industrial land. Subsequently, Suzhou AMC Technology Co., Ltd. is involved in a lawsuit with its directors relative to the trading target. On June 7, 2022, this company’s parent company, Advance

Materials Corp., had published significant news that Suzhou Industrial Park People's Court approved to release the seizure of the land and plant which were registered under the name of Suzhou AMC Technology Co., Ltd. Moreover, on September 20, 2022, in accordance with the "Company Law of the People's Republic of China and the Company's Articles of Incorporation", in order to amend the meeting procedures of the Board of Directors, the Board of Directors held a special meeting to approve "Suggestion of activating the Company's land, plant and other property" and resolved the transfer of land and plant to Unimicron Technology (SuZhou). However, Suzhou AMC Technology Co., Ltd. was in a lawsuit, thus, the transfer date was not decided by both parties.

#### 10. SIGNIFICANT DISASTER LOSS

Details of fire incidents of the Group in 2021 are provided in Notes 6(5) and 6(8).

#### 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A. In line with the development of the Group's business, on October 24, 2022, the Board of Directors of the Company's subsidiaries, UniBest, SI and UniRuwel approved for UniBest to extend a loan to SI in the amount of US\$22,000 thousand. SI will then indirectly invest in U Germany through UniRuwel in the amount of EUR 20,000 thousand. Additionally, on October 25, 2022, the Board of Directors of the Company approved to increase its investment in UniBest, which will be used by UniBest to extend an additional loan to SI in the amount of US\$ 10,000 thousand. SI will then increase its investment in U Germany through UniRuwel in the amount of EUR 10,000 thousand. The Company will further increase capital after the Board of Directors approve such increase.
- B. In line with the development of the Group's business, on October 25, 2022, the Board of Directors of the Company approved to increase capital in UniBest in the amount of US\$34,000 thousand, which had included the investment amount as mentioned in A.
- C. In line with the development of the Group's business, on October 24, 2022, the Board of Directors of the Company's subsidiaries, Unimicron Technology (KunShan) and Unimicron Management (KunShan) approved that Unimicron Technology (KunShan) indirectly reinvested in the Hu Se Sn Li through Unimicron Management (KunShan) in the amount of RMB 118,000 thousand.
- D. In line with the development of the Group's business, on October 24, 2022, the Board of Directors of the Company's subsidiaries, SI and Unimicron Technology (KunShan) resolved that Unimicron Technology (KunShan) will distribute its earnings to SI, which will then be used by SI to invest in Kunshan Dingchangxin Electronic Technology Co., Ltd. (Kunshan Dingchangxin) in the amount of RMB 1,263,236 thousand.
- E. On July 22, 2022, the Board of Directors of the Company's subsidiary, Kunshan Dingchangxin, approved to sell the land use right to Kunshan Dingshengxin and signed the transfer contract of industrial land in the amount of RMB 2,242 thousand. Subsequently, on October 24, 2022, the Board of Directors approved the investment of Kunshan Dingchangxin in Kunshan Dingshengxin with the land use right for 9,060 square meters as consideration. Each square meter was RMB 247.5, totaling RMB 2,242 thousand.



## 12. OTHERS

### (1) Capital management

There was no significant change in the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2021.

### (2) Financial instruments

#### A. Financial instruments by category

<u>Financial assets</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Financial assets at fair value through profit or loss	\$ 5,652,328	\$ 8,194,557	\$ 7,604,402
Financial assets at fair value through other comprehensive income	30,810	39,933	-
Financial assets at amortized cost (Note)	<u>88,751,893</u>	<u>66,739,091</u>	<u>47,917,228</u>
	<u>\$ 94,435,031</u>	<u>\$ 74,973,581</u>	<u>\$ 55,521,630</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss	\$ 189,797	\$ -	\$ -
Financial liabilities at amortized cost (Note)	68,299,268	65,341,263	64,661,933
Lease liabilities	<u>1,665,033</u>	<u>1,775,850</u>	<u>1,540,853</u>
	<u>\$ 70,154,098</u>	<u>\$ 67,117,113</u>	<u>\$ 66,202,786</u>

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

#### B. Financial risk management policies

There was no significant change in the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2021.

#### 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 (15).

- 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:

(Foreign currency: functional currency)	September 30, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 778,572	31.74	\$ 24,711,875
JPY:NTD	5,435,914	0.2203	1,197,532
USD:CNY	189,112	7.1307	6,002,415
JPY:CNY	1,723,134	0.0495	379,606
CNY:NTD	93,139	4.4512	414,580
CNY:USD	73,665	0.1402	327,898
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	126,244	31.74	4,006,985
JPY:NTD	14,261,189	0.2203	3,141,740
USD:CNY	260,611	7.1307	8,271,793
EUR:NTD	5,298	31.2500	165,563
CNY:USD	73,346	0.1402	326,478

December 31, 2021			
(Foreign currency: functional currency)	Foreign currency amount		Book value (NTD)
	(In thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 994,220	27.67	\$ 27,510,067
JPY:NTD	7,344,308	0.2406	1,767,041
USD:CNY	191,791	6.3695	5,306,857
CNY:NTD	80,554	4.3441	349,935
CNY:USD	81,815	0.1570	355,413
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	221,780	27.67	6,136,653
JPY:NTD	12,216,613	0.2406	2,939,317
USD:CNY	191,779	6.3695	5,306,525
EUR:NTD	8,537	31.3300	267,464
CNY:USD	80,708	0.1570	350,604

September 30, 2021			
(Foreign currency: functional currency)	Foreign currency amount		Book value (NTD)
	(In thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 774,340	27.80	\$ 21,526,652
JPY:NTD	7,954,079	0.2501	1,989,315
USD:CNY	168,408	6.4605	4,681,742
EUR:NTD	6,239	32.4600	202,518
CNY:NTD	106,369	4.3031	457,716
CNY:USD	57,690	0.1548	248,246
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	140,602	27.80	3,908,736
JPY:NTD	14,621,096	0.2501	3,656,736
USD:CNY	67,392	6.4605	1,873,498
EUR:NTD	6,435	32.4600	208,880
CNY:USD	56,599	0.1548	243,551

- iv. The total exchange loss, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2022 and 2021 amounted to \$1,613,163, \$38,261, \$3,428,237 and (\$177,990), respectively.

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

		Nine months ended September 30, 2022		
		Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 197,695	\$	-
JPY:NTD	1%	9,580		-
USD:CNY	1%	48,019		-
JPY:CNY	1%	3,037		-
CNY:NTD	1%	3,317		-
CNY:USD	1%	2,623		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	32,056		-
JPY:NTD	1%	25,134		-
USD:CNY	1%	66,174		-
EUR:NTD	1%	1,325		-
CNY:USD	1%	2,612		-
		Nine months ended September 30, 2021		
		Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 172,213	\$	-
JPY:NTD	1%	15,915		-
USD:CNY	1%	37,454		-
EUR:NTD	1%	1,620		-
CNY:NTD	1%	3,662		-
CNY:USD	1%	1,986		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	31,270		-
JPY:NTD	1%	29,254		-
USD:CNY	1%	14,988		-
EUR:NTD	1%	1,671		-
CNY:USD	1%	1,948		-

### 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 financial assets at fair value through other comprehensive income. 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 nine months ended September 30, 2022 and 2021 would have increased by \$45,219 and \$60,744, respectively as a result of gains/losses on equity securities classified as at fair value through profit or loss; increased by \$246 and \$0, respectively as a result of gains/losses on equity securities classified as at fair value through other comprehensive income.

