

Stock Code: 3037

Unimicron

UNIMICRON TECHNOLOGY CORP.

2022 Annual Report

February 21, 2023

Notice to readers

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

Information Disclosure Website: <https://mops.twse.com.tw/>
Webpage where the Company Discloses Annual Report Information: <https://mops.twse.com.tw/>

1. Spokesperson

Name: Michael Shen
Title: Finance Div./General Manager
Tel: (03)350-0386
Email: IR@unimicron.com

Deputy Spokesperson:

Name: Victor Hsu
Title: Finance Div./Deputy Director
Tel: (03)350-0386
Email: Victor_Hsu@unimicron.com

2. Headquarters, Branches and Plant

Company Address: Shanying Plant: No.179,
Shanying Road, Guishan Dist, Taoyuan City
Tel: (03)350-0386

Location of Plant:

PCB SBU

Shanying Plant: No. 177/179, Shanying Road,
Guishan Dist, Taoyuan City
Tel: (03)350-0386
Hejiang Plant: No.12, Hejiang Road, Zhongli Ind.
Park, Taoyuan City
Tel: (03)461-4900
Hejiang II Plant: No. 2, Hezun S. Road, Zhongli
Ind. Park, Taoyuan City
Tel: (03)461-4833
Luchu II Plant: No.21, Lane 470, Sec. 2, Nanshan
Road, Luzhu Dist, Taoyuan City
Tel: (03)324-8889
Luchu III Plant: No.5, Minquan Road, Dayuan Ind.
Park, Taoyuan City
Tel: (03)386-9979

Carrier SBU

Shanying Plant: No. 173/175, Shanying Road,
Guishan Dist, Taoyuan City
Tel: (03)350-0386
Shanying Plant II: No. 169/169-2, Shanying Road,
Guishan Dist, Taoyuan City
Tel: (03)332-2101
Hsinfeng Plant: No. 289/290, Zhonglun Village,
Xinfeng Township, Hsinchu
Tel: (03)599-5899
Hsinning Plant: No.102, Ln. 426, Sec. 1, Meishi
Road, Yangmei Dist., Taoyuan City
Yangmei Plant: No. 66/68/70, Ln. 426, Sec. 1,
Meishi Road, Yangmei Dist., Taoyuan City
Tel: (03)273-9858

IC Test SBU

Chungyuan Plant: No. 192-3, Zhongyuan Road,
Zhongli Ind. Park, Taoyuan City
Tel: (03)451-1251

3. Stock Transfer Agent

Name: Horizon Securities Co., Ltd.
Stock Registration Department
Address: 3F, No. 236, Sec. 4, Hsin-Yi Rd., Taipei
City 10680
Tel: (02)7719-8899
Website: www.honsec.com.tw

4. Auditors

Name of Firm: PwC Taiwan
Name of Auditors: Ya-Hui Lin and Han-Chi
Wu
Address: 27F, No. 333, Sec 1, Keelung Rd.,
Taipei City 11012
Tel: (02)2729-6666
Website: www.pwc.com

5. Overseas Securities Exchange

None.

6. Corporate Website

www.unimicron.com

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I. Letter to Shareholders

Dear Shareholders,

Benefiting from the strong growing demand for different applications, new technologies and products rolling out, however, under the impact of COVID-19, Russia Ukraine War, global inflation, inventory correction, and geopolitical tension, market situation became slower. The total PCB market in 2022 reached about USD833 million, slightly increased 2.9% compared to 2021.

In 2022, due to prosperous development of 5G, AIoT, high performance computing, etc., the company's substrate product portfolio optimization and yield continued to improve, and operational performance improved significantly with the cooperation with customers in the field of high-end substrate technology expansion and the development of long-term relationships have improved the future and stability of the company; Other product line such as substrate-like, HDI and PCB, actively develop new clients and improve the yield. Therefore, 2022 Unimicron sales and profit increased significantly. The individual revenue was NT\$100.178 billion around 44% growth compared with 2021 NT\$69.338 billion, the individual net profit was NT\$29.619 billion, a significant increase around 124% from NT\$13.222 billion in 2021; the consolidated revenue and net profit were respectively NT\$140.489 billion and NT\$31.226 billion, far better than 2021 NT\$104.563 billion and NT\$13.525 billion, increased around 34% and 131%.

Looking forward to 2023, due to the ongoing impact of high interested rates, inventory correction, Russia Ukraine War, global inflation, and geopolitical tension, uncertainties in the global economy still remain, market situation may not recover completely. However, the huge business opportunities of 5G, AIoT, high-frequency, high-speed demand, and high-performance computing in the future, will diversify and broaden the application of PCB industry, especially high-end substrate. With long-term strategic cooperation with customers, Unimicron will continue to strive to meet customer needs, develop blue ocean products, optimize product portfolios, lean digital management, pursue best quality and benefit, enhance the group's competitiveness, and press ahead with ESG, energy conservation, carbon reduction and disaster prevention.

Unimicron upholds honest management and compliances with laws and regulations, enhance service orientation to maximize customers' benefit, takes good care of employees and public welfare, co-existence and prosperity with environment, fulfills corporate social responsibility, and achieves long-term sustainable performance. Unimicron has received "Gold Award for Taiwan Corporate Sustainability Report of IC&IT Manufacturing" for six consecutive years since 2016, and even received "Platinum Award for Taiwan Corporate Sustainability Report of IC&IT Manufacturing" in 2022.

Sincerely appreciate the strong support and high recognition from all the stockholders, customers, and suppliers. Unimicron's management team and all colleagues will continue devote to serve customer and improve group's operating performance and seek greatest welfare to feedback to our employees, stockholders, and all stakeholders for a sustainable and robust future.

I hereby wish all shareholders good health and great fortune!

Sincerely,



Chairman of Unimicron Technology Corp.

II. Company Profile

2.1 Date of Incorporation

Jan. 25, 1990

2.2 Milestone

1990 Jan. Unimicron was founded on 25 Jan., 1990

1996 Feb. Introduced TQM

1998 Dec. Listed on the OTC, Taiwan

2001 Oct. Merged “UniMicron Technology Corp.” and “Bestmult Industry Co., Ltd.”

2002 Mar. Merged “UNIMICRON TECHNOLOGY (KUNSHAN) CORP.” to manufacture PCB/HDI

2002 Aug. Listed on Taiwan Stock Exchange (Stock No. 3037)

2005 Nov. Won the outstanding “16th National Quality Award, Taiwan”

2009 Dec. Merged “Phoenix Precision Technology Corp.”

2011 Nov. Received “2011 Deming Application Prize” from Japan

2013 Oct. Received the “7th Taoyuan County Excellent Green Award”

2013 Nov. Received the “7th National Industrial Safety & Health Award-First Prize”

2014 Nov. Hsinfeng Plant Won the “23th R.O.C Annual Enterprises Environmental Protection Award-Golden Award”

2015 Nov. Received “Silver Award for 2015 Taiwan Top 50 Corporate Sustainability Report of IT & IC Manufacturing”

2015 Dec. Received the “Talent Quality-management System (TTQS)- Gold Medal”

2016 Nov. Received “Gold Award for 2016 Taiwan Corporate Sustainability Report of IT & IC Manufacturing”

2017 Nov. Received “Gold Award for 2017 Taiwan Corporate Sustainability Report of IT & IC Manufacturing”

2018 Nov. Received “Gold Award for 2018 Taiwan Corporate Sustainability Report of IT & IC Manufacturing”

2019 Nov. Received “Platinum Award for 2019 Corporate Sustainability Report Awards of IT & IC Manufacturing”

2020 Nov. Received “Gold Award for 2020 Corporate Sustainability Report Awards of IT & IC Manufacturing”

2020 Nov. Received “2020 National Occupational Safety and Healthy Award”

2021 Nov. Received “Gold Award for 2021 Taiwan Corporate Sustainability Report of IT & IC Manufacturing”

2022 Nov. Received “Platinum Award for 2022 Corporate Sustainability Report Awards of IT & IC Manufacturing”

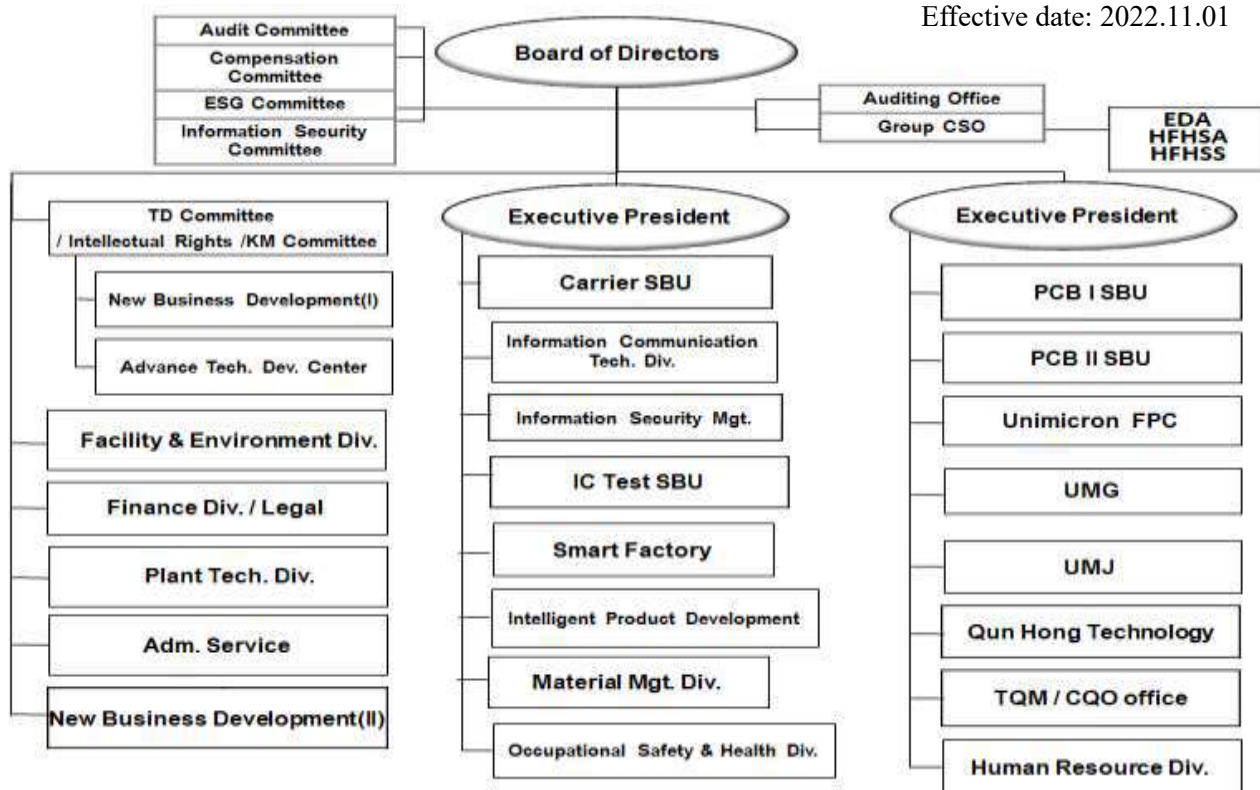
2023 Jan. “Subtron Technology Co., Ltd.” became a wholly-owned subsidiary

III. Corporate Governance Report

3.1 Organization

3.1.1 Organizational Chart

Effective date: 2022.11.01



3.1.2 Major Corporate Functions

Department	Responsibility
Auditing Office	Appoint Director to examine and evaluate internal company control systems, so that further improvements can be made to ensure the effective operations.
EDA/ HFHSA/ HFHSS	A deputy strategy chief is appointed to be responsible for the connection between strategic cooperation in circuit design and high-frequency and high-speed technology, and high-frequency and high-speed business cooperation in different industries.
TD Committee / Intellectual Rights /KM Committee/ New Business Development(I)/ Advance Tech. Dev. Center	A chief technology officer is appointed to be responsible for technology integration, intellectual property management, new business development and technology development.
Facility & Environment Div.	Appoint Vice President to oversee operation of EH & S Div.
Finance Div./Legal	Appoint General Manager to oversee operations of Finance Div. /Legal.
Plant Tech. Div./ Adm. Service	Appoint General Manager to oversee Plant Tech. Div./Adm. Service.
New Business Development(II)	A deputy general manager was set up. In response to the company's leading position in IC packaging substrates and PCBs, it further stepped into the new business development group of IC test fixtures (Test Jig). (IC test fixture is a high-end application product that connects leading processes and materials of ABF, HDI, PCB and Thin Film)
Carrier SBU	Appoint President to oversee IC manufacturing, sales, customer service, technology integration and R&D etc.
ICT/Information Security/Smart Factory/ IC Test SBU	The chief technical officer is also the chief information officer and chief information security officer, and is responsible for related matters such as indirect unit information communication, smart factory and IC testing, burn-in, sales, customer service, and IC design and development.
Intelligent Product Development/ Smart Factory/ Material Mgt. Div./ Occupational Safety & Health Div.	An executive president is set up to be responsible for smart factories, smart product development, materials department and industrial safety related matters.
PCB SBU I	Appoint President to oversee overseas PCB manufacturing, sales, customer service, technology integration and R&D etc.
PCB SBU II	Appoint President to oversee Taiwan's PCB manufacturing, sales, customer service, technology integration and R&D etc.
FPC/ UMG/ UMJ/ Qun Hong Technology/ TQM/ CQO office/ Human Resource Div.	Executive President to oversee plants FPC, UMG, UMJ, Qun Hong, TQM/CQO office, Human Resource Div.

3.2 Information of Directors and Management Team

3.2.1 Directors

A. Directors' information

December 31, 2022

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected (Note 1) <Date First Elected>	Term (Years)	Shareholding when Elected		Present Shareholding (Note 2)		Spouse & Minor Shareholding		Experience (Education)	Selected Current Position at Unimicon and Other Company
						Shares (thousands)	%	Shares (thousands)	%	Shares (thousands)	%		
Chairman	Not applicable	United Microelectronics Corporation	-	Jun. 19, 2020 <Jan. 25, 1990>	3	196,136	13.03	198,878	13.05	0	0	Not applicable	Not applicable
	Republic of China (R.O.C)	Tzyy-Jang Tseng	M 71~80 years old	Jun. 19, 2020 <May 25, 1993>	3	9,146	0.61	8,390	0.55	5,524	0.36	Senior Vice President, United Microelectronics Corporation M. Phys., National Tsing Hua University	Note 3
Director	Not applicable	United Microelectronics Corporation	-	Jun. 19, 2020 <Jan. 25, 1990>	3	196,136	13.03	198,878	13.05	0	0	Not applicable	Not applicable
	Republic of China (R.O.C)	Representative: SC Chien	M 61~70 years old	Jun. 19, 2020 <Jun. 19, 2020>	3	0	0	0	0	0	0	President, United Microelectronics Corporation Bachelor of Chemical Engineering, National Taiwan University	Note 4
Director	Not applicable	United Microelectronics Corporation	-	Jun. 19, 2020 <Jan. 25, 1990>	3	196,136	13.03	198,878	13.05	0	0	Not applicable	Not applicable
	Republic of China (R.O.C)	Representative: Chi-Tung Liu	M 51~60 years old	Jun. 19, 2020 <Dec. 11, 2008>	3	0	0	0	0	0	0	Senior Vice President and CFO, United Microelectronics Corporation E.M.B.A., National Taiwan University	Note 5
Director	Not applicable	Hsun Chieh Investment Co., Ltd.	-	Jun. 19, 2020 <Jun. 13, 2008>	3	4,545	0.30	4,567	0.30	0	0	Not applicable	Not applicable
	Republic of China (R.O.C)	Representative: Louis Chien	M 61~70 years old	Jun. 19, 2020 <Dec. 01, 2014>	3	0	0	0	0	0	0	Chairman, Silicon Integrated Systems Corporation M.B.A., Saginaw Valley State University	Note 6
Director	Republic of China (R.O.C)	Yen-Shen Hsieh	M 71~80 years old	Jun. 19, 2020 <Jun. 21, 2002>	3	10,356	0.69	10,356	0.68	4,585	0.30	Chairman, Puyu Investment Co., Ltd. M.B.A., University of Southern Queensland	Note 7
Director	Republic of China (R.O.C)	Ting-Yu Lin	M 51~60 years old	Jun. 19, 2020 <Jun. 19, 2020>	3	0	0	0	0	0	0	Chairman, Sunrox International Inc. Master of International Finance, Meiji University	Chairman, Sunrox International Inc. Director, United Microelectronics Corporation

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected (Note 1) <Date First Elected>	Term (Years)	Shareholding when Elected		Present Shareholding (Note 2)		Spouse & Minor Shareholding		Experience (Education)	Selected Current Position at Unimicron and Other Company
						Shares (thousands)	%	Shares (thousands)	%	Shares (thousands)	%		
Independent Director	Republic of China (R.O.C)	Grace Li	F 51~60 years old	Jun. 19, 2020 <Jun. 21, 2017>	3	0	0	0	0	0	0	Sr. Executive Assistant of President, Global Communication Semiconductors, LLC M. Acc., University of Missouri-Kansas City	Independent Director, Silicon Integrated Systems Corporation
Independent Director	Republic of China (R.O.C)	Lai-Juh Chen	M 51~60 years old	Jun. 19, 2020 <Jun. 21, 2017>	3	0	0	0	0	0	0	Chairman, TEN Life Health Technology Corporation E.M.B.A., Thunderbird School of Global Management, Arizona State University	Note 8
Independent Director	Republic of China (R.O.C)	Terry Wang	M 51~60 years old	Jun. 19, 2020 <Jun. 19, 2020>	3	0	0	0	0	0	0	Director of Finance Department, United Microelectronics Corporation MBA, State University of New York Buffalo	Note 9

Note 1: Directors' election date is the same date they assumed their positions.

Note 2: The present shareholding is based on the actual number of shares held on January 31, 2023.

Note 3: Group CSO, Unimicron Technology Corp.; Chairman, Subtron Technology Co., Ltd.; Chairman, Asia Pacific Microsystems, Inc.; Chairman, APM Communication, Inc.; Chairman, Uniflex Technology Inc., Chairman, Qun Hong Technology Inc.; Director, UniFresh Inc.; Director, Unicuisine Global Foods Corp.; Director, Unimicron Technology (Kunshan) Corp.; Director, Unimicron-FPC Technology (Kunshan) Inc.; Director, Unimicron Technology (Suzhou) Corp.; Director, Unimicron Technology (Huangshi) Corp.; Director, Suzhou AMC Technology Co., Ltd.; Director, Unimicron-Carrier Technology (Huangshi) Inc.; Director, Unimicron Electronics (Kunshan) Corp. ; Director, Unimicron-Carrier Technology (Kunshan) Inc.; Chairman, Hemingway Int'l Limited; Chairman, UMTC Holdings Limited; Chairman, Plato Electronics (Cayman) Limited; Chairman, Smart Idea Holdings Limited; Chairman, Best Option Investments Limited; Chairman, Unimicron Holding Limited; Chairman, UniSmart Holding Limited; Chairman, UniBest Holding Limited; Chairman, UniGreat Holding Limited; Chairman, UniRuwei Holding Limited; Chairman, Unimicron (KS) Trading Ltd.; Chairman, Unimicron (SZ) Trading Limited ;Chairman, UniWonderful Holding Limited; Director, Unimicron JAPAN Co., Ltd. ; Director, Uniflex Investment Limited; Director, PAVIDA Trading Limited.

Note 4: Director, Fortune Venture Capital Corp.; Director, TLC Capital Co., Ltd.; Director, United Microelectronics Corporation; Director, UMC Capital Corp.

Note 5: Director, Fortune Venture Capital Corp.; Director, TLC Capital Co., Ltd.; Director, Novatek Microelectronics Corp.; Chairman, Hejian Technology (Suzhou) Co., Ltd.; Chairman, United Semiconductor (Xiamen) Co., Ltd; Director, UMC Capital Corp.; Director, Green Earth Limited; Director, ECP Vita Pte. Ltd.; Director, UMC Group (USA); Director, United Semiconductor Japan Co., Ltd.; Director, United Microchip Corporation; Director, Yann Yuan Investment Co., Ltd..

Note 6: Chairman, Silicon Integrated Systems Corporation; Director, Asia Pacific Microsystems, Inc.; Chairman, GET-Green Energy Corp., Ltd.; Director, Harmony Investment Co., Ltd.

Note 7: Director, Excelsior Medical Co., Ltd.; Independent Director, YUFO Electronics Co., Ltd.; Chairman, Puyu Investment Co., Ltd.; Director, Quanren Zhongyuan Yucheng Co., Ltd.; Director, Goldred Nanobiotech Co., Ltd.

Note 8: Chairman, TEN Life Health Technology Corporation; Chairman, Green Life Technology Corporation; Independent Director, Ardentec Corporation; Independent Director, Egis Technology Inc.; Chairman, Kingyoup Optronics Co., Ltd.

Note 9: Director, Clientron Corp.; Supervisor, Chengxin Electronic Technology (Xiamen) Co., Ltd.; Supervisor, Chengxin Automotive Information Technology (Shanghai).

Note 10: Presidents and Chairman are not the same person, spouses or relatives within the first degree of kinship.

Note 11: Directors did not hold shares through other parties.

Note 12: Directors are not spouses or relatives within the second degree of kinship of other managers and directors.

B. Major shareholders of institutional shareholders

Name of institutional shareholder	Major shareholders	Shareholding ratio
United Microelectronics Corporation (Note: The shareholding record date is on March 29, 2022)	JPMorgan Chase Bank, N.A. acting in its capacity as depository and representative to the holders of ADRs	4.90%
	Hsun Chieh Investment Co., Ltd.	3.54%
	Fubon Life Insurance Co, Ltd.	2.42%
	Silicon Integrated Systems Corp.	2.29%
	Taiwan Life Insurance Co, Ltd.	1.76%
	CTBC Bank Employee Stock Ownership Trust Account of UNITED MICROELECTRONICS CORP.	1.55%
	New Labor Pension Fund	1.50%
	Yann Yuan Investment Co., Ltd.	1.28%
	China Life Insurance Co, Ltd.	1.17%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.11%	
Hsun Chieh Investment Co. Ltd. (Note: The shareholding record date is on December 31, 2022)	Harmony Investment Co., Ltd.	63.51%
	United Microelectronics Corporation	36.49%

C. Major shareholders of the Company's major institutional shareholders

Name of institutional shareholder	Major shareholders	Shareholding ratio
Fubon Life Insurance Co, Ltd. (Note: The shareholding record date is on March 29, 2022)	Fubon Financial Holding Co., Ltd.	100.00%
Silicon Integrated Systems Corp. (Note: The shareholding record date is on August 30, 2022)	United Microelectronics Corporation	19.02%
	Hsun Chieh Investment Co. Ltd.	4.80%
	Xing-Sen Liu	1.38%
	Long-Xiong Ye	1.28%
	Vanguard Emerging Markets Stock Index Fund	1.19%
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.16%
	Standard Chartered Bank (Taiwan) Limited as custodian of Credit Suisse Securities (Europe) Limited	0.55%
	Cong-Ming Zhuang	0.49%
	Chase Custodian Advanced Trust Stock Index II Investment Account	0.47%
	Gao-Huang Lin	0.37%
Taiwan Life Insurance Co., Ltd. (Note: The shareholding record date is on December 23, 2022)	CTBC Financial Holding Co., Ltd.	100.00%
Yann Yuan Investment Co., Ltd. (Note: The shareholding record date is on December 31, 2022)	Silicon Investment Co. Ltd.	27.94%
	United Microelectronics Corporation	26.78%
	King Yuan Electronics Co., Ltd.	14.55%
	Unimicron Technology Corp.	11.64%
	Coretronic Corporation	11.06%
	Sigurd Microelectronics Corporation	5.70%
China Life Insurance Co., Ltd. (Note: The shareholding record date is on June 15, 2022)	China Development Financial Holdings Co., Ltd.	100.00%
Harmony Investment Co., Ltd. (Note: The shareholding record date is on December 31, 2022)	Unimicron Technology Corp.	16.67%
	Silicon Integrated Systems Corp.	16.67%
	Novatek Microelectronic Corp.	15.15%
	Yann Yuan Investment Co., Ltd.	12.20%
	Faraday Technology Corporation	12.12%
	King Yuan Electronics Co., Ltd.	7.58%

D. Professional qualifications and independence analysis of directors

December 31, 2022

Criteria Name	Professional Qualification & Experience (Note 1)	Independence Status (Note 2)	Number of Companies also Serves as Independent Director for
Tzyy-Jang Tseng	Physical engineering and strategic management, Electronics-related industry experience		0
SC Chien	Engineering technology and organizational leadership, Electronics-related industry experience		0
Chi-Tung Liu	Financial accounting and strategic management, Electronics-related industry experience		0
Louis Chien	Company operations management and organizational leadership, Electronics-related industry experience		0
Yen-Shen Hsieh	Investment and operating decisions, Biotechnology and medical related industry experience		1
Ting-Yu Lin	Financial accounting and strategic management, Banking Finance and business policy-making, Electronics-related industry experience		0
Grace Li	Financial accounting and strategic management, Semiconductor-related industry experience	Meet the independence criteria	1
Lai-Juh Chen	Corporate management decision and corporate sustainability, Electronics-related industry experience	Meet the independence criteria	2
Terry Wang	Financial accounting and risk (insurance) management, Electronics-related industry experience	Meet the independence criteria	0

E. The Diversity & Independence of the Board of Directors:

(1) The Diversity of the Board of Directors:

The board of directors of the company consists of directors with different professional backgrounds, whose professional backgrounds cover business management, financial accounting, chemical industry, physics, investment and other fields. The members include general managers and chief financial officers of listed companies, operators of technology industry and investment companies, semiconductor and Professionals with relevant experience in the electronics industry, chairman of the Taiwan Digital Federation of Enterprises, etc., in addition to having basic conditions and professional knowledge and skills, through the operation of functional committees, the experience of directors can be used in corporate governance, environmental sustainability, and corporate society. In the supervision and decision-making of responsibilities and compliance with laws and regulations, we provide professional advice and opinions in different aspects from diversified industry experience, which are quite helpful to the company's business plan and policy formulation. The board of directors is the highest governance unit of the company, and its main functions and powers include reviewing business performance, preventing conflicts of interest, and implementing laws and regulations. For the company's director information and director's professional competence matrix, please refer to the company's website for relevant information: <https://www.unimicron.com/en/money05.html>.

(2) The Independence of the Board of Directors:

The board of directors of the company is composed of nine directors with different professional backgrounds. There are three independent directors (including one female director), accounting for one-third of all directors, and their terms of office shall not exceed three terms. The company pays attention to the independence and gender equality of board members, and sets a target of at least three independent directors and at least one female director, and continues to maintain a 100% achievement rate for this goal.

Note 1: All directors are not under any condition pursuant to Article 30 of the Company Act. Please refer to Page 4-5 of the Annual Report & the Company's website: <https://www.unimicron.com/en/money05.html> for Directors' relevant industrial experience.

Note 2: The Company's independent directors, their spouses and relatives within the second degree of kinship are not directors, supervisors or employees of the Company or its affiliates; the Company's independent directors, their spouses and relatives within the second degree of kinship (or in the name of other persons) do not own the Company's outstanding shares, nor are directors, supervisors or employees of companies which have specific relationship with the Company; the Company's independent directors, their spouses and relatives within the second degree of kinship do not provide the Company and its affiliates with services of business, legal affairs, finance and accounting in the past two years to get payment.

3.2.2 Information of Management Team

December 31, 2022

Title	Nationality	Name	Gender	Date Elected (Note 1)	Present Shareholding (Note 2)		Spouse & Minor Shareholding (Note 2)		Experience (Education)	Selected Current Position at Unimicron and Other Company (Note 2)
					Shares (thousands)	%	Shares (thousands)	%		
Group CSO	Republic of China (R.O.C)	Tzyy-Jang Tseng	M	May 25, 1993	8,390	0.55	5,524	0.36	Senior Vice President, United Microelectronics Corporation M.Phys., National Tsing Hua University	Note 4
Executive President	Republic of China (R.O.C)	Chia-Pin Lee	M	Aug. 12, 2019	71	0.00	0	0.00	M.B.A., Oregon State University	Note 5
Executive President & CQO	Republic of China (R.O.C)	Jerry Kuo	M	Aug. 12, 2019	580	0.04	0	0.00	Vice President, Compeq Manufacturing Co., Ltd. B.Ch.E., Tamkang University	Note 6
SBU President	Republic of China (R.O.C)	David Cheng	M	Jan. 01, 2017	1,430	0.09	46	0.00	B.Ch.E., Nanya Institute of Technology	Note 7
SBU President	Republic of China (R.O.C)	Timothy Lan	M	Aug. 21, 2019	336	0.02	0	0.00	M.M.E., National Cheng Kung University	Note 8
SBU President	Republic of China (R.O.C)	Webber Wang	M	Mar. 26, 2020	8	0.00	0	0.00	D. Chem., University of Texas at Austin	Note 9
SBU President	Republic of China (R.O.C)	Kevin Chen	M	Nov. 21, 2022	190	0.01	0	0.00	M. Ch.E., National Central University	Director, Suzhou Qunye Enterprise Management Co., Ltd
General Manager	Republic of China (R.O.C)	Michael Shen	M	Feb. 16, 2009	858	0.06	10	0.00	M.B.A., National Central University	Note 10
General Manager	Republic of China (R.O.C)	Benwei Liao	M	Aug. 01, 2019	50	0.00	0	0.00	B.S. in Marine Engineering, National Taiwan Ocean University	Director, UniFresh Inc.; Chairman, Unicuisine Global Foods Corp.
CTO, CIO & CISO	Republic of China (R.O.C)	Mike Ma	M	May. 03, 2021	59	0.00	0	0.00	North Carolina State University (Materials Science and Engineering) -Doctor	None
VP	Republic of China (R.O.C)	Dave Yang	M	Jun. 01, 2012	258	0.02	0	0.00	B.S. in Marine Engineering, National Taiwan Ocean University	Director, Gobo Lighting Technology Ltd.; Director, Bistro181 Catering Management Service Co. Ltd.
VP	Republic of China (R.O.C)	Julia Yang	F	Oct. 21, 2014	322	0.02	18	0.00	M.B.A., State University of New York	Consultant, Unimicron Technology (Suzhou) Corp.
VP	Republic of China (R.O.C)	Jack Chang	M	Jan. 16, 2015	117	0.01	0	0.00	M.S. In Applied Chemistry, Chinese Culture University	Director, Advance Materials Corp. Director, Subtron Technology Co., Ltd.

Title	Nationality	Name	Gender	Date Elected (Note 1)	Present Shareholding (Note 2)		Spouse & Minor Shareholding (Note 2)		Experience (Education)	Selected Current Position at Unimicron and Other Company (Note 2)
					Shares (thousands)	%	Shares (thousands)	%		
VP	Republic of China (R.O.C)	DC Huang	M	Dec. 21, 2015	582	0.04	0	0.00	Project Manager, Compeq Manufacturing Co., Ltd. M. Ch.E., National Chung Cheng University	Consultant, Unimicron Technology (Suzhou) Corp.
VP	Republic of China (R.O.C)	Yu-Hua Chen	M	Apr. 21, 2016	131	0.01	0	0.00	D. Chem., National Taiwan University	None
VP	Republic of China (R.O.C)	Gordon Peng	M	Mar. 01, 2017	12	0.00	0	0.00	B.I.E., Tunghai University	None
VP	Republic of China (R.O.C)	Gary Chen	M	Oct. 21, 2019	50	0.00	115	0.01	M. Ch.E., National Cheng Kung University	None
VP	Republic of China (R.O.C)	JerryRH Huang	M	Jan. 09, 2020	36	0.00	1	0.00	E.M.B.A., Chiao Tung University	None
VP	Republic of China (R.O.C)	MichaelM Lin	M	Jun. 08, 2020	20	0.00	0	0.00	Materials Science and Engineering, Taiwan University	None
VP	Republic of China (R.O.C)	Kevin Chien	M	Oct. 21, 2020	38	0.00	0	0.00	Graduate Institute of Applied Geology, Taiwan University	Chairman, UNI-Brilliant Technology Inc.
VP	Republic of China (R.O.C)	Shui-Wen Chang	M	Mar. 01, 2021	26	0.00	0	0.00	M.B.A., Chung Yuan Christian University	None
VP	Republic of China (R.O.C)	Paul Chu	M	Apr. 15, 2021	28	0.00	0	0.00	Columbia University (Chemical Engineering)- Doctor	None
VP	Republic of China (R.O.C)	Frank Niu	M	Sep. 01, 2021	18	0.00	0	0.00	Northwestern University (Institute of Civil Engineering)- Master	None
VP	Republic of China (R.O.C)	Michael Yen	M	Dec. 15, 2017	7	0.00	0	0.00	B.Ch.E., Chung Yuan Christian University	None
VP	Republic of China (R.O.C)	Steven Fan	M	Dec. 21, 2021	15	0.00	0	0.00	Chung Hua University(Electrical Engineering Department)- Master	None
VP	Republic of China (R.O.C)	JiFu Kung	M	Jan.05, 2022	0	0.00	0	0.00	University of Connecticut(materials science)- Doctor	None
VP	Republic of China (R.O.C)	Joe Lee	M	Mar. 01, 2020	121	0.01	100	0.01	Chemical Engineering , Cheng Kung University	Consultant, Unimicron Technology (Suzhou) Corp.

Title	Nationality	Name	Gender	Date Elected (Note 1)	Present Shareholding (Note 2)		Spouse & Minor Shareholding (Note 2)		Experience (Education)	Selected Current Position at Unimicron and Other Company (Note 2)
					Shares (thousands)	%	Shares (thousands)	%		
Deputy CTO	Republic of China (R.O.C)	Jason Wang	M	Sep. 23, 2020	149	0.01	0	0.00	Chemical Engineering, Taiwan University	Director, PI R&D Co., Ltd. ; Director, Eminent Materials Corp
Deputy CSO	Republic of China (R.O.C)	DanielHH Lee	M	Mar. 01, 2021	20	0.00	0	0.00	Institute of electronics, solid group, Chiao Tung University	None
Sr. Director	Republic of China (R.O.C)	Robert Yeh	M	Jan. 01, 2017	0	0.00	0	0.00	Drexel University MBA	None
Sr. Director	Republic of China (R.O.C)	Grace Lin	F	Mar. 01, 2017	97	0.01	0	0.00	B. Acc., Fu Jen Catholic University	Note 11
Sr. Director	Republic of China (R.O.C)	Nathan Chang	M	Apr. 10, 2017	44	0.00	0	0.00	M.S. in Industrial Engineering Management, National Chiao Tung University	None
Sr. Director	Republic of China (R.O.C)	Jerry Nien	M	Jul. 21, 2017	302	0.02	0	0.00	M. Ch.E., Feng Chia University	None
Sr. Director	Republic of China (R.O.C)	Eddy Shi	M	Jan. 01, 2018	68	0.00	0	0.00	M.B.A., National Sun Yat-sen University	None
Sr. Director	Republic of China (R.O.C)	Paul Kao	M	Jun. 01, 2021	28	0.00	0	0.00	National Tsing Hua University (Statistics) - Master	None
Sr. Director	Republic of China (R.O.C)	Ivan Liu	M	Jun. 01, 2021	80	0.01	0	0.00	Tokai University (Industrial Engineering and Management) -bachelor degree	Director, Unipoint Technology Co., Ltd.
Head of accounting	Republic of China (R.O.C)	Denise Hsu	F	Feb. 23, 2021	37	0.00	0	0.00	National Chung Hsing University(Accountancy)- bachelor degree	Supervisor, Qunjing Investment Co., Ltd.
Former VP	Republic of China (R.O.C)	David Chiou (Note 3)	M	Jan. 01, 2008	Not applicable	Not applicable	Not applicable	Not applicable	M.B.A., University of South Australia	Not applicable
Former Sr. Director	Republic of China (R.O.C)	Sabrina Yi (Note 3)	F	Jun. 01, 2021	Not applicable	Not applicable	Not applicable	Not applicable	National Central University (Business Administration Department) - Master	Not applicable
Former Sr. Director	Republic of China (R.O.C)	Kevin Pon (Note 3)	M	Jul. 01, 2020	Not applicable	Not applicable	Not applicable	Not applicable	EMBA, Taiwan University	Not applicable

Note 1: Managers' election date is the same date they assumed their positions

Note 2: Shareholding and other positions are based on January 31, 2023.

Note 3: Former VP, David Chiou, former Sr. Director, Sabrina Yi, and former Sr. Director, Kevin Pon were dismissed in 2022.

Note 4: Group CSO, Unimicron Technology Corp.; Chairman, Subtron Technology Co., Ltd.; Chairman, Asia Pacific Microsystems, Inc.; Chairman, APM Communication, Inc.; Chairman, Uniflex Technology Inc., Chairman, Qun Hong Technology Inc.; Director, UniFresh Inc.; Director, Unicusine Global Foods Corp.; Director, Unimicron Technology (Kunshan) Corp.; Director, Unimicron-FPC Technology (Kunshan) Inc.; Director, Unimicron Technology (Suzhou) Corp.; Director, Unimicron Technology (Huangshi) Corp.; Director, Suzhou AMC

Technology Co., Ltd.; Director, Unimicron-Carrier Technology (Huangshi) Inc.; Director, Unimicron Electronics (Kunshan) Corp. ; Director, Unimicron-Carrier Technology (Kunshan) Inc.; Chairman, Hemingway Int'l Limited; Chairman, UMTC Holdings Limited; Chairman, Plato Electronics (Cayman) Limited; Chairman, Smart Idea Holdings Limited; Chairman, Best Option Investments Limited; Chairman, Unimicron Holding Limited; Chairman, UniSmart Holding Limited; Chairman, UniBest Holding Limited; Chairman, UniGreat Holding Limited; Chairman, UniRuwei Holding Limited; Chairman, Unimicron (KS) Trading Ltd.; Chairman, Unimicron (SZ) Trading Limited ;Chairman, UniWonderful Holding Limited; Director, Unimicron JAPAN Co., Ltd. ; Director, Uniflex Investment Limited; Director, PAVIDA Trading Limited.

Note 5: Director, Asia Pacific Microsystems, Inc.; Director, Unimicron Technology (Suzhou) Corp.; Director, Unimicron-Carrier Technology (Huangshi) Inc.; Director, Suzhou Qunye Enterprise Management Co., Ltd.; Director, Unimicron-Carrier Technology (Kunshan) Inc.

Note 6: Director, Qun Hong Technology Inc.; Director, Unimicron Management (Kunshan) Co., Ltd.; Director, Huangshi Xinli Enterprise Management Co., Ltd.; Director, Unimicron-FPC Technology (Kunshan) Inc.; Director, Best Option Investments Limited; Supervisor, Unimicron Germany GmbH; Director, Unimicron Electronics (Kunshan) Corp.; Director, Uniflex Technology Inc.; Director, Qunjing Investment Co., Ltd.; Director, NEOCONIX, INC.; Director, Unimicron Electronic Testing (Kunshan) Corp.

Note 7: Director, Unimicron Technology (Shenzhen) Corp.; Director, Unimicron Technology (Kunshan) Corp.; Director, Unimicron Technology (Huangshi) Corp.; Director, Unimicron Electronics (Kunshan) Corp.; Director, Plato Electronics (Cayman) Limited; Director, Smart Idea Holdings Limited; Representative Director, Unimicron JAPAN Co., Ltd.; Chairman, Subtron Holding Limited; Chairman, Hsin Yang Investment Corporation; Chairman, Taitai Co., Ltd.; Director, Unimicron Electronic Testing (Kunshan) Corp.

Note 8: Representative, Unimicron-Carrier Technology (Huangshi) Inc.; Director, Unimicron Technology (ShenZhen) Corp.; Director, Unimicron Technology (Kunshan) Corp.; Director, Plato Electronics (Cayman) Limited; Director, Smart Idea Holdings Limited; Representative, Unimicron Technology (Huangshi) Corp.; Director and President, Qunjing Investment Co., Ltd.; Director, Unimicron Electronics (Kunshan) Corp.; Representative, Unimicron Management (Kunshan) Co., Ltd.; Representative, Huangshi Xinli Enterprise Management Co., Ltd. ; Director, NEOCONIX, INC.; Representative, Unimicron Technology (Suzhou) Corp.; Representative, Suzhou Qunye Enterprise Management Co., Ltd.; Representative, Unimicron-Carrier Technology (Kunshan) Inc.; Representative, UNIMETA CAPITAL HOLDING LIMITED

Note 9: Representative, Unimicron Technology (ShenZhen) Corp.; Representative, Unimicron Technology (Kunshan) Corp.; Representative, Unimicron-FPC Technology (Kunshan) Inc.; Representative, Unimicron Electronics (Kunshan) Corp.; Director, Smart Idea Holdings Limited; Director, Best Option Investments Limited; Director, Qun Hong Technology Inc. ; Representative, Unimicron Electronic Testing (Kunshan) Corp.

Note 10: Director, Uniflex Technology Inc.; Supervisor, Unimicron JAPAN Co.,Ltd.; President, Qun Hong Technology Inc.; Director, Uniflex Technology (Jiangsu) Limited; Chairman, UniFresh Inc.; Representative, Qunjing Investment Co., Ltd. ; President, Suzhou Qunye Enterprise Management Co., Ltd.; Director, Yann Yuan Investment Co., Ltd.; Supervisor, Harmony Investment Co., Ltd.

Note 11: Supervisor, Unimicron Technology (Kunshan) Corp.; Supervisor, Unimicron Technology (Huangshi) Corp.; Supervisor, Unimicron Electronics (Kunshan) Corp.

Note 12: Presidents and Chairman are not the same person, spouses or relatives within the first degree of kinship.

Note 13: Managers did not hold shares through other parties.

Note 14: VP, Joe Lee and the former Sr. Director, Sabrina Yi are spouses.

3.3 Remunerations of Directors (including Independent Directors), Presidents, General Managers and VPs

3.3.1 Remuneration of Directors (including Independent Directors)

December 31, 2022; unit: NTD in Thousand

Title	Name	Director's remuneration								Ratio and total remuneration (A+B+C+D) to net income (Note 4)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio and total compensation (A+B+C+D+E+F+G) to net income (Note 4)		Compensation from other non-consolidated entities invested by the Company
		Base compensation (A) (Note 1)		Severance pay and pensions (B)		Compensation to Directors (C) (Note 2)		Business execution expenses (D) (Note 3)				Base compensation bonuses and special expenses etc. (E) (Note 5)		Severance pay and pension (F) (Note 6)		Employees' profit sharing bonus (G) (Note 7)						
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Director	United Microelectronics Corporation Representative: Tzyy-Jang Tseng	0	0	0	0	21,900	21,900	530	530	22,430 0.08%	22,430 0.08%	5,403	5,403	74	74	68,700	0	68,700	0	96,607 0.33%	96,607 0.33%	1,394
Director	United Microelectronics Corporation Representative: SC Chien																					
Director	United Microelectronics Corporation Representative: Chi-Tung Liu																					
Director	Hsun Chieh Investment Co., Ltd. Representative: Louis Chien																					
Director	Yen-Shen Hsieh																					
Director	Ting-Yu Lin																					
Independent Director	Grace Li	2,880	2,880	0	0	8,070	8,070	300	300	11,250 0.04%	11,250 0.04%	0	0	0	0	0	0	0	11,250 0.04%	11,250 0.04%	0	
Independent Director	Lai-Juh Chen																					
Independent Director	Terry Wang																					

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:
The remuneration of independent directors of the company takes into account the evaluation results of directors' performance evaluation, and in accordance with the Remuneration Committee Charter, the Remuneration Committee reviews the degree of participation and contribution value of each director to the Company's operations, links the reasonableness and fairness of performance risks to the remuneration, and submit to the board of directors for a resolution after considering the Company's operating performance and the usual level of payment in the industry.

2. In addition to the disclosure in the above table, the remuneration received by the directors of the company in the most recent year for providing services (such as serving as a consultant for the parent company/all companies in the financial report/reinvestment enterprises that are not employees, etc.): 0

Remuneration scale

Remuneration Range for Each Director in the Company	Name of Director			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Parent company and all invested companies
Under NT\$1,000,000	Tzyy-Jang Tseng, SC Chien, Chi-Tung Liu, Louis Chien	Same as left	SC Chien, Chi-Tung Liu, Louis Chien	Same as left
NT\$1,000,000 (included)~NT\$2,000,000(excluded)				
NT\$2,000,000 (included)~NT\$3,500,000(excluded)				
NT\$3,500,000 (included)~NT\$5,000,000(excluded)	Hsun Chieh Investment Co., Ltd., Yen-Shen Hsieh, Ting-Yu Lin, Grace Li, Lai-Juh Chen, Terry Wang	Same as left	Hsun Chieh Investment Co., Ltd., Yen-Shen Hsieh, Ting-Yu Lin, Grace Li, Lai-Juh Chen, Terry Wang	Same as left
NT\$5,000,000 (included)~NT\$10,000,000(excluded)				
NT\$10,000,000 (included)~NT\$15,000,000(excluded)	United Microelectronics Corporation	Same as left	United Microelectronics Corporation	Same as left
NT\$15,000,000 (included)~NT\$30,000,000(excluded)				
NT\$30,000,000(included)~NT\$50,000,000(excluded)			Tzyy-Jang Tseng	Same as left
NT\$50,000,000(included)~NT\$100,000,000(excluded)				
Over NT\$100,000,000				
Total	11 people	11 people	11 people	11 people

Note 1: Refers to the remuneration paid to directors in 2022.

Note 2: Refers to the amount of compensation to directors of the Company in the 2022 earnings distribution proposal approved by the Board before the 2023 shareholders' meeting.

Note 3: Refers to fees for conducting business from directors in 2022.

Note 4: Refers to the net income from the 2022 parent company only financial statements.

Note 5: Refers to the salary, bonuses and allowances of directors who concurrently serve as employees of the Company in 2022.

Note 6: Refers to amounts allocated to government agencies and amounts allocated to personal accounts under the new system in 2022.

Note 7: Refers to the amount of employee remuneration in the 2022 earnings distribution proposal approved by the Board of Directors before the 2023 shareholders' meeting.

3.3.2 Remuneration to Presidents, General Managers and VPs

December 31, 2022 unit: NT\$ in Thousand

Title	Name	Salary (A) (Note 1)		Severance pay and pension (B) (Note 2)		Bonuses and special expenses etc.(C) (Note 3)		Employees' profit sharing bonus (Note 4)				Ratio and total compensation (A+B+C+D) to net income (Note 5)		Compensation from other non-consolidated entities invested by the Company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Group CSO	Tzyy-Jang Tseng	73,814	75,625	3,463	3,463	22,659	22,659	642,090	0	642,090	0	742,026 2.51%	743,837 2.51%	1,454
Executive President	Chia-Pin Lee													
Executive President & CCO	Jerry Kuo													
SBU President	David Cheng													
SBU President	Timothy Lan													
SBU President	Webber Wang													
SBU President	Kevin Chen													
General Manager	Michael Shen													
General Manager	Benwei Liao													
CTO, CIO & CISO	Mike Ma													
VP	Dave Yang													
VP	Julia Yang													
VP	Jack Chang													
VP	DC Huang													
VP	Yu-Hua Chen													
VP	Gordon Peng													
VP	Gary Chen													
VP	JerryRH Huang													
VP	MichaelM Lin													
VP	Kevin Chien													
VP	Shui-Wen Chang													
VP	Paul Chu													
VP	Frank Niu													
VP	Michael Yen													
VP	Steven Fan													
VP	JiFu Kung													
VP	Joe Lee													
Deputy CTO	Jason Wang													
Deputy CSO	DanielHH Lee													

Remuneration scale

Compensation Range for Each President, General Manager and VP in the Company	Name of Presidents, General Managers and VPs	
	The Company	Parent company and all reinvestment businesses
Under NT\$1,000,000		
NT\$1,000,000 (included)~NT\$2,000,000(excluded)		
NT\$2,000,000 (included)~NT\$3,500,000(excluded)		
NT\$3,500,000 (included)~NT\$5,000,000(excluded)		
NT\$5,000,000 (included)~NT\$10,000,000(excluded)	Steven Fan	Same as left
NT\$10,000,000 (included)~NT\$15,000,000(excluded)	David Cheng, Dave Yang, MichaelM Lin, JerryRH Huang, Jason Wang, Kevin Chien, Shui-Wen Chang, Frank Niu	Same as left
NT\$15,000,000 (included)~NT\$30,000,000(excluded)	Michael Shen, Benwei Liao, Webber Wang, DanielHH Lee, Jack Chang, Gary Chen, Paul Chu, Gordon Peng, Michael Yen, Joe Lee, Yu-Hua Chen, JiFu Kung	Same as left
NT\$30,000,000(included)~NT\$50,000,000(excluded)	Timothy Lan, Jerry Kuo, Mike Ma, DC Huang, Kevin Chen, Julia Yang,	Same as left
NT\$50,000,000(included)~NT\$100,000,000(excluded)	Tzyy-Jang Tseng, Chia-Pin Lee	Same as left
Over NT\$100,000,000		
Total	29 people	29 people

Note 1: Refers to the remuneration to the Presidents, General Managers and VPs of the Company in 2022.

Note 2: Refers to amounts allocated to government agencies and amounts allocated to personal accounts under the new system in 2022.

Note 3: Refers to the bonuses and allowances received by the Presidents, General Managers and VPs of the Company in 2022.

Note 4: Refers to the amount of employee remuneration in the 2022 earnings distribution proposal approved by the Board of Directors before the 2023 shareholders' meeting.

Note 5: Refers to the net income from the 2022 parent company only financial statements.

3.3.3 Employees' Profit Sharing Bonus Paid to Management Team

December 31, 2022; unit: NTD in Thousand

	Title	Name	Stock	Cash (Note 1)	Total	Ratio of total profit sharing bonus to net income (%) (Note 2)
Management Team	Group CSO	Tzyy-Jang Tseng	0	722,890	722,890	2.44
	Executive President	Chia-Pin Lee				
	Executive President & CQO	Jerry Kuo				
	SBU President	David Cheng				
	SBU President	Timothy Lan				
	SBU President	Webber Wang				
	SBU President	Kevin Chen				
	General Manager	Michael Shen				
	General Manager	Benwei Liao				
	CTO, CIO & CISO	Mike Ma				
	VP	Dave Yang				
	VP	Julia Yang				
	VP	Jack Chang				
	VP	DC Huang				
	VP	Yu-Hua Chen				
	VP	Gordon Peng				
	VP	Gary Chen				
	VP	JerryRH Huang				
	VP	MichaelM Lin				
	VP	Kevin Chien				
	VP	Shui-Wen Chang				
	VP	Paul Chu				
	VP	Frank Niu				
	VP	Michael Yen				
	VP	Steven Fan				
	VP	JiFu Kung				
	VP	Joe Lee				
	Deputy CTO	Jason Wang				
	Deputy CSO	DanielHH Lee				
	Sr. Director	Robert Yeh				
	Sr. Director	Grace Lin				
	Sr. Director	Nathan Chang				
Sr. Director	Jerry Nien					
Sr. Director	Eddy Shi					
Sr. Director	Kevin Pon					
Sr. Director	Sabrina Yi					
Sr. Director	Paul Kao					
Sr. Director	Ivan Liu					
Head of accounting	Denise Hsu					

Note 1: Refers to employee compensation of managing officers in the 2022 earnings distribution proposal approved by the Board of Directors before the 2023 shareholders' meeting.

Note 2: Refers to the net income from the 2022 parent company only financial statements.

3.3.4 Comparison of Compensation of Directors, Presidents, General Managers and VPs in the Past Two Years

A. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements in the last two years to directors, supervisors, Presidents, General Managers and VPs of the Company, to the net income.

