

**UNIMICRON TECHNOLOGY CORP. AND
SUBSIDIARIES**

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

SEPTEMBER 30, 2023 AND 2022

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

UNIMICRON TECHNOLOGY CORP.
SEPTEMBER 30, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR23000134

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, 2023 and 2022, and the related consolidated statements of comprehensive income of changes in equity and of cash flows for the three months and nine months ended September 30, 2023 and 2022, as well as the related statements of changes in equity and of cash flows for the nine months ended September 30, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of 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" that came into effect 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 Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of 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, 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, 2023 and 2022, and of its consolidated financial performance for the three months and nine months ended September 30, 2023 and 2022, and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Emphasis of matter

As described in Notes 6(7) and (36), on March 30, 2022, the Company acquired the equity interest in Subtron Technology Co., Ltd. (Subtron Technology) through shares swap as approved by the Board of Directors. After the shares swap, Subtron Technology became a wholly-owned subsidiary of the Company. Additionally, the authority approved to set the effective date for the shares swap on January 6, 2023, and the Company applied IFRS 3, 'Business combinations' for the related accounting treatment. Our conclusion is not modified in respect of this matter.

Lin, Ya-Hui

Lin, Yung-Chih

For and on Behalf of PricewaterhouseCoopers, Taiwan

October 23, 2023

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, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	September 30, 2023		December 31, 2022		September 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 51,233,066	24	\$ 61,459,296	28	\$ 56,340,059	27
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		159,689	-	18,509	-	17,544	-
1136	Current financial assets at	6(1) and 8						
	amortised cost		45,186	-	17,864	-	17,864	-
1150	Notes receivable, net	6(3)	5,948	-	7,429	-	30,098	-
1160	Notes receivable due from	7						
	related parties, net		-	-	-	-	345	-
1170	Accounts receivable, net	6(3)	23,062,775	11	28,719,508	13	29,118,610	14
1180	Accounts receivable - related	7						
	parties		8,908	-	19,401	-	22,376	-
1200	Other receivables	6(4)(8)(10) and 7	764,454	-	1,768,038	1	1,298,084	-
130X	Inventory	5(2) and 6(5)	10,314,447	5	12,834,619	6	14,244,489	7
1410	Prepayments	6(6)	2,148,553	1	2,743,023	1	2,127,107	1
11XX	Total current assets		<u>87,743,026</u>	<u>41</u>	<u>107,587,687</u>	<u>49</u>	<u>103,216,576</u>	<u>49</u>
Non-current assets								
1510	Financial assets at fair value	6(2)						
	through profit or loss - non-							
	current		6,951,928	3	5,989,153	3	5,634,784	3
1517	Non-current financial assets at							
	fair value through other							
	comprehensive income		131,796	-	29,327	-	30,810	-
1535	Non-current financial assets at	6(1) and 8						
	amortised cost		4,735,422	2	3,226,895	2	1,924,457	1
1550	Investments accounted for	5(2), 6(7) and 7						
	under equity method		933,361	1	2,533,541	1	2,593,491	1
1600	Property, plant and equipment	6(8), 7 and 8	108,605,329	50	94,122,130	43	90,503,396	43
1755	Right-of-use assets	6(9)	3,001,450	1	2,733,556	1	2,869,715	2
1760	Investment property - net	6(11)	384,838	-	387,378	-	388,225	-
1780	Intangible assets	6(12)	1,586,576	1	644,467	-	657,224	-
1840	Deferred income tax assets		1,122,674	1	1,194,695	1	1,281,840	1
1900	Other non-current assets	6(10)	352,725	-	214,600	-	211,632	-
15XX	Total non-current assets		<u>127,806,099</u>	<u>59</u>	<u>111,075,742</u>	<u>51</u>	<u>106,095,574</u>	<u>51</u>
1XXX	Total assets		<u>\$ 215,549,125</u>	<u>100</u>	<u>\$ 218,663,429</u>	<u>100</u>	<u>\$ 209,312,150</u>	<u>100</u>

(Continued)

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	September 30, 2023		December 31, 2022		September 30, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(13) and 8	\$ 3,281,650	2	\$ 7,645,409	4	\$ 5,936,619	3
2110	Short-term notes and bills payable	6(14)	300,000	-	300,000	-	300,000	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)(15)	-	-	10,455	-	189,797	-
2130	Current contract liabilities	6(26)	6,058,119	3	5,551,699	3	5,242,515	2
2150	Notes payable		1,250	-	1,595	-	19,675	-
2170	Accounts payable		11,770,923	5	11,432,803	5	12,874,782	6
2180	Accounts payable - related parties	7	188,036	-	193,406	-	208,592	-
2200	Other payables	6(16) and 7	18,707,309	9	21,791,021	10	21,057,796	10
2230	Current tax liabilities		1,606,589	1	5,062,569	2	4,187,894	2
2320	Long-term liabilities, current portion	6(19) and 8	2,772,385	1	2,411,085	1	3,161,456	2
2399	Other current liabilities	6(17) and 7	645,145	-	492,521	-	531,945	-
21XX	Total current liabilities		<u>45,331,406</u>	<u>21</u>	<u>54,892,563</u>	<u>25</u>	<u>53,711,071</u>	<u>25</u>
Non-current liabilities								
2527	Non-current contract liabilities	6(26)	44,904,429	21	42,318,477	19	41,368,149	20
2530	Bonds payable	6(18)	10,992,806	5	10,990,807	5	10,990,141	5
2540	Long-term borrowings	6(19) and 8	13,514,823	6	13,572,145	6	13,750,207	7
2570	Deferred income tax liabilities		1,729,228	1	932,618	1	829,336	-
2600	Other non-current liabilities	6(7)(8)(9)(20), 7 and 9	4,157,650	2	3,298,463	2	3,556,609	2
25XX	Total non-current liabilities		<u>75,298,936</u>	<u>35</u>	<u>71,112,510</u>	<u>33</u>	<u>70,494,442</u>	<u>34</u>
2XXX	Total liabilities		<u>120,630,342</u>	<u>56</u>	<u>126,005,073</u>	<u>58</u>	<u>124,205,513</u>	<u>59</u>
Equity attributable to owners of parent								
Share capital								
3110	Common stock	6(23)	15,251,302	7	14,783,653	7	14,783,653	7
Capital surplus								
3200	Capital surplus	6(24)	15,165,075	7	9,956,882	4	9,930,741	5
Retained earnings								
3310	Legal reserve	6(25)	9,836,847	5	6,861,800	3	6,861,800	3
3320	Special reserve		637,741	-	332,855	-	332,855	-
3350	Unappropriated retained earnings		48,091,370	22	54,437,070	25	46,937,881	23
Other equity interest								
3400	Other equity interest		287,649	- (637,741)	- (188,803)	-
Treasury stocks								
3500	Treasury stocks	6(23)	(150,765)	-	-	-	-	-
31XX	Equity attributable to owners of the parent		<u>89,119,219</u>	<u>41</u>	<u>85,734,519</u>	<u>39</u>	<u>78,658,127</u>	<u>38</u>
36XX	Non-controlling interest	4(3)	5,799,564	3	6,923,837	3	6,448,510	3
3XXX	Total equity		<u>94,918,783</u>	<u>44</u>	<u>92,658,356</u>	<u>42</u>	<u>85,106,637</u>	<u>41</u>
Significant contingent liabilities and unrecognized contract commitments								
Significant events after the balance sheet date								
3X2X	Total liabilities and equity		<u>\$ 215,549,125</u>	<u>100</u>	<u>\$ 218,663,429</u>	<u>100</u>	<u>\$ 209,312,150</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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Three months ended September 30				Nine months ended September 30			
			2023		2022		2023		2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(26) and 7	\$ 26,545,656	100	\$ 37,453,505	100	\$ 78,346,769	100	\$ 103,799,486	100
5000	Operating costs	6(5)(31)(32) and 7	(21,315,715)	(80)	(23,154,624)	(62)	(62,553,400)	(80)	(66,108,375)	(64)
5900	Net operating margin		<u>5,229,941</u>	<u>20</u>	<u>14,298,881</u>	<u>38</u>	<u>15,793,369</u>	<u>20</u>	<u>37,691,111</u>	<u>36</u>
	Operating expenses	6(31)(32) and 7								
6100	Selling expenses		(314,573)	(1)	(469,663)	(1)	(1,015,678)	(1)	(1,403,071)	(2)
6200	General and administrative expenses		(1,379,643)	(5)	(1,288,425)	(3)	(3,616,096)	(5)	(3,468,408)	(3)
6300	Research and development expenses		(1,275,548)	(5)	(1,533,825)	(4)	(3,647,678)	(5)	(4,338,593)	(4)
6000	Total operating expenses		(2,969,764)	(11)	(3,291,913)	(8)	(8,279,452)	(11)	(9,210,072)	(9)
	Net operating income		<u>2,260,177</u>	<u>9</u>	<u>11,006,968</u>	<u>30</u>	<u>7,513,917</u>	<u>9</u>	<u>28,481,039</u>	<u>27</u>
6500	Other (losses)/gains - net	6(27) and 7	<u>7,597</u>	<u>-</u>	<u>27,262</u>	<u>-</u>	<u>15,569</u>	<u>-</u>	<u>92,376</u>	<u>-</u>
6900	Operating profit		<u>2,267,774</u>	<u>9</u>	<u>11,034,230</u>	<u>30</u>	<u>7,529,486</u>	<u>9</u>	<u>28,573,415</u>	<u>27</u>
	Non-operating income and expenses									
7100	Interest income		332,476	1	180,630	-	1,023,228	1	397,867	-
7010	Other income	6(28) and 7	260,790	1	203,337	-	1,496,171	2	775,096	1
7020	Other gains and losses	6(29) and 7	668,779	3	617,558	2	2,502,341	3	986,706	1
7050	Finance costs	6(30) and 7	(138,332)	(1)	(118,613)	-	(477,528)	-	(291,778)	-
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	(20,014)	-	(7,814)	-	(72,195)	-	66,618	-
7000	Total non-operating income and expenses		<u>1,103,699</u>	<u>4</u>	<u>875,098</u>	<u>2</u>	<u>4,472,017</u>	<u>6</u>	<u>1,934,509</u>	<u>2</u>
7900	Profit before income tax		<u>3,371,473</u>	<u>13</u>	<u>11,909,328</u>	<u>32</u>	<u>12,001,503</u>	<u>15</u>	<u>30,507,924</u>	<u>29</u>
7950	Income tax expense	6(33)	(727,394)	(3)	(2,865,450)	(8)	(2,695,197)	(3)	(7,190,338)	(7)
8200	Profit for the period		<u>\$ 2,644,079</u>	<u>10</u>	<u>\$ 9,043,878</u>	<u>24</u>	<u>\$ 9,306,306</u>	<u>12</u>	<u>\$ 23,317,586</u>	<u>22</u>

(Continued)

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Three months ended September 30				Nine months ended September 30			
		2023		2022		2023		2022	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss									
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(\$ 35,198)	-	\$ 36,925	-	\$ 62,424	-	\$ 53,451	-
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss	(35,198)	-	36,925	-	62,424	-	53,451	-
Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations	1,667,732	6	(286,488)	(1)	812,011	1	(546,790)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for under equity method	4,191	-	3,263	-	949	-	7,764	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss	1,671,923	6	(283,225)	(1)	812,960	1	(539,026)	-
8300	Total other comprehensive income (loss) for the period	<u>\$ 1,636,725</u>	<u>6</u>	<u>(\$ 246,300)</u>	<u>(1)</u>	<u>\$ 875,384</u>	<u>1</u>	<u>(\$ 485,575)</u>	<u>-</u>
8500	Total comprehensive income for the period	<u>\$ 4,280,804</u>	<u>16</u>	<u>\$ 8,797,578</u>	<u>23</u>	<u>\$ 10,181,690</u>	<u>13</u>	<u>\$ 22,832,011</u>	<u>22</u>
Profit attributable to:									
8610	Owners of the parent	\$ 2,589,228	10	\$ 8,561,503	23	\$ 9,073,129	12	\$ 22,258,395	21
8620	Non-controlling interest	54,851	-	482,375	1	233,177	-	1,059,191	1
		<u>\$ 2,644,079</u>	<u>10</u>	<u>\$ 9,043,878</u>	<u>24</u>	<u>\$ 9,306,306</u>	<u>12</u>	<u>\$ 23,317,586</u>	<u>22</u>
Comprehensive income attributable to:									
8710	Owners of the parent	\$ 4,175,497	16	\$ 8,595,084	22	\$ 10,134,897	13	\$ 22,533,527	22
8720	Non-controlling interest	105,307	-	202,494	1	46,793	-	298,484	-
		<u>\$ 4,280,804</u>	<u>16</u>	<u>\$ 8,797,578</u>	<u>23</u>	<u>\$ 10,181,690</u>	<u>13</u>	<u>\$ 22,832,011</u>	<u>22</u>
Earnings per share (in dollars)									
9750	Basic earnings per share	6(34)	\$ 1.70	\$ 5.80	\$ 5.97	\$ 15.09			
9850	Diluted earnings per share	6(34)	\$ 1.69	\$ 5.63	\$ 5.90	\$ 14.63			

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent													
Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Retained Earnings			Other Equity Interest				Treasury stocks	Total	Non-controlling interest	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Other equity, others					
Nine months ended September 30, 2022													
		\$ 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
	6(25)												
		-	-	1,324,471	-	(1,324,471)	-	-	-	-	-	-	-
		-	-	-	(217,688)	217,688	-	-	-	-	-	-	-
		-	-	-	-	(5,015,885)	-	-	-	-	(5,015,885)	-	(5,015,885)
	6(24)	-	140,056	-	-	-	-	-	-	-	140,056	-	140,056
	6(24)	-	(683)	-	-	(7,112)	-	5,998	-	(1,797)	-	-	(1,797)
	6(22)(23)(24)	31,050	394,999	-	-	-	-	-	(141,717)	-	284,332	604,605	888,937
	6(22)	-	-	-	-	-	-	-	4,639	-	4,639	-	4,639
		-	-	-	-	-	-	-	-	-	-	742,807	742,807
	6(24)	-	(328)	-	-	-	-	-	-	(328)	-	(328)	(328)
	6(24)	-	21	-	-	-	-	-	-	21	-	-	21
		<u>\$ 14,783,653</u>	<u>\$ 9,930,741</u>	<u>\$ 6,861,800</u>	<u>\$ 332,855</u>	<u>\$ 46,937,881</u>	<u>(\$ 83,121)</u>	<u>\$ 31,396</u>	<u>(\$ 137,078)</u>	<u>\$ -</u>	<u>\$ 78,658,127</u>	<u>\$ 6,448,510</u>	<u>\$ 85,106,637</u>
Nine months ended September 30, 2023													
		\$ 14,783,653	\$ 9,956,882	\$ 6,861,800	\$ 332,855	\$ 54,437,070	(\$ 529,579)	\$ 65,841	(\$ 174,003)	\$ -	\$ 85,734,519	\$ 6,923,837	\$ 92,658,356
		-	-	-	-	9,073,129	-	-	-	-	9,073,129	233,177	9,306,306
		-	-	-	-	-	999,344	62,424	-	-	1,061,768	(186,384)	875,384
		-	-	-	-	9,073,129	999,344	62,424	-	-	10,134,897	46,793	10,181,690
	6(25)												
		-	-	2,975,047	-	(2,975,047)	-	-	-	-	-	-	-
		-	-	-	304,886	(304,886)	-	-	-	-	-	-	-
		-	-	-	-	(12,190,426)	-	-	-	-	(12,190,426)	-	(12,190,426)
	6(24)	-	101,322	-	-	-	-	-	-	-	101,322	-	101,322
	6(24)	-	(22,887)	-	-	82,914	-	(82,914)	(274)	-	(23,161)	-	(23,161)
		-	-	-	-	55,942	-	(55,942)	-	-	-	-	-
	6(23)(24)	454,379	4,952,727	-	-	-	-	-	-	-	5,407,106	-	5,407,106
	6(35)	-	-	-	-	(87,326)	-	-	-	-	(87,326)	(4,908)	(92,234)
	6(22)(23)(24)	(140)	140	-	-	-	-	-	-	-	-	-	-
	6(22)(23)(24)	13,410	166,702	-	-	-	-	-	(73,594)	-	106,518	-	106,518
	6(22)	-	-	-	-	-	-	-	76,346	-	76,346	-	76,346
	6(23)	-	-	-	-	-	-	-	-	(150,765)	(150,765)	-	(150,765)
		-	-	-	-	-	-	-	-	-	-	(1,406,484)	(1,406,484)
		-	-	-	-	-	-	-	-	-	-	240,326	240,326
	6(24)	-	10,126	-	-	-	-	-	-	-	10,126	-	10,126
	6(24)	-	63	-	-	-	-	-	-	-	63	-	63
		<u>\$ 15,251,302</u>	<u>\$ 15,165,075</u>	<u>\$ 9,836,847</u>	<u>\$ 637,741</u>	<u>\$ 48,091,370</u>	<u>\$ 469,765</u>	<u>(\$ 10,591)</u>	<u>(\$ 171,525)</u>	<u>(\$ 150,765)</u>	<u>\$ 89,119,219</u>	<u>\$ 5,799,564</u>	<u>\$ 94,918,783</u>

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 12,001,503	\$ 30,507,924
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property and right-of-use asset)	6(8)(9)(11)(27)(31)	10,805,918	8,223,257
Amortisation	6(12)(31)	336,823	231,646
Expected impairment (gain) loss (including related parties)	12(2)	(26,105)	118,209
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	6(2)(29)	(1,223,627)	2,977,295
Interest expense	6(30)	460,748	274,152
Interest income		(1,023,228)	(397,867)
Dividend income	6(28)	(52,417)	(193,627)
Share-based payments	6(22)	92,340	7,490
Share of loss (profit) of associates accounted for under equity method	6(7)	72,195	(66,618)
Cash dividends received from investments accounted for using equity method		4,823	102,226
Loss (gain) on disposal and scrap of property, plant and equipment (including investment property)	6(29)	68,049	(591,983)
Exchange loss on valuation of long-term foreign borrowings	6(38)	76,507	415,483
Deferred credits - realised transfer income		(13,290)	(13,383)
Gain recognised in bargain purchase transaction	6(7)(29)(36)	(885,407)	(24,186)
Gain from lease modification	6(9)(29)	(265)	(1,772)
Gain from fire incident	6(8)	-	(14,342)
Gain from insurance proceeds	6(8)(28)	(794,837)	-
Amortization of discount on bonds payable	6(30)(38)	1,999	1,968
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		1,568	11,210
Notes receivable due from related parties		-	(345)
Accounts receivable		6,202,599	(5,667,580)
Accounts receivable due from related parties		10,442	8,086
Other receivables		1,458,029	770,696
Inventories		2,908,410	(2,092,886)
Prepayments		631,984	364,924
Other non-current assets		(59,477)	(200)
Changes in operating liabilities			
Notes payable		(345)	(62,509)
Accounts payable		95,613	(264,456)
Accounts payable to related parties		(5,370)	1,821
Other payables		(5,403,100)	2,545,785
Other current liabilities		91,200	(194,031)
Accrued pension liabilities		(7,184)	(13,754)
Contract liabilities		2,706,270	14,469,843
Other non-current liabilities		12,992	6,190
Cash inflow generated from operations		28,545,360	51,438,666
Interest received		994,154	350,660
Dividends received		52,417	193,563
Interest paid		(488,602)	(267,182)
Income tax paid		(5,242,395)	(5,057,730)
Net cash flows from operating activities		23,860,934	46,657,977

(Continued)

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		\$ -	(\$ 240,706)
Acquisition of financial assets at fair value through other comprehensive income		(73,800)	-
Proceeds from disposal of financial assets at fair value through profit or loss		16,913	2,917
Proceeds from capital reduction of financial assets mandatorily measured at fair value through profit or loss		99,225	-
Proceeds from disposal of investments accounted for using equity method	6(7)	-	3,439
Acquisition of financial assets at amortized cost		(1,437,824)	(267,072)
Acquisition of investments accounted for using equity method		(2,823)	-
Proceeds from capital reduction of investments accounted for using equity method		-	17,788
Acquisition of property, plant and equipment (including investment property)	6(37)	(16,849,314)	(24,064,952)
Proceeds from disposal of property, plant and equipment		152,853	1,019,160
Acquisition of intangible assets	6(12)	(242,546)	(296,380)
Increase in restricted assets		(20,434)	(21,025)
(Increase) decrease in refundable deposits		(23,575)	39,661
Consideration paid to non-controlling interest in a simple merger	6(35)	(25,280)	-
Acquisition of subsidiaries	6(36)	1,387,157	-
Net cash flows from disposal of the equity interest in a subsidiary		47,859	-
Advance receipts for relocation	9	489,442	-
Net cash flows used in investing activities		(16,482,147)	(23,807,170)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(38)	(4,407,744)	(4,312,609)
Decrease in short-term notes and bills payable	6(38)	-	(99,900)
Proceeds from issuance of bonds	6(18)(38)	-	3,000,000
Issuance cost of bonds payable	6(38)	-	(3,750)
Proceeds from long-term borrowings	6(38)	2,645,763	3,265,070
Repayments of long-term borrowings	6(38)	(4,474,385)	(3,716,907)
(Decrease) increase in guarantee deposits received		(10,355)	7,052
Payments for lease liabilities	6(38)	(223,403)	(294,499)
Change in non-controlling interests		240,326	742,807
Cash dividends paid	6(25)	(12,190,426)	(5,015,885)
Issuance of restricted shares to employees		110,633	977,382
Capital surplus (reversal of capital surplus) - dividends not claimed (received) by shareholders	6(24)	63	(328)
Net cash flows used in financing activities		(18,309,528)	(5,451,567)
Effect of foreign exchange translations		704,511	(460,790)
Net (decrease) increase in cash and cash equivalents		(10,226,230)	16,938,450
Cash and cash equivalents at beginning of period	6(1)	61,459,296	39,401,609
Cash and cash equivalents at end of period	6(1)	\$ 51,233,066	\$ 56,340,059

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, 2023 AND 2022

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

1. HISTORY AND ORGANISATION

Unimicron Technology Corp. (the “Company”) was incorporated on January 25, 1990. The Company and its subsidiaries (the “Group”) are primarily engaged in the manufacturing, processing, and sales of printed circuit boards, electrical equipment, electronic products, and testing and burn-in systems for integrated circuit products. The stock of the Company commenced trading on the Taipei Exchange in December 1998 and was approved for listing on the Taiwan Stock Exchange in August 2002. As of September 30, 2023, the Group had 28,584 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 23, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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

Amendments to IAS 12, ‘International tax reform - pillar two model rules’

The amendments give companies temporary relief from accounting for deferred income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). An entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

(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 and will become effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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
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 21, ‘Lack of exchangeability’	January 1, 2025

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 MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2022, 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’ that came into effect 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, 2022.