### Cash flow and fair value interest rate risk

The Group has short-term borrowings 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 \$228,483 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 its 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 utilization 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 September 30, 2022, December 31, 2021 and September 30, 2021, 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
<u>At September 30, 2022</u>						
Expected loss rate	0~5%	20%	20%	20%	100%	
Total book value	\$ 29,233,739	\$ 111,075	\$ 17,272	\$ 2,952	\$ 13,039	\$ 29,378,077
Loss allowance	190,071	22,215	3,454	590	13,039	229,369
	Not past due	1~30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
<u>At December 31, 2021</u>						
Expected loss rate	0~5%	20%	20%	20%	100%	
Total book value	\$ 23,640,639	\$ 62,492	\$ 4,983	\$ 1,563	\$ 12,030	\$ 23,721,707
Loss allowance	87,125	12,498	997	313	12,030	112,963
	Not past due	1~30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
<u>At September 30, 2021</u>						
Expected loss rate	0~5%	20%	20%	20%	100%	
Total book value	\$ 22,888,433	\$ 57,646	\$ 6,276	\$ 398	\$ 13,774	\$ 22,966,527
Loss allowance	75,980	11,529	1,255	80	13,774	102,618

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

	2022	
	Accounts receivable	Other receivables
At January 1	\$ 112,963	\$ 39,990
Provision for (reversal of) impairment loss	119,722	( 1,513)
Effect of foreign exchange	( 3,316)	1,354
At September 30	\$ 229,369	\$ 39,831

	2021	
	<u>Accounts receivable</u>	<u>Other receivables</u>
At January 1	\$ 125,750	\$ 36,638
(Reveral of) provision for impairment loss	( 20,665)	4,151
Effect of foreign exchange	( 2,467)	( 109)
At September 30	<u>\$ 102,618</u>	<u>\$ 40,680</u>

(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.

<u>Non-derivative financial liabilities</u>	Between 1 year		
September 30, 2022	<u>Less than 1 year</u>	<u>and 3 years</u>	<u>Over 3 years</u>
Bonds payable	\$ 80,595	\$ 163,227	\$ 11,107,149
Lease liabilities	317,610	545,762	962,945
Long-term borrowings (including current portion)	3,194,979	11,524,280	2,812,514
<u>Non-derivative financial liabilities</u>	Between 1 year		
December 31, 2021	<u>Less than 1 year</u>	<u>and 3 years</u>	<u>Over 3 years</u>
Bonds payable	\$ 57,028	\$ 115,799	\$ 8,116,673
Lease liabilities	308,948	650,819	1,105,483
Long-term borrowings (including current portion)	2,608,247	7,043,576	7,454,107

<u>Non-derivative financial liabilities</u>	Between 1 year		
September 30, 2021	<u>Less than 1 year</u>	<u>and 3 years</u>	<u>Over 3 years</u>
Bonds payable	\$ 57,028	\$ 115,799	\$ 8,116,673
Lease liabilities	421,940	429,462	841,563
Long-term borrowings (including current portion)	2,560,618	8,061,908	7,622,815

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 with in 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(11).

- 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 current assets, financial assets at amortized cost, short-term borrowings, short-term notes and bills payable, notes and accounts payable (including related parties), other payables, bonds payable and long-term borrowings (including current portion) are approximate to their fair values.

- D. The related information on 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 are as follows:



September 30, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 54,100	\$ -	\$ 5,568,450	\$ 5,622,550
Debt securities	-	-	6,237	6,237
Foreign closed-end fund	-	-	23,541	23,541
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	30,810	30,810
	<u>\$ 54,100</u>	<u>\$ -</u>	<u>\$ 5,629,038</u>	<u>\$ 5,683,138</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	\$ -	\$ 189,797	\$ -	\$ 189,797
December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 93,214	\$ -	\$ 7,995,477	\$ 8,088,691
Debt securities	-	-	5,710	5,710
Foreign closed-end fund	-	-	35,779	35,779
Forward foreign exchange contracts	-	64,377	-	64,377
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	39,933	39,933
	<u>\$ 93,214</u>	<u>\$ 64,377</u>	<u>\$ 8,076,899</u>	<u>\$ 8,234,490</u>
September 30, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 77,231	\$ -	\$ 7,472,990	\$ 7,550,221
Debt securities	-	-	5,972	5,972
Foreign closed-end fund	-	-	36,795	36,795
Forward foreign exchange contracts	-	11,414	-	11,414
	<u>\$ 77,231</u>	<u>\$ 11,414</u>	<u>\$ 7,515,757</u>	<u>\$ 7,604,402</u>

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:

- |                     |                      |
|---------------------|----------------------|
|                     | <u>Listed shares</u> |
| 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 and cross currency swap 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 nine months ended September 30, 2022 and 2021, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the nine months ended September 30, 2022 and 2021:

	<u>2022</u>			
	<u>Equity</u>	<u>Debt</u>	<u>Fund</u>	<u>Total</u>
	<u>instruments</u>	<u>instruments</u>	<u>instruments</u>	
At January 1	\$ 8,035,410	\$ 5,710	\$ 35,779	\$ 8,076,899
Acquired during the period	20,000	-	-	20,000
Disposal during the period	( 1,316)	-	-	( 1,316)
Recorded as non-operating income and expenses	( 2,452,725)	-	( 12,238)	( 2,464,963)
Recorded as other comprehensive income	( 9,123)	-	-	( 9,123)
Effect of exchange rate changes	7,014	527	-	7,541
At September 30	<u>\$ 5,599,260</u>	<u>\$ 6,237</u>	<u>\$ 23,541</u>	<u>\$ 5,629,038</u>

	2021			
	Equity	Debt	Fund	Total
	<u>instruments</u>	<u>instruments</u>	<u>instruments</u>	<u>Total</u>
At January 1	\$ 5,359,532	\$ 6,504	\$ 64,518	\$ 5,430,554
Acquired during the period	100	-	160	260
Proceeds from capital reduction	( 5,814)	-	-	( 5,814)
Recorded as non-operating income and expenses	2,120,749	-	( 27,883)	2,092,866
Effect of exchange rate changes	( 1,577)	( 532)	-	( 2,109)
At September 30	<u>\$ 7,472,990</u>	<u>\$ 5,972</u>	<u>\$ 36,795</u>	<u>\$ 7,515,757</u>

- H. For the nine months ended September 30, 2022 and 2021, 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:

Non-derivative equity instrument:	Fair value at September 30, 2022	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 167,986	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
	9,276	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 discount 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
	5,421,998	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	23,541	Net asset value	N/A	The higher the net asset value, the higher the fair value
Non-derivative debt instrument:				
Corporate bond	6,237	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

Non-derivative equity instrument:	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 221,734	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
	13,602	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 discount 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
	7,800,074	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	35,779	Net asset value	N/A	The higher the net asset value, the higher the fair value
Non-derivative debt instrument:				
Corporate bond	5,710	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

Non-derivative equity instrument:	Fair value at September 30, 2021	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 194,953	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
	8,854	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 discount 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
	7,269,183	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	36,795	Net asset value	N/A	The higher the net asset value, the higher the fair value
Non-derivative debt instrument:				
Corporate bond	5,972	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

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 on profit or loss or on other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