Unit: NTD in Thousand

Item \ Year	2022		2021	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Remuneration to Directors	107,857	107,857	71,668	71,668
Ratio of remuneration to net income	0.36%	0.36%	0.54%	0.54%

Item \ Year	2022		2021	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Remuneration to Presidents, General Managers and VPs	742,026	743,837	434,942	436,034
Ratio of remuneration to net income	2.51%	2.51%	3.29%	3.30%

B. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

(a) The payment remuneration policy, standard and combination:

- i. According to the article 27 of “Articles of Incorporation”, all directors' remuneration is authorized to the board of directors, regardless of company operating profit, the value of contribution, and with reference to industry norm. In addition, according to the article 30.1, if the Company has profited in a given year, it shall no more than 0.9% as directors' remuneration. The company regularly evaluates the remuneration of directors in accordance with the “Methods to Evaluate Performance of the Board”, the relevant perform performance evaluations and the rationality of remuneration are reviewed by the Remuneration Committee and Board of Directors.
- ii. With the manager's salary and compensation method, clearly stipulates various remuneration for managers to considerate and reward their efforts at work. Relevant bonuses are also based on the company's annual operating performance, financial status, operating status and personal performance. In addition, according to the article 30.1, if the company has profited in a given year, it shall distribute 6 to 16% as employee remuneration. In accordance with the "Performance Development Operation Standards", the company uses it as a reference for the bonus for mangers, and remuneration system is reviewed depending on the actual operating conditions as well as relevant regulations at any time.
- iii. In accordance with the organizational regulations of the Remuneration Committee, the remuneration composition are including cash, stock, dividends, retirement or resignation benefits, various allowances and other measures with substantial rewards. The scope should be recorded as the same standard with the guideline for directors and managers in public offering

Company's annual report.

- (b) The procedure of setting remuneration:
- i. In order to regularly evaluate the remuneration of directors and managers, the “Methods to Evaluate Performance of the Board” and the “Performance Development Practice Specification” for managers and employees are used as the basis for the performance indicators linking, and submitted to the board of directors for approval.
 - ii. The reasonableness of performance appraisal and remuneration for directors and managers are regularly evaluated and reviewed every year by the Remuneration Committee and Board of Directors. In addition to refer to the individual's performance achievement rate and contribution, it consider overall operating performance, future risks and development trends of industry, reviewing the company's business conditions and relevant regulations to analyze remuneration timely. In addition, comprehensively considering the trend of corporation to give reasonable remuneration, achieving a balance between the company's sustainable operation and risk control. The actual amount of remuneration for directors and managers in 2011 was reviewed by the Remuneration Committee and then submitted proposal to Board of Directors.
- (c) The correlation of business performance and future risks:
- i. The remuneration policy related payment standard and system is main based on the overall operating status, according to the performance achievement and contribution rate to improve the overall effectiveness of Board of Directors and management department. In addition, refer to the salary standard of the industry to ensure that the salary of management is competitive so as to retain talents.
 - ii. The performance goals for managers are combined with the “risk control” to ensure the risk within the scope of duties can be prevented, and the results of actual performance evaluation are linking relevant human resources as well as salary policies. The important decisions of the company's management level are made after balancing various risk factors. The performance of relevant decisions can reflect the company's profit situation, and the manager's remuneration is related to the performance of risk control.
 - iii. The company has also established a long-term remuneration system (such as treasury stock, restricted stock, overseas capital increase stock investment). Except for treasury stock, the non-earnings are be full paid for the year. Its actual value is related to the future stock price, and it shares future business risks with company.

3.4 Implementation of Corporate Governance

3.4.1 Operations of the Board of Directors

A. Board Meetings were held 9 times in 2022, and the attendances of directors were as follows:

Session	Title	Name	Attendance in person	By proxy	Attendance rate (%)	Remarks
12 th session	Chairman	United Microelectronics Corporation Representative: Tzyy-Jang Tseng	9	0	100%	
	Director	United Microelectronics Corporation Representative: SC Chien	9	0	100%	
	Director	United Microelectronics Corporation Representative: Chi-Tung Liu	9	0	100%	
	Director	Hsun Chieh Investment Co. Ltd. Representative: Louis Chien	8	0	89%	
	Director	Yen-Shen Hsieh	9	0	100%	
	Director	Ting-Yu Lin	9	0	100%	
	Independent Director	Grace Li	9	0	100%	
	Independent Director	Lai-Juh Chen	7	2	78%	
	Independent Director	Terry Wang	9	0	100%	

Other mentionable items:

- If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:
 - Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, and Article 14-3 of the Securities and Exchange Act is not applicable to the Company. Please refer to pages 23-24 of the Annual Report for related information of the operation status of the Audit Committee.
 - Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.
- If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date of Board Meeting	Content of the motion	Reason(s) for Avoidance of Conflict of Interest and Voting Implementation
Feb. 22, 2022	Subsidiary manager incentive plan	Chairman Tzyy-Jang Tseng was required to abstain from the discussion and voting of this item due to his own interests, and the rest of the directors present agreed to approve it.
	Managing officers' year-end bonus	Chairman Tzyy-Jang Tseng avoided discussing and voting on this motion as he is concurrently managing officers of the Company. The remaining attending directors agreed to pass the resolution.
Mar. 30, 2022	Exchange of shares with Subtron Technology Co., Ltd.	After the director Tzyy-Jang Tseng, SC Chien and Chi-Tung Liu represented the legal person United Microelectronics Corporation, and director Louis Chien represented the legal person Hsun Chieh Investment Co. Ltd. did not need to avoid the situation in accordance with Article 29, Item 7 of the Business Mergers And Acquisitions Act, the four directors, for the sake of safety, explained their reasons for approving the resolution of this case, and the remaining directors present agreed to pass it without objection.
	Do not proceed with the merger and capital increase to issue new shares, instead use share conversion to increase capital and issue new shares	
Apr. 26, 2022	Manager Employee Compensation	Chairman Tzyy-Jang Tseng also serves as the manager of the company. According to the regulations, he should abstain from the discussion and voting of this item, and the rest of the directors present agreed to approve it.
	Manager's annual salary adjustment case	

Jun. 30, 2022	Remuneration to Independent Directors	Director Lai-Juh Chen, Director Grace Li and Director Terry Wang avoided discussing and voting on this motion due to the principle of interest avoidance. The remaining attending directors agreed to pass the resolution.
	Remuneration to Directors	Director Lai-Juh Chen, Director Grace Li and Director Terry Wang attended the discussion and voting, and agreed to pass the resolution. The remaining attending directors avoided discussing and voting due to the principle of interest avoidance.
	Distribute Restricted stock to managers	Chairman Tzyy-Jang Tseng also serves as the manager of the company. According to the regulations, he should abstain from the discussion and voting of this item, and the rest of the directors present agreed to approve it.

3. Execution Status of the Board Evaluation:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Contents
Annually	Jan. 1, 2022 to Dec. 31, 2022	The Board	Self-evaluation of the Board	Participation in the operation of the company; Improvement of the quality of the board of directors' decision making; Composition and structure of the board of directors; Election and continuing education of the directors; and internal control, etc.
		Individual Board members	Self-evaluation of the individual Board members	Alignment of the goals and missions of the company; Awareness of the duties of a director; Participation in the operation of the company; Management of internal relationship and communication; The director's professionalism and continuing education; and internal control, etc.
		Functional Committee	Self-evaluation of the Functional Committee	Participation in the operation of the company; Awareness of the duties of the functional committee; Improvement of quality of decisions made by the functional committee; Makeup of the functional committee and election of its members and internal control, etc.

Note: The Company engaged with an external independent institution, Taiwan Corporate Governance Association, to conduct an assessment of board performance, and completed the evaluation in 2022. The assessment comprised of 8 scopes including Composition, Direction, Authorization, Monitoring, Communication, Internal control, Risk management, Discipline of the Board and Others, and was executed through online self-assessment and video interview.

4. Measures taken to strengthen the functionality of the board:

- (1) On May 9, 2019, the Board resolved to establish the Standard Operating Procedures Handling the Requests from Directors, and appoint the Head of Corporate Governance to enhance the effectiveness of the Board.
- (2) The total number of Directors' training hours in 2022 was 76 hours. Each Director was training at least 6 hours. The average number of training hours per director was 8 hours. Training courses covered Low-carbon economy, corporate governance, corporate sustainability, ESG, Mergers and acquisitions, risk management, and regulation practice, etc. to enhance the functions of the Board.

B. Training of Directors in 2022:

Title	Name	Training date	Sponsoring Organization	Course	Training hours
Representative of Institutional Director	Tzyy-Jang Tseng	Dec. 19, 2022	Securities & Futures Institute	2022 Global Trends and Business Opportunities of Low Carbon Economy and Enterprise Low Carbon Innovation	3.0
		Oct. 28, 2022	Securities & Futures Institute	2022 Annual Prevention of Insider Trading Promotion Conference	3.0
		Oct. 05, 2022	Securities & Futures Institute	2022 Annual Insider Equity Transaction Legal Compliance Publicity and Briefing Session	3.0
		Jul. 27, 2022	Taiwan Stock Exchange Corporation and Taipei Exchange	Sustainable Development Roadmap Industry Theme Publicity Conference	2.0
		Mar. 10, 2022	QIC, Georgeson and Taiwan Stock Exchange Corporation	Discussion on Independent Directors and Board Supervision from International Viewpoint	1.0
Representative of Institutional Director	SC Chien	Dec. 19, 2022	Securities & Futures Institute	2022 Global Trends and Business Opportunities of Low Carbon Economy and Enterprise Low Carbon Innovation	3.0
		Sep. 22, 2022	Taiwan Securities Association	Corporate Sustainability and ESG Development Trends	3.0
Representative of Institutional Director	Chi-Tung Liu	May 04, 2022	Taiwan Stock Exchange Corporation, Alliance Advisors and Taiwan Corporate Governance Association	International Double Summit Online Forum	2.0
		May 03, 2022	Accounting Research and Development Foundation	Analysis of the latest corporate governance policies and corporate governance evaluation practices	3.0
		Apr. 18, 2022	Accounting Research and Development Foundation	Directors, supervisors and senior executives supervise the company's implementation of ESG	3.0
		Mar. 08, 2022	Accounting Research and Development Foundation	Use ESG to enhance corporate strategic capabilities	3.0
		Feb.17 2022	Accounting Research and Development Foundation	ESG Sustainable Finance Trend Wave and Coping Strategies	3.0
Representative of Institutional Director	Louis Chien	Oct. 14, 2022	Securities & Futures Institute	2022 Annual Prevention of Insider Trading Promotion Conference	3.0
		Oct 12, 2022	Securities & Futures Institute	2022 Annual Insider Equity Transaction Legal Compliance Publicity and Briefing Session	3.0
Director	Yen-Shen Hsieh	Oct. 18, 2022	Securities & Futures Institute	M&A Practice Sharing - Focusing on Hostile M&A	3.0
		Oct. 05, 2022	Securities & Futures Institute	2022 Annual Insider Equity Transaction Legal Compliance Publicity and Briefing Session	3.0
Director	Ting-Yu Lin	Nov. 03, 2022	Taiwan Corporate Governance Association	Fubon Property & Casualty ESG Trend and Risk Management Seminar	3.0
		Sep. 22, 2022	Taiwan Securities Association	Corporate Sustainability and ESG Development Trends	3.0
		May.04, 2022	Taiwan Stock Exchange Corporation	The 13 th Taipei Corporate Governance Forum	2.0
Independent Director	Grace Li	Oct. 14, 2022	Securities & Futures Institute	2022 Annual Prevention of Insider Trading Promotion Conference	3.0
		Sep. 29, 2022	Taiwan Stock Exchange Corporation	2022 Release of Reference Guidelines for Independent Directors and Audit Committees of Listed Companies to Exercising Powers and Directors' Supervisors Publicity Meeting	3.0
Independent Director	Lai-Juh Chen	Nov. 11, 2022	Taiwan Corporate Governance Association	The development trend and practical cases of corporate mergers and acquisitions from the perspective of directors and supervisors	3.0
		Oct. 27, 2022	Taiwan Corporate Governance Association	Trends and Analysis of the Latest Amendment of Company Law	3.0
		Aug. 10, 2022	Taiwan Corporate Governance Association	Prevention and Countermeasures of Insider Trading	3.0
Independent Director	Terry Wang	Dec. 19, 2022	Securities & Futures Institute	2022 Global Trends and Business Opportunities of Low Carbon Economy and Enterprise Low Carbon Innovation	3.0
		Oct. 14, 2022	Securities & Futures Institute	2022 Annual Prevention of Insider Trading Promotion Conference	3.0
		Oct. 05, 2022	Securities & Futures Institute	2022 Annual Insider Equity Transaction Legal Compliance Publicity and Briefing Session	3.0

3.4.2 Operation of the Audit Committee

The Company established an Audit Committee to replace the Supervisor system on June 21, 2017. All Independent Directors are members of this committee, and operations are conducted in accordance with the Audit Committee Charter. Its main purpose is to assist the Board of Directors in performing its supervision functions. It is also responsible for tasks defined by the Company Act, Securities and Exchange Act and other relevant regulations.

The Audit Committee is responsible for periodic review of the following important annual matters:

- Financial statements
- Internal control system and related policies and procedures
- Amend the processing procedures for major financial business activities that acquire or dispose of assets, engage in derivative commodity transactions, loan funds to others, endorse or provide guarantees for others
- Material transactions of assets, derivatives, loans, endorsements, guarantees
- Raising, issuing or private placement of equity securities
- Engaging and removing the Company's independent auditors and accessing such auditors' remuneration and independence
- Appointment and removal of financial, accounting or internal audit supervisors.

Audit Committee meetings were held 10 times in 2022, and the attendances of independent directors were as follows:

Title	Name	Attendance in person	By proxy	Attendance rate (%)	Remarks
Independent Director	Grace Li	10	0	100%	
Independent Director	Lai-Juh Chen	10	0	100%	
Independent Director	Terry Wang	10	0	100%	

Other matters to be recorded:

1. If the Audit Committee operates in any of the following circumstances, the date and session of the Audit Committee meeting, the content of motion, the independent directors' opinions expressing objections, reservations or major suggestions, the resolution of Audit Committee, and the company's response to the opinion of the Audit Committee should be specified

(1) Items listed in Article 14-5 of Securities and Exchange Act

Date/Session of Board meeting	Content of motion	The resolutions of the Audit Committee and the Company's response to the Audit Committee's opinions
Feb. 22, 2022, the 16 th meeting of the 2 nd session	1. The 2021 business report and financial statements. 2. The 2021 Statement of Internal Control System. 3. The 2021 earnings distribution statement. 4. Issue Restricted Stock Awards for employees. 5. Loan funds to subsidiaries Smart Idea Holdings Limited. 6. The merger with Subtron Technology Co., Ltd.	All members of the Audit Committee and attending directors approved.
Mar. 18, 2022, the 17 th meeting of the 2 nd session	Appoint an independent expert to issue an opinion on the rationality of the share exchange ratio for the merger of Subtron Technology Co., Ltd.	All members of the Audit Committee approved.
Mar. 30, 2022, the 18 th meeting of the 2 nd session	1. Terminate the merger with Subtron Technology Co., Ltd. and to carry out the share exchange. 2. Conduct share exchange with Subtron Technology Co., Ltd. and plans to issue new shares. 3. The disposal of real estate transactions.	All members of the Audit Committee and attending directors approved.
Apr. 26, 2022, the 19 th meeting of the 2 nd session	1. Q1, 2022 consolidated financial statements. 2. Invest the subsidiary UniBest Holding Limited, indirectly invest in Unimicron Holding Limited.	All members of the Audit Committee and attending directors approved.
Jun. 30, 2022 the 20 th meeting of the 2 nd session	Invest the subsidiary UniBest Holding Limited, indirectly invest in Best Option Investments Limited, and reinvested in Unimicron-FPC Technology (Kunshan) Inc.	All members of the Audit Committee and attending directors approved.

Jul. 26, 2022, the 21 st meeting of the 2 nd session	1. Q2 2022 consolidated financial statements. 2. Loan funds to 2 subsidiaries including Smart Idea Holdings Limited.	All members of the Audit Committee and attending directors approved.
Sep. 23, 2022, the 22 nd meeting of the 2 nd session	Changed the stock exchange base date of the stock exchange case of Subtron Technology Co., Ltd.	All members of the Audit Committee and attending directors approved.
Oct. 25, 2022, the 23 rd meeting of the 2 nd session	1. Q3, 2022 consolidated financial statements. 2. Invest the subsidiary UniBest Holding Limited, through Smart Idea Holdings Limited, UniRuwel Holding Limited, and reinvested in Unimicron Germany GmbH.	All members of the Audit Committee and attending directors approved.
Nov. 22, 2022, the 24 th meeting of the 2 nd session	Changed the stock exchange base date of the stock exchange case of Subtron Technology Co., Ltd.	All members of the Audit Committee and attending directors approved.
Dec. 19, 2022, the 25 th meeting of the 2 nd session	1. The purchase of certain solid oxide fuel cell energy products plan. 2. Invest the subsidiaries UniBest Holding Limited and UniWonderful Holding Limited.	All members of the Audit Committee and attending directors approved.

(2) In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire Board of Directors: Not applicable.

2. The name of the Independent Director, content of the motion and reasons of avoidance of conflict of interest as well as the voting implementation shall be indicated if an Independent Director avoids conflict of interest with regard to certain motion: Not applicable.
3. Communication between Independent Directors and chief internal auditors and accountants:
 - (1) The Company shall submit the audit and follow-up reports for review by the Independent Directors by the end of the month following completion of the audit items in accordance with Article 15 of the Regulations Governing Establishment of Internal Control Systems by Public Companies.
 - (2) The Company's chief internal auditors shall report audit work to each Independent Director on a regular basis in accordance with Articles 5 and 7 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.
 - (3) The Company's accountants shall communicate and report audit results and other relevant legal requirements with regard to the quarterly financial statements to the Independent Directors at the Audit Committee meeting every quarter, and in case of material adjustments, communicate with the Company about entries or amendments to regulations and their impact on accounts.
 - (4) In a separate meeting with Independent Directors and accountants, the Company's chief internal auditors explained information and communication security management, industrial safety and fire management, factory and equipment audit and the 2023 audit plan. The accountants explained the 2022 audit plan and scope, independence of the accountant, audit quality metric information, and Revision of the International Code of Ethics.

3.4.3 Corporate Governance Implementation Status and Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established the Corporate Governance Best Practice Principles, which safeguard shareholders’ rights, strengthen the functions of the Board of Directors, respect the rights and interests of stakeholders, and improve information transparency. For more details on the Company’s Corporate Governance Best Practice Principles, please refer to the Market Observation Post System and the Company’s website under “Corporate Governance”. Documents are provided for stakeholders to download (https://www.unimicron.com/en/money04.html).	No significant difference
2. Shareholding Structure & Shareholders’ Rights				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		The Company has a spokesperson and deputy spokesperson, as well as investor relationship, stock and legal officers to deal with the proposals, doubts, disputes and litigation raised by shareholders, all in accordance with the Company’s Public Policy and Procedures.	No significant difference
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company keeps tabs on the shares of directors, managing officers and major shareholders holding more than 10% of shares in accordance with the shareholder register provided by the stock affairs agent. The major shareholder register is filed for future reference. The Company declares the shareholding situation of major shareholders on a monthly basis.	No significant difference
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		The management rights and responsibilities between the Company, its subsidiaries and related companies are clearly defined. All mutual businesses are handled in accordance with relevant laws and regulations and relevant internal operating procedures of the Company.	No significant difference
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		The Company has established the Ethical Corporate Management Best Practice Principles and Prohibition of Insider Trading and Procedures for Public Company’s Insider Equity Transaction Legal Compliance, which prohibit insiders such as Directors or employees of the Company from using information not yet public to make profits. Other than regular arrangement of training courses, we also provide relevant reminders to insiders of the Company from time to time. A consultation channel is also set up in order for the regulated parties to understand and comply with the laws and regulations.	No significant difference
3. Composition and Responsibilities of the Board of Directors				

Evaluation Item	Implementation Status			Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																																																																																
	Yes	No	Summary																																																																																	
(1) Does the Board develop and implement a diversified policy for the composition of its members?	V		<p>The “Corporate Governance Best Practice Principles” formulated by the Company has a diversity policy. The Board of Directors of the Company adopts the nomination system of candidates. In addition to evaluating the qualifications of each candidate's academic experience, and referring to the opinions of stakeholders, they comply with the “Rules for Election of Directors”, “Corporate Governance Best Practice Principles” and “Articles of Incorporation” To ensure the diversity and independence of board members.</p> <p>The board of directors of the company consists of directors with different professional backgrounds, whose professional backgrounds cover business management, financial accounting, chemical industry, physics, investment and other fields. The members include general managers and chief financial officers of listed companies, operators of technology industry and investment companies, semiconductor and Professionals with relevant experience in the electronics industry, chairman of the Taiwan Digital Federation of Enterprises, etc., in addition to having basic conditions and professional knowledge and skills, through the operation of functional committees, the experience of directors can be used in corporate governance, environmental sustainability, and corporate society. In the supervision and decision-making of responsibilities and compliance with laws and regulations, we provide professional advice and opinions in different aspects from diversified industry experience, which are quite helpful to the company's business plan and policy formulation. The board of directors is the highest governance unit of the company, and its main functions and powers include reviewing business performance, preventing conflicts of interest, and implementing laws and regulations. The company holds a board of directors at least once a quarter, and does operate in accordance with the company's “Rules and Procedures of Board of Directors Meetings”.</p> <p>The board of directors of the company is composed of nine directors with different professional backgrounds. There are three independent directors (including one female director), accounting for one-third of all directors, and their terms of office shall not exceed three terms. The company pays attention to the independence and gender equality of board members, and sets a target of at least three independent directors and at least one female director, and continues to maintain a 100% achievement rate for this goal.</p> <p>The Board of Directors discloses the policies for the formation of diversified members on the company's website and MOPS; The implementation of the Board's diversification please refer to the Company's website “Corporate Governance / Directors” (https://www.unimicron.com/en/money05.html).</p> <p>The professional competence matrix of board members is as follows:</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Tzyy-Jang Tseng</th> <th>SC Chien</th> <th>Chi-Tung Liu</th> <th>Louis Chien</th> <th>Yen-Shen Hsieh</th> <th>Ting-Yu Lin</th> <th>Grace Li</th> <th>Lai-Juh Chen</th> <th>Terry Wang</th> </tr> </thead> <tbody> <tr> <td>Ability to make operational judgments</td> <td>H</td> <td>H</td> <td>H</td> <td>M</td> <td>H</td> <td>L</td> <td>H</td> <td>H</td> <td>H</td> </tr> <tr> <td>Ability to perform accounting and financial analysis</td> <td>M</td> <td>L</td> <td>H</td> <td>H</td> <td>M</td> <td>H</td> <td>H</td> <td>L</td> <td>H</td> </tr> <tr> <td>Ability to conduct management administration</td> <td>H</td> <td>H</td> <td>M</td> <td>M</td> <td>H</td> <td>H</td> <td>M</td> <td>H</td> <td>M</td> </tr> <tr> <td>Ability to conduct crisis management</td> <td>H</td> <td>H</td> <td>H</td> <td>H</td> <td>L</td> <td>M</td> <td>H</td> <td>H</td> <td>H</td> </tr> <tr> <td>Knowledge of the industry</td> <td>H</td> <td>M</td> <td>M</td> <td>H</td> <td>H</td> <td>H</td> <td>M</td> <td>M</td> <td>M</td> </tr> <tr> <td>An international market perspective</td> <td>H</td> <td>M</td> <td>H</td> <td>L</td> <td>M</td> <td>H</td> <td>L</td> <td>M</td> <td>H</td> </tr> <tr> <td>Ability to lead</td> <td>H</td> <td>H</td> <td>H</td> <td>H</td> <td>H</td> <td>M</td> <td>H</td> <td>H</td> <td>L</td> </tr> </tbody> </table> <p>H:High ; M:Medium ; L:Low</p>	Director	Tzyy-Jang Tseng	SC Chien	Chi-Tung Liu	Louis Chien	Yen-Shen Hsieh	Ting-Yu Lin	Grace Li	Lai-Juh Chen	Terry Wang	Ability to make operational judgments	H	H	H	M	H	L	H	H	H	Ability to perform accounting and financial analysis	M	L	H	H	M	H	H	L	H	Ability to conduct management administration	H	H	M	M	H	H	M	H	M	Ability to conduct crisis management	H	H	H	H	L	M	H	H	H	Knowledge of the industry	H	M	M	H	H	H	M	M	M	An international market perspective	H	M	H	L	M	H	L	M	H	Ability to lead	H	H	H	H	H	M	H	H	L	No significant difference
Director	Tzyy-Jang Tseng	SC Chien	Chi-Tung Liu	Louis Chien	Yen-Shen Hsieh	Ting-Yu Lin	Grace Li	Lai-Juh Chen	Terry Wang																																																																											
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Ability to lead	H	H	H	H	H	M	H	H	L																																																																											

Evaluation Item	Implementation Status			Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		<p>1. In order to cope with various risks that may affect operations, the Company has established an “Operation Continuity and Risk Management Committee” consisting of the executive president, the presidents of each SBUs, the top executives of related units such as FIN, ICT, Material Mgt., HR, Adm., Occupational Safety & Health Dept. They are responsible for coordinating, planning, evaluating, mitigating and emergency response planning processes, through day-to-day risk management can shorten and reduce the crisis period to maintain the optimal operation when an emergency actually occurs, and accelerate the recovery to reduce the operational impact.</p> <p>2. Unimicron is committed to practice in corporate social responsibility. We have set up the “ESG Committee” (Name change in 2022) and established a dedicated unit, the ESG Office. It has 3 dedicated staff responsible for planning, coordinating, and communicating the operations of the functional committees under the “ESG Committee” and ESG-related audits.</p> <p>The Chairman of the Board and the presidents of the subsidiaries serve as supervising advisors of the “ESG Committee,” and the unit heads are responsible for the operation of the five subordinate functional committees. The members of each functional committee are the department representatives of all the operating units of the Company, and are responsible for confirming the management guidelines and implementation of ESG issues. To ensure the full implementation of sustainability focuses and commitments, we conduct a validation analysis of the overall strategy, direction, and objectives through semi-annual regular review meetings, and propose review and improvement measures for the unachieved project items. The Committee is also responsible for reviewing the content of the annual report and approved by the Chairman of the Board. We have strengthened the participation of the Board of Directors in the sustainability management mechanism and decision-making. In August 2017, the Board of Directors decided to officially include the final report of the ESG Committee in the Board meeting agenda for the first quarter of each year, as to review the results of the previous year.</p> <p>3. Unimicron manages the Company-level information protection mechanism through the Information Security Committee to protect customer privacy. Through the acquisition of relevant international certifications, internal information security advocacy and drills, data inventory and drills, and data access control and information security early warning mechanisms, we regularly provide information security reports to the chairman of the board and senior managers of business units, to reduce information security risk.</p>	No significant difference

Evaluation Item	Implementation Status			Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(3) Does the company establish a standard to measure the performance of the Board and implement it annually? Are the implemented results reported to the Board, and used as a reference for individual directors' compensation and nomination renewal?	V		<p>On January 9, 2020, the Board pass the “Methods to Evaluate Performance of the Board”, and regularly execute the self-performance evaluation of the Board, Functional Committees and Individual Directors every year. The Company at least once every three years may entrust external profession and independent institution or external professional scholars to conduct the evaluation. The evaluation method may be carried out by self-evaluation of the Board, self-evaluation of the Board members, appointment of external professional independent institutions, experts or other appropriate methods. The evaluation indicators include the actual implementation of the evaluation indicators such as the awareness of the duties of a director, participation in the operation of the company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors; election and continuing education of the directors; and internal control, etc.</p> <p>The implementation situation in 2022 is as follows: The evaluation results of the Board and Functional Committee (including Audit Committee and Remuneration Committee) self-assessment and self-assessment of directors members in 2022 were “excellent” and the result was reported to the Board on March 13, 2023. The evaluation results will be used as a reference basis for the selection or nomination of directors and individual directors' remuneration.</p> <p>The Company engaged with an external independent institution, Taiwan Corporate Governance Association, to conduct an assessment of board performance, and completed the evaluation in 2022. The assessment comprised of 8 scopes including Composition, Direction, Authorization, Monitoring, Communication, Internal control, Risk management, Discipline of the Board and Others, and was executed through online self-assessment and video interview. The association and executive experts have no business dealings with the company and are independent, and the assessment report was released on February 18, 2023 and reported to the Nominating Committee and the Board on March 13, 2023.</p> <p>The Company’s “Methods to Evaluate Performance of the Board”, and the results of the performance assessment, please refer to the Company’s website “Investors/Corporate Governance” (https://www.unimicron.com/en/index.html).</p>	No significant difference

Evaluation Item	Implementation Status			Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(4) Does the company regularly evaluate the independence of CPAs?	V		When the Company changes CPAs, they are reviewed and approved by the Board of Directors. Since 2014, the Company’s Board of Directors has regularly assessed the independence of our CPAs. After the establishment of the Audit Committee in 2017, the Company has reported the assessment of the CPA’s independence to the Audit Committee for approval. In 2022, after reviewing the independence declaration issued by the CPAs and assessing the expenses between the CPAs and the Company excluding audit and relevant taxes, no other financial interest or business relationship was found. The CPAs are not shareholders of the Company, so the approval was given as to their independence.	No significant difference
4. Does the company have an adequate number of corporate governance personnel with appropriate qualifications and appoint a chief corporate governance officer to be in charge of corporate governance affairs (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with legal compliance, handling matters relating to board meetings and shareholders meetings according to laws, producing minutes of board meetings and shareholders meetings)?	V		<p>On May 9, 2019, the Board has approved to appoint Associate Director, Grace Lin, of Finance Div. as the Head of Corporate Governance, who has more than three years of experience in finance and stock affairs in the public offering company.</p> <p>The main duties of the head of Corporate Governance are to handle matters relating to Board meetings and shareholders’ meetings in accordance with the law, to prepare proceedings for Board meetings and shareholders’ meetings, to assist directors in taking office, continuing education and complying with the law, to provide the information required for directors to perform their duties, and other matters formulated in the Articles of Incorporation or contract.</p> <p>Corporate governance business execution in 2022 are as follows:</p> <ol style="list-style-type: none"> 1. It is the meeting affairs unit of the Board and Committees, the Board held 9 meetings and Audit Committee held 10 meetings in 2022. When the proposal is related to a director’s own interests or the interests of legal person represented, the director is reminded to recuse him/herself due to a conflict of interest. 2. Issuing material information or announcements of important resolutions on the same day of the Board meeting or shareholders’ meeting. 3. The shareholders’ meeting held one time in this year, and file meeting notices, handbook, and proceedings within the time limit in accordance with the law. 4. Execute performance evaluation of the Board, Functional Committees and Individual Directors. The results of evaluation are “excellent” this year. And handle the performance evaluation of the board of directors by external expert institutions. 5. Arrange the required number of hours of education for members of the Board. 6. Evaluate and purchase the directors’ and officers’ liability insurance, and report the insurance coverage to the Board. 7. Regularly hold the investor conference, and irregularly participate in investment Forum, and set up dedicated personnel to serve shareholders, and establish diversified communication channels with investors. 8. The training situation of the Head of Corporate Governance this year, please refer to page 48. 	No significant difference

Evaluation Item	Implementation Status			Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		Each division of Unimicron provides appropriate channels to interact and communicate with stakeholders, including Email, telephone, meetings, etc. After receiving the information, each responsible department will discuss and handle it internally and respond to the stakeholders.	No significant difference
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company appoints Horizon Securities Corp. as stock agency to handle the affairs of the shareholders’ meeting.	No significant difference
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has established a Company website (www.unimicron.com) to disclose financial and corporate governance information under “Investors”, which is regularly updated for investor’s reference.	No significant difference
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		The Company has set up a website in both Chinese and English. Dedicated staff is responsible for the collection and disclosure of corporate information, including information on investor conferences. The video files are placed on the Company’s website under Investors\Investor Conference. The Company has a spokesperson and deputy spokesperson as required by the regulations to respond to the opinions of shareholders through a dedicated contact channel in accordance with the Company’s Public Policy and Procedures.	
(3) Does the company announce the annual financial report within 2 months after the end of the fiscal year, and announce the Q1, Q2, Q3 financial reports and monthly operation status before the deadlines?	V		Unimicron follows relevant laws and regulations to announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the Q1, Q2, Q3 financial statements as well as the operating status of each month before the prescribed deadline. Please refer to Market Observation Post System for the aforementioned disclosure.	No significant difference
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for	V		1. Employee rights, interests and well-being: (1) Equal employment opportunity: When recruiting, promoting, dispatching, allocating, and assessing job applicants or employees, employers are prohibited from discriminating them based on their gender, race, class, language, thinking, religion, political party, place of birth, gender orientation, age, marital status, appearance, facial features, disability, astrological sign, blood type, type of employment or past membership in any labor union or club. (The nature of work only suitable to a specific group of people is not included). Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, and slavery or trafficking of people shall not be used.	No significant difference

Evaluation Item	Implementation Status			Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
directors and supervisors)?			<p>Child labor is strictly prohibited. Prevention mechanisms are established in the standard operating procedures, as well as improvements on correction mechanisms.</p> <p>(2) Grievances and sexual harassment prevention: Sexual harassment prevention management measures and grievance channels are announced during the Company’s new personnel training. On-the-job training is arranged every year and employees must complete a test. The achievement rate has reached 100%.</p> <p>(3) Improve working conditions: We are committed to shaping a dynamic, happy work environment for employees to maintain and improve their physical and mental health. The relevant measures are based on the Labor Standards Act, Labor Safety and Health Regulations and Labor-Health Protection Rules. Related improvement events are as follows:</p> <p>A. Organize regular and special health check-ups for all staff.</p> <p>B. Organize various preventive management courses and health activities. In 2022, he was awarded the National Outstanding Healthy Workplace - Maternal Health and Friendship Award.</p> <p>C. Implement working hour control mechanisms; the system sets an overtime warning.</p> <p>D. Strengthen maternal health, environment and management systems.</p> <p>E. In 2016, a health education training course was implemented in Taiwan to provide employees with access to health knowledge. In 2022, 4,083 people participated in online health education courses.</p> <p>F. In 2022, various types of health promotion events were held and a total of 37,767 people participated in plants of Taiwan.</p> <p>(4) Specific protection measures taken to ensure a safe working environment and maintain employees’ personal safety:</p> <p>A. According to the requirements of the Occupational Safety and Health Act, a professional institution should be regularly commissioned to perform on-site and office environment monitoring. The tested items include organic solvents, specific chemicals, heavy metals, dust, carbon dioxide, noise, and local exhaust gas. The results are announced to the public. Control measures such as engineering improvement or administrative management shall be implemented for areas exceeding regulatory standards to maintain the health of employees. Occupational physicians are employed to carry out workplace safety operation recommendations for the health of employees in special workplaces to prevent employees from getting occupational diseases.</p>	

Evaluation Item	Implementation Status			Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>B. In order to keep tabs on the health status of employees, we assign appropriate work, prevent occupational diseases, and reduce labor disputes. Not only does the Company comply with relevant regulations such as the Occupational Safety and Health Act, the Labor Health Protection Rules, and the Labor Standards Act by setting up medical care units, but also, the Employee Health Management Center was also established in 2014. We carry out health checks on new employees and regular health checks (general health checks, special health checks, and health checks for high-level managing officers). The results are communicated to employees by professional doctors. The Health Management Center also conducts health management and carries out follow-up for people with abnormal health conditions (including color vision deficiency, hypertension, and diabetes); visits employees and the working environment on a regular basis; and asks relevant units to carry out corrective measures, such as transference to suitable workplaces, wearing personal protection equipment in accordance with regulations, and carrying out relevant education and training on a regular basis. Since 2015, we have organized various health-related events aimed at maternal health promotion, human engineering and prevention of overwork, including medical and health expert lectures, seminars, physical fitness improvement competitions, and training activities.</p> <p>C. Unimicron passed the OHSAS 18001 Occupational Health and Safety Assessment certification in December 2004 and the Taiwan Occupational Safety and Health Management System (TOSHMS) from the Chinese National Standards in January 2012. To maintain the effective operations of the management systems above, we are making continuous improvement of the operation of the management system and regular verifications by external certification agencies every year to ensure the integrity and soundness of the Company’s health, safety, and environmental protection mechanisms, which includes consultation and participation from workers and their representatives, and proper control of the flow of information between internal and external stakeholders. In accordance with the international Occupational Health and Safety Management System ISO45001 announced on March 12, 2018, Unimicron had completed the migration verification of the Occupational Health and Safety Management System from OHSAS18001 to ISO45001 & CNS45001 in 2019.</p>	

Evaluation Item	Implementation Status			Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>D. The Company’s safety and health protection efforts and results have received numerous recognitions:</p> <p>(a) Our plants continue to receive the “No Disaster in Workplace” certificate from the Occupational Safety and Health Administration, Ministry of Labor. In 2022, two plants obtained the “No Disaster in Workplace” certificate.</p> <p>(b) Unimicron actively participate the industrial safety charity events: As the core enterprise of the mutual learning circle of the Occupational Safety Health Management System of the Occupational Safety and Health Administration in Taoyuan, worked as a chemical grade management visit counselor for SMEs, and as a counselor of the Occupational Safety and Health Guidance Plan for SMEs promoted by the Office of Labor Inspection, Taoyuan, we assist in the mission to improve the occupational safety and health of SMEs close to our plant.</p> <p>(c) Unimicron actively participate in activities held by external units (Occupational Safety and Health Administration and Industrial Development Bureau) and share the Company’s technology and experiences in environmental management. We also continue to serve as the convener of the Environmental Protection Occupational safety and health Committee of the Taiwan Printed Circuit Association (TPCA) and promoter of the North District Promotion Association of the Taiwan Occupational Safety and Health Management System (TOSHMS) to promote industrial and occupational disaster prevention.</p> <p>2. Investor relations: The Company holds annual general shareholders' meetings and investor conferences in the second and fourth quarters to announce individual and consolidated financial reports and related financial information. An investor relations unit is set up to communicate with investors and provide the necessary information.</p> <p>3. Supplier relations: In order to enhance the overall competitiveness of the supply chain, Unimicron has established a supply chain management team to conduct regular supplier assessment and audit. In addition to incorporating factors such as supplier quality, price and cost, service level, environmental protection, work safety and hygiene,</p>	

Evaluation Item	Implementation Status			Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>and technology into the evaluation to ensure its quality level, corporate social responsibility is also included in the evaluation items.</p> <p>Communicate with suppliers every year to establish a stable and sustainable win-win strategic partnership. We include Unimicron ESG policy, RBA code of conduct, supply chain continuous operation, finance, conflict minerals, etc. into supply chain management issues to create a more resilient and sustainable supply chain; ESG committee helps suppliers to improve and upgrade quality systems, environmental protection, green procurement, factory safety, human rights, ethics and supply chain management through online publicity of supplier ESG education and training and regular counseling and auditing.</p> <p>4. Government and Competent Authority Relations: The Company and its subsidiaries disclose important information and provide relevant reports in accordance with the regulations. We also promptly reply to inquiries from and provide supplementary explanations to competent authorities.</p> <p>5. Training of directors: Please refer to page 22 of this Annual Report for “Training of Directors in 2022”.</p> <p>6. Implementation of risk management policies and risk assessment standards: Please refer to pages 94-100 of this Annual Report for “Risk assessment”.</p> <p>7. The implementation of customer relations policies: The Company has set up a fixed customer service contact channel, established a VIP customer service team, quarterly meetings, regular visits and occasional contacts to communicate with customers and promote relevant measures based on collected customer satisfaction surveys and customer QBR scorecards. These serve as a reference for adjusting the Company’s business strategy and development direction.</p> <p>8. Status of purchase of liability insurance by the Company for directors and supervisors: Since 2003, the Company has purchased liability insurance for directors and supervisors, and renewed them in July 2022. The insured amount is NTD 595,200 thousand which will be reported at the next Board meeting.</p>	
<p>9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.</p> <p>The company’s 9th (2022) “Corporate Governance Evaluation” project improvement situation is described as follows:</p> <p>(1) Since 2022, the Company has disclosed the interim financial report in English.</p> <p>(2) Since 2022, the Company's interim financial reports have been approved by the Audit Committee and submitted to the board of directors for discussion and resolution.</p> <p>(3) The Company will continue to evaluate possible improvement plans for projects that have not been scored.</p>				

3.4.4 Composition, duties, and operating status of the Company's Remuneration Committee:

A. Information on members of the Remuneration Committee

Title (Note 1)	Criteria		Independence Status (Note 3)	Number of Companies also Serves as Independent Director for
	Name	Professional Qualification & Experience (Note 2)		
Independent Director*	Lai-Juh Chen	Corporate management decision and corporate sustainability, Electronics-related industry experience	Meet the independence criteria	2
Independent Director	Grace Li	Financial accounting and strategic management, Semiconductor-related industry experience	Meet the independence criteria	1
Independent Director	Terry Wang	Financial accounting and risk (insurance) management, Electronics-related industry experience	Meet the independence criteria	0

Note 1: For further information of Independent Directors, please refer to Professional qualifications and independence analysis of directors on page 8. (* is the convener).

Note 2: Criteria of Independence: None of the Independent Directors of the Company, their spouses, or relatives within the second degree of kinship serve as directors, supervisors or employees of the company or its affiliates or having a specific relationship with the Company. None of them (or in the name of others) hold any shares of the Company. In the last two years, they do not receive any remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates

B. Operation of the Remuneration Committee

- (a) The Company approved the establishment of Remuneration Committee on August 30, 2011. The main purpose is to assist the board of directors in implementing and evaluating the remuneration policies and systems of Unimicron directors and managers.
- (b) The Company has a Remuneration Committee composed of three members.
- (c) Term of the current Committee: The Company had convened five Remuneration Committee meetings from June 19, 2020 to June 18, 2023 with the following attendance:

Session	Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) (B/Number of attendances)	Remarks
4th session	Convener	Lai-Juh Chen	5	0	100%	
	Committee member	Grace Li	5	0	100%	
	Committee member	Terry Wang	5	0	100%	

Other matters that require reporting:

1. The discussion and resolution of the Remuneration Committee in 2021 and the Company's comments on the members are as follows:

Remuneration Committee Date/Period	Proposal	The resolutions of the Remuneration Committee and the Company's handling of the Remuneration Committee's opinions
Feb. 22, 2022, 11 th meeting of the 4 th session	(1) The reward proposal to managers who serve as directors and consultants of Unimicron Technology (Suzhou) Corp, which transfers certain of company capital from subsidiary Suzhou Qunye Enterprise Management Co., Ltd. (2) The Company's 2021 managing officers' year-end bonus proposal. (3) The Company's 2021 plan for Employee and Director Compensation.	All members of the Remuneration Committee and attending directors approved.
Apr. 26, 2022, 12 th meeting of the 4 th session	(1) Proposal for the 2022 distribution of 2021 manager employee compensation. (2) Proposal for the 2022 annual salary adjustment plan for managers.	All members of the Remuneration Committee and attending directors approved.
Jun. 30, 2022, 13 th meeting of the 4 th session	(1) Proposal for the 2022 distribution of 2021 remuneration amount of all independent directors. (2) Proposal for the 2022 distribution of 2021 remuneration amount of all general directors. (3) First distribution proposal for the 2022 restricted stock awards of managers. (4) Revise the level, title, position table. (5) Proposal for promotion and adjust remuneration of senior managers.	Motion 1: All the members of the Remuneration Committee avoided it because of their own interests in this case; as a result, they unable to have more than one-half consent of all members to make a resolution. According to Article 5, Item 2 of the Remuneration Committee Charter, it reports and approved by all present directors of the Board of Directors for resolution. Motion 2: Approved by all the members of the Compensation Committee and all attending directors at the Board of Directors meeting. Motion 3, 4, 5: Approved by all the members of the Compensation Committee and all attending directors at the Board of Directors meeting.
Oct. 25, 2022, 14 th meeting of the 4 th session	(1) Proposal for the company's organizational adjustment, and senior executive rotation and cultivation plan. (2) Proposal for managers received the reward from the subsidiary Suzhou Qunye Enterprise Management Co., Ltd. (3) In response to circumstance change, it revise and change parts of content of stake case by directors and consultant original Suzhou Qunye Enterprise Management Co., Ltd.	All members of the Remuneration Committee and attending directors approved
Dec. 19, 2022, 15 th meeting of the 4 th session	(1) Proposal for adjust remuneration of senior managers. (2) Proposal for adjust part of organization and change the Chief Information Security Officer (CISO). (3) Proposal for the 2023 annual salary adjustment plan for managers.	All members of the Remuneration Committee and attending directors approved

2. If the Board of Directors did not adopt or revise the recommendations of the Remuneration Committee, the date of the Board meeting, term of the Board, content of motion, resolutions adopted by the Board, and actions taken by the Company in response to the opinion of the Remuneration Committee shall be specified (if the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and causes for the difference shall also be specified): Not applicable.
3. If a member opposes or has qualified opinions on a written record or a statement with regard to a resolution the Remuneration Committee has adopted, the date of the meeting, term of the committee, content of motion, opinions of all the members, and the handling of their opinions shall be indicated: Not applicable.