(2) Basis of preparation

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

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets and liabilities at fair value through other comprehensive income Available-for-sale financial assets measured at fair value.
- (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements was consistent with the basis for the preparation of the consolidated financial statements for the year ended December 31, 2022.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
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	92.95	92.00	92.00	
The Company	UniWonderful Holding Limited (UniWonderful)	Holding company	100.00	100.00	-	Note 6
The Company	Unidisplay Holding Corp. (UniDH)	Holding company	-	-	100.00	Note 7

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
The Company	Subtron Technology Co., Ltd. (Subtron Technology)	Manufacture and sales of electronic parts	100.00	-	-	Note 8
The Company, UniBest and UniWonderful	Unimicron (Thailand) Co., Ltd. (UniTH)	Manufacture and sales of electronic parts	100.00	-	-	Note 10
The Company and Hsin Yang Investment	Qun Hong Technology Inc. (Qun Hong Technology)	Manufacture and sales of electronic parts	-	94.95	94.95	Note 9
The Company and Hsin Yang Investment	UniFresh, Inc. (UniFresh)	Food and restaurants	100.00	100.00	100.00	
The Company, Hsin Yang Investment and Subtron Technology	Asia Pacific Microsystems, Inc. (Asia Pacific)	Manufacture and sales of electronic parts	68.71	66.94	66.94	Note 8
The Company, Hsin Yang Investment, Asia Pacific and Subtron Technology	Apm Communication, Inc. (Apm Communication)	Manufacture and sales of electronic parts	85.90	72.11	72.11	Note 8
The Company and Apm Communication	PAVIDA Trading Limited (PAVIDA)	Holding company and trading	88.34	76.93	76.93	Note 8
UniFresh, Inc. and Hsin Yang Investment	UniCuisine, Inc. (UniCuisine)	Manufacture and sales of food	62.96	68.26	68.26	
Subtron Technology	Subtron Holding Limited (SHL)	Holding company	100.00	-	-	Note 8
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, UniBest, Subtron Technology and UniWonderful	Unimicron Holding Limited (UHL)	Holding company	89.40	81.31	81.31	Note 8

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
UMTC	Unimicron JAPAN Co., Ltd. (U JAPAN)	Manufacture and sales of electronic parts	100.00	100.00	100.00	
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	
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	Unimicron-FPC Technology (Kunshan) Inc. (Unimicron-FPC 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	89.40	81.31	81.31	Notes 2 and 8
UHL and Suzhou Qunye	Unimicron Technology (SuZhou) Corp. (Unimicron Technology (SuZhou))	Manufacture and sales of electronic parts	86.07	78.46	78.46	Note 8
UHL and Unimicron Technology (SuZhou)	Unimicron-Carrier Technology (Huangshi) Inc. (Unimicron-Carrier Technology (Huangshi))	Manufacture and sales of electronic parts	87.07	79.57	79.32	Note 8
UHL and Unimicron Technology (SuZhou)	Kunshan Qunqi Technology Co., Ltd. (Kunshan Qunqi)	Manufacture and sales of electronic parts	87.74	81.31	79.89	Notes 3 and 8
Unimicron Technology (KunShan)	Unimicron Management (KunShan) Corp., Ltd. (Unimicron Management (KunShan))	Business management consulting and property management	71.23	71.23	71.23	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
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	-	-	-	Note 5
UniDT	Unimicron Touch (ShenZhen) Corp. (Unimicron Touch)	Manufacture and sales of electronic parts	-	-	-	Note 1
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	UNIMICRON ELECTRONIC TESTING (KUNSHAN) CORP. (UNIMICRON ELECTRONIC TESTING (KUNSHAN))	Inspection of goods, sales of electronic component and equipment and property	71.23	71.23	71.23	Note 4
SHL and PAVIDA	Gobo Lighting Technology Ltd. (Gobo Lighting Technology)	Manufacture and sales of lighting products	59.64	-	-	Note 8
Gobo Lighting Technology	Gobo Business Management Ltd. (Gobo Business Management)	Business management consulting	59.64	-	-	Note 8

On December 31, 2022, except for U Germany whose financial statements were audited by other auditors appointed by the subsidiary, the financial statements of other consolidated subsidiaries were audited by auditors appointed by the Company.

On September 30, 2023 and 2022, the financial statements of other consolidated subsidiaries were audited by auditors appointed by the Company.

Note 1: Unimicron Touch completed the liquidation process in January 2022.

Note 2: Suzhou Qunye was established in February 2022.

Note 3: Kunshan Qunqi was established in June 2022.

Note 4: UNIMICRON ELECTRONIC TESTING (KUNSHAN) was established in July 2022.

Note 5: UniDT completed the liquidation process in September 2022.

Note 6: UniWonderful was established in December 2022.

Note 7: UniDH completed the liquidation process in November 2022.

Note 8: In January 2023, the Group issued new shares to acquire the remaining 68.05% equity interest in Subtron Technology. Accordingly, the Group's shareholding ratio in Subtron Technology increased to 100%. Subtron Technology and its subsidiaries became the

consolidated entity of the Group after the share swap. In addition, the investees, UHL, Asia Pacific and Apm Communication, which were invested by the Group, and their investees, PAVIDA, Unimicron Technology (SuZhou), Suzhou Qunye, Kunshan Qunqi and Unimicron-Carrier Technology (Huangshi), also adjusted their shareholding ratio according to the comprehensive shareholding ratio. SHL, Gobo Lighting Technology Ltd. and Gobo Business Management also became the consolidated entities of the Group.

Note 9: On February 21, 2023, the Company's Board of Directors resolved a simple merger with Qun Hong Technology. The expected effective date for the merger is on July 1, 2023. Qun Hong Technology is the dissolved company.

Note 10: UniTH was established in March 2023.

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, 2023, December 31, 2022 and September 30, 2022, the non-controlling interest amounted to \$5,799,564, \$6,923,837 and \$6,448,510, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest				
		September 30, 2023		December 31, 2022		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
SI	Cayman	\$ 2,583,980	28.77	\$ 2,582,205	28.77	
UHL	Samoa	2,209,190	10.60	3,246,400	18.69	
		<u>\$ 4,793,170</u>		<u>\$ 5,828,605</u>		
		Non-controlling interest				
		September 30, 2022				
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
SI	Cayman	\$ 2,550,090	28.77			
UHL	Samoa	2,936,768	18.69			
		<u>\$ 5,486,858</u>				

Summarized financial information of the subsidiaries:

Balance sheets

	SI		
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current assets	\$ 13,175,726	\$ 14,179,230	\$ 12,323,341
Non-current assets	13,048,654	11,484,072	11,220,883
Current liabilities	(13,461,162)	(13,029,514)	(11,010,384)
Non-current liabilities	(3,781,711)	(3,658,449)	(3,670,128)
Total net assets	<u>\$ 8,981,507</u>	<u>\$ 8,975,339</u>	<u>\$ 8,863,712</u>

	UHL		
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current assets	\$ 23,139,711	\$ 21,755,630	\$ 22,515,150
Non-current assets	23,053,964	18,028,861	15,799,505
Current liabilities	(5,882,353)	(5,189,512)	(6,028,410)
Non-current liabilities	(19,469,910)	(17,225,262)	(16,573,200)
Total net assets	<u>\$ 20,841,412</u>	<u>\$ 17,369,717</u>	<u>\$ 15,713,045</u>

Statements of comprehensive income

	SI	
	<u>Three months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
Operating revenue	\$ 4,397,067	\$ 5,451,496
(Loss) profit before income tax	(25,627)	316,829
Income tax expense	(55,859)	(66,091)
(Loss) profit for the period	(81,486)	250,738
Other comprehensive income (loss), net of tax	108,750	(699,033)
Total comprehensive income (loss) for the period	<u>\$ 27,264</u>	<u>(\$ 448,295)</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 7,844</u>	<u>(\$ 128,975)</u>

	SI	
	Nine months ended September 30	
	2023	2022
Operating revenue	\$ 13,026,633	\$ 15,471,933
Profit before income tax	111,021	479,982
Income tax expense	(203,474)	(81,052)
(Loss) profit for the period	(92,453)	398,930
Other comprehensive loss, net of tax	(368,407)	(1,280,268)
Total comprehensive loss for the period	(\$ 460,860)	(\$ 881,338)
Comprehensive loss attributable to non-controlling interest	(\$ 132,589)	(\$ 253,561)

	UHL	
	Three months ended September 30	
	2023	2022
Operating revenue	\$ 2,873,004	\$ 5,561,355
Profit before income tax	655,294	2,807,335
Income tax expense	(148,945)	(770,927)
Profit for the period	506,349	2,036,408
Other comprehensive income (loss), net of tax	191,805	(912,208)
Total comprehensive income for the period	\$ 698,154	\$ 1,124,200
Comprehensive income attributable to non-controlling interest	\$ 74,004	\$ 373,773

	UHL	
	Nine months ended September 30	
	2023	2022
Operating revenue	\$ 9,522,295	\$ 13,954,028
Profit before income tax	2,966,867	6,511,813
Income tax expense	(662,352)	(1,448,377)
Profit for the period	2,304,515	5,063,436
Other comprehensive loss, net of tax	(611,672)	(1,539,367)
Total comprehensive income for the period	\$ 1,692,843	\$ 3,524,069
Comprehensive income attributable to non-controlling interest	\$ 179,441	\$ 859,227

Statements of cash flows

	SI	
	Nine months ended September 30	
	2023	2022
Net cash provided by operating activities	\$ 1,313,906	\$ 1,693,350
Net cash used in investing activities	(2,102,869)	(1,461,863)
Net cash (used in) provided by financing activities	(60,283)	973,179
Effect of exchange rates on cash and cash equivalents	325,819	475,090
(Decrease) increase in cash and cash equivalents	(523,427)	1,679,756
Cash and cash equivalents, beginning of period	7,130,696	2,541,886
Cash and cash equivalents, end of period	<u>\$ 6,607,269</u>	<u>\$ 4,221,642</u>

	UHL	
	Nine months ended September 30	
	2023	2022
Net cash provided by operating activities	\$ 8,431,765	\$ 10,968,522
Net cash used in investing activities	(5,897,145)	(5,344,127)
Net cash (used in) provided by financing activities	(550,863)	163,119
Effect of exchange rates on cash and cash equivalents	918,905	1,816,207
Increase in cash and cash equivalents	2,902,662	7,603,721
Cash and cash equivalents, beginning of period	16,404,883	9,041,719
Cash and cash equivalents, end of period	<u>\$ 19,307,545</u>	<u>\$ 16,645,440</u>

(4) Intangible assets

Core technology

Core technology acquired in a business combination is recognised at fair value at the acquisition date. Core technology has a finite useful life and is amortised on a straight-line basis over the estimated useful life of 6 years.

(5) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a

cash refund or a reduction in the future payments.

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

(b) Defined benefit plans

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

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

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

C. Employees' compensation and directors' 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.

(6) 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 and does not give rise to equal taxable and deductible temporary differences. 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 realize 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 realize 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.

(7) Treasury stocks

The Company's equity instruments were obtained as a result of a business combination. The instruments ("treasury stocks") should be deducted from the Company's equity.

(8) Reorganisation of entities under common control

- A. The Group applies the related interpretations issued in the R.O.C. for the intra-group reorganisation since there is no definite rules for business combinations (or referred as 'reorganisation') of entities under common control in IFRS 3, 'Business combinations', as explained in the IFRS Q&A 'Questions on the accounting treatment of business combination under common control' issued by Accounting Research and Development Foundation on October 26, 2018.
- B. In accordance with Accounting Research and Development Foundation Interpretation ("ARDF Interpretation") 100-390, provided that the subsidiaries acquired by the Group pertain to intra-group reorganisation, the Group shall recognise it based on the carrying amounts of subsidiaries accounted for using the equity method (net of impairment loss). The difference between the carrying amount and the consideration of the transaction will be adjusted in 'capital surplus - difference between consideration and carrying amount of subsidiaries acquired or disposed',

which if insufficient, will decrease 'retained earnings'. The Group will continue to recognise the difference between the initial investment cost and net equity in providing a proper treatment.

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, 2023, the carrying amount of inventories was \$10,314,447.

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 using 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, 2023, the Group's investments accounted for using the equity method amounted to \$933,361.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Cash on hand	\$ 3,466	\$ 4,051	\$ 3,183
Checking accounts and demand deposits	16,862,677	22,172,597	17,668,265
Time deposits	33,994,137	38,227,778	35,417,333
Commercial paper	5,153,394	4,299,629	5,193,599
	<u>56,013,674</u>	<u>64,704,055</u>	<u>58,282,380</u>
Transferred to current financial assets at amortized cost	(45,186)	(17,864)	(17,864)
Transferred to non-current financial assets at amortized cost	(4,735,422)	(3,226,895)	(1,924,457)
	<u>\$ 51,233,066</u>	<u>\$ 61,459,296</u>	<u>\$ 56,340,059</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 0.29% to 5.50%, 0.10% to 5.04% and 0.07% to 4.02% as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively. Certain time deposits which have been pledged as collateral were classified as long-term time deposits due to capital planning and reclassified as “current financial assets at amortised cost” or “non-current financial assets at amortised cost”.

C. Interest rates on commercial paper ranged from 1.05% to 1.28%, 0.88% to 0.92% and 0.97% to 1.28% as of September 30, 2023, December 31, 2022 and September 30, 2022, 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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 9,659	\$ 9,780	\$ 9,780
Derivatives	121,372	-	-
	<u>131,031</u>	<u>9,780</u>	<u>9,780</u>
Valuation adjustment	28,658	8,729	7,764
	<u>\$ 159,689</u>	<u>\$ 18,509</u>	<u>\$ 17,544</u>

<u>Items</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 45,499	\$ 45,499	\$ 45,499
Unlisted stocks	3,590,611	3,696,121	3,699,321
Foreign closed-end funds	89,648	89,648	89,648
Corporate bonds	<u>121,384</u>	<u>87,728</u>	<u>87,728</u>
	3,847,142	3,918,996	3,922,196
Valuation adjustment	<u>3,104,786</u>	<u>2,070,157</u>	<u>1,712,588</u>
	<u>\$ 6,951,928</u>	<u>\$ 5,989,153</u>	<u>\$ 5,634,784</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>2023</u>	<u>2022</u>
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 6,955	(\$ 15,520)
Unlisted stocks	165,194	(689,402)
Foreign closed-end funds	(3,234)	210
Corporate bonds	(80)	-
Derivatives	<u>136,252</u>	<u>(220,715)</u>
	<u>\$ 305,087</u>	<u>(\$ 925,427)</u>
<u>Nine months ended September 30</u>		
	<u>2023</u>	<u>2022</u>
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 14,706	(\$ 37,512)
Unlisted stocks	1,080,008	(2,452,725)
Foreign closed-end funds	(4,186)	(12,238)
Corporate bonds	(6,371)	-
Derivatives	<u>139,470</u>	<u>(474,820)</u>
	<u>\$ 1,223,627</u>	<u>(\$ 2,977,295)</u>

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

September 30, 2023		
<u>Derivative instruments</u>	<u>Contract amount (notional principal)</u>	<u>Contract period</u>
Current items:		
Cross currency swap		
- Buy USD sell EUR	EUR 9,620,000	2023.07.19~2023.10.19
- Buy USD sell EUR	EUR 21,000,000	2023.09.07~2023.12.07
- Buy USD sell JPY	JPY 1,200,000,000	2023.07.27~2023.10.27
- Buy USD sell JPY	JPY 4,420,000,000	2023.09.15~2023.12.15
Forward foreign exchange contracts		
- Buy USD sell EUR	EUR 28,000,000	2023.08.10~2023.11.10
December 31, 2022		
<u>Derivative instruments</u>	<u>Contract amount (notional principal)</u>	<u>Contract period</u>
Current items:		
Forward foreign exchange contracts		
- Buy TWD sell EUR	EUR 3,200,000	2022.10.31~2023.01.31
- Buy TWD sell EUR	EUR 23,800,000	2022.10.26~2023.01.30
- Buy TWD sell EUR	EUR 6,460,000	2022.10.27~2023.01.30
- Buy TWD sell EUR	EUR 24,800,000	2022.11.22~2023.02.22
- Buy TWD sell USD	USD 20,000,000	2022.11.10~2023.02.10
Forward foreign exchange contracts		
- Buy RMB sell USD	USD 5,000,000	2022.12.20~2023.01.19
- Buy RMB sell USD	USD 5,000,000	2022.12.20~2023.02.22

<u>Derivative instruments</u>	<u>September 30, 2022</u>	
	<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	2022.09.22~2022.12.21
- 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

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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Notes receivable	\$ 5,948	\$ 7,431	\$ 30,106
Less: Allowance for uncollectible accounts	-	(2)	(8)
	<u>\$ 5,948</u>	<u>\$ 7,429</u>	<u>\$ 30,098</u>
Accounts receivable	\$ 23,283,827	\$ 28,940,657	\$ 29,347,971
Less: Allowance for uncollectible accounts	(221,052)	(221,149)	(229,361)
	<u>\$ 23,062,775</u>	<u>\$ 28,719,508</u>	<u>\$ 29,118,610</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Not past due	\$ 23,160,612	\$ 28,853,019	\$ 29,233,739
1-30 days past due	79,310	58,620	111,075
31-60 days past due	21,432	8,768	17,272
61-90 days past due	6,207	10,022	2,952
Over 90 days past due	22,214	17,659	13,039
	<u>\$ 23,289,775</u>	<u>\$ 28,948,088</u>	<u>\$ 29,378,077</u>

The above ageing analysis was based on past due date.