				September 30, 2022			
				Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets							
Equity instrument	Price to book ratio multiple, enterprise value to EBITA multiple	±1%	\$ 1,372	(\$ 1,372)	\$ 308	(\$ 308)	
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	±1%	93	( 93)	-	-	
Equity Foreign closed-end fund	Net asset value	±1%	54,220	( 54,220)	-	-	
	Net asset value	±1%	235	( 235)	-	-	
			<u>\$ 55,920</u>	<u>(\$ 55,920)</u>	<u>\$ 308</u>	<u>(\$ 308)</u>	
				December 31, 2021			
				Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets							
Equity instrument	Price to book ratio multiple, enterprise value to EBITA multiple	±1%	\$ 1,818	(\$ 1,818)	\$ 399	(\$ 399)	
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	±1%	136	( 136)	-	-	
Equity Foreign closed-end fund	Net asset value	±1%	78,001	( 78,001)	-	-	
	Net asset value	±1%	358	( 358)	-	-	
			<u>\$ 80,313</u>	<u>(\$ 80,313)</u>	<u>\$ 399</u>	<u>(\$ 399)</u>	

			September 30, 2021			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple, enterprise value to EBITA multiple	±1%	\$ 1,950	(\$ 1,950)	\$ -	\$ -
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	±1%	89	( 89)	-	-
Equity	Net asset value	±1%	72,692	( 72,692)	-	-
Foreign closed-end fund	Net asset value	±1%	368	( 368)	-	-
			<u>\$ 75,099</u>	<u>(\$ 75,099)</u>	<u>\$ -</u>	<u>\$ -</u>

### 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 nine months ended September 30, 2022 are as follows. For disclosure of investees, certain financial statements of investees were audited by independent auditors, and the 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: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): 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: Refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Refer to table 5.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Refer to table 6.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 7.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 8.



I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2), 6(15) and 12(2).

J. Significant inter-company transactions during the reporting periods: Refer to table 9.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 10.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 11.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 12.

(4) Major shareholders information

Major shareholders information: Refer to table 13.

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.

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(2) 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:

Nine months ended September 30, 2022

	<u>Taiwan</u>	<u>Mainland China</u>	<u>Others</u>	<u>Total</u>
<b>Segment revenue</b>				
Revenue from external customers	\$ 74,952,246	\$ 26,540,486	\$ 2,306,754	\$ 103,799,486
Inter-segment revenue	1,630,207	11,383,812	372,283	13,386,302
	<u>\$ 76,582,453</u>	<u>\$ 37,924,298</u>	<u>\$ 2,679,037</u>	<u>\$ 117,185,788</u>
<b>Segment income</b>	<u>\$ 28,026,925</u>	<u>\$ 8,120,295</u>	<u>\$ 2,564,298</u>	<u>\$ 38,711,518</u>

Nine months ended September 30, 2021

	<u>Taiwan</u>	<u>Mainland China</u>	<u>Others</u>	<u>Total</u>
<b>Segment revenue</b>				
Revenue from external customers	\$ 51,000,169	\$ 20,724,697	\$ 2,273,586	\$ 73,998,452
Inter-segment revenue	1,041,530	9,373,120	40,362	10,455,012
	<u>\$ 52,041,699</u>	<u>\$ 30,097,817</u>	<u>\$ 2,313,948</u>	<u>\$ 84,453,464</u>
<b>Segment income (loss)</b>	<u>\$ 8,981,564</u>	<u>\$ 970,765</u>	<u>(\$ 81,484)</u>	<u>\$ 9,870,845</u>

(3) Reconciliation for segment income (loss)

	<u>Nine months ended September 30, 2022</u>	<u>Nine months ended September 30, 2021</u>
Reportable segments income	\$ 38,711,518	\$ 9,870,845
Other segments (loss) income	( 8,203,594)	352,944
Income before tax from continuing operations	<u>\$ 30,507,924</u>	<u>\$ 10,223,789</u>

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Unimicron Technology Corp. and subsidiaries  
Loans to others  
For the nine months ended September 30, 2022

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 nine months ended September 30, 2022 (Note 3)	Balance at September 30, 2022 (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				
0	The Company	Smart Idea Holdings Limited	Other receivables	Y	\$ 3,530,520	\$ 2,323,368	\$ 2,323,368	1.40%~3.70%	2	\$ -	Operation needs	\$ -	-	\$ -	\$ 31,463,251	\$ 31,463,251		
0	The Company	Unimicron Holding Limited	Other receivables	Y	442,050	-	-	-	2	-	Operation needs	-	-	-	31,463,251	31,463,251		
0	The Company	UniGreat Holding Limited	Other receivables	Y	412,580	253,920	253,920	2.50%	2	-	Operation needs	-	-	-	31,463,251	31,463,251		
0	The Company	Unimicron Germany GmbH	Other receivables	Y	3,553,750	3,553,750	1,824,813	1.00%~1.10%	2	-	Operation needs	-	-	-	31,463,251	31,463,251		
0	The Company	Unimicron JAPAN Co., Ltd.	Other receivables	Y	2,003,968	1,061,846	995,756	1.10%~1.20%	2	-	Operation needs	-	-	-	31,463,251	31,463,251		
0	The Company	Unifley Technology (KunShan) Corp.	Other receivables	Y	294,700	-	-	-	2	-	Operation needs	-	-	-	31,463,251	31,463,251		
0	The Company	Unimicron Technology (Huangshi) Corp.	Other receivables	Y	1,178,800	634,800	634,800	1.20%	2	-	Operation needs	-	-	-	31,463,251	31,463,251		
0	The Company	Qun Hong Technology Inc.	Other receivables	Y	380,000	-	-	-	2	-	Operation needs	-	-	-	31,463,251	31,463,251		
1	Unimicron Technology (KunShan) Corp.	Kunshan Dingchangxin Electronic Technology Co., Ltd.	Other receivables	Y	1,646,944	1,646,944	1,068,288	1.17%	2	-	Operation needs	-	-	-	4,213,150	4,213,150		
1	Unimicron Technology (KunShan) Corp.	Kunshan Dingshengxin Electronic Technology Co., Ltd.	Other receivables	Y	89,024	89,024	-	-	2	-	Operation needs	-	-	-	4,213,150	4,213,150		
1	Unimicron Technology (KunShan) Corp.	Unifley Technology (KunShan) Corp.	Other receivables	Y	721,360	249,267	249,267	1.17%	2	-	Operation needs	-	-	-	4,213,150	4,213,150		
1	Unimicron Technology (KunShan) Corp.	Unimicron Technology (Huangshi) Corp.	Other receivables	Y	1,704,472	333,840	333,840	1.17%	2	-	Operation needs	-	-	-	4,213,150	4,213,150		
2	Unimicron Technology (ShenZhen) Corp.	Suzhou Qunye Enterprise Management Co., Ltd.	Other receivables	Y	324,170	310,899	310,899	3.53%	2	-	Operation needs	-	-	-	666,391	666,391		
3	Unimicron Technology (SuZhou) Corp.	Kunshan Qunqi Technology Co., Ltd.	Other receivables	Y	445,120	445,120	-	-	2	-	Operation needs	-	-	-	6,410,013	6,410,013		
3	Unimicron Technology (SuZhou) Corp.	Unimicron-Carrier Technology (Huangshi) Inc.	Other receivables	Y	890,240	890,240	-	-	2	-	Operation needs	-	-	-	6,410,013	6,410,013		
4	UniBest Holding Limited	Unimicron (SZ) Trading Limited	Other receivables	Y	253,920	253,920	111,090	3.70%	2	-	Operation needs	-	-	-	5,722,563	5,722,563		
4	UniBest Holding Limited	Unimicron Germany GmbH	Other receivables	Y	109,375	109,375	109,375	1.80%	2	-	Operation needs	-	-	-	5,722,563	5,722,563		

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 nine months ended September 30, 2022.