3.4.5 The Implementation of the Promotion of Sustainable Development and Deviations from “Sustainable Development Best Practice Principles for TWSE/TPex Listed Companies” and reasons

Promotion Item	Implementation Status			Deviations from Sustainable Development Best Practice Principles for TWSE/TPex Listed Companies and reasons									
	Yes	No	Summary										
1. Does the company establish a governance structure of sustainable development and have a dedicated (or ad-hoc) organization with Board of Directors authorization for senior management, which supervised by the board of directors?	V		In 2010, Unimicron established the Corporate Sustainability Committee, which was renamed the ESG Committee in 2022, as a functional committee under the Board of Directors. The ESG Committee is composed of the Chairman, Executive President, and SBU President. There are five sub-committees, including the Corporate Governance Committee, the Employee and Social Relationship Committee, the Energy Conservation and Carbon Reduction Management Committee, the Occupational Safety and Health Committee, and the Supply Chain Management Committee, which set management strategies, goals, plans and regularly reviews the performance of their implementation. We also have a Corporate Sustainability Working Team, which is responsible for communicating and coordinating with the subcommittees, publishing sustainability reports, and ESG-related audits. The ESG Committee reports to the Board of Directors at least once a year on the results of ESG-related planning and results for review and guidance by the Board of Directors.	No significant difference									
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	V		<p>1. The Company identified Major ESG issues for the year in accordance with the materiality principles of GRI Standards from the Global Reporting Initiative. The boundary of the assessment includes Unimicron’s Taiwan facilities and subsidiaries, including Qun Hong Technology Inc., Unimicron Technology (ShenZhen) Corp., Unimicron Technology (Kunshan) Corp., Unimicron-FPC Technology (Kunshan) Inc., Unimicron Technology (Suzhou) Corp., Unimicron Technology (Huangshi) Corp.</p> <p>2. Major ESG Issues and Strategies for 2022</p> <table border="1"> <thead> <tr> <th>Aspect</th> <th>Major issues</th> <th>Strategies</th> </tr> </thead> <tbody> <tr> <td>Governance</td> <td>Corporate Government, Professional Ethics, Customer Relationship Management, Technology and R&D, Product Safety and Quality, Supplier Sustainability Management, Information Security</td> <td> <ul style="list-style-type: none"> ● To enforce corporate governance, improve information transparency, protect and respect the interests of shareholders and stakeholders. ● To manage the company with high ethical standards, require all employees to abide by laws and maintain their integrity, respect human rights, protect intellectual property, and prevent fraudulent conveyance jeopardizing the rights of the company, customers, and suppliers. ● To establish a sustainable supply chain management system and standards, by regularly communicate with suppliers to ensure a stable, sustainable, and win-win partnership, to procure environmental friendly products and follow the management principles of the OECD, and prohibit the use of raw materials containing conflict minerals from high-risk conflict areas. </td> </tr> <tr> <td>Environment</td> <td>Water Resource Management, GHG Management, Energy</td> <td> <ul style="list-style-type: none"> ● Follow the environmental resources policy, implement the operation of the environmental management system and comply with the requirements of laws and regulations, strive </td> </tr> </tbody> </table>	Aspect	Major issues	Strategies	Governance	Corporate Government, Professional Ethics, Customer Relationship Management, Technology and R&D, Product Safety and Quality, Supplier Sustainability Management, Information Security	<ul style="list-style-type: none"> ● To enforce corporate governance, improve information transparency, protect and respect the interests of shareholders and stakeholders. ● To manage the company with high ethical standards, require all employees to abide by laws and maintain their integrity, respect human rights, protect intellectual property, and prevent fraudulent conveyance jeopardizing the rights of the company, customers, and suppliers. ● To establish a sustainable supply chain management system and standards, by regularly communicate with suppliers to ensure a stable, sustainable, and win-win partnership, to procure environmental friendly products and follow the management principles of the OECD, and prohibit the use of raw materials containing conflict minerals from high-risk conflict areas. 	Environment	Water Resource Management, GHG Management, Energy	<ul style="list-style-type: none"> ● Follow the environmental resources policy, implement the operation of the environmental management system and comply with the requirements of laws and regulations, strive 	No significant difference
Aspect	Major issues	Strategies											
Governance	Corporate Government, Professional Ethics, Customer Relationship Management, Technology and R&D, Product Safety and Quality, Supplier Sustainability Management, Information Security	<ul style="list-style-type: none"> ● To enforce corporate governance, improve information transparency, protect and respect the interests of shareholders and stakeholders. ● To manage the company with high ethical standards, require all employees to abide by laws and maintain their integrity, respect human rights, protect intellectual property, and prevent fraudulent conveyance jeopardizing the rights of the company, customers, and suppliers. ● To establish a sustainable supply chain management system and standards, by regularly communicate with suppliers to ensure a stable, sustainable, and win-win partnership, to procure environmental friendly products and follow the management principles of the OECD, and prohibit the use of raw materials containing conflict minerals from high-risk conflict areas. 											
Environment	Water Resource Management, GHG Management, Energy	<ul style="list-style-type: none"> ● Follow the environmental resources policy, implement the operation of the environmental management system and comply with the requirements of laws and regulations, strive 											

Promotion Item	Implementation Status			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>Resource Management, Waste Management, Chemical Safety, Climate Change Risk Management</p> <p>for environmental sustainability and circular economy, and actively invest in energy conservation, carbon reduction, pollution prevention and waste reduction and reuse to meet the challenges of climate change.</p> <ul style="list-style-type: none"> ● Follow HSF Quality Policy and Hazardous Substance Management systems, to continuously enhance our technology standards and innovate to meet customer and market demands and be actively involved in environmental initiatives and to lower production costs to solidify our core competency. 	
		<p>Social</p> <p>Occupational Safety and Health, Talent Attraction and Retention, Employee Development and Training, Human Rights, Social Engagement/ Community Relations</p> <ul style="list-style-type: none"> ● To comply with local labor laws, customer requirements, the Responsible Business Alliance Code of Conduct and other international standards; ensure equal employment opportunities, humane treatment, employee communication, and working conditions ...etc., and provide employees with diversified development / training, as well as reasonable salary and welfare. ● Follow the occupational safety and health policy, comply with the requirements of occupational safety, fire protection and other relevant laws and regulations, provide a friendly occupational safety and health working environment, and create a safe and appropriate healthy working environment. ● To participate in social welfare and emergency relief activities based on the philosophy of "Taking from the Community and Giving back to the Community," to spread love, to give back to the community, and to fulfill our responsibilities as a corporate citizen. 		
		<p>3. In response to various risks that may cause significant operational impact, Uinimicron established the "Business Continuity Management and Risk Management Committee" in 2021 and formulated the "Business Continuity and Risk Management Policy" and management mechanism to enhance the resilience of sustainable operations.</p>		
3. Environmental Issues				
(1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		<p>1. The company identifies and operates in accordance with the local environmental protection regulations where the factory is located, including waste (sewage) water, air, waste, soil and groundwater, toxic substances, noise, etc., and has established ISO 14001, ISO 50001, ISO 14064, etc. The environmental management system has made detailed consideration and design for the environmental impact and risks that may be caused by production activities. In order to internalize environmental management into daily operating activities, standardization and systematization are used to reduce implementation risks. With the changing trend of environmental sustainability, we will actively respond and continue to introduce various environmental management systems to reduce environmental impact.</p>	No significant difference

Promotion Item	Implementation Status			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons																	
	Yes	No	Summary																		
			2. The company has passed ISO 14001, ISO 14064 system verification, including Unimicron Technology factories, Qun Hong Technology, Unimicron Technology (Kunshan), Unimicron Technology (Suzhou), Unimicron-FPC Technology (Kunshan), Unimicron Technology (ShenZhen), Unimicron Technology (Huangshi); passed ISO 50001 System verification, including Unimicron Technology Luzhu No. 2 Factory, Unimicron Technology Hejiang Plant, Unimicron Technology Hejiang II Plant, Unimicron Technology Dayuan Plant, Unimicron Technology (Kunshan), Unimicron Technology (Suzhou), Unimicron-FPC Technology (Kunshan), Unimicron Technology (ShenZhen).																		
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		<p>The company introduces the concept of pollution reduction and cleaner production, and actively promotes energy and resource reduction policies to continuously reduce energy and resource consumption, improve use efficiency and reduce environmental impact.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Project</th> <th>Target</th> <th>Base year data</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>1</td> <td rowspan="2">Continue to promote energy-saving solutions</td> <td>Annual cumulative power saving rate 1%↑</td> <td>2017 2.14%</td> <td>2.87%</td> <td>1.32%</td> </tr> <tr> <td>2</td> <td>Power consumption intensity 18↓ (MWh/million revenue)</td> <td>2018 18.22</td> <td>14.37</td> <td>12.40</td> </tr> </tbody> </table>	Item	Project	Target	Base year data	2021	2022	1	Continue to promote energy-saving solutions	Annual cumulative power saving rate 1%↑	2017 2.14%	2.87%	1.32%	2	Power consumption intensity 18↓ (MWh/million revenue)	2018 18.22	14.37	12.40	No significant difference
Item	Project	Target	Base year data	2021	2022																
1	Continue to promote energy-saving solutions	Annual cumulative power saving rate 1%↑	2017 2.14%	2.87%	1.32%																
2		Power consumption intensity 18↓ (MWh/million revenue)	2018 18.22	14.37	12.40																
(3) Does the company evaluate the potential risk and opportunities of climate change on its operations and take actions?	V		<p>Through the organization of the ESG Committee, the company conducts risk and opportunity assessment management and relevant response measures for environmental and climate-related issues. Through the committee's working groups, the company regularly holds corporate sustainability meetings and reports to the top management. The assessment results are as follows:</p> <p>1. Risk:</p> <table border="1"> <thead> <tr> <th>Degree of risk</th> <th>Source of risk</th> <th>Possible occurrence time</th> <th>Impact on Unimicron</th> <th>Management</th> </tr> </thead> <tbody> <tr> <td rowspan="2">High probability* High severity</td> <td>Cap-and trade</td> <td>Medium term</td> <td>Shenzhen City, Mainland China, took the lead in launching carbon emissions trading. Unimicron (Shenzhen) began to join the Shenzhen carbon trading mechanism in 2014. If the GHG emissions increase, the operating expenses will increase</td> <td>1. The carbon surplus is reserved and will not be traded. 2. Continuously inventory and monitor the plant's greenhouse gas emissions.</td> </tr> <tr> <td>Change in average rainfall</td> <td>Short term</td> <td>Rainfall is mostly concentrated in some areas, leading to water shortages</td> <td>1. Conduct regular water monitoring 2. Convene contingency meetings during drought</td> </tr> </tbody> </table>	Degree of risk	Source of risk	Possible occurrence time	Impact on Unimicron	Management	High probability* High severity	Cap-and trade	Medium term	Shenzhen City, Mainland China, took the lead in launching carbon emissions trading. Unimicron (Shenzhen) began to join the Shenzhen carbon trading mechanism in 2014. If the GHG emissions increase, the operating expenses will increase	1. The carbon surplus is reserved and will not be traded. 2. Continuously inventory and monitor the plant's greenhouse gas emissions.	Change in average rainfall	Short term	Rainfall is mostly concentrated in some areas, leading to water shortages	1. Conduct regular water monitoring 2. Convene contingency meetings during drought	No significant difference			
Degree of risk	Source of risk	Possible occurrence time	Impact on Unimicron	Management																	
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Promotion Item	Implementation Status					Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons	
	Yes	No	Summary				
						3. Contingency teams carry out relevant drought preparations	
			High probability* Medium severity	Extreme temperature change	Short term	As the rising average temperature in the summer, to maintain the temperature and humidity conditions in the plant, more air conditioning systems need to be turned on to meet the production demand	Improve the efficiency of the air conditioning system and add inverters with control, reducing energy use and reducing greenhouse gas emissions
			2. Opportunity:				
			Degree of opportunity	Source of opportunity	Possible occurrence time	Impact on Unimicron	Management
			High probability* Low severity	Manufacturing production	Long term	1. The reduction of the product defect rate could reduce the cost of scrap 2. Reduce the consumption of other chemicals that could reduce the cost chemicals	Use new chemicals in electroplating process
				Low-carbon energy	Medium term	Changing the fuel of boilers from fuel oil, diesel, etc.to cleaner natural gas that can effectively reduce the GHG emissions generated	Continue to improve low-carbon energy conservation and pay attention to policy development trends, and carry out green energy planning
				Water use	Short term	Increase the efficient use of water resources that can reduce dependence on raw water	Recycle the production water, monitor the recovered water quality, and then divert the water to the relevant system.
(4) Does the company conduct inspections about greenhouse gas, water consumption, and total weight of waste for last two years, as well as establish company strategies for energy conservation, carbon reduction, management of water consumption, and total	V		The company has formulated energy resources, greenhouse gas and environment-related reduction policies, regularly manages the use of energy resources, greenhouse gases and environmental emissions for management, and discloses information in the annual corporate social responsibility report. Data coverage: Unimicron all factories, QunHong Technology Inc., Unimicron Technology (Kunshan) Corp., Unimicron Technology (Suzhou) Corp., Unimicron-FPC Technology(Kunshan) Inc., Unimicron Technology (ShenZhen) Corp., and Unimicron Technology (Huangshi) Corp. are confirmed by SGS in accordance with GRI Standards.				No significant difference

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4. Social Issues																																																																																
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The Company supports and respects the principles and spirit of the OECD Guidelines for Multinational Enterprises, UN Universal Declaration of Human Rights, and The UN Global Compact, and follows principles of relevant international initiatives such as the Responsible Business Alliance (RBA). Based on the labor laws practiced at each place of operation, we cooperate with global customers to set the human rights policy:	No significant difference																																																																												

Promotion Item	Implementation Status		Summary	Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons										
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			<table border="1"> <tr> <td>Equal employment opportunity</td> <td>No discrimination during recruitment, employment, assessment, or promotion</td> </tr> <tr> <td>Humane treatment</td> <td>Ensure equal opportunity and dignity for all employees</td> </tr> <tr> <td>Communication with employees</td> <td>Encourage employees to express opinions and protect the rights of the aggrieved</td> </tr> <tr> <td>Improve work conditions</td> <td>Provide a comprehensive salary and welfare system and strengthen employee training to enhance their competitiveness</td> </tr> <tr> <td>Code of Integrity</td> <td>Uphold principles of honesty and justice</td> </tr> </table> <p>The members of the Human Resource Div. responsible for employee relations will identify, evaluate and discuss, and then the responsible units will identify human rights risk issues and assess the impact of the issues. Each issue will be implemented through the "Labor Human Rights Corporate Social Responsibility Code" and management measures Relevant education and training, providing diversified employee communication channels, including employee suggestion boxes, labor-management meetings, reporting hotlines, reporting mailboxes, quarterly occupational safety and health committees, etc. Each issue is identified in accordance with regulations and company policies every year to ensure the practice of human rights protection.</p>	Equal employment opportunity	No discrimination during recruitment, employment, assessment, or promotion	Humane treatment	Ensure equal opportunity and dignity for all employees	Communication with employees	Encourage employees to express opinions and protect the rights of the aggrieved	Improve work conditions	Provide a comprehensive salary and welfare system and strengthen employee training to enhance their competitiveness	Code of Integrity	Uphold principles of honesty and justice	
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Code of Integrity	Uphold principles of honesty and justice													
(2) Does the company declare a reasonable employee welfare measures (including salary remuneration policy, regulations for leaves and others) and integrate the company's performance with employees' reward?	V		<p>Our company has established an incentive system to attract and retain outstanding employees. All employees perform performance evaluations each year as a reference basis for salaries and promotions. They also participate in salary and welfare surveys in the external industry every year and regularly review the connection between salary and welfare measures and the market , Adjust employee salaries in a timely manner, so that more outstanding talents create value for the Company. In addition to basic salary and annual salary adjustments, flexible salary adjustments will also be made in accordance with the company's current operating conditions to stimulate morale and encourage outstanding employees.</p> <p>The company attaches great importance to the physical and mental balance of employees. In the workplace, plan a variety of welfare systems. In addition to providing various insurance benefits and pension allocations in accordance with local laws and regulations, it also provides group insurance that is superior to laws and regulations. At the same time, there is a self-pay insurance mechanism for dependents.</p> <table border="1"> <thead> <tr> <th colspan="2">welfare measures</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> •New Year's gift cash •Birthday, wedding and funeral grants •Employee bonus system •On-the-job training allowance •Societies grants •Pension contribution </td> <td> <ul style="list-style-type: none"> •Labor and health insurance group insurance •Employee health check •Monthly meal allowance for staff canteen •Setting up a nursing room •Visually impaired masseuse services •Free ultrasound, fundus photography and bone density examination </td> </tr> </tbody> </table>	welfare measures		<ul style="list-style-type: none"> •New Year's gift cash •Birthday, wedding and funeral grants •Employee bonus system •On-the-job training allowance •Societies grants •Pension contribution 	<ul style="list-style-type: none"> •Labor and health insurance group insurance •Employee health check •Monthly meal allowance for staff canteen •Setting up a nursing room •Visually impaired masseuse services •Free ultrasound, fundus photography and bone density examination 	No significant difference						
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Promotion Item	Implementation Status			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		The Company regularly implements employee safety training to develop the employees' emergency response abilities and safety awareness, and reduce accidents caused by unsafe behavior. The Company has also established a Health Management Center with a medical office, resident doctors and professional specialists to take care of the physical and mental health of employees and promote harmonious labor relations.	No significant difference
(4) Does the company provide its employees with career development and training sessions?	V		After understanding employees' characteristics and demands, the Company stratifies and constructs training systems by which an appropriate training frame is designed. Meanwhile, to enhance the skills of employees and broaden their scope of career development, we also incessantly advance the training system according to their fields and positions. Besides enforcing an annual training plan, the Company offers leadership and management-related training programs designed to meet the needs of our operational strategies and of current leaders or potential leaders. Along with the job rotation systems and the planning and implementation of promotional systems, we aim to ensure continuous improvement for our employees with development potential, and maintain and strengthen our talent pools.	No significant difference
(5) Does the company comply with relevant regulations and international standards about customers' health, safety, privacy, advertise and label of goods and services and establish consumer protection policy?	V		All SBU (SBU: Strategic Business Unit) of the company have customer service windows. The company values product quality and consumer rights, and has a "Customer complaint handling procedures" and related system operations, in an effort to resolve and handle customer complaints as quickly as possible. The company has passed ISO 9001 / IATF 16949 / QC 080000 and other quality management system verification. The company's customer health and safety, customer privacy, and marketing labeling of products and services are the basic principles of fulfilling the "Responsible Business Alliance" (RBA) Code of Conduct of the Global Responsible Business Alliance Code of Conduct and complying with relevant regulations and international standards to ensure product service quality and protecting customer rights. The company's products have been banned for environmentally hazardous substances. Cooperating with relevant EU regulations (such as RoHS, REACH), Hazardous Substances (such as Pb, Cd, Hg, Cr6+, PBBs, PBDEs, and others) to meet customer requirements, and we hope to curb environmental and social hazards during the product life cycle. Unimicron pays considerable attention to the opinions given by our customers. We view customer complaints and comments as opportunities to assist us in continuous improvement. Thus, Unimicron has built a complete mechanism to ensure the effective communication, processing and response of customer complaints and opinions through a comprehensive, systematic and standardized processing procedure, in order to protect customer rights and interests. https://www.unimicron.com/en/contact01.html	No significant difference

Promotion Item	Implementation Status			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(6) Does the company establish supplier's management policy and ask to comply with regulations about environmental protection, labor and human rights, safety, health?	V		Unimicron suppliers must abide by Unicom's ESG policy, and RBA code of conduct (including five aspects of human rights, environment, health and safety, ethics, and management system). In addition to the actual audit to confirm the supplier's implementation status and related guidance, regarding the issue of ethical conflict minerals, suppliers are required to provide products containing 3TGs conflict minerals to comply with RMAP certification, and both internal and external suppliers have met the certification requirements. In 2022, a total of 7 suppliers for Taiwan Plants (include Qun Hong) and a total of 16 suppliers for Mainland Plants were audited. Although there were deficiencies, no suppliers were deemed to be high-risk and there were no environmental-impact related major deficiencies. Unimicron shall continue to guide suppliers to comply with the Responsible Business Alliance's (RBA) Code of Conduct, in order to reduce supply chain risks.	No significant difference.
5. Does the company prepare a Sustainability Report that complies with international guidelines and is verified by a third party?	V		As of 2022, Unimicron has publicly issued annual sustainability report for 11 consecutive years. Unimicron ESG Report is compiled based on the Global Reporting Initiative (GRI) Standards. The contents of this report have been verified by SGS Taiwan Ltd. and are in compliance with the Core Option of the GRI Standards and AA1000ASv3 TYPE II High-Level Assurance. Published on our official website (https://www.unimicron.com/esg/en/ebook_list.html).	No significant difference.
6. If the Company has established the sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancy between the Principles and their implementation: Unimicron has "Corporate Social Responsibility Principles" and operations show no significant inconsistency from Principles.				
7. Other important information to facilitate better understanding of the company's corporate social responsibility practices: Please refer to Unimicron's website and ESG Report for its sustainable development implementation status (https://www.unimicron.com/esg/ch/index.html).				

3.4.6 Ethical Corporate Management and Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company declare its ethical corporate management policies and procedures approved by the Board of Directors, in its guidelines and external documents, implement the policies?	V		The Company has established the Ethical Corporate Management Best Practice Principles of Unimicron Technology Corporation, approved by the Board, for the directors, supervisors, managing officers and employees of the Company. The Principle is disclosed in the Market Observation Post System and the Company’s website under “Investors/Corporate Governance” (https://www.unimicron.com/en/money04.html).	No significant difference
(2) Does the company establish policies to prevent unethical conduct, analyze and evaluate the risk of unethical conduct in operating scope periodically, at least including appropriate precautions against high-potential unethical conduct or listed activities stated in Paragraph 2, Article 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company explicitly prohibits unethical conduct such as offering and acceptance of bribes, illegal political donations, improper charitable donations or sponsorship, offering or acceptance of improper benefits, misappropriation of intellectual property rights, engaging in unfair competitive practices, damage directly or indirectly caused to the rights or interests, health, or safety of stakeholders in the course of products and services, etc., in the “Professional Code of Ethics”. The Company has taken preventive measures and conducted educational advocacies to implement the ethical management policy.	No significant difference
(3) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies and recheck the policies periodically?	V		The Company established the “Professional Code of Ethics”, which has relevant regulations on moral integrity, avoidance any conflicts of interest, report and claim, and punishment for violations, etc., and regularly reviews and evaluates the content every two years. In addition, all employees are required to be retrained and tested the Professional Code of Ethics every year, which has achieved the effect of publicity.	No significant difference
2. Implementation of ethical corporate management				

Evaluation Item	Implementation Status		Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons	
	Yes	No		Summary
(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		<p>The Company follows international standards and regulations such as the Responsible Business Alliance (RBA) Code of Conduct, Social Accountability 8000 (SA8000) standards, ISO14001, OHSAS18001, RoHS, HSF and PFOs (hazardous substance prohibition), and bans on conflict minerals. We have also established corresponding management systems or regulations based on environmental, human rights, safety and health principles outlined in the above international standards. Our Material Management Division regularly promotes relevant supply chain activities and communicates with suppliers frequently to create a win-win partnership. Unimicron requires all our suppliers to provide a Supplier Commitment Statement. This statement is created based on RBA code of conduct and above international standards. Unimicron requires suppliers to sign the "Supplier Corporate Social Responsibility Commitment". In 2022, Taiwan completed 95% of the signing; Qun Hong site completed 90% of the signing and China sites 100% completed.</p>	No significant difference
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of ethical corporate management, implementation, and regularly report to the Board of Directors, at least one time a year?	V		<p>The ESG Committee is the highest-level corporate sustainability organization in Unimicron, coordinating the direction and objectives of corporate sustainability, and reporting to the board of directors on the relevant content and implementation results (such as ethical management, integrity ...) every year. (Report Date is Dec. 19, 2022.)</p> <p>Unimicron have implemented the relevant actions of ethical corporate management operation, and the implementation in 2022 is as follows:</p> <p>A. Education training course and test Conduct e-learning training courses such as Professional code of ethics, code of integrity, propagation of the integrity management, and RBA, etc., and test after the course. For further information, please refer to the ESG Report.</p> <p>B. Regular check To audit the corruption-related matters annually, and do self-assess of the laws/regulations to achieve effective control, and audit by the audit office unit to prevent the occurrence of integrity violations. No corruption and bribery happened in 2022.</p> <p>C. Whistleblower system and whistleblower protection In 2022, there were no violations of integrity occurred in the cases of internal and external prosecution.</p>	No significant difference
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		<p>Please refer to the Corporate Regulations "PERSONNEL CODE OF CONDUCT" on the Company's website "Investors/ Corporate Governance" (https://www.unimicron.com/en/money04.html).</p>	No significant difference
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and	V		<p>The Company and its subsidiaries have established an effective accounting system as the Company's relevant accounting treatment standards according to regulations, and if necessary, the internal audit unit or CPA performs the audit. An internal</p>	No significant difference

Evaluation Item	Implementation Status		Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
are they audited by Audit Division based on the results of assessment of the risk of involvement in unethical conduct to examine accordingly the compliance with the prevention programs? or engage CPAs to carry out the audit?			control system has also been established, and the internal audit unit based on the results of the assessment of the risk of dishonesty behaviors, draws up the annual audit plans and checks accordingly.
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		The Company complies with the Responsible Business Alliance's (RBA) Code of Conduct and actively asks its suppliers and supply chain to comply with corporate social responsibilities, as well as planning instruction on relevant integrity regulations during the training of new recruits. If the version is revised, it will be retrained for senior managers.
3. Operation of reporting complaints channel			
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		The Company has established a reporting channel. The reported subjects are assigned appropriate personnel for handling of the situation, and disciplinary actions are taken depending on the seriousness of the violation. The content of the violations and their respective punishments are disclosed on the Company's internal website. The Company appropriately rewards whistleblowers if the violation is found to be true.
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases and follow-up?	V		The company had established standard operating procedures for investigations to receive reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms.
(3) Does the company provide proper whistleblower protection?	V		The Company investigates the reported cases without disclosing the name of whistleblowers.
4. Strengthening information disclosure			
(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V		The ethical corporate management policies and related regulations have been disclosed on the Company's website and MOPS, its progress please refer to the Company's ESG website "Solid Corporate Governance / Corporate Governance / Ethical Corporate" (https://www.unimicron.com/esg/en/company03.html). Simultaneously, the information of ethical corporate management also been disclosed on the ESG Report.
5. The company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies; please describe any discrepancy between the policies and their implementation. No significant difference.			
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies The Company in addition to the relevant internal regulations also arranged the course related to ethical corporate management. Up to 2022, there are 4,726 people had completed the Ethical Corporate Management course, totally 4,726 training hours, and the completion rate was 99.96%. There are 12,424 people had completed the Code of Professional Ethics , totally 12,424 training hours, and the completion rate was 99.94%. There are 12,424 people had completed the Code of Integrity, totally 12,424 training hours, and the completion rate was 99.94%. More information please refers the Company's ESG Report.			

3.4.7 If the Company has established corporate governance principles and related guidelines, the means of accessing this information are as follows: The Company has set a “Corporate Governance” section on the Company’s website for investors to inquire and download corporate governance related regulations. (<https://www.unimicron.com/en/money04.html>)

3.4.8 Other significant information which may improve the understanding of corporate governance and operation:

The Board of Directors appointed Associate Director, Grace Lin, of Finance Div. as the Head of Corporate Governance, responsible for supervising and planning of corporate governance, the training situation this year is as follows:

Training Date	Organizer	Course Name	Training Hours	Total Hours
Jul. 21, 2022	Accounting Research and Development Foundation	Analysis of common deficiencies in "financial report review" and important internal control laws and regulations	6	14
Jul. 27, 2022	Taiwan Stock Exchange Corporation and Taipei Exchange	Sustainable Development Roadmap Industry Theme Publicity Conference	2	
Aug. 15, 2022	Accounting Research and Development Foundation	Concept Analysis of ISSB S1 Standard "General Requirements for Disclosure of Sustainability-Related Financial Information"	3	
Aug. 16, 2022	Accounting Research and Development Foundation	Concept Analysis of ISSB S2 Standard "Climate-Related Information Disclosure"	3	

3.4.9 Items that should be disclosed on the status of implementation of the internal control system:

A. Internal Control System Statement

Unimicron Technology Corp.
Internal Control System Statement

Date: February 21, 2023

This Internal Control System Statement is issued based on the self-assessment results of the Company for 2022.

1. The Company is fully aware that the establishment, implementation and maintenance of its internal control system are the responsibility of the Board of Directors and managing officers. In this regard, the Company has already established such a system, aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability of reporting, and compliance with applicable laws and regulations.
2. There are inherent limitations to even the most well designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. Moreover, the operating environment and situation may change and impact the effectiveness of the internal control system. However, self-supervision measures have been implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws are identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: i. Environment control, ii. Risk assessment, iii. Operation control, iv. Information and communication, and v. Monitoring. Each element further contains several items. For more information on the abovementioned items, please refer to the Regulations.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that as of December 31, 2022 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for understanding the degree of achievement of operational effectiveness and efficiency objectives, reliability of reporting, timeliness, transparency, and compliance with applicable laws and regulations, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of the Company's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement was passed by the Board of Directors in their meeting held on February 21, 2023, with none of nine attending directors expressing dissenting opinions, and the remainder all affirmed the content of this Statement.

Unimicron Technology Corp.

Chairman: Tzyy-Jang Tseng Signature and Seal

President: Chia-Pin Lee Signature and Seal

President: Jerry Kuo Signature and Seal

- B. If CPAs are engaged to review the internal control system, their report shall be disclosed: Not applicable.

3.4.10 For the most recent year or during the current year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the Company and its internal personnel or any sanctions imposed upon its internal personnel for violation of internal control system provisions by the Company where the sanction results could have a major impact on the shareholders' equity or securities price, principal deficiencies, and the state of any efforts to make improvements: No significant impact on shareholders' equity or securities prices.

3.4.11 Important resolutions adopted in shareholders' meetings and Board of Directors' meetings in the past year and up to the date of report:

A. 2022 Resolutions of the Annual Shareholders' Meeting

Resolutions of the Shareholders' Meeting	Review of the Implementation Status
(1) Acceptance of the 2021 business report and financial statements.	Announced in accordance with regulations.
(2) Acceptance of the 2021 Earnings Distribution Chart.	The ex-dividend record date was set for July 23, 2022, and cash dividend for common shares was paid on August 12, 2022. (The cash dividend of NTD 3.4 per share shall be distributed.)
(3) Approval of the amendment of the "Acquisition or Disposal of Assets Procedure".	On June 15, 2022, the announcement was made on the website of the Company after the ordinary meeting of shareholders, and it was handled in accordance with the revised procedures.
(4) Approval of the amendment of the "Loaning of Funds Procedure".	On June 15, 2022, the announcement was made on the website of the Company after the ordinary meeting of shareholders, and it was handled in accordance with the revised procedures.
(5) Approval of the issuance of Restricted Stock Awards for Employees	In accordance with the resolution, it was issued on September 12, 2022 at an issue price of NTD 95.10 and 3,105,000 ordinary shares were issued.

B. From 2022 up to the date of report, the important proposals of the Board of Directors' meeting are summarized as follows:

Meeting Date	Important Resolutions
Feb. 22, 2022	(1) Approved the 2021 business report and financial statements. (2) Approved the 2021 earnings distribution statement. (3) Approved to issue Restricted Stock Awards for employees. (4) Approved to loan funds to subsidiaries Smart Idea Holdings Limited. (5) Approved the date of the 2022 shareholders' meeting, and the period and location for handling shareholders with more than 1% of shares. (6) Approved to increase 2022 capital budget and preorder the long lead time equipment. (7) Approved the merger with Subtron Technology Co., Ltd.
Mar. 30, 2022	(1) Approved to terminate the merger with Subtron Technology Co., Ltd. and to carry out the share exchange. (2) Approved to conduct share exchange with Subtron Technology Co., Ltd. and plans to issue new shares. (3) Approved to add new proposals of Annual General Meeting and change meeting location. (4) Approved the disposal of real estate transactions.
Apr. 26, 2022	(1) Approved the Q1, 2022 consolidated financial statements (2) Approved to release the managing officers from non-competition restrictions. (3) Approved to increase 2022 capital budget and preorder the long lead time equipment. (4) Approved to invest the subsidiary UniBest Holding Limited, indirectly invest in Unimicron Holding Limited.
Jun. 30, 2022	(1) Approved the date for 2021 cash dividend distribution. (2) Approved to invest the subsidiary UniBest Holding Limited, indirectly invest in Best Option Investments Limited, and reinvested in Unimicron-FPC Technology (Kunshan) Inc.

Meeting Date	Important Resolutions
Jul. 26, 2022	(1) Approved the Q2, 2022 consolidated financial statements (2) Approved the 2023 capital budget and increase 2022 capital budget and preorder the long lead time equipment. (3) Approved to loan funds to 2 subsidiaries including Smart Idea Holdings Limited.
Sep. 23, 2022	Approved to change the record date of the share exchange with Subtron Technology Co., Ltd.
Oct. 25, 2022	(1) Approved the Q3, 2022 consolidated financial statements (2) Approved to invest the subsidiary UniBest Holding Limited, through Smart Idea Holdings Limited, UniRuwel Holding Limited, and reinvested in Unimicron Germany GmbH.
Nov. 22, 2022	Approved to change the record date of the share exchange with Subtron Technology Co., Ltd.
Dec. 19, 2022	(1) Approved the change of executive president. (2) Approved the change of CIO&CISO. (3) Approved the purchase of certain solid oxide fuel cell energy products plan. (4) Approved to adjust 2022-2023 capital budget and preorder long lead time equipment. (5) Approved to invest the subsidiaries UniBest Holding Limited and UniWonderful Holding Limited.
Feb. 21, 2023	(1) Approved the 2022 business report and financial statements. (2) Approved the 2022 earnings distribution statement. (3) Approved the short-form merger with the subsidiary Qun Hong Technology Inc. (4) Approved the change of executive president. (5) Approved to issue Restricted Stock Awards for employees. (6) Approved to invest the subsidiaries UniWonderful Holding Limited and UniBest Holding Limited. (7) Approved the subsidiary, UniRuwel Holding Limited, to acquire Unimicron Germany GmbH's equity

3.4.12 The main contents of dissenting opinions from directors with respect to material resolutions passed by the Board of Directors, and expressed dissenting opinion recorded or prepared as a written declaration from the past year up to the date of publication of the annual report: Not applicable.

3.4.13 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate Governance and R&D:

Title	Name	On-board Date	Dismissal Date	Reason
Executive President	Jerry Kuo	Aug. 20, 2020	Jan. 01, 2023	Position Adjustment
CIO & CISO	Mike Ma	Dec. 21, 2021	Jan. 01, 2023	Position Adjustment
Executive President	Chia-Pin Lee	Aug. 20, 2020	Mar. 01, 2023	Position Adjustment

3.5 Information on CPA professional fees

When non-audit fees paid to the CPAs, to the accounting firm of the CPAs, the amounts of both audit and non-audit fees as well as details of non-audit services are as follows: See table below.

Information on fees to CPAs:

Unit: NTD in Thousand

Accounting Firm	Name of CPAs	Duration of audit	Audit fee	Non-audit fee					Remarks
				System design	Business registration	Human resources	Others (Note)	Subtotal	
PwC Taiwan	Ya-Hui Lin	2022	5,599	-	-	-	2,010	2,010	
	Han-Chi Wu								

Note: The "Others" type of non-audit fees is for master file report, country-by-country report services and HFM system services.

3.5.1. When the Company changes its accounting firm and the audit fees paid for the year in which such change took place are lower than those for the previous year, the reasons for

the differences in the amounts of the audit fees before and after the change: Not applicable.

3.5.2. When the audit fees paid for the current year are lower than those for the previous year by 10 percent or more, the reasons for the reduction in the amount of audit fees and the reduction percentage: Not applicable.

3.6 Information of CPA Change

The internal job responsibilities of the CPA firm have been adjusted, from 2020 in that CPA Kuo-Hua Wang and CPA Han-Chi Wu have been replaced by CPA Han-Chi Wu and CPA Ya-Hui Lin.

3.6.1 About the Previous CPAs

Date of change	Approved by BOD on November 12,2019		
Reason and Description of Change	The internal job responsibilities of the CPA firm have been adjusted, in that CPA Kuo-Hua Wang and CPA Han-Chi Wu have been replaced by CPA Han-Chi Wu and CPA Ya-Hui Lin.		
Disclosure that the Appointer or CPA is either Terminated or Refuses the Appointment	Situation	Party	Appointer
	Termination of appointment	No applicable	No applicable
	Does not accept (continuous) the appointment	No applicable	No applicable
Opinions and Reasons of Audit Report Issued in the Past Two Years other than Unqualified Opinions	None		
Any Disagreement with the Issuer	Yes	Accounting principle or practice	
		Disclosure of financial report	
		Scope or steps of audit	
		Other	
	No	V	
Other items to be Disclosed (Those to be Disclosed According to Article 10 Paragraph 6 item 1-4 to item 1-7 of this Criteria)	Description None		

3.6.2 About the Successor CPAs

Accounting Firm	PwC Taiwan
CPA	CPA Han-Chi Wu and CPA Ya-Hui Lin.
Date of Engagement	Approved by BOD on November 12,2019
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transaction, and the Type of Audit Opinion that Might be Rendered on the Financial Report.	None
Written Opinions from the Successor CPAs that are Different from the Previous CPA's Opinions	None

3.6.3 The Reply of Previous CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards:
None

3.7 Where the Company's Chairman, President and or any managing officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPA or at an affiliated enterprise of such accounting firm shall be disclosed
Not applicable.

3.8 Any transfer of equity and/or share pledge by a director, manager or shareholder with equity of more than 10 percent during the most recent year up to the date of publication of the annual report

Title	Name	2022		2023 up to January 31	
		No. of shares held Increase (decrease)	No. of pledged shares Increase (decrease)	No. of shares held Increase (decrease)	No. of pledged shares Increase (decrease)
Director	United Microelectronics Corp.	0	0	2,742,038	0
Director	Hsun Chieh Investment Co., Ltd.	0	0	22,119	0
Legal representative of the chairman and Group CSO	Tzyy-Jang Tseng	(1,200,000)	0	174,313	0
Legal representative of the director	SC Chien	0	0	0	0
Legal representative of the director	Chi-Tung Liu	0	0	0	0
Legal representative of the director	Louis Chien	0	0	0	0
Director	Yen-Shen Hsieh	0	0	0	0
Director	Ting-Yu Lin	0	0	0	0
Independent Director	Grace Li	0	0	0	0
Independent Director	Lai-Juh Chen	0	0	0	0
Independent Director	Terry Wang	0	0	0	0
Executive President	Chia-Pin Lee	(42,000)	0	0	0
Executive President	Timothy Lan	(85,000)	0	2,923	0
SBU President	David Cheng	(32,000)	0	218,663	0
SBU President	Webber Wang	0	0	0	0
SBU President	Kevin Chen	(78,000)	0	0	0
General Manager	Michael Shen	(54,000)	0	0	0
General Manager	Benwei Liao	0	0	0	0
CQO	Jerry Kuo	0	0	0	0
CTO	Mike Ma	(6,000)	0	0	0
VP	Dave Yang	0	0	0	0
VP	Julia Yang	(765,000)	0	(61,849)	0
VP	Jack Chang	0	0	1,916	0
VP	DC Huang	0	0	(18,000)	0
VP	Yu-Hua Chen	0	0	0	0
VP	Gordon Peng	0	0	0	0
VP	Gary Chen	0	0	120	0
VP	JerryRH Huang	(71,000)	0	0	0
VP	MichaelM Lin	(6,000)	0	0	0
VP	Kevin Chien	0	0	0	0
VP	Shui-Wen Chang	0	0	5,847	0
VP	Paul Chu	0	0	0	0
VP	Frank Niu	0	0	0	0
VP	Michael Yen	(38,000)	0	(1,000)	0
VP	Steven Fan	0	0	0	0
VP	Joe Lee	(92,000)	0	0	0
Deputy CTO	Jason Wang	0	0	0	0
Deputy CSO	DanielHH Lee	0	0	0	0
CDO	JiFu Kung (Note 1)	0	0	0	0
CISO	Robert Yeh	(41,000)	0	0	0
Sr. Director	Grace Lin	(33,000)	0	0	0
Sr. Director	Nathan Chang	(19,000)	0	0	0
Sr. Director	Jerry Nien	0	0	60,836	0
Sr. Director	Eddy Shi	(193,000)	0	5,482	0
Sr. Director	Paul Kao	(2,000)	0	0	0
Sr. Director	Ivan Liu	(24,000)	0	0	0
Head of accounting	Denise Hsu	4,000	0	0	0
Former VP	David Chiou(Note 2)	0	0	Not applicable	Not applicable
Former Sr. Director	Sabrina Yi (Note 2)	(36,000)	0	Not applicable	Not applicable
Former Sr. Director	Kevin Pon (Note 2)	0	0	Not applicable	Not applicable
Major shareholder	United Microelectronics Corp.	0	0	2,742,038	0

Note 1: The shares changes for JiFu Kung is calculated starting from the assumed date.

Note 2: The shares changes for David Chiou, Sabrina Yi and Kevin Pon are reported up until their resignation.

Note 3: The Company has no counterparty for a transfer of equity or share pledge which is a related party.

3.9 Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

Name	Shares Held		Shares held by spouse and underage children		Total shareholding in the name of others		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree)		Remarks
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relationships	
United Microelectronics Corporation	196,136,008	13.30%	-	-	-	-	None	None	
Representative: Stan Hung	-	-	-	-	-	-	-	-	
New Labor Pension Fund	68,413,400	4.64%	-	-	-	-	None	None	
Yann Yuan Investment Co., Ltd.	23,000,000	1.56%	-	-	-	-	None	None	
Representative: Wen Ching Lin	-	-	-	-	-	-	-	-	
Old Labor Pension Fund	21,996,800	1.49%	-	-	-	-	None	None	
JP Morgan Chase Bank Custody of JP Morgan Securities Co., Ltd. Account	21,131,774	1.43%	-	-	-	-	None	None	
Nan Shan Life Insurance Company, Ltd.	18,537,000	1.26%	-	-	-	-	None	None	
Representative: Tang Chen	-	-	-	-	-	-	-	-	
Cathay Life Insurance Co., Ltd.	18,079,000	1.23%	-	-	-	-	None	None	
Representative: Tiao Kuei Huang	-	-	-	-	-	-	-	-	
Morgan Managed Van Gard Emerging Markets Equity Index Fund Account	17,650,979	1.20%	-	-	-	-	None	None	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	16,369,661	1.11%	-	-	-	-	None	None	
HSBC Bank in Custody for Morgan Stanley & Co. International Plc Account	15,921,110	1.08%	-	-	-	-	None	None	

Note: The record date for shareholding is July 19, 2022. This is the ex-dividend date in 2022.

3.10 The total number of shares and total equity stake held in any single enterprise by the Company, its directors and managing officers, and any companies controlled either directly or indirectly by the Company

December 31, 2022; unit: Shares, %

Investee Companies (Note)	Investment by the Company		Investment by directors, managing officers and directly or indirectly controlled enterprises		Total investment	
	No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)
Subtron Technology Co., Ltd.	90,613,516	30.40%	19,435,375	6.52%	110,048,891	36.92%
Hsin Yang Investment Corporation	96,840,707	100.00%	0	0.00%	96,840,707	100.00%
Advance Materials Corp.	19,175,303	17.17%	8,954,669	8.02%	28,129,972	25.19%
Asia Pacific Microsystems, Inc.	29,476,572	62.78%	1,998,334	4.26%	31,474,906	67.04%
UMTC Holdings Limited	139,465,246	100.00%	0	0.00%	139,465,246	100.00%
Hemingway Int'l limited	187,988,866	100.00%	0	0.00%	187,988,866	100.00%
3D Circuit, Taiwan, Co., Ltd.	10,416,962	42.83%	612,000	2.52%	11,028,962	45.35%
UniBest Holding Limited.	240,550,000	100.00%	0	0.00%	240,550,000	100.00%
Uniflex Technology Inc.	15,586,822	9.98%	25,311,234	16.21%	40,898,056	26.19%
NEOCONIX, INC.	865,526,530	92.00%	0	0.00%	865,526,530	92.00%
APM Communication, Inc.	4,657,650	49.57%	3,080,668	32.79%	7,738,318	82.36%
UniFresh, Inc.	2,600,000	24.42%	8,048,000	75.58%	10,648,000	100.00%
Hong Kong 3D-Circuit Limited	7,750,000	18.61%	0	0.00%	7,750,000	18.61%
Yih Dar Technologies Co., Ltd.	4,000,000	26.67%	0	0.00%	4,000,000	26.67%
Qun Hong Technology Inc.	102,377,429	91.41%	4,490,531	4.01%	106,867,960	95.42%
Unidisplay Holding Corp.	0	0.00%	0	0.00%	0	0.00%
PAVIDA Trading Limited.	139,818	17.27%	670,000	82.73%	809,818	100.00%
UniWonderful Holding Limited	43,000,000	100.00%	0	0.00%	43,000,000	100.00%

Note: Company investments accounted for using the equity method.

IV. Capital Overview

4.1 Capital and Shares

Month/ Year	Par Value	Authorized capital		Paid-in capital		Remarks		
		Shares (thousand shares)	Amount (NTD thousands)	Shares (thousand shares)	Amount (NTD thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Others
Feb. 2023	NTD 10 per share	2,000,000	20,000,000	1,523,803	15,238,031	Note	None	None

Note: The issuance of new shares due to the conversion of shares with Subtron was approved by Letter No. 11230008460 of Ministry of Economic Affairs dated February 10, 2023, after the issuance of new shares became NTD 15,238,031 thousand.

February 21, 2023

Share Type	Authorized capital (shares)			Remarks
	Outstanding shares	Unissued shares	Total Shares	
Registered common shares	1,523,803,197	476,196,803	2,000,000,000	Including 100,000,000 shares subscribed by exercise of stock options and treasury stock.

If approval has been granted to issue securities by shelf registration, the following information shall be additionally disclosed: Not applicable.

4.2 Status of Shareholders

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	8	47	652	125,401	1,326	127,434
Shareholding (shares)	110,716,029	65,693,678	335,409,981	342,483,897	620,956,748	1,475,260,333
Shareholding ratio (%)	7.50	4.45	22.74	23.22	42.09	100.00

Note: The record date for shareholding is July 19, 2022. This is the ex-dividend date in 2022.

4.3 Shareholding Distribution Status

Class of Shareholding (Share)	Number of shareholders	Shareholding (Shares)	Shareholding (%)
1- 999	53,566	6,804,035	0.46
1,000- 5,000	63,181	115,787,211	7.85
5,001- 10,000	5,491	42,560,785	2.88
10,001- 15,000	1,499	19,075,253	1.29
15,001- 20,000	872	15,997,778	1.08
20,001- 30,000	775	19,480,186	1.32
30,001- 40,000	363	12,988,834	0.88
40,001- 50,000	250	11,617,010	0.79
50,001- 100,000	518	37,483,211	2.54
100,001- 200,000	334	47,477,346	3.22
200,001- 400,000	207	59,762,231	4.05
400,001- 600,000	116	56,624,491	3.84
600,001- 800,000	57	40,212,801	2.73
800,001- 1,000,000	38	33,547,730	2.27
Over 1,000,001	167	955,841,431	64.80
Total	127,434	1,475,260,333	100.00

Note 1: The record date for shareholding is July 19, 2022. This is the ex-dividend date in 2022.

Note 2: Refers to common shares. The Company has not issued preferred shares.

4.4 List of major shareholders with a stake of 5 percent or greater

Shareholder's Name	Shareholding (Shares)	Shareholding (%)
United Microelectronics Corporation	196,136,008	13.30

Note: The record date for shareholding is July 19, 2022. This is the ex-dividend date in 2022.

4.5 Market price, net worth, earnings, and dividends per share

Unit: NTD

Item	Year		2021	2022	2023 was gathered until Feb. 21, 2023.
	Market price per share (Note 1)	Highest		247.50	261.00
Lowest		80.00	106.50	117.50	
Average		133.54	173.85	131.62	
Net worth per share (Note 2)	Before distribution		41.15	57.99	-
	After distribution		37.75	*	-
Earnings per share (Note 3)	Weighted average shares (thousand shares)		1,472,051	1,475,260	-
	Earnings per share		8.98	20.08	-
Dividends per share	Cash dividends		3.4	*	-
	Stock dividends	Retained Earnings	0	*	-
		Capital surplus	0	*	-
	Undistributed Accumulated dividends		-	-	-
Return on Investment	Price/Earnings ratio (Note 4)		14.96	8.79	-
	Price/Dividend ratio (Note 5)		39.51	*	-
	Cash dividend yield rate (Note 6)		2.53%	*	-

* Settled after the resolution of the 2023 annual shareholders' meeting.

Note 1: The highest and lowest market price per share of ordinary shares for each year is shown, and average market price of each year is calculated based on each actual transaction prices and volume each year.

Note 2: The number of the outstanding issued shares at year end is used as the basis and details are filled based on the resolution passed by the shareholders' meeting regarding distribution in the following year.

Note 3: If it is necessary to make adjustments retroactively due to situations such as issuance of bonus shares, the earnings per share before and after the adjustments are shown.

Note 4: Price/Earnings ratio = Average market price / Earnings per share.

Note 5: Price/Dividend ratio = Average market price / Cash dividends per share.

Note 6: Cash dividend yield rate = Cash dividends per share / Average market price.

Note 7: The average market price of 2021, 2022, and 2023 was NTD 134.33, NTD 176.50 and NTD 130.88 respectively.

4.6 Dividend policy and implementation status

4.6.1 Dividend policy as stated in the Company's Articles of Incorporation:

Article 30.1:

If the Company has profited in a given year, it shall distribute 6 to 16% as employee remuneration and no more than 0.9% as directors' remuneration. However, if the Company has accumulated losses, such profit shall first go towards offsetting such accumulated losses.

The ratio of employees' and directors' remuneration in the preceding paragraph shall be decided by the Board of Directors according to law and reported to the shareholders' meeting.

Where employee bonuses are paid, they can also be distributed to employees of affiliated companies that meet certain criteria.

Article 31:

If the Company has earned a profit after settlement in the year, it shall be distributed in the following order: (1) Tax payment. (2) Make up for accumulated losses. (3) Set aside ten percent of said profits as legal reserve. Where such legal reserve equals the total paid-in capital, this provision shall not apply. (4) The profits shall then allocated or reversed to the special reserve according to the law or regulatory requirements by the competent authority. (5) The rest shall be added to the retained earnings of the previous

years. The Board of Directors will formulate an earnings distribution proposal according to the dividend policy stated in the second paragraph of this article and submit it for the resolution of the shareholders' meeting.

The Company's dividend policy shall be based on the current and future investment environment, capital requirements, domestic and international competition, and capital budget, and take into account the rights and interests of shareholders, as well as balance between dividends and the Company's long-term financial planning. The Board of Directors shall propose an earnings distribution proposal every year and submit it to the shareholders' meeting. Since the Company belongs to the high-tech electronics industry, there are expansion plans and capital requirements for the future. The annual cash dividends shall be at least 10% of the total dividends. The ratio of dividends to retained earnings shall be between 0 to 90%.

4.6.2 Proposed Distribution of Dividend:

The 2022 earnings distribution proposal of the Company has been approved by the Board of Directors and is proposed to be distributed in the form of cash: The total earnings to be distributed are NTD 12,190,425,576 (NTD 8 per share) and shall be discussed at the shareholders' meeting.

4.6.3 Explanation regarding expected major changes to dividend policy: No major changes.

4.7 The effects of the stock dividends proposed by the shareholders' meeting on the Company's business performance and earnings per share Not applicable.

4.8 Remuneration of employees and directors

4.8.1 Percentages or ranges of remuneration of employees and directors under the Company's Articles of Incorporation:

Please refer to the Company's dividend policy on pages 58-59 of this annual report.

4.8.2 Basis for estimating the amount of remuneration of employees and directors, basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancies, if any, between the actual distributed amount and the estimated amount for the current period: The estimated remuneration of employees of the Company in 2022 was NTD 6,492,879 thousand, and remuneration to directors was NTD 29,794 thousand, which is based on the profit from January 1 to December 31, 2022, and the percentage stated in the Company's Articles of Incorporation.

4.8.3 Remuneration proposals approved by the Board of Directors:

A. Employee and director remuneration distributed in cash or shares. In case of any discrepancy with the estimated amount of recognized expenses for the year, the differences, reasons, and responses should be disclosed:

On February 21, 2023 the 26th meeting of the 12th session Board of Directors approved the 2022 earnings distribution. The amount of cash remuneration to employees was NTD 5,951,876 thousand and remuneration to directors was NTD 29,970 thousand, respectively.

The difference of (NTD 541,003) and NTD 176 between the amounts 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.

B. The amount of employee remuneration to be paid in shares, their ratio to net income in the parent company only financial report for the current term, and total employee remuneration: The Company did not distribute stock dividends to employees in the current term.

4.8.4 Actual distribution of remuneration for employees, directors and supervisors of previous year (including dividend shares, amount and stock price), discrepancies if any from the amount of remuneration for employees, directors and supervisors previously recognized, and the causes and treatments for the discrepancies: Not applicable.

4.9 Application for repurchase of the Company's shares in the most recent year up to the date of report
None.

4.10 Issuance of corporate bonds

Unit: NTD in Thousand

Corporate Bond Type	1 st issue of unsecured corporate bond in 2020	1 st issue of unsecured corporate bond in 2021	1 st issue of unsecured corporate bond in 2022
Issue Date	Jan.13, 2021	May.04, 2021	Jan.12, 2022
Face value per bond	1,000	1,000	1,000
Issuance and listing	OTC	OTC	OTC
Issue price	At par	At par	At par
Total amount issued	3,000,000	5,000,000	3,000,000
Coupon rate	0.68%	0.75%	0.79%
Issuance period	5-year, Due date: Jan.13, 2026	5-year, Due date: May.04, 2026	5-year, Due date: Jan.12, 2027
Guarantor	None	None	None
Trustee	CTBC BANK CO.,LTD	CTBC BANK CO.,LTD	CTBC BANK CO.,LTD
Underwriter	KGI Securities	Horizon Securities Co., Ltd.	Fubon Securities Co., Ltd.
Legal counsel	Chen& Lin Attorneys-At-Law Grace Yu	Chen& Lin Attorneys-At-Law Grace Yu	Chen& Lin Attorneys-At-Law Grace Yu
Auditor	PricewaterhouseCoopers, Taiwan Wu, Han-Chi	PricewaterhouseCoopers, Taiwan Wu, Han-Chi	PricewaterhouseCoopers, Taiwan Wu, Han-Chi
Repayment	100% principal repayment upon maturity	100% principal repayment upon maturity	100% principal repayment upon maturity
Outstanding amount	3,000,000	5,000,000	3,000,000
Redemption or early repayment clause	None	None	None
Covenant applicable	None	None	None
Credit rating agency, rating date, bond rating	Taiwan Ratings Corp twA (Jun.11,2020)	Taiwan Ratings Corp twA (Jun.11,2020)	Taiwan Ratings Corp twA (Jun.22,2021)
Other rights of bond holders	Amount of converted or exchanged into common shares, ADRs or other securities	NA	NA
	Rule governing issuance or conversion (Exchanged or subscription)	None	None
Dilution and other effects on existing shareholders	None	None	None
Custodian of exchanged securities	NA	NA	NA

4.11 Issuance of preferred shares

None.

4.12 Issuance of global depositary receipts (GDR)

None.

4.13 Issuance of employee stock options and new restricted employee shares

4.13.1 Employee Stock Options Handling Status: None.

4.13.2 Issuance of New Restricted Employee Shares

February 21, 2023

Type of New Restricted Employee Shares	1 st Tranche
Date of Effective Registration and total shares	2022/6/29 3,105,000 shares
Issue Date	2022/9/12
Number of New Restricted Employee Shares Issued	3,105,000 shares
Number of New Restricted Employee Shares May Still Be Issued	1,695,000 shares
Issued Price	NTD 95.1
New Restricted Employee Shares as a Percentage of Shares Issued	0.21%
Vesting Conditions of New Restricted Employee Shares	From the day when the employee is allocated new shares with restricted employee rights (that is, the base date for the capital increase of the new shares with restricted employee rights), the following schedule expires and the employee is still employed (in addition to still serving in the Company, it also includes transfer to an affiliated company due to the Company's designation) or other company but still working in the related company or the other company), and after the expiration of the following time schedules, the last two performance appraisals have reached "Good +" or above, and the proportion of shares that can meet the vested conditions is as follows: 15 months in office: 50% 30 months in office: 50%
Restricted Rights of New Restricted Employee Shares	(1)The new shares with restricted employee rights issued by these Measures will be delivered to the stock trust in the name of the employee for safekeeping. After the employee is allocated new shares, the restricted rights before the vested conditions are met are as follows: 1. After an employee is allotted new shares, before the acquired conditions are met, the restricted employee's new shares shall not be sold, pledged, transferred, given to others, set up, or dealt with in other ways, except for inheritance. 2. The rights to attend, propose, speak, and vote at the shareholders' meeting shall be entrusted to the trust custodian institution for execution in accordance with the contract. (2) In addition to the restrictions in the preceding paragraph due to the trust agreement, the new shares with restricted employee rights allocated to employees in accordance with these regulations, before the vested conditions are met, other rights, including but not limited to: dividends, bonuses and allocation rights to capital reserves, the options and voting rights for the cash capital increase are the same as the ordinary shares issued by the Company.
Custody Status of New Restricted Employee Shares	When an employee is allocated new shares with restricted employee rights, the Company will post the number of shares allocated to the employee in the Company's register of shareholders, and then deliver the company's newly issued ordinary shares or new share rights certificate by means of book transfer, and in accordance with the trust contract, it will be delivered to the trust for custody within the limited period of the acquired conditions.

Measures to be Taken When Vesting Conditions are not Meet	When an employee violates these regulations, employment contract, corporate governance best practice principles, ethical corporate management best practice principles, non-compete and non-disclosure agreement, work handbook or other regulations with the Company after receiving new shares that restrict employee rights granted by the company, for the new shares with restricted employee rights that are allocated but have not yet fulfilled the vested conditions, the Company will buy back the shares at the issue price and cancel them.
Number of New Restricted Employee Shares that have been Redeemed or Bought Back	0 shares
Number of Released New Restricted Employee Shares	0 shares
Number of Unreleased New Restricted Shares	3,105,000 shares
Ratio of Unreleased New Restricted Shares to Total Issued Shares (%)	0.21%
Impact on Possible Dilution of Shareholdings	Calculated on the basis of the Company's issued shares of 1,475,260,333 shares on June 30, 2022, it is estimated that the amount of earnings per share that may be reduced after expense is: NTD 0.015 (in 2022; estimated in 3 months), NTD 0.108 (in 2023), NTD 0.062 (in 2024), NTD 0.021 (in 2025; estimated at 9 months), which will not have a significant impact on shareholders' rights.

4.14 Issuance of new share issuance in connection with mergers and acquisitions

4.14.1 Mergers completed and other companies newly issued shares acquired during the latest fiscal year as of the publish date of annual report:

A. Opinions from the primary securities underwriters on mergers completed and other companies newly issued shares acquired during the latest quarter:

Unimicron Technology Corp. (“Unimicron” or “the Company”) has obtained all issued shares of Subtron Technology Co., Ltd. (“Subtron”) except Unimicron through share conversion and new share issuance on 2022, which have been declared effective by TWSE (Taiwan Stock Exchange Co., Ltd.) No. 1111805443 letter on November 9, 2022, with January 6, 2023 as the base date for share conversion, Ministry of Economic Affairs has approved the registration change for new share issuance on February 10, 2023. In accordance with the provisions of Article 9, Paragraph 1, Subparagraph 8 of the “Issuers’ Guidelines for Offering and Issuance of Securities”, Unimicron invites the lead underwriter to issue an evaluation opinion for capital increase, new share issuance, and share conversion over the impact on finances, business and shareholders’ equity of Unimicron.