- B. As of September 30, 2023, December 31, 2022 and September 30, 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to \$23,721,707.
- C. As at September 30, 2023, December 31, 2022 and September 30, 2022, 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 \$5,948, \$7,429 and \$30,098, and accounts receivable were \$23,062,775, \$28,719,508 and \$29,118,610, respectively.
- D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(4) Other receivables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Fire insurance claims receivable (Note)	\$ -	\$ 705,163	\$ 654,548
Income tax refund receivable	501	375,469	-
Interest receivable	353,763	246,721	212,735
Finance lease receivable	3,679	3,529	3,415
Others	406,511	437,156	427,386
	<u>\$ 764,454</u>	<u>\$ 1,768,038</u>	<u>\$ 1,298,084</u>

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

(5) Inventories

	<u>September 30, 2023</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Book value</u>
Raw materials	\$ 3,170,721	(\$ 375,644)	\$ 2,795,077
Work in progress	5,588,424	(1,141,722)	4,446,702
Finished goods	4,611,939	(1,539,271)	3,072,668
	<u>\$ 13,371,084</u>	<u>(\$ 3,056,637)</u>	<u>\$ 10,314,447</u>
	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Book value</u>
Raw materials	\$ 2,870,219	(\$ 321,347)	\$ 2,548,872
Work in progress	6,557,310	(1,482,466)	5,074,844
Finished goods	6,426,852	(1,215,949)	5,210,903
	<u>\$ 15,854,381</u>	<u>(\$ 3,019,762)</u>	<u>\$ 12,834,619</u>

	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>

The cost of inventories recognized as expense for the period:

	Three months ended September 30	
	2023	2022
Cost of goods sold	\$ 20,105,650	\$ 22,060,441
(Gain on reversal of) loss on market value decline and obsolete and slow-moving inventories (Note 1) (126,576)	413,869
Others (Note 2)	1,336,641	680,314
	<u>\$ 21,315,715</u>	<u>\$ 23,154,624</u>
	Nine months ended September 30	
	2023	2022
Cost of goods sold	\$ 58,147,137	\$ 63,508,817
Loss on market value decline and obsolete and slow-moving inventories	92,530	727,000
Others (Note 2)	4,313,733	1,872,558
	<u>\$ 62,553,400</u>	<u>\$ 66,108,375</u>

Note 1: The gain on reversal of decline in market value arose from the inventory clearance in the third quarter of 2023.

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

(6) Prepayments

	September 30, 2023	December 31, 2022	September 30, 2022
Excess business tax paid	\$ 895,457	\$ 795,015	\$ 796,871
Prepayments for material purchase	300,415	300,201	265,793
Prepaid insurance premiums	126,857	737,707	92,949
Others	825,824	910,100	971,494
	<u>\$ 2,148,553</u>	<u>\$ 2,743,023</u>	<u>\$ 2,127,107</u>

(7) Investments accounted for using equity method

<u>Investees</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Subtron Technology Co., Ltd. (Subtron Technology)	\$ -	\$ 1,615,813	\$ 1,604,474
Uniflex Technology Inc. (Uniflex Technology)	224,894	266,873	321,093
Advance Materials Corp. (Advance Materials)	342,139	278,331	295,800
Unipoint Technology Co., Ltd. (Unipoint Technology)	268,351	273,434	270,526
Others	97,977	99,090	101,598
	<u>\$ 933,361</u>	<u>\$ 2,533,541</u>	<u>\$ 2,593,491</u>
Credit balance of investments accounted for using equity method transferred to other non-current liabilities	<u>\$ 116,611</u>	<u>\$ 114,820</u>	<u>\$ 116,014</u>

- A. For the three months and nine months ended September 30, 2023 and 2022, the share of (loss) profit of associates and joint ventures accounted for using equity method recognized was (\$20,014), (\$7,814), (\$72,195) and \$66,618, respectively. The financial statements of these entities were audited by auditors appointed by the Company.
- B. Subtron Technology has been a consolidated entity of the Group since January 2023. Refer to Note 4(3).
- C. The basic information of the associate that is material to the Group is as follows:

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

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

Balance sheet

	<u>Subtron Technology</u>	
	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current assets	\$ 2,281,039	\$ 2,655,897
Non-current assets	5,738,902	5,382,090
Current liabilities	(1,322,831)	(1,308,748)
Non-current liabilities	(1,923,938)	(1,991,858)
Total net assets	<u>\$ 4,773,172</u>	<u>\$ 4,737,381</u>
Share in associate's net assets	\$ 1,525,028	\$ 1,513,593
Difference in net value of equity	90,785	90,881
Carrying amount of the associate	<u>\$ 1,615,813</u>	<u>\$ 1,604,474</u>

Statement of comprehensive income

	<u>Subtron Technology</u>	
	<u>Three months ended September 30</u>	
	<u>2022</u>	
Operating revenue	\$ 721,627	
Profit for the period from continuing operations	19,790	
Other comprehensive income, net of tax	144,281	
Total comprehensive income	<u>\$ 164,071</u>	
	<u>Subtron Technology</u>	
	<u>Nine months ended September 30</u>	
	<u>2022</u>	
Operating revenue	\$ 2,785,821	
Profit for the period from continuing operations	221,564	
Other comprehensive income, net of tax	243,795	
Total comprehensive income	<u>\$ 465,359</u>	

E. 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, 2023, December 31, 2022 and September 30, 2022, the carrying amount of the Group's individually immaterial associates amounted to \$816,750, \$802,908 and \$873,003, respectively.

	<u>Three months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
Loss for the period from continuing operations	(\$ 70,104)	(\$ 66,824)
Other comprehensive income, net of tax	28,534	20,031
Total comprehensive loss	<u>(\$ 41,570)</u>	<u>(\$ 46,793)</u>

	Nine months ended September 30	
	2023	2022
Loss for the period from continuing operations	(\$ 248,811)	(\$ 42,439)
Other comprehensive income, net of tax	40,349	45,666
Total comprehensive (loss) income	(\$ 208,462)	\$ 3,227

- F. The Group is one of the single shareholder of Yih Dar Technologies Co., Ltd. and UniSense Technology Co., Ltd. with a 26.67% and 39.63% 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. In addition, Yih Dar Technologies Co., Ltd. is in the process of liquidation.
- G. The Group is the single largest shareholder of Uniflex Technology and Advance Materials with a 26.19% and 31.32% equity interest, respectively. 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.
- H. For the three months ended September 30, 2022, the Group sold 1,500 shares of MARUWA CORPORATION. The disposal proceeds and gain on disposal were \$3,439 and \$24,186, respectively. After the disposal, the Group's equity interest decreased to 28.24%.
- I. 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 process with the authority was delayed. Thus, in accordance with the shares swap contract, both parties agreed to change the effective date to January 1, 2023. Subsequently, in order to cooperate with the Taipei Exchange to terminate the trading of the shares of Subtron Technology in the Over-the-counter market, suspend transfer and book-entry for securities issued in dematerialised form, and change once again the effective date to January 6, 2023 in accordance with the shares swap contract, both parties agreed to change the effective date to January 6, 2023. The transaction was approved by the Board of Directors on September 23, 2022 and November 22, 2022, respectively. Subtron Technology will become the wholly-owned subsidiary of the Company after the shares swap. Refer to Note 6 (36) for details of related subsequent share swap transaction.

(8) Property, plant and equipment

2023

	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	\$ 6,438,069	\$ 10,162	\$ 58,029,704	\$ 259,254	\$ 58,288,958	\$ 80,708,496	\$ 2,234	\$ 80,710,730	\$ 2,965,313	\$ 17,771,726	\$ 166,184,958
Accumulated depreciation	-	-	(30,087,087)	(111,611)	(30,198,698)	(39,509,536)	(2,234)	(39,511,770)	(1,966,519)	-	(71,676,987)
Accumulated impairment	-	-	(84,886)	-	(84,886)	(300,955)	-	(300,955)	-	-	(385,841)
	<u>\$ 6,438,069</u>	<u>\$ 10,162</u>	<u>\$ 27,857,731</u>	<u>\$ 147,643</u>	<u>\$ 28,005,374</u>	<u>\$ 40,898,005</u>	<u>\$ -</u>	<u>\$ 40,898,005</u>	<u>\$ 998,794</u>	<u>\$ 17,771,726</u>	<u>\$ 94,122,130</u>
At January 1	\$ 6,438,069	\$ 10,162	\$ 27,857,731	\$ 147,643	\$ 28,005,374	\$ 40,898,005	\$ -	\$ 40,898,005	\$ 998,794	\$ 17,771,726	\$ 94,122,130
Additions	1,178,346	-	798,298	-	798,298	1,430,149	-	1,430,149	185,330	14,864,625	18,456,748
Disposals, net	-	-	(65,774)	-	(65,774)	(150,661)	-	(150,661)	(4,467)	-	(220,902)
Acquired from business combinations	3,227,066	-	1,373,573	-	1,373,573	969,128	-	969,128	130,242	527,608	6,227,617
Reclassifications	924	-	3,933,195	(17,580)	3,915,615	8,723,428	-	8,723,428	506,079	(13,124,962)	21,084
Depreciation	-	-	(2,886,143)	(5,678)	(2,891,821)	(7,311,318)	-	(7,311,318)	(321,125)	-	(10,524,264)
Net exchange differences	(10,727)	-	73,076	-	73,076	279,050	-	279,050	6,384	175,133	522,916
At September 30	<u>\$ 10,833,678</u>	<u>\$ 10,162</u>	<u>\$ 31,083,956</u>	<u>\$ 124,385</u>	<u>\$ 31,208,341</u>	<u>\$ 44,837,781</u>	<u>\$ -</u>	<u>\$ 44,837,781</u>	<u>\$ 1,501,237</u>	<u>\$ 20,214,130</u>	<u>\$ 108,605,329</u>
At September 30											
Cost	\$ 10,833,678	\$ 10,162	\$ 64,274,242	\$ 228,385	\$ 64,502,627	\$ 91,829,873	\$ 2,234	\$ 91,832,107	\$ 4,181,022	\$ 20,214,130	\$ 191,573,726
Accumulated depreciation	-	-	(33,111,349)	(104,000)	(33,215,349)	(46,668,772)	(2,234)	(46,671,006)	(2,679,785)	-	(82,566,140)
Accumulated impairment	-	-	(78,937)	-	(78,937)	(323,320)	-	(323,320)	-	-	(402,257)
	<u>\$ 10,833,678</u>	<u>\$ 10,162</u>	<u>\$ 31,083,956</u>	<u>\$ 124,385</u>	<u>\$ 31,208,341</u>	<u>\$ 44,837,781</u>	<u>\$ -</u>	<u>\$ 44,837,781</u>	<u>\$ 1,501,237</u>	<u>\$ 20,214,130</u>	<u>\$ 108,605,329</u>

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>

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	
	2023	2022
Amount capitalized	\$ 24,624	\$ 22,628
	Nine months ended September 30	
	2023	2022
Amount capitalized	\$ 69,021	\$ 56,793
Range of the interest rates for capitalization	1.16%~6.52%	0.60%~4.64%

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.

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, 2023 and 2022, no claims income arising from suspension of operations and assets disaster was recognized. In addition, as of September 30, 2023, 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, gain from fire incident amounted to \$0 and \$14,342, respectively. In addition, the related fire claims have been settled and Unimicron Technology (KunShan) has received claims of \$202,578 from the insurance company.

- 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, 2023 and 2022, gain from fire incident amounted to \$0, \$0, \$ 794,837 and \$0, respectively. In addition, as of September 30, 2023 and 2022, insurance claims receivable amounted to \$0 and \$654,548, respectively (included in other receivables). As of September 30, 2023, the Company has received claims of \$3,115,578 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, 2023, the remaining unamortised balances were RMB 7,654 thousand and RMB 322 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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land and land use rights	\$ 1,582,713	\$ 1,778,975	\$ 1,832,156
Buildings	1,375,237	887,622	933,411
Machinery and equipment	24,176	45,797	83,228
Transportation equipment and other equipment	19,324	21,162	20,920
	<u>\$ 3,001,450</u>	<u>\$ 2,733,556</u>	<u>\$ 2,869,715</u>

	Three months ended September 30	
	2023	2022
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land and land use rights	\$ 35,847	\$ 40,276
Buildings	65,106	44,957
Machinery and equipment	2,257	6,238
Transportation equipment and other equipment	2,937	2,729
	<u>\$ 106,147</u>	<u>\$ 94,200</u>
	Nine months ended September 30	
	2023	2022
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land and land use rights	\$ 106,927	\$ 120,787
Buildings	155,120	134,395
Machinery and equipment	7,912	25,919
Transportation equipment and other equipment	9,155	8,576
	<u>\$ 279,114</u>	<u>\$ 289,677</u>

C. For the nine months ended September 30, 2023 and 2022, the additions to right-of-use assets were \$639,825 and \$69,057, respectively.

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

	Three months ended September 30	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 12,655	\$ 10,999
Expense on short-term lease contracts	4,595	30,312
Expense on leases of low-value assets	1,262	1,172
Expense on variable lease payments	808	3,736
(Loss) gain from lease modifications	(59)	1,085
	Nine months ended September 30	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 30,711	\$ 33,743
Expense on short-term lease contracts	29,944	75,760
Expense on leases of low-value assets	3,961	3,374
Expense on variable lease payments	2,704	10,121
Gain from lease modifications	265	1,772

E. For the nine months ended September 30, 2023 and 2022, the Group's total cash outflow for leases were \$284,369 and \$420,582, 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, 2023 and 2022, depreciation expense and rent expenses were \$7,398, \$7,378, \$22,203 and \$22,118, 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. As of September 30, 2023, the remaining unamortised balance of Unimicron Technology (Huangshi) was RMB 16,822 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, 2023 and 2022, the amount of finance income from the net investment in the finance lease related to lease contracts was \$119, \$147, \$378 and \$463, respectively.
- C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Less than one year	\$ 4,072	\$ 4,017	\$ 3,933
More than one year but not later than five years	10,035	13,090	14,108
	<u>\$ 14,107</u>	<u>\$ 17,107</u>	<u>\$ 18,041</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, 2023</u>	<u>September 30, 2023</u>
	<u>Current</u>	<u>Non-current</u>
Undiscounted lease payments	\$ 4,072	\$ 10,035
Unearned finance income	(393)	(397)
Net investment in the lease	<u>\$ 3,679</u>	<u>\$ 9,638</u>
	<u>December 31, 2022</u>	<u>December 31, 2022</u>
	<u>Current</u>	<u>Non-current</u>
Undiscounted lease payments	\$ 4,017	\$ 13,090
Unearned finance income	(488)	(680)
Net investment in the lease	<u>\$ 3,529</u>	<u>\$ 12,410</u>
	<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>

E. For the three months and nine months ended September 30, 2023 and 2022, the Group recognized rent income in the amounts of \$26,471, \$17,387, \$75,058 and \$51,337, 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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Less than one year	\$ 69,953	\$ 63,011	\$ 65,543
More than one year but not later than five years	141,917	102,711	103,456
Over five years	171	429	514
	<u>\$ 212,041</u>	<u>\$ 166,151</u>	<u>\$ 169,513</u>

(11) Investment property

	2023		
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
At January 1			
Cost	\$ 349,841	\$ 128,494	\$ 478,335
Accumulated depreciation	-	(90,957)	(90,957)
	<u>\$ 349,841</u>	<u>\$ 37,537</u>	<u>\$ 387,378</u>
At January 1	\$ 349,841	\$ 37,537	\$ 387,378
Depreciation	-	(2,540)	(2,540)
At September 30	<u>\$ 349,841</u>	<u>\$ 34,997</u>	<u>\$ 384,838</u>
At September 30			
Cost	\$ 349,841	\$ 128,494	\$ 478,335
Accumulated depreciation	-	(93,497)	(93,497)
	<u>\$ 349,841</u>	<u>\$ 34,997</u>	<u>\$ 384,838</u>
	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>

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	
	2023	2022
Rental income from investment property	\$ 2,859	\$ 2,859
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 847	\$ 14,811
	Nine months ended September 30	
	2023	2022
Rental income from investment property	\$ 8,577	\$ 8,577
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 29,038	\$ 44,274

B. The fair value of the investment property held by the Group as at September 30, 2023, December 31, 2022 and September 30, 2022 was \$1,457,021, \$1,383,499 and \$1,351,605, 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

	2023			
	Computer software	Goodwill	Others	Total
At January 1				
Cost	\$ 1,426,589	\$ 74,707	\$ 576,779	\$ 2,078,075
Accumulated amortization	(1,094,114)	-	(339,494)	(1,433,608)
	<u>\$ 332,475</u>	<u>\$ 74,707</u>	<u>\$ 237,285</u>	<u>\$ 644,467</u>
At January 1	\$ 332,475	\$ 74,707	\$ 237,285	\$ 644,467
Additions-acquired by business combinations	3,991	619,168	407,800	1,030,959
Additions-acquired separately	175,064	-	67,482	242,546
Disposals-cost	(21,708)	-	(9,694)	(31,402)
Disposals-accumulated amortization	21,708	-	9,694	31,402
Amortization	(191,722)	-	(145,101)	(336,823)
Net exchange differences	1,632	3,595	200	5,427
At September 30	<u>\$ 321,440</u>	<u>\$ 697,470</u>	<u>\$ 567,666</u>	<u>\$ 1,586,576</u>
At September 30				
Cost	\$ 1,584,189	\$ 697,470	\$ 1,038,374	\$ 3,320,033
Accumulated amortization	(1,262,749)	-	(470,708)	(1,733,457)
	<u>\$ 321,440</u>	<u>\$ 697,470</u>	<u>\$ 567,666</u>	<u>\$ 1,586,576</u>

	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>

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

	Three months ended September 30	
	2023	2022
Operating costs	\$ 66,327	\$ 55,374
Selling expenses	367	329
General and administrative expenses	12,087	11,886
Research and development expenses	34,355	17,453
	<u>\$ 113,136</u>	<u>\$ 85,042</u>
	Nine months ended September 30	
	2023	2022
Operating costs	\$ 192,874	\$ 154,800
Selling expenses	997	1,028
General and administrative expenses	37,947	26,375
Research and development expenses	105,005	49,443
	<u>\$ 336,823</u>	<u>\$ 231,646</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Taiwan	\$ 624,315	\$ 5,147	\$ 5,147
Mainland China	73,155	69,560	71,976
	<u>\$ 697,470</u>	<u>\$ 74,707</u>	<u>\$ 77,123</u>

(13) Short-term borrowings

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Bank borrowings	\$ 3,281,650	\$ 5,497,000	\$ 3,292,878
L/C borrowings	-	2,148,409	2,643,741
	<u>\$ 3,281,650</u>	<u>\$ 7,645,409</u>	<u>\$ 5,936,619</u>
Interest rate range	<u>1.25%~2.95%</u>	<u>0.65%~6.17%</u>	<u>1.27%~4.94%</u>
Undrawn borrowing facilities	\$ 58,358,249	\$ 55,763,878	\$ 50,681,113

As of September 30, 2023, December 31, 2022 and September 30, 2022, aside from the collateral listed in Note 8, the Company also issued guarantee notes in the amounts of \$10,310,000 and US\$255,000,000, \$11,404,000 and US\$315,000,000 as well as \$11,504,000 and US\$315,000,000, for the aforementioned borrowings, respectively.

(14) Short-term notes and bills payable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Commercial paper payable	\$ 300,000	\$ 300,000	\$ 300,000
Issue rate	<u>1.60%</u>	<u>1.42%</u>	<u>1.20%</u>
Undrawn borrowing facilities	\$ 4,200,000	\$ 2,100,000	\$ 2,100,000

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

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

<u>Items</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current items:			
Financial liabilities at fair value through profit or loss			
Valuation adjustment	\$ -	\$ 10,455	\$ 189,797

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

(16) Other payables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Payable on machinery and equipment	\$ 8,565,606	\$ 6,532,958	\$ 7,592,697
Employees' compensation and directors' payable	2,760,935	3,282,224	2,675,134
Salaries and bonuses payable	1,789,111	6,602,326	5,033,351
Others	5,591,657	5,373,513	5,756,614
	<u>\$ 18,707,309</u>	<u>\$ 21,791,021</u>	<u>\$ 21,057,796</u>

(17) Other current liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Lease liabilities	\$ 324,035	\$ 262,437	\$ 278,264
Fund collected for purchase of equipment on behalf of others (Note)	80,139	79,944	80,264
Others	<u>240,971</u>	<u>150,140</u>	<u>173,417</u>
	<u>\$ 645,145</u>	<u>\$ 492,521</u>	<u>\$ 531,945</u>

Note: 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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Bonds payable	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000
Less: Amorization of discount on bonds payable	(7,194)	(9,193)	(9,859)
	<u>\$ 10,992,806</u>	<u>\$ 10,990,807</u>	<u>\$ 10,990,141</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, 2023</u>
1 st issuance in 2020	2021.01.13	five years	0.68	\$ 3,000,000	\$ 3,000,000
1 st issuance in 2021	2021.05.04	five years	0.75	5,000,000	5,000,000
1 st issuance in 2022	2022.01.12	five years	0.79	3,000,000	3,000,000
					<u>\$ 11,000,000</u>

<u>Name</u>	<u>Issuance date</u>	<u>Period</u>	<u>Coupon rate (%)</u>	<u>Original issue price</u>	<u>December 31, 2022</u>
1 st issuance in 2020	2021.01.13	five years	0.68	\$ 3,000,000	\$ 3,000,000
1 st issuance in 2021	2021.05.04	five years	0.75	5,000,000	5,000,000
1 st issuance in 2022	2022.01.12	five years	0.79	3,000,000	3,000,000
					<u>\$ 11,000,000</u>

<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 st issuance in 2020	2021.01.13	five years	0.68	\$ 3,000,000	\$ 3,000,000
1 st issuance in 2021	2021.05.04	five years	0.75	5,000,000	5,000,000
1 st issuance in 2022	2022.01.12	five years	0.79	3,000,000	3,000,000
					<u>\$ 11,000,000</u>

(19) Long-term borrowings

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Bank borrowings	\$ 12,587,208	\$ 12,883,230	\$ 13,811,663
Commercial paper payable	<u>3,700,000</u>	<u>3,100,000</u>	<u>3,100,000</u>
	16,287,208	15,983,230	16,911,663
Less: Current portion	(<u>2,772,385</u>)	(<u>2,411,085</u>)	(<u>3,161,456</u>)
	<u>\$ 13,514,823</u>	<u>\$ 13,572,145</u>	<u>\$ 13,750,207</u>
Interest rate range	<u>1.30%~6.53%</u>	<u>1.13%~6.09%</u>	<u>1.05%~4.64%</u>

- A. The long-term borrowings listed above will mature between 2023 and 2040.
- B. The Company signed 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 June 2025 and August 2025.