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  
For the nine months ended September 30, 2022

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed			Maximum outstanding endorsement/ guarantee amount as of September 30, 2022 (Note 4)	Outstanding endorsement/ guarantee amount as of September 30, 2022 (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
		Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3) (Note 8)	Company name										
0	The Company	Unifley Technology (KunShan) Corp.	2	\$ 23,597,438	\$ 4,602,300	\$ 4,602,300	\$ 2,634,420	\$ -	5.85%	\$ 39,329,064	Y	N	Y	
0	The Company	Unimicron Technology (ShenZhen) Corp.	2	23,597,438	952,200	952,200	634,800	-	1.21%	39,329,064	Y	N	Y	
0	The Company	Unimicron Holding Limited	2	23,597,438	1,178,800	-	-	-	-	39,329,064	Y	N	N	
0	The Company	Unimicron Technology (SuZhou) Corp.	2	23,597,438	2,221,800	2,221,800	317,400	-	2.82%	39,329,064	Y	N	Y	
0	The Company	Unimicron Technology (KunShan) Corp.	2	23,597,438	1,269,600	1,269,600	119,025	-	1.61%	39,329,064	Y	N	Y	
0	The Company	Unimicron Technology (Huangshi) Corp.	2	23,597,438	3,499,450	3,174,000	2,195,350	-	4.04%	39,329,064	Y	N	Y	
0	The Company	Smart Idea Holding Limited	2	23,597,438	2,221,800	2,221,800	-	-	2.82%	39,329,064	Y	N	N	
0	The Company	Unimicron-Carrier Technology (Huangshi) Inc.	2	23,597,438	1,587,000	1,587,000	-	-	2.02%	39,329,064	Y	N	Y	
0	The Company	UniGreat Holding Limited	2	23,597,438	317,400	317,400	-	-	0.40%	39,329,064	Y	N	N	

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", limit 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 total 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)  
September 30, 2022

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 September 30, 2022				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
The Company	Unitech Capital Inc.'s stocks	Investee of United Microelectronics Corp.	Financial assets at fair value through profit or loss-non-current	6,500,000	\$ 144,925	13.00%	\$ 144,925	
The Company	Shieh Yong Investment Co., Ltd.'s stocks	The Company's management is this company's supervisor	Financial assets at fair value through profit or loss-non-current	367,498,772	2,560,516	16.67%	2,560,516	
The Company	Shihlien Fine Chemicals Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	12,778,831	54,094	4.92%	54,094	
The Company	Emax Tech Co., Ltd.'s stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	1,526,996	52,326	4.52%	52,326	
The Company	Unistars Corp.'s stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	3,820,779	-	6.93%	-	
The Company	PI R&D Co., Ltd.'s stocks	The Company's second-tier subsidiary is the company's director	Financial assets at fair value through profit or loss-non-current	8,000	-	0.20%	-	
The Company	TNP Small/Medium Size & Venture Enterprises Growth Promotion Investment Limited Partnership funds	None	Financial assets at fair value through profit or loss-non-current	310	23,541	6.38%	23,541	
The Company	Trillion Science Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	4,666,666	-	9.96%	-	
The Company	Yann Yuan Investment Co., Ltd.'s stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	60,000,000	2,658,091	11.64%	2,658,091	
The Company	Eminent Materials Corporation's stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	1,000,000	-	16.67%	-	
The Company	Eagle Materials Technology Co., Ltd	None	Financial assets at fair value through profit or loss-non-current	-	3,837	-	3,837	
The Company	Pomiran Metalization Research Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	2,000,000	9,717	6.21%	9,717	
The Company	Faraday Technology Corp.'s stocks	The Company is the company's director	Financial assets at fair value through profit or loss-current	120,000	16,080	0.05%	16,080	
Hsin Yang Investment Corp.	Shihlien Fine Chemicals Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	5,123,771	21,660	1.97%	21,660	
Hsin Yang Investment Corp.	Stack Devices Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	76,626	-	0.12%	-	
Hsin Yang Investment Corp.	Ocean Net Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	91,575	-	9.16%	-	
Hsin Yang Investment Corp.	Solargate Technology Croporation's stocks	None	Financial assets at fair value through profit or loss-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 loss-non-current	948,600	6,687	2.00%	6,687	

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of September 30, 2022				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Hsin Yang Investment Corp.	Integrated Digital Technologies, Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	520,000	\$ -	1.81%	\$ -	
Hsin Yang Investment Corp.	NeoPac Lighting, Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	4,500,000	-	5.73%	-	
Hsin Yang Investment Corp.	Pomiran Metalization Research Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	7,000	31	0.02%	31	
Hsin Yang Investment Corp.	UniTest Technology Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	10,000	4,945	10.00%	4,945	
Hsin Yang Investment Corp.	Unimemory Technology (s) Pte Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	265,645	(652)	8.81%	(652)	
Hsin Yang Investment Corp.	Taimide Technology Inc.'s stocks	None	Financial assets at fair value through profit or loss-current	44,037	1,464	0.03%	1,464	
Hsin Yang Investment Corp.	Topoint Technology Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	1,450,635	36,556	1.02%	36,556	
Hsin Yang Investment Corp.	Semicomm Technology Co., Ltd.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	650,000	30,810	5.91%	30,810	
UMTC Holdings Limited	AMC Holding Limited's stocks	None	Financial assets at fair value through profit or loss-non-current	897,750	51,779	7.09%	51,779	
UMTC Holdings Limited	UMT Technology Corp.'s stocks	None	Financial assets at fair value through profit or loss-non-current	230,000	-	19.01%	-	
Plato Electronics (Cayman) Limited	Biloda International Limited 's stocks	None	Financial assets at fair value through profit or loss-non-current	1,440,000	-	18.00%	-	
UniSmart Holding Limited	PI R&D Co., Ltd's stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	173,300	-	4.34%	-	
UniSmart Holding Limited	Trillion Science Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	3,199,999	-	6.83%	-	
UniSmart Holding Limited	Aqua Science Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	333	-	0.36%	-	
UniSmart Holding Limited	Shocking Technologies, Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	1,468,533	-	2.26%	-	
UniSmart Holding Limited	MARUWA CORPORATION's bonds	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	2,450	6,237	27.65%	6,237	
Unimicron Germany GmbH	Naavinya CAD Soft Pvt Ltd 's equity shares	None	Financial assets at fair value through profit or loss-non-current	-	494	-	494	

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  
For the nine months ended September 30, 2022

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)  
Balance as at September 30, 2022

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2022		Addition (Note 3)		Disposal (Note 3)			Balance as at September 30, 2022		
					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	UniBest Holding Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	93,550,000	\$ 2,424,964	71,000,000	\$ 3,297,589 (Note 5)	-	\$ -	\$ -	\$ -	164,550,000	\$ 5,722,553
UniBest Holding Limited	Unimicron Holding Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	36,282,468	1,889,391	21,596,146	2,755,565 (Note 6)	-	-	-	-	57,878,614	4,644,956
Unimicron Technology (SuZhou) Corp.	Unimicron-Carrier Technology (Huangshi) Inc.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	917,052	-	418,971 (Note 7)	-	-	-	-	-	1,336,023
UniBest Holding Limited	Best Option Investments Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	2,256,363,910	541,006	20,000,000	290,953 (Note 8)	-	-	-	-	2,276,363,910	831,959
Best Option Investments Limited	Unifley Technology (KunShan) Corp.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	534,051	-	232,680 (Note 9)	-	-	-	-	-	766,731

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 NTS\$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 NTS\$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 \$2,152,714, investment gain recognized for the period of \$1,145,634, translation differences increase of \$18,435 and decrease of \$19,194 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 6: The amount includes investment increase of \$1,278,462, investment gain recognized for the period of \$1,381,812, translation differences decrease of \$38,267 and increase of \$133,558 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 7: The amount includes investment increase of \$408,618, investment loss recognized for the period of \$902 and translation differences increase of \$11,255.