(a) Impact on finance

Unimicron issued 45,437,864 new shares and acquired all issued shares of Subtron except Unimicron through share conversion. The consideration was not paid in cash and did not affect the Company’s existing capital allocation and financial operations. After this share conversion, Subtron has become a subsidiary of the Company in January 2023. In order to meet the deadline for reporting the listed company’s revenue and financial report, both parties have reviewed and completed adjustments to financial-related internal documents and procedures, so that the financial and accounting related systems and

operating modes of both parties are consistent; and through the capacity allocation and arrangement of both parties, the group can compare the prices of same materials and negotiate with suppliers to purchase jointly; adjustment of factory space is conducive to reducing repeated capital expenditures, improve the efficiency of asset utilization, and reduce operating cost; in addition, the comprehensive combination of resources from both parties can improve the group's operating performance and market competitiveness, so it should have a positive effect on the financial status of both companies.

(b) Impact on business

Both Unimicron and Subtron belong to the printed circuit board industry, and their main business items include IC substrates. The IC substrates produced by Unimicron are mainly used in high performance computing products, and Subtron's products are used in the field of high-speed transmission, therefore, this share conversion is a horizontal integration between the industry. Because the manufacturing methods and technologies required by the products of the two parties are not the same, the application fields, customers and product overlap are not high. Both parties will continue to deepen in their respective fields of expertise, and also optimize the efficiency of production capacity allocation and product resources by exchanges of research and development, production technology and factory management between both parties. Through the complementary substrate technology and products of both parties, integrate resources to accelerate the expansion of key projects, in order to expand the product line and enhance the market share. In addition, the two parties have gradually launched a business cooperation plan. Besides continuing to serve existing customers, Unimicron and Subtron will also cooperate with the sales teams of both parties for cross-marketing promotion activities to expand the business field, so that the marketing ability can play a synergistic effect, thereby expanding the business scale and enhancing market competitiveness. To sum up, this share conversion case is still beneficial to the Company's business.

(c) Impact on shareholders' equity

The Company issued 45,437,864 new shares to obtain all issued shares of Subtron except Unimicron through share conversion, accounting for 2.98% of the Company's original issued and new issued shares of 1,523,803,197 shares. Although the case increased the number of outstanding ordinary shares of the Company, it can directly obtain 100% shares of Subtron and become a subsidiary of the group. Through the reintegration of corporate resources, it can strengthen the group's market competitiveness and expand the group's operating scale, and reduce operating cost, so it should have a positive benefit to shareholders' equity.

(d) Realization of the benefits from share conversion

By issuing new shares, the Company obtained all issued shares of Subtron except Unimicron. Therefore, Subtron has become a subsidiary of the Company on January 6, 2023. Ministry of Economic Affairs has approved the registration change for new share issuance on February 10, 2023. After the share conversion is completed, the two parties have gradually started a

cooperation plan. Through the comprehensive integration of the resources of the two parties, the application field and market share of the group's products will be expanded, which should have positive benefits for the Company's finances, business and shareholders' equity. The benefits of this share conversion case have gradually emerged.

- B. Status quo on implementation during the latest quarter. If implementation progress or benefit does not meet expectation, explain in details impact on shareholders equity and improvement plan: Not applicable.

4.14.2 Merger or acquisition of other company's newly issued shares as a result of the board's resolution during the latest fiscal year up to the publish date of annual report and the disclosure of the basic information of the company being merged or shares being acquired is required. Required disclosure of on-going merger or acquisition of other company's newly issued shares and the impact from the said disclosure on shareholders' equity:

The Company aims to integrate the group's operating resources, simplify the organization structure, and save management cost, therefore, the board of directors of the Company has resolved to approve the short-form merger with 91.41% directly owned subsidiary Qun Hong Technology Inc. ("Qun Hong") on February 21, 2023. The board of directors of Qun Hong has also approved this merger on February 21, 2023. The Company will pay cash as the consideration to Qun Hong's minority shareholders who hold 8.59% shareholdings. The consideration of this merger is NT\$16 in cash per Qun Hong's share. However, if the 2023 annual general meeting of Qun Hong approved the capital reduction to cover its deficit, the consideration shall be NT\$23.88 in cash per share of Qun Hong according to the merger contract. The tentative merger base date is July 1, 2023. Qun Hong will dissolve and merge into the Company. After the merger, the surviving company's name is still "Unimicron Technology Corp.". Upon the merger base date, the assets and debts and all rights and liabilities being valid as of the merger base date shall be borne by the Company.

4.15 Implementation of fund usage plan

Any uncompleted issuance plan or completed plan with unrealized benefit within the latest three years: None.

V. Business Overview

5.1 A description of the business

5.1.1 Business scope

A. Main contents of business activities

The Company's main business is the development, manufacturing, processing and sales of PCB, HDI, FPC, RF, IC Carrier, IC testing, and IC burn-in.

B. Revenue breakdown of various businesses in 2022

NTD in Thousand; %

Business activities	Consolidated operating revenue	Revenue distribution
PCBs	139,366,847	99.2
Others	1,122,325	0.8
Total	140,489,172	100

C. Current main products: Manufacturing, processing of PCBs (including IC Carrier), and IC testing.

D. New products under development

PCB SBU:

- (a) High-end micro-LED PCB technology
- (b) System in Package (SiP) technology
- (c) High speed PCB technology for 5G optical transmission application
- (d) High frequency automotive radar PCB technology
- (e) High layer count PCB technology for communication and cloud server application
- (f) Low earth orbit satellite communication PCB technology

Carrier SBU:

- (a) Fine trace pitch substrate
- (b) Super thin with fine trace pitch substrate
- (c) High speed heterogeneous package substrate
- (d) 5G AiP and AIoT application substrate
- (e) Embedded passive components substrate

5.1.2 Industry Overview

A. Current trends and outlook of the industry

PCBs are key component of various electronic products. They are used in computers, communications, and various consumer electronic products and equipment. In recent years, they have been widely used in the automotive, industrial, medical, military and aerospace industries. Therefore, the development of this industry is driven by the advancement of modern science and technology, and is closely related to the demand of various end products.

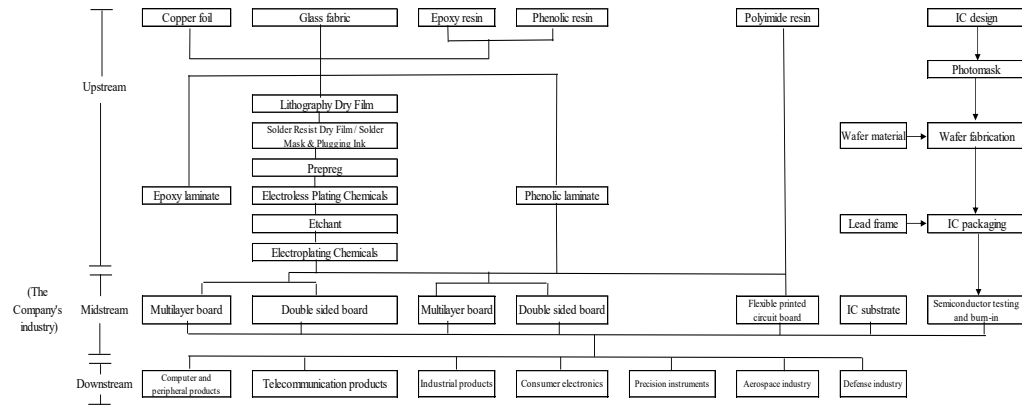
In 2022, due to prosperous development of 5G, AIoT, high performance computing, etc., the company's substrate product portfolio optimization and yield continued to improve, and operational performance improved significantly with the cooperation with customers in the field of high-end substrate technology expansion and the development of long-term relationships have improved the future and stability of the company; Other product line such as substrate-like, HDI and PCB, actively develop new clients and improve the yield. Therefore, 2022 Unimicron sales and profit increased significantly.

Looking forward to 2023, due to the ongoing impact of high interested rates, inventory

correction, Russia Ukraine War, global inflation, and geopolitical tension, uncertainties in the global economy still remain, market situation may not recover completely. However, under the huge business opportunities of 5G, AIoT, high-frequency, high-speed demand, and high-performance computing applications in the future, it will diversify and broaden the application of PCB industry, especially high-end substrate.

B. Relationships with suppliers in the industry's supply chain

The upper, middle and downstream correlations of PCBs and IC test and burn-in are listed as follows:



C. Development trends of products

The mainstream applications of end electronic products are multi-performance integration, high speed computing, large screens, energy saving and miniaturization. The growth potential of market applications comes from network communication products such as servers, data centers, automotive electronics driven by development of electric vehicles and smart cars, and new applications of 5G, AIoT, etc. With the introduction of high speed computing products and 5G related devices, the demand for high-end carrier processes has increased significantly. The Company shall improve customers' design freedom and product reliability; so that the stability, speed and low latency technologies of product signal transmission can be continuously improved and upgraded.

Multi-layer PCB supports fine line and narrow pitch mounting, its product design combines the high density interconnect (HDI) and high layer count (HLC) technology. HDI offers environment-friendly material and surface treatment for lead-free process, be suitable for BGA with smaller ball pitch and higher I/O counts, increases routing density in complicated design, and thin board capability, through lower Dk / Df material, which enables better signal transmission performance, and low CTE & High Tg material, which fulfills high reliability demand. ELIC uses every layer via structure to achieve miniature design, providing better reliability and superior electrical characteristics. Those products are mainly been utilized in smartphone, tablet, ultrabook, graphic card, high-end server, AI accelerator, memory module, wearable device, DSC, portable game console, automotive, GPS, and 5G networking.

The demand for FPC and RF products mainly benefited from the trend of multifunctional, light and thin handheld electronic devices. Customers' designs largely adopt FPC unique features such as lightness, thinness, and flexural strength to connect the signal transmission between the modules and the motherboard in a limited space, in order to effectively reduce the internal space and weight of the device.

As the complexity of end products increases, the packaging technology's requirements

for high frequency, high performance, and low power consumption make the chip design move toward high I/O density and fine pitch, high heat dissipation, and superior electrical characteristics, which in turn drive the related carrier requirements of 3D system packaging, embedded components, ultra-fine lines, low power consumption and others. Some products are affected by market competition and structural changes, and the demand for low cost solutions cannot be ignored. However, in terms of overall technology trends, in conjunction with the next generation of process development in the semiconductor industry, the carrier industry continues to develop relevant high level processes and cooperate with customers to expand product applications.

D. Product competition

The demand for technology and specifications in the end product market continues to increase, and competition among global PCB manufacturers become intensify. In addition to the competition between Japanese and Korean manufacturers, competitors from Europe and China should not be underestimated. Taiwanese manufacturers maintain their investment in high-end processes, enhance their product competitiveness and production efficiency through technological cooperation with market leading customers, and demonstrate good production flexibility when matching adjustments in customer market demands.

Mainland China is one of the major PCB production bases in the world. With the generalization of PCB production, Chinese manufacturers have matured in the manufacturing technology of traditional multilayer boards, and their cost advantages have made diverse industries recognize their role in the supply chain.

Japanese PCB manufacturers continue to have advantages in high-tech and high margin electronic products such as high-end HDI, carrier and eco-friendly processes. Their application products focus on high-end products such as automotive, data center, and high performance computing.

The main customers of Korean PCB manufacturers are Korean manufacturers, which fluctuate with the market share of Korean terminal brands. When new products are launched, the shipments of related electronic components grow significantly. Recently, Korean board manufacturers have been actively making capital expenditures in IC Substrate to upgrade their process equipment and expand their high-end production capacity, thereby to increase industrial competitiveness.

5.1.3 Overview of Technology and R&D

Unimicron refers to international technology roadmaps for various kinds of future product needs, and fast track to the next wave of advanced manufacturing technology development to create patentability, leading edge, and stability to maintain and strengthen competitiveness and customer satisfaction. Unimicron also makes great efforts in eco-friendly and high-end processes, to build our core business based on technology innovation and intellectual property. The Company also continuously improves technological ability and mass production capability for various types of IC Carrier, SLP, HDI, RF, automotive and HLC PCB.

Unit: NTD in Thousand

Item/Year	2022	2023 (Note)
R&D Expenses	5,887,256	647,902

Note: Figures from 2023 up to the date of publication of the annual report on February 21 are consolidated and unaudited.

5.1.4 Long and Short Term Business Development Plans

A. Short term plans

- (a) Develop blue ocean products, optimize product mix, and maximize production value.
- (b) Implement APQP and strengthen the development of high-frequency and high-speed products.
- (c) Improve big data and intelligent automation to pursue the best quality and benefit.
- (d) Lean digital management and enhance the competitiveness of the group company.
- (e) Establish an A+ management team to strengthen the operation of Mother Plant and BKM.
- (f) Press ahead on ESG, prevent disasters, save energy and reduce carbon.

B. Long term plans to innovate corporate value

- (a) Collaborate with customers to create blue ocean markets and products
- (b) Establish A+ management team to build world-class competitiveness.
- (c) Make good use of digital operations to establish efficient and intelligent operations and services.
- (d) Agile Risk Management.
- (e) Press ahead on ESG, care for the earth and company sustainability.

5.2 An analysis of the market as well as the production and marketing situation

5.2.1 Market analysis

A. Sales Region of Main Products

Unit: NTD in Thousand; %

Sales region		2021		2022	
		Sales Revenue	Percentage of revenue (%)	Sales Revenue	Percentage of revenue (%)
Domestic sales		21,188,108	20%	33,997,844	24%
Exports	Asia	76,202,891	73%	98,197,671	70%
	America	2,553,529	2%	3,683,318	3%
	Others	4,618,219	5%	4,610,339	3%
	Subtotal	83,374,639	80%	106,491,328	76%
Total		104,562,747	100%	140,489,172	100%

Note: Consolidated information.

B. Market share

Unimicron is a professional PCB manufacturer. According to the production value from Prismark, our consolidated operating revenue in 2022 accounted for about 5.7% of the global PCB production value.

Unit: US\$ in Million

Item	Year	
	2021	2022
Global PCB Production Value	80,449	83,256
Market share of PCB consolidated operating revenue is approximately	4.6%	5.7%

Note: The source of the global PCB production value is the research report of Prismark (issued in Nov. 2022).

C. Future Market Supply and Demand and Future Growth

According to Prismark report issued in Nov. 2022, due to the economic downturn, the global PCB industry estimated annual growth rate in 2023 was about -1.6%, however, since the various development in different applications, the global PCB industry CAGR from 2021 to 2026 is estimated to be 4.6%.

D. Competitive advantages

- (a) Cultivate global expansion and well established footprint in Taiwan and China to

become a global PCB leading company.

- (b) Offering full range of products – IC Carrier, SLP, HDI, RF, FPC and Multilayer PCB.
 - (c) Strong Customer base in various industry sectors.
 - (d) Commit to new products development with expertise in house.
 - (e) Continue investing on core business to strengthen leading position, and meanwhile to invest in high value-added products.
 - (f) Developing group synergy to leverage market position.
 - (g) Proven financial and operational track record.
- E. Favorable and unfavorable factors to long-term development and response measures
- (a) Favorable factors

With the rapid development of technology, 5G applications are demanding high speed, low latency technology and stable signal. New applications are constantly emerging for consumer electronics and automotive and industrial markets, driving the development of printed circuit boards in the direction of high-density lines and fine lines. Unimicron has long been cultivating its own high end production technology and capabilities. At present, we have the ability to mass produce micro-hole, ultra-fine line, embedded component, and other high-integration processes, and we will actively deploy new applications such as 5G and AIoT in the future. In order to continuously improve the performance of end products and meet the needs of customers, we strive to improve product yield and process capabilities. Through cross-sector cooperation and solidarity between Taiwan and China bases, combined with the R&D advantages of high end product technology, we will continue to improve productivity, quality, cost, and services. Through medium to long-term strategic alliance with international leading companies, gaining revenue and profit mutually, Unimicron is able to establish and maintain reciprocal partnership.

- (b) Unfavorable factors
 - 1.) Continued global inflation causes consumer buying confidence weakness.
 - 2.) Inventory correction, and enterprises capex reduction as well as postponing, lead to slowdown of market demand.
 - 3.) Variation of demand supply situation impacts business strategic partnerships.
 - 4.) Stricter energy and environmental regulations.
 - 5.) International instability caused by geopolitical conflicts.
 - 6.) Requirement of technology and product varies widely.
 - 7.) The imbalance of water resources, electricity, and human capital supply.

- (c) Response measures
 - i. Build a high-quality product platform, accelerate the development of advanced process, technology and mass production capabilities, focus on future mainstream customers, strengthen strategic alliance with customers, and continue to develop new niche products

In response to the development of IC packaging types and new communication, information, and consumer products, we have developed products that meet market trends and customer needs. We have also refined comprehensive technical

services for major customers, made good use of R&D resources, established high coherence with customers' future development, and strengthened our long-term partnership with major customers to improve customer satisfaction and ensure the Company's profitability.

ii. Strengthen green environmental processes and promote energy-saving and waste reduction measures

In addition to complying with laws and regulations, environmental protection work also utilizes the concepts of pollution reduction from the source and clean production. The Company actively promotes various resource and energy reduction measures such as greenhouse gas reduction and management, energy conservation management, water resource management, waste and recycling management, and pollutant emission control. In addition, green buildings and ecological engineering methods shall be implemented in new plants to promote environmentally sustainable operations. Unimicron has carefully considered possible environmental impacts and work related risks generated from production activities in the early plant designs. Conduct pre-examination of possible environmental impacts and risks before production, and consider and design equipment, raw materials, and technology that reduce the negative impact that production has on the environment. We prohibit the use of hazardous substances and conflict minerals during the procurement of raw materials. We also invest in environmentally friendly processes in production technology for the development of non-plated through holes.

The impacts of operating activities on climate change are all inspected for regulatory and actual risks, and energy conservation and waste reduction measures are more actively promoted. For the disposal of hazardous and general business wastes, not only are processing agencies, authorized by relevant units, entrusted to handle the waste generated during the production process, but we also promote industrial waste reduction and implement recycling and reuse. We strengthen pollution prevention and conservation work to ensure the effective treatment of wastewater, exhaust and reuse of various wastes. The goal of energy and resources reduction of each plant is set according to the requirements of international or domestic industrial indicators. We continue to move towards international, cleaner production standards.

iii. Reduce operating costs and strengthen adaptability

Develop or introduce high-efficiency processes, build bottleneck process smart equipment, and strengthen employee practical education and training to enhance their sophistication and productivity, thereby improving product quality and business performance. At the same time, we will continue to promote comprehensive quality management and implement PDCA as the aim for continuous improvement to reduce production costs and pursue superior quality. In order to avoid and reduce the operational risks caused by the environment, not only are the internal emergency power generation capacity and water storage facilities of the plants expanded, but the conservation and management of water and electricity are also strengthened, so that production methods of many cross-strait plants can appropriately dissipate the risks. In order to increase operational flexibility, we will follow the customers' emphasis on diversity of

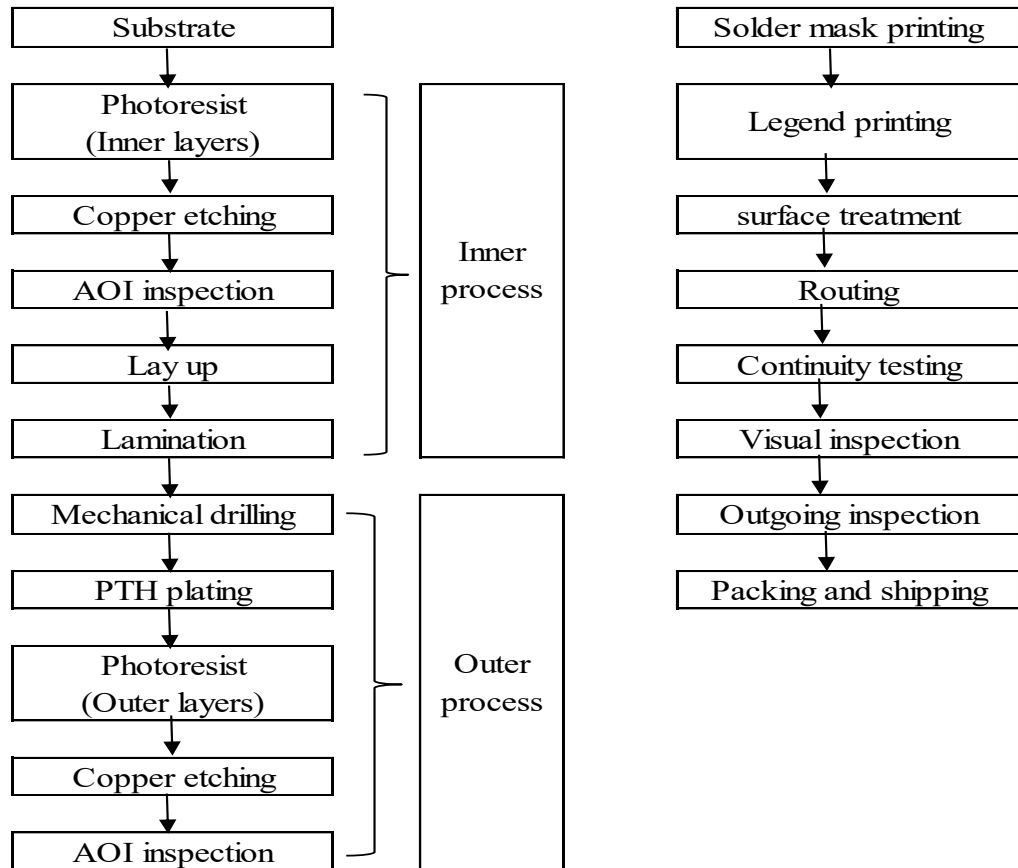
production base, which helps to reduce the impact caused by international instability.

5.2.2 Application and production of key products

A. Important applications of major products

- (a) Printed circuit boards: Including IC Carrier, SLP, HDI, RF, traditional multilayer PCB, and FPC products as well as major components used in handheld consumer electronics.
- (b) Others: Mainly IC testing and pre-burning, conducting IC testing and burn-in processes, screening out defective ICs, and providing backend services for packaging and testing processes.

B. Production processes



5.2.3 Supply status of primary raw materials

Taiwan's PCB manufacturers are mainly concentrated in Taoyuan and Zhongli. The upstream base for materials, special chemicals, and other consumable industries, peripheral industries, and third-party manufacturers are also concentrated in these areas. Thanks to the concentrated supply chain, logistics support is easy and efficient, allowing the Company to be able to effectively keep tabs on the production schedule and delivery date, and increase competitive advantage. The fluctuations in market prices of raw materials such as gold, copper, and petroleum will also affect the cost of main PCB raw materials. The rational allocation of raw materials and how to enhance supplier strategic partnerships will be even more important in the future. Some special materials are procured from specific manufacturers only. In addition to maintaining good relationship, the Company also needs to develop alternatives to reduce the production risks from having a single supplier.

5.2.4 Major clients

A. Major suppliers in the last two years

Unit: NTD in Thousand

Item	2021				2022			
	Name	Amount	Percentage of total purchase (%)	Relationship with issuer	Name	Amount	Percentage of total purchase (%)	Relationship with issuer
1	K	2,789,500	7	Non-related party	K	3,270,486	8	Non-related party
2	Others	38,602,510	93		Others	36,092,341	92	
	Net purchase	41,392,010	100		Net purchase	39,362,827	100	

Note 1: Reasons for changes: No significant difference.

Note 2: Consolidated information as of the date of publication of the annual report, Feb. 21, 2023. There is no information on the recent quarter yet, so it is not disclosed.

B. Major customers (end users) in the last two years

Unit: NTD in Thousand

Item	2021				2022			
	Name	Amount	Percentage of net sales %	Relationship with issuer	Name	Amount	Percentage of net sales %	Relationship with issuer
1	B1	20,570,946	20	Non-related party	B1	24,931,544	18	Non-related party
2	F1	16,216,238	16	Non-related party	F1	16,453,937	12	Non-related party
3	Others	67,775,563	64		Others	99,103,691	70	
	Net sales	104,562,747	100		Net sales	140,489,172	100	

Note 1: Reasons for changes: No significant difference.

Note 2: Consolidated information as of the date of publication of the annual report, Feb. 21, 2023. There is no information on the recent quarter yet, so it is not disclosed.

5.2.5 Output volume and value in the last two years

Unit: Square feet; NT\$ in Thousand

Year Output volume and value Main product	2021			2022		
	Production capacity	Output volume	Output value	Production capacity	Output volume	Output value
PCBs	93,060,000	45,673,845	69,858,124	99,089,910	36,666,244	72,569,554
Others		8,806	514,574		8,376	424,244
Total	93,060,000	45,682,651	70,372,698	99,089,910	36,674,620	72,993,798

Note: Consolidated information. The production capacity of this table is in gross square feet and the output volume is in net square feet. Product assembly highly affects the output volume, and the production capacity is for reference only.

5.2.6 Sales volume and value in the last two years

Unit: Square feet; NT\$ in Thousand

Year Sales volume and value Main product	2021				2022			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
PCBs	4,585,315	20,751,459	42,761,939	82,521,612	3,228,962	33,567,466	34,214,611	105,799,381
Others		436,649		853,027		430,378		691,947
Total	4,585,315	21,188,108	42,761,939	83,374,639	3,228,962	33,997,844	34,214,611	106,491,328

Note: This is consolidated information.

5.3 Employee information in the last two years and up to the date of publication of the annual report

Year		2021	2022	February 21, 2023
Number of employees	Engineers	6,354	6,735	6,750
	Administrators	1,209	1,258	1,267
	Technical clerks	21,547	21,314	20,835
	External directors (including independent directors)	24	22	22
	Total	29,134	29,329	28,874
Average age		32.9	35.3	35.5
Average years of service		5.6	6.4	6.0
Academic qualification	Ph.D.	0.2%	0.3%	0.3%
	Master	6.5%	7.0%	7.2%
	University/College	43.5%	46.2%	46.8%
	Senior high school	36.9%	35.4%	35.4%
	Senior high school and below	12.9%	11.1%	10.4%

Note: Consolidated information.

5.4 Disbursements for environmental protection

5.4.1 Total loss and handling of environmental pollution, future countermeasures, and possible expenditures in the latest year and up to the date of publication of the annual report:

The Company paid a fine of NT\$190.2 thousand for violating the environmental protection regulations from 2022 up to the date of publication of the annual report.

Unit: NT\$ in Thousand

Type of company	Event description	Penalty amount	Improvements and future countermeasures
Parent Company	Unimicron-SY On April 2, 2022 .The driver of the rented vehicle (Number: RBQ-****) spat on the ground, causing environmental pollution.	1.2	Strengthen driver education and training.
	Unimicron-YM On September 16, 2022, the Environmental Protection Bureau audited the air pollution system, and the pressure difference of A203 bag dust collector was higher than the permitted range of Air pollution prevention law.	100	1. Replace the filter bag immediately. 2. Set a predictive maintenance plan to replace it when the upper limit of the air operation permit is approaching.
Subsidiaries	Subtron Technology Co., Ltd. Industrial waste has been stored for more than 1 year and has not applied for an extension 2 months before the expiration of the period.	60	1. Pay the penalty according to the letter and complete the cleanup within 90 days according to the deadline. 2. Strengthen the undertaker's awareness and education and training of laws and regulations.
	Unimicron Germany GmbH Not notify a significant change of Installations for Handling Substances Hazardous to Water. Violation of Water Resources Act.	29	Strengthen undertaker's awareness and education and training of laws and regulations.

5.4.2 In the future, the Company and its subsidiaries expect major environmental expenditures and projects, which include: (1) The costs for the addition and renewal of the wastewater system are approximately NT\$713,386 thousand. (2) The costs for the expansion and improvement of the water generating system are approximately NT\$445,202 thousand. (3) The costs for the additional installation and maintenance work of the air pollution system are approximately NT\$703,958 thousand. (4) the costs for the drug supply system are approximately NT\$302,192 thousand. (5) Green Energy (or Energy-storage) Equipment NT\$1,281,191 thousand and (6) Water consumption fee are approximately NT\$16,960 thousand. To enhance and improve the working environment and prevent environmental pollution.

5.5 Labor Relations

The Company places great importance on employee salaries and benefits, employee development, the enforcement of all labor laws, and the protection of employee rights in an effort to provide the best possible working environment. Employees can communicate with their supervisors through many channels including directly reporting to their direct supervisors, colleague symposiums, opinion boxes, labor meetings, employee suggestion electronic mailbox, and reporting hotlines at the Auditing Office, HR Department, and for foreign employees are set up. Moreover, the electronic mailbox exclusively for anonymous appeals and corporate intranet assist in achieving full communication and effective problem solving.

5.5.1 Current important labor agreements and implementation

A. Employee benefits measures:

- (a) Prescribed matters of the Labor Standards Act: Labor insurance, health insurance, retirement reserve funds, and leaves.
- (b) Greater benefits than the regulations: Free transportation to and from work, air-conditioned dormitories, wedding and funeral allowances, birthday bonuses, festive bonuses, welfare fund allocation, cash dividends, operating bonuses, special work allowances, year-end bonuses, health checks, group insurance, club activity grants, massage services, health management centers and employee activity centers.

B. Education and training system:

- (a) According to the needs of new employees, general employees, and managing officers, Unimicron's educational training system has planned different training structures. Meanwhile, to enrich the skills of employees and broaden their career development opportunities, the training programs will continue to be optimized according to the fields and position of the employees.
- (b) In 2022, 15,096 personnel were trained with a total of 250,309.57 training hours. The average number of training hours per employee was 16.58 hours. The investment in education and training amounted to NT\$4,169 thousand.

C. Retirement scheme:

- (a) Work regulations and Company standard documents are established in accordance with relevant labor laws.
- (b) An amount is allocated to the welfare fund on a monthly basis to a designated

account in accordance with relevant laws and regulations.

- (c) In accordance with the above-mentioned methods, regular relevant personnel surveys are conducted each year so that employees and their organizations can plan in advance. Employees who meet the conditions for self-requested retirement will be asked if they wish to have their contracts renewed.
- (d) Set up a reward program to thank the outstanding retirees during their employment.

D. Employee benefits and protection measures:

The Company regularly holds colleague symposiums, labor meetings, employee satisfaction surveys, and employee welfare committee meetings to achieve good communication between employers and employees. We have also set up sexual harassment complaint and handling methods to deal with issues regarding employees' rights. Establish several communication channels, such as hotlines, mailbox and email, which are handled by dedicated personnel to protect the privacy of whistleblowers.

5.5.2 The Company has not suffered losses due to labor disputes in the most recent year up to the date of publication of the annual report. Through the establishment of the labor-management relations policy and continuous improvement, we should be able to avoid possible future losses due to labor disputes.

5.5.3 Employee and Ethics Code of Conduct

In order to maintain the common practice of integrity and business efficiency, the Company has established the Code of Integrity. The main contents are as follows:

A. Principles to abide by:

- (a) Any employee is obligated to strive for the extension of the Company's interests within legal limits, and prevent damages or loss of the Company's interests. Employees should be honest and fair while selecting vendors, and choose those who present products/services with the most competitive quality, prices and delivery.
- (b) Employees may not disclose the reserve price or the competitor price to a specific manufacturer, or accept benefits from specific individuals or manufacturers through design specifications (bid rigging), or strict inspections (or lenient inspections), which may affect the Company's interests and image.
- (c) Employees or their relatives are strictly prohibited from directly or indirectly accepting or requesting commissions, rebates, gifts, entertainment or other benefits from competitors, suppliers or other external parties who are related to the Company. However, the gifts and entertainment considered reasonable business etiquette and permitted by the Company (benefits provided by the same external party for a period of one year and the sum of its reasonable estimated value shall not exceed NT\$1000) are not limited by the regulation. When an employee receives benefits that do not meet the aforementioned specifications, he/she shall immediately report it to his/her immediate supervisor and return the benefit himself/herself or through the supervisor.
- (d) In principle, employees are prohibited from accepting entertainment or receptions apart from simple meals. For any question regarding this principle, a supervisor

should be consulted.

- (e) Utilizing one's position and responsibilities in terms of management or supervision to directly or indirectly seek illegitimate interests or engage in fraudulent activities.
- (f) Without the approval of the Company, employees are not allowed to use the Company's resources to conduct any form of service or assistance for other companies (such as develop software or assist in bargaining).
- (g) Seeking illegitimate interests through one's authority or identity to access duties not run or supervised by oneself.
- (h) Defrauding others through access to one's own duties.
- (i) Invading or stealing equipment or property from the Company.
- (j) Engaging in fraudulent activities such as filing excessive traveling expenses or overtime compensations or applying for inaccurate expenses.
- (k) All employees may not directly or indirectly invest in businesses identical or similar to the Company's or their own job's (such as suppliers or customers) by themselves or through related parties and (or) designated personnel. Employees who have obtained consent from the Company beforehand or invested in the open market are not limited by this regulation.
- (l) All employees have the responsibility of maintaining a positive image of the Company, which includes no gossiping about colleagues or supervisors outside of the office.
- (m) All supervisors must possess the ability to judge the rights and wrongs on integrity issues, and should never use the lack of explicit regulations as excuse for any debatable conduct. Besides being honest themselves, they should lead subordinates in establishing a work environment of integrity.
- (n) Employees with ranks of grade 9 (inclusive) or above needs to be censured at least once a year and are required to sign the Employee Agreement of Integrity Regulation Compliance every year.

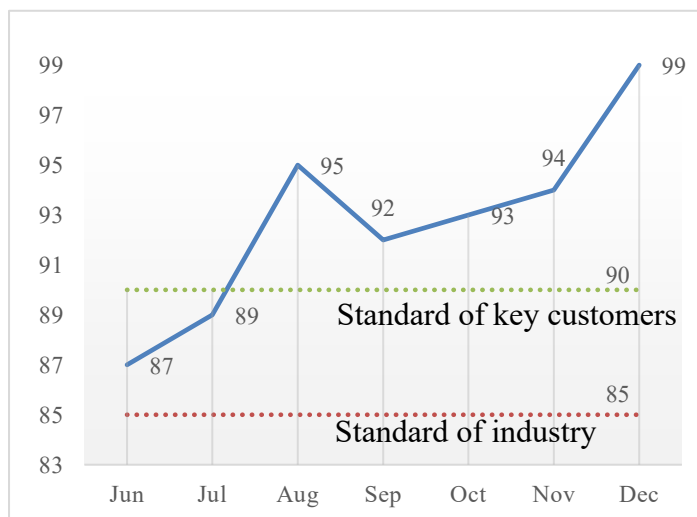
B. Provisions on punishment:

Violation of the Code of Integrity, punishments include but not limited to:

- (a) Job demotion.
- (b) Removal from post.
- (c) Administrative punishment.
- (d) File a criminal case.

5.6 Information communication security management

Protecting customers' intellectual property rights and business information by well-management of information security policy and ISO 27001 are the key points of our business and ethics management. Supply chain security is the major topic of Unimicron in 2022. As the one of the customers' important partners, we are committed to enhancing the confidence of customers, meanwhile, getting extraordinary scores that over industry standard and key customers' requirement by third-party security audit platform. It proves the security maturity of Unimicron is better than standard.



(Security Maturity of Unimicron in 2022 Second Half Year)

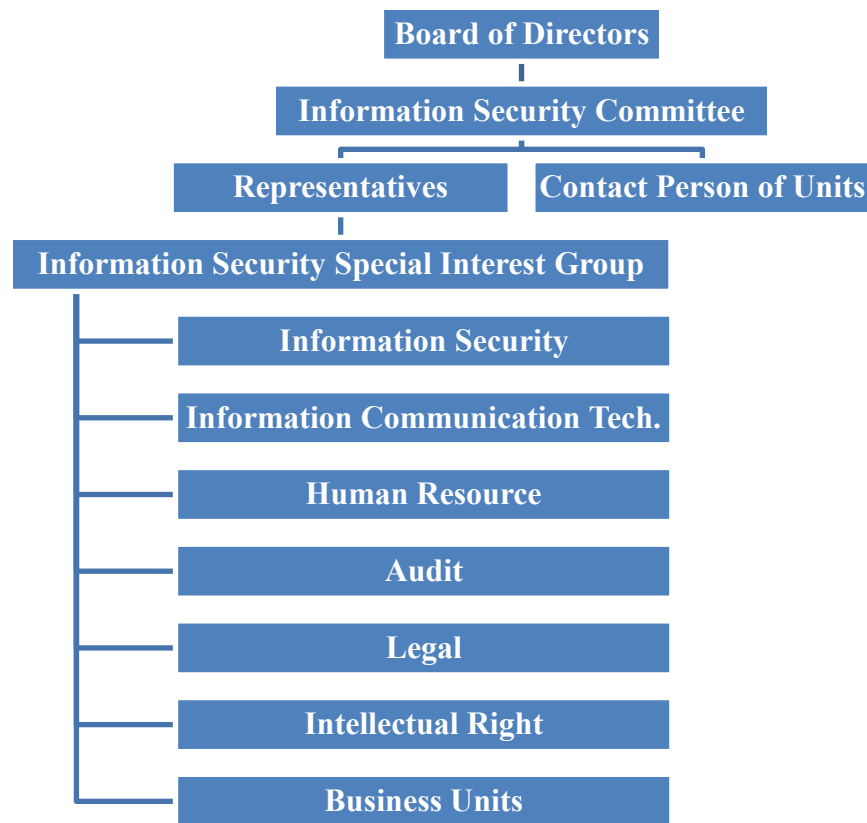
● Unimicron Information Security Policy :

To ensure the confidentiality, integrity, availability, and legality of the information belonging to Unimicron, and to comply with the requirements of relevant laws and regulations, so that it is free from internal and external intentional or accidental threats, this policy is specially formulated as information security management guidelines.

- (1) Comply with regulations and customer requirements, to ensure the confidentiality, integrity, availability of information assets.
- (2) Establish the organization of information security management system, education, and training staff, promote the information security and the protection of personal data.
- (3) On the basis of asset classification, grading, labeling and handling principle, implementation of various control modes of information assets.
- (4) Optimize information business continuity plan, ensure the sustainable management of business operations of the company.
- (5) Periodic review of information security policy, continue to improve the information security management system.

● Information Security risk management framework :

- (1) Unimicron set up a CISO and a dedicated security team in 2022 and host biweekly information security meetings and make it better through the PDCA cycle management mechanism, moreover, provide regular reports to chairman and senior managers of business units to ensure information security strategies align with business strategies.



(Members of Information Security Committee)

Information Security	<ol style="list-style-type: none"> 1. Host security meeting 2. Formulating security policies and strategies
Information Communication Tech.	<ol style="list-style-type: none"> 1. Systems and technical management assessment 2. Security system maintenance and permission adjustment
Human Resource	<ol style="list-style-type: none"> 1. Training scheduling and announcement 2. Staff regulations and reward/punishment process
Audit	<ol style="list-style-type: none"> 1. Effectiveness assessments of security policies 2. Security incidents escalation and following
Legal	<ol style="list-style-type: none"> 1. Security related laws and regulations following 2. Legal interpretation and consulting
Intellectual Right	<ol style="list-style-type: none"> 1. Trade secret and patents asset review and value definition assistance 2. Trade secret and patents system maintenance
Business Units	<ol style="list-style-type: none"> 1. Promoting security policies to departments and keep following 2. Submit feedback of departments and be bridges of business units and committee 3. Respond security incidents of business units

(The Role & Responsibility of Information Security SIG)

- (2) Reduce information security risks through the acquisition of international information security certification. Unimicron’s plants in Taiwan and Mainland China have all obtained ISO 27001 Information Security Management System certification, in order to build comprehensive information security standards and management procedures, and ensure information security. In 2022, Unimicron’s information security management level saw significant improvements. After conducting information security audits for

major customers, no information security deficiencies were found

Unimicron Technology Cross-Strait Information Security Certification Framework			Unimicron Technology Information Security Management Plan
Site	Certification System	Passing Date (Certification is updated every three years)	
Unimicron Technology (Taiwan)	ISO/IEC 27001:2013	December 19, 2022	<ul style="list-style-type: none"> ● Personnel safety management and education training ● Control for mobile device entry to factories ● Computer system security management ● Network security management ● Security management of system development and maintenance ● Security management of information assets ● Computer room security management ● Antivirus and anti-spyware safety management
Unimicron Technology (Suzhou)	ISO/IEC 27001:2013	April 19, 2021	
Unimicron Technology (Kunshan)	ISO/IEC 27001:2013	July 15, 2021	
Unimicron-FPC Technology (Kunshan)	ISO/IEC 27001:2013	April 19, 2021	
Unimicron Technology (Shenzhen)	ISO/IEC 27001:2013	October 18, 2021	
Unimicron Technology (Huangshi)	ISO/IEC 27001:2013	March 16, 2022	

- Specific management plan and the resources invested in the security information management :

- (1) In order to enhance the company's overall information security capabilities, the following management plans have been strengthened and completed :
 - a. Flow control: Strengthen internal and external cross-plant firewall, and abnormal flow detection and analysis capabilities, endpoint computer data output record check and analysis
 - b. Account control: Strengthen multi-factor authentication and authorization control of bastion hosts
 - c. Backup optimization: data backup and instant recovery structure improvement
 - d. Governance policy: enhancing vulnerability scanning, 24H service and information security monitoring (SOC), email TLS encryption with supply chain vendors, implement managed detection response (MDR), fix application compatibility for IE browser phase out, crucial FAB machine firewalls implementation, transit storage media (USB) management, hand-held mobile camera device management, information classification security system, printing control, employee information security training and phishing drills, etc.
- (2) Invest in information security management resources: Set up the Chief Information Security Officer (CISO) and a dedicated information security organization, and join the information security sharing organization TWCERT.

5.7 Important contracts

February 21, 2023

Borrower	Nature of Contract	Contracting parties	Commencement (loan repayment) date/expiration date	Content	Restriction clauses
Unimicron Technology Corp.	Long-term borrowings	Hua Nan Bank	Dec.02,2019-Nov.15,2024	Long-term loan	None
	Long-term borrowings	Hua Nan Bank	Jan.03,2020-Dec.15, 2024	Long-term loan	None
	Long-term borrowings	Bank of Taiwan	Jun.15,2020-Jun.15, 2027	Long-term loan	None
	Long-term borrowings	Taishin International Bank	May.06,2021-Apr.15,2028	Long-term loan	None
	Long-term borrowings	Bank of Taiwan	Jun.16,2021-Jun.15, 2026	Long-term loan	None
	Long-term borrowings	Mega Bank	Sep.28,2021-Sep.15, 2026	Long-term loan	None
	Long-term borrowings	China Bills Finance Corporation	Jan.22,2021-Jan.21, 2025	Long-term loan	None
	Long-term borrowings	International Bills Finance Corporation	Jun.10,2021-Jun.09, 2025	Long-term loan	None
	Long-term borrowings	Ta Ching Bills Finance Corporation	Jun.22,2021-Jun.22,2025	Long-term loan	None
	Long-term borrowings	Mega Bills	Aug.26,2021-Aug.25,2025	Long-term loan	None
Unimicron-FPC Technology (Kunshan) Inc.	Long-term borrowings	Shanghai Commercial and Savings Bank	Dec.23,2021-Dec.22,2024	Long-term loan	None
	Long-term borrowings	Taishin International Bank	Feb.16,2022-Feb.14,2025	Long-term loan	None
Unimicron Technology (Shenzhen) Corp.	Long-term borrowings	Taishin International Bank Bank	Jan.10,2022-Jan. 10, 2025	Long-term loan	None
Unimicron Technology (Huangshi) Corp.	Long-term borrowings	Taishin International Bank	Nov.12,2020-Nov.11,2023	Long-term loan	None
	Long-term borrowings	Shanghai Commercial and Savings Bank	Feb. 2, 2021-Feb. 1, 2025	Long-term loan	None
	Long-term borrowings	Taishin International Bank	Jan.24,2022-Jan.23,2025	Long-term loan	None
	Long-term borrowings	Bank SinoPac	May.27,2022-May.26,2025	Long-term loan	None
	Long-term borrowings	Shanghai Commercial and Savings Bank	Oct.26.2022- Oct.25.2025	Long-term loan	None
	Long-term borrowings	Hankou Bank	Sep.27.2022- Sep.27.2024	Long-term loan	None
	Long-term borrowings	Hankou Bank	Dec.08.2022-Dec.08.2024	Long-term loan	None
	Long-term borrowings	Hankou Bank	Dec.15.2022-Dec.15.2024	Long-term loan	None
Qun Hong Technology Inc.	Long-term borrowings	Bank of Taiwan	Apr.17,2020-Apr.17, 2025	Land and plant mortgage loan	None
	Long-term borrowings	Bank of Taiwan	Jul. 12, 2021- Jul.12, 2026	Land and plant mortgage loan	None
	Long-term borrowings	Mega Bank	Sep.28,2021-Sep.28, 2024	Long-term loan	None
	Long-term borrowings	Jih Sun Bank	Jun.29,2021- Jun.29, 2023	Long-term loan	None
	Long-term borrowings	Shin Kong Bank	Aug.30,2021-Aug.30,2024	Long-term loan	None
	Long-term borrowings	Shanghai Commercial and Savings Bank	Nov.25,2022-Nov.26,2026	Long-term loan	None
APM Communication, Inc.	Long-term borrowings	Shanghai Commercial and Savings Bank	Oct.04, 2022-Oct.04, 2025	Long-term loan	None
Asia Pacific Microsystems,	Long-term borrowings	Taiwan Cooperative Bank	Nov.23,2022-Nov.23,2027	Long-term loan	None

Borrower	Nature of Contract	Contracting parties	Commencement (loan repayment) date/expiration date	Content	Restriction clauses
Inc.	Long-term borrowings	Shanghai Commercial and Savings Bank	Jan.06, 2023- Jan.06, 2028	Long-term loan	None
Subtron Technology Ltd.	Long-term borrowings	Taiwan Cooperative Bank	Jun.03, 2020-Jun.03, 2040	Land and plant Mortgage loan	None
	Long-term borrowings	Taiwan Cooperative Bank	Feb.25, 2021-Feb.15,2028	Equipment Mortgage Loan	None
	Long-term borrowings	Taiwan Cooperative Bank	Dec.09, 2020-Nov.30,2031	Long-term loan	None
	Long-term borrowings	Taiwan Cooperative Bank	Feb.23, 2022-Feb.15,2027	Long-term loan	None
	Long-term borrowings	Hua Nan Bank	Feb.19, 2021-May.15,2029	Equipment Mortgage Loan	None
	Long-term borrowings	Hua Nan Bank	Feb.01, 2021-Dec.15,2028	Long-term loan	None
	Long-term borrowings	Mega Bank	Feb.24,2021- Nov.30,2028	Equipment Mortgage Loan	None
	Long-term borrowings	Mega Bank	Sep.08,2021- Aug.11,2024	Land and plant Mortgage loan	None
	Long-term borrowings	Mega Bank	Jan.19, 2022- Nov.30,2028	Long-term loan	None
	Long-term borrowings	KGI Bank	Jun.20, 2018- Jul.25,2024	Equipment Mortgage Loan	Note 1
	Long-term borrowings	KGI Bank	Apr.21, 2020- Apr.21,2025	Land and plant Mortgage loan	Note 1
	Long-term borrowings	Shanghai Commercial and Savings Bank	Dec.22,2021- Dec.15,2028	Long-term loan	None
	Long-term borrowings	Shanghai Commercial and Savings Bank	Sep.27 2018- Nov.12,2028	Equipment Mortgage Loan	None

Note 1: The Company commits to maintaining the following financial ratio limitations:

(1) The current ratio is not less than 100%

(2) The debt ratio not exceed 150%.

(3) The interest coverage ratio is not less than 250%

Interest coverage ratio = ((net profit before tax + interest expense + depreciation and amortization)/interest expense)

VI. Financial Highlights and Analysis

6.1 Condensed balance sheets and statements of comprehensive income for the past five years

6.1.1 Consolidated statements

A. Consolidated balance sheet- Consolidated

Unit: NT\$ in Thousand

Item		Year	Financial information for 2018 to 2022				
			2018	2019	2020	2021	2022
Current assets			48,785,395	49,962,152	53,731,376	79,877,132	107,587,687
Property, plant and equipment			46,705,281	49,759,077	57,980,739	72,020,994	94,122,130
Intangible assets			221,063	257,899	368,304	580,124	644,467
Other assets			8,904,689	10,222,603	12,629,805	17,577,003	16,309,145
Total assets			104,616,428	110,201,731	124,710,224	170,055,253	218,663,429
Current liabilities	Before distribution		38,595,502	36,206,490	42,368,800	49,060,327	54,892,563
	After distribution		39,760,086	37,807,686	44,423,377	54,076,212	(Note 3)
Non-current liabilities			19,320,891	25,643,812	29,240,866	55,478,750	71,112,510
Total liabilities	Before distribution		57,916,393	61,850,302	71,609,666	104,539,077	126,005,073
	After distribution		59,080,977	63,451,498	73,664,243	109,554,962	(Note 3)
Equity attributable to owners of parent			42,121,594	43,891,683	48,427,010	60,713,562	85,734,519
Share capital - common stock			15,048,658	15,047,323	15,047,323	14,752,603	14,783,653
Capital surplus			8,589,248	8,632,597	8,831,415	9,396,676	9,956,882
Retained earnings	Before distribution		19,840,301	21,876,629	25,707,009	36,897,138	61,631,725
	After distribution		18,675,717	20,275,433	23,652,432	31,881,253	(Note 3)
Other equity interest			(463,854)	(861,619)	(550,543)	(332,855)	(637,741)
Treasury stocks			(892,759)	(803,247)	(608,194)	0	0
Non-controlling interest			4,578,441	4,459,746	4,673,548	4,802,614	6,923,837
Total equity	Before distribution		46,700,035	48,351,429	53,100,558	65,516,176	92,658,356
	After distribution		45,535,451	46,750,233	51,045,981	60,500,291	(Note 3)

Note 1: No asset revaluation was conducted in these stated annual years

Note 2: All financials from 2018 to 2022 are audited by the CPA.

Note 3: Settled after the resolution of the 2023 shareholders' meeting.

B. Condensed income statements- Consolidated

Unit: NT\$ in Thousand

Item \ Year	Financial information from 2018 to 2022				
	2018	2019	2020	2021	2022
Operating revenue	75,732,780	82,535,553	87,892,821	104,562,747	140,489,172
Net operating margin	8,383,317	11,313,578	12,828,366	23,662,817	50,433,106
Operating profit (loss)	1,389,562	3,493,162	4,017,113	13,170,291	38,171,926
Net non-operating income and expenses	892,253	545,322	2,216,992	3,458,761	1,702,883
Profit before income tax	2,281,815	4,038,484	6,234,105	16,629,052	39,874,809
Profit from continued operations	1,829,633	3,275,961	5,317,528	13,524,558	31,225,717
Profit for the year	1,829,633	3,275,961	5,317,528	13,524,558	31,225,717
Other comprehensive (loss) income for the year	(569,716)	(549,630)	718,949	438,483	(634,097)
Total comprehensive income for the year	1,259,917	2,726,331	6,036,477	13,963,041	30,591,620
Profit attributable to owners of the parent	1,705,306	3,259,882	5,461,671	13,222,256	29,618,505
Profit attributable to non-controlling interest	124,327	16,079	(144,143)	302,302	1,607,212
Comprehensive income attributable to owners of the parent	1,391,273	2,794,349	5,742,652	13,508,702	29,620,703
Comprehensive income attributable to non-controlling interest	(131,356)	(68,018)	293,825	454,339	970,917
Earnings per share	1.15	2.24	3.74	8.98	20.08

Note 1: All financials from 2018 to 2022 are audited by the CPA.

Note 2: The Company has no "Loss from discontinued operations".