In September 2023, the Company resigned commercial paper issuance agreements with China Bills Finance Corporation, who agreed to act as underwriters of commercial paper issued by the Company. These agreements expire in September 2027, and the remaining conditions are the same as above.

- 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):

- (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 amortisation divided by interest expense).
- (d) Net tangible assets of not lower than \$40,000,000.

In addition, on June 27, 2022, the banks cancelled the financial commitments and the Company repaid the long-term borrowings in December 2022.

- 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 amortisation divided by interest expense).

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

E. In October 2021, Qun Hong Technology was revised a medium term loan agreement of \$270,000 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) 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 amortisation/current portion of long-term financial liabilities plus interest expense of more than 1.2.

In addition, Qun Hong Technology repaid the long-term borrowings in November 2022.

F. In February 2018, Subtron Technology signed a medium term loan agreement of \$100,000 with KGI Bank. The loan period is five years from the date the credit is first used (June 20, 2018). Subtron Technology 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 of Subtron Technology):

- (a) Current ratio of at least 100%;
- (b) Debt ratio not to exceed 150% (calculated as total liabilities divided by net tangible assets).
- (c) Interest coverage ratio of 2.5 or more (calculated as earnings before interest, taxes, depreciation and amortisation divided by interest expense).

In addition, Subtron Technology repaid the long-term borrowings in May 2023.

G. In May 2019, Subtron Technology signed a medium term loan agreement of \$200,000 with KGI Bank. The loan period is five years from the date the credit is first used (July 25, 2019). Subtron Technology 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 of Subtron Technology):

- (a) Current ratio of at least 100%;
- (b) Debt ratio not to exceed 150% (calculated as total liabilities divided by net tangible assets).
- (c) Interest coverage ratio of 2.5 or more (calculated as earnings before interest, taxes, depreciation and amortisation divided by interest expense).

In addition, Subtron Technology repaid the long-term borrowings in May 2023.

H. In April 2020, Subtron Technology signed a medium term loan agreement of \$350,000 with KGI Bank. The loan period is five years from the date the credit is first used (April 21, 2020). Subtron Technology 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 of Subtron Technology):

- (a) Current ratio of at least 100%;
- (b) Debt ratio not to exceed 150% (calculated as total liabilities divided by net tangible assets).
- (c) Interest coverage ratio of 2.5 or more (calculated as earnings before interest, taxes, depreciation and amortisation divided by interest expense).

I. As of September 30, 2023, December 31, 2022 and September 30, 2022, aside from the collateral listed in Note 8, the Company also issued guarantee notes in the amounts of \$18,353,765 and US\$ 120,000,000, \$13,662,000 and US\$170,000,000 and \$15,742,000 and US\$160,000,000, for the aforementioned borrowings, respectively.

(20) Other non-current liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Lease liabilities	\$ 1,583,484	\$ 1,295,850	\$ 1,386,769
Construction payable on behalf of others (Note 1)	819,229	803,127	811,574
Advance receipts for relocation (Note 2)	742,762	239,321	239,321
Accrued pension liabilities	542,749	484,096	623,563
Others	469,426	476,069	495,382
	<u>\$ 4,157,650</u>	<u>\$ 3,298,463</u>	<u>\$ 3,556,609</u>

Note 1: Details of construction payable on behalf of others are described in Note 9D.

Note 2: Details of advance receipts for relocation are described in Note 9E.

(21) Pensions

A. (a) The Company, Qun Hong Technology, Apm Communication, Asia Pacific and Subtron Technology have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company, Qun Hong Technology, Apm Communication, Asia Pacific and Subtron Technology contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company, Qun Hong Technology, Apm Communication, Asia Pacific and Subtron Technology would assess the

- balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to be qualify for retirement in the following year, the Company, Qun Hong Technology, Apm Communication, Asia Pacific and Subtron Technology will make contributions for the deficit by next March. In addition, Qun Hong Technology had a simple merger with the Company on July 1, 2023. 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, 2023 and 2022 were \$3,962, \$3,409, \$12,032 and \$10,410, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Company, Qun Hong, Asia Pacific, U JAPAN and Subtron Technology for the year ending December 31, 2023 amount to \$24,985, \$0, \$5,939 and \$3,006, respectively.
- B. (a) The Company, Qun Hong Technology, UniCuisine, Apm, Asia Pacific and Subtron Technology 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, Asia Pacific and Subtron Technology 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. In addition, Qun Hong Technology had a simple merger with the Company on July 1, 2023.
- (b) Consolidated subsidiaries, Unimicron Technology (ShenZhen), Unimicron Technology (KunShan), Unimicron-FPC Technology (Kunshan), Unimicron Technology (SuZhou), Unimicron Technology (Huangshi), Unimicron Touchand, Unimicron-Carrier Technology, Hu Se Sn Li Management Crop., Ltd., U Germany and Gobo Lighting Technology, 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 9% to 16%. 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, UniDH, UniDT, UniBest, USZT, UKST, UniGreat, NEOCONIX, PAVIDA, UniWonderful and SHL do not have employee retirement plans, nor are they required to have such plans according to local laws and regulations. In addition, UniDT and UniDH finished the liquidation process in September 2022 and November 2022, respectively.
- (d) Hsin Yang Investment, Unimicron Management (KunShan), Kunshan Dingchangxin, Suzhou Qunye, Kunshan Qunqi, UNIMICRON ELECTRONIC TESTING (KUNSHAN), UniFresh, Gobo Lighting Technology, Gobo Business Management and UniTH 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, 2023 and 2022 were \$283,912, \$275,325, \$855,985, and \$821,352, respectively.

(22) Share-based payment

A. For the nine months ended September 30, 2023 and 2022, 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</u> (Shares in thousands)	<u>Contract</u> <u>period</u>	<u>Vesting</u> <u>conditions</u>
2022 First issuance of restricted stocks to employees	2022.09.12	3,105	2.5 years	Note
2022 Second issuance of restricted stocks to employees	2023.04.24	1,341	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 can exercise 50% of vested shares.

B. After 30 months starting from the issuance date of new restricted stocks, employees can 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 are all equity-settled.

(b) Qun Hong Technology:

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

(c) 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 1
Employee stock option certificates A~B	2012.06.18~ 2012.06.30	277	10 years	-
Stock options	2021.02.01~ 2031.02.01	14,950	10 years	Note 2

Note 1: 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.

Note 2: 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 each monthly anniversary thereafter, up to 1/36 of the remaining 75% of the stock options granted can be exercised.

(d) Asia Pacific

<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	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.

(e) Unimicron Technology (SuZhou)

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (Shares in thousands)</u>	<u>Contract period</u>	<u>Vesting conditions</u>
First phase of plan of increasing capital through employee stock options	2022.03.31	48,577	4 years and 6 years	Note 1
Plan of increasing capital through director and advisor stock options	2022.11.18	1,280	6 years	Note 2
First phase of plan of increasing capital through employee stock options	2023.04.25	2,210	4 years and 6 years	Note 3
Second phase of plan of increasing capital through employee stock options	2023.09.22	478	6 years	Note 4

Note 1: The length 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.

Note 2: Current directors and appointed consultants who had special contributions to Unimicron Technology (SuZhou) are entitled to 100% vested stock options after being reported to the Board of Directors and having the shareholders' approval.

Note 3: The length of employees' service period (for section managers and above, 72 consecutive months starting from April 1, 2023; and for those below section manager level, 48 consecutive months starting from April 1, 2023) or the Company listed in the market and IPO lock-up was satisfied.

Note 4: The length of employees' service period (for section managers and above, 72 consecutive months starting from October 1, 2023) 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 vesting conditions are 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 the vesting conditions, it shall be repurchased in accordance with the partner agreement. The aforementioned Unimicron Technology (SuZhou)'s plan of increasing

capital through directors' and the consultant's stock options require a service period for 6 years. If the service period is not fulfilled, the vested equity interest will not be recovered, however, they should follow the lock-up periods and restrictions on disposal.

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

(f) UniCuisine

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (Shares in thousands)</u>	<u>Vesting conditions</u>
Cash capital increase reserved for employee preemption	2022.08.12	105 (Note)	Vested immediately
Cash capital increase reserved for employee preemption	2023.05.15	230	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:

Restricted stocks to employees

	<u>Nine months ended September 30</u>			
	<u>2023</u>		<u>2022</u>	
	<u>No. of restricted stocks (Shares in thousands)</u>	<u>Exercise price (in dollars)</u>	<u>No. of restricted stocks (Shares in thousands)</u>	<u>Exercise price (in dollars)</u>
Employee restricted shares at beginning of period	3,105	\$ 95.10	-	\$ -
Shares granted	1,341	82.50	3,105	95.10
Shares vested	-	-	-	-
Shares repurchased	-	-	-	-
Shares retired	(14)	-	-	-
Employee restricted shares	<u>4,432</u>	<u>\$ 95.10 and 82.50</u>	<u>3,105</u>	<u>\$ 95.10</u>

(b) Qun Hong Technology:
Employee stock options

	Nine months ended September 30			
	2023		2022	
	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
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	(4,288)	-
Options outstanding at end of period (Note)	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Employee stock options exercised (Note)	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

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

(c) NEOCONIX:
Stock options

	Nine months ended September 30			
	2023		2022	
	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	14,950	\$ 0.0013	15,175	\$ 0.04~\$0.15 and 0.0013
Options granted	-	-	-	-
Options repurchased (4,813)	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	(225)	-
Options outstanding at end of period	<u>10,137</u>	<u>\$ 0.0013</u>	<u>14,950</u>	<u>\$ 0.0013</u>
Employee stock options exercised	<u>5,154</u>	<u>\$ 0.0013</u>	<u>14,950</u>	<u>\$ 0.0013</u>

(d) Asia Pacific

Employee stock options

	Nine months ended September 30			
	2023		2022	
	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	2,109	\$ 10.20	2,327	\$ 10.20
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired	(36)	-	(187)	-
Options outstanding at end of period	<u>2,073</u>	<u>\$ 10.20</u>	<u>2,140</u>	<u>\$ 10.20</u>
Employee stock options exercised	<u>1,658</u>	<u>\$ 10.20</u>	<u>1,070</u>	<u>\$ 10.20</u>

(e) Unimicron Technology (SuZhou)

Plan of increasing capital through employee stock options

	Nine months ended September 30			
	2023		2022	
	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	47,747	\$ 3.11	-	\$ -
Shares granted	2,688	3.11 and 4.00	48,577	3.11
Shares vested	-	-	-	-
Shares withdrawn by employees	(1,555)	-	-	-
Number of shares held by employees used in increasing capital	<u>48,880</u>	<u>\$3.11 and 4.00</u>	<u>48,577</u>	<u>\$ 3.11</u>

Plan of increasing capital through directors' and the consultant's stock options

The stock options under the plan of increasing capital through the directors and the consultant of Unimicron Technology (SuZhou) have been granted and fully vested on November 18, 2022.

(f) UniCuisine

Cash capital increase reserved for employee preemption

	Nine months ended September 30			
	2023		2022	
	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	230	25.00	105	20.00
Options exercised	(230)	25.00	(105)	20.00
Options expired	-	-	-	-
Options outstanding at end of period	-	\$ -	-	\$ -
Employee stock options exercised	-	\$ -	-	\$ -

Cash capital increase reserved for employee preemption of UniCuisin has been granted and fully exercised on August 12, 2022.

- C. As of September 30, 2023, December 31, 2022 and September 30, 2022, the exercise price of restricted stocks to employees outstanding were NT\$95.10 and NT\$82.50, NT\$95.10 and NT\$95.10, respectively. The weighted-average remaining contractual period were 1.45 years and 2.07 years, 2.20 years and 2.45 years, respectively.
- D. As of December 31, 2022 and September 30, 2022, there was no stock option outstanding of Qun Hong Technology. In addition, Qun Hong Technology had a simple merger with the Company on July 1, 2023.
- E. As of September 30, 2023, December 31, 2022 and September 30, 2022, the range of exercise prices of stock options outstanding of NEOCONIX was US\$0.0013; and the weighted-average remaining contractual period were 7.33 years, 8.08 years and 8.33 years, respectively.
- F. As of September 30, 2023, December 31, 2022 and September 30, 2022, the exercise price of stock options outstanding of Asia Pacific was NT\$10.20; and the weighted-average remaining contractual periods were 1.42 years, 2.17 years and 2.42 years, respectively.
- G. As of September 30, 2023, December 31, 2022 and September 30, 2022, the exercise price of the first phase of the first Unimicron Technology (SuZhou)'s plan of increasing capital through employee stock options outstanding was RMB 3.11, and the weighted average residual contract periods were 4.50 years and 2.50 years, 5.25 years and 3.25 years, and 5.5 years and 3.5 years, respectively.
- H. As of September 30, 2023, the exercise price of the first phase of the second Unimicron

Technology (SuZhou)'s plan of increasing capital through employee stock options outstanding was RMB 3.11, and the weighted average residual contract periods were 5.57 years and 3.57 years, respectively. In addition, the first phase of the second Unimicron Technology (SuZhou)'s plan of increasing capital through employee stock options outstanding have not yet been issued as of December 31, 2022 and September 30, 2022.

- I. As of September 30, 2023, the exercise price of the second phase Unimicron Technology (SuZhou)'s plan of increasing capital through employee stock options outstanding was RMB 4.00, and the weighted average residual contract period was 5.98 years, respectively. In addition, the second phase Unimicron Technology (SuZhou)'s plan of increasing capital through employee stock options outstanding has not yet been issued as of December 31, 2022 and September 30, 2022.
- J. As of September 30, 2023 and December 31, 2022, Unimicron Technology (SuZhou) had no directors' and consultant's stock options outstanding, and the weighted average residual contract periods were 5.13 years and 5.88 years, respectively. In addition, directors' and consultant's stock options have not been issued as of September 30, 2022.
- K. 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)
2022 First issuance of restricted stocks to employees	2022.09.12	\$ 142.50	\$ 95.10	-	-	\$ -	-	\$ 47.40
2022 Second issuance of restricted stocks to employees	2023.04.24	\$ 139.50	\$ 82.50	-	-	\$ -	-	\$ 57.00

(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	\$ -	-	\$ -
Stock options	2021.02.01 ~ 2031.02.01	\$ 0.0013	\$ 0.0013	36.40%~ 136.73%	-	\$ -	0.0013%	\$0.03~ \$23.40

(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)
First phase of plan of increasing capital through employee stock options	2022.03.31	\$ 3.56	\$ 3.11	-	-	\$ -	-	\$ 0.45
Plan of increasing capital through directors and consultant stock options	2022.11.18	\$ 7.09	\$ 3.11	-	-	\$ -	-	\$ 3.98

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)
First phase of plan of increasing capital through employee stock options	2023.04.25	\$ 5.40	\$ 3.11	-	-	\$ -	-	\$ 2.29
Second phase of plan of increasing capital through employee stock options	2023.09.22	\$ 5.86	\$ 4.00	-	-	\$ -	-	\$ 1.86

(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
Cash capital increase reserved for employee preemption	2023.05.15	\$ 34.46	\$ 25.00	21.71%	-	\$ -	0.9900%	\$ 9.48

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

	Three months ended September 30	
	2023	2022
Equity-settled	\$ 34,194	\$ 6,009
	Nine months ended September 30	
	2023	2022
Equity-settled	\$ 92,340	\$ 7,490

(23) Share capital

- A. As of September 30, 2023, the Company's authorized and paid-in capital were \$20,000,000 and \$15,251,402, respectively.

	<u>2023</u>	<u>2022</u>
At January 1	1,478,365,333	1,475,260,333
Capital increase due to the merger	45,437,864	-
Issuance of restricted shares to employees	1,341,000	3,105,000
Retirement of restricted shares to employees	(14,000)	-
At September 30	<u>1,525,130,197</u>	<u>1,478,365,333</u>

- B. 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 with the Financial Supervisory Commission on June 29, 2022, and the issuance could be divided into several times in 1 year. The effective date of new shares issuance was April 24, 2023 and September 12, 2022, and the application was approved by the Ministry of Economic Affairs on May 25, 2023 and October 19, 2022. The issuance contained 1,341 thousand and 3,105 thousand common shares at an acquisition price of NT\$82.50 and NT\$95.10 per share, respectively. 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. In addition, the Board of Directors resolved to retire 4 thousand shares and 10 thousand shares of employee restricted stocks on March 13, 2023 and July 25, 2023, respectively; and the registration was completed on March 29, 2023 and August 28, 2023, respectively.
- C. On March 30, 2022, the Company's Board of Directors resolved the share swap with Subtron Technology to issue 45,438 thousand ordinary shares with NT\$10 (in dollars) per share. The effective date for capital increase was set on January 6, 2023, and the registration was completed on February 10, 2023.

D. Treasury shares

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

Name of company holding the shares	Reason for reacquisition	September 30, 2023	
		Number of shares	Carrying amount
Subsidiary-Hsin Yang Investment	Shares of the parent company held by subsidiaries transferred to treasury shares	1,011,935	\$ 120,420
Subsidiary-Subtron Technology	Shares of the parent company held by subsidiaries transferred to treasury shares	255,000	30,345

- (2) The abovementioned treasury shares were shares of Subtron Technology originally held by Hsin Yang Investment. Since the Company merged with Subtron Technology and converted into the Company's shares, those were transferred to treasury shares. In addition, the Company's shares originally held by Subtron Technology were also transferred to treasury shares after the merger.

(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.

2023										
	Share premium	Expired employee stock options	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates and joint ventures accounted for using equity method	Net assets from merger	Treasury share transactions	Employee restricted shares	Others	Total
At January 1	\$ 6,222,199	\$ 34,314	\$ 11,944	\$ 309,642	\$ 77,995	\$ 1,903,855	\$ 937,482	\$ 459,451	\$ -	\$ 9,956,882
Changes in ownership interests in subsidiaries	-	-	-	101,322	-	-	-	-	-	101,322
Changes in net assets of associates accounted for using equity method	-	-	-	-	(22,887)	-	-	-	-	(22,887)
Capital surplus - dividends not received by shareholders	-	-	-	-	-	-	-	-	63	63
Capital increase	4,952,727	-	-	-	-	-	-	-	-	4,952,727
Retirement of restricted shares to employees	-	-	-	-	-	-	-	140	-	140
Capital surplus adjusted due to paying dividends to subsidiaries	-	-	-	-	-	-	10,126	-	-	10,126
Issuance of restricted shares to employees	-	-	-	-	-	-	-	166,702	-	166,702
At September 30	<u>\$ 11,174,926</u>	<u>\$ 34,314</u>	<u>\$ 11,944</u>	<u>\$ 410,964</u>	<u>\$ 55,108</u>	<u>\$ 1,903,855</u>	<u>\$ 947,608</u>	<u>\$ 626,293</u>	<u>\$ 63</u>	<u>\$15,165,075</u>

2022										
	Share premium	Expired employee stock options	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates and joint ventures accounted for using equity method	Net assets from merger	Treasury share transactions	Employee restricted shares	Others	Total
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>\$ 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>

(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 2022 and 2021 earnings as resolved by the shareholders during their meeting on May 30, 2023 and June 15, 2022, respectively are as follows:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 2,975,047		\$ 1,324,471	
Provision (reversal) of special reserve	304,886		(217,688)	
Cash dividends	<u>12,190,426</u>	\$ 8.00	<u>5,015,885</u>	\$ 3.40
	<u>\$ 15,470,359</u>		<u>\$ 6,122,668</u>	

F. The consolidated subsidiaries, Unimicron Technology (ShenZhen), Unimicron Technology (KunShan), Unimicron-FPC 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, UNIMICRON ELECTRONIC TESTING (KUNSHAN), Gobo Lighting Technology and Gobo Business Management set aside a portion of after-tax profits for the reserve fund and staff bonus welfare fund in accordance with regulations on foreign invested enterprises as set forth in the Company Law of the People's Republic of China. The percentage of after-tax profits allocated to the reserve fund must be 10% or more. Once the amount of the reserve fund reaches 50% of the registered capital, contribution to the fund is no longer required. The percentage of after-tax profits allocated to the staff bonus welfare fund is determined by the company. No profits can be distributed before operating losses from prior years are first covered. In addition, Unimicron Touch finished the liquidation process in January 2022.