Note 8: The amount includes investment increase of \$633,780, investment loss recognized for the period of \$234,286, translation differences increase of \$37,876 and decrease of \$146,417 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 9: The amount includes investment increase of \$633,780, investment loss recognized for the period of \$415,759 and translation differences increase of \$14,659.

Unimicron Technology Corp. and subsidiaries  
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
For the nine months ended September 30, 2022

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:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship original owner and the acquirer	Date of the original transaction	Amount			
The Company	Lane 209, Section 2, Xinnong Street, Yangmei District, Taoyuan City (No. 69-1, Caonan Slope Section, Yangmei District, Taoyuan City)	2019.08.23	\$ 1,520,000	Fully paid \$1,428,800 based on the contract	Ever Accord Construction Corp.	-	-	-	-	\$ -	NA	For production	-
The Company	Building next to No. 169 Shanying Road, Guishan District, Taoyuan City (No. 370, 370-2, 370-3 on the top of the mountain)	2020.03.23	333,800	Fully paid	Ever Accord Construction Corp.	-	-	-	-	-	NA	For production	-
The Company	No. 40-4, 45-0, Caonan Slope Section, Yangmei District, Taoyuan City	2021.05.28	697,000	Fully paid	SINO TACTFUL CO., LTD.	-	-	-	-	-	It was appraised by Baoyuan Real Estate Appraiser Firm.	For the necessity of the Company's future development	-
The Company	No. 100, Xinxing Section, Zhongxing Section, Hukou Township, Hsinchu County	2021.10.01	1,233,000	Fully paid \$653,490 based on the contract	Fu Tai Construction Co., Ltd.	-	-	-	-	-	NA	For production	-

Unimicron Technology Corp. and subsidiaries  
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
For the nine months ended September 30, 2022

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:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship original owner and the acquirer	Date of the original transaction	Amount			
The Company	No. 102, Lane 426, Section 1, Meishi Road, Yangmei District, Taoyuan City (No. 80-3, Caonanpo Section, Yangmei District)	2021.11.16	517,000	Fully paid \$170,610 based on the contract	Jingwen Construction Engineering Steel Structure Co., Ltd.	-	-	-	-	\$ -	NA	For production	-
The Company	Caonan Slope Land, Yangmei District, Taoyuan City (Note 4)	2021.04.12 -2022.02.22	453,846	Fully paid \$408,201 based on the contract	Natural person and non-related parties	-	-	-	-	-	It was appraised by Baoyuan Real Estate Appraiser Firm.	Expand plant to increase capacity	-
Unimicron Technology (SuZhou) Corp.	No. 158 Fengli Street, Suzhou Industrial Park (Note 5)	2021.12.16	591,666	Fully paid \$59,167 based on the contract	Suzhou AMC Technology Co., Ltd.	Other related parties	-	-	-	-	It was appraised by Suzhou Zhongan Real Estate Appraisal Co., Ltd.	For production	-
Kunshan Dingchangxin Electronic Technology Co., Ltd.	Land located at Kunshan New & High Tech Industrial Development Zone in the north site of Yuyang Rd. and the east site of Ruike Rd.	2022.08.22	1,101,385	Fully paid \$365,458 based on the contract	Xing Ye Jian Gong Ji Tuan You Xian Gong Si Di Yi Fen Gong Si	-	-	-	-	-	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.

Note 4: The accumulated amount used in purchasing the land in the section had exceeded NT\$300 million in one year.

Note 5: Refer to Note 9 F for details regarding the acquisition of property by Unimicron Technology (SuZhou) Corp. from Suzhou AMC Technology Co., Ltd.

Unimicron Technology Corp. and subsidiaries  
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more  
For the nine months ended September 30, 2022

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Real estate disposed by	Real estate disposed	Date of the event	Original date of acquisition	Book value	Transaction amount	Price collection situation	Gain (loss) on disposal of assets	Counterparty	Relationship	Reason for disposal of real estate	Basis or reference used in setting the price	Other commitments
The Company	No.1408, 1409, 1410 Houbicuo Section, Luzhu Dist., Taoyuan City	2022.03.30	1995.07.28 2002.03.29 2001.10.31	\$ 192,790	\$ 784,345 (Note 4)	Fully collected.	\$ 591,555	LAO XIE ZHEN CO., LTD. and Natural person and non-related parties	-	Operation adjustment, activation of capital production	It was appraised by Baoyuan Real Estate Appraiser Firm.	-

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.

Note 4: The transaction price was calculated based on disposal proceeds of \$803,051 less costs to sell of \$18,706.

Unimicon 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  
For the nine months ended September 30, 2022

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Differences in transaction terms compared to third party transactions (Note 1)			Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount		Credit term	Unit price	Credit term	Balance (Note 5)	Percentage of total notes/accounts receivable (payable)	
The Company	Unimicon (KS) Trading Limited	The Company's subsidiary	Sales	\$ 569,785	1%	3 months after monthly billings	\$ -	\$ -	\$ 305,601	1%	
Unimicon Technology (KunShan) Corp.	Unimicon Technology (Huangshi) Corp.	Same parent company	Sales	103,231	1%	3 months after monthly billings	-	-	33,264	1%	
Unimicon Technology (KunShan) Corp.	Unimicon (KS) Trading Limited	Same parent company	Sales	3,803,565	29%	3 months after monthly billings	-	-	1,873,705	41%	
Unimicon Technology (KunShan) Corp.	Unimicon Germany GmbH	Same parent company	Sales	157,644	1%	3 months after monthly billings	-	-	202,771	4%	
Unimicon Technology (KunShan) Corp.	UniGreat Holding Limited	Same parent company	Sales	296,489	2%	3 months after monthly billings	-	-	189,149	4%	
Unimicon Technology (Huangshi) Corp.	Unimicon (KS) Trading Limited	Same parent company	Sales	3,077,123	65%	3 months after monthly billings	-	-	1,439,336	73%	
Unimicon Technology (Huangshi) Corp.	UniGreat Holding Limited	Same parent company	Sales	193,927	4%	3 months after monthly billings	-	-	75,923	4%	
Unifley Technology (KunShan) Corp.	Unimicon Technology (KunShan) Corp.	Same parent company	Sales	561,626	17%	3 months after monthly billings	-	-	92,814	7%	
Unifley Technology (KunShan) Corp.	Best Option Investments Limited	Same parent company	Sales	479,979	15%	3 months after monthly billings	-	-	342,395	24%	
Unimicon Technology (ShenZhen) Corp.	NEOCONIX, INC.	Same parent company	Sales	379,950	14%	3 months after monthly billings	-	-	150,327	16%	
Unimicon Technology (ShenZhen) Corp.	Unimicon (SZ) Trading Limited	Same parent company	Sales	627,289	24%	3 months after monthly billings	-	-	274,706	30%	
Unimicon Technology (SuZhou) Corp.	Unimicon Technology (KunShan) Corp.	Same parent company	Sales	223,968	2%	3 months after monthly billings	-	-	28,735	1%	
Unimicon Technology (SuZhou) Corp.	Unimicon Holding Limited	Same parent company	Sales	5,510,916	40%	3 months after monthly billings	-	-	2,421,760	43%	
Unimicon JAPAN Co., Ltd.	Unimicon (SZ) Trading Limited	Same parent company	Sales	348,057	44%	3 months after monthly billings	-	-	202,030	50%	
Qun Hong Technology Inc.	The Company	Ultimate parent company	Sales	542,354	19%	3 months after monthly billings	-	-	32,491	4%	