C. Names and opinions of external auditors over the past five years

Year	Name of firm	Name of CPAs	Audit opinion
2018	PwC Taiwan	Han-Chi Wu, Kuo-Hua Wang	Unqualified opinion
2019	PwC Taiwan	Han-Chi Wu, Kuo-Hua Wang	Unqualified opinion
2020	PwC Taiwan	Han-Chi Wu, Kuo-Hua Wang	Unqualified opinion
2021	PwC Taiwan	Han-Chi Wu, Ya-Hui Lin	Unqualified opinion
2022	PwC Taiwan	Ya-Hui Lin, Han-Chi Wu	Unqualified opinion

6.1.2 Individual statements

A. Condensed balance sheet - Parent company only

Unit: NT\$ in Thousand

Item		Year	Financial information for 2018 to 2022				
			2018	2019	2020	2021	2022
Current assets			32,270,677	35,344,747	39,641,900	57,302,892	69,862,210
Property, plant and equipment			27,034,184	27,667,954	34,511,336	48,097,639	64,883,667
Intangible assets			94,012	103,840	160,622	373,972	456,089
Other assets			22,326,686	22,974,209	26,104,906	29,454,170	38,290,113
Total assets			81,725,559	86,090,750	100,418,764	135,228,673	173,492,079
Current liabilities	Before distribution		24,063,777	21,540,035	27,872,763	32,325,095	40,099,066
	After distribution		25,228,361	23,141,231	29,927,340	37,340,980	(Note3)
Non-current liabilities			15,540,188	20,659,032	24,118,991	42,190,016	47,658,494
Total liabilities	Before distribution		39,603,965	42,199,067	51,991,754	74,515,111	87,757,560
	After distribution		40,768,549	43,800,263	54,046,331	79,530,996	(Note 3)
Equity attributable to owners of parent			-	-	-	-	-
Share capital - common stock			15,048,658	15,047,323	15,047,323	14,752,603	14,783,653
Capital surplus			8,589,248	8,632,597	8,831,415	9,396,676	9,956,882
Retained earnings	Before distribution		19,840,301	21,876,629	25,707,009	36,897,138	61,631,725
	After distribution		18,675,717	20,275,433	23,652,432	31,881,253	(Note 3)
Other equity interest			(463,854)	(861,619)	(550,543)	(332,855)	(637,741)
Treasury stock			(892,759)	(803,247)	(608,194)	-	-
Non-controlling interests			-	-	-	-	-
Total equity	Before distribution		42,121,594	43,891,683	48,427,010	60,713,562	85,734,519
	After distribution		40,957,010	42,290,487	46,372,433	55,697,677	(Note 3)

Note 1: No asset revaluation was conducted in these stated annual years.

Note 2: All financials from 2018 to 2022 are audited by the CPA.

Note 3: Settled after the resolution of the 2023 shareholders' meeting.

B. Condensed income statement - Parent company only

Unit: NT\$ in Thousand

Item \ Year	Financial information from 2018 to 2022				
	2018	2019	2020	2021	2022
Operating revenue	43,682,013	47,404,660	54,076,109	69,337,839	100,177,866
Net operating margin	6,853,447	8,474,946	10,888,155	20,028,108	37,778,125
Operating income (loss)	3,300,885	4,289,713	5,743,083	13,436,492	29,445,844
Net non-operating income and expenses	(1,285,206)	(472,639)	491,857	2,489,931	7,314,462
Profit before income tax	2,015,679	3,817,074	6,234,940	15,926,423	36,760,306
Profit from continued operations	1,705,306	3,259,882	5,461,671	13,222,256	29,618,505
Profit for the year	1,705,306	3,259,882	5,461,671	13,222,256	29,618,505
Other comprehensive (loss) income for the year	(314,033)	(465,533)	280,981	286,446	2,198
Total comprehensive income for the year	1,391,273	2,794,349	5,742,652	13,508,702	29,620,703
Earnings per share	1.15	2.24	3.74	8.98	20.08

Note 1: All financials from 2018 to 2022 are audited by the CPA.

Note 2: The Company has no "Loss from discontinued operations".

C. Names and opinions of external auditors over the past five years

Year	Name of firm	Name of CPAs	Audit opinion
2018	PwC Taiwan	Han-Chi Wu, Kuo-Hua Wang	Unqualified opinion
2019	PwC Taiwan	Han-Chi Wu, Kuo-Hua Wang	Unqualified opinion
2020	PwC Taiwan	Han-Chi Wu, Ya-Hui Lin	Unqualified opinion
2021	PwC Taiwan	Han-Chi Wu, Ya-Hui Lin	Unqualified opinion
2022	PwC Taiwan	Ya-Hui Lin, Han-Chi Wu	Unqualified opinion

6.2 Financial analyses for the past five years

6.2.1 Consolidated financial statements

Consolidated financial analysis

Unit: NT\$ in Thousand

Analysis item		Financial analysis for 2018 to 2022				
		2018	2019	2020	2021	2022
Financial structure (%)	Debt ratio	55.36	56.12	57.42	61.47	57.63
	Ratio of long-term capital to property, plant and equipment	141.36	148.71	142.02	168.00	174.00
Solvency (%)	Current ratio	126.40	137.99	126.82	162.81	196.00
	Quick ratio	101.81	109.06	101.00	132.94	167.59
	Times interest earned (times)	447.62	670.19	1,368.13	4,913.45	7,996.50
Operating performance	Accounts receivable turnover (times)	4.86	4.83	4.95	5.08	5.32
	Days sales outstanding	75.10	75.56	73.73	71.85	68.60
	Inventory turnover (times)	7.26	7.24	7.29	6.70	6.08
	Accounts payable turnover (times)	5.81	5.70	6.01	6.33	7.16
	Average days in sales	50.27	50.41	50.06	54.47	60.03
	Property, plant and equipment turnover (times)	1.60	1.71	1.63	1.61	1.69
	Total assets turnover (times)	0.73	0.77	0.75	0.71	0.72
Profitability	Return on total assets (%)	2.23	3.54	4.83	9.34	16.24
	Return on stockholder's equity (%)	3.92	6.89	10.48	22.80	39.48
	Pre-tax income to paid-in capital (%)	15.16	26.84	41.43	112.72	269.72
	Profit ratio (%)	2.42	3.97	6.05	12.93	22.23
	Earnings per share (NT\$) (Note 2)	1.15	2.24	3.74	8.98	20.08
Cash flows	Cash flow ratio (%)	35.07	28.38	42.87	87.52	111.28
	Cash flow adequacy ratio (%)	90.25	96.30	98.72	112.67	138.30
	Cash reinvestment ratio (%)	10.76	7.16	11.93	23.32	25.16
Leverage	Operating leverage	47.25	20.61	19.17	7.08	3.36
	Financial leverage	1.80	1.23	1.12	1.02	1.01
Reasons for changes in various financial ratios in the recent two years (increase or decrease of 20%):						
1. Increase in current ratio and quick ratio: Mainly due to the increase in cash and cash equivalents, and accounts receivable, net.						
2. Increase in interest coverage ratio, return on total assets, return on stockholder's equity, pre-tax income to paid-in capital, and profit ratio: Mainly due to the increase in profit before income tax.						
3. Increase in basic earnings per share: Mainly due to the increase in profit attributable to owners of the parent.						
4. Increase in cash flow ratio: Mainly due to the increase in net cash flows from operating activities.						
5. Increase in cash flow adequacy ratio: Mainly due to the increase in five-year sum of net cash flows from operating activities.						
6. Decrease in operating leverage: Mainly due to the increase in operating profit.						

Note 1: The financial analysis figures are audited by a CPA.

Note 2: Basic earnings per share.

Note 3: The calculation formulas of the analysis items are as below:

1. Financial structure
 - (1) Debt ratio = total liabilities / total assets.
 - (2) Ratio of long-term capital to property, plant and equipment = (stockholder's equity + non-current liabilities) / net worth of property, plant and equipment.
2. Solvency
 - (1) Current ratio = current assets / current liabilities.
 - (2) Quick ratio = (current assets - inventories - prepaid expenses) / current liabilities.
 - (3) Times interest earned (times) = income before tax and interest expenses / current interest expense.
3. Operating performance
 - (1) Accounts receivable (included trade receivables and operating notes receivable) turnover = net sales / average receivables for each period (included trade receivables and operating notes receivable).
 - (2) Days sales outstanding = 365 / accounts receivable turnover.
 - (3) Inventory turnover = cost of sales / average inventories.
 - (4) Accounts payable (included trade payables and operating notes payable) turnover = cost of sales / average payables for each period (included trade payables and operating notes payable).
 - (5) Average days in sales = 365 / inventory turnover.
 - (6) Property, plant, and equipment turnover = net sales / average net amount of property, plant, and equipment.
 - (7) Total assets turnover = net sales / average of total assets.
4. Profitability
 - (1) Return on total assets = [net income after tax + interest expense (1 - tax rate) / average of total assets.
 - (2) Return on stockholder's equity = net income after tax / average of stockholder's equity.
 - (3) Profit ratio = net income after tax / net sales.
 - (4) Earnings per share = (net income attributable to owners - stock dividend of preferred stocks) / weighted average of outstanding shares.
5. Cash flows
 - (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
 - (2) Cash flow adequacy ratio = net cash flow from operating activities in recently five years / recently five years of (capital expenses + increase of inventories + cash dividend).
 - (3) Cash reinvestment ratio = (net cash flows from operating activities - cash dividend) / (gross amount of property, plant and equipment + long-term investment + other non-current assets + working capital).
6. Leverage
 - (1) Operating leverage = (net operating revenue - variable operating cost and expense) / operating income.
 - (2) Financial leverage = operating income / (operating income - interest expense).

6.2.2 Individual statement financial analysis

Parent only financial analysis

Unit: NT\$ in Thousand

Analysis item		Financial analysis for 2018 to 2022				
		2018	2019	2020	2021	2022
Financial structure (%)	Debt ratio	48.46	49.02	51.77	55.10	50.58
	Ratio of long-term capital to property, plant and equipment	213.29	233.30	210.21	213.95	205.59
Solvency (%)	Current ratio	134.10	164.09	142.22	177.27	174.22
	Quick ratio	115.09	141.71	122.69	152.01	150.27
	Interest coverage ratio	596.97	908.08	1951.87	7693.00	17,216.3
Operating performance	Accounts receivable turnover (times)	4.92	4.88	5.22	5.14	5.21
	Average collection days	74.22	74.76	69.97	70.99	70.00
	Inventory turnover (times)	8.06	8.14	8.42	7.59	7.13
	Accounts payable turnover (times)	6.14	6.29	6.78	6.59	7.48
	Average days in sales	45.26	44.82	43.34	48.09	51.18
	Property, plant and equipment turnover (times)	1.58	1.73	1.74	1.68	1.77
	Total assets turnover (times)	0.54	0.56	0.58	0.59	0.65
Profitability	Return on total assets (%)	2.51	4.32	6.13	11.34	19.28
	Return on stockholder's equity (%)	4.05	7.58	11.83	24.23	40.45
	Pre-tax income to paid-in capital (%)	13.39	25.37	41.44	107.96	248.66
	Profit ratio (%)	3.90	6.88	10.10	19.07	29.57
	Earnings per share (NT\$) (Note 2)	1.15	2.24	3.74	8.98	20.08
Cash flows	Cash flow ratio (%)	42.18	37.75	57.44	104.24	104.72
	Cash flow adequacy ratio (%)	110.82	126.78	127.77	130.01	127.42
	Cash reinvestment ratio (%)	11.57	7.83	14.88	25.62	23.22
Leverage	Operating leverage	11.83	9.87	8.44	4.73	3.19
	Financial leverage	1.14	1.12	1.06	1.01	1.01
<p>Reasons for changes in various financial ratios in the recent two years (increase or decrease of 20%):</p> <ol style="list-style-type: none"> Increase in current ratio and quick ratio: Mainly due to the increase in cash and cash equivalents, and accounts receivable, net. Increase in interest coverage ratio, return on total assets, return on stockholder's equity, pre-tax income to paid-in capital, and profit ratio: Mainly due to the increase in profit before income tax. Increase in basic earnings per share: Mainly due to the increase in profit for the year. Increase in cash flow ratio: Mainly due to the increase in net cash flows from operating activities. Decrease in operating leverage: Mainly due to the increase in operating profit. 						

Note 1: The financial analysis figures are audited by a CPA.

Note 2: Basic earnings per share.

Note 3: The calculation formulas of the analysis items are as below:

1. Financial structure

(1) Debt ratio = total liabilities / total assets.

(2) Ratio of long-term capital to property, plant and equipment = (stockholder's equity + non-current liabilities) / net worth of property, plant and equipment.

2. Solvency

(1) Current ratio = current assets / current liabilities.

(2) Quick ratio = (current assets - inventories - prepaid expense) / current liabilities.

(3) Times interest earned (times) = income before tax and interest expenses / current interest expense.

3. Operating performance

(1) Accounts receivable (included trade receivables and operating notes receivable) turnover = net sales / average receivables for each period (included trade receivables and operating notes receivable).

(2) Days sales outstanding = 365 / accounts receivable turnover.

(3) Inventory turnover = cost of sales / average inventories.

(4) Accounts payable (included trade payables and operating notes payable) turnover = cost of sales / average payables for each period (included trade payables and operating notes payable).

(5) Average days in sales = 365 / inventory turnover.

(6) Property, plant, and equipment turnover = net sales / average net amount of property, plant, and equipment.

(7) Total assets turnover = net sales / average of total assets.

4. Profitability

(1) Return on total assets = [net income after tax + interest expense (1 - tax rate) / average of total assets.

(2) Return on stockholder's equity = net income after tax / average of stockholder's equity.

(3) Profit ratio = net income after tax / net sales.

(4) Earnings per share = (net income attributable to owners - stock dividend of preferred stocks) / weighted average of outstanding shares.

5. Cash flows

(1) Cash flow ratio = net cash flow from operating activities / current liabilities.

(2) Cash flow adequacy ratio = net cash flow from operating activities in recently five years / recently five years of (capital expenses + increase of inventories + cash dividend).

(3) Cash reinvestment ratio = (net cash flows from operating activities - cash dividend) / (gross amount of property, plant and equipment + long-term investment + other non-current assets + working capital).

6. Leverage:

(1) Operating leverage = (net operating revenue - variable operating cost and expense) / operating income.

(2) Financial leverage = operating income / (operating income - interest expense).

Audit Committee's Report

The Board of Directors has prepared the Company's 2021 Business Report, Consolidated Financial Statements (including parent company only financial statements), and earnings distribution proposal. PwC Taiwan completed the audit on Unimicron's Consolidated Financial Statements and has issued an audit report accordingly. The Business Report, Consolidated Financial Statements (including parent company only financial statements), and earnings distribution proposal have been reviewed and no instances of noncompliance were found by the Audit Committee members of Unimicron Technology Corp. We hereby submit this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

Unimicron Technology Corp. 2022 annual shareholders' meeting

Unimicron Technology Corp.

Chairman of the Audit Committee: Grace Li

February 22, 2022

- 6.4 Consolidated Financial Statements and Independent Auditors' Report of the most recent year
Please refer to Appendix I.
- 6.5 Parent Company only Financial Statements and Independent Auditors' Report of the most recent year
Please refer to Appendix II.
- 6.6 Financial status of the Company and its affiliates
Not applicable.

VII. Review of Financial Position, Operating Results, Risk Assessment

7.1 Financial position

Unit: NT\$ in Thousand

Item	Year		Difference	
	2022	2021	Change (amount)	Variable proportion
Current assets (Note 1)	107,587,687	79,877,132	27,710,555	35%
Property, plant and equipment (Note 2)	94,122,130	72,020,994	22,101,136	31%
Intangible assets	644,467	580,124	64,343	11%
Other assets	16,309,145	17,577,003	(1,267,858)	-7%
Total assets	218,663,429	170,055,253	48,608,176	29%
Current liabilities	54,892,563	49,060,327	5,832,236	12%
Non-current liabilities (Note 3)	71,112,510	55,478,750	15,633,760	28%
Total liabilities	126,005,073	104,539,077	21,465,996	21%
Equity attributable to owners of parent (Note 4)	85,734,519	60,713,562	25,020,957	41%
Share capital - common stock	14,783,653	14,752,603	31,050	0%
Capital surplus	9,956,882	9,396,676	560,206	6%
Retained earnings (Note 5)	61,631,725	36,897,138	24,734,587	67%
Other equity interest (Note 6)	(637,741)	(332,855)	(304,886)	-92%
Non-controlling interests (Note 7)	6,923,837	4,802,614	2,121,223	44%
Total equity	92,658,356	65,516,176	27,142,180	41%
<p>Note 1: The increase in current assets was mainly due to the increase in cash and cash equivalents, and accounts receivable, net.</p> <p>Note 2: The increase in property, plant and equipment was mainly due to the increase in buildings and structures, and machinery and equipment.</p> <p>Note 3: The increase in non-current liabilities was mainly due to the increase in contract liabilities-non-current.</p> <p>Note 4: The increase in equity attributable to owners of parent was mainly due to the increase in retained earnings.</p> <p>Note 5: The increase in retained earnings was mainly due to the increase in profit for the year.</p> <p>Note 6: The decrease in other equity interest was mainly due to the increase in currency exchange loss arising from translation of foreign operations for the year.</p> <p>Note 7: The increase in non-controlling interests was mainly due to the increase in profit attributable to non-controlling interest.</p>				

7.2 Financial performance

Unit: NT\$ in Thousand

Item	Year		Difference	
	2022	2021	Change (amount)	Variable proportion
Operating revenue (Note 1)	140,489,172	104,562,747	35,926,425	34%
Net operating margin (Note 2)	50,433,106	23,662,817	26,770,289	113%
Operating profit (loss) (Note 3)	38,171,926	13,170,291	25,001,635	190%
Net non-operating income and expenses (Note 4)	1,702,883	3,458,761	(1,755,878)	-51%
Profit before income tax (Note 5)	39,874,809	16,629,052	23,245,757	140%
Profit for the year (Note 5)	31,225,717	13,524,558	17,701,159	131%
Other comprehensive (loss) income for the year (Note 6)	(634,097)	438,483	(1,072,580)	-245%
Total comprehensive income for the year	30,591,620	13,963,041	16,628,579	119%

Note 1: Increase in operating revenue: Mainly due to the increase in customer demand.
Note 2: Increase in net operating margin: Mainly due to the increase in operating revenue.
Note 3: Increase in operating profit(loss): Mainly due to the increase in net operating margin.
Note 4: Decrease in net non-operating income and expenses: Mainly due to the increase in loss on financial instruments at fair value through profit or loss.
Note 5: Increase in profit before income tax, and profit for the year: Mainly due to the increase in net operating margin.
Note 6: Decrease in other comprehensive (loss) income for the year: Mainly due to the increase in currency exchange loss arising from translation of foreign operations.

7.3 Cash flow

Consolidated cash flow analysis in 2022

Unit: NT\$ in Thousand

Cash and cash equivalents at beginning of year	Net cash flows from operating activities	Cash outflow	Cash surplus (deficit)	Remedy for cash deficit	
				Investment plans	Financial plans
39,401,609	61,082,021	39,024,334	61,459,296	-	-

1. Analysis on the cash flow changes of the current year:
(1) Operating activities: 61,082,021
(2) Investing activities: (33,395,918)
(3) Financing activities: (4,831,475)
(4) Effect of exchange rate changes: (796,941)
2. Remedy for cash deficit analysis in cash flow: Not applicable.
3. Cash flow analysis for the coming year:

Cash and cash equivalents at beginning of year	Net cash flows from operating activities	Cash outflow	Cash surplus (deficit)	Remedy for cash deficit	
				Investment plans	Financial plans
61,459,296	27,810,000	36,930,000	52,339,296	-	-

7.4 Major capital expenditures from recent years and impact on company's finance and business

7.4.1 Execution status of major capital expenditures and sources of funding:

Unit: NT\$ in Thousand

Project	Actual and expected sources of funding	Actual and expected capital expenditures plan			
		2021(actual)	2022(actual)	2023(expected)	2024(expected)
Addition of plants, and purchase of factory equipment and machinery	Cash flows generated from operations, bank loans	23,264,952	32,072,759	35,419,541 (Note 1)	4,498,548 (Note 2)

Note: 1. The implementation of the 2023 capital expenditure budget will be flexibly adjusted according to customer needs and market conditions. The actual payment amount will be determined according to the implementation progress and

payment terms.

2. 2024 capital expenditure is the budget of long lead time equipment.

7.4.2 Expected benefit from capital expenditures

- A. The Company's major capital expenditures are on the reconstruction and expansion of new plants, upgrade of existing production technologies, expansion of high-end production capacities, purchase of plant equipment, construction of the bottleneck smart production equipment, and purchase of production equipment for operational use. These expenditures will strengthen the production capability and mass production technology of high-end products, improve yield and stability of product quality, and expand the application market. Furthermore, some of the old plant equipment and resources will be integrated into the plants which need them, and active asset utilization will play a part in the Group's operating synergy.
- B. The Company strives to develop its core businesses and is committed to the development of environmentally-friendly and energy-saving new product technologies. The Company also implements environmental protection in the development of technology to fulfill its corporate social responsibility.

7.5 Main reasons and improvement plans for recent annual reinvestment policies and profit or loss, and investment plans for the coming year

The Company and its subsidiaries mainly invest in the development of the PCB industry, including the niche products of Taiwanese and overseas peers or market expansion, as well as the development of upstream raw materials or related new technologies. Furthermore, for the Group's development, the Company also has some strategic or cooperative investment.

In recent years, investment profits have mainly come from the effects of operating investment, and the benefits from changes in fair value. However, the main reasons for the investment losses: changes in products, markets, and customer demands; rapid technological evolution; excessive expansion of peers; fluctuations in labor and raw material costs; and immature new products, technologies and markets. In order to improve the effects of investment, not only does the Company need to conduct a careful assessment of new investments, but the management of the invested companies also needs to be strengthened or adjusted.

In the following year, investments will continue to focus mainly on improving our competitiveness as a PCB industry, aided by reinforcements in existing investments and additional caution for new investments.

7.6 Risk assessment

7.6.1 Impact of interest rate and exchange rate changes and inflation on Company's profit and response measures:

A. Impact of interest rate on Company's profit and response measures:

The Company and its subsidiaries maintain close working relationships with numerous financial institutions and strive to negotiate reasonable and competitive interest rates. We pay close attention to the situation of the capital market and carefully evaluate the financing methods and timing to support the Company's medium and long-term working capital needs. Short-term and long-term borrowings are loans with floating rates; therefore, the changes in the market interest rate cause the effective interest rates of short-term and long-term borrowings to change, which in turn causes fluctuations in the future cash flow. As of December 31, 2022, the short-term borrowings and

long-term borrowings amount was NT\$23,628,639 thousand. When the market interest rate increases by 1%, the cash outflow from the Company and its subsidiaries will reach NT\$236,286 thousand.

B. Impact of exchange rate changes on Company's profit and response measures:

The main currency used in the sales of the Company and its subsidiaries is USD. For purchase of goods, NTD, CNY, USD, EUR, JPY, and other currencies are used. The fair value changes with the fluctuation of the market exchange rate; therefore, the Company and its subsidiaries use foreign currency assets to offset their liabilities, as well as natural hedging methods to reduce exchange rate exposures. The Company also uses forward FCY exchange agreements and foreign exchange swap agreements to maintain net foreign currencies within a controllable range and reduce currency exchange risks. However, if the exchange rate fluctuates greatly and changes rapidly, the benefits of hedging may be reduced. The Company and its subsidiaries will continue to monitor changes in the exchange rate and take appropriate measures to reduce the impact of exchange rate fluctuations on the Company's profit and loss.

C. Impact of inflation on Company's profit and response measures:

Under the close monitoring by the Central Bank, the handling of overall economic inflation risk has attained outstanding results in each country during recent years. Currently, under the uncertain global economic climate and political and economic environment, inflation is estimated to have no significant impact on the short-term operations of the Company and its subsidiaries.

7.6.2 Policies, main causes of gain or loss and future response measures with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions:

A. Engagement in high-risk, highly leveraged investments

The Company and its subsidiaries mainly invest in the development of the PCB industry, including the niche products of Taiwanese and overseas peers or market expansions as well as the development of upstream raw materials or related new technologies. We also invest in touch, new energy, LED and other new technologies. The Company is committed to stable operations and does not engage in high-risk and highly leveraged investments.

B. Lending funds to other parties, endorsements and guarantees

The Company and its subsidiaries have established internal management and operating procedures, including Procedures for Extending Loans to Others and Procedures for Endorsements and Guarantees, in accordance with relevant laws and regulations of competent authorities. These procedures are established to manage and control relevant transaction risks.

C. Derivatives trading

The Company and its subsidiaries have established the Procedures for Engaging in Financial Derivative Transactions in accordance with relevant laws and regulations of the competent authorities to manage and control relevant transaction risks. Furthermore, the derivative transactions undertaken by the Company and its subsidiaries are mainly based on avoiding currency exchange risks generated from the Company's operations. Therefore, if a loss is generated from derivative transactions,

the Company's operations will generate a profit so it will not have a significant impact on the operating results of the Company or its subsidiaries.

7.6.3 Future R&D Programs and Expected R&D Investment

Future R&D Programs and Expected R&D Funding

Item/Year	2023	2024	2025
Net operating revenues (Note 1)	Not applicable	Not applicable	Not applicable
R&D expenditure	Not applicable	Not applicable	Not applicable
R&D expenses as a percentage of net operating revenue (%)	3.0~5.0%	3.0~5.0%	3.0~5.0%

Note 1: The Company did not disclose financial forecasts.

Note 2: Consolidated information.

Major R&D projects in the future

Project Name	Project Content	Year
Advanced High Performance Substrate technology	Advanced High Performance Integral Substrate Technology Development	2023
Advanced High Density Interconnection technology	Advanced Next Generation CPU and Server Substrate Technology Development	2023
Advanced High Performance Substrate technology	Advanced High Density 3D Stacking System and Heterogeneous Integration Substrate Technology Development	2023
Develop new product technologies	R&D of high frequency radar and satellite communication PCB production technology	2023
Develop new product technologies	R&D of Cool PCB production technology	2023
Develop new product technologies	R&D of fine line PCB production technology	2023
Develop new product technologies	R&D of thick PCB process technology for communication and cloud	2023
Advanced strategic product	RDL Fan-out technology for UHF communication switch/filter applications	2023
Advanced High Performance Substrate technology	Advanced High Performance Integral Substrate Technology Development	2024
Advanced High Density Interconnection technology	Advanced Next Generation CPU and Server Substrate Technology Development	2024
Advanced High Performance Substrate technology	Advanced High Density 3D Stacking System and Heterogeneous Integration Substrate Technology Development	2024
Develop new product technologies	R&D of high frequency radar and satellite communication PCB production technology	2024
Develop new product technologies	R&D of high-density integrated system packaging (SiP) board process technology	2024

Project Name	Project Content	Year
Develop new product technologies	R&D of thick PCB process technology for communication and cloud	2024
Advanced strategic product	High density hybrid substrate for heterogeneous integration	2024
Advanced strategic product	Ultra-thin flexible hybrid substrate for wearable applications	2024
Advanced High Density Interconnection technology	Advanced Next Generation CPU and Server Substrate Technology Development	2025
Advanced High Performance Substrate technology	Advanced High Density 3D Stacking System and Heterogeneous Integration Substrate Technology Development	2025
Develop new product technologies	R&D of high frequency radar and satellite communication PCB production technology	2025
Develop new product technologies	R&D of the next generation of high-density PCB process technology with thin lines and tiny holes	2025
Develop new product technologies	R&D of thick PCB process technology for communication and cloud	2025
Advanced strategic product	Co-packaged optics substrate for optical module	2025

7.6.4 Changes in major domestic and overseas government policies, the impact on the Company's finance and business, and response measures:

Relevant units of the Company pay close attention to the changes in major domestic and overseas government policies and laws so they can make timely assessments and take appropriate measures to prevent significant impact on the Company's finance and business.

7.6.5 Impact of technological (including information security risk) and market changes on the Company's finance and business, and response measures:

Electronic technology and industry is ever-changing. Technology evolves rapidly. Technical advancement and the difficulty of quality control rise every day. In order to ensure product quality, more costs must be borne and risk management should be implemented. The Company must maintain a high level of care and diligence for the expansion of new technologies. Unimicron continues to develop diversified products, invest in high-end technology R&D and advanced production capacity so that we can effectively utilize production resources and improve production efficiency. We also establish R&D teams according to customer needs in each product market, by which we expect to attain more solid technical mass production capabilities in the future and be able to compete with peers. We hope to meet the future needs of customers and support market product upgrades to reduce the impact of technological changes in the Company's operations. The Company's management team also keeps a close eye on industry changes and takes appropriate preventive measures to reduce the impact of industry changes on the Company's operations. Hacker, ransomware attacks and information security vulnerability are major information security risks to Taiwanese enterprises. The Company has formulated an information security policy to maintain the confidentiality, integrity

and availability of the Company's information assets, and to protect the privacy of customers and personal data.

7.6.6 Impact of changes in corporate image on risk management and response measures:

The Company values integrity and fully abides by the law, upholding the TQM concept with P(Plan), D(Do), C(Check), A(Action), B(Benchmark) as the aim for constant improvement within the process of business continuity, and implements corporate social responsibility. The Company also regards establishment of long-term partnerships with employees, shareholders, social groups and all stakeholders as a business philosophy. In recent years, we have continuously strengthened corporate governance. We hold regular shareholders' meetings and legal person briefings every year to disclose relevant financial information and updates on operational status, enhance information transparency, and promptly disclose major information in accordance with the law. The Company also actively participates in social welfare events and also encourages employees to participate together. We help to improve employees' lives and care for the environment while fulfilling our corporate social civic duties and give back to society. Therefore, the Company's corporate image is positive, and there has been no change in corporate image in recent years.

7.6.7 Expected benefits and possible risks of mergers and acquisitions as well as the responding measures:

(1) On January 6, 2023, the share conversion between Subtron and the Company has been completed. After the completion, Subtron became a wholly-owned subsidiary of the Company. The relevant information of this case is as follows.

Record date	January 6, 2023
Share exchange ratio	1 ordinary share of Subtron to exchange 0.219 ordinary share of the Company.
Number of shares issued	45,437,864 ordinary shares
Par value per share	NTD 10
Total monetary value of the issuance	NTD 454,378,640
Synergies	<ol style="list-style-type: none"> 1. Complement both IC substrate technologies and products, integrate resources to accelerate major expansion to satisfy market's demand in advance. 2. Deploy the technology development of compound semiconductor substrates and strengthen market segments in E.V., Autopilot, high speed, high frequency, Metaverse etc. Strengthen ESG, smart manufacturing, customer satisfaction, reduce the cost and improve the welfare for employees and stockholders.

(2) On February 21, 2023, the board of directors of the Company resolved to approve the short-form merger with subsidiary Qun Hong Technology Inc. Qun Hong is the subsidiary of the Company which the Company holds 91.41% of its shares directly. The

company aims to integrate the group's operating resources, simplify the organization structure, and save the management cost. Therefore, this case will be operated in accordance with Article 19 of the Mergers and Acquisitions Act, and the Company will pay the consideration for this merger in cash to Qun Hong's minority shareholders who hold 8.59% shareholdings. There is no significant impact on the net value per share or the earnings per share. Qun Hong, the dissolved entity, will merge into the Company, the surviving entity. The relevant information of this case is as follows.

Record Date (tentative)	July 1, 2023
Consideration in Cash	NT\$16 in cash for per share of Qun Hong
Note	If the 2023 annual general meeting of Qun Hong approves the capital reduction to cover its deficit, it will have impacted on the consideration in cash. The current consideration is NT\$16 in cash for per share of Qun Hong. However, after capital reduction, the consideration would become NT\$23.88 in cash per share of Qun Hong.

7.6.8 Expected benefits and possible risks of plant expansions as well as the response measures:

- A. Expected benefits: By strategic alliance with customers for expanding plants and add equipment to increase production capacity, we will increase productivity and quality to meet customer and market needs.
- B. Possible risks: The market demand for electronic products fluctuates greatly, and the technology development is varied. If the overall demand declines or the technical specification changes, it may lead to low utilization or overcapacity.
- C. Response measures: Keep tabs on the needs of the market and carefully evaluate the capital expenditure, develop strategic alliance partnership with clients, to reduce the negative impact of changes in market and technology.

7.6.9 Risks associated with over-concentration in purchase or sale and response measures:

- A. Procurements: In the most recent two years, there were no suppliers whose purchase of goods amount exceeded 10% of the net purchase of the whole year. The source of purchase was not concentrated and is still within a sound range.
- B. Sales: The concentration of sales on a single customer or region is still within reasonable limits. The Company actively develops new source markets and regions, making revenue less susceptible to a single region or customer.

7.6.10 Effect upon and risk to the Company of a major transfer or change of shares by a director or shareholder holding more than 10% equity in the Company, and response measures:

In case of a major transfer or change of shares by a director or shareholder holding more than 10% equity in the Company, the management rights of the Company may be changed. Furthermore, such transfer or change by the abovementioned personnel actually took place; investors would have doubts about the Company's operating conditions, which in turn would increase the risk of the Company's securities market price. The transfer or change of shares by directors or shareholders holding greater than 10% equity in the Company shall be declared in accordance with relevant regulations of competent authorities. There has been no major transfer or change of shares in the most recent year

up to the date of publication of the annual report.

7.6.11 The effects that change in management has on the Company as well as risk and responding measures:

The success of the Company's business is closely related to the Chairman and important managing officers. If changes in the management of the Company cause the Chairman or important managing officers to change and there are no suitable replacements, it will have an adverse impact on the Company's operations. There has been no significant change in the Company's management in the past year, and as of the date of publication of the annual report, there are no signs of probable changes in management.

7.6.12 Litigation or non-litigation: Not applicable.

7.6.13 Other significant risks and response measures:

In response to the COVID-19 pandemic, Unimicron has established an internal cross-departmental command center, composed of six units to perform epidemic prevention work according to their powers and responsibilities. The responsible of the command center include gathering epidemic prevention information, controlling information from suppliers, holding review meetings to handle the situation of domestic and overseas operating bases, and adjusting management measures to take care of the health of all employees and ensure the continuity of operations and customer services. Unimicron has set up the "Guidelines for Unimicron COVID-19 Prevention Plan ", which developed contingency plans such as visitor entry procedures, route planning, split operations, and emergency response planning. Crowd control or capacity limit management at dining halls, offices, elevators, meeting rooms, splitting employees into groups to take turns to come into the office and work from home, and supplier control. COVID-19 had no significant impact on Unimicron.

7.7 Other necessary supplements

None.

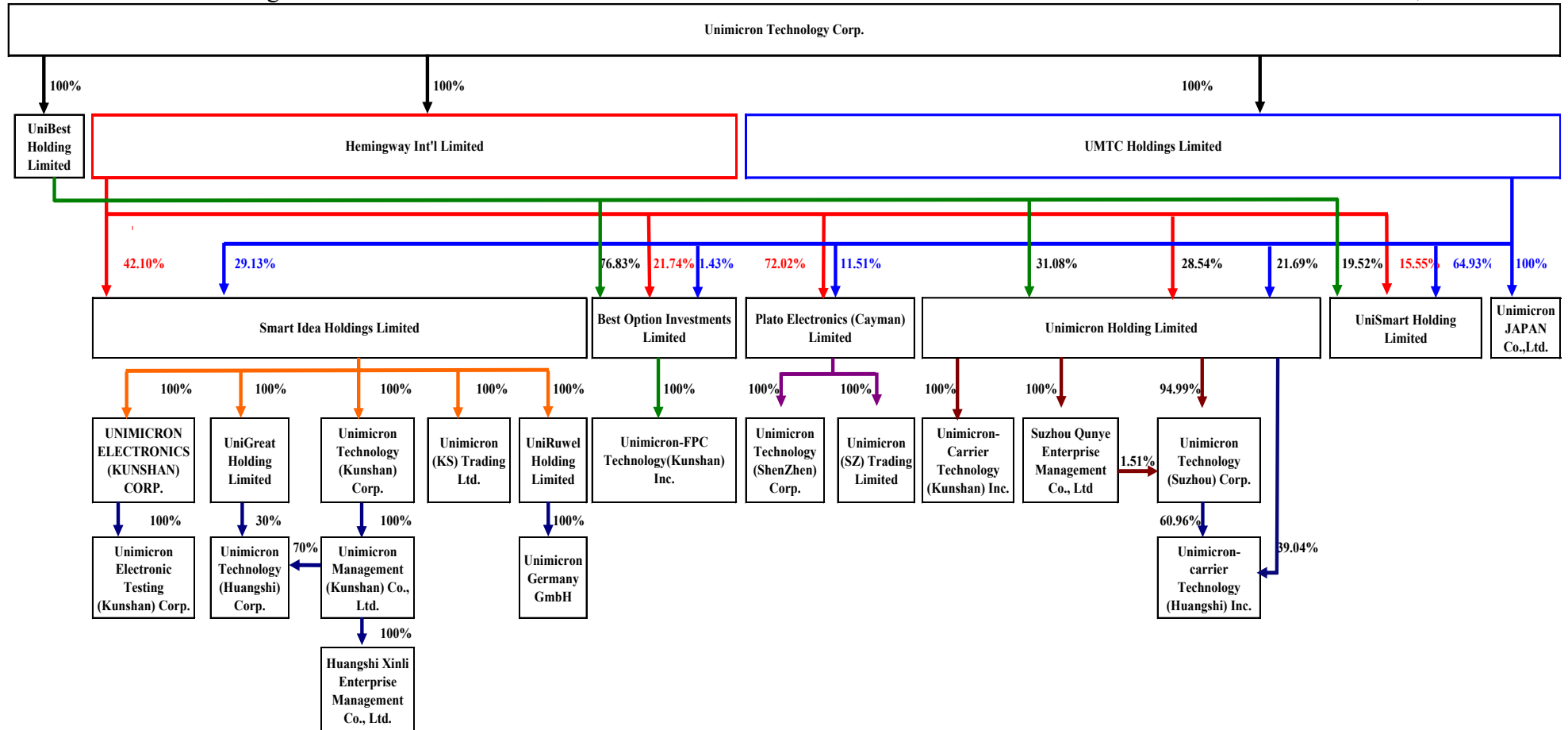
VIII. Affiliates Information and Other Special Items

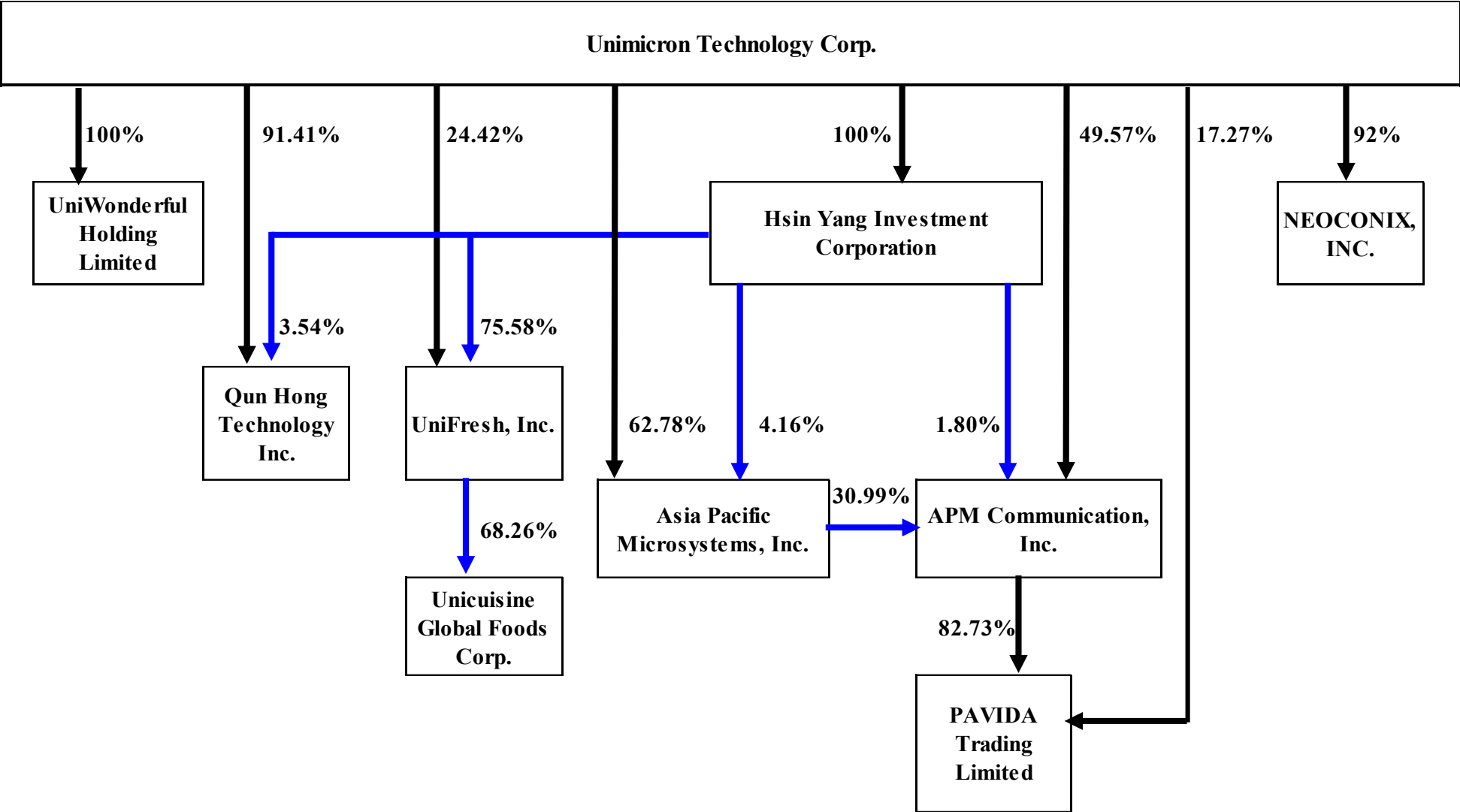
8.1 Affiliates Information

8.1.1 Overview of affiliate organization

A. Affiliate organization chart

December 31, 2022





B. Basic information of the various affiliated enterprises

December 31, 2022; unit: Thousand dollar (unless otherwise specified)

Enterprise name	Date of establishment	Address	Paid-in capital	Main businesses/products
Hemingway Int'l Limited	Jul. 08, 1999	British Virgin Islands	USD 187,989	Investment holding company
			NTD 5,771,258	
UMTC HOLDINGS LIMITED	Sep. 27, 2000	British Virgin Islands	USD 139,465	Investment holding company
			NTD 4,281,583	
Plato Electronics (Cayman) Limited	Jan. 04, 2000	Cayman	USD 38,866	Investment holding company
			NTD 1,193,177	
Unimicron Technology (ShenZhen) Corp.	Jan. 09, 2001	Building A 、 Building B 、 Building C 、 Building D 、 , Environment Protection Ind. Zone, Shayi Village, Chuangxin Rd., Shajing Street, Baoan District, Shenzhen, Guangdong, China	RMB 812,040	Manufacturing and sales of electronic components
			NTD 3,576,911	
UniGreat Holding Limited	Jul. 08, 2008	SAMOA	USD 45,900	Investment holding company
			NTD 1,409,132	
SMART IDEA HOLDINGS LIMITED	Aug. 08, 2000	Cayman	USD 71,262	Investment holding company
			NTD 2,187,740	
Unimicron Technology (Kunshan) Corp.	Jan. 15, 1998	No. 168, Xiaolin Road, Kunshan, Jiangsu, China	RMB 644,159	Manufacturing and sales of electronic components
			NTD 2,837,421	
Unimicron Technology (Huangshi) Corp.	Sep. 10, 2015	No. 168, East of Daqi Avenue, Huangshi Economic and Technological Development Zone, Huangshi City, Hubei province, China.	RMB 1,050,316	Manufacturing and sales of electronic components
			NTD 4,626,480	
BEST OPTION INVESTMENTS LIMITED	Mar. 05, 2003	SAMOA	USD 2,962,822	Investment holding company
			NTD 90,958,642	
Unimicron-FPC Technology (Kunshan) Inc.	Mar. 11, 2004	No. 999, Hanpu Road, Kunshan, Jiangsu, China	RMB 1,435,525	Manufacturing and sales of electronic components
			NTD 6,323,264	
Unimicron Holding Limited	May 04, 2005	SAMOA	USD 186,230	Investment holding company
			NTD 5,717,265	
Unimicron Technology (Suzhou) Corp.	Jun. 10, 2005	No. 160, Fengli Street, Suzhou Ind. Park, Jiangsu, China	RMB 1,390,115	Manufacturing and sales of electronic components
			NTD 6,123,240	
UNIMICRON (SZ) TRADING LTD	Jan. 15, 2015	SAMOA	USD 6,500	Trading
			NTD 199,550	
UniSmart Holding Limited	Jul. 08, 2008	SAMOA	USD 32,785	Investment holding company
			NTD 1,006,506	
UniRuwel Holding Limited	Apr. 01, 2011	Cayman	USD 44,962	Investment holding company
			NTD 1,380,333	
Unimicron Germany GmbH	Sep. 14, 2009	Germany	EUR12,000	Manufacturing and sales of electronic components
			NTD 392,862	

Enterprise name	Date of establishment	Address	Paid-in capital	Main businesses/products
UNIMICRON ELECTRONICS (KUNSHAN) CORP.	Dec. 30, 2019	No. 168, Xiaolin Road, Kunshan City, Jiangsu Province(P.R.C.)	RMB 1,263,236	Manufacturing and sales of electronic components
			NTD 5,564,356	
Unimicron JAPAN Co., Ltd	Jun. 01, 1984	JAPAN	JPY 452,000	Manufacturing and sales of electronic components
			NTD 105,135	
UniFresh, Inc.	Jun. 30, 2014	No. 181, Shanying Rd., Guishan Dist., Taoyuan City	NTD 106,480	Investment holding company
Unicuisine Global Foods Corp.	Dec. 09, 2014	No. 181, Shanying Rd., Guishan Dist., Taoyuan City	NTD 25,987	Manufacturing and sales of food products
Hsin Yang Investment Corporation	Feb. 12, 2004	No. 177, Shanying Rd., Guishan Dist., Taoyuan City 333, Taiwan (R.O.C.)	NTD 968,407	Investment holding company
Pavida Trading Limited	Sep. 11, 2012	SAMOA	USD810	Trading
			NTD 25,515	
UniBest Holding Limited	Jan. 05, 2009	SAMOA	USD 240,550	Investment holding company
			NTD 7,384,885	
UNIMICRON (KS) TRADING LTD	Jan. 15, 2015	SAMOA	USD 20,000	Trading
			NTD 614,000	
Unimicron-Carrier Technology (Huangshi) Inc.	Aug. 09, 2017	No. 168-1, East of Daqi Avenue, Huangshi Economic and Technological Development Zone, Huangshi City, Hubei province, China.	RMB 493,848	Manufacturing and sales of electronic components
			NTD 2,175,324	
Huangshi Xinli Enterprise Management Co., Ltd.	Nov. 22, 2017	No. 188-2, Jinshan Avenue, Huangjinshan Development Zone, Huangshi, Hubei, China	RMB 255,430	Business Management Consulting and Property Management
			NTD 992,984	
Unimicron Management (Kunshan) Co., Ltd.	Nov. 11, 2016	Offices No. 1 and 2, Building 1, No. 168, Chengbei Xiaolin Rd., Yushan Town, Kunshan, Jiangsu, China	RMB 963,492	Business Management Consulting and Property Management
			NTD 4,244,032	
NEOCONIX, INC.	Aug. 13, 2002	USA	USD 146	Connector design and manufacturing
			NTD 4,471	
Asia Pacific Microsystems, Inc.	Aug. 10, 2001	No. 2, Yanfa 6th Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.)	NTD 469,497	Manufacturing and sales of electronic components
Qun Hong Technology Inc.	Mar. 16, 2015	No. 8-6, Dacheng Rd., Taoyuan Dist., Taoyuan City	NTD 1,120,000	Manufacturing and sales of electronic components
APM Communication, Inc.	Aug. 20, 2007	No. 2, R&D 6th Rd, Baoshan Township, Hsinchu County (Hsinchu Science Park)	NTD 93,962	Manufacturing and sales of electronic components
UNIMICRON ELECTRONIC TESTING (KUNSHAN) CORP.	Jul. 01, 2022	No.168 Xiaolin Rd. Kunshan,Jiangsu Province, China	RMB 0	Inspection of goods, sales of electronic component and equipment and property
			NTD 0	
UNIMICRON-CARRIER TECHNOLOGY (KUNSHAN) INC.	Jun. 30, 2022	No.16 factory 168 Xiaolin Rd. Kunshan,Jiangsu Province, China	RMB 340,315	Manufacturing and sales of electronic components
			NTD 1,499,035	

Enterprise name	Date of establishment	Address	Paid-in capital	Main businesses/products
Suzhou Qunye Enterprise Management Co., Ltd	Feb. 18, 2022	Room 318, Building A, No. 160, Fengli Street, Suzhou Ind. Park, Jiangsu, China	RMB 0	Business Management Consulting and Property Management
			NTD 0	
UniWonderful Holding Limited	Dec. 06, 2022	SAMOA	USD 43,000	Investment holding company
			NTD 1,320,100	

Note: 1. Currency exchange rate of balance sheet items on date of statements: USD 1=NTD 30.70、USD 1=RMB 6.9696、EUR 1= USD 1.0664、USD 1= JPY 131.9862 Income statement items are calculated at the average exchange rate of Mega International Commercial Bank in 2022: USD 1=NTD 29.80、USD 1=RMB 6.7297、EUR 1= USD 1.0527、USD 1= JPY 130.9890

2. The amount of paid-in capital includes the share capital received in advance.

8.1.2 For companies presumed to have a relationship of control and subordination, the following matters shall be disclosed: Not applicable.

8.1.3 Industries comprised by the businesses of overall affiliates: The businesses operated by the Company and its affiliates include: Manufacturing industry, catering industry, trading and holding companies.