(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:

	Taiwan	Asia	America	Others	Total
<u>Three months ended September 30, 2023</u>					
Revenue from external customer contracts	<u>\$ 7,676,326</u>	<u>\$16,528,131</u>	<u>\$1,345,683</u>	<u>\$ 995,516</u>	<u>\$ 26,545,656</u>
Timing of revenue recognition					
At a point in time	<u>\$ 7,676,326</u>	<u>\$16,528,131</u>	<u>\$1,345,683</u>	<u>\$ 995,516</u>	<u>\$ 26,545,656</u>
<u>Three months ended September 30, 2022</u>					
Revenue from external customer contracts	<u>\$ 9,597,089</u>	<u>\$25,828,991</u>	<u>\$ 947,024</u>	<u>\$1,080,401</u>	<u>\$ 37,453,505</u>
Timing of revenue recognition					
At a point in time	<u>\$ 9,597,089</u>	<u>\$25,828,991</u>	<u>\$ 947,024</u>	<u>\$1,080,401</u>	<u>\$ 37,453,505</u>

<u>Nine months ended September 30, 2023</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$22,871,426</u>	<u>\$48,435,956</u>	<u>\$3,749,979</u>	<u>\$3,289,408</u>	<u>\$ 78,346,769</u>
Timing of revenue recognition					
At a point in time	<u>\$22,871,426</u>	<u>\$48,435,956</u>	<u>\$3,749,979</u>	<u>\$3,289,408</u>	<u>\$ 78,346,769</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>

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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>	<u>January 1, 2022</u>
Contract liabilities - advance sales receipts	<u>\$ 50,962,548</u>	<u>\$ 47,870,176</u>	<u>\$ 46,610,664</u>	<u>\$ 31,909,412</u>

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

	<u>Three months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
Operating revenue	<u>\$ 1,143,008</u>	<u>\$ 789,179</u>
	<u>Nine months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
Operating revenue	<u>\$ 3,846,533</u>	<u>\$ 2,015,415</u>

As of September 30, 2023, December 31, 2022 and September 30, 2022, certain letters of credit guaranteed by a bank for the abovementioned contract liabilities amounted to USD 102,936 thousand and RMB 66,250, USD 102,297 thousand and RMB 8,760 and USD 90,030 thousand and RMB 8,760 thousand, respectively.

(27) Other income and expenses-net

	<u>Three months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
Rental income from investment property	\$ 2,859	\$ 2,859
Depreciation on investment property	(847)	(847)
Other income and expenses, net	<u>5,585</u>	<u>25,250</u>
	<u>\$ 7,597</u>	<u>\$ 27,262</u>
	<u>Nine months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
Rental income from investment property	\$ 8,577	\$ 8,577
Depreciation on investment property	(2,540)	(2,541)
Other income and expenses, net	<u>9,532</u>	<u>86,340</u>
	<u>\$ 15,569</u>	<u>\$ 92,376</u>

(28) Other income

	Three months ended September 30	
	2023	2022
Revenue from sale of scraps	\$ 92,703	\$ 93,355
Dividend income	1,797	483
Rental revenue	23,612	14,528
Miscellaneous income	142,678	94,971
	<u>\$ 260,790</u>	<u>\$ 203,337</u>
	Nine months ended September 30	
	2023	2022
Revenue from sale of scraps	\$ 278,765	\$ 272,679
Indemnity income due to fire damage	794,837	-
Dividend income	52,417	193,627
Rental revenue	66,481	42,760
Miscellaneous income	303,671	266,030
	<u>\$ 1,496,171</u>	<u>\$ 775,096</u>

(29) Other gains and losses

	Three months ended September 30	
	2023	2022
Net currency exchange gains	\$ 549,534	\$ 1,613,163
Gains on disposal of investments	-	24,186
(Losses) gains on disposal of property, plant and equipment (including investment assets)	(11,980)	1,566
Net gains (losses) on financial assets or liabilities at fair value through profit or loss	305,087	(925,427)
(Losses) gains arising from lease modifications	(59)	1,085
Miscellaneous disbursements	(173,803)	(97,015)
	<u>\$ 668,779</u>	<u>\$ 617,558</u>
	Nine months ended September 30	
	2023	2022
Net currency exchange gains	\$ 733,374	\$ 3,428,237
Gains on disposal of investments (Note)	885,407	24,186
(Losses) gains on disposal of property, plant and equipment (including investment assets)	(68,049)	591,983
Net gains (losses) on financial assets or liabilities at fair value through profit or loss	1,223,627	(2,977,295)
Gains arising from lease modifications	265	1,772
Miscellaneous disbursements	(272,283)	(82,177)
	<u>\$ 2,502,341</u>	<u>\$ 986,706</u>

Note: Gains on disposal of investments represents gain on the remeasurement of the original equity in Subtron Technology due to the Company's merger with Subtron Technology. Refer to Note 6(36).

(30) Finance costs

	Three months ended September 30	
	2023	2022
Interest expense-bank borrowings	\$ 122,853	\$ 101,489
Interest expense-bonds payable	20,401	20,395
Interest expense-lease transactions	12,655	10,999
Bill handling fee	4,496	5,675
Amortization of discount on bonds payable	666	666
Others	1,885	2,017
	<u>162,956</u>	<u>141,241</u>
Less: Capitalization of qualifying assets	(24,624)	(22,628)
	<u>\$ 138,332</u>	<u>\$ 118,613</u>

	Nine months ended September 30	
	2023	2022
Interest expense-bank borrowings	\$ 432,127	\$ 230,954
Interest expense-bonds payable	61,198	60,195
Interest expense-lease transactions	30,711	33,743
Bill handling fee	14,781	15,636
Amortization of discount on bonds payable	1,999	1,968
Others	5,733	6,075
	<u>546,549</u>	<u>348,571</u>
Less: Capitalization of qualifying assets	(69,021)	(56,793)
	<u>\$ 477,528</u>	<u>\$ 291,778</u>

(31) Expenses by nature

	Three months ended September 30	
	2023	2022
Employee benefit expense	\$ 6,449,080	\$ 7,758,546
Depreciation charges on property, plant and equipment (including investment assets and right-of-use assets)	3,744,611	2,887,472
Amortization charges on intangible assets	113,136	85,042
	<u>\$ 10,306,827</u>	<u>\$ 10,731,060</u>

	Nine months ended September 30	
	2023	2022
Employee benefit expense	\$ 18,642,687	\$ 22,068,759
Depreciation charges on property, plant and equipment (including investment assets and right-of-use assets)	10,805,918	8,223,257
Amortization charges on intangible assets	336,823	231,646
	<u>\$ 29,785,428</u>	<u>\$ 30,523,662</u>

(32) Employee benefit expense

	Three months ended September 30	
	2023	2022
Salary expenses	\$ 5,173,355	\$ 6,791,736
Labour and health insurance fees	658,084	448,137
Pension and severance pay	315,053	279,368
Other personnel expenses	302,588	239,305
	<u>\$ 6,449,080</u>	<u>\$ 7,758,546</u>

	Nine months ended September 30	
	2023	2022
Salary expenses	\$ 15,176,397	\$ 18,982,298
Labour and health insurance fees	1,638,439	1,339,874
Pension and severance pay	946,757	834,125
Other personnel expenses	881,094	912,462
	<u>\$ 18,642,687</u>	<u>\$ 22,068,759</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, 2023 and 2022, employees' compensation was accrued at \$451,368, \$1,873,504, \$1,422,165 and \$4,928,666, respectively; while directors' remuneration was accrued at \$6,631, \$7,938, \$19,948 and \$22,319, respectively. The aforementioned amounts were recognized in salary expenses. The employees' compensation and directors' remuneration for 2022 were \$5,951,876 and \$29,970, respectively, as resolved by the Board of Directors. The differences of (\$541,003) and \$176 between employees' compensation and directors' remuneration, respectively, as resolved by the Board of Directors and the amounts recognized in the 2022 financial statements had been adjusted in the profit or loss for 2023. 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, 2023 and 2022, employees' compensation of UniCuisine was accrued at \$228, \$723, \$732 and \$2,041, respectively; while directors' and supervisors' remuneration was accrued at \$7, \$20, \$22 and \$56, respectively. The aforementioned amounts were recognized in salary expenses.
- D. For the three months and nine months ended September 30, 2023 and 2022, employees' compensation of Apm Communication was accrued at \$1,829, \$975, \$6,947, and \$975, respectively; while directors' and supervisors' remuneration was accrued at \$122, \$0, \$463, and

\$0, respectively. The aforementioned amounts were recognized in salary expenses.

- E. For the six months ended June 30, 2023 and for the three months and nine months ended September 30, 2022, Qun Hong Technology did not accrue employees' compensation and directors' and supervisors' remuneration due to the loss before tax or accumulated deficit. In addition, Qun Hong Technology had a simple merger with the Company on July 1, 2023.
- F. For the three months and nine months ended September 30, 2023 and 2022, Asia Pacific did not accrue employees' compensation and directors' and supervisors' remuneration due to the loss before tax or accumulated deficit.
- G. For the three months and nine months ended September 30, 2023 and 2022, employees' compensation of Subtron Technology was accrued at 9,572 and \$16,640, respectively; while no directors' and supervisors' remuneration was accrued. The aforementioned amounts were recognized in salary expenses.
- H. For the three months and nine months ended September 30, 2023 and 2022, 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:

	Three months ended September 30	
	2023	2022
Current tax:		
Current tax on profits for the period	\$ 632,503	\$ 2,449,178
Prior year income tax (over) under estimation	(21,507)	1,336
Tax on undistributed surplus earnings	-	658
Total current tax	610,996	2,451,172
Deferred tax:		
Origination and reversal of temporary differences	157,385	420,848
Effects of foreign exchange	(40,987)	(6,570)
Income tax expense	<u>\$ 727,394</u>	<u>\$ 2,865,450</u>

	Nine months ended September 30	
	2023	2022
Current tax:		
Current tax on profits for the period	\$ 2,167,427	\$ 6,641,547
Prior year income tax under (over) estimation	14,385 (65,669)
Tax on undistributed surplus earnings	273	658
Total current tax	2,182,085	6,576,536
Deferred tax:		
Origination and reversal of temporary differences	561,144	619,624
Effects of foreign exchange	(48,032)	(5,822)
Income tax expense	\$ 2,695,197	\$ 7,190,338

- B. The consolidated subsidiaries, Unimicron Technology (ShenZhen), Unimicron Technology (KunShan), Unimicron-FPC Technology (Kunshan), Unimicron Technology (SuZhou), Unimicron Touch, Unimicron Technology (Huangshi), Kunshan Dingchangxin, Unimicron-Carrier Technology (Huangshi), Suzhou Qunye, Kunshan Qunqi, UNIMICRON ELECTRONIC TESTING (KUNSHAN), Gobo Lighting Technology Gobo Business Management and Hu Se Sn Li 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. In addition, Unimicron Touch finished the liquidation process in January 2022.
- C. The Company's, Subtron Technology, Hsin Yang Investment's, UniCuisine's, UniFresh's, Apm Communication and Asia Pacific's income tax returns through 2021 have been assessed and approved by the Tax Authority. In addition, Qun Hong Technology had a simple merger with the Company on July 1, 2023.
- D. The Group has applied the exception to the requirements to recognise and disclose information on deferred tax assets and liabilities related to Pillar Two income taxes.

(34) Earnings per share

	<u>Three months ended September 30, 2023</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	<u>\$ 2,589,228</u>	<u>1,519,431</u>	<u>\$ 1.70</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,589,228	1,519,431	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		8,350	
Employee restricted shares		<u>3,793</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,589,228</u>	<u>1,531,574</u>	<u>\$ 1.69</u>
		<u>Nine months ended September 30, 2023</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	<u>\$ 9,073,129</u>	<u>1,519,431</u>	<u>\$ 5.97</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,073,129	1,519,431	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		14,562	
Employee restricted shares		<u>2,625</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 9,073,129</u>	<u>1,536,618</u>	<u>\$ 5.90</u>

Assuming that Hsin Yang Investment's and Subtron Technology's investments in the Company's shares are not considered as treasury shares, the hypothetical data is as follows:

	<u>Three months ended September 30, 2023</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	\$ 2,589,228	1,520,698	\$ 1.70
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,589,228	1,520,698	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		8,350	
Employee restricted shares		3,793	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,589,228	1,532,841	\$ 1.69
	<u>Nine months ended September 30, 2023</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	\$ 9,073,129	1,520,698	\$ 5.97
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,073,129	1,520,698	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		14,562	
Employee restricted shares		2,625	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 9,073,129	1,537,885	\$ 5.90

<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	\$ 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		44,854	
Employees' compensation		429	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 8,561,503	1,520,543	\$ 5.63

<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	\$ 22,258,395	1,521,692	\$ 14.63

(35) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

On July 1, 2023, the Group acquired an additional 1.47% of shares of its subsidiary—Qun Hong Technology for a total cash consideration of \$25,280. The carrying amount of non-controlling interest in Qun Hong Technology was \$4,908 at the acquisition date. This transaction resulted in

a decrease in the non-controlling interest by \$4,908 and a decrease in the equity attributable to owners of the parent by \$20,372. The effect of changes in interests in Qun Hong Technology on the equity attributable to owners of the parent for the nine months ended September 30,2023 is shown below:

	2023
Carrying amount of non-controlling interest acquired	\$ 4,908
Consideration paid to non-controlling interest	(25,280)
Unappropriated retained earnings	<u>(\$ 20,372)</u>

D. The Group did not conduct any transaction with non-controlling interest for the nine months ended September 30,2023.

(36) Business combination

- A. On January 6, 2023, the Company acquired the remaining 68.05% equity interest in Subtron Technology through the issuance of new shares. Accordingly, the Group's comprehensive shareholding ratio in Subtron Technology increased from 31.95% to 100%. Subtron Technology specialises in the research, development and manufacture of substrates for 5GSiP, OCM, miniLED, various sensors and other particular applications. The Company expects to achieve synergies after the merger, such as complementing IC substrate technologies and products, integrating resources to accelerate major expansions and deploying the technology development of compound semiconductor substrates.
- B. The following summarises the consideration of new shares issued by Subtron Technology and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>January 6, 2023</u>
Purchase consideration	
Equity instruments	\$ 5,407,106
Fair value of equity interest in Subtron Technology Co., Ltd. held before the business combination	<u>2,361,479</u>
	<u>7,768,585</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	1,387,157
Accounts receivable and notes receivable (including related parties), net	545,854
Inventories	388,237
Non-current financial assets at fair value through other comprehensive income	77,074
Investments accounted for using equity method	1,489,960
Property, plant and equipment	6,227,617
Intangible assets	411,791
Other net assets	5,737
Bank borrowings	(1,992,408)
Accounts payable	(242,506)
Other payables	(754,405)
Deferred tax liabilities	(<u>394,691</u>)
Total identifiable net assets	<u>7,149,417</u>
Goodwill	<u>\$ 619,168</u>

- C. The fair value totaling \$5,407,106 of the 45,437,864 ordinary shares issued as the consideration paid for Subtron Technology was based on the published share price on January 5, 2023. Issuance cost of ordinary shares, \$246, was recognized in profit or loss for the period.
- D. The fair value of the acquired identifiable intangible assets was \$411,791 (including patents).
- E. The Group held 31.95% equity interest in Subtron Technology before the business combination and recognised a gain of \$885,407 arising from remeasuring at fair value.
- F. The sales revenue and net loss before tax contributed by Subtron Technology were \$1,851,959 and (\$308,101), respectively since the Group merged with Subtron Technology on January 6, 2023.

(37) Supplemental cash flow information

Investing activities with partial cash payments

	Nine months ended September 30	
	2023	2022
Acquisition of property, plant and equipment	\$ 18,456,748	\$ 25,967,092
Add: Opening balance of payable on equipment	6,532,958	5,595,376
Opening balance of effect of business combinations	401,602	-
Opening balance of notes payable	-	67,000
Less: Ending balance of payable on equipment	(8,565,606)	(7,592,697)
Net exchange differences	23,612	28,181
Cash paid during the period	\$ 16,849,314	\$ 24,064,952

(38) Changes in liabilities from financing activities

	2023						
	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	\$ 7,645,409	\$ 300,000	\$ 10,990,807	\$ 15,983,230	\$ 803,127	\$ 1,558,287	\$ 37,280,860
Effect of business combinations	-	-	-	1,992,408	-	(97,609)	1,894,799
Changes in cash flow from financing activities	(4,407,744)	-	-	(1,752,115)	-	223,403	(6,383,262)
Changes in other non-cash items	-	-	1,999	-	-	707,688	709,687
Impact of changes in foreign exchange rate	43,985	-	-	63,685	16,102	(37,444)	86,328
At September 30	\$ 3,281,650	\$ 300,000	\$ 10,992,806	\$ 16,287,208	\$ 819,229	\$ 1,907,519	\$ 33,588,412
	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	\$ 5,936,619	\$ 300,000	\$ 10,990,141	\$ 16,911,663	\$ 811,574	\$ 1,665,033	\$ 36,615,030

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
Kunshan Besto Catering Management Co., Ltd. (Kunshan Besto)	Investee held by the Company's second-tier subsidiary
Yih Dar Technologies Co., Ltd.	The Company's investee (Note 4)
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 (Note 2)
3D Circuit Taiwan Company Ltd.	The Company is its director (Note 1)
Unistars Corp.	The Company is its director (Note 3)
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. (Subtron Technology)	Same chairman (Note 2)
Uniflex Technology (JiangSu) Ltd.	Uniflex Technology's second-tier subsidiary
United Semiconductor (Xiamen) Co., Ltd.	Within the same group as UMC
Shanghai Topoint Precision Technology	Topoint Technology's subsidiary
Eminent Materials Corporation	Advance Materials' subsidiary
Suzhou AMC Technology Co., Ltd. (Suzhou AMC Technology)	Advance Materials' subsidiary
UniMeta Capital Holding Limited (UniMeta)	The Company's management is this company's chairman

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

Note 2: The transactions with the Group were not included in the related party transactions as it became a consolidated subsidiary since the first quarter of 2023 due to the shares swap with Subtron Technology.

Note 3: Completing the liquidation process, so there are no related party transactions during this period.

Note 4: In the process of liquidation.