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  
For the nine months ended September 30, 2022

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Differences in transaction terms compared to third party transactions (Note 1)			Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount		Credit term	Unit price	Credit term	Balance (Note 5)	Percentage of total notes/accounts receivable (payable)	
Apm Communication, Inc	The Company	Ultimate parent company	Sales	\$ 250,971	96%	3 months after monthly billings	\$ -	\$ -	\$ 122,510	100%	
Unimicron (KS) Trading Limited	The Company	Ultimate parent company	Sales	2,703,180	34%	3 months after monthly billings	-	-	1,525,985	36%	
Unimicron (SZ) Trading Limited	The Company	Ultimate parent company	Sales	580,393	36%	3 months after monthly billings	-	-	273,318	53%	
Unimicron Holding Limited	The Company	Ultimate parent company	Sales	2,727,875	50%	3 months after monthly billings	-	-	1,141,670	75%	
UniGreat Holding Limited	The Company	Ultimate parent company	Sales	195,496	7%	3 months after monthly billings	-	-	78,660	30%	
Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	5,087,709	64%	3 months after monthly billings	-	-	2,545,166	60%	
Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	Same parent company	Sales	403,632	25%	3 months after monthly billings	-	-	238,328	47%	
The Company	Unipoint Technology Co., Ltd.	The Company's investee	Processing cost	110,790	0%	3 months after monthly billings	-	-	47,153	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 transactions were no longer disclosed.

Note 5: The sales transaction with related parties were transfer orders between consolidated entities, purchasers will pay to sellers after received proceeds from customers, thus, some receivables needed longer time to collect.

Unimicron Technology Corp. and subsidiaries  
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
 September 30, 2022

Table 8

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	Unimicron (KS) Trading Limited	The Company's subsidiary	\$ 305,601	3.72	\$ -	-	\$ -	\$ -
Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	Same parent company	1,873,705	3.28	-	-	476,489	-
Unimicron Technology (KunShan) Corp.	Unimicron Germany GmbH	Same parent company	202,771	0.93	-	-	-	-
Unimicron Technology (KunShan) Corp.	UniGreat Holding Limited	Same parent company	189,149	3.27	-	-	-	-
Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	Same parent company	1,439,336	2.86	-	-	66,650	-
Unifley Technology (KunShan) Inc.	Best Option Investments Limited	Same parent company	342,395	1.95	-	-	-	-
Unimicron Technology (ShenZhen) Corp.	Neconix, Inc.	Same parent company	150,327	4.40	-	-	35,256	-
Unimicron Technology (ShenZhen) Corp.	Unimicron (SZ) Trading Limited	Same parent company	274,706	4.08	-	-	108,129	-
Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	Same parent company	2,421,760	3.39	-	-	682,802	-
Unimicron JAPAN Co., Ltd.	Unimicron (SZ) Trading Limited	Same parent company	202,030	3.34	-	-	41,110	-
APM communication, Inc.	The Company	Ultimate parent company	122,510	3.08	-	-	-	-
Unimicron (KS) Trading Limited	The Company	Ultimate parent company	1,525,985	3.28	-	-	397,576	-
Unimicron (SZ) Trading Limited	The Company	Ultimate parent company	273,318	3.80	-	-	108,130	-
Unimicron Holding Limited	The Company	Ultimate parent company	1,141,670	4.04	-	-	323,654	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	Same parent company	\$ 2,545,166	3.60	\$ -	\$ -	\$ -	\$ -
Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	Same parent company	238,328	2.87	-	-	44,657	-
The Company	3D Circuit Taiwan Company Ltd.	Investee accounted for using equity method	156,564	Note 3	156,564	Note 4	-	156,564
The Company	Unimicron Technology (Huangshi) Corp.	The Company's subsidiary	641,131	Note 2	-	-	-	-
The Company	Smart Idea Holdings Limited	The Company's subsidiary	2,340,812	Note 2	-	-	-	-
The Company	Unimicron Germany GmbH	The Company's subsidiary	119,819	Note 2	-	-	-	-
The Company	Unimicron (SZ) Trading Limited	The Company's subsidiary	1,840,036	Note 2	-	-	-	-
The Company	Unimicron Holding Limited	The Company's subsidiary	115,272	Note 2	-	-	44,118	-
The Company	Unimicron JAPAN Co., Ltd.	The Company's subsidiary	292,457	Note 2	-	-	-	-
The Company	UniGreat Holding Limited	The Company's subsidiary	1,015,533	Note 2	-	-	153	-
The Company	Subtron Technology Co., Ltd.	The Company's subsidiary	332,905	Note 2	-	-	-	-
UniBest Holding Limited	Unimicron Germany GmbH	Same parent company	109,401	Note 2	-	-	-	-
UniBest Holding Limited	Unimicron (SZ) Trading Limited	Same parent company	111,585	Note 2	-	-	-	-
Unimicron Technology (KunShan) Corp.	Unimicron Technology (Huangshi) Corp.	Same parent company	335,987	Note 2	-	-	-	-
Unimicron Technology (KunShan) Corp.	Unifley Technology (KunShan) Inc.	Same parent company	282,408	Note 2	-	-	-	-
Unimicron Technology (KunShan) Corp.	Kunshan Dingchangxin Electronic Technology Co., Ltd.	Same parent company	1,072,279	Note 2	-	-	-	-
Unimicron Technology (ShenZhen) Corp.	Suzhou Qunye Enterprise Management Co., Ltd.	Same parent company	314,159	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 the 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  
For the nine months ended September 30, 2022

Table 9

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 5)			Percentage of total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	3	Accounts receivable	\$ 1,873,705	Available for the third party	1%
2	Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	3	Accounts receivable	1,439,336	Available for the third party	1%
3	Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	3	Accounts receivable	2,421,760	Available for the third party	1%
4	Unimicron (KS) Trading Limited	The Company	2	Accounts receivable	1,525,985	Available for the third party	1%
5	Unimicron Holding Limited	The Company	2	Accounts receivable	1,141,670	Available for the third party	1%
6	Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	3	Accounts receivable	2,545,166	Available for the third party	1%
7	The Company	Smart Idea Holdings Limited	1	Other receivables	2,340,812	Available for the third party	1%
8	The Company	Unimicron Germany GmbH	1	Other receivables	1,840,036	Available for the third party	1%
9	The Company	Unimicron JAPAN Co., Ltd.	1	Other receivables	1,015,533	Available for the third party	0%
10	Unimicron Technology (KunShan) Corp.	Kunshan Dingchangxin Electronic Technology Co., Ltd.	3	Other receivables	1,072,279	Available for the third party	1%
11	Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	3	Sales	3,803,565	Available for the third party	4%
12	Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	3	Sales	3,077,123	Available for the third party	3%
13	Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	3	Sales	5,510,916	Available for the third party	5%
14	Unimicron (KS) Trading Limited	The Company	2	Sales	2,703,180	Available for the third party	3%
15	Unimicron Holding Limited	The Company	2	Sales	2,727,875	Available for the third party	3%
16	Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	3	Sales	5,087,709	Available for the third party	5%

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  
For the nine months ended September 30, 2022