8.1.4 Information of Chairman, Supervisors, and Presidents of affiliates

December 31, 2022

Enterprise name	Title	Name or representative	Shares held	
			No. of shares	Shareholding ratio
Hemingway Int'l Limited	Director	Tzyy-Jang Tseng	-	0.00%
UMTC HOLDINGS LIMITED	Director	Tzyy-Jang Tseng	-	0.00%
Plato Electronics (Cayman) Limited	Director	Tzyy-Jang Tseng	-	0.00%
		David Chen	-	0.00%
		Timothy Lan	-	0.00%
		Tzu-Wen Chang	-	0.00%
		Ming-Yu Ko	-	0.00%
Unimicron Technology (ShenZhen) Corp.	Director	Webber Wang	-	0.00%
		David Cheng	-	0.00%
		Timothy Lan	-	0.00%
	Supervisor	Wilson Liu	-	0.00%
UniGreat Holding Limited	Director	Tzyy-Jang Tseng	-	0.00%
SMART IDEA HOLDINGS LIMITED	Director	Webber Wang	-	0.00%
		Tzyy-Jang Tseng	-	0.00%
		Hung-Chun Hsu	-	0.00%
		Timothy Lan	-	0.00%
		David Cheng	-	0.00%
		Cheng-Hui Wang	180,000	0.25%
		Kuang-Hua Liu	-	0.00%
Unimicron Technology (Kunshan) Corp.	Director	Webber Wang	-	0.00%
		Tzyy-Jang Tseng	-	0.00%
		David Cheng	-	0.00%
		Timothy Lan	-	0.00%
		Hung-Chun Hsu	-	0.00%
		Cheng-Hui Wang	-	0.00%
		Kuang-Hua Liu	-	0.00%
	Supervisor	Grace Lin	-	0.00%
Unimicron Technology (Huangshi) Corp.	Director	Tzyy-Jang Tseng	-	0.00%
		David Cheng	-	0.00%
		Timothy Lan	-	0.00%
	Supervisor	Grace Lin	-	0.00%
BEST OPTION INVESTMENTS LIMITED	Director	Tzyy-Jang Tseng	-	0.00%
		Webber Wang	-	0.00%
		Jerry Kuo	-	0.00%

Enterprise name	Title	Name or representative	Shares held	
			No. of shares	Shareholding ratio
Unimicron-FPC Technology (Kunshan) Inc.	Director	Tzyy-Jang Tseng	-	0.00%
		Webber Wang	-	0.00%
		Jerry Kuo	-	0.00%
	Supervisor	Jennings Lai	-	0.00%
Unimicron Holding Limited	Director	Tzyy-Jang Tseng	-	0.00%
Unimicron Technology (Suzhou) Corp.	Director	Tzyy-Jang Tseng	-	0.00%
		Chia-Pin Lee	-	0.00%
		Timothy Lan	-	0.00%
	Supervisor	Jennings Lai	-	0.00%
UNIMICRON (SZ) TRADING LTD	Director	Tzyy-Jang Tseng	-	0.00%
UniSmart Holding Limited	Director	Tzyy-Jang Tseng	-	0.00%
UniRuwel Holding Limited	Director	Tzyy-Jang Tseng	-	0.00%
Unimicron Germany GmbH	Director	Dierendonck Gerard	-	0.00%
	Supervisor	Jerry Kuo	-	0.00%
		Lucien Orlovius	-	0.00%
UniBest Holding Limited	Director	Tzyy-Jang Tseng	-	0.00%
Unimicron JAPAN Co., Ltd	Director	Tzyy-Jang Tseng	-	0.00%
		David Cheng	-	0.00%
		Igarashi Yusuke	-	0.00%
		Isao Tseng	-	0.00%
	Supervisor	Michael Shen	-	0.00%
UniFresh, Inc.	Director	Unimicron Technology Corp. Representative: Michael Shen, Tzyy-Jang Tseng, Benwei Liao	2,600,000	24.42%
			-	0.00%
	Supervisor	Hsin Yang Investment Corporation Representative: Henry Tsai	8,048,000	75.58%
Unicuisine Global Foods Corp.	Director	UniFresh, Inc. Representative: Benwei Liao, Tzyy-Jang Tseng	1,773,908	68.26%
			-	0.00%
		Jansen International Co., LTD Representative: Chin-Lien Yang	719,599	27.69%
		-	0.00%	
	Supervisor	Jennings Lai	-	0.00%
Hsin Yang Investment Corporation	Director	Unimicron Technology Corp. Representative: David Cheng, Fran Tsai, Henry Tsai	96,840,707	100.00%
			-	0.00%
	Supervisor	Unimicron Technology Corp. Representative: Jennings Lai	96,840,707	100.00%
			-	0.00%

Enterprise name	Title	Name or representative	Shares held	
			No. of shares	Shareholding ratio
UNIMICRON ELECTRONICS (KUNSHAN) CORP.	Director	Hung-Chun Hsu	-	0.00%
		Kuang-Hua Liu	-	0.00%
		Tzyy-Jang Tseng	-	0.00%
		Jerry Kuo	-	0.00%
		David Cheng	-	0.00%
		Timothy Lan	-	0.00%
		Webber Wang	-	0.00%
	Supervisor	Grace Lin	-	0.00%
Unimicron-Carrier Technology (Huangshi) Inc.	Director	Tzyy-Jang Tseng	-	0.00%
		Chia-Pin Lee	-	0.00%
		Timothy Lan	-	0.00%
	Supervisor	John Teng	-	0.00%
Huangshi Xinli Enterprise Management Co., Ltd.	Director	Timothy Lan	-	0.00%
		Jerry Kuo	-	0.00%
		Chih-Chung Hsu	-	0.00%
	Supervisor	John Teng	-	0.00%
Unimicron Management (Kunshan) Co., Ltd	Director	Timothy Lan	-	0.00%
		Jerry Kuo	-	0.00%
		Chih-Chung Hsu	-	0.00%
	Supervisor	John Teng	-	0.00%
NEOCONIX, INC.	Director	Jim Chang	-	0.00%
		Irwin Federman	-	0.00%
		Jerry Kuo	-	0.00%
		Timothy Lan	-	0.00%
Asia Pacific Microsystems, Inc.	Director	Unimicron Technology Corp.	29,476,572	62.78%
		Representative: Tzyy-Jang Tseng, Ruey-Shing Huang, Chia-Pin Lee	-	0.00%
		Silicon Integrated Systems Corporation	7,217,929	15.37%
		Louis Chien	-	0.00%
		Universal Microelectronics Co., Ltd.	1,208,872	2.57%
		Representative: Cheng-Ming Ou	-	0.00%
		Min-Shyong Lin	65,467	0.14%
		Kim Y.C. Tsai	-	0.00%
	Supervisor	Subtron Technology Co., Ltd	832,021	1.77%
		Representative: Vincent Chung	-	0.00%
		Lawrence Yen	-	0.00%
May Tsai		-	0.00%	

Enterprise name	Title	Name or representative	Shares held	
			No. of shares	Shareholding ratio
Qun Hong Technology Inc.	Director	Unimicron Technology Corp.	102,377,429	91.41%
		Representative: Tzyy-Jang Tseng, Jerry Kuo, Webber Wang	-	0.00%
	Supervisor	Hsin Yang Investment Corporation	3,962,504	3.54%
		Representative: Henry Tsai	-	0.00%
APM Communication, Inc.	Director	Unimicron Technology Corp.	4,657,650	49.57%
		Representative: Tzyy-Jang Tseng, Henry Tsai	-	0.00%
		Asia Pacific Microsystems, Inc.	2,911,867	30.99%
	Supervisor	Representative: Min-Shyong Lin	-	0.00%
UNIMICRON (KS) TRADING LTD	Director	Jing-Mei Tsai	-	0.00%
Pavida Trading Limited	Director	Tzyy-Jang Tseng	-	0.00%
		APM Communication, Inc.	-	0.00%
UNIMICRON ELECTRONIC TESTING (KUNSHAN) CORP	Director	Representative: Tzyy-Jang Tseng	-	0.00%
		Jerry Kuo	-	0.00%
		David Cheng	-	0.00%
	Supervisor	Webber Wang	-	0.00%
UNIMICRON-CARRIER TECHNOLOGY (KUNSHAN) INC	Director	John Teng	-	0.00%
		Tzyy-Jang Tseng	-	0.00%
		Timothy Lan	-	0.00%
	Supervisor	Chia-Pin Lee	-	0.00%
Suzhou Qunye Enterprise Management Co., Ltd	Director	John Teng	-	0.00%
		Timothy Lan	-	0.00%
		Chia-Pin Lee	-	0.00%
	Supervisor	Kevin Chen	-	0.00%
UniWonderful Holding Limited	Director	Wilson Liu	-	0.00%
		Tzyy-Jang Tseng	-	0.00%

8.1.5 Overview of the Operations of Affiliate Enterprises

Financial condition and operational results of each affiliate enterprise

Unit: NTD in Thousand (unless otherwise specified)

Enterprise name	Capital	Total asset value	Total liabilities	Net worth	Operating revenue	Operating profits	Profit or loss for the current period	Earnings per share (NTD)
Hemingway Int'l Limited	5,771,258	10,205,799	20	10,205,779	0	(170)	2,264,001	0.40 △
UMTC HOLDINGS LIMITED	4,281,583	6,035,029	20	6,035,009	0	(275)	1,806,854	0.43 △
Plato Electronics (Cayman) Limited	1,193,177	1,465,760	105	1,465,655	0	(474)	(137,947)	(0.12) △
Unimicron Technology (ShenZhen) Corp.	3,576,911	3,419,678	1,802,201	1,617,477	3,380,882	(194,039)	34,985	Not applicable
SMART IDEA HOLDINGS LIMITED	2,187,740	11,607,501	2,602,915	9,004,586	0	(571)	743,595	0.35 △

Enterprise name	Capital	Total asset value	Total liabilities	Net worth	Operating revenue	Operating profits	Profit or loss for the current period	Earnings per share (NTD)
Unimicron Technology (Kunshan) Corp.	2,837,421	12,965,952	7,756,870	5,209,082	17,416,967	840,228	1,264,809	Not applicable
BEST OPTION INVESTMENTS LIMITED	90,958,642	1,347,018	451,428	895,590	0	(45,056)	(443,514)	(0.01) △
Unimicron-FPC Technology(Kunshan) Inc.	6,323,264	4,494,100	3,836,422	657,678	4,009,102	(446,493)	(516,595)	Not applicable
Unimicron Holding Limited	5,717,265	19,965,450	2,790,615	17,174,835	108,128	(325,413)	7,244,553	1.31 △
Unimicron Technology (Suzhou) Corp.	6,123,240	36,647,640	20,288,493	16,359,147	18,615,130	8,510,345	7,700,806	Not applicable
UniSmart Holding Limited	1,006,506	8,623	942	7,681	0	(62,550)	(37,295)	(0.04) △
UniRuwei Holding Limited	1,380,333	287,616	32	287,584	0	(286)	(466,934)	(0.35) △
Unimicron Germany GmbH	392,862	2,621,178	2,386,794	234,384	1,821,388	(545,634)	(462,880)	(590.21) ☆
Unimicron JAPAN Co.,Ltd.	105,135	1,490,545	1,623,359	(132,813)	1,070,567	(822)	(11,072)	(1,385.36) ◎
UniBest Holding Limited.	7,384,885	8,532,119	123	8,531,997	0	(359)	1,712,445	0.24 △
Hsin Yang Investment Corporation	968,407	1,013,488	142	1,013,346	0	(291)	(48,321)	(0.50)
NEOCONIX, INC.	4,471	183,189	15,214	167,975	678,690	117,222	116,005	0.00 △
Unicuisine Global Foods Corp.	25,987	120,781	55,784	64,997	198,702	8,721	11,124	4.24
UniFresh, Inc.	106,480	80,466	10,625	69,841	0	(516)	8,711	0.82
Qun Hong Technology Inc.	1,120,000	3,735,333	2,984,912	750,420	3,562,736	(25,503)	(28,103)	(0.25)
UNIMICRON (KS) TRADING LTD	614,000	3,953,326	4,203,139	(249,813)	4,143	(194,612)	(251,223)	(0.42) △
UNIMICRON (SZ) TRADING LTD	199,550	519,065	693,824	(174,759)	0	(150,882)	(149,168)	(0.77) △
Unimicron Technology (Huangshi) Corp.	4,626,480	8,351,121	4,652,575	3,698,546	6,234,898	579,726	508,721	Not applicable
Unimicron Management (Kunshan) Co., Ltd.	4,244,032	3,539,671		3,539,671	0	(14)	339,908	Not applicable
UniGreat Holding Limited	1,409,132	1,489,261	696,800	792,462	0	(101,235)	46,714	0.03 △
Unimicron-Carrier Technology (Huangshi) Inc.	2,175,324	3,700,292	1,566,765	2,133,528	143,469	(70,006)	(37,838)	Not applicable
Huangshi Xinli Enterprise Management Co., Ltd.	992,984	938,713	143	938,571	0	(17,161)	(16,378)	Not applicable
APM Communication, Inc.	93,962	309,318	196,807	112,511	336,835	50,974	50,861	5.41
Pavida Trading Limited	25,515	21,755	12	21,743	0	(86)	2,412	0.00
Asia Pacific Microsystems, Inc.	469,497	796,481	322,063	474,418	748,589	(44,374)	(10,251)	(0.22)
UNIMICRON ELECTRONICS (KUNSHAN) CORP.	5,564,356	5,553,375	1,992	5,551,383	0	(8,413)	(9,056)	Not applicable
UNIMICRON ELECTRONIC TESTING (KUNSHAN) CORP.	0	0	0	0	0	0	0	Not applicable
UNIMICRON-CARRIER TECHNOLOGY (KUNSHAN) INC.	1,499,035	1,500,879	2,489	1,498,390	0	(711)	(649)	Not applicable
Suzhou Qunye Enterprise Management Co., Ltd	0	289,579	323,835	(34,256)	0	0	23,839	Not applicable
UniWonderful Holding Limited	1,320,100	1,321,356	0	1,321,356	0	0	1,219	0.00 △

Note: 1.Currency exchange rate of balance sheet items on date of statements: USD 1=NTD 30.70、USD 1=RMB 6.9696、EUR 1= USD 1.0664、USD 1= JPY 131.9862 Income statement items are calculated at the average exchange rate of Mega International Commercial Bank in 2022: USD 1=NTD 29.80、USD 1=RMB 6.7297、EUR 1= USD 1.0527、USD 1= JPY 130.9890

2.△ represents US dollar as unit, ☆ represents Euro dollar as unit, and ◎ represents Japanese yen as unit.

3.Companies in Mainland China are limited companies with no shares to calculate earnings per share.

8.2 Private placement of securities during the most recent year up to the date of publication of the annual report

Not applicable.

8.3 Holding or disposal of shares of the Company by subsidiaries in the most recent year up to the date of publication of the annual report

Unit: NTD in Thousand, Share

Subsidiary	Paid-in-Capital	Source of Capital	Holding % by the Company	Acquisition or Disposal Date	Shares Acquired and Amount	Disposal Shares and Amount	Profit/Loss	Number of shares and Amount Held up to the Publication Date of this Annual Report
Subtron Technology Co., Ltd. (Subtron)	2,980,923	Own Funds	100	January 6, 2023	Shares: 255,000 Amount: 30,345	None	None	Shares: 255,000 Amount: 35,063
Hsin Yang Investment Corporation (Hsin Yang Investment)	968,407	The share Exchange (Note 6)	100	January 6, 2023	Shares: 1,011,935 Amount: 120,420	None	None	Shares: 1,011,935 Amount: 139,141

Note: (1)As of February 21, 2023.

(2) None of the above companies pledged Unimicon shares as collateral.

(3) The Company did not provide endorsements or guarantees to these subsidiaries.

(4) The Company did not provide loans to these subsidiaries.

(5) The Acquisition of shares is due to the share exchange transaction with Subtron is approved by Unimicon's Board of Director's meeting on March 30, 2022.

(6) Hsin Yang Investment originally held 4,620,710 shares of Subtron. After the share exchange date on January 6, 2023, Hsin Yang Investment converted to holding 1,011,935 shares of Unimicon.

8.4 Other necessary supplements

None.

8.5 Any situation may materially affect shareholders' equity or stock price in the most recent year up to the date of publication of the annual report

Not applicable.

**Appendix I. Consolidated Financial Statements and Independent Auditors'
Report of the most recent year**

**UNIMICRON TECHNOLOGY CORP. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2021 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.

Emphasis of matter

As described in Notes 6(7) and (35), 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 share swap on January 6, 2023, and the Company applied IFRS 3, 'Business combinations' for the related accounting treatment.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters of the Group's 2022 consolidated financial statements were as follows:

Valuation of inventory

Description

Refer to Note 4(14) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for description of allowance for inventory valuation losses. As at December 31, 2022, the Group's inventory and allowance for valuation loss amounted to NT\$15,854,381 thousand and NT\$3,019,762 thousand, respectively.

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

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

How our audit addressed the matter

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

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

Impairment assessment of investments accounted for using equity method

Description

Refer to Note 4(20) for accounting policy on impairment assessment of investments accounted for using equity method, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to impairment assessment of investments accounted for using equity method, and Note 6(7) for details of investments accounted for using equity method. As at December 31, 2022, the Group held investments accounted for using equity method amounting to NT\$2,533,541 thousand.

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

How our audit addressed the matter

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

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

Other matter – Scope of the Audit

We did not audit the financial statements of a wholly-owned consolidated subsidiary and investees accounted for under the equity method. Total assets (including investments accounted for using equity method) amounted to NT\$2,624,976 thousand and NT\$3,955,113 thousand, constituting 1% and 2% of consolidated total assets as at December 31, 2022 and 2021, respectively. Operating income amounted to NT\$1,821,388 thousand and NT\$1,954,296 thousand, constituting 1% and 2% of consolidated total operating income for the years ended December 31, 2022 and 2021, respectively, and share in comprehensive income of investment accounted for using equity method of NT\$15,555 thousand and NT\$313,408 thousand, constituting 0% and 2% of consolidated total comprehensive income for the years ended December 31, 2022 and 2021, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements relative to the consolidated subsidiary and investees, is based solely on the reports of the other auditors.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Unimicron Technology Corp. as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including supervisors (or audit committee), are responsible for overseeing the Group’s financial reporting process.

Auditors’ responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Lin, Ya-Hui

Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan
February 21, 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
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 61,459,296	28	\$ 39,401,609	23
1110	Financial assets at fair value through profit or loss - current	6(2)	18,509	-	96,302	-
1150	Notes receivable, net	6(3)	7,429	-	41,293	-
1170	Accounts receivable, net	6(3) and 8	28,719,508	13	23,567,451	14
1180	Accounts receivable - related parties	7	19,401	-	30,462	-
1200	Other receivables	6(4)(8)(10) and 7	1,768,038	1	2,081,728	1
130X	Inventory	6(5)	12,834,619	6	12,151,603	7
1410	Prepayments	6(6)	2,743,023	1	2,488,837	2
1470	Other current assets	6(1) and 8	17,864	-	17,847	-
11XX	Total current assets		<u>107,587,687</u>	<u>49</u>	<u>79,877,132</u>	<u>47</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	5,989,153	3	8,098,255	5
1517	Non-current financial assets at fair value through other comprehensive income		29,327	-	39,933	-
1535	Non-current financial assets at amortised cost	6(1) and 8	3,226,895	2	1,598,701	1
1550	Investments accounted for under equity method	6(7)	2,533,541	1	2,572,383	2
1600	Property, plant and equipment	6(8), 7 and 8	94,122,130	43	72,020,994	42
1755	Right-of-use assets	6(9) and 7	2,733,556	1	3,140,808	2
1760	Investment property - net	6(11)	387,378	-	575,138	-
1780	Intangible assets	6(12)	644,467	-	580,124	-
1840	Deferred income tax assets	6(33)	1,194,695	1	1,298,125	1
1900	Other non-current assets	6(10)	214,600	-	253,660	-
15XX	Total non-current assets		<u>111,075,742</u>	<u>51</u>	<u>90,178,121</u>	<u>53</u>
1XXX	Total assets		<u>\$ 218,663,429</u>	<u>100</u>	<u>\$ 170,055,253</u>	<u>100</u>

(Continued)

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(13) and 8	\$ 7,645,409	4	\$ 10,176,216	6
2110	Short-term notes and bills payable	6(14)	300,000	-	399,900	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)(15)	10,455	-	-	-
2130	Current contract liabilities	6(26)	5,551,699	3	2,559,805	1
2150	Notes payable		1,595	-	149,184	-
2170	Accounts payable		11,432,803	5	13,139,238	8
2180	Accounts payable - related parties	7	193,406	-	206,771	-
2200	Other payables	6(16) and 7	21,791,021	10	16,432,729	10
2230	Current tax liabilities	6(33)	5,062,569	2	2,657,472	2
2320	Long-term liabilities, current portion	6(19) and 8	2,411,085	1	2,594,726	2
2399	Other current liabilities	6(17) and 7	492,521	-	744,286	-
21XX	Total current liabilities		<u>54,892,563</u>	<u>25</u>	<u>49,060,327</u>	<u>29</u>
Non-current liabilities						
2527	Non-current contract liabilities	6(26)	42,318,477	19	29,349,607	17
2530	Bonds payable	6(18)	10,990,807	5	7,991,923	5
2540	Long-term borrowings	6(19) and 8	13,572,145	6	14,250,576	8
2570	Deferred income tax liabilities	6(33)	932,618	1	239,532	-
2600	Other non-current liabilities	6(7)(8)(9)(20)(21), 7 and 9	3,298,463	2	3,647,112	2
25XX	Total non-current liabilities		<u>71,112,510</u>	<u>33</u>	<u>55,478,750</u>	<u>32</u>
2XXX	Total liabilities		<u>126,005,073</u>	<u>58</u>	<u>104,539,077</u>	<u>61</u>
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(23)	14,783,653	7	14,752,603	9
Capital surplus						
3200	Capital surplus	6(24)	9,956,882	4	9,396,676	6
Retained earnings						
3310	Legal reserve	6(25)	6,861,800	3	5,537,329	3
3320	Special reserve		332,855	-	550,543	-
3350	Unappropriated retained earnings		54,437,070	25	30,809,266	18
Other equity interest						
3400	Other equity interest		(637,741)	-	(332,855)	-
Treasury stocks						
3500	Treasury stocks	6(23)	-	-	-	-
31XX	Equity attributable to owners of the parent		<u>85,734,519</u>	<u>39</u>	<u>60,713,562</u>	<u>36</u>
36XX	Non-controlling interest		<u>6,923,837</u>	<u>3</u>	<u>4,802,614</u>	<u>3</u>
3XXX	Total equity		<u>92,658,356</u>	<u>42</u>	<u>65,516,176</u>	<u>39</u>
Significant contingent liabilities and unrecognized contract commitments						
Significant disaster loss						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 218,663,429</u>	<u>100</u>	<u>\$ 170,055,253</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
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(26) and 7	\$ 140,489,172	100	\$ 104,562,747	100
5000 Operating costs	6(5)(31)(32) and 7	(90,056,066)	(64)	(80,899,930)	(77)
5900 Net operating margin		50,433,106	36	23,662,817	23
Operating expenses	6(31)(32) and 7				
6100 Selling expenses		(1,660,534)	(1)	(1,534,399)	(1)
6200 General and administrative expenses		(4,817,878)	(4)	(4,378,759)	(4)
6300 Research and development expenses		(5,887,256)	(4)	(4,715,883)	(5)
6000 Total operating expenses		(12,365,668)	(9)	(10,629,041)	(10)
Net operating income		38,067,438	27	13,033,776	13
6500 Other (losses)/gains - net	6(27) and 7	104,488	-	136,515	-
6900 Operating profit		38,171,926	27	13,170,291	13
Non-operating income and expenses					
7100 Interest income		659,000	-	164,834	-
7010 Other income	6(28) and 7	918,107	1	1,321,152	1
7020 Other gains and losses	6(29) and 7	603,500	-	2,108,660	2
7050 Finance costs	6(30) and 7	(446,892)	-	(324,762)	-
7060 Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	(30,832)	-	188,877	-
7000 Total non-operating income and expenses		1,702,883	1	3,458,761	3
7900 Profit before income tax		39,874,809	28	16,629,052	16
7950 Income tax expense	6(33)	(8,649,092)	(6)	(3,104,494)	(3)
8200 Profit for the year		\$ 31,225,717	22	\$ 13,524,558	13

(Continued)

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial gains on defined benefit plans	\$ 135,822	-	\$ 67,173	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	93,171	-	142,238	-
8310	Other comprehensive income that will not be reclassified to profit or loss	228,993	-	209,411	-
Components of other comprehensive (loss) income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	(868,124)	-	230,435	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	5,034	-	(1,363)	-
8360	Other comprehensive (loss) income that will be reclassified to profit or loss	(863,090)	-	229,072	-
8300	Total other comprehensive (loss) income for the year	<u>(\$ 634,097)</u>	<u>-</u>	<u>\$ 438,483</u>	<u>-</u>
8500	Total comprehensive income for the year	<u>\$ 30,591,620</u>	<u>22</u>	<u>\$ 13,963,041</u>	<u>13</u>
Profit attributable to:					
8610	Owners of the parent	\$ 29,618,505	21	\$ 13,222,256	13
8620	Non-controlling interest	1,607,212	1	302,302	-
		<u>\$ 31,225,717</u>	<u>22</u>	<u>\$ 13,524,558</u>	<u>13</u>
Comprehensive income attributable to:					
8710	Owners of the parent	\$ 29,620,703	21	\$ 13,508,702	13
8720	Non-controlling interest	970,917	1	454,339	-
		<u>\$ 30,591,620</u>	<u>22</u>	<u>\$ 13,963,041</u>	<u>13</u>
Earnings per share (in dollars)					
9750	Basic earnings per share	6(34)	<u>20.08</u>	<u>8.98</u>	
9850	Diluted earnings per share	6(34)	<u>19.29</u>	<u>8.91</u>	

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

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(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	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Other equity, others					
Year ended December 31, 2021													
	Balance at January 1, 2021	\$ 15,047,323	\$ 8,831,415	\$ 4,994,171	\$ 861,619	\$ 19,851,219	(\$ 382,335)	(\$ 168,208)	\$ -	(\$ 608,194)	\$ 48,427,010	\$ 4,673,548	\$ 53,100,558
	Profit for the year	-	-	-	-	13,222,256	-	-	-	-	13,222,256	302,302	13,524,558
	Other comprehensive income for the year	-	-	-	-	68,758	77,533	140,155	-	-	286,446	152,037	438,483
	Total comprehensive income	-	-	-	-	13,291,014	77,533	140,155	-	-	13,508,702	454,339	13,963,041
	Appropriations of 2020 earnings	6(25)	-	-	-	-	-	-	-	-	-	-	-
	Legal reserve		-	543,158	-	(543,158)	-	-	-	-	-	-	-
	Special reserve		-	-	(311,076)	311,076	-	-	-	-	-	-	-
	Cash dividends		-	-	-	(2,054,577)	-	-	-	-	(2,054,577)	-	(2,054,577)
	Changes in ownership interests in subsidiaries	6(24)	-	17,086	-	-	-	-	-	-	17,086	-	17,086
	Changes in equity of associates and joint ventures accounted for using equity method	6(24)	-	257	-	(1,913)	-	-	-	-	(1,656)	-	(1,656)
	Share-based payment	6(22)(24)	-	518,562	-	-	-	-	-	-	518,562	-	518,562
	Treasury shares sold to employees	6(23)(24)	-	172,524	-	-	-	-	-	126,049	298,573	-	298,573
	Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(325,273)	(325,273)
	Reversal of capital surplus - dividends not received by shareholders	6(24)	-	(138)	-	-	-	-	-	-	(138)	-	(138)
	Retirement of treasury shares	6(23)(24)	(294,720)	(143,030)	-	(44,395)	-	-	-	482,145	-	-	-
	Balance at December 31, 2021		<u>\$ 14,752,603</u>	<u>\$ 9,396,676</u>	<u>\$ 5,537,329</u>	<u>\$ 550,543</u>	<u>\$ 30,809,266</u>	<u>(\$ 304,802)</u>	<u>(\$ 28,053)</u>	<u>\$ -</u>	<u>\$ 60,713,562</u>	<u>\$ 4,802,614</u>	<u>\$ 65,516,176</u>
Year ended December 31, 2022													
	Balance at January 1, 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
	Profit for the year	-	-	-	-	29,618,505	-	-	-	-	29,618,505	1,607,212	31,225,717
	Other comprehensive income (loss) for the year	-	-	-	-	139,079	(224,777)	87,896	-	-	2,198	(636,295)	(634,097)
	Total comprehensive income (loss)	-	-	-	-	29,757,584	(224,777)	87,896	-	-	29,620,703	970,917	30,591,620
	Appropriations of 2021 earnings	6(25)	-	-	-	-	-	-	-	-	-	-	-
	Legal reserve		-	1,324,471	-	(1,324,471)	-	-	-	-	-	-	-
	Special reserve		-	-	(217,688)	217,688	-	-	-	-	-	-	-
	Cash dividends		-	-	-	(5,015,885)	-	-	-	-	(5,015,885)	-	(5,015,885)
	Changes in ownership interests in subsidiaries	6(24)	-	165,395	-	-	-	-	(58,268)	-	107,127	-	107,127
	Changes in equity of associates and joint ventures accounted for using equity method	6(24)	-	38	-	(7,112)	-	5,998	-	-	(1,076)	-	(1,076)
	Issuance of restricted shares to employees	6(22)(23)(24)	31,050	394,999	-	-	-	-	(141,717)	-	284,332	604,605	888,937
	Compensation costs of employee restricted stock	6(22)	-	-	-	-	-	-	25,982	-	25,982	-	25,982
	Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	545,701	545,701
	Reversal of capital surplus - dividends not received by shareholders	6(24)	-	(277)	-	-	-	-	-	-	(277)	-	(277)
	Others	6(24)	-	51	-	-	-	-	-	-	51	-	51
	Balance at December 31, 2022		<u>\$ 14,783,653</u>	<u>\$ 9,956,882</u>	<u>\$ 6,861,800</u>	<u>\$ 332,855</u>	<u>\$ 54,437,070</u>	<u>(\$ 529,579)</u>	<u>\$ 65,841</u>	<u>(\$ 174,003)</u>	<u>\$ 85,734,519</u>	<u>\$ 6,923,837</u>	<u>\$ 92,658,356</u>

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

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 39,874,809	\$ 16,629,052
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property and right-of-use asset)	6(8)(9)(11)(27)(31)	11,391,051	9,505,548
Amortisation	6(12)(31)	335,711	268,599
Expected impairment loss (gain) (including related parties)	12(2)	112,026	(7,404)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	6(2)(29)	2,639,006	(2,889,653)
Gain on disposal of investments	6(7)(29)	(24,186)	-
Interest expense	6(30)	423,639	298,266
Interest income		(659,000)	(164,834)
Dividend income	6(28)	(193,627)	(167,211)
Share-based payments	6(22)	65,054	519,927
Share of loss (profit) of associates accounted for under equity method	6(7)	30,832	(188,877)
Cash dividends received from investments accounted for using equity method		102,226	33,886
(Gain) loss on disposal and scrap of property, plant and equipment (including investment property)	6(29)	(559,459)	40,593
Impairment loss on property, plant and equipment	6(8)(29)	27,053	391,274
Exchange loss on valuation of long-term foreign borrowings	6(37)	309,881	28,418
Deferred credits - realised transfer income		(17,812)	(17,457)
Gain from lease modification	6(9)(29)	(1,880)	(8)
Gain by fire	6(8)(28)	(14,342)	211,071
Amortization of discount on bonds payable	6(30)(37)	2,634	1,498
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		33,885	(23,346)
Accounts receivable		(5,260,266)	(6,335,580)
Accounts receivable due from related parties		11,059	(18,202)
Other receivables		686,880	818,973
Inventories		(683,016)	(3,189,522)
Prepayments		(252,856)	(499,592)
Other non-current assets		(126)	(1,285)
Changes in operating liabilities			
Notes payable		(80,589)	72,656
Accounts payable		(1,706,435)	1,320,197
Accounts payable to related parties		(13,365)	(15,713)
Other payables		4,236,101	2,612,888
Other current liabilities		(217,520)	(3,163,821)
Accrued pension liabilities		(25,376)	(40,667)
Contract liabilities		15,908,509	28,501,688
Other non-current liabilities		2,668	(1,601)
Cash inflow generated from operations		66,483,169	44,107,619
Interest received		619,583	166,469
Dividends received		193,627	167,211
Interest paid		(367,428)	(272,750)
Income tax paid		(5,846,930)	(1,211,921)
Net cash flows from operating activities		<u>61,082,021</u>	<u>42,956,628</u>

(Continued)

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 441,480)	(\$ 260)
Acquisition of financial assets at fair value through other comprehensive income		-	(16,250)
Proceeds from disposal of financial assets at fair value through profit or loss		2,917	142,348
Proceeds from capital reduction of financial assets mandatorily measured at fair value through profit or loss		3,200	5,814
Proceeds from disposal of investments accounted for using equity method	6(7)	3,439	-
Acquisition of financial assets at amortized cost		(1,585,728)	(1,179,873)
Proceeds from capital reduction of investments accounted for using equity method		17,788	-
Acquisition of property, plant and equipment	6(36)	(32,072,759)	(23,167,189)
Proceeds from disposal of property, plant and equipment (including investment property)		1,047,907	100,338
Acquisition of right-of-use assets		-	(97,763)
Acquisition of intangible assets	6(12)	(389,860)	(487,406)
Increase in restricted assets		(21,099)	(132)
Decrease in refundable deposits		39,757	4,970
Advance receipts for relocation	9	-	239,321
Net cash flows used in investing activities		(33,395,918)	(24,456,082)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings	6(37)	(2,575,251)	1,636,916
(Decrease) increase in short-term notes and bills payable	6(37)	(99,900)	199,928
Proceeds from issuance of bonds	6(18)(37)	3,000,000	8,000,000
Issuance cost of bonds payable	6(37)	(3,750)	(9,575)
Proceeds from long-term borrowings	6(37)	5,549,102	9,140,061
Repayments of long-term borrowings	6(37)	(6,788,275)	(20,179,473)
Decrease in guarantee deposits received		(1,984)	(9,729)
Payments for lease liabilities	6(37)	(418,338)	(508,547)
Treasury shares sold to employees		-	126,049
Change in non-controlling interests		545,701	(325,273)
Cash dividends paid	6(25)	(5,015,885)	(2,054,577)
Issuance of restricted shares to employees		977,382	-
Reversal of capital surplus - dividends not received by shareholders	6(24)	(277)	(138)
Net cash flows used in financing activities		(4,831,475)	(3,984,358)
Effect of foreign exchange translations		(796,941)	690,958
Net increase in cash and cash equivalents		22,057,687	15,207,146
Cash and cash equivalents at beginning of year	6(1)	39,401,609	24,194,463
Cash and cash equivalents at end of year	6(1)	\$ 61,459,296	\$ 39,401,609

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

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

1. HISTORY AND ORGANISATION

Unimicron Technology Corp. (the “Company”) was incorporated on January 25, 1990. The Company and its subsidiaries (the “Group”) are primarily engaged in the manufacturing, processing, and sales of printed circuit boards, electrical equipment, electronic products, and testing and burn-in systems for integrated circuit products. The stock of the Company commenced trading on the Taipei Exchange in December 1998 and was approved for listing on the Taiwan Stock Exchange in August 2002. As of December 31, 2022, the Group had 29,329 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 February 21, 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 FSC and became effective from 2022 are as follows:

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

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

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

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

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

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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets and liabilities at fair value through other comprehensive income Available-for-sale financial assets measured at fair value.
 - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
The Company	Hemingway Int'l Limited (Hemingway)	Holding company	100.00	100.00	
The Company	UMTC Holdings Limited (UMTC)	Holding company	100.00	100.00	
The Company	Hsin Yang Investment Corp. (Hsin Yang Investment)	Holding company	100.00	100.00	
The Company	UniBest Holding Limited (UniBest)	Holding company	100.00	100.00	
The Company	NEOCONIX, INC. (NEOCONIX)	Design and manufacture of connectors	92.00	92.00	
The Company	UniWonderful Holding Limited (UniWonderful)	Holding company	100.00	-	Note 7
The Company	Unidisplay Holding Corp. (UniDH)	Holding company	-	100.00	Note 8
The Company and Hsin Yang Investment	Qun Hong Technology Inc. (Qun Hong Technology)	Manufacture and sales of electronic parts	94.95	94.95	
The Company and Hsin Yang Investment	UniFresh, Inc. (UniFresh)	Food and restaurants	100.00	100.00	
The Company and Hsin Yang Investment	Asia Pacific Microsystems, Inc. (Asia Pacific)	Manufacture and sales of electronic parts	66.94	66.94	
The Company and Hsin Yang Investment	Apm Communication, Inc. (Apm Communication)	Manufacture and sales of electronic parts	72.11	72.11	
The Company and Apm Communication	PAVIDA Trading Limited (PAVIDA)	Holding company and trading	76.93	76.93	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
UniFresh, Inc. (UniFresh)	UniCuisine, Inc. (UniCuisine)	Manufacture and sales of food	68.26	69.97	
Hemingway and UMTC	Plato Electronics (Cayman) Limited (Plato-Cayman)	Holding company	83.53	83.53	
Hemingway and UMTC	Smart Idea Holdings Limited (SI)	Holding company	71.23	71.23	
Hemingway, UMTC and UniBest	Best Option Investments Limited (BO)	Holding company	100.00	100.00	
Hemingway, UMTC and UniBest	UniSmart Holding Limited (UniSmart)	Holding company	100.00	100.00	
Hemingway, UMTC and UniBest	Unimicron Holding Limited (UHL)	Holding company	81.31	78.86	
UMTC	UniClover Holding Limited (UniClover)	Holding company	-	-	Note 1
UniClover	Unimicron JAPAN Co., Ltd. (U JAPAN)	Manufacture and sales of electronic parts	-	-	Note 1
UMTC	U JAPAN	Manufacture and sales of electronic parts	100.00	100.00	Note 1
Plato-Cayman	Unimicron Technology (ShenZhen) Corp. (Unimicron Technology (ShenZhen))	Manufacture and sales of electronic parts	83.53	83.53	
Plato-Cayman	Unimicron (SZ) Trading Ltd. (USZT)	Trading	83.53	83.53	
SI	Unimicron Technology (KunShan) Corp. (Unimicron Technology (KunShan))	Manufacture and sales of electronic parts	71.23	71.23	
SI	Kunshan Dingchangxin Electronic Technology Co., Ltd. (Kunshan Dingchangxin)	Manufacture and sales of electronic parts	71.23	71.23	
SI	UniRuwel Holding Limited (UniRuwel)	Holding company	71.23	71.23	
SI	Unimicron (KS) Trading Ltd. (UKST)	Trading	71.23	71.23	
SI	UniGreat Holding Limited (UniGreat)	Holding Company	71.23	71.23	
UniRuwel	Unimicron Germany GmbH (U Germany)	Manufacture and sales of electronic parts	71.23	71.23	
BO	Unimicron-FPC Technology (Kunshan) Inc.(Unimicron-FPC Technology (Kunshan))	Manufacture and sales of electronic parts	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
UHL	Suzhou Qunye Enterprise Management Co., Ltd. (Suzhou Qunye)	Business management consulting	81.31	-	Note 3
UHL and Suzhou Qunye	Unimicron Technology (SuZhou) Corp. (Unimicron Technology (SuZhou))	Manufacture and sales of electronic parts	78.46	78.86	
Unimicron Technology (KunShan)	Unimicron Management (KunShan) Corp., Ltd. (Unimicron Management (KunShan))	Business management consulting and property management	71.23	71.23	
Unimicron Management (KunShan) and UniGreat	Unimicron Technology (Huangshi) Corp. (Unimicron Technology (Huangshi))	Manufacture and sales of electronic parts	71.23	71.23	
UniDH and Hsin Yang Investment	Unidisplay Trading Corp. (UniDT)	Trading	-	98.16	Note 6
UniDT	Unimicron Touch (ShenZhen) Corp. (Unimicron Touch)	Manufacture and sales of electronic parts	-	-	Note 2
Unimicron Management (KunShan)	Hu Se Sn Li Managemnet Corp., Ltd. (Hu Se Sn Li)	Business management consulting	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	-	Note 5
UHL and Unimicron Technology (SuZhou)	Unimicron-Carrier Technology (Huangshi) Inc. (Unimicron-Carrier Technology (Huangshi))	Manufacture and sales of electronic parts	79.57	78.86	
UHL	Kunshan Qunqi Technology Co., Ltd. (Kunshan Qunqi)	Manufacture and sales of electronic parts	81.31	-	Note 4

On December 31, 2022 and 2021, 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.

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

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

Note 3: Suzhou Qunye was established in February 2022.

Note 4: Kunshan Qunqi was established in June 2022.

Note 5: UNIMICRON ELECTRONIC TESTING (KUNSHAN) was established in July 2022.

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

Note 7: UniWonderful was established in December 2022.

Note 8: UniDH completed the liquidation process in November 2022.

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

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

E. Significant restrictions: None.

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

As of December 31, 2022 and 2021, the non-controlling interest amounted to \$6,923,837 and \$4,802,614, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest				
		December 31, 2022		December 31, 2021		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
SI	Cayman	\$ 2,582,205	28.77	\$ 2,457,389	28.77	
UHL	Samoa	3,246,400	18.69	1,824,122	21.14	
		<u>\$ 5,828,605</u>		<u>\$ 4,281,511</u>		

Summarized financial information of the subsidiaries:

Balance sheets

	SI	
	December 31, 2022	December 31, 2021
Current assets	\$ 14,179,230	\$ 10,431,365
Non-current assets	11,484,072	10,078,970
Current liabilities	(13,029,514)	(10,413,036)
Non-current liabilities	(3,658,459)	(1,555,800)
Total net assets	<u>\$ 8,975,329</u>	<u>\$ 8,541,499</u>

	UHL	
	December 31, 2022	December 31, 2021
Current assets	\$ 21,755,630	\$ 12,348,292
Non-current assets	18,028,861	11,568,267
Current liabilities	(5,189,512)	(6,194,186)
Non-current liabilities	(17,225,262)	(9,093,603)
Total net assets	<u>\$ 17,369,717</u>	<u>\$ 8,628,770</u>

Statements of comprehensive income

	SI	
	Year ended December 31	
	2022	2021
Operating revenue	\$ 20,428,556	\$ 19,812,072
Income (loss) before income tax	860,914	(189,870)
Income tax expense	(117,319)	(50,248)
Profit (loss) for the year	743,595	(240,118)
Other comprehensive (loss) income, net of tax	(1,221,889)	208,376
Total comprehensive loss for the year	<u>(\$ 478,294)</u>	<u>(\$ 31,742)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 137,605)</u>	<u>(\$ 9,132)</u>

	UHL	
	Year ended December 31	
	2022	2021
Operating revenue	\$ 18,723,251	\$ 10,087,193
Profit before income tax	8,705,802	2,134,061
Income tax expense	(1,461,249)	(380,849)
Profit for the year	7,244,553	1,753,212
Other comprehensive (loss) income, net of tax	(1,244,657)	209,363
Total comprehensive income for the year	<u>\$ 5,999,896</u>	<u>\$ 1,962,575</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 1,167,530</u>	<u>\$ 580,530</u>

Statements of cash flows

	SI	
	Year ended December 31	
	2022	2021
Net cash provided by operating activities	\$ 5,435,453	\$ 157,154
Net cash used in investing activities	(2,157,815)	(1,591,775)
Net cash provided by financing activities	1,646,456	1,095,840
Effect of exchange rates on cash and cash equivalents	(335,284)	56,723
Increase (decrease) in cash and cash equivalents	4,588,810	(282,058)
Cash and cash equivalents, beginning of year	2,541,886	2,823,944
Cash and cash equivalents, end of year	<u>\$ 7,130,696</u>	<u>\$ 2,541,886</u>

	UHL	
	Year ended December 31	
	2022	2021
Net cash provided by operating activities	\$ 15,006,952	\$ 9,499,163
Net cash used in investing activities	(9,219,196)	(3,403,762)
Net cash provided by financing activities	398,456	1,295,055
Effect of exchange rates on cash and cash equivalents	1,176,952	(22,121)
Increase in cash and cash equivalents	7,363,164	7,368,335
Cash and cash equivalents, beginning of year	9,041,719	1,673,384
Cash and cash equivalents, end of year	<u>\$ 16,404,883</u>	<u>\$ 9,041,719</u>

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions. All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, or losing of the former, such transactions should be accounted for as disposal of all interest in these foreign operations.
 - (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
 - (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.
- D. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
 - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

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

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor) – lease receivables/operating leases

- A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.
 - (a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.
 - (b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.
 - (c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.
- B. Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

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

(15) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- D. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

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

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

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.
Lease payments are comprised of fixed payments, less any lease incentives receivable.
The Group subsequently measures the lease liability at amortised cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

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

(18) Investment property

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

(19) Intangible assets

A. Computer software

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

B. Goodwill

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

(20) Impairment of non-financial assets

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

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

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

(21) Borrowings

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

method.

(22) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

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

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(24) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(25) Derecognition of financial liabilities

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

(26) Offsetting financial instruments

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

(27) Financial guarantee contracts

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

(28) Non-hedging derivatives

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

loss.

(29) 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.

(30) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are

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

B. Restricted stocks:

- (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period.
- (b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.
- (c) For restricted stocks where employees have to pay to acquire those stocks, if the Company will pay the employees who resign during the vesting period to repurchase the stocks, the Company estimates such payments that will be made and recognizes such amounts as compensation cost and liability at the grant date, in accordance with the terms of restricted stocks.

(31) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is

determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or 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.

(32) Share capital

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

(33) Dividends

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

(34) Revenue recognition

- A. The Group researches and develops, manufactures and sells a range of printed circuit boards, electrician equipment, electronic products, and testing and burn-in systems for integrated circuit products. Sales are recognized when control of the products has transferred, being when the products are delivered to the distributor, the distributor has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the distributor's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the distributor, and either the distributor has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- B. Sales are recognized at contract price net of expected business tax, returns, rebates and discounts for the sale of a range of printed circuit boards, electrician equipment, electronic products, and testing and burn-in systems for integrated circuit products. Revenue arising from the sales of goods is recognized when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated

with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

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

(35) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to right of use of land are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(36) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.
- B. The excess of the consideration transferred, the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date.

(37) Operating segments

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

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are

continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

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

Investment property

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

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories.

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

As of December 31, 2022, the carrying amount of inventories was \$12,834,619.

B. Impairment assessment of investments accounted for using equity method

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

As of December 31, 2022, the Group's investments accounted for using the equity method amounted to \$2,533,541.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand	\$ 4,051	\$ 3,472
Checking accounts and demand deposits	22,172,597	24,142,420
Time deposits	38,227,778	10,523,012
Commercial paper	<u>4,299,629</u>	<u>6,349,253</u>
	64,704,055	41,018,157
Transferred to other current assets	(17,864)	(17,847)
Transferred to non-current financial assets at amortized cost	<u>(3,226,895)</u>	<u>(1,598,701)</u>
	<u>\$ 61,459,296</u>	<u>\$ 39,401,609</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 0.10% to 5.04% and 0.07% to 4.02% as of December 31, 2022 and 2021, respectively. Certain time deposits which have been pledged as collateral were classified as long-term time deposits due to capital planning and reclassified as “other current assets” or “non-current financial assets at amortised cost”.
- C. Interest rates on commercial paper ranged from 0.88% to 0.92% and 0.25% to 0.26% as of December 31, 2022 and 2021, respectively.
- D. Details of the Group’s cash and cash equivalents pledged to others as collateral are provided in Note 8.

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

Items	December 31, 2022	December 31, 2021
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 9,780	\$ 10,531
Derivatives	-	64,377
	9,780	74,908
Valuation adjustment	8,729	21,394
	\$ 18,509	\$ 96,302

Items	December 31, 2022	December 31, 2021
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 45,499	\$ 45,499
Unlisted stocks	3,696,121	3,680,739
Foreign closed-end funds	89,648	89,648
Corporate bonds	87,728	87,728
	3,918,996	3,903,614
Valuation adjustment	2,070,157	4,194,641
	\$ 5,989,153	\$ 8,098,255

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

	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	(\$ 28,497)	\$ 47,010
Unlisted stocks	(2,093,907)	2,643,602
Foreign closed-end funds	(20,351)	(28,899)
Derivatives	(496,251)	227,940
	<u>(\$ 2,639,006)</u>	<u>\$ 2,889,653</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:

	December 31, 2022	
<u>Derivative instruments</u>	<u>Contract amount (notional principal)</u>	<u>Contract period</u>
Current items:		
Cross currency swap		
- 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	EUR 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
		December 31, 2021
<u>Derivative instruments</u>	<u>Contract amount (notional principal)</u>	<u>Contract period</u>
Current items:		
Forward foreign exchange contracts		
- Buy JPY sell CNY	JPY 180,680,000	2021.10.28~2022.01.06
- Buy JPY sell CNY	JPY 196,560,000	2021.11.26~2022.02.14
- Buy JPY sell CNY	JPY 88,862,600	2021.11.26~2022.02.16
- Buy JPY sell CNY	JPY 214,577,400	2021.12.13~2022.03.07
- Buy JPY sell CNY	JPY 230,000,000	2021.12.27~2022.04.21
- Buy JPY sell CNY	JPY 88,862,600	2021.12.28~2022.04.07
- Buy JPY sell CNY	JPY 88,862,600	2021.12.28~2022.04.20

December 31, 2021		
<u>Derivative instruments</u>	<u>Contract amount (notional principal)</u>	<u>Contract period</u>
Cross currency swap		
- Buy TWD sell EUR	EUR 4,300,000	2021.10.14~2022.01.13
- Buy TWD sell EUR	EUR 2,500,000	2021.09.24~2022.01.13
- Buy TWD sell EUR	EUR 3,150,000	2021.11.05~2022.02.09
- Buy TWD sell EUR	EUR 4,500,000	2021.12.08~2022.03.08
- Buy TWD sell EUR	EUR 4,000,000	2021.09.08~2022.01.13
- Buy TWD sell EUR	EUR 30,000,000	2021.11.04~2022.02.09
- Buy TWD sell EUR	EUR 1,700,000	2021.12.22~2022.03.22
- Buy TWD sell USD	USD 20,000,000	2021.11.10~2022.02.10
- Buy TWD sell USD	USD 30,000,000	2021.12.16~2022.03.15
- Buy TWD sell USD	USD 10,000,000	2021.12.07~2022.03.07
- Buy TWD sell USD	USD 6,000,000	2021.11.10~2022.02.10
- Buy TWD sell USD	USD 20,000,000	2021.11.12~2022.02.14
- Buy TWD sell USD	USD 10,000,000	2021.12.13~2022.03.14
- Buy TWD sell USD	USD 15,000,000	2021.12.15~2022.03.15
- Buy TWD sell USD	USD 23,000,000	2021.10.18~2022.01.18

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>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 7,431	\$ 41,316
Less: Allowance for uncollectible accounts	(2)	(23)
	<u>\$ 7,429</u>	<u>\$ 41,293</u>
Accounts receivable	\$ 28,940,657	\$ 23,680,391
Less: Allowance for uncollectible accounts	(221,149)	(112,940)
	<u>\$ 28,719,508</u>	<u>\$ 23,567,451</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 28,853,019	\$ 23,640,639
1-30 days past due	58,620	62,492
31-60 days past due	8,768	4,983
61-90 days past due	10,022	1,563
Over 90 days past due	17,659	12,030
	<u>\$ 28,948,088</u>	<u>\$ 23,721,707</u>

The above ageing analysis was based on past due date.

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

C. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$7,429 and \$41,293, and accounts receivable were \$ 28,719,508 and \$23,567,451, respectively.

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

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

(4) Other receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fire insurance claims receivable (Note)	\$ 705,163	\$ 1,522,779
Income tax refund receivable	375,469	-
Interest receivable	246,721	88,069
Finance lease receivable	3,529	3,135
Others	437,156	467,745
	<u>\$ 1,768,038</u>	<u>\$ 2,081,728</u>

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

(5) Inventories

	<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>
	<u>December 31, 2021</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Book value</u>
Raw materials	\$ 3,337,679	(\$ 331,672)	\$ 3,006,007
Work in progress	5,397,326	(600,520)	4,796,806
Finished goods	4,986,844	(638,054)	4,348,790
	<u>\$ 13,721,849</u>	<u>(\$ 1,570,246)</u>	<u>\$ 12,151,603</u>

The cost of inventories recognized as expense for the year:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Cost of goods sold	\$ 85,596,371	\$ 78,416,275
Loss on market value decline and obsolete and slow-moving inventories	1,762,424	380,607
Loss by fire (Note 1)	-	(91,892)
Others (Note 2)	<u>2,697,271</u>	<u>2,194,940</u>
	<u>\$ 90,056,066</u>	<u>\$ 80,899,930</u>

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

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

(6) Prepayments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Excess business tax paid	\$ 795,015	\$ 927,198
Prepaid insurance premiums	737,707	602,227
Prepayments for material purchase	300,201	157,012
Others	<u>910,100</u>	<u>802,400</u>
	<u>\$ 2,743,023</u>	<u>\$ 2,488,837</u>

(7) Investments accounted for using equity method

<u>Investees</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subtron Technology Co., Ltd. (Subtron Technology)	\$ 1,615,813	\$ 1,566,498
Uniflex Technology Inc. (Uniflex Technology)	266,873	334,658
Advance Materials Corp. (Advance Materials)	278,331	304,859
Unipoint Technology Co., Ltd. (Unipoint Technology)	273,434	258,756
Others	<u>99,090</u>	<u>107,612</u>
	<u>\$ 2,533,541</u>	<u>\$ 2,572,383</u>
Credit balance of investments accounted for using equity method transferred to other non-current liabilities	<u>\$ 114,820</u>	<u>\$ 131,199</u>

A. For the years ended December 31, 2022 and 2021, the share of (loss) profit of associates and joint ventures accounted for using equity method recognized was (\$30,832) and \$188,877, respectively. The financial statements of these entities were audited by auditors appointed by the Company, except for the financial statements of Maruwa Coporation and Unipoint Technology for the year ended December 31, 2022 and the financial statements of Subtron Technology, Maruwa Coporation, Unipoint Technology and Unimax C.P.I Technology Corp. for the year ended December 31, 2021 which were audited by other auditors appointed by those companies. In addition, Unimax C.P.I. Technology Corp. is in the process of liquidation.