(2) Significant related party transactions and balances

A. Operating revenue and processing transaction:

	<u>Three months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
- Key management personnel of the entities	\$ 4,963	\$ 12,295
- Key management personnel of the company	245	-
- Other related parties and its subsidiaries	6	1,684
	<u>\$ 5,214</u>	<u>\$ 13,979</u>
	<u>Nine months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
- Key management personnel of the entities	\$ 17,042	\$ 44,237
- Key management personnel of the company	2,422	1,538
- Other related parties and its subsidiaries	9	11,851
	<u>\$ 19,473</u>	<u>\$ 57,626</u>

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

B. Purchases and processing expense:

	<u>Three months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
Purchases		
-Key management personnel of the entities and its subsidiaries	\$ 92,819	\$ 72,441
-Other related parties and its subsidiaries	-	20,605
	<u>\$ 92,819</u>	<u>\$ 93,046</u>
Processing cost		
-Key management personnel of the entities and its subsidiaries	\$ 35,976	\$ 37,591
-Other related parties and its subsidiaries	-	14,470
	<u>\$ 35,976</u>	<u>\$ 52,061</u>

	Nine months ended September 30	
	2023	2022
Purchases		
-Key management personnel of the entities and its subsidiaries	\$ 227,069	\$ 205,020
-Other related parties and its subsidiaries	-	47,583
-Related parties	-	141
	<u>\$ 227,069</u>	<u>\$ 252,744</u>
Processing cost		
-Key management personnel of the entities and its subsidiaries	\$ 68,624	\$ 140,984
-Other related parties and its subsidiaries	-	27,515
-Related parties	-	17
	<u>\$ 68,624</u>	<u>\$ 168,516</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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Notes receivable			
- Related parties	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 345</u>
Accounts receivable			
- Key management personnel of the entities	\$ 8,684	\$ 12,762	\$ 18,486
- Key management personnel of the company	214	3,725	-
- Other related parties and its subsidiaries	10	2,914	3,890
	<u>\$ 8,908</u>	<u>\$ 19,401</u>	<u>\$ 22,376</u>
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other receivables:			
- Key management personnel of the entities and its subsidiaries	\$ 8,421	\$ 6,159	\$ 6,877
- Related parties	-	188	401
- Other related parties and its subsidiaries	63	45	26
	<u>\$ 8,484</u>	<u>\$ 6,392</u>	<u>\$ 7,304</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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts payable:			
-Key management personnel of the entities and its subsidiaries	\$ 188,036	\$ 155,559	\$ 167,543
-Other related parties and its subsidiaries	-	37,847	41,049
	<u>\$ 188,036</u>	<u>\$ 193,406</u>	<u>\$ 208,592</u>
Other payables:			
-Key management personnel of the entities and its subsidiaries	\$ 50,631	\$ 29,547	\$ 32,458
-Other related parties and its subsidiaries	328	469	2,046
-Related parties	39	20	-
	<u>\$ 50,998</u>	<u>\$ 30,036</u>	<u>\$ 34,504</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>2023</u>	<u>2022</u>
Acquisition of property, plant and equipment:		
-Key management personnel of the entities	\$ -	\$ 20,000
-Other related parties	347	874
	<u>\$ 347</u>	<u>\$ 20,874</u>
Acquisition of property, plant and equipment:		
	<u>Nine months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
-Key management personnel of the entities	\$ -	\$ 46,040
-Other related parties	347	874
	<u>\$ 347</u>	<u>\$ 46,914</u>

Disposal of property, plant and equipment:

	Three months ended September 30			
	2023		2022	
	Disposal proceeds	Gain on disposal	Disposal proceeds	Gain on disposal
Disposals of property, plant and equipment- Other related parties	\$ -	\$ -	\$ 724	\$ 201
	Nine months ended September 30			
	2023		2022	
	Disposal proceeds	Loss on disposal	Disposal proceeds	Gain on disposal
Disposals of property, plant and equipment- Other related parties	\$ 3,590	(\$ 2,914)	\$ 43,551	\$ 4,881

Acquisition of financial assets:

	Accounts	No. of shares	Object (Note 1)	Three months ended September 30, 2023	
				Consideration	
Gobo Business Management	Investments accounted for using equity method	-	Kunshan Besto	\$	-
	Accounts	No. of shares	Object (Note 1)	Nine months ended September 30, 2023	
				Consideration	
Gobo Business Management	Investments accounted for using equity method	-	Kunshan Besto	\$	2,823

Note 1: Gobo Business Management purchased the equity of Kunshan Besto.

Disposal of financial assets:

	Accounts	No. of shares	Object (Note 2)	Three months ended September 30, 2023	
				Proceeds	Gain/(loss)
UniMeta	Investments accounted for using equity method	-	Unimicron Technology (SuZhou)	\$ -	\$ -

				<u>Nine months ended September 30, 2023</u>	
	<u>Accounts</u>	<u>No. of shares</u>	<u>Object (Note 2)</u>	<u>Proceeds</u>	<u>Gain/(loss)</u>
UniMeta	Investments accounted for using equity method	-	Unimicron Technology (SuZhou)	<u>\$ 17,276</u>	<u>\$ -</u>

Note 2: Suzhou Qunye disposed of Unimicron Technology (SuZhou)'s equity to UniMeta. There are no financial assets transactions with related parties for the third quarter of 2022.

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) Rent expense

		<u>Three months ended September 30</u>	
		<u>2023</u>	<u>2022</u>
Rent expense			
-Key management personnel of the entities		<u>\$ 261</u>	<u>\$ 6</u>
		<u>Nine months ended September 30</u>	
		<u>2023</u>	<u>2022</u>
Rent expense			
-Key management personnel of the entities		<u>\$ 2,170</u>	<u>\$ 20</u>

(c) Lease liabilities

A. Outstanding balance

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
-Other related parties	<u>\$ -</u>	<u>\$ 125,916</u>	<u>\$ 129,375</u>

B. Interest expense

		<u>Three months ended September 30</u>	
		<u>2023</u>	<u>2022</u>
-Other related parties		<u>\$ -</u>	<u>\$ 742</u>
		<u>Nine months ended September 30</u>	
		<u>2023</u>	<u>2022</u>
-Other related parties		<u>\$ -</u>	<u>\$ 2,286</u>

G. Other income and expenses

	Three months ended September 30	
	2023	2022
Rental income		
-Key management personnel of the entities		
Advance Materials	\$ 2,859	\$ 2,859
-Related parties	-	1,354
-Other related parties	85	-
Miscellaneous income		
-Key management personnel of the entities		
Others	1,824	4,506
-Other related parties	-	8
-Related parties		
Others	-	32
	<u>\$ 4,768</u>	<u>\$ 8,759</u>
	Nine months ended September 30	
	2023	2022
Rental income		
-Key management personnel of the entities		
Advance Materials	\$ 8,577	\$ 8,728
-Related parties	1,354	4,062
-Other related parties	85	-
Miscellaneous income		
-Key management personnel of the entities		
Yann Yuan	42,000	40,000
Others	10,417	7,804
-Other related parties	-	5,407
-Related parties		
Shieh Yong	-	99,661
Others	32	97
- Key management personnel of the company	168	-
	<u>\$ 62,633</u>	<u>\$ 165,759</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.

H. The Company's subsidiary, Unimicron Technology (SuZhou), signed a supplementary contract with Suzhou AMC Technology to transfer industrial land and plants. Refer to Note 9F.

(3) Key management compensation

	Three months ended September 30	
	2023	2022
Salaries and other short-term employee benefits	\$ 95,070	\$ 274,475
Employee share-based payment	14,829	1,387
	<u>\$ 109,899</u>	<u>\$ 275,862</u>
	Nine months ended September 30	
	2023	2022
Salaries and other short-term employee benefits	\$ 291,516	\$ 768,075
Employee share-based payment	27,235	1,387
	<u>\$ 318,751</u>	<u>\$ 769,462</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	September 30, 2023	December 31, 2022	September 30, 2022	
Demand deposit (shown as current financial assets at amortized cost)	\$ 27,280	\$ -	\$ -	Guarantee for plant kick-off
Time deposit (shown as current financial assets at amortized cost)	17,906	17,864	17,864	Guarantee for post-release duty payment
Time deposit (shown as non-current financial assets at amortized cost)	98,479	90,646	90,572	Customs duty guarantee, guarantee for bonded factory and guarantee for gas consumption used in production
Land	1,711,439	713,692	713,692	Long and Short-term borrowings
Building and structures	5,559,705	5,061,948	4,696,449	Long and Short-term borrowings
Machinery and equipment	167,790	-	379,946	Long-term borrowings
Transportation equipment and other equipment	11,814	-	-	Long-term borrowings
	<u>\$ 7,594,413</u>	<u>\$ 5,884,150</u>	<u>\$ 5,898,523</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group has applied for non-cancellable letters of credit. The letters of credit for raw materials and equipment not yet imported amounted to \$2,753,692, \$2,533,889 and \$3,001,152, respectively.

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

	September 30, 2023	December 31, 2022	September 30, 2022
Property, plant and equipment	<u>\$ 3,911,145</u>	<u>\$ 3,436,980</u>	<u>\$ 3,757,209</u>

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

(3) Endorsements and guarantees

As of September 30, 2023, December 31, 2022 and September 30, 2022, in order to support subsidiaries to obtain the borrowing facilities, the endorsements and guarantees provided to subsidiaries are as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Unimicron-FPC Technology (Kunshan)	\$ 322,600	\$ 2,548,160	\$ 2,634,420
Unimicron Technology (SuZhou)	-	153,500	317,400
Unimicron Technology (KunShan)	-	-	119,025
Unimicron Technology (Huangshi)	2,016,250	2,456,000	2,195,350
Unimicron Technology (Shenzhen)	-	614,000	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, 2023, the construction has been completed and Unimicron-Carrier Technology (Huangshi), CI-HU has obtained the property ownership certificate and will pay for construction payable in accordance with the agreement.
- (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, 2023, the subsidiary has initially closed one of the plants and received the first installment of relocation compensation of RMB 165,308 thousand (shown as other non-current liabilities). In addition, due to the impact of Covid 19, Unimicron Technology (KunShan) entered into a supplementary agreement with Kunshan JIAHANG on March 23, 2023 to adjust the relocation schedule. Accordingly, Unimicron Technology (KunShan) plans to close all of the plants by December 31, 2024 and transfer the land by June 30, 2025.
- (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. (Suzhou AMC Technology) on December 17, 2021 for a total price of RMB 136,200 thousand. As of September 30, 2023, the subsidiary has made a down payment of RMB 23,620 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 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 (The Court) approved to release the seizure of the land and plant which were registered under the name of Suzhou AMC Technology. 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). On January 13, 2023, the subsidiary of Advance Materials Corp., AMC Holding Limited, signed the settlement agreement with the plaintiff of the lawsuit and asked AMC Holding Limited to withdraw the lawsuit. On January 18, 2023, Suzhou AMC Technology had received the notice of orders that the Court approved the withdrawal of the plaintiff. Additionally, in order to solve a part of price in the settlement agreement of Suzhou AMC Technology, on February 9, 2023, Unimicron Technology (SuZhou) signed a supplementary contract with that company to transfer industrial land and plants and amended the payment schedule of the second payment as per agreement of Unimicron Technology (SuZhou) that after receiving the notice of advance payment from Suzhou AMC Technology, Unimicron Technology (SuZhou) will make an advance payment of RMB 10 million which was included in the second transfer price to Suzhou AMC Technology Co., Ltd., and the schedule of remaining payments will remain unchanged. The transfer date will be subsequently determined after completing the Group's overall operation plan.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A. In line with the development of the Group's business, on October 23, 2023, the Board of Directors of the Company approved to increase the capital of UniBest in the amount of US\$15,500 thousand.
- B. To integrate the operational needs and adjust the Group's organisational structure, on October 20, 2023, the respective Board of Directors of the Company's subsidiaries, Unimicron Technology (KunShan) and Kunshan Dingchangxin, resolved that Unimicron Technology (KunShan) will absorb and merge with Kunshan Dingchangxin, with the merger effective date tentatively set on January 1, 2024.

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, 2022.

(2) Financial instruments

A. Financial instruments by category

<u>Financial assets</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Financial assets at fair value through profit or loss	\$ 7,111,617	\$ 6,007,662	\$ 5,652,328
Financial assets at fair value through other comprehensive income	131,796	29,327	30,810
Financial assets at amortized cost (Note)	<u>79,855,759</u>	<u>95,218,431</u>	<u>88,751,893</u>
	<u>\$ 87,099,172</u>	<u>\$ 101,255,420</u>	<u>\$ 94,435,031</u>
<u>Financial liabilities</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Financial liabilities at fair value through profit or loss	\$ -	\$ 10,455	\$ 189,797
Financial liabilities at amortized cost (Note)	61,529,182	68,338,271	68,299,268
Lease liabilities	<u>1,907,519</u>	<u>1,558,287</u>	<u>1,665,033</u>
	<u>\$ 63,436,701</u>	<u>\$ 69,907,013</u>	<u>\$ 70,154,098</u>

Note: Financial assets at amortised cost include cash and cash equivalents, notes and accounts receivable, net (including related parties), other receivables, and current and non-current financial assets at amortised cost. Financial liabilities at amortised 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, 2022.

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, 2023		
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 572,760	32.26	\$ 18,477,238
JPY:NTD	5,004,398	0.2163	1,082,451
USD:CNY	134,305	7.1798	4,332,679
EUR:NTD	6,382	33.92	216,477
JPY:CNY	1,721,399	0.0481	372,339
CNY:NTD	68,940	4.4932	309,761
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	97,649	32.26	3,150,157
JPY:NTD	6,701,803	0.2163	1,449,600
USD:CNY	108,725	7.1798	3,507,469
EUR:NTD	9,180	33.92	311,386
JPY:CNY	2,149,197	0.0481	464,871
(Foreign currency: functional currency)	December 31, 2022		
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 796,601	30.70	\$ 24,455,651
JPY:NTD	5,024,179	0.2326	1,168,624
USD:CNY	152,953	6.9696	4,695,657
JPY:CNY	1,432,686	0.0528	333,243
CNY:NTD	165,106	4.4048	727,259
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	121,155	30.70	3,719,459
JPY:NTD	10,583,993	0.2326	2,461,837
USD:CNY	240,006	6.9696	7,368,184

September 30, 2022

(Foreign currency: functional currency)	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

- iv. The total exchange gain, 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, 2023 and 2022 amounted to \$549,534, \$1,613,163, \$733,374 and \$3,428,237, respectively.

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

Nine months ended September 30, 2023

(Foreign currency: functional currency)	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 147,818	\$ -
JPY:NTD	1%	8,660	-
USD:CNY	1%	34,661	-
EUR:NTD	1%	1,732	-
JPY:CNY	1%	2,979	-
CNY:NTD	1%	2,478	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	25,201	-
JPY:NTD	1%	11,597	-
USD:CNY	1%	28,060	-
EUR:NTD	1%	2,491	-
JPY:CNY	1%	3,719	-

Nine months ended September 30, 2022

(Foreign currency: functional currency)	Sensitivity analysis		
	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	-

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, 2023 and 2022 would have increased by \$55,922 and \$45,219, respectively as a result of gains/losses on equity securities classified as at fair value through profit or loss; increased by \$1,054 and \$246, 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 \$195,689 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 amortised cost and 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, 2023, December 31, 2022 and September 30, 2022, 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, 2023</u>						
Expected loss rate	0~5%	20%	20%	20%	100%	
Total book value	\$ 23,160,612	\$ 79,310	\$ 21,432	\$ 6,207	\$ 22,214	\$ 23,289,775
Loss allowance	177,449	15,862	4,286	1,241	22,214	221,052
	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, 2022</u>						
Expected loss rate	0~5%	20%	20%	20%	100%	
Total book value	\$ 28,853,019	\$ 58,620	\$ 8,768	\$ 10,022	\$ 17,659	\$ 28,948,088
Loss allowance	188,010	11,724	1,754	2,004	17,659	221,151
	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

- 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):

	2023		
	Accounts receivable	Other receivables	Total
At January 1	\$ 221,151	\$ 39,229	\$ 260,380
Reverl of impairment loss	(4,039)	(22,066)	(26,105)
Write-offs	(14,205)	-	(14,205)
Effect of foreign exchange	18,145	(10,171)	7,974
At September 30	<u>\$ 221,052</u>	<u>\$ 6,992</u>	<u>\$ 228,044</u>

	2022		
	Accounts receivable	Other receivables	Total
At January 1	\$ 112,963	\$ 39,990	152,953
Provision for (reversal of) impairment loss	119,722	(1,513)	118,209
Effect of foreign exchange	(3,316)	1,354	(1,962)
At September 30	<u>\$ 229,369</u>	<u>\$ 39,831</u>	<u>\$ 269,200</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		
	<u>Less than 1 year</u>	<u>and 3 years</u>	<u>Over 3 years</u>
September 30, 2023			
Bonds payable	\$ 81,603	\$ 163,247	\$ 11,025,527
Lease liabilities	388,749	715,600	1,105,086
Long-term borrowings (including current portion)	2,805,154	8,061,117	6,189,460
<u>Non-derivative financial liabilities</u>			
December 31, 2022			
Bonds payable	\$ 80,595	\$ 163,227	\$ 11,107,149
Lease liabilities	300,036	541,096	868,105
Long-term borrowings (including current portion)	2,440,416	11,247,013	3,079,178

<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

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, non-current financial assets at amortised 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, 2023	<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	\$ 77,629	\$ -	\$ 6,901,374	\$ 6,979,003
Foreign closed-end fund	-	-	11,242	11,242
Derivatives	-	121,372	-	121,372
Financial assets at fair value through other comprehensive income				
Equity securities	<u>73,601</u>	<u>-</u>	<u>58,195</u>	<u>131,796</u>
	<u>\$ 151,230</u>	<u>\$ 121,372</u>	<u>\$ 6,970,811</u>	<u>\$ 7,243,413</u>
December 31, 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	\$ 63,116	\$ -	\$ 5,922,794	\$ 5,985,910
Debt securities	-	-	6,324	6,324
Foreign closed-end fund	-	-	15,428	15,428
Financial assets at fair value through other comprehensive income				
Equity securities	<u>-</u>	<u>-</u>	<u>29,327</u>	<u>29,327</u>
	<u>\$ 63,116</u>	<u>\$ -</u>	<u>\$ 5,973,873</u>	<u>\$ 6,036,989</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Cross currency swap	<u>\$ -</u>	<u>\$ 10,455</u>	<u>\$ -</u>	<u>\$ 10,455</u>

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

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, 2023 and 2022, 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, 2023 and 2022:

	2023			
	Equity instruments	Debt instruments	Fund instruments	Total
At January 1	\$ 5,952,121	\$ 6,324	\$ 15,428	\$ 5,973,873
Effect of business combination	31,034	-	-	31,034
Disposal during the period	(4,074)	-	-	(4,074)
Recorded as non-operating income and expenses	1,080,008	(6,371)	(4,186)	1,069,451
Recorded as other comprehensive income	(10,778)	-	-	(10,778)
Proceeds from capital reduction	(99,225)	-	-	(99,225)
Effect of exchange rate changes	10,483	47	-	10,530
At September 30	<u>\$ 6,959,569</u>	<u>\$ -</u>	<u>\$ 11,242</u>	<u>\$ 6,970,811</u>
	2022			
	Equity instruments	Debt instruments	Fund instruments	Total
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>

H. For the nine months ended September 30, 2023 and 2022, 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 <u>September 30, 2023</u>	Valuation <u>technique</u>	Significant <u>unobservable input</u>	Relationship of inputs <u>to fair value</u>
Unlisted shares	\$ 159,524	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
	6,117	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
	6,793,928	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	11,242	Net asset value	N/A	The higher the net asset value, the higher the fair value

Non-derivative equity instrument:	Fair value at <u>December 31, 2022</u>	Valuation <u>technique</u>	Significant <u>unobservable input</u>	Relationship of inputs <u>to fair value</u>
Unlisted shares	\$ 166,068	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
	9,139	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
	5,776,914	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	15,428	Net asset value	N/A	The higher the net asset value, the higher the fair value
Non-derivative debt instrument:				
Corporate bond	6,324	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 <u>September 30, 2022</u>	Valuation <u>technique</u>	Significant <u>unobservable input</u>	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

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, 2023					
				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%	\$ 1,248	(\$ 1,248)	\$ 347	(\$ 347)	
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	±1%	61	(61)	-	-	
Equity Foreign closed-end fund	Net asset value	±1%	67,704	(67,704)	236	(236)	
	Net asset value	±1%	112	(112)	-	-	
			<u>\$ 69,125</u>	<u>(\$ 69,125)</u>	<u>\$ 583</u>	<u>(\$ 583)</u>	
		December 31, 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%	\$ 1,368	(\$ 1,368)	\$ 293	(\$ 293)	
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	±1%	91	(91)	-	-	
Equity Foreign closed-end fund	Net asset value	±1%	57,769	(57,769)	-	-	
	Net asset value	±1%	154	(154)	-	-	
			<u>\$ 59,382</u>	<u>(\$ 59,382)</u>	<u>\$ 293</u>	<u>(\$ 293)</u>	

			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	Net asset value	±1%	54,220	(54,220)	-	-
Foreign closed-end fund	Net asset value	±1%	235	(235)	-	-
			<u>\$ 55,920</u>	<u>(\$ 55,920)</u>	<u>\$ 308</u>	<u>(\$ 308)</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, 2023 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: None.
- 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 6.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 7.

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 8.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 10.

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

(4) Major shareholders information

Major shareholders information: Refer to table 12.