Table 10

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2022			Net profit (loss) of the investee for the nine months ended September 30, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the nine months ended September 30, 2022	Footnote
				Balance as at a September 30, 2022	Balance as at December 31, 2021	Number of shares	Ownership	Book value (Note 4)			
The Company	Subtron Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic parts	\$ 1,333,548	\$ 1,333,548	90,613,516	30.40%	\$ 1,529,806	\$ 221,564	\$ 67,468	
The Company	Hsin Yang Investment Corp.	Taiwan	Holding company	3,423,689	3,423,689	197,568,290	100.00%	1,037,040	( 19,279)	( 19,272)	
The Company	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	198,962	198,962	19,175,303	17.17%	216,475	( 53,030)	( 9,105)	
The Company	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	982,156	982,156	29,476,572	62.78%	294,355	6,604	( 1,263)	
The Company	Hemingway Int'l Limited	BVI	Holding company	6,118,151	6,118,151	187,988,866	100.00%	9,694,207	1,576,972	1,576,972	
The Company	UMTC Holdings Limited	BVI	Holding company	6,199,051	6,199,051	139,465,246	100.00%	5,668,313	1,286,563	1,286,563	
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	4,866,346	2,713,632	164,550,000	100.00%	5,722,553	1,145,634	1,145,634	
The Company	Uniflex Technology Inc.	Taiwan	Manufacture and sale of electronic parts	342,385	342,385	15,586,822	9.98%	100,991	( 65,202)	( 6,507)	
The Company	NEOCONIX, INC.	USA	Design and manufacture of connector	118,963	118,963	865,526,530	92.00%	152,071	94,855	87,298	
The Company	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	107,959	107,959	4,657,650	49.57%	55,070	38,179	19,049	
The Company	UniFresh, Inc.	Taiwan	Food and restaurants	26,000	26,000	2,600,000	24.42%	15,552	7,545	1,842	
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%	-	-	-	
The Company	Qun Hong Technology Inc.	Taiwan	Manufacture and sale of electronic parts	2,435,152	2,435,152	102,376,189	91.41%	680,535	30,103	28,858	
The Company	Unidisplay Holding Corp.	Samoa	Holding company	342,372	342,372	11,790,000	100.00%	1,906	( 6)	( 6)	
The Company	PAVIDA Trading Limited	Samoa	Holding company and trading	4,406	4,406	139,818	17.27%	3,777	2,304	398	
Hsin Yang Investment Corp.	UniFresh, Inc.	Taiwan	Food and restaurants	80,480	80,480	8,048,000	75.58%	53,122	7,545	5,702	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2022			Net profit (loss) of the investee for the nine months ended September 30, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the nine months ended September 30, 2022	Footnote
				Balance as at a September 30, 2022	Balance as at December 31, 2021	Number of shares	Ownership	Book value (Note 4)			
Hsin Yang Investment Corp.	UniSense Technology Co. Ltd.	Taiwan	Manufacture and sale of electronic parts	\$ 48,231	\$ 48,231	4,823,074	30.98%	\$ 81,751	\$ 41,208	\$ 11,665	
Hsin Yang Investment Corp.	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	355,496	355,496	1,952,861	4.16%	21,190	6,604	275	
Hsin Yang Investment Corp.	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	95,935	95,935	7,781,675	6.97%	79,325	( 53,030)	( 3,696)	
Hsin Yang Investment Corp.	Subtron Technology Co., Ltd	Taiwan	Manufacture and sale of electronic parts	9,934	9,934	4,620,710	1.55%	74,668	221,564	3,433	
Hsin Yang Investment Corp.	Unimax C.P.I Technology Corp.	Mauritius	Holding company	94,538	112,326	2,304,000	23.79%	-	( 1,386)	( 309)	Note4
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%	270,526	30,607	11,771	
Hsin Yang Investment Corp.	Uniflex Technology Inc.	Taiwan	Manufacture and sale of electronic parts	502,294	502,294	25,307,736	16.21%	220,102	( 65,202)	( 10,569)	
Hsin Yang Investment Corp.	Unidisplay Trading Corp.	Samoa	Trading	-	859,190	-	-	-	-	-	Note5
Hsin Yang Investment Corp.	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	58,337	58,337	168,801	1.80%	1,021	38,179	687	
Hsin Yang Investment Corp.	Qun Hong Technology Inc.	Taiwan	Manufacture and sale of electronic parts	110,863	110,863	3,961,355	3.54%	27,418	30,103	1,066	
UniFresh, Inc.	UniCuisine, Inc.	Taiwan	Sales and manufacture of food	89,130	81,622	1,773,908	68.26%	39,320	9,344	6,765	
APM communication, Inc.	PAVIDA Trading Limited	Samoa	Holding company and trading	20,832	20,832	670,000	82.73%	18,095	2,304	1,906	
Asia Pacific Microsystems, Inc.	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	332,259	332,259	2,911,867	30.99%	30,998	38,179	11,832	
Hemingway Int'l Limited	Plato Electronics (Cayman) Limited	Cayman	Holding company	1,467,681	1,467,681	27,989,612	72.02%	1,254,436	( 62,687)	( 45,147)	
Hemingway Int'l Limited	Smart Idea Holdings Limited	Cayman	Holding company	888,787	888,787	30,000,000	42.10%	3,768,998	398,930	167,950	
Hemingway Int'l Limited	Best Option Investments Limited	Samoa	Holding company	3,415,024	3,415,024	644,263,312	21.74%	204,845	( 305,497)	( 66,812)	
Hemingway Int'l Limited	Unimicron Holding Limited	Samoa	Holding company	1,719,360	1,719,360	53,151,515	28.54%	4,427,511	5,063,436	1,524,600	
Hemingway Int'l Limited	UniSmart Holding Limited	Samoa	Holding company	174,124	174,124	5,099,086	15.55%	18,427	( 22,386)	( 3,481)	
UMTC Holdings Limited	Plato Electronics (Cayman) Limited	Cayman	Holding company	216,114	216,114	4,474,259	11.51%	94,509	( 62,687)	( 7,215)	
UMTC Holdings Limited	Smart Idea Holdings Limited	Cayman	Holding company	629,580	629,580	20,761,904	29.13%	2,577,817	398,930	116,208	
UMTC Holdings Limited	Best Option Investments Limited	Samoa	Holding company	1,232,586	1,232,586	42,195,000	1.43%	20,532	( 305,497)	( 4,399)	
UMTC Holdings Limited	Unimicron Holding Limited	Samoa	Holding company	1,210,064	1,210,064	40,400,000	21.69%	3,288,975	5,063,436	1,158,514	
UMTC Holdings Limited	UniSmart Holding Limited	Samoa	Holding company	703,420	703,420	21,286,112	64.93%	17,064	( 22,386)	( 14,535)	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2022			Net profit (loss) of the investee for the nine months ended September 30, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the nine months ended September 30, 2022	Footnote
				Balance as at a September 30, 2022	Balance as at December 31, 2021	Number of shares	Ownership	Book value (Note 4)			
UMTC Holdings Limited	Unimicron JAPAN Co., Ltd.	Japan	Manufacture and sale of electronic parts	\$ 503,200	\$ 503,200	35,130	100.00%	(\$ 417,647)	\$ 25,847	\$ 24,923	
Plato Electronics (Cayman) Limited	Unimicron(SZ) Trading Ltd.	Samoa	Trading	202,525	202,525	6,500,000	100.00%	( 136,667)	( 105,963)	( 105,963)	
Smart Idea Holdings Limited	UniGreat Holding Limited	Samoa	Holding company	1,407,974	1,407,974	45,900,050	100.00%	792,069	45,177	45,177	
Smart Idea Holdings Limited	UniRuwel Holding Limited	Cayman	Holding company	1,049,300	1,049,300	35,000,000	100.00%	86,150	( 339,818)	( 339,818)	
Smart Idea Holdings Limited	Unimicron (KS)Trading Ltd.	Samoa	Trading	582,000	582,000	20,000,001	100.00%	( 200,609)	( 193,642)	( 193,642)	
UniSmart Holding Limited	MARUWA CORPORATION	Japan	Manufacture and sales of flexible Print	95,703	118,482	2,400	28.24%	( 36,446)	-	-	
UniRuwel Holding Limited	Unimicron Germany GmbH	Germany	Manufacture and sale of electronic parts	917,473	917,473	25,000	100.00%	86,955	( 336,290)	( 336,290)	
Unidisplay Holding Corp.	Unidisplay Trading Corp.	Samoa	Trading	-	335,776	-	-	-	-	-	Note5
UniBest Holding Limited	Unimicron Holding Limited	Samoa	Holding company	2,655,707	1,377,245	57,878,614	31.08%	4,644,956	5,063,436	1,381,812	
UniBest Holding Limited	Best Option Investments Limited	Samoa	Holding company	1,766,182	1,132,402	2,276,363,910	76.83%	831,959	( 305,497)	( 234,286)	
UniBest Holding Limited	UniSmart Holding Limited	Samoa	Holding company	185,165	185,165	6,400,000	19.52%	( 11,632)	( 22,386)	( 4,370)	