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

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

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

Balance sheet

	Subtron Technology	
	December 31, 2022	December 31, 2021
Current assets	\$ 2,281,039	\$ 3,166,952
Non-current assets	5,738,902	4,783,176
Current liabilities	(1,322,831)	(1,423,529)
Non-current liabilities	(1,923,938)	(1,970,544)
Total net assets	<u>\$ 4,773,172</u>	<u>\$ 4,556,055</u>
Share in associate's net assets	\$ 1,525,028	\$ 1,466,138
Difference in net value of equity	<u>90,785</u>	<u>100,360</u>
Carrying amount of the associate	<u>\$ 1,615,813</u>	<u>\$ 1,566,498</u>

Statement of comprehensive income

	Subtron Technology	
	Year ended December 31	
	2022	2021
Operating revenue	\$ 3,384,904	\$ 4,820,763
Profit for the year from continuing operations	147,574	593,860
Other comprehensive income, net of tax	<u>350,161</u>	<u>280,453</u>
Total comprehensive income	<u>\$ 497,735</u>	<u>\$ 874,313</u>

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

As of December 31, 2022 and 2021, the carrying amount of the Group's individually immaterial associates amounted to \$802,908 and \$874,686, respectively.

	Year ended December 31	
	2022	2021
Loss for the year from continuing operations	(\$ 339,386)	(\$ 28,426)
Other comprehensive income, net of tax	<u>57,174</u>	<u>38,143</u>
Total comprehensive (loss) income	<u>(\$ 282,212)</u>	<u>\$ 9,717</u>

- E. The Group is one of the single shareholder of Subtron Technology, Advance Materials, Yih Dar Technologies Co., Ltd., UniSense Technology Co., Ltd. and MARUWA CORPORATION with a 31.95%, 24.14%, 26.67%, 30.98% and 28.24% equity interest, respectively. Given that 10 other large shareholders hold more shares than the Group, which indicates that the Group has no current ability to direct the relevant activities of the investees, the Group has no control, but only has significant influence, over the investees.
- F. The Group is the single largest shareholder of Uniflex Technology with a 26.19% equity interest. Given that the voting rights obtained by the Group did not account for more than half of the total voting rights for attendance in the shareholders' meetings in the past years, which indicates that the Group has no current ability to direct the relevant activities of Uniflex Technology, the Group has no control, but only has significant influence, over the investee.
- G. For the year ended December 31, 2022, the Group disposed 1,500 shares of MARUWA CORPORATION. The consideration for the disposal and gain on disposal were \$3,439 and \$24,186, respectively. After the disposal, the Group's shareholding ratio was 28.24%.
- H. On February 22, 2022, the Board of Directors of the Company merged with Subtron Technology, comprehensively taking into consideration the demand of customers and suppliers, complex tax works and costs, shareholders' right of objection and retained talents. Under the contract, the method of merger may change. On March 30, 2022, the Board of Directors approved to terminate the original contract and change to shares swap. Under the signed shares swap contract, one common share of Subtron Technology can be exchanged for 0.219 common shares of the Company. The effective date originally was set on October 1, 2022, however, the application 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 (35) for details of related subsequent share swap transaction.

(8) Property, plant and equipment

2022

	2022										
	Land	Land-revaluation increment	Buildings and structures			Machinery and equipment			Transportation equipment and other equipment	Unfinished construction and equipment under acceptance	Total
			Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal			
At January 1											
Cost	\$ 6,181,780	\$ 10,162	\$ 49,789,232	\$ 229,603	\$ 50,018,835	\$ 68,026,407	\$ 2,234	\$ 68,028,641	\$ 2,612,342	\$ 11,904,232	\$ 138,755,992
Accumulated depreciation	-	-	(27,160,991)	(89,333)	(27,250,324)	(37,251,944)	(2,234)	(37,254,178)	(1,723,043)	-	(66,227,545)
Accumulated impairment	-	-	(87,805)	-	(87,805)	(419,648)	-	(419,648)	-	-	(507,453)
	<u>\$ 6,181,780</u>	<u>\$ 10,162</u>	<u>\$ 22,540,436</u>	<u>\$ 140,270</u>	<u>\$ 22,680,706</u>	<u>\$ 30,354,815</u>	<u>\$ -</u>	<u>\$ 30,354,815</u>	<u>\$ 889,299</u>	<u>\$ 11,904,232</u>	<u>\$ 72,020,994</u>
At January 1	\$ 6,181,780	\$ 10,162	\$ 22,540,436	\$ 140,270	\$ 22,680,706	\$ 30,354,815	\$ -	\$ 30,354,815	\$ 889,299	\$ 11,904,232	\$ 72,020,994
Additions	259,616	-	2,901,539	-	2,901,539	1,871,098	-	1,871,098	191,317	27,703,593	32,927,163
Disposals, net	(21,635)	-	(729)	-	(729)	(283,484)	-	(283,484)	(11,170)	-	(317,018)
Reclassifications	12,942	-	5,202,327	17,869	5,220,196	16,550,296	-	16,550,296	211,219	(21,862,857)	131,796
Depreciation	-	-	(2,927,540)	(10,496)	(2,938,036)	(7,780,697)	-	(7,780,697)	(288,143)	-	(11,006,876)
Impairment loss	-	-	-	-	-	(27,053)	-	(27,053)	-	-	(27,053)
Net exchange differences	5,366	-	141,698	-	141,698	213,030	-	213,030	6,272	26,758	393,124
At December 31	<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 December 31											
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>

	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	\$ 5,081,885	\$ 10,162	\$ 41,605,110	\$ 190,773	\$ 41,795,883	\$ 63,297,606	\$ 2,234	\$ 63,299,840	\$ 2,198,637	\$ 11,127,742	\$ 123,514,149
Accumulated depreciation	-	-	(25,098,608)	(69,482)	(25,168,090)	(38,472,680)	(2,234)	(38,474,914)	(1,598,046)	-	(65,241,050)
Accumulated impairment	-	-	-	-	-	(292,360)	-	(292,360)	-	-	(292,360)
	<u>\$ 5,081,885</u>	<u>\$ 10,162</u>	<u>\$ 16,506,502</u>	<u>\$ 121,291</u>	<u>\$ 16,627,793</u>	<u>\$ 24,532,566</u>	<u>\$ -</u>	<u>\$ 24,532,566</u>	<u>\$ 600,591</u>	<u>\$ 11,127,742</u>	<u>\$ 57,980,739</u>
At January 1	\$ 5,081,885	\$ 10,162	\$ 16,506,502	\$ 121,291	\$ 16,627,793	\$ 24,532,566	\$ -	\$ 24,532,566	\$ 600,591	\$ 11,127,742	\$ 57,980,739
Additions	13,922	-	2,518,448	-	2,518,448	1,045,733	-	1,045,733	154,622	20,468,449	24,201,174
Disposals, net	-	-	(995)	-	(995)	(139,201)	-	(139,201)	(735)	-	(140,931)
Derecognition after fire cleanup	-	-	(11,699)	-	(11,699)	(313,372)	-	(313,372)	(724)	(15,938)	(341,733)
Reclassifications	1,100,184	-	5,969,470	24,687	5,994,157	12,311,918	-	12,311,918	384,788	(19,649,636)	141,411
Depreciation	-	-	(2,257,051)	(5,708)	(2,262,759)	(6,627,707)	-	(6,627,707)	(238,721)	-	(9,129,187)
Impairment loss	-	-	(93,097)	-	(93,097)	(298,177)	-	(298,177)	-	-	(391,274)
Net exchange differences	(14,211)	-	(91,142)	-	(91,142)	(156,945)	-	(156,945)	(10,522)	(26,385)	(299,205)
At December 31	<u>\$ 6,181,780</u>	<u>\$ 10,162</u>	<u>\$ 22,540,436</u>	<u>\$ 140,270</u>	<u>\$ 22,785,502</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 December 31											
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>

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

	Year ended December 31	
	2022	2021
Amount capitalized	\$ 80,312	\$ 46,244
Range of the interest rates for capitalization	0.60%~5.41%	0.59%~3.24%

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

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

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

- D. The Company owned a land located at Luzhu Dist., Taoyuan City for building a plant and the related facilities, with an area of 883 square meters, and the cost amounted to \$21,360. The land belongs to forest-floor, and the registration for the transfer cannot be completed. The Company has obtained other rights of the land for securing certain rights to this land. In addition, the Company sold the land in June 2022. Refer to table 6 for related transactions.

- E. In December 2016, certain plants, buildings, equipment and inventory of U Germany, a subsidiary of the Company, were damaged in a fire. However, the damaged assets were covered by sufficient fire and business interruption insurance, so the Company did not incur any significant loss.

For the years ended December 31, 2022 and 2021, no claims income arising from suspension of operations and assets disaster was recognized. In addition, as of December 31, 2022, the related fire claims have not yet been settled.

- F. The second-tier subsidiary of the Company, Unimicron Technology (KunShan), caught fire in September 2020, resulting in losses on certain factory and buildings, equipment and inventory. For the years ended December 31, 2022 and 2021, gain from fire incident amounted to \$14,342 and \$38,548, respectively. As of December 31, 2022, Unimicron Technology (KunShan) has received claims of \$202,578 from the insurance company, and the related fire claims have been settled.

- G. Certain factories of the Company caught fire in October 2020 and February 2021, resulting in losses on certain factories and buildings, equipment and inventory. However, the said factories are covered with property and business interruption insurance and the Company is entitled to claim for compensation for its operating costs during the interruption period. Therefore, no significant

loss was incurred by the Company. For the years ended December 31, 2022 and 2021, loss from fire incident amounted to \$0 and \$51,890, respectively. In addition, as of December 31, 2022 and 2021, insurance claims receivable amounted to \$705,163 and \$1,400,174, respectively (included in other receivables). As of December 31, 2022, the Company has received claims of \$1,615,578 from the insurance company, and continued negotiating with the insurance company with respect to the final settlement of the claims.

H. The second-tier subsidiary of the Company, Unimicron Technology (Huangshi), was eligible to receive development and machinery and equipment bulk purchase subsidies from the respective local government in the amounts of RMB 24,521 thousand and RMB 934 thousand, respectively (included in other non-current liabilities), which will be recognized in profit or loss over the estimated useful lives on a straight-line basis. As of December 31, 2022, the remaining unamortised balances were RMB 10,282 thousand and RMB 422 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>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land and land use rights	\$ 1,778,975	\$ 1,913,024
Buildings	887,622	928,550
Machinery and equipment	45,797	276,828
Transportation equipment and other equipment	<u>21,162</u>	<u>22,406</u>
	<u>\$ 2,733,556</u>	<u>\$ 3,140,808</u>

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land and land use rights	\$ 160,869	\$ 122,903
Buildings	178,163	171,698
Machinery and equipment	30,123	65,576
Transportation equipment and other equipment	<u>11,632</u>	<u>12,758</u>
	<u>\$ 380,787</u>	<u>\$ 372,935</u>

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$91,257 and \$1,164,856, respectively.

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

	Year ended December 31	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 44,066	\$ 38,599
Expense on short-term lease contracts	104,431	81,381
Expense on leases of low-value assets	4,519	2,265
Expense on variable lease payments	13,352	11,719
Gain from lease modifications	1,880	8

E. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were \$575,251 and \$636,478, 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 years ended December 31, 2022 and 2021, depreciation expense and rent expenses were \$29,436 and \$26,731, respectively. In particular, Unimicron Technology (Huangshi) was eligible to receive development subsidies from the local government in the amount of RMB 19,299 thousand (included in other non-current liabilities), which will be recognized in profit or loss over the duration of the land use rights on a straight-line basis. The remaining unamortised balance of Unimicron Technology (Huangshi) was RMB 17,112 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 years ended December 31, 2022 and 2021, the amount of finance income from the net investment in the finance lease related to lease contracts was \$604 and \$709, respectively.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Less than one year	\$ 4,017	\$ 3,738
More than one year but not later than five years	13,090	16,411
Over five years	<u>-</u>	<u>695</u>
	<u>\$ 17,107</u>	<u>\$ 20,844</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>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>December 31, 2021</u>	<u>December 31, 2021</u>
	<u>Current</u>	<u>Non-current</u>
Undiscounted lease payments	\$ 3,738	\$ 17,106
Unearned finance income	(603)	(1,169)
Net investment in the lease	<u>\$ 3,135</u>	<u>\$ 15,937</u>

E. For the years ended December 31, 2022 and 2021, the Group recognized rent income in the amounts of \$69,286 and \$66,507, 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>December 31, 2022</u>	<u>December 31, 2021</u>
Less than one year	\$ 63,011	\$ 69,198
More than one year but not later than five years	102,711	136,721
Over five years	<u>429</u>	<u>-</u>
	<u>\$ 166,151</u>	<u>\$ 205,919</u>

(11) Investment property

	2022		
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
At January 1			
Cost	\$ 534,213	\$ 128,494	\$ 662,707
Accumulated depreciation	-	(87,569)	(87,569)
	<u>\$ 534,213</u>	<u>\$ 40,925</u>	<u>\$ 575,138</u>
At January 1	\$ 534,213	\$ 40,925	\$ 575,138
Depreciation	-	(3,388)	(3,388)
Disposals, net	(171,430)	-	(171,430)
Reclassifications (Note)	(12,942)	-	(12,942)
At December 31	<u>\$ 349,841</u>	<u>\$ 37,537</u>	<u>\$ 387,378</u>
At December 31			
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>
	2021		
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
At January 1			
Cost	\$ 602,082	\$ 128,494	\$ 730,576
Accumulated depreciation	-	(84,143)	(84,143)
	<u>\$ 602,082</u>	<u>\$ 44,351</u>	<u>\$ 646,433</u>
At January 1	\$ 602,082	\$ 44,351	\$ 646,433
Depreciation	-	(3,426)	(3,426)
Reclassifications (Note)	(67,869)	-	(67,869)
At December 31	<u>\$ 534,213</u>	<u>\$ 40,925</u>	<u>\$ 575,138</u>
At December 31			
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>

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:

	Year ended December 31	
	2022	2021
Rental income from investment property	\$ 11,436	\$ 11,436
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 58,708	\$ 53,728

B. The fair value of the investment property held by the Group as at December 31, 2022 and 2021 was \$1,383,499 and \$1,690,381, respectively, which was valued by independent valuers. Valuations were made using the income approach which is categorized within Level 3 in the fair value hierarchy.

(12) Intangible assets

	2022			
	Computer software	Goodwill	Others	Total
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	277,277	-	112,583	389,860
Reclassifications	1,146	-	-	1,146
Amortization	(221,544)	-	(114,167)	(335,711)
Net exchange differences	1,640	6,814	594	9,048
At December 31	<u>\$ 332,475</u>	<u>\$ 74,707</u>	<u>\$ 237,285</u>	<u>\$ 644,467</u>
At December 31				
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>

	2021			
	Computer software	Goodwill	Others	Total
At January 1				
Cost	\$ 933,196	\$ 70,488	\$ 271,560	\$ 1,275,244
Accumulated amortization	(719,825)	-	(187,115)	(906,940)
	<u>\$ 213,371</u>	<u>\$ 70,488</u>	<u>\$ 84,445</u>	<u>\$ 368,304</u>
At January 1	\$ 213,371	\$ 70,488	\$ 84,445	\$ 368,304
Additions-acquired separately	265,712	-	221,694	487,406
Disposals-cost	(36,040)	-	(3,634)	(39,674)
Disposals-accumulated amortization	36,040	-	3,634	39,674
Amortization	(201,533)	-	(67,066)	(268,599)
Net exchange differences	(3,594)	(2,595)	(798)	(6,987)
At December 31	<u>\$ 273,956</u>	<u>\$ 67,893</u>	<u>\$ 238,275</u>	<u>\$ 580,124</u>
At December 31				
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>

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

	Year ended December 31	
	2022	2021
Operating costs	\$ 229,040	\$ 165,834
Selling expenses	1,308	1,643
General and administrative expenses	38,137	31,721
Research and development expenses	67,226	52,352
	<u>\$ 335,711</u>	<u>\$ 251,550</u>

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

	December 31, 2022	December 31, 2021
Mainland China	\$ 69,560	\$ 62,746
Others	5,147	5,147
	<u>\$ 74,707</u>	<u>\$ 67,893</u>

(13) Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank borrowings	\$ 5,497,000	\$ 6,973,730
L/C borrowings	2,148,409	3,202,486
	<u>\$ 7,645,409</u>	<u>\$ 10,176,216</u>
Interest rate range	0.65%~6.17%	0.58%~1.92%
Undrawn borrowing facilities	<u>\$ 55,763,878</u>	<u>\$ 45,928,171</u>

As of December 31, 2022 and 2021, aside from the collateral listed in Note 8, the Company also issued guarantee notes in the amounts of \$11,404,000 and US\$315,000,000 as well as \$9,700,000 and US\$435,000,000 for the aforementioned borrowings, respectively.

(14) Short-term notes and bills payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial paper payable	\$ 300,000	\$ 400,000
Less: Unamortized discount	-	(100)
	<u>\$ 300,000</u>	<u>\$ 399,900</u>
Issue rate	1.42%	0.35%~0.52%
Undrawn borrowing facilities	<u>\$ 2,100,000</u>	<u>\$ 2,100,000</u>

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

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

<u>Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial liabilities at fair value through profit or loss		
Valuation adjustment	<u>\$ 10,455</u>	<u>\$ -</u>

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

(16) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Payable on machinery and equipment	\$ 6,602,326	\$ 5,595,376
Employees' compensation and directors' payable	6,532,958	2,726,506
Salaries and bonuses payable	3,282,224	2,716,125
Others	5,373,513	5,394,722
	<u>\$ 21,791,021</u>	<u>\$ 16,432,729</u>

(17) Other current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease liabilities	\$ 262,437	\$ 294,802
Fund collected for purchase of equipment on behalf of others (Note)	79,944	319,987
Others	150,140	129,497
	<u>\$ 492,521</u>	<u>\$ 744,286</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>December 31, 2022</u>	<u>December 31, 2021</u>
Bonds payable	\$ 11,000,000	\$ 8,000,000
Less: Amorization of discount on bonds payable	(9,193)	(8,077)
	<u>\$ 10,990,807</u>	<u>\$ 7,991,923</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>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>December 31, 2021</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
					<u>\$ 8,000,000</u>

(19) Long-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank borrowings	\$ 12,883,230	\$ 13,745,698
Commercial paper payable	3,100,000	3,100,000
Less: Unamortized discount	-	(396)
	15,983,230	16,845,302
Less: Current portion	(2,411,085)	(2,594,726)
	<u>\$ 13,572,145</u>	<u>\$ 14,250,576</u>
Interest rate range	<u>1.13%~6.09%</u>	<u>0.38%~2.05%</u>

A. The long-term borrowings listed above will mature between 2022 and 2028.

B. In 2021, the Company renewed commercial paper issuance agreements with companies including China Bills Finance Corporation (“Bills Finance Corp.”), who agreed to act as underwriters of commercial paper issued by the Company. Under the terms of the agreement, the Company must

issue commercial paper with maturity of 90 days or less in the contractual period. If the Company does not issue the full amount during the period the agreement is in effect, it is required to pay a commitment fee to the other party at an annual interest rate of 0.5%~0.7%. These agreements expire in January 2025, June 2025 and August 2025.

C. In October 2019, the Company signed an agreement of loans for returning Taiwanese investors totaling \$2,000,000 with Taipei Fubon Bank. The loan period is five years from the date the credit is first used (April 23, 2020). The Company is required to maintain the following financial ratios for the duration of the agreement (calculated based on the annual and half-year consolidated financial statements):

- (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 February 2020, Qun Hong Technology resigned a medium to long-term loan agreement of \$200,000 with Bank Sinopac. The agreement is set to expire in March 2023. Qun Hong Technology is required to maintain the following financial ratios for the duration of the agreement (calculated based on the annual consolidated financial statements of Qun Hong Technology):

- (a) Current ratio of at least 90%;
- (b) Debt ratio not to exceed 185% (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders' equity less intangible assets);
- (c) Net tangible assets of not lower than \$1,000,000.

Certain financial ratios of Qun Hong Technology, calculated from the financial statements for the year ended December 31, 2021 did not meet the requirements in the loan agreement. However,

immediate repayment was not required in this instance; therefore, the loan was still included in long-term borrowings as of December 31, 2021. In addition, the Company repaid the long-term borrowings in August 2022.

F. In September 2020, Qun Hong Technology signed a medium term loan agreement of \$300,000 with Chinatrust Commercial Bank. The agreement is set to expire in November 2023. Qun Hong Technology is required to maintain the following financial ratios for the duration of the agreement (calculated based on the annual consolidated financial statements of Qun Hong Technology):

- (a) Current ratio of at least 90%;
- (b) Debt ratio not to exceed 200% in 2020, 190% in 2021, 180% in 2022 and 160% in 2023 (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders' equity less intangible assets).
- (c) Net tangible assets of not lower than \$1,900,000.

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

- (a) Cash flow from operating activities of at least \$0;
- (b) Debt ratio not to exceed 350% in 2021, 300% in 2022 and 250% in 2023 (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders' equity less intangible assets).
- (c) Net tangible assets of not lower than \$800,000;
- (d) Earnings before interest, taxes, depreciation and amortisation/current portion of long-term financial liabilities plus interest expense of more than 1.2.

For the year ended December 31, 2021, some financial ratios in the financial statements of Qun Hong Technology did not meet the loan covenants in accordance with the aforementioned calculations of financial ratios. However, the immediate repayment of the borrowings was not required, thus, on December 31, 2021, it was still shown as long-term borrowings. In addition, the Company repaid the long-term borrowings in November 2022.

G. In May 2021, Qun Hong Technology signed a medium term loan agreement of \$200,000 with Taishin international bank. The agreement is set to expire in May 2024. Qun Hong Technology is required to maintain the following financial ratios for the duration of the agreement (calculated based on the annual consolidated financial statements of Qun Hong Technology):

- (a) Current ratio of at least 80%;
- (b) Debt ratio not to exceed 300% (calculated as total liabilities divided by net tangible assets).
- (c) Net tangible assets of not lower than \$1,800,000 (net tangible assets equal stockholders' equity less intangible assets).

Certain financial ratios of Qun Hong Technology, calculated from the financial statements for the year ended December 31, 2021 did not meet the requirements in the loan agreement. However, immediate repayment was not required in this instance; therefore, the loan was still included in long-term borrowings as of December 31, 2021. In addition, the Company repaid the long-term

borrowings in June 2022.

H. As of December 31, 2022 and 2021, aside from the collateral listed in Note 8, the Company also issued guarantee notes in the amounts of \$13,662,000 and US\$170,000,000 and \$19,092,000 and US\$180,000,000 for the aforementioned borrowings, respectively.

(20) Other non-current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease liabilities	\$ 1,295,850	\$ 1,481,048
Construction payable on behalf of others (Note)	803,127	792,059
Accrued pension liabilities	484,096	637,317
Others	715,390	736,688
	<u>\$ 3,298,463</u>	<u>\$ 3,647,112</u>

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

(21) Pensions

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

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

entity's designated labor pension reserve funds account according to the time the employee worked at each entity.

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

The Company, Qun Hong Technology, Asia Pacific and U JAPAN

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	\$ 1,343,617	\$ 1,452,734
Fair value of plan assets	(859,521)	(815,417)
Net defined benefit liability	<u>\$ 484,096</u>	<u>\$ 637,317</u>

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

The Company

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>2022</u>			
Balance at January 1	\$ 1,340,145	(\$ 690,133)	\$ 650,012
Current service cost	2,955	-	2,955
Interest expense (income)	<u>9,381</u>	<u>(4,831)</u>	<u>4,550</u>
	<u>1,352,481</u>	<u>(694,964)</u>	<u>657,517</u>
Remeasurements:			
Change in financial assumptions	(84,730)	-	(84,730)
Experience adjustments	<u>9,758</u>	<u>(52,872)</u>	<u>(43,114)</u>
	<u>(74,972)</u>	<u>(52,872)</u>	<u>(127,844)</u>
Pension fund contribution	-	(25,219)	(25,219)
Paid pension	<u>(37,086)</u>	<u>37,086</u>	<u>-</u>
Balance at December 31	<u>\$ 1,240,423</u>	<u>(\$ 735,969)</u>	<u>\$ 504,454</u>

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>2021</u>			
Balance at January 1	\$ 1,404,342	(\$ 690,535)	\$ 713,807
Current service cost	3,581	-	3,581
Interest expense (income)	4,213	(2,071)	2,142
	<u>1,412,136</u>	<u>(692,606)</u>	<u>719,530</u>
Remeasurements:			
Change in demographic assumptions	1,495	-	1,495
Change in financial assumptions	(65,903)	-	(65,903)
Experience adjustments	30,449	(10,775)	19,674
	<u>(33,959)</u>	<u>(10,775)</u>	<u>(44,734)</u>
Pension fund contribution	-	(24,784)	(24,784)
Paid pension	(38,032)	38,032	-
Balance at December 31	<u>\$ 1,340,145</u>	<u>(\$ 690,133)</u>	<u>\$ 650,012</u>

Qun Hong Technology

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit assets</u>
<u>2022</u>			
Balance at January 1	\$ 3,319	(\$ 9,336)	(\$ 6,017)
Current service cost	264	-	264
Interest expense (income)	20	(56)	(36)
	<u>3,603</u>	<u>(9,392)</u>	<u>(5,789)</u>
Remeasurements:			
Change in financial assumptions	(123)	-	(123)
Experience adjustments	20	(723)	(703)
	<u>(103)</u>	<u>(723)</u>	<u>(826)</u>
Pension fund contribution	-	(1,476)	(1,476)
Paid pension	(1,368)	1,368	-
Balance at December 31	<u>\$ 2,132</u>	<u>(\$ 10,223)</u>	<u>(\$ 8,091)</u>

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit assets</u>
<u>2021</u>			
Balance at January 1	\$ 4,297	(\$ 8,781)	(\$ 4,484)
Current service cost	657	-	657
Interest expense (income)	13	(27)	(14)
	<u>4,967</u>	<u>(8,808)</u>	<u>(3,841)</u>
Remeasurements:			
Change in demographic assumptions	3	-	3
Change in financial assumptions	(98)	-	(98)
Experience adjustments	(353)	(118)	(471)
	<u>(448)</u>	<u>(118)</u>	<u>(566)</u>
Pension fund contribution	-	(1,610)	(1,610)
Paid pension	(1,200)	1,200	-
Balance at December 31	<u>\$ 3,319</u>	<u>(\$ 9,336)</u>	<u>(\$ 6,017)</u>

Asia Pacific

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit assets</u>
<u>2022</u>			
Balance at January 1	\$ 29,553	(\$ 44,379)	(\$ 14,826)
Interest expense (income)	177	(266)	(89)
	<u>29,730</u>	<u>(44,645)</u>	<u>(14,915)</u>
Remeasurements:			
Return on plan assets	-	(3,390)	(3,390)
Change in demographic assumptions	411	-	411
Change in financial assumptions	(3,003)	-	(3,003)
Experience adjustments	4	-	4
	<u>(2,588)</u>	<u>(3,390)</u>	<u>(5,978)</u>
Balance at December 31	<u>\$ 27,142</u>	<u>(\$ 48,035)</u>	<u>(\$ 20,893)</u>

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit assets</u>
<u>2021</u>			
Balance at January 1	\$ 29,803	(\$ 43,629)	(\$ 13,826)
Interest expense (income)	131	(192)	(61)
	<u>29,934</u>	<u>(43,821)</u>	<u>(13,887)</u>
Remeasurements:			-
Return on plan assets	-	(608)	(608)
Change in demographic assumptions	(467)	-	(467)
Change in financial assumptions	160	-	160
Experience adjustments	(24)	-	(24)
	<u>(331)</u>	<u>(608)</u>	<u>(939)</u>
Paid pension	(50)	50	-
Balance at December 31	<u>\$ 29,553</u>	<u>(\$ 44,379)</u>	<u>(\$ 14,826)</u>

U JAPAN

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>2022</u>			
Balance at January 1	\$ 79,717	(\$ 71,569)	\$ 8,148
Current service cost	5,864	-	5,864
Interest expense	219	-	219
	<u>85,800</u>	<u>(71,569)</u>	<u>14,231</u>
Remeasurements:			
Change in financial assumptions	(3,129)	1,983	(1,146)
Pension fund contribution	-	(3,412)	(3,412)
Paid pension	(6,031)	5,239	(792)
Net exchange differences	(2,720)	2,465	(255)
Balance at December 31	<u>\$ 73,920</u>	<u>(\$ 65,294)</u>	<u>\$ 8,626</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>2021</u>			
Balance at January 1	\$ 110,285	(\$ 95,770)	\$ 14,515
Current service cost	8,090	-	8,090
Interest expense	397	-	397
	<u>118,772</u>	<u>(\$ 95,770)</u>	<u>23,002</u>
Remeasurements:			
Change in financial assumptions	(10,207)	3,378	(6,829)
Pension fund contribution	-	(3,997)	(3,997)
Paid pension	(15,434)	13,031	(2,403)
Net exchange differences	(13,414)	11,789	(1,625)
Balance at December 31	<u>\$ 79,717</u>	<u>(\$ 71,569)</u>	<u>\$ 8,148</u>

- (e) The Bank of Taiwan was commissioned to manage the Fund of the Company's, Qun Hong Technology's and Asia Pacific's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and Qun Hong Technology have no right to participate in managing and operating that fund and hence the Company and Qun Hong Technology are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

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

The Company

	Year ended December 31	
	2022	2021
Discount rate	1.30%	0.70%
Future salary increases	4.50%	4.50%

Qun Hong Technology

	Year ended December 31	
	2022	2021
Discount rate	1.20%	0.60%
Future salary increases	4.50%	4.50%

Asia Pacific

	Year ended December 31	
	2022	2021
Discount rate	1.48%	0.60%
Future salary increases	1.20%	1.20%

U JAPAN

	Year ended December 31	
	2022	2021
Discount rate	0.69%	0.29%

Future mortality rate was estimated both based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2022 and 2021.

For the years ended December 31, 2022 and 2021, Clover's future mortality rate was estimated based on the 22th Annuity Table published by Japan Ministry of Health and Welfare.

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

The analysis was as follows:

The Company

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 33,131)	\$ 34,383	\$ 30,201	(\$ 29,323)
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ 38,694)	\$ 40,241	\$ 35,365	(\$ 34,277)

Qun Hong Technology

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ <u>48</u>)	<u>\$ 50</u>	<u>\$ 43</u>	(\$ <u>42</u>)

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ <u>76</u>)	<u>\$ 78</u>	<u>\$ 68</u>	(\$ <u>66</u>)

Asia Pacific

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ <u>1,504</u>)	<u>\$ 1,645</u>	<u>\$ 1,642</u>	(\$ <u>1,515</u>)

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ <u>1,987</u>)	<u>\$ 2,323</u>	<u>\$ 2,297</u>	(\$ <u>1,986</u>)

U JAPAN

	<u>Discount rate</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2022		
Effect on present value of defined benefit obligation	(\$ <u>1,146</u>)	<u>\$ 1,176</u>

	<u>Discount rate</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2021		
Effect on present value of defined benefit obligation	(\$ <u>1,319</u>)	<u>\$ 1,354</u>

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

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

- (g) Expected contributions to the defined benefit pension plans of the Company, Qun Hong, Asia Pacific and U JAPAN for the year ending December 31, 2023 amount to \$24,985, \$1,356, \$0 and \$5,939, respectively.
 - (h) As of December 31, 2022, the weighted average duration of the retirement plan of the Company, Qun Hong Technology, Asia Pacific and U JAPAN are 11, 10, 12 and 6 years, respectively.
- B. (a) The Company, Qun Hong Technology, UniCuisine, Apm and Asia Pacific Communication have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company, Qun Hong Technology, UniCuisine, Apm and Asia Pacific Communication contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) Consolidated subsidiaries, Unimicron Technology (ShenZhen), Unimicron Technology (KunShan), Unimicron-FPC Technology (Kunshan), Unimicron Technology (SuZhou), Unimicron Technology (Huangshi), Unimicron Touchand , Unimicron-Carrier Technology, Hu Se Sn Li Management Crop., Ltd. and U Germany, contribute a fixed percentage of the salaries and wages of its employees to a pension fund every month in accordance with local pension regulations. The contribution ratios range from 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, UniClover, UniDH, UniDT, UniBest, USZT, UKST, UniGreat, NEOCONIX, PAVIDA and UniWonderful do not have employee retirement plans, nor are they required to have such plans according to local laws and regulations. In addition, UniClover, UniDT and UniDH finished the liquidation process in March 2021, September 2022 and November 2022, respectively.
- (d) Hsin Yang Investment, Unimicron Management (KunShan), Kunshan Dingchangxin, Suzhou Qunye, Kunshan Qunqi, UNIMICRON ELECTRONIC TESTING (KUNSHAN) and UniFresh have no employees and therefore do not have to recognize pension costs.
- (e) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021 were \$1,098,855, and \$967,947, respectively.

(22) Share-based payment

A. For the years ended December 31, 2022 and 2021, the Group's share-based payment arrangements were as follows:

(a) The Company:

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

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

(b) The Company:

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

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

A. After 15 months starting from the issuance date of new restricted stocks, employees 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 all are equity-settled.

(c) Qun Hong Technology:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (Shares in thousands)</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Employee stock options	2017.06.20	6,000	5 years	Note

Note: Stock warrants can be exercised starting from the first anniversary of the grant date

according to the following schedule:

- A. On the first anniversary of the grant date, up to 30% of the stock warrants granted can be exercised.
- B. On the second anniversary of the grant date, up to 60% of the stock warrants granted can be exercised.
- C. On the third anniversary of the grant date, 100% of the stock warrants granted can be exercised.

(d) NEOCONIX:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (Shares in thousands)</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Stock options A~O	2003.10.23~ 2012.09.06	5,969	10 years	Note
Employee stock option certificates A~B	2012.06.18~ 2012.06.30	277	10 years	-

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

- A. On the first anniversary of the grant date, up to 25% of the stock options granted can be exercised.
- B. On the second anniversary of the grant date, up to 50% of the stock options granted can be exercised.
- C. On the third anniversary of the grant date, up to 75% of the stock options granted can be exercised.
- D. On the fourth anniversary of the grant date, 100% of the stock options granted can be exercised.
- E. Options must be exercised within ten years of the signing of the contract and can be exercised fully or partially without making cash payments. In the event of a merger or acquisition, the bank must decide whether to exercise or the options are immediately deemed as expired.

(e) Asia Pacific

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (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.

(f) 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>
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

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.

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.

(g) UniCuisine

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

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

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

(a) The Company:

i. Treasury stock transferred to employees

	Year ended December 31			
	2022		2021	
	No. of rights of alienation (Shares in thousands)	Exercise price (in dollars)	No. of rights of alienation (Shares in thousands)	Exercise price (in dollars)
Rights of alienation outstanding at beginning of year	-	\$ -	149	\$ 16.41
Rights of alienation granted	-	-	7,705	37.94, 38.45 and 51.33
Rights of alienation exercised	-	-	(7,705)	37.94, 38.45 and 51.33
Rights of alienation expired	-	-	(149)	-
Rights of alienation outstanding at end of year	-	\$ -	-	\$ -
Rights of alienation exercisable	-	\$ -	-	\$ -

ii. Restricted stocks to employees

	Year ended December 31			
	2022		2021	
	No. of restricted stocks (Shares in thousands)	Exercise price (in dollars)	No. of restricted stocks (Shares in thousands)	Exercise price (in dollars)
Employee restricted shares at beginning of year	-	\$ -	-	\$ -
Shares granted	3,105	95.10	-	-
Shares vested	-	-	-	-
Shares repurchased	-	-	-	-
Employee restricted shares	3,105	\$ 95.10	-	\$ -

(b) Qun Hong Technology:

Employee stock options

	Year ended December 31			
	2022		2021	
	No. of options (Shares in thousands)	Exercise price (in dollars)	No. of options (Shares in thousands)	Exercise price (in dollars)
Options outstanding at beginning of year	4,288	\$ 16.89	6,000	\$ 16.89
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired	(4,288)	-	(1,712)	-
Options outstanding at end of year	<u>-</u>	<u>\$ -</u>	<u>4,288</u>	<u>\$ 16.89</u>
Employee stock options exercised	<u>-</u>	<u>\$ -</u>	<u>4,288</u>	<u>\$ 16.89</u>

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

(c) NEOCONIX:

Stock options

	Year ended December 31			
	2022		2021	
	No. of options (Shares in thousands)	Exercise price (in dollars)	No. of options (Shares in thousands)	Exercise price (in dollars)
Options outstanding at beginning of year	225	\$0.04~\$0.15	1,065	\$0.04~\$0.15
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired	(225)	-	(840)	-
Options outstanding at end of year	<u>-</u>	<u>\$ -</u>	<u>225</u>	<u>\$0.04~\$0.15</u>
Employee stock options exercised	<u>-</u>	<u>\$ -</u>	<u>225</u>	<u>\$0.04~\$0.15</u>

(d) Asia Pacific

Employee stock options

	Year ended December 31			
	2022		2021	
	No. of options (Shares in thousands)	Exercise price (in dollars)	No. of options (Shares in thousands)	Exercise price (in dollars)
Options outstanding at beginning of year	2,327	\$ 10.20	-	\$ -
Options granted	-	-	2,357	10.20
Options exercised	-	-	-	-
Options expired	(218)	-	(30)	-
Options outstanding at end of year	<u>2,109</u>	<u>\$ 10.20</u>	<u>2,327</u>	<u>\$ 10.20</u>
Employee stock options exercised	<u>1,055</u>	<u>\$ 10.20</u>	<u>-</u>	<u>\$ -</u>

(e) Unimicron Technology (SuZhou)

Plan of increasing capital through employee stock options

	Year ended December 31			
	2022		2021	
	No. of shares used in increasing capital (Shares in thousands)	Exercise price (in RMB dollars)	No. of shares used in increasing capital (Shares in thousands)	Exercise price (in RMB dollars)
Number of shares held by employees used in increasing capital at beginning of year	-	\$ -	-	\$ -
Shares granted	48,577	3.11	-	-
Shares vested	-	-	-	-
Shares repurchased	(830)	3.11	-	-
Number of shares held by employees used in increasing capital	<u>47,747</u>	<u>\$ 3.11</u>	<u>-</u>	<u>\$ -</u>

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

	Year ended December 31			
	2022		2021	
	No. of shares used in increasing capital (Shares in thousands)	Exercise price (in RMB dollars)	No. of shares used in increasing capital (Shares in thousands)	Exercise price (in RMB dollars)
Number of shares held by directors and consultants used in increasing capital at beginning of year	-	\$ -	-	\$ -
Shares granted	1,280	3.11	-	-
Shares vested	(1,280)	3.11	-	-
Shares repurchased	-	-	-	-
Number of shares held by directors and consultants used in increasing capital	-	\$ -	-	\$ -

(f) UniCuisine

Cash capital increase reserved for employee preemption

	Year ended December 31			
	2022		2021	
	No. of options (Shares in thousands)	Exercise price (in dollars)	No. of options (Shares in thousands)	Exercise price (in dollars)
Options outstanding at beginning of year	-	\$ -	-	\$ -
Options granted	105	20.00	-	-
Options exercised	(105)	20.00	-	-
Options expired	-	-	-	-
Options outstanding at end of year	-	\$ -	-	\$ -
Employee stock options exercised	-	\$ -	-	\$ -

C. There was no rights of alienation outstanding as of December 31, 2022 and 2021.

D. As of December 31, 2022, the exercise price of restricted stocks to employees outstanding was NT\$95.10. The weighted-average remaining contractual period was 2.20 years.

- E. As of December 31, 2021, the exercise prices of stock options outstanding of Qun Hong Technology was NT\$16.89 for both years; the weighted-average remaining contractual period was 0.47 year. In addition, there was no stock option outstanding as of December 31, 2022.
- F. As of December 31, 2021, the range of exercise prices of stock options outstanding of NEOCONIX was US\$0.04~\$0.15 for both years; the weighted-average remaining contractual period was 0.7 year. In addition, there was no option outstanding as of December 31, 2022.
- G. As of December 31, 2022 and 2021, the exercise price of stock options outstanding of Asia Pacific was NT\$10.20 for both years; and the weighted-average remaining contractual period was 2.17 years and 3.17 years, respectively.
- H. As of December 31, 2022, the exercise price of Unimicron Technology (SuZhou)'s plan of increasing capital through employee stock options outstanding was RMB 3.11, and the weighted average residual contract period were 5.25 years and 3.25 years.
- I. As of December 31, 2022, there was no directors' and consultant's stock options outstanding, and the weighted average residual contract period was 5.88 years.
- J. The fair value of stock options granted by the Company, Qun Hong Technology, NEOCONIX, Asia Pacific, Unimicron Technology (SuZhou) and UniCuisine is measured using the Black-Scholes option-pricing model or value equation model. Relevant information is as follows:

(a) The Company:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends (in dollars)	Risk-free interest rate	Fair value per unit (in dollars)
Third phase of the 8 th treasury stocks transferred to employees	2021.04.27	\$ 102.50	\$ 37.94	51.93%	0.04 years	\$ -	0.1500%	\$ 64.56
Fourth phase of the 8 th treasury stocks transferred to employees	2021.05.28	\$ 104.50	\$ 38.45	54.15%	0.04 years	\$ -	0.1300%	\$ 66.05
Fifth phase of the 8 th treasury stocks transferred to employees	2021.10.26	\$ 156.00	\$ 51.33	53.68%	0.03 years	\$ -	0.2300%	\$ 104.67
Restricted Stock to employees	2022.09.12	\$ 142.50	\$ 95.10	-	-	\$ -	-	\$ 47.40

(b) Qun Hong Technology:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends (in dollars)	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	2017.06.20	\$ 13.06	\$ 20.00	31.05%	4.0 years	\$ -	0.74%	\$ 1.49

(c) NEOCONIX

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends (in dollars)	Risk-free interest rate	Fair value per unit (in dollars)
Stock options A~O	2003.10.23	\$0.026~	\$0.04~	54.48%~	6.25 years	\$ -	0.96%~	\$1,548.00~
	~	\$0.101	\$0.15	71.92%			4.83%	\$110,828.55
Employee stock option certificates A~B	2012.09.06 2012.06.18 ~ 2012.06.30	\$ -	\$ -	-	8.7 years	\$ -	-	\$ -

(d) Asia Pacific

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends (in dollars)	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	2021.09.01	\$ 9.76	\$ 10.20	42.77%	2.55 years	\$ -	0.24%	\$ 2.47

(e) Unimicron Technology (SuZhou)

Type of arrangement	Grant date	Stock price (in RMB dollars)	Exercise price (in RMB dollars)	Expected price volatility	Expected option life	Expected dividends (in RMB dollars)	Risk-free interest rate	Fair value per unit (in RMB dollars)
Plan of increasing capital through employee stock options	2022.03.31	\$ 3.56	\$ 3.11	-	-	\$ -	-	\$ 0.45
Plan of increasing capital through directors and consultant stock options	2022.11.18	\$ 7.09	\$ 3.11	-	-	\$ -	-	\$ 3.98

(f) UniCuisine

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends (in dollars)	Risk-free interest rate	Fair value per unit (in dollars)
Cash capital increase reserved for employee preemption	2022.08.12	\$ 26.98	\$ 20.00	33.75%	-	\$ -	0.6889%	\$ 6.99

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

	Year ended December 31	
	2022	2021
Equity-settled	\$ 65,054	\$ 519,927

(23) Share capital

- A. As of December 31, 2022, the Company's authorized and paid-in capital were \$20,000,000 and \$14,783,653, respectively.
- B. On October 26, 2021, the Board of Directors resolved to retire 29,472,000 treasury shares amounting to \$294,720. The ratio of capital reduction was 1.96%. The registration of retirement of treasury shares was completed on December 3, 2021.

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

	Year ended December 31	
	2022	2021
At January 1	1,475,260,333	1,467,555,333
Treasury shares sold to employees	-	7,705,000
Issuance of restricted shares to employees	3,105,000	-
At December 31	<u>1,478,365,333</u>	<u>1,475,260,333</u>

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

(24) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

2022

	Share premium	Employee stock options	Expired employee stock options	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates and joint ventures accounted for using equity method	Net assets from merger	Treasury share transactions	Employee restricted shares	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	-	-	-	-	165,395	-	-	-	-	-	165,395
Changes in net assets of associates accounted for using equity method	-	-	-	-	-	38	-	-	-	-	38
Reversal of capital surplus - dividends not received by shareholders	-	-	-	-	-	-	-	-	-	(277)	(277)
Restricted stocks to employees	-	-	-	-	-	-	-	-	394,999	-	394,999
Others	51	-	-	-	-	-	-	-	-	-	51
At December 31	\$ 6,222,199	\$ -	\$ 34,314	\$ 11,944	\$ 309,642	\$ 77,995	\$ 1,903,855	\$ 937,482	\$ 459,451	\$ -	\$ 9,956,882

2021

	Share premium	Employee stock options	Expired employee stock options	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates and joint ventures accounted for using equity method	Net assets from merger	Treasury share transactions	Employee restricted shares	Others	Total
At January 1	\$ 6,346,450	\$ 2,064	\$ 32,250	\$ 11,944	\$ 127,161	\$ 77,700	\$ 1,903,855	\$ 265,124	\$ 64,452	\$ 415	\$ 8,831,415
Share-based payments	-	518,562	-	-	-	-	-	-	-	-	518,562
Treasury shares sold to employees	-	(518,562)	-	-	-	-	-	691,086	-	-	172,524
Changes in ownership interests in subsidiaries	-	-	-	-	17,086	-	-	-	-	-	17,086
Changes in net assets of associates accounted for using equity method	-	-	-	-	-	257	-	-	-	-	257
Reversal of capital surplus - dividends not received by shareholders	-	-	-	-	-	-	-	-	-	(138)	(138)
Expired treasury shares	-	(2,064)	2,064	-	-	-	-	-	-	-	-
Retirement of treasury shares	(124,302)	-	-	-	-	-	-	(18,728)	-	-	(143,030)
At December 31	\$ 6,222,148	\$ -	\$ 34,314	\$ 11,944	\$ 144,247	\$ 77,957	\$ 1,903,855	\$ 937,482	\$ 64,452	\$ 277	\$ 9,396,676

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

	Year ended December 31			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 1,324,471		\$ 543,158	
Reversal of special reserve	(217,688)		(311,076)	
Cash dividends	5,015,885	\$ 3.40	2,054,577	\$ 1.40
	<u>\$ 6,122,668</u>		<u>\$ 2,286,659</u>	

(b) The appropriations of 2022 earnings as proposed by the Board of Directors during its meeting on February 21, 2023 are as follows:

	Year ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 2,975,047	
Special reserve	304,886	
Cash dividends	12,190,426	\$ 8.00
	<u>\$ 15,470,359</u>	

As of February 21, 2023, the above stated appropriations of 2022 earnings have not yet been resolved by the shareholders.

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 and UNIMICRON ELECTRONIC TESTING (KUNSHAN) 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 2021.

(26) Operating revenue

A. Disaggregation of revenue from contracts with customers

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

<u>2022</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$33,997,844</u>	<u>\$98,197,671</u>	<u>\$3,683,318</u>	<u>\$4,610,339</u>	<u>\$ 140,489,172</u>
Timing of revenue recognition					
At a point in time	<u>\$33,997,844</u>	<u>\$98,197,671</u>	<u>\$3,683,318</u>	<u>\$4,610,339</u>	<u>\$ 140,489,172</u>
<u>2021</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$21,188,108</u>	<u>\$76,202,891</u>	<u>\$2,553,529</u>	<u>\$4,618,219</u>	<u>\$ 104,562,747</u>
Timing of revenue recognition					
At a point in time	<u>\$21,188,108</u>	<u>\$76,202,891</u>	<u>\$2,553,529</u>	<u>\$4,618,219</u>	<u>\$ 104,562,747</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>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract liabilities - advance sales receipts	<u>\$ 47,870,176</u>	<u>\$ 31,909,412</u>	<u>\$ 3,407,724</u>

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

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Operating revenue	<u>\$ 2,721,057</u>	<u>\$ 352,526</u>

As of December 31, 2022 and 2021, certain letters of credit guaranteed by a bank for the abovementioned contract liabilities amounted to USD 102,297 thousand and RMB 8,760, and USD 87,431 thousand, respectively.

(27) Other income and expenses-net

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Rental income from investment property	<u>\$ 11,436</u>	<u>\$ 11,436</u>
Depreciation on investment property	<u>(3,388)</u>	<u>(3,426)</u>
Other income and expenses, net	<u>96,440</u>	<u>128,505</u>
	<u>\$ 104,488</u>	<u>\$ 136,515</u>

(28) Other income

	Year ended December 31	
	2022	2021
Revenue from sale of scraps	\$ 362,116	\$ 369,549
Indemnity income due to fire damage	14,342	\$ 211,071
Dividend income	193,627	167,211
Rental revenue	57,740	54,875
Miscellaneous income	290,282	518,446
	<u>\$ 918,107</u>	<u>\$ 1,321,152</u>

(29) Other gains and losses

	Year ended December 31	
	2022	2021
Net currency exchange gains (losses)	\$ 2,801,760	(\$ 226,448)
Gains on disposal of investments	24,186	-
Gains (losses) on disposal of property, plant and equipment (including investment assets)	559,459	(40,593)
Impairment loss on property, plant and equipment	(27,053)	(391,274)
Net (losses) gains on financial assets or liabilities at fair value through profit or loss	(2,639,006)	2,889,653
Gains arising from lease modifications	1,880	8
Miscellaneous disbursements	(117,726)	(122,686)
	<u>\$ 603,500</u>	<u>\$ 2,108,660</u>

(30) Finance costs

	Year ended December 31	
	2022	2021
Interest expense-bank borrowings	\$ 371,283	\$ 257,312
Interest expense-bonds payable	80,592	44,532
Interest expense-lease transactions	44,066	38,599
Bill handling fee	20,598	24,977
Amortization of discount on bonds payable	2,634	1,498
Others	8,031	4,088
	<u>527,204</u>	<u>371,006</u>
Less: Capitalization of qualifying assets	(80,312)	(46,244)
	<u>\$ 446,892</u>	<u>\$ 324,762</u>

(31) Expenses by nature

	Year ended December 31	
	2022	2021
Employee benefit expense	\$ 29,589,208	\$ 24,042,475
Depreciation charges on property, plant and equipment (including investment assets and right-of-use assets)	11,391,051	9,505,548
Amortization charges on intangible assets	335,711	251,550
	<u>\$ 41,315,970</u>	<u>\$ 33,799,573</u>

(32) Employee benefit expense

	Year ended December 31	
	2022	2021
Salary expenses	\$ 25,376,770	\$ 20,233,897
Labour and health insurance fees	1,847,191	1,674,852
Pension and severance pay	1,138,248	999,242
Other personnel expenses	1,226,999	1,134,484
	<u>\$ 29,589,208</u>	<u>\$ 24,042,475</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 years ended December 31, 2022 and 2021, employees' compensation was accrued at \$6,492,879, and \$2,490,449, respectively; while directors' remuneration was accrued at \$29,794 and \$29,472, respectively. The aforementioned amounts were recognized in salary expenses. The employees' compensation and directors' remuneration for 2022 as resolved by the Board of Directors were \$5,951,876 and \$29,970, respectively, and the employees' compensation will be distributed in the form of cash. For 2021, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$2,324,419 and \$29,472, respectively. The difference of (\$166,030) between the amounts of employees' compensation resolved by the Board of Directors and the amounts recognized in the 2020 financial statements had been adjusted in the profit or loss for 2021. 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 years ended December 31, 2022 and 2021, employees' compensation of UniCuisine was accrued at \$2,342 and \$4,260, respectively; while directors' and supervisors' remuneration was accrued at \$64 and \$120, respectively. The aforementioned amounts were recognized in salary expenses.

- D. For the year ended December 31, 2022, employees' compensation of Apm Communication was accrued at \$3,517; while directors' and supervisors' remuneration was accrued at \$440. The aforementioned amounts were recognized in salary expenses. For the year ended December 31, 2021, Apm Communication did not accrue employees' compensation and directors' and supervisors' remuneration due to the accumulated deficit.
- E. For the years ended December 31, 2022 and 2021, Qun Hong Technology and Asia Pacific did not accrue employees' compensation and directors' and supervisors' remuneration due to the loss before tax or accumulated deficit.
- F. For the years ended December 31, 2022 and 2021, no employees' compensation and directors' and supervisors' remuneration was accrued by Hsin Yang Investment and UniFresh as they had no employees.