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, 2023

	<u>Taiwan</u>	<u>Mainland China</u>	<u>Others</u>	<u>Total</u>
Segment revenue				
Revenue from external customers	\$ 55,586,587	\$ 20,285,121	\$ 2,475,061	\$ 78,346,769
Inter-segment revenue	1,221,802	8,863,780	302,387	10,387,969
	<u>\$ 56,808,389</u>	<u>\$ 29,148,901</u>	<u>\$ 2,777,448</u>	<u>\$ 88,734,738</u>
Segment income	<u>\$ 10,547,385</u>	<u>\$ 3,111,807</u>	<u>\$ 401,506</u>	<u>\$ 14,060,698</u>

Nine months ended September 30, 2022

	<u>Taiwan</u>	<u>Mainland China</u>	<u>Others</u>	<u>Total</u>
Segment revenue				
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>
Segment income	<u>\$ 28,026,925</u>	<u>\$ 8,120,295</u>	<u>\$ 2,564,298</u>	<u>\$ 38,711,518</u>

(3) Reconciliation for segment income (loss)

	Nine months ended September 30	
	2023	2022
Reportable segments income	\$ 14,060,698	\$ 38,711,518
Other segments loss	(2,059,195)	(8,203,594)
Income before tax from continuing operations	<u>\$ 12,001,503</u>	<u>\$ 30,507,924</u>

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Unimicron Technology Corp. and subsidiaries
Loans to others
For the nine months ended September 30, 2023

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	Balance at	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
					September 30, 2023 (Note 3)	September 30, 2023 (Note 8)							Item	Value		(Note 7)	(Note 9)	
0	The Company	Smart Idea Holdings Limited	Other receivables	Y	\$ 620,140	\$ -	\$ -	-	2	\$ -	Operation needs	\$ -	-	\$ -	\$ 35,647,688	\$ 35,647,688		
0	The Company	Unimicron Germany GmbH	Other receivables	Y	1,902,672	-	-	-	2	-	Operation needs	-	-	-	35,647,688	35,647,688		
0	The Company	Unimicron JAPAN Co., Ltd.	Other receivables	Y	2,089,144	86,520	-	-	2	-	Operation needs	-	-	-	35,647,688	35,647,688		
1	Unimicron Technology (KunShan) Corp.	Kunshan Dingchangxin Electronic Technology Co., Ltd.	Other receivables	Y	1,103,228	844,722	-	-	2	-	Operation needs	-	-	-	5,765,180	5,765,180		
1	Unimicron Technology (KunShan) Corp.	UNIMICRON ELECTRONIC TESTING (KUNSHAN) CORP.	Other receivables	Y	311,395	224,660	-	-	2	-	Operation needs	-	-	-	5,765,180	5,765,180		
1	Unimicron Technology (KunShan) Corp.	Unimicron-FPC Technology (Kunshan) Inc.	Other receivables	Y	251,619	251,619	251,619	1.17%	2	-	Operation needs	-	-	-	5,765,180	5,765,180		
2	Unimicron Technology (ShenZhen) Corp.	Suzhou Qunye Enterprise Management Co., Ltd.	Other receivables	Y	310,710	-	-	-	2	-	Operation needs	-	-	-	1,533,745	1,533,745		
3	Unimicron Technology (SuZhou) Corp.	Kunshan Qunqi Technology Co., Ltd.	Other receivables	Y	449,320	-	-	-	2	-	Operation needs	-	-	-	7,755,813	7,755,813		
3	Unimicron Technology (SuZhou) Corp.	Unimicron-Carrier Technology (Huangshi) Inc.	Other receivables	Y	898,640	449,320	-	-	2	-	Operation needs	-	-	-	7,755,813	7,755,813		
4	UniBest Holding Limited	Smart Idea Holdings Limited	Other receivables	Y	3,129,220	3,129,220	3,129,220	5.83%	2	-	Operation needs	-	-	-	5,746,629	5,746,629		
4	UniBest Holding Limited	Unimicron (SZ) Trading Limited	Other receivables	Y	361,330	258,080	258,080	5.85%	2	-	Operation needs	-	-	-	14,366,572	14,366,572		
4	UniBest Holding Limited	UniGreat Holding Limited	Other receivables	Y	387,120	387,120	387,120	5.83%	2	-	Operation needs	-	-	-	14,366,572	14,366,572		
4	UniBest Holding Limited	Unimicron Germany GmbH	Other receivables	Y	2,034,700	1,988,390	1,988,390	3.96%	2	-	Operation needs	-	-	-	14,366,572	14,366,572		
4	UniBest Holding Limited	Unimicron JAPAN Co.,Ltd.	Other receivables	Y	1,243,144	1,215,606	1,215,606	1.00%	2	-	Operation needs	-	-	-	14,366,572	14,366,572		
5	UniWonderful Holding Limited	Unimicron-FPC Technology (Kunshan) Inc.	Other receivables	Y	2,677,580	2,677,580	2,354,980	5.83%	2	-	Operation needs	-	-	-	3,553,084	3,553,084		
5	UniWonderful Holding Limited	Unimicron Technology (ShenZhen) Corp.	Other receivables	Y	483,900	483,900	322,600	5.83%	2	-	Operation needs	-	-	-	3,553,084	3,553,084		

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, 2023.

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, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed		Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3) (Note 8)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2023 (Note 4)	Outstanding endorsement/ guarantee amount as of September 30, 2023 (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
		Company name													
0	The Company	Unimicron-FPC Technology (Kunshan) Inc.		2	\$ 26,735,766	\$ 5,072,100	\$ 4,032,500	\$ 322,600	\$ -	4.52%	\$ 44,559,610	Y	N	Y	
0	The Company	Unimicron Technology (ShenZhen) Corp.		2	26,735,766	967,800	967,800	-	-	1.09%	44,559,610	Y	N	Y	
0	The Company	Unimicron Technology (SuZhou) Corp.		2	26,735,766	2,102,100	967,800	-	-	1.09%	44,559,610	Y	N	Y	
0	The Company	Unimicron Technology (KunShan) Corp.		2	26,735,766	967,800	967,800	-	-	1.09%	44,559,610	Y	N	Y	
0	The Company	Unimicron Technology (Huangshi) Corp.		2	26,735,766	3,226,000	3,226,000	2,016,250	-	3.62%	44,559,610	Y	N	Y	
0	The Company	Smart Idea Holding Limited		2	26,735,766	2,258,200	2,258,200	-	-	2.53%	44,559,610	Y	N	N	
0	The Company	Unimicron-Carrier Technology (Huangshi) Inc.		2	26,735,766	1,613,000	1,613,000	-	-	1.81%	44,559,610	Y	N	Y	
0	The Company	UniGreat Holding Limited		2	26,735,766	322,600	322,600	-	-	0.36%	44,559,610	Y	N	N	
0	The Company	Unimicron (SZ) Trading Limited		2	26,735,766	322,600	322,600	-	-	0.36%	44,559,610	Y	N	N	
0	The Company	Unimicron (KS) Trading Limited		2	26,735,766	322,600	322,600	-	-	0.36%	44,559,610	Y	N	N	
0	The Company	UniBest Holding Limited		2	26,735,766	1,354,920	1,354,920	-	-	1.52%	44,559,610	Y	N	N	
0	The Company	Unimicron Germany GmbH		2	26,735,766	2,429,709	2,374,497			2.66%	44,559,610	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, 2023

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, 2023				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	\$ 152,441	13.00%	\$ 152,441	
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	357,576,306	2,948,438	16.67%	2,948,438	
The Company	Shihlien Fine Chemicals Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	12,778,831	37,468	4.92%	37,468	
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	57,262	4.52%	57,262	
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	11,242	6.38%	11,242	
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	3,623,345	11.64%	3,623,345	
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	-	5,920	-	5,920	
The Company	Pomiran Metalization Research Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	2,000,000	6,972	6.21%	6,972	
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	36,720	0.05%	36,720	
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	15,002	1.97%	15,002	
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.	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	22	0.02%	22	

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of September 30, 2023				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Hsin Yang Investment Corp.	UniTest Technology Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	10,000	\$ 197	10.00%	\$ 197	
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	8,056	8.81%	8,056	
Hsin Yang Investment Corp.	Taimide Technology Inc.'s stocks	None	Financial assets at fair value through profit or loss-current	39,037	1,597	0.03%	1,597	
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	39,312	1.02%	39,312	
Hsin Yang Investment Corp.	Semicomm Technology Co., Ltd.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	650,000	21,817	5.91%	21,817	
Hsin Yang Investment Corp.	The Company	The Company is the company's parent	Financial assets at fair value through profit or loss-current	1,011,935	175,571	0.07%	175,571	
Hsin Yang Investment Corp.	Probrleader Co., Ltd.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	900,000	29,619	3.03%	29,619	
Subtron Technology Co., Ltd.	United Microelectronics Corp.	The Company is a director of the Company's parent company	Financial assets at fair value through other comprehensive income-non-current	46,527	2,103	0.00%	2,103	
Subtron Technology Co., Ltd.	Topoint Technology Co., Ltd.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	452,406	12,260	0.32%	12,260	
Subtron Technology Co., Ltd.	The Company	The Company is the company's parent	Financial assets at fair value through other comprehensive income-non-current	255,000	44,243	0.02%	44,243	
Subtron Technology Co., Ltd.	Unitech Capital Inc.'s stocks	Investee of United Microelectronics Corp.	Financial assets at fair value through other comprehensive income-non-current	1,000,000	23,453	2.00%	23,453	
Subtron Technology Co., Ltd.	Shihlien Fine Chemicals Co., Ltd.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	5,022,942	-	1.93%	-	
Subtron Technology Co., Ltd.	Emax Tech Co., Ltd.'s stocks	The Company's parent company is the company's director	Financial assets at fair value through other comprehensive income-non-current	80,921	3,040	0.24%	3,040	
Subtron Technology Co., Ltd.	Pomiran Metalization Research Co., Ltd.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	4,000	-	0.01%	-	
Subtron Technology Co., Ltd.	Unimemory Technology (s) Pte Ltd.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	325,945	9,885	10.81%	9,885	
Subtron Technology Co., Ltd.	Trillion Science Inc.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	1,400,000	-	2.99%	-	

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of September 30, 2023				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Subtron Technology Co., Ltd.	Shinyu Light Co., Ltd.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	425,000	\$ -	2.13%	\$ -	
Subtron Technology Co., Ltd.	Advanced Numiceo System, Inc's stocks	None	Financial assets at fair value through other comprehensive income-non-current	3,350,000	-	14.09%	-	
Subtron Technology Co., Ltd.	Probrleader Co., Ltd.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	900,000	29,619	3.03%	29,619	
Subtron Technology Co., Ltd.	MARUWA CORPORATION's bonds	The Company's management is this company's supervisor	Financial assets at fair value through profit or loss-non-current	900	-	10.64%	-	
UMTC Holdings Limited	AMC Holding Limited's stocks	None	Financial assets at fair value through profit or loss-non-current	897,750	46,251	7.09%	46,251	
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	-	28.96%	-	
Unimicron Germany GmbH	Naavinya CAD Soft Pvt Ltd 's equity shares	None	Financial assets at fair value through profit or loss-non-current	-	-	-	-	

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, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)
Balance as at September 30, 2023

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2023		Addition (Note 3)		Disposal (Note 3)			Balance as at September 30, 2023		
					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	240,550,000	\$ 8,531,996	152,574,000	\$ 5,834,582 (Note 5)	-	\$ -	\$ -	\$ -	393,124,000	\$ 14,366,578
The Company	UniWonderful Holding Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	43,000,000	1,321,356	63,600,000	2,231,735 (Note 6)	-	-	-	-	106,600,000	3,553,091
The Company	Unimicron (Thailand) Co., Ltd	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	-	125,999,998	1,113,321 (Note 7)	-	-	-	-	125,999,998	1,113,321
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	-	1,299,301	-	591,153 (Note 8)	-	-	-	-	-	1,890,454
Unimicron Technology (SuZhou) Corp.	Kunshan Qunqi Technology Co., Ltd.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	-	-	1,540,093 (Note 9)	-	-	-	-	-	1,540,093
Smart Idea Holdings Limited	UniRuwel Holding Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	44,962,000	287,584	11,050,000	(93,003) (Note 10)	-	-	-	-	56,012,000	194,581
UniRuwel Holding Limited	Unimicron Germany GmbH	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	25,000	288,841	-	(92,242) (Note 11)	-	-	-	-	25,000	196,599
Kunshan Dingchangxin Electronic Technology Co., Ltd.	UNIMICRON ELECTRONIC TESTING (KUNSHAN) CORP.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	-	-	541,738 (Note 12)	-	-	-	-	-	541,738

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

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

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

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

Note 5: The amount includes investment increase of \$4,699,140, investment gain recognized for the period of \$650,453, translation differences increase of \$481,371 ,increase of \$53,284 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership , recognitions of subsidiaries' capital surplus and changes in other equity were an decrease of \$48,781 and a decrease of \$885, respectively.

Note 6: The amount includes investment increase of \$1,947,922, investment gain recognized for the period of \$110,350, translation differences increase of \$166,917 ,increase of \$8,940 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership , recognitions of subsidiaries' capital surplus and changes in other equity were an decrease of \$2,254 and a decrease of \$140, respectively.

Note 7: The amount includes investment increase of \$1,129,671, investment loss recognized for the period of \$465 and translation differences decrease of \$15,885.

Note 8: The amount includes investment increase of \$639,232, investment loss recognized for the period of \$89,853, translation differences increase of \$54,007 and decrease of \$12,233 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 9: The amount includes investment increase of \$1,461,102, investment gain recognized for the period of \$7,276, translation differences increase of \$68,134 and increase of \$3,581 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 10: The amount includes investment increase of \$340,020, investment loss recognized for the period of \$437,299 and translation differences increase of \$4,276.

Note 11: The amount includes investment increase of \$340,020, investment loss recognized for the period of \$436,631 and translation differences increase of \$4,369.

Note 12: The amount includes investment increase of \$540,202, investment gain recognized for the period of \$1,338 and translation differences increase of \$198.

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, 2023

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				
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 \$1,444,000 based on the contract	Ever Accord Construction Corp.	-	-	-	-	\$ -	NA	For production	-
The Company	No. 100, Xinxing Section, Zhongxing Section, Hukou Township, Hsinchu County	2021.10.01	1,233,000	Fully paid \$1,077,060 based on the contract	Fu Tai Construction Co., Ltd.	-	-	-	-	-	NA	For production	-
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 \$454,960 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	439,034 (Note 6)	Fully paid	Natural person and non-related parties	-	-	-	-	-	It was appraised by Baoyuan Real Estate Appraiser Firm.	Expand plant to increase capacity	-

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			
Unimicron Technology (SuZhou) Corp.	No. 158 Fengli Street, Suzhou Industrial Park (Note 5)	2021.12.16	591,666	Fully paid \$102,607 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 \$977,331 based on the contract	Xing Ye Jian Gong Ji Tuan You Xian Gong Si Di Yi Fen Gong Si	-	-	-	-	-	NA	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.	2022.11.11	546,709	Fully paid \$505,731 based on the contract	Xing Ye Jian Gong Ji Tuan You Xian Gong Si Di Yi Fen Gong Si	-	-	-	-	-	NA	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.	2023.03.10	356,169	Fully paid \$116,467 based on the contract	Kunshan Yaju Purifying Technology Co., Ltd.	-	-	-	-	-	NA	For production	-

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	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
						Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship original owner and the acquirer	Date of the original transaction	Amount			
Unimicron (Thailand) Co., Ltd	Land located at TFD Industrial Estate 2, Chachoengsao, Thailand.	2023.04.21	1,080,837	Fully paid	JCK International Public Company Limited	-	-	-	-	\$ -	The land valuation reports were issued by Siam City Appraisal Co., Ltd. and Bangkok Property Appraisal Co., Ltd. respectively.	Expand plant	

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.

Note 6: For the land in this lot which has not yet been paid, the remaining price will not be paid as the landlord canceled the transaction in 2023.

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, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance (Note 5)	Percentage of total notes/accounts receivable (payable)	
The Company	Unimicron (KS) Trading Limited	The Company's subsidiary	Sales	\$ 319,181	1%	3 months after monthly billings	\$ -	-	\$ 258,748	2%	
The Company	Unimicron Technology (SuZhou) Corp.	The Company's subsidiary	Sales	260,905	0%	3 months after monthly billings	-	-	53,858	0%	
Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	Same parent company	Sales	3,508,995	33%	3 months after monthly billings	-	-	1,534,419	46%	
Unimicron Technology (KunShan) Corp.	Unimicron Germany GmbH	Same parent company	Sales	117,649	1%	3 months after monthly billings	-	-	100,105	3%	
Unimicron Technology (KunShan) Corp.	UniGreat Holding Limited	Same parent company	Sales	208,566	2%	3 months after monthly billings	-	-	83,675	3%	
Unimicron Technology (Huangshi) Corp.	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	314,385	14%	3 months after monthly billings	-	-	349,032	18%	Note 6
Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	Same parent company	Sales	2,223,943	53%	3 months after monthly billings	-	-	927,719	49%	
Unimicron Technology (Huangshi) Corp.	UniGreat Holding Limited	Same parent company	Sales	357,844	9%	3 months after monthly billings	-	-	142,952	8%	
Unimicron-FPC Technology (Kunshan) Inc.	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	394,651	18%	3 months after monthly billings	-	-	70,538	7%	
Unimicron-FPC Technology (Kunshan) Inc.	Best Option Investments Limited	Same parent company	Sales	260,946	12%	3 months after monthly billings	-	-	187,341	18%	
Unimicron Technology (ShenZhen) Corp.	NEOCONIX, INC.	Same parent company	Sales	249,743	10%	3 months after monthly billings	-	-	106,342	11%	
Unimicron Technology (ShenZhen) Corp.	Unimicron (KS) Trading Limited	Same parent company	Sales	227,957	9%	3 months after monthly billings	-	-	152,406	15%	
Unimicron Technology (ShenZhen) Corp.	Unimicron (SZ) Trading Limited	Same parent company	Sales	444,153	18%	3 months after monthly billings	-	-	86,099	9%	
Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	Same parent company	Sales	2,902,607	30%	3 months after monthly billings	-	-	1,560,931	42%	
Unimicron-Carrier Technology (Huangshi) Inc.	Unimicron Technology (SuZhou) Corp.	Same parent company	Sales	167,923	99%	3 months after monthly billings	-	-	97,004	100%	
Unimicron JAPAN Co.,Ltd.	Unimicron (SZ) Trading Limited	Same parent company	Sales	283,961	35%	3 months after monthly billings	-	-	190,876	56%	
Qun Hong Technology Inc.	The Company	Ultimate parent company	Sales	264,962	27%	3 months after monthly billings	-	-	-	-	Note 5

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance (Note 5)	Percentage of total notes/accounts receivable (payable)	
Subtron Technology Co., Ltd.	Unimicron Technology (ShenZhen) Corp.	Same parent company	Sales	\$ 203,625	10%	3 months after monthly billings			\$ 165,077	21%	
Apm Communication, Inc	The Company	Ultimate parent company	Sales	262,059	84%	3 months after monthly billings	-	-	135,231	93%	
Unimicron (KS) Trading Limited	The Company	Ultimate parent company	Sales	2,898,407	48%	3 months after monthly billings	-	-	1,054,387	38%	
Unimicron (SZ) Trading Limited	The Company	Ultimate parent company	Sales	395,944	25%	3 months after monthly billings	-	-	74,910	29%	
Unimicron Holding Limited	The Company	Ultimate parent company	Sales	1,072,704	37%	3 months after monthly billings	-	-	255,055	47%	
UniGreat Holding Limited	The Company	Ultimate parent company	Sales	281,502	13%	3 months after monthly billings	-	-	124,007	52%	
Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	3,454,789	57%	3 months after monthly billings	-	-	1,585,604	57%	
UniGreat Holding Limited	Unimicron Technology (Huangshi) Corp.	Same parent company	Sales	257,412	12%	3 months after monthly billings	-	-	104,367	43%	
Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	Same parent company	Sales	285,171	18%	3 months after monthly billings	-	-	185,280	71%	

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 NTD\$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: Qun Hong Technology Inc. had a simple merger with the Company on July 1, 2023.

Note 6: Part of sales of goods to related parties due to domestic sales including value-added tax, accounts receivable are greater than sales revenue.