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 September 30, 2022' 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 nine months ended September 30, 2022' 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 nine months ended September 30, 2022' 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: Unrealized gains and losses have not been excluded.

Note 4: Unimax is in the process of liquidation and returned a portion of capital in June 2022.

Note 5: UniDT was liquidated in September 2022.

Unimicron Technology Corp. and subsidiaries  
Information on investments in Mainland China  
For the nine months ended September 30, 2022

Table 11

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, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2022	Net income of investee for the nine months ended September 30, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the nine months ended September 30, 2022 (Note 2)	Book value of investments in Mainland China as of September 30, 2022	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2022	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	\$ 66,425	83.53	\$ 55,485	\$ 1,391,585	\$ -	
Unimicron Technology (KunShan) Corp.	Manufacture and sale of electronic parts	2,369,600	SI	1,372,769	-	-	1,372,769	914,399	71.23	654,225	7,500,216	-	
Unifley Technology (KunShan) Inc.	Manufacture and sale of electronic parts	6,280,552	BO	5,196,551	633,780	-	5,830,331	( 415,759)	100.00	( 415,759)	766,731	-	
Unimicron Technology (SuZhou) Corp.	Manufacture and sale of electronic parts	4,971,298	UHL	1,837,430	-	-	1,837,430	5,361,242	78.46	4,190,026	12,190,777	-	
Suzhou AMC Technology Co., Ltd.	Manufacture and sale of electronic parts	1,263,293	AMCHOLDING LIMITED	192,869	-	-	192,869	( 24,605)	6.38	-	51,779	-	
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	-	UniDT	1,159,920	-	-	1,159,920	-	-	-	-	-	Note 6
Kunshan 3D Circuit Technology Co., Ltd.	Manufacture and sale of electronic parts	125,925	HK3D-Circuit Ltd.	31,170	-	-	31,170	-	18.61	-	( 13,693)	-	
Unimicron Technology (Huangshi) Corp.	Manufacture and sale of electronic parts	4,672,240	UniGreat and Unimicron Management (KunShan)	-	-	-	-	399,959	71.23	284,891	2,583,779	-	
Unimicron Management (KunShan) Corp., Ltd.	Business management consulting and property management	3,515,397	Unimicron Technology (KunShan)	-	-	-	-	262,994	71.23	187,331	2,270,467	-	
Unimicron-Carrier Technology (Huangshi) Inc.	Manufacture and sale of electronic parts	1,903,398	UHL and Unimicron Technology (SuZhou)	339,555	175,122	-	514,677	( 1,288)	79.32	( 1,022)	1,513,924	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2022			Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Net income of investee for the nine months ended September 30, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the nine months ended September 30, 2022 (Note 2)	Book value of investments in Mainland China as of September 30, 2022	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2022	Footnote
				Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2022							
Hu Se Sn Li Managemnet Corp., Ltd.	Business management consulting	\$ 702,068	Unimicron Management (KunShan)	\$ -	\$ -	\$ -	\$ -	(\$ 17,108)	71.23	(\$ 12,186)	\$ 453,136	\$ -	
Gobo Lighting Technology Ltd.	Manufacture and sale of lighting products	38,943	PAVIDA	17,914	-	-	17,914	5,364	35.39	2,467	19,847	-	
Kunshan Dingchangxin Electronic Technology Co., Ltd.	Manufacture and sale of electronic parts	-	SI	-	-	-	-	( 5,503)	71.23	( 3,900)	( 6,786)	-	
Suzhou Qunye Enterprise Management Co., Ltd.	Business management consulting	-	UHL	-	-	-	-	-	81.31	-	-	-	
Kunshan Qunqi Technology Co., Ltd.	Manufacture and sale of electronic parts	-	UHL and Unimicron Technology (SuZhou)	-	-	-	-	-	79.89	-	-	-	
Kunshan Dingshengxin Electronic Technology Co., Ltd.	Inspection of goods, sales of electronic component and equipment and	-	Kunshan Dingchangxin	-	-	-	-	-	71.23	-	-	-	
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2022 (Note 4)	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	\$ 12,634,019	\$ 16,378,928	\$ -										

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) recognized for the period in accordance with the financial statements reviewed 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 November 11, 2020, the Company received an approval letter issued by the Industrial Development Bureau of the Ministry of Economic Affairs, effective from November 5, 2020 to November 4, 2023. Hence, calculation of investment limit is not needed.

Note 6: Unimicron Touch (ShenZhen) Corp. was liquidated in January 2022.

Unimicron Technology Corp. and subsidiaries  
Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas  
For the nine months ended September 30, 2022

Table 12

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
	Amount	%	Amount	%	Balance at September 30, 2022	%	Balance at September 30, 2022	Purpose	Maximum balance during the nine months ended September 30, 2022	Balance at September 30, 2022	Interest rate	Interest during the nine months ended September 30, 2022	Others
Unimicron Technology (ShenZhen) Corp.	\$ 45,331	0%	\$ -	-	\$ 34,994	0%	\$ 952,200	Borrowings	\$ -	\$ -	-	\$ -	
Unimicron Technology (ShenZhen) Corp.	( 580,393)	3%	-	-	( 270,322)	3%	-	-	-	-	-	-	
Unimicron Technology (KunShan) Corp.	569,785	1%	1,176	-	338,257	2%	1,269,600	Borrowings	-	-	-	-	
Unimicron Technology (KunShan) Corp.	( 2,703,180)	12%	-	-	( 1,483,612)	16%	-	-	-	-	-	-	
Unifley Technology (KunShan) Inc.	-	-	-	-	-	-	4,602,300	Borrowings	294,700	-	-	-	
Unimicron Technology (SuZhou) Corp.	60,382	0%	-	-	22,069	0%	2,221,800	Borrowings	-	-	-	-	
Unimicron Technology (SuZhou) Corp.	( 2,743,600)	12%	-	-	( 1,144,506)	12%	-	-	-	-	-	-	
Unimicron Technology (Huangshi) Corp.	( 195,496)	1%	-	-	( 77,899)	1%	3,174,000	Borrowings	1,178,800	634,800	1.20%	9,791	
Unimicron -Carrier Technology (Huangshi) Inc.	-	-	-	-	-	-	1,587,000	Borrowings	-	-	-	-	

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

Unimicon Technology Corp. and subsidiaries

Information on Major Shareholders

September 30, 2022

Table 13

Name of Major Shareholders	Shares	
	Number of Shares	Ownership (%)
United Microelectronics Corp.	196,136,008	13.27%