Unimicron Technology Corp. and subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
September 30, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2023 (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	\$ 258,748	2.25	\$ -	-	\$ -	\$ -
Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	Same parent company	1,534,419	2.88	-	-	387,248	-
Unimicron Technology (KunShan) Corp.	Unimicron Germany GmbH	Same parent company	100,105	1.21	-	-	-	-
Unimicron Technology (Huangshi) Corp.	Unimicron Technology (KunShan) Corp.	Same parent company	349,032	2.32	-	-	-	-
Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	Same parent company	927,719	2.79	-	-	-	-
Unimicron Technology (Huangshi) Corp.	UniGreat Holding Limited	Same parent company	142,952	3.83	-	-	-	-
Unimicron-FPC Technology (Kunshan) Inc.	Best Option Investments Limited	Same parent company	187,341	1.43	-	-	-	-
Unimicron Technology (ShenZhen) Corp.	NEOCONIX, INC.	Same parent company	106,342	6.26	-	-	27,782	-
Unimicron Technology (ShenZhen) Corp.	Unimicron (KS) Trading Limited	Same parent company	152,406	3.17	-	-	-	-
Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	Same parent company	1,560,931	2.03	-	-	304,493	-
Unimicron JAPAN Co., Ltd	Unimicron (SZ) Trading Limited	Same parent company	190,876	2.27	-	-	29,511	-
Subtron Technology Co., Ltd.	Unimicron Technology (ShenZhen) Corp.	Same parent company	165,077	2.93	-	-	15,015	-
Apm Communication, Inc	The Company	Ultimate parent company	135,231	2.55	-	-	14,087	-
Unimicron (KS) Trading Limited	The Company	Ultimate parent company	1,054,387	3.11	-	-	321,118	-
Unimicron Holding Limited	The Company	Ultimate parent company	255,055	2.23	-	-	52,226	-
UniGreat Holding Limited	The Company	Ultimate parent company	124,007	3.58	-	-	34,700	-
Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	Same parent company	1,585,604	2.45	-	-	-	-
UniGreat Holding Limited	Unimicron Technology (Huangshi) Corp.	Same parent company	104,367	2.75	-	-	-	-
Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	Same parent company	185,280	2.19	-	-	29,512	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2023 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
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 Holding Limited	The Company's subsidiary	344,102	Note 2	-	-	39	-
UniBest Holding Limited	Smart Idea Holdings Limited	Same parent company	3,249,870	Note 2	-	-	644,076	-
UniBest Holding Limited	Unimicron Germany GmbH	Same parent company	2,019,605	Note 2	-	-	-	-
UniBest Holding Limited	Unimicron (SZ) Trading Limited	Same parent company	259,941	Note 2	-	-	-	-
UniBest Holding Limited	Unimicron JAPAN Co., Ltd	Same parent company	1,218,904	Note 2	-	-	-	-
UniBest Holding Limited	UniGreat Holding Limited	Same parent company	402,632	Note 2	-	-	-	-
Unimicron Technology (KunShan) Corp.	Unimicron-FPC Technology (Kunshan) Inc.	Same parent company	285,775	Note 2	-	-	-	-
UniWonderful Holding Limited	Unimicron-FPC Technology (Kunshan) Inc.	Same parent company	2,413,882	Note 2	-	-	-	-
UniWonderful Holding Limited	Unimicron Technology (ShenZhen) Corp.	Same parent company	328,567	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, 2023

Table 8

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	\$ 1,534,419	Available for the third party	1%
2	Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	3	Accounts receivable	1,560,931	Available for the third party	1%
3	Unimicron (KS) Trading Limited	The Company	2	Accounts receivable	1,054,387	Available for the third party	0%
4	Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	3	Accounts receivable	1,585,604	Available for the third party	1%
5	UniBest Holding Limited	Smart Idea Holdings Limited	3	Other receivables	3,249,870	Available for the third party	2%
6	UniBest Holding Limited	Unimicron Germany GmbH	3	Other receivables	2,019,605	Available for the third party	1%
7	UniBest Holding Limited	Unimicron JAPAN Co.,Ltd.	3	Other receivables	1,218,904	Available for the third party	1%
8	UniWonderful Holding Limited	Unimicron-FPC Technology (Kunshan) Inc.	3	Other receivables	2,413,882	Available for the third party	1%
9	Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	3	Sales	3,508,995	Available for the third party	4%
10	Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	3	Sales	2,223,943	Available for the third party	3%
11	Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	3	Sales	2,902,607	Available for the third party	4%
12	Unimicron (KS) Trading Limited	The Company	2	Sales	2,898,407	Available for the third party	4%
13	Unimicron Holding Limited	The Company	2	Sales	1,072,704	Available for the third party	1%
14	Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	3	Sales	3,454,789	Available for the third party	4%

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, 2023

Table 9

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, 2023			Net profit (loss) of the investee for the nine months ended September 30, 2023 (Note 2(2))	Investment income (loss) recognized by the Company for the nine months ended September 30, 2023 (Note 2(3))	Footnote
				Balance as at September 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership	Book value (Note 3)			
The Company	Subtron Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic parts	\$ 1,333,548	\$ 1,333,548	298,092,350	100.00%	\$ 7,702,238	\$ 69,328	(\$ 81,088)	
The Company	Hsin Yang Investment Corp.	Taiwan	Holding company	3,423,689	3,423,689	96,840,707	100.00%	937,747	94,656	(9,329)	
The Company	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	198,962	198,962	19,175,303	17.17%	194,523	(73,651)	(12,646)	
The Company	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	982,156	982,156	29,476,572	62.78%	247,860	(64,383)	(40,419)	
The Company	Hemingway Int'l Limited	BVI	Holding company	6,118,151	6,118,151	187,988,866	100.00%	10,822,796	450,930	450,930	
The Company	UMTC Holdings Limited	BVI	Holding company	6,199,051	6,199,051	139,465,246	100.00%	6,540,280	344,052	344,052	
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	11,957,640	7,258,500	393,124,000	100.00%	14,366,578	650,453	650,453	
The Company	Uniflex Technology Inc.	Taiwan	Manufacture and sale of electronic parts	342,385	342,385	6,704,082	9.98%	64,333	(160,554)	(16,022)	
The Company	NEOCONIX, INC.	USA	Design and manufacture of connector	118,963	118,963	865,526,530	92.95%	213,009	40,316	37,425	
The Company	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	107,959	107,959	4,657,650	49.57%	76,884	38,861	19,298	
The Company	UniFresh, Inc.	Taiwan	Food and restaurants	26,000	26,000	2,600,000	22.91%	17,112	2,806	666	
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	-	-	-	(351,539)	(326,869)	Note 5
The Company	PAVIDA Trading Limited	Samoa	Holding company and trading	4,406	4,406	139,818	17.27%	5,299	9,217	1,592	
The Company	UniWonderful Holding Limited	Samoa	Holding company	3,268,775	1,320,853	106,600,000	100.00%	3,553,091	110,350	110,350	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2023			Net profit (loss) of the investee for the nine months ended September 30, 2023 (Note 2(2))	Investment income (loss) recognized by the Company for the nine months ended September 30, 2023 (Note 2(3))	Footnote
				Balance as at September 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership	Book value (Note 3)			
The Company	Unimicron (Thailand) Co., Ltd	Thailand	Manufacture and sale of electronic parts	\$ 1,129,671	\$ -	125,999,998	100.00%	\$ 1,113,321	(\$ 465)	(\$ 465)	
Hsin Yang Investment Corp.	UniFresh, Inc.	Taiwan	Food and restaurants	87,480	80,480	8,748,000	77.09%	63,011	2,806	2,139	
Hsin Yang Investment Corp.	UniSense Technology Co. Ltd.	Taiwan	Manufacture and sale of electronic parts	48,231	48,231	4,823,074	30.98%	73,760	4,052	(936)	
Hsin Yang Investment Corp.	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	355,496	355,496	1,952,861	4.16%	18,109	(64,383)	(2,678)	
Hsin Yang Investment Corp.	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	95,935	95,935	7,781,675	6.97%	70,414	(73,651)	(5,133)	
Hsin Yang Investment Corp.	Subtron Technology Co., Ltd	Taiwan	Manufacture and sale of electronic parts	-	9,934	-	-	-	69,328	-	Note 4
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%	268,351	(13,290)	(5,082)	
Hsin Yang Investment Corp.	Uniflex Technology Inc.	Taiwan	Manufacture and sale of electronic parts	502,294	502,294	10,885,165	16.21%	160,561	(160,554)	(26,026)	
Hsin Yang Investment Corp.	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	58,337	58,337	168,801	1.80%	1,811	38,861	700	
Hsin Yang Investment Corp.	Qun Hong Technology Inc.	Taiwan	Manufacture and sale of electronic parts	-	110,863	-	-	-	(351,539)	(12,691)	Note 5
Hsin Yang Investment Corp.	UniCuisine, Inc.	Taiwan	Sales and manufacture of food	12,765	-	510,599	10.42%	13,569	3,585	139	
Subtron Technology Co., Ltd.	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	104,265	104,265	8,022,021	7.18%	77,202	(73,651)	(5,288)	
Subtron Technology Co., Ltd.	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	129,569	129,569	832,021	1.77%	7,279	(64,383)	(1,140)	
Subtron Technology Co., Ltd.	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	53,982	53,982	1,244,062	13.24%	19,054	38,861	5,145	
Subtron Technology Co., Ltd.	UniSense Technology Co. Ltd.	Taiwan	Manufacture and sale of electronic parts	14,322	14,322	1,346,136	8.65%	19,119	4,052	350	
Subtron Technology Co., Ltd.	Unimicron Holding Limited	Samoa	Holding company	479,941	479,941	14,800,000	7.83%	1,575,407	2,304,515	181,596	
Subtron Technology Co., Ltd.	MARUWA CORPORATION	Japan	Manufacture and sales of flexible Print	54,388	54,388	1,500	14.71%	-	-	-	
Subtron Technology Co., Ltd.	Subtron Holding Limited	Samoa	Holding company	24,573	24,573	250,000	100.00%	16,075	4,173	4,173	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2023			Net profit (loss) of the investee for the nine months ended September 30, 2023 (Note 2(2))	Investment income (loss) recognized by the Company for the nine months ended September 30, 2023 (Note 2(3))	Footnote
				Balance as at September 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership	Book value (Note 3)			
UniFresh, Inc.	UniCuisine, Inc.	Taiwan	Sales and manufacture of food	\$ 109,130	\$ 89,130	2,573,908	52.54%	\$ 62,710	\$ 3,585	\$ 2,164	
APM communication, Inc.	PAVIDA Trading Limited	Samoa	Holding company and trading	20,832	20,832	670,000	82.73%	25,384	9,217	7,625	
Asia Pacific Microsystems, Inc.	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	332,259	332,259	2,911,867	30.99%	44,597	38,861	12,043	
Hemingway Int'l Limited	Plato Electronics (Cayman) Limited	Cayman	Holding company	1,467,681	1,467,681	27,989,612	72.02%	1,125,657	(116,648)	(84,010)	
Hemingway Int'l Limited	Smart Idea Holdings Limited	Cayman	Holding company	888,787	888,787	30,000,000	42.10%	3,819,201	(92,453)	(38,923)	
Hemingway Int'l Limited	Best Option Investments Limited	Samoa	Holding company	3,415,024	3,415,024	644,263,312	21.74%	104,696	(318,700)	(69,285)	
Hemingway Int'l Limited	Unimicron Holding Limited	Samoa	Holding company	1,719,360	1,719,360	53,151,515	28.13%	5,746,276	2,304,515	652,408	
Hemingway Int'l Limited	UniSmart Holding Limited	Samoa	Holding company	174,124	174,124	5,099,086	13.15%	6,709	(69,825)	(9,182)	
UMTC Holdings Limited	Plato Electronics (Cayman) Limited	Cayman	Holding company	216,114	216,114	4,474,259	11.51%	72,192	(116,648)	(13,426)	
UMTC Holdings Limited	Smart Idea Holdings Limited	Cayman	Holding company	629,580	629,580	20,761,904	29.13%	2,612,061	(92,453)	(26,932)	
UMTC Holdings Limited	Best Option Investments Limited	Samoa	Holding company	1,232,586	1,232,586	42,195,000	1.43%	14,049	(318,700)	(4,557)	
UMTC Holdings Limited	Unimicron Holding Limited	Samoa	Holding company	1,210,064	1,210,064	40,400,000	21.38%	4,290,827	2,304,515	495,932	
UMTC Holdings Limited	UniSmart Holding Limited	Samoa	Holding company	703,420	703,420	21,286,112	54.88%	(32,824)	(69,825)	(38,320)	
UMTC Holdings Limited	Unimicron JAPAN Co., Ltd.	Japan	Manufacture and sale of electronic parts	503,200	503,200	35,130	100.00%	(498,153)	(62,095)	(63,636)	
Plato Electronics (Cayman) Limited	Unimicron (SZ) Trading Ltd.	Samoa	Trading	202,525	202,525	6,500,000	100.00%	(186,464)	(2,708)	(2,708)	
Smart Idea Holdings Limited	UniGreat Holding Limited	Samoa	Holding company	1,407,974	1,407,974	45,900,050	100.00%	778,298	(18,920)	(18,920)	
Smart Idea Holdings Limited	UniRuwel Holding Limited	Cayman	Holding company	1,711,750	1,371,730	56,012,000	100.00%	194,581	(437,299)	(437,299)	
Smart Idea Holdings Limited	Unimicron (KS)Trading Ltd.	Samoa	Trading	582,000	582,000	20,000,001	100.00%	272,611	(9,687)	(9,687)	
UniSmart Holding Limited	MARUWA CORPORATION	Japan	Manufacture and sales of flexible Print	95,703	95,703	2,400	23.53%	(37,043)	-	-	
UniRuwel Holding Limited	Unimicron Germany GmbH	Germany	Manufacture and sale of electronic parts	1,579,923	1,239,903	25,000	100.00%	196,599	(436,028)	(436,631)	
UniBest Holding Limited	Unimicron Holding Limited	Samoa	Holding company	2,655,707	2,655,707	57,878,614	30.63%	6,060,840	2,304,515	710,482	
UniBest Holding Limited	Best Option Investments Limited	Samoa	Holding company	1,766,182	1,766,182	2,276,363,910	76.83%	480,008	(318,700)	(244,857)	
UniBest Holding Limited	UniSmart Holding Limited	Samoa	Holding company	373,445	185,165	12,400,000	31.97%	155,388	(69,825)	(22,323)	
UniBest Holding Limited	Unimicron (Thailand) Co., Ltd	Thailand	Manufacture and sale of electronic parts	0	-	1	0.00%	0	(465)	0	
UniWonderful Holding Limited	Unimicron Holding Limited	Samoa	Holding company	264,037	-	2,704,403	1.43%	294,185	2,304,515	18,206	
UniWonderful Holding Limited	Unimicron (Thailand) Co., Ltd	Thailand	Manufacture and sale of electronic parts	0	-	1	0.00%	0	(465)	0	

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, 2023' 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, 2023' 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, 2023' 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: Information about converting shares which Hsin Yang Investment Corp. originally held in Subtron Technology Co., Ltd. into the Company's shares due to the Company's merger with Subtron Technology Co., Ltd. is provided in Note 6(23)D.

Note 5: Qun Hong Technology Inc. had a simple merger with the Company on July 1, 2023.

Unimicron Technology Corp. and subsidiaries
Information on investments in Mainland China
For the nine months ended September 30, 2023

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Effect of business combinations (Note 6)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net income of investee for the nine months ended September 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the nine months ended September 30, 2023 (Note 2)	Book value of investments in Mainland China as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023	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	(\$ 113,909)	83.53	(\$ 95,148)	\$ 1,281,124	\$ -	-
Unimicron Technology (KunShan) Corp.	Manufacture and sale of electronic parts	2,369,600	SI	1,372,769	-	-	-	1,372,769	442,789	71.23	315,124	4,104,171	-	-
Unimicron-FPC Technology (Kunshan) Inc.	Manufacture and sale of electronic parts	6,280,552	BO	5,830,331	-	-	-	5,830,331	(316,081)	100.00	(316,081)	348,488	-	-
Unimicron Technology (SuZhou) Corp.	Manufacture and sale of electronic parts	5,273,427	UHL and Suzhou Qunye	1,837,430	479,941	-	-	2,317,371	2,642,753	86.07	2,192,959	16,059,060	-	-
Suzhou AMC Technology Co., Ltd.	Manufacture and sale of electronic parts	1,263,293	AMCHOLDING LIMITED	192,869	-	-	-	192,869	(12,578)	6.38	-	46,251	-	-
Unipoint Technology (KunShan) Corp.	Manufacture and sale of electronic parts	35,544	UMT Technology Corp.	6,813	656	-	-	7,469	-	19.01	-	-	-	-
Kunshan 3D Circuit Technology Co., Ltd.	Manufacture and sale of electronic parts	125,925	HK3D-Circuit Ltd.	31,170	15,450	-	-	46,620	-	18.61	-	(13,957)	-	-
Unimicron Technology (Huangshi) Corp.	Manufacture and sale of electronic parts	4,672,240	UniGreat and Unimicron Management (KunShan)	-	-	-	-	-	81,406	71.23	57,985	2,746,436	-	-
Unimicron Management (KunShan) Corp., Ltd.	Business management consulting and property management	3,823,736	Unimicron Technology (KunShan)	-	-	-	-	-	48,149	71.23	34,297	2,606,840	-	-
Unimicron-Carrier Technology (Huangshi) Inc.	Manufacture and sale of electronic parts	2,823,308	UHL and Unimicron Technology (SuZhou)	514,677	-	-	-	514,677	(136,183)	87.07	(118,574)	2,352,953	-	-
Hu Se Sn Li Managemnet Corp., Ltd.	Business management consulting	1,010,407	Unimicron Management (KunShan)	-	-	-	-	-	(8,860)	71.23	(6,311)	675,511	-	-
Gobo Lighting Technology Ltd.	Manufacture and sale of lighting products	38,943	PAVIDA and SHL	17,914	7,103	-	-	25,017	20,565	59.64	13,209	23,218	-	-

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, 2023	Effect of business combinations (Note 6)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net income of investee for the nine months ended September 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the nine months ended September 30, 2023 (Note 2)	Book value of investments in Mainland China as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023	Footnote
						Remitted to Mainland China	Remitted back to Taiwan							
Kunshan Dingchangxin Electronic Technology Co., Ltd.	Manufacture and sale of electronic parts	\$ 5,570,270	SI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,986	71.23	\$ 31,883	\$ 4,066,214	\$ -	-
Suzhou Qunye Enterprise Management Co., Ltd.	Business management consulting	264,037	UHL	-	-	264,037	-	264,037	43,338	89.40	38,744	250,916	-	-
Kunshan Qunqi Technology Co., Ltd.	Manufacture and sale of electronic parts	2,958,054	UHL and Unimicron Technology (SuZhou)	-	-	-	-	-	26,190	87.74	16,596	2,704,331	-	-
Kunshan Dingshengxin Electronic Technology Co., Ltd.	Inspection of goods, sales of electronic component and equipment and property management	540,202	Kunshan Dingchangxin	-	-	-	-	-	1,338	71.23	953	385,880	-	-
Gobo Lighting Enterprise Management Co., Ltd.	Business management consulting ; Business consulting, etc.	16,675	Gobo Lighting Technology	-	-	-	-	-	(1,045)	59.64	(623)	4,170	-	-
Kunshan Besto Catering Management Co., Ltd.	Food management and food services	15,575	Gobo Business Management	-	-	-	-	-	(5,368)	16.34	(1,412)	5,098	-	-
<u>Company name</u>	<u>Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023 (Note 4)</u>	<u>Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)</u>	<u>Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA</u>											
The Company	\$ 13,426,297	\$ 17,681,639	\$ -											

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: Since Subtron Technology Co., Ltd. became a subsidiary of the Company this year, it should be included in the information on investments in Mainland China of Subtron Technology Co., Ltd.

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, 2023

Table 11

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, 2023	%	Balance at September 30, 2023	Purpose	Maximum balance during the nine months ended September 30, 2023	Balance at September 30, 2023	Interest rate	Interest during the nine months ended September 30, 2023	Others
Unimicron Technology (ShenZhen) Corp.	\$ 24,405	2%	\$ -	-	\$ 5,826	0%	\$ 967,800	Borrowings	\$ -	\$ -	-	\$ -	
Unimicron Technology (ShenZhen) Corp.	(395,944)	2%	-	-	(73,074)	1%	-	-	-	-	-	-	
Unimicron Technology (KunShan) Corp.	320,356	27%	-	-	291,755	2%	967,800	Borrowings	-	-	-	-	
Unimicron Technology (KunShan) Corp.	(2,898,506)	17%	-	-	(1,040,306)	13%	-	-	-	-	-	-	
Unimicron-FPC Technology (Kunshan)	992	0%	-	-	2,958	0%	4,032,500	Borrowings	-	-	-	-	
Unimicron Technology (SuZhou) Corp.	288,527	24%	68,930	100%	67,975	0%	967,800	Borrowings	-	-	-	-	
Unimicron Technology (SuZhou) Corp.	(1,074,729)	6%	-	-	(238,517)	3%	-	-	-	-	-	-	
Unimicron Technology (Huangshi) Corp.	3,345	0%	-	-	3,487	0%	3,226,000	Borrowings	-	-	-	-	
Unimicron Technology (Huangshi) Corp.	(281,502)	2%	-	-	(85,768)	1%	-	-	-	-	-	-	
Unimicron -Carrier Technology (Huangshi) Inc.	-	-	-	-	-	-	1,613,000	Borrowings	-	-	-	-	

Note 1: The transactions between the Company and Unimicron Technology (ShenZhen) Corp., Unimicron Technology (KunShan) Corp., Unimicron-FPC 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, 2023

Table 12

Name of Major Shareholders	Shares	
	Number of Shares	Ownership (%)
United Microelectronics Corp.	198,878,046	13.04%