(33) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2022	2021
Current tax:		
Current tax on profits for the year	\$ 7,901,550	\$ 3,414,342
Prior year income tax over estimation	(57,062)	(1,725)
Tax on undistributed surplus earnings	658	-
Total current tax	7,845,146	3,412,617
Deferred tax:		
Origination and reversal of temporary differences	795,726	(307,402)
Effects of foreign exchange	8,220	(721)
Income tax expense	<u>\$ 8,649,092</u>	<u>\$ 3,104,494</u>

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2022	2021
Income tax calculated by applying statutory rate to the profit before tax	\$ 7,394,228	\$ 3,185,285
Effects from items disallowed by tax regulation	1,412,708	13,373
Prior year income tax over estimation	(57,062)	(1,725)
Effect from investment tax credits	(109,002)	(91,718)
Effects of foreign exchange	8,220	(721)
Income tax expense	<u>\$ 8,649,092</u>	<u>\$ 3,104,494</u>

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

	2022			
	January 1	Recognized in profit or loss	Effects of foreign exchange	December 31
Temporary differences:				
— Deferred tax assets:				
Allowance for inventory valuation losses	\$ 299,858	\$ 284,304	\$ 656	\$ 584,818
Estimated sales discounts and allowances	26,987	20,477	-	47,464
Long-term investment losses	430,242	(430,242)	-	-
Others	541,038	15,590	5,785	562,413
	<u>1,298,125</u>	<u>(109,871)</u>	<u>6,441</u>	<u>1,194,695</u>
— Deferred tax liabilities:				
Long-term investment gain	-	(728,738)	-	(728,738)
Others	<u>(239,532)</u>	<u>42,883</u>	<u>(7,231)</u>	<u>(203,880)</u>
	<u>(239,532)</u>	<u>(685,855)</u>	<u>(7,231)</u>	<u>(932,618)</u>
	<u>\$ 1,058,593</u>	<u>(\$ 795,726)</u>	<u>(\$ 790)</u>	<u>\$ 262,077</u>
	2021			
	January 1	Recognized in profit or loss	Effects of foreign exchange	December 31
Temporary differences:				
— Deferred tax assets:				
Allowance for inventory valuation losses	\$ 275,331	\$ 24,822	(\$ 295)	\$ 275,331
Estimated sales discounts and allowances	32,187	(5,200)	-	32,187
Long-term investment losses	478,556	(48,314)	-	478,556
Others	224,107	317,476	(545)	224,107
	1,010,181	288,784	(840)	1,298,125
— Deferred tax liabilities:				
Others	<u>(282,148)</u>	<u>18,618</u>	<u>23,998</u>	<u>(239,532)</u>
	<u>\$ 728,033</u>	<u>\$ 307,402</u>	<u>\$ 23,158</u>	<u>\$ 1,058,593</u>

D. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets of Qun Hong Technology, Hsin Yang Investment, Apm Communication, UniCuisine, UniFresh and Asia Pacific in 2022 and 2021 are as follows:

Year ended December 31, 2022

Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2013	Assessed	\$ 407,216	\$ 407,216	2023
2014	Assessed	473,470	473,470	2024
2015	Assessed	362,744	362,744	2025
2016	Assessed	292,002	292,002	2026
2017	Assessed	362,555	362,555	2027
2018	Assessed	268,467	268,467	2028
2019	Assessed	518,230	518,230	2029
2020	Assessed	758,713	758,713	2030
2021	Filed	891,632	891,632	2031
2022	Estimated	226,947	226,947	2032

Year ended December 31, 2021

Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2012	Assessed	\$ 501,535	\$ 501,535	2022
2013	Assessed	407,216	407,216	2023
2014	Assessed	473,470	473,470	2024
2015	Assessed	364,835	364,835	2025
2016	Assessed	307,527	307,527	2026
2017	Assessed	375,457	375,457	2027
2018	Assessed	269,078	269,078	2028
2019	Assessed	518,230	518,230	2029
2020	Filed	758,713	758,713	2030
2021	Estimated	891,314	891,314	2031

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Deductible temporary differences	\$ 415,616	\$ 452,473

F. 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 and UNIMICRON ELECTRONIC TESTING (KUNSHAN) are production type foreign investment enterprises, Unimicron Management (KunShan) and Hu Se Sn Li Management 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.

G. The Company's, Qun Hong Technology's, Hsin Yang Investment's, UniCuisine's, UniFresh's, Apm Communication and Asia Pacific's income tax returns through 2020 have been assessed

and approved by the Tax Authority.

(34) Earnings per share

	<u>Year ended December 31, 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	\$ 29,618,505	1,475,260	\$ 20.08
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 29,618,505	1,475,260	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		59,188	
Employee restricted shares		812	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 29,618,505</u>	<u>1,535,260</u>	<u>\$ 19.29</u>

	<u>Year ended December 31, 2021</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 13,222,256	1,472,051	\$ 8.98
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 13,222,256	1,472,051	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		12,244	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 13,222,256</u>	<u>1,484,295</u>	<u>\$ 8.91</u>

(35) 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>December 31, 2022</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	1,344,347
Accounts receivable and notes receivable (including related parties), net	516,566
Inventories	387,871
Non-current financial assets at fair value through other comprehensive income	77,074
Investments accounted for under equity method	1,501,871
Property, plant and equipment	5,347,724
Investment property , net	879,727
Intangible assets	411,791
Other net assets	62,969
Bank borrowings	(1,992,408)
Accounts payable	(239,508)
Other payables	(753,916)
Deferred tax liabilities	(394,691)
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.
- 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 \$933,115 arising from remeasuring at fair value.

(36) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31	
	2022	2021
Acquisition of property, plant and equipment	\$ 32,927,163	\$ 24,201,174
Add: Opening balance of payable on equipment	5,595,376	4,634,988
Opening balance of notes payable	67,000	-
Less: Ending balance of payable on equipment	(6,532,958)	(5,595,376)
Ending balance of notes payable	-	(67,000)
Net exchange differences	16,178	(6,597)
Cash paid during the year	<u>\$ 32,072,759</u>	<u>\$ 23,167,189</u>

(37) Changes in liabilities from financing activities

	2022						
	Short-term borrowings	Short-term notes and bills payable	Bonds payable	Long-term borrowings	Construction payables on behalf of others	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 10,176,216	\$ 399,900	\$ 7,991,923	\$ 16,845,302	\$ 792,059	\$ 1,775,850	\$ 37,981,250
Changes in cash flow from financing activities	(2,575,251)	(99,900)	2,996,250	(929,292)	-	(418,338)	(1,026,531)
Changes in other non-cash items	-	-	2,634	-	-	175,010	177,644
Impact of changes in foreign exchange rate	44,444	-	-	67,220	11,068	25,765	148,497
At December 31	<u>\$ 7,645,409</u>	<u>\$ 300,000</u>	<u>\$ 10,990,807</u>	<u>\$ 15,983,230</u>	<u>\$ 803,127</u>	<u>\$ 1,558,287</u>	<u>\$ 37,280,860</u>
	2021						
	Short-term borrowings	Short-term notes and bills payable	Bonds payable	Long-term borrowings	Construction payables on behalf of others	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 8,580,823	\$ 199,972	\$ -	\$ 27,885,361	\$ 796,000	\$ 1,419,885	\$ 38,882,041
Changes in cash flow from financing activities	1,636,916	199,928	7,990,425	(11,010,994)	-	(508,547)	(1,692,272)
Changes in other non-cash items	-	-	1,498	-	-	907,346	908,844
Impact of changes in foreign exchange rate	(41,523)	-	-	(29,065)	(3,941)	(42,834)	(117,363)
At December 31	<u>\$ 10,176,216</u>	<u>\$ 399,900</u>	<u>\$ 7,991,923</u>	<u>\$ 16,845,302</u>	<u>\$ 792,059</u>	<u>\$ 1,775,850</u>	<u>\$ 37,981,250</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Maruwa Corporation	Investee held by the Company's second-tier subsidiary
Yih Dar Technologies Co., Ltd.	The Company's investee
Shieh Yong Investment Co., Ltd.'s stocks (Shieh Yong)	The Company's management is this company's supervisor
United Microelectronics Corp. (UMC)	The Company's director
Gobo Lighting Technology Ltd.	The Company is its director
3D Circuit Taiwan Company Ltd.	The Company is its director (Note)
Unistars Corp.	The Company is its director (Note)
Advance Materials Corp. (Advance Materials)	The Company is its director
Emax Technology Co., Ltd.	The Company is its director
Unisense Technology Co., Ltd.	The Company is its director
Faraday Technology Corporation	The Company is its director
Unipoint Technology Co., Ltd. (Unipoint Technology)	The Company is its director
Yann Yuan Investment Co., Ltd.	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
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
Suzhou AMC Technology Co., Ltd. (Suzhou AMC Technology)	Advance Materials' subsidiary

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

(2) Significant related party transactions and balances

A. Operating revenue and processing transaction:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
- Key management personnel of the entities	\$ 51,909	\$ 48,361
- Other related parties and its subsidiaries	14,467	26,504
- Key management personnel of the company	5,985	14,888
	<u>\$ 72,361</u>	<u>\$ 89,753</u>

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

B. Purchases and processing expense:

	Year ended December 31	
	2022	2021
Purchases		
-Key management personnel of the entities and its subsidiaries	\$ 275,811	\$ 213,759
-Other related parties and its subsidiaries	56,543	67,252
-Related parties	141	221
	<u>\$ 332,495</u>	<u>\$ 281,232</u>
Processing cost		
-Key management personnel of the entities and its subsidiaries	\$ 171,442	\$ 253,350
-Other related parties and its subsidiaries	40,303	1,583
-Related parties	17	20
	<u>\$ 211,762</u>	<u>\$ 254,953</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>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable		
- Key management personnel of the entities	\$ 12,762	\$ 19,595
- Key management personnel of the company	3,725	-
- Other related parties and its subsidiaries	2,914	10,867
	<u>\$ 19,401</u>	<u>\$ 30,462</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables:		
- Key management personnel of the entities and its subsidiaries	\$ 6,159	\$ 6,475
- Related parties	188	197
- Other related parties and its subsidiaries	45	1,416
	<u>\$ 6,392</u>	<u>\$ 8,088</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>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
-Key management personnel of the entities and its subsidiaries	\$ 155,559	\$ 184,122
-Other related parties and its subsidiaries	<u>37,847</u>	<u>22,649</u>
	<u>\$ 193,406</u>	<u>\$ 206,771</u>
Other payables:		
-Key management personnel of the entities and its subsidiaries	\$ 29,547	\$ 24,469
-Other related parties and its subsidiaries	469	7,317
-Related parties	<u>20</u>	<u>216</u>
	<u>\$ 30,036</u>	<u>\$ 32,002</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>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Acquisition of property, plant and equipment:		
-Key management personnel of the entities	\$ 46,140	\$ 59,167
-Other related parties	<u>874</u>	<u>-</u>
	<u>\$ 47,014</u>	<u>\$ 59,167</u>

Disposal of property, plant and equipment:

	<u>Year ended December 31</u>			
	<u>2022</u>		<u>2021</u>	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Disposals of property, plant and equipment-				
Other related parties	<u>\$ 43,551</u>	<u>\$ 4,881</u>	<u>\$ 53</u>	<u>\$ 13</u>

F. Lease transactions - lessee

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

(b) Acquisition of right-of-use assets:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
-Subtron Technology	<u>\$ -</u>	<u>\$ 145,544</u>

(c) Rent expense

	<u>2022</u>	<u>2021</u>
Rent expense		
-Key management personnel of the entities	<u>\$ 26</u>	<u>\$ 24</u>

(d) Lease liabilities

A. Outstanding balance

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
-Other related parties	\$ 125,916	\$ 139,633

B. Interest expense

	<u>2022</u>	<u>2021</u>
-Other related parties	\$ 3,009	\$ 2,452

G. Other income and expenses

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Rental income		
-Key management personnel of the entities		
Advance Materials	\$ 11,587	\$ 11,799
-Related parties	5,416	5,416
Miscellaneous income		
-Key management personnel of the entities		
Others	47,804	51,235
-Other related parties	5,413	3,996
-Related parties		
Shieh Yong	99,661	-
Others	129	116
	<u>\$ 170,010</u>	<u>\$ 72,562</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 after the balance sheet date.

Refer to Notes 9F. and 11C.

(3) Key management compensation

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Salaries and other short-term employee benefits	\$ 1,024,997	\$ 409,201
Employee share-based payment	23,627	117,014
	<u>\$ 1,048,624</u>	<u>\$ 526,215</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2022	December 31, 2021	
Time deposit (shown as other current assets)	\$ 17,864	\$ 17,847	Guarantee for post-release duty payment
Time deposit (shown as non-current financial assets at amortized cost)	90,646	69,564	Customs duty guarantee, guarantee for bonded factory and guarantee for gas consumption used in
Accounts receivable - pledged	-	1,346,094	Short-term borrowings
Land	713,692	713,692	Long and Short-term borrowings
Building and structures	5,061,948	1,618,165	Long and Short-term borrowings
Machinery and equipment	-	1,143,496	Long-term borrowings
	<u>\$ 5,884,150</u>	<u>\$ 4,908,858</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of December 31, 2022 and 2021, the Group has applied for non-cancellable letters of credit. The letters of credit for raw materials and equipment not yet imported amounted to \$2,533,889 and \$4,005,833, respectively.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Property, plant and equipment	<u>\$ 2,804,650</u>	<u>\$ 4,422,889</u>

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

(3) Endorsements and guarantees

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Unimicron-FPC Technology (Kunshan)	\$ 2,548,160	\$ 2,351,950
UHL	-	553,400
Unimicron Technology (SuZhou)	153,500	1,037,625
Unimicron Technology (KunShan)	-	311,288
Unimicron Technology (Huangshi)	2,456,000	1,262,444
Unimicron Technology (Shenzhen)	614,000	-

(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 December 31, 2022, construction payables amounted to RMB 36,377 thousand.

- (5) To cooperate with the environmental requirements of the Administrative Committee of Kunshan High-tech Industrial Development Zone, the Company's subsidiary, Unimicron Technology (KunShan), entered into a relocation agreement with Kunshan JIAHANG Asset Management Co., Ltd. on July 2, 2021 and expects to receive relocation compensation totalling RMB 551,026 thousand. As of December 31, 2022, the subsidiary has initially closed one of the plants and received the first installment of relocation compensation of RMB 55,103 thousand (shown as other non-current liabilities). In addition, Unimicron Technology (KunShan) entered into a supplementary agreement with Kunshan JIAHANG on June 20, 2022 to adjust the relocation schedule. Accordingly, Unimicron Technology (KunShan) plans to close all of the plants by June 30, 2024 and transfer the land by December 30, 2024.
- (6) To increase production capacity, the Company's subsidiary, Unimicron Technology (SuZhou), entered into a land and plant transfer agreement with Suzhou AMC Technology Co., Ltd. on December 17, 2021 for a total price of RMB 136,200 thousand. As of December 31, 2022, the subsidiary has made a down payment of RMB 13,620 thousand as agreed. In addition, Unimicron Technology (SuZhou) entered into a 'Suzhou Industrial Park Industrial Land Renewal Supervision Agreement' with the Administrative Committee of the High-end Manufacturing and International Trade Zone in Suzhou Industrial Park on January 27, 2022 due to the change of ownership of industrial land. Subsequently, Suzhou AMC Technology Co., Ltd. is involved in a lawsuit with its directors relative to the trading target. On June 7, 2022, this company's parent company, Advance Materials Corp., had published significant news that Suzhou Industrial Park People's Court (The Court) approved to release the seizure of the land and plant which were registered under the name of Suzhou AMC Technology Co., Ltd. Moreover, on September 20, 2022, in accordance with the "Company Law of the People's Republic of China and the Company's Articles of Incorporation", in order to amend the meeting procedures of the Board of Directors, the Board of Directors held a special meeting to approve "Suggestion of activating the Company's land, plant and other property" and resolved the transfer of land and plant to Unimicron Technology (SuZhou). 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 Co., Ltd. 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 Co., Ltd., 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 Co., Ltd., Unimicron Technology (SuZhou) will make an advance payment of RMB 10 million which was included in the second transfer price (totalling RMB 108,960 thousand) to Suzhou AMC Technology Co., Ltd., and the schedule of remaining payments will remain unchanged. The transfer date will be subsequently determined based on the lawsuit progress of Suzhou AMC Technology Co., Ltd.

10. SIGNIFICANT DISASTER LOSS

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

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A. On January 6, 2023, the Company issued new shares to acquire the remaining 68.05% equity interest in Subtron Technology. Refer to Note 6(35) for details.
- B. On February 21, 2023, the Board of Directors proposed for the distribution of 2022 earnings as described in Notes 6(25), E(b).
- C. On February 9, 2023, the Company's subsidiary, Unimicron Technology (SuZhou), signed a supplementary contract with the Company's subsidiary, Suzhou AMC Technology Co., Ltd., to transfer industrial land and plants. Refer to Note 9F. for details.
- D. On February 21, 2023, the Board of Directors of the Company approved to issue new employee restricted stocks. However, as of February 21, 2023, the share-based payment arrangement has not yet been approved by the shareholders.
- E. In line with the Group's business development plans, on February 21, 2023, the Board of Directors of the Company approved to increase its capital in UniWonderful in the amount of USD 45,000 thousand.
- F. In line with the Group's business development plans, on February 21, 2023, the Board of Directors of the Company approved to increase capital in UniBest in the amount of USD 46,200 thousand.
- G. As the actual method of acquiring 10,000 thousand shares of the subsidiary, U Germany, was different from the method of acquisition as resolved by the Board of Directors on October 25, 2022, the Company's Board of Directors during its meeting on February 21, 2023, approved another resolution to indirectly acquire equity interest in the U Germany for a total consideration of EUR 10,000 thousand.
- H. To integrate the operational needs and to adjust the organisational structure of Group, on February 21, 2023, the Company's Board of Directors approved to carry out a short-form merger with the subsidiary, Qun Hong Technology, whose shares were 91.41% directly held by the Company. The effective date for the merger was set on July 1, 2023.

12. OTHERS

(1) Capital management

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

During the year ended December 31, 2022, the Group's strategy was unchanged from 2021. The gearing ratios at December 31, 2022 and 2021 were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total borrowings	\$ 34,919,446	\$ 35,413,341
Less: Cash and cash equivalents	(61,459,296)	(39,401,609)
Net debt	(26,539,850)	(3,988,268)
Total equity	85,734,519	60,713,562
Total capital	<u>\$ 59,194,669</u>	<u>\$ 56,725,294</u>
Gearing ratio	<u>-</u>	<u>-</u>

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	\$ 6,007,662	\$ 8,194,557
Financial assets at fair value through other comprehensive income	29,327	39,933
Financial assets at amortized cost (Note)	95,218,431	66,739,091
	<u>\$ 101,255,420</u>	<u>\$ 74,973,581</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss	\$ 10,455	\$ -
Financial liabilities at amortized cost (Note)	68,338,271	65,341,263
Lease liabilities	1,558,287	1,775,850
	<u>\$ 69,907,013</u>	<u>\$ 67,117,113</u>

Note: Financial assets at amortised cost include cash and cash equivalents, notes and accounts receivable, net (including related parties), other receivables, restricted time deposits (shown as other current assets) and non-current financial assets at 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

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

December 31, 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	\$ 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

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

iv. The total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021 amounted to \$2,801,760 and (\$226,448), respectively.

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

Year ended December 31, 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% \$	195,645	\$ -
JPY:NTD	1%	9,349	-
USD:CNY	1%	37,565	-
JPY:CNY	1%	2,666	-
CNY:NTD	1%	5,818	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	29,756	-
JPY:NTD	1%	19,695	-
USD:CNY	1%	58,945	-

Year ended December 31, 2021			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 220,081	\$ -
JPY:NTD	1%	14,136	-
USD:CNY	1%	42,455	-
CNY:NTD	1%	2,799	-
CNY:USD	1%	2,843	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	49,093	-
JPY:NTD	1%	23,515	-
USD:CNY	1%	42,452	-
EUR:NTD	1%	2,140	-
CNY:USD	1%	2,805	-

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 years ended December 31, 2022 and 2021 would have increased by \$48,061 and \$65,041, respectively as a result of gains/losses on equity securities classified as at fair value through profit or loss; increased by \$235 and \$319, 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 \$236,286 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 December 31, 2022 and 2021, the provision matrix is as follows:

	Not past due	1~30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
<u>At 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 December 31, 2021</u>						
Expected loss rate	0~5%	20%	20%	20%	100%	
Total book value	\$ 23,640,639	\$ 62,492	\$ 4,983	\$ 1,563	\$ 12,030	\$ 23,721,707
Loss allowance	87,125	12,498	997	313	12,030	112,963

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

	2022	
	<u>Accounts receivable</u>	<u>Other receivables</u>
At January 1	\$ 112,963	\$ 39,990
Provision for (reveral of) impairment loss	114,285	(2,259)
Write-offs	(5,470)	-
Effect of foreign exchange	(627)	1,498
At December 31	<u>\$ 221,151</u>	<u>\$ 39,229</u>
	2021	
	<u>Accounts receivable</u>	<u>Other receivables</u>
At January 1	\$ 125,750	\$ 36,638
(Reveral of) provision for impairment loss	(10,789)	3,385
Effect of foreign exchange	(1,998)	(33)
At December 31	<u>\$ 112,963</u>	<u>\$ 39,990</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	
December 31, 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	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	
December 31, 2021	<u>Less than 1 year</u>	<u>and 3 years</u>	<u>Over 3 years</u>
Bonds payable	\$ 57,028	\$ 115,799	\$ 8,116,673
Lease liabilities	308,948	650,819	1,105,483
Long-term borrowings (including current portion)	2,608,247	7,043,576	7,454,107

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:

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	-	-	29,327	29,327
	<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				
Forward foreign exchange contracts	\$ -	\$ 10,455	\$ -	\$ 10,455
December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 93,214	\$ -	\$ 7,995,477	\$ 8,088,691
Debt securities	-	-	5,710	5,710
Foreign closed-end fund	-	-	35,779	35,779
Forward foreign exchange contracts	-	64,377	-	64,377
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	39,933	39,933
	<u>\$ 93,214</u>	<u>\$ 64,377</u>	<u>\$ 8,076,899</u>	<u>\$ 8,234,490</u>

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 years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	2022			
	Equity instruments	Debt instruments	Fund instruments	Total
At January 1	\$ 8,035,410	\$ 5,710	\$ 35,779	\$ 8,076,899
Acquired during the year	20,000	-	-	20,000
Disposal during the year	(1,417)	-	-	(1,417)
Proceeds from capital reduction	(3,200)	-	-	(3,200)
Recorded as non-operating income and expenses	(2,093,907)	-	(20,351)	(2,114,258)
Recorded as other comprehensive income	(10,606)	-	-	(10,606)
Effect of exchange rate changes	5,841	614	-	6,455
At December 31	<u>\$ 5,952,121</u>	<u>\$ 6,324</u>	<u>\$ 15,428</u>	<u>\$ 5,973,873</u>

	2021			
	Equity	Debt	Fund	Total
	<u>instruments</u>	<u>instruments</u>	<u>instruments</u>	<u> </u>
At January 1	\$ 5,359,532	\$ 6,504	\$ 64,518	\$ 5,430,554
Acquired during the year	16,350	-	160	16,510
Proceeds from capital reduction	(5,814)	-	-	(5,814)
Recorded as non-operating income and expenses	2,643,602	-	(28,899)	2,614,703
Recorded as other comprehensive income	23,683	-	-	23,683
Effect of exchange rate changes	(1,943)	(794)	-	(2,737)
At December 31	<u>\$ 8,035,410</u>	<u>\$ 5,710</u>	<u>\$ 35,779</u>	<u>\$ 8,076,899</u>

- H. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.
- I. Investment segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

Non-derivative equity instrument:	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
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 December 31, 2021	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 221,734	Market comparable companies	Price to book ratio multiple, enterprise value to EBITA multiple	The higher the multiple and control premium, the higher the fair value
	13,602	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value; the higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value
	7,800,074	Net asset value	Discount for lack of marketability	The higher the net asset value, the higher the fair value; the higher the discount for marketability, the lower the fair value
Foreign closed-end fund	35,779	Net asset value	N/A	The higher the net asset value, the higher the fair value
Non-derivative debt instrument:				
Corporate bond	5,710	Net asset value	Discount for lack of marketability	The higher the net asset value, the higher the fair value; the higher the discount for marketability, the lower the fair value

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:

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

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 years ended December 31, 2022 are as follows. For disclosure of investees, certain financial statements of investees were audited by independent auditors, and the following inter-company transactions within the Group were eliminated when preparing the consolidated statements. Following disclosure information is for reference only.

A. Loans to others: Refer to table 1.

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

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

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

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

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Refer to table 6.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 7.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 8.

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 11.

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

(4) Major shareholders information

Major shareholders information: Refer to table 13.

14. SEGMENT INFORMATION

(1) General information

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

(2) Measurement of segment information

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

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

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

Year ended December 31, 2022

	<u>Taiwan</u>	<u>Mainland China</u>	<u>Others</u>	<u>Total</u>	<u>Write-offs</u>	<u>Total</u>
Segment revenue						
Revenue from external customers	\$ 103,101,403	\$ 34,282,824	\$ 3,104,945	\$ 140,489,172	\$ -	\$ 140,489,172
Inter-segment revenue	<u>1,923,325</u>	<u>15,629,895</u>	<u>465,660</u>	<u>18,018,880</u>	<u>(18,018,880)</u>	<u>-</u>
	<u>\$ 105,024,728</u>	<u>\$ 49,912,719</u>	<u>\$ 3,570,605</u>	<u>\$ 158,508,052</u>	<u>(\$ 18,018,880)</u>	<u>\$ 140,489,172</u>
Segment income	<u>\$ 36,812,879</u>	<u>\$ 11,184,196</u>	<u>\$ 3,606,339</u>	<u>\$ 51,603,414</u>	<u>(\$ 11,728,605)</u>	<u>\$ 39,874,809</u>
Segment income (loss), including:						
Interest income	<u>\$ 315,013</u>	<u>\$ 471,006</u>	<u>\$ 1,501</u>	<u>\$ 787,520</u>	<u>(\$ 128,520)</u>	<u>\$ 659,000</u>
Finance cost	<u>(\$ 254,497)</u>	<u>(\$ 295,333)</u>	<u>(\$ 23,501)</u>	<u>(\$ 573,331)</u>	<u>\$ 126,439</u>	<u>(\$ 446,892)</u>
Depreciation and amortisation	<u>\$ 8,753,398</u>	<u>\$ 2,732,646</u>	<u>\$ 235,643</u>	<u>\$ 11,721,687</u>	<u>\$ 5,075</u>	<u>\$ 11,726,762</u>
Share of profit (loss) of associates and joint ventures accounted for using equity method	<u>\$ 5,847,077</u>	<u>\$ 1,703,559</u>	<u>\$ 4,037,751</u>	<u>\$ 11,588,387</u>	<u>(\$ 11,619,219)</u>	<u>(\$ 30,832)</u>

Year ended December 31, 2021

	<u>Taiwan</u>	<u>Mainland China</u>	<u>Others</u>	<u>Total</u>	<u>Write-offs</u>	<u>Total</u>
Segment revenue						
Revenue from external customers	\$ 73,123,241	\$ 28,516,787	\$ 2,922,719	\$ 104,562,747	\$ -	\$ 104,562,747
Inter-segment revenue	1,499,607	12,694,167	148,980	14,342,754	(14,342,754)	-
	<u>\$ 74,622,848</u>	<u>\$ 41,210,954</u>	<u>\$ 3,071,699</u>	<u>\$ 118,905,501</u>	<u>(\$ 14,342,754)</u>	<u>\$ 104,562,747</u>
Segment income (loss)	<u>\$ 14,835,332</u>	<u>\$ 1,621,085</u>	<u>(\$ 113,418)</u>	<u>\$ 16,342,999</u>	<u>\$ 286,053</u>	<u>\$ 16,629,052</u>
Segment income (loss), including:						
Interest income	<u>\$ 143,497</u>	<u>\$ 126,671</u>	<u>\$ 1,348</u>	<u>\$ 271,516</u>	<u>(\$ 106,682)</u>	<u>\$ 164,834</u>
Finance cost	<u>(\$ 256,484)</u>	<u>(\$ 152,686)</u>	<u>(\$ 17,638)</u>	<u>(\$ 426,808)</u>	<u>\$ 102,046</u>	<u>(\$ 324,762)</u>
Depreciation and amortisation	<u>\$ 6,819,246</u>	<u>\$ 2,578,037</u>	<u>\$ 244,224</u>	<u>\$ 9,641,507</u>	<u>\$ 132,640</u>	<u>\$ 9,774,147</u>
Share of profit (loss) of associates and joint ventures accounted for using equity method	<u>(\$ 625,497)</u>	<u>(\$ 188,862)</u>	<u>\$ 227,996</u>	<u>(\$ 586,363)</u>	<u>\$ 775,240</u>	<u>\$ 188,877</u>

(4) Information on products and services

Details of revenue for the years ended December 31, 2022 and 2021 are as follows:

	Year ended December 31	
	2022	2021
Printed circuit board	\$ 139,366,847	\$ 103,273,071
Others	1,122,325	1,289,676
	<u>\$ 140,489,172</u>	<u>\$ 104,562,747</u>

(5) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31			
	2022		2021	
	Revenue	Other non-current assets	Revenue	Other non-current assets
Taiwan	\$ 33,997,844	\$ 69,595,895	\$ 21,188,108	\$ 53,644,449
Asia	98,197,671	30,017,917	76,202,891	22,701,432
America	3,683,318	1,715,214	2,553,529	-
Others	4,610,339	-	4,618,219	1,823,544
	<u>\$ 140,489,172</u>	<u>\$ 101,329,026</u>	<u>\$ 104,562,747</u>	<u>\$ 78,169,425</u>

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Revenue	Segment	Revenue	Segment
B1	\$ 24,931,544	Taiwan and mainland China	\$ 20,570,946	Taiwan and mainland China
F1	16,453,937	Taiwan and mainland China	16,216,238	Taiwan and mainland China

Unimicron Technology Corp. and subsidiaries

Loans to others

Year ended December 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended		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
					December 31, 2022 (Note 3)	December 31, 2022 (Note 8)							Item	Value	(Note 7)	(Note 9)	(Note 7)	(Note 9)	
0	The Company	Smart Idea Holdings Limited	Other receivables	Y	\$ 3,530,520	\$ 620,140	\$ 620,140	3.70%	2	\$ -	Operation needs	\$ -	-	\$ -	\$ 34,293,808	\$ 34,293,808			
0	The Company	Unimicron Holding Limited	Other receivables	Y	442,050	-	-	-	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
0	The Company	UniGreat Holding Limited	Other receivables	Y	412,580	-	-	-	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
0	The Company	Unimicron Germany GmbH	Other receivables	Y	3,553,750	1,912,016	1,912,016	1.10%~2.20%	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
0	The Company	Unimicron JAPAN Co., Ltd.	Other receivables	Y	2,428,344	2,428,344	1,121,132	1.10%~1.20%	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
0	The Company	Unimicron-FPC Technology (Kunshan) Inc.	Other receivables	Y	294,700	-	-	-	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
0	The Company	Unimicron Technology (Huangshi) Corp.	Other receivables	Y	1,178,800	-	-	-	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
0	The Company	Qun Hong Technology Inc.	Other receivables	Y	380,000	-	-	-	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
1	Unimicron Technology (KunShan) Corp.	Kunshan Dingchangxin Electronic Technology Co., Ltd.	Other receivables	Y	2,477,464	1,092,390	-	-	2	-	Operation needs	-	-	-	5,209,030	5,209,030			
1	Unimicron Technology (KunShan) Corp.	UNIMICRON ELECTRONIC TESTING (KUNSHAN) CORP.	Other receivables	Y	310,793	308,336	-	-	2	-	Operation needs	-	-	-	5,209,030	5,209,030			
1	Unimicron Technology (KunShan) Corp.	Unimicron-FPC Technology (Kunshan) Inc.	Other receivables	Y	721,360	246,669	246,669	1.17%	2	-	Operation needs	-	-	-	5,209,030	5,209,030			
1	Unimicron Technology (KunShan) Corp.	Unimicron Technology (Huangshi) Corp.	Other receivables	Y	1,704,472	-	-	-	2	-	Operation needs	-	-	-	5,209,030	5,209,030			
2	Unimicron Technology (ShenZhen) Corp.	Suzhou Qunye Enterprise Management Co., Ltd.	Other receivables	Y	324,170	307,658	307,658	3.53%	2	-	Operation needs	-	-	-	1,617,461	1,617,461			
3	Unimicron Technology (SuZhou) Corp.	Kunshan Qunqi Technology Co., Ltd.	Other receivables	Y	445,120	440,480	-	-	2	-	Operation needs	-	-	-	6,543,594	6,543,594			
3	Unimicron Technology (SuZhou) Corp.	Unimicron-Carrier Technology (Huangshi) Inc.	Other receivables	Y	890,240	880,960	440,480	1.53%	2	-	Operation needs	-	-	-	6,543,594	6,543,594			
3	Unimicron Technology (SuZhou) Corp.	Kunshan Dingchangxin Electronic Technology Co., Ltd.	Other receivables	Y	-	-	-	-	2	-	Operation needs	-	-	-	6,543,594	6,543,594			
4	UniBest Holding Limited	Smart Idea Holdings Limited	Other receivables	Y	1,964,800	1,964,800	1,964,800	4.90%~5.30%	2	-	Operation needs	-	-	-	3,412,799	3,412,799			
4	UniBest Holding Limited	Unimicron (SZ) Trading Limited	Other receivables	Y	257,680	245,600	107,450	3.70%	2	-	Operation needs	-	-	-	8,531,997	8,531,997			
4	UniBest Holding Limited	UniGreat Holding Limited	Other receivables	Y	368,400	368,400	368,400	5.30%	2	-	Operation needs	-	-	-	8,531,997	8,531,997			
4	UniBest Holding Limited	Unimicron Germany GmbH	Other receivables	Y	109,375	-	-	-	2	-	Operation needs	-	-	-	8,531,997	8,531,997			

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

(1) The Company is '0'.

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

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

Note 3: Fill in the maximum outstanding balance of loans to others during the nine months ended September 30, 2022.

Note 4: The column of 'Nature of loan' shall fill in

(1) Business transaction is 1.

(2) Short-term financing is 2.

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

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

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans",

and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

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

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

Unimicron Technology Corp. and subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2022

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 December 31, 2022 (Note 4)	Outstanding endorsement/ guarantee amount as of December 31, 2022 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)(Note 8)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements / guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	(Note 2)												
0	The Company	Unimicron-FPC Technology (Kunshan) Inc.	2	\$ 25,720,356	\$ 6,055,480	\$ 3,837,500	\$ 2,548,100	\$ -	4.48%	\$ 42,867,260	Y	N	Y		
0	The Company	Unimicron Technology (ShenZhen) Corp.	2	25,720,356	966,300	921,000	614,000	-	1.07%	42,867,260	Y	N	Y		
0	The Company	Unimicron Holding Limited	2	25,720,356	1,178,800	-	-	-	-	42,867,260	Y	N	N		
0	The Company	Unimicron Technology (SuZhou) Corp.	2	25,720,356	2,254,700	2,149,000	153,500	-	2.51%	42,867,260	Y	N	Y		
0	The Company	Unimicron Technology (KunShan) Corp.	2	25,720,356	1,288,400	921,000	-	-	1.07%	42,867,260	Y	N	Y		
0	The Company	Unimicron Technology (Huangshi) Corp.	2	25,720,356	3,499,450	3,070,000	2,456,000	-	3.58%	42,867,260	Y	N	Y		
0	The Company	Smart Idea Holding Limited	2	25,720,356	2,254,700	1,535,000	-	-	1.79%	42,867,260	Y	N	N		
0	The Company	Unimicron-Carrier Technology (Huangshi) Inc.	2	25,720,356	1,610,500	1,535,000	-	-	1.79%	42,867,260	Y	N	Y		
0	The Company	UniGreat Holding Limited	2	25,720,356	322,100	307,000	-	-	0.36%	42,867,260	Y	N	N		
0	The Company	Unimicron (SZ) Trading Limited	2	25,720,356	322,100	307,000	-	-	0.36%	42,867,260	Y	N	N		
0	The Company	Unimicron (KS) Trading Limited	2	25,720,356	322,100	307,000	-	-	0.36%	42,867,260	Y	N	N		
0	The Company	UniBest Holding Limited	2	25,720,356	1,127,350	1,074,500	-	-	1.25%	42,867,260	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)
December 31, 2022

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2022				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
The Company	Unitech Capital Inc.'s stocks	Investee of United Microelectronics Corp.	Financial assets at fair value through profit or loss-non-current	6,500,000	\$ 125,620	13.00%	\$ 125,620	
The Company	Shieh Yong Investment Co., Ltd.'s stocks	The Company's management is this company's supervisor	Financial assets at fair value through profit or loss-non-current	367,498,772	2,742,848	16.67%	2,742,848	
The Company	Shihlien Fine Chemicals Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	12,778,831	47,474	4.92%	47,474	
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	55,717	4.52%	55,717	
The Company	Unistars Corp.'s stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	3,820,779	-	6.93%	-	
The Company	PI R&D Co., Ltd.'s stocks	The Company's second-tier subsidiary is the company's director	Financial assets at fair value through profit or loss-non-current	8,000	-	0.20%	-	
The Company	TNP Small/Medium Size & Venture Enterprises Growth Promotion Investment Limited Partnership funds	None	Financial assets at fair value through profit or loss-non-current	310	15,428	6.38%	15,428	
The Company	Trillion Science Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	4,666,666	-	9.96%	-	
The Company	Yann Yuan Investment Co., Ltd.'s stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	60,000,000	2,855,938	11.64%	2,855,938	
The Company	Eminent Materials Corporation's stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	1,000,000	-	16.67%	-	
The Company	Eagle Materials Technology Co., Ltd	None	Financial assets at fair value through profit or loss-non-current	-	3,883	-	3,883	
The Company	Pomiran Metalization Research Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	2,000,000	9,393	6.21%	9,393	
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	17,100	0.05%	17,100	
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	19,009	1.97%	19,009	
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 Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	30,769	-	0.51%	-	
Hsin Yang Investment Corp.	Ability I Venture Capital Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	628,600	3,562	2.00%	3,562	

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2022				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Hsin Yang Investment Corp.	Integrated Digital Technologies, Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	520,000	\$ -	1.81%	\$ -	
Hsin Yang Investment Corp.	NeoPac Lighting, Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	4,500,000	-	5.73%	-	
Hsin Yang Investment Corp.	Pomiran Metalization Research Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	7,000	30	0.02%	30	
Hsin Yang Investment Corp.	UniTest Technology Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	10,000	4,842	10.00%	4,842	
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	5,118	8.81%	5,118	
Hsin Yang Investment Corp.	Taimide Technology Inc.'s stocks	None	Financial assets at fair value through profit or loss-current	44,037	1,409	0.03%	1,409	
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	44,607	1.02%	44,607	
Hsin Yang Investment Corp.	Semicomm Technology Co., Ltd.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	650,000	29,327	5.91%	29,327	
UMTC Holdings Limited	AMC Holding Limited's stocks	None	Financial assets at fair value through profit or loss-non-current	897,750	48,946	7.09%	48,946	
UMTC Holdings Limited	UMT Technology Corp.'s stocks	None	Financial assets at fair value through profit or loss-non-current	230,000	-	19.01%	-	
Plato Electronics (Cayman) Limited	Biloda International Limited 's stocks	None	Financial assets at fair value through profit or loss-non-current	1,440,000	-	18.00%	-	
UniSmart Holding Limited	PI R&D Co., Ltd's stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	173,300	-	4.34%	-	
UniSmart Holding Limited	Trillion Science Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	3,199,999	-	6.83%	-	
UniSmart Holding Limited	Aqua Science Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	333	-	0.36%	-	
UniSmart Holding Limited	Shocking Technologies, Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	1,468,533	-	2.26%	-	
UniSmart Holding Limited	MARUWA CORPORATION's bonds	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	2,450	6,324	31.98%	6,324	
Unimicron Germany GmbH	Naavinya CAD Soft Pvt Ltd 's equity shares	None	Financial assets at fair value through profit or loss-non-current	-	414	-	414	

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.

Unimicon Technology Corp. and subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2022		Addition (Note 3)		Disposal (Note 3)			Balance as at December 31, 2022		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
The Company	UniBest Holding Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	93,550,000	\$ 2,424,964	147,000,000	\$ 6,107,032 (Note 5)	-	\$ -	\$ -	\$ -	240,550,000	\$ 8,531,996
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 (Note 6)	-	-	-	-	43,000,000	\$ 1,321,356
UniBest Holding Limited	Unimicon Holding Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	36,282,468	1,889,391	21,596,146	3,353,489 (Note 7)	-	-	-	-	57,878,614	5,242,880
Unimicon Holding Limited	Unimicon-Carrier Technology (Huangshi) Inc.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	393,046	-	439,883 (Note 8)	-	-	-	-	-	832,929
Unimicon Technology (SuZhou) Corp.	Unimicon-Carrier Technology (Huangshi) Inc.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	917,052	-	382,249 (Note 9)	-	-	-	-	-	1,299,301
Unimicon Holding Limited	Kunshan Qunqi Technology Co., Ltd.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	-	-	1,498,390 (Note 10)	-	-	-	-	-	1,498,390
UniBest Holding Limited	Best Option Investments Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	2,256,363,910	541,006	20,000,000	168,285 (Note 11)	-	-	-	-	2,276,363,910	709,291
Best Option Investments Limited	Unimicon-FPC Technology (Kunshan) Inc.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	534,051	-	123,627 (Note 12)	-	-	-	-	-	657,678
Smart Idea Holdings Limited	UniRuwel Holding Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	35,000,000	428,039	9,962,000	(140,455) (Note 13)	-	-	-	-	44,962,000	287,584
UniRuwel Holding Limited	Unimicon Germany GmbH	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	25,000	425,407	-	(136,566) (Note 14)	-	-	-	-	25,000	288,841
Smart Idea Holdings Limited	Kunshan Dingchangxin Electronic Technology Co., Ltd.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	(3,910)	-	5,555,293 (Note 15)	-	-	-	-	-	5,551,383
Unimicon Technology (KunShan) Corp.	Unimicon Management(KunShan) Corp., Ltd.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	2,853,340	-	686,331 (Note 16)	-	-	-	-	-	3,539,671
Unimicon Management(KunShan) Corp., Ltd.	Hu Se Sn Li ManagemnetCorp., Ltd.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	637,613	-	300,958 (Note 17)	-	-	-	-	-	938,571

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 \$4,544,868, investment gain recognized for the period of \$1,712,445, translation differences decrease of \$118,366, decrease of \$19,220 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership, and recognitions of subsidiaries' capital surplus and changes in other equity were an increase of \$9,577 and a decrease of \$22,272, respectively.

Note 6: The amount includes investment increase of \$1,320,853, investment gain recognized for the period of \$1,219 and translation differences decrease of \$716.

Note 7: The amount includes investment increase of \$1,278,462, investment gain recognized for the period of \$2,045,862, translation differences decrease of \$109,390 and increase of \$138,555 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 8: The amount includes investment increase of \$455,800, investment loss recognized for the period of \$11,635, translation differences decrease of \$1,927 and decrease of \$2,355 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 9: The amount includes investment increase of \$408,618, investment loss recognized for the period of \$26,203, translation differences decrease of \$2,521 and increase of \$2,355 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 10: The amount includes investment increase of \$1,496,952, investment loss recognized for the period of \$649 and translation differences increase of \$2,087.

Note 11: The amount includes investment increase of \$633,780, investment loss recognized for the period of \$340,264, translation differences increase of \$16,389 and decrease of \$141,620 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 12: The amount includes investment increase of \$633,780, investment loss recognized for the period of \$516,595 and translation differences increase of \$6,442.

Note 13: The amount includes investment increase of \$322,430, investment loss recognized for the period of \$466,934 and translation differences increase of \$4,049.

Note 14: The amount includes investment increase of \$322,430, investment loss recognized for the period of \$462,880 and translation differences increase of \$3,884.

Note 15: The amount includes investment increase of \$5,570,270, investment loss recognized for the period of \$9,011 and translation differences decrease of \$5,966.

Note 16: The amount includes investment increase of \$308,339, investment gain recognized for the period of \$339,908 and translation differences increase of \$38,084.

Note 17: The amount includes investment increase of \$308,339, investment loss recognized for the period of \$16,378 and translation differences increase of \$8,997.

Unimicron Technology Corp. and subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship original owner and the acquirer	Date of the original transaction	Amount			
The Company	Lane 209, Section 2, Xinnong Street, Yangmei District, Taoyuan City (No. 69-1, Caonan Slope Section, Yangmei District, Taoyuan City)	2019.08.23	\$ 1,520,000	Fully paid \$1,428,800 based on the contract	Ever Accord Construction Corp.	-	-	-	-	\$ -	NA	For production	-
The Company	Building next to No. 169 Shanying Road, Guishan District, Taoyuan City (No. 370, 370-2, 370-3 on the top of the mountain)	2020.03.23	333,800	Fully paid	Ever Accord Construction Corp.	-	-	-	-	-	NA	For production	-
The Company	No. 40-4, 45-0, Caonan Slope Section, Yangmei District, Taoyuan City	2021.05.28	697,000	Fully paid	SINO TACTFUL CO., LTD.	-	-	-	-	-	It was appraised by Baoyuan Real Estate Appraiser Firm.	For the necessity of the Company's future development	-
The Company	No. 100, Xinxing Section, Zhongxing Section, Hukou Township, Hsinchu County	2021.10.01	1,233,000	Fully paid \$850,770 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 \$299,860 based on the contract	Jingwen Construction Engineering Steel Structure Co., Ltd.	-	-	-	-	-	NA	For production	-

Unimicron Technology Corp. and subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship original owner and the acquirer	Date of the original transaction	Amount			
The Company	Caonan Slope Land, Yangmei District, Taoyuan City (Note 4)	2021.04.12 -2022.02.22	453,846	Fully paid \$408,201 based on the contract	Natural person and non-related parties	-	-	-	-	\$ -	It was appraised by Baoyuan Real Estate Appraiser Firm.	Expand plant to increase capacity	-
Unimicron Technology (SuZhou) Corp.	No. 158 Fengli Street, Suzhou Industrial Park (Note 5)	2021.12.16	591,666	Fully paid \$59,167 based on the contract	Suzhou AMC Technology Co., Ltd.	Other related parties	-	-	-	-	It was appraised by Suzhou Zhongan Real Estate Appraisal Co., Ltd..	For production	-
Kunshan Dingchangxin Electronic Technology Co., Ltd.	Land located at Kunshan New & High Tech Industrial Development Zone in the north site of Yuyang Rd. and the east site of Ruike Rd.	2022.08.22	1,101,385	Fully paid \$770,966 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.	2022.11.1	546,709	Fully paid \$244,798 based on the contract	Xing Ye Jian Gong Ji Tuan You Xian Gong Si Di Yi Fen Gong Si	-	-	-	-	-	NA	For production	-

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

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

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

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

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

Unimicron Technology Corp. and subsidiaries
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

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

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

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

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

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

Unimicon Technology Corp. and subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit term	Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount			Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Unimicon (KS) Trading Limited	The Company's subsidiary	Sales	\$ 604,989	1%	3 months after monthly billings	\$ -	\$ -	\$ 118,967	1%	
Unimicon Technology (KunShan) Corp.	Unimicon Technology (Huangshi) Corp.	Same parent company	Sales	124,104	1%	3 months after monthly billings	-	-	33,450	1%	
Unimicon Technology (KunShan) Corp.	Unimicon (KS) Trading Limited	Same parent company	Sales	5,453,471	31%	3 months after monthly billings	-	-	1,718,839	46%	
Unimicon Technology (KunShan) Corp.	Unimicon Germany GmbH	Same parent company	Sales	187,305	1%	3 months after monthly billings	-	-	158,980	4%	
Unimicon Technology (KunShan) Corp.	UniGreat Holding Limited	Same parent company	Sales	422,414	2%	3 months after monthly billings	-	-	160,322	4%	
Unimicon Technology (Huangshi) Corp.	Unimicon (KS) Trading Limited	Same parent company	Sales	3,925,120	63%	3 months after monthly billings	-	-	1,197,346	68%	
Unimicon Technology (Huangshi) Corp.	UniGreat Holding Limited	Same parent company	Sales	273,933	4%	3 months after monthly billings	-	-	106,429	6%	
Unimicon-FPC Technology (Kunshan) Inc.	Unimicon Technology (KunShan) Corp.	Same parent company	Sales	718,262	18%	3 months after monthly billings	-	-	78,566	8%	
Unimicon-FPC Technology (Kunshan) Inc.	Best Option Investments Limited	Same parent company	Sales	620,380	15%	3 months after monthly billings	-	-	300,272	32%	
Unimicon Technology (ShenZhen) Corp.	NEOCONIX, INC.	Same parent company	Sales	470,081	14%	3 months after monthly billings	-	-	-	-	
Unimicon Technology (ShenZhen) Corp.	Unimicon (SZ) Trading Limited	Same parent company	Sales	881,861	26%	3 months after monthly billings	-	-	272,698	42%	
Unimicon Technology (SuZhou) Corp.	Unimicon Technology (KunShan) Corp.	Same parent company	Sales	255,494	1%	3 months after monthly billings	-	-	29,821	1%	
Unimicon Technology (SuZhou) Corp.	Unimicon Holding Limited	Same parent company	Sales	7,264,517	39%	3 months after monthly billings	-	-	2,246,809	47%	
Unimicon-CarrierTechnology (Huangshi) Inc.	Unimicon Technology(SuZhou) Corp.	Same parent company	Sales	143,469	100%	3 months after monthly billings	-	-	58,369	100%	
Unimicon JAPAN Co., Ltd.	Unimicon (SZ) Trading Limited	Same parent company	Sales	435,255	41%	3 months after monthly billings	-	-	142,129	38%	

Unimicron Technology Corp. and subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Differences in transaction terms compared to third party transactions (Note 1)			Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount		Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Qun Hong Technology Inc.	The Company	Ultimate parent company	Sales	\$ 682,427	19%	3 months after monthly billings	\$ -	\$ -	\$ 64,406	3%	
Apm Communication, Inc	The Company	Ultimate parent company	Sales	322,206	96%	3 months after monthly billings	-	-	138,840	100%	
Unimicron (KS) Trading Limited	The Company	Ultimate parent company	Sales	4,170,713	40%	3 months after monthly billings	-	-	1,426,912	39%	
Unimicron (SZ) Trading Limited	The Company	Ultimate parent company	Sales	896,375	45%	3 months after monthly billings	-	-	271,338	63%	
Unimicron Holding Limited	The Company	Ultimate parent company	Sales	3,759,376	52%	3 months after monthly billings	-	-	1,025,377	81%	
UniGreat Holding Limited	The Company	Ultimate parent company	Sales	255,940	7%	3 months after monthly billings	-	-	85,639	35%	
Topoint Technology Co., Ltd.	The Company	The Company's investee	Sales	139,112	4%	3 months after monthly billings	-	-	52,518	1%	
UniCuisine, Inc.	The Company	Ultimate parent company	Sales	126,765	64%	3 months after monthly billings	-	-	10,204	71%	
Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	6,735,354	65%	3 months after monthly billings	-	-	2,168,918	59%	
UniGreat Holding Limited	Unimicron Technology (Huangshi) Corp.	Same parent company	Sales	488,182	14%	3 months after monthly billings	-	-	144,888	59%	
Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	Same parent company	Sales	492,250	25%	3 months after monthly billings	-	-	162,493	37%	
The Company	Unipoint Technology Co., Ltd.	The Company's investee	Processing cost	141,079	0%	3 months after monthly billings	-	-	(45,546)	1%	

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

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

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

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

Unimicron Technology Corp. and subsidiaries
Receivables from related parties reaching NTS100 million or 20% of paid-in capital or more
December 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	Unimicron (KS) Trading Limited	The Company's subsidiary	\$ 118,967	5.46	\$ -	-	\$ 33,590	\$ -
Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	Same parent company	1,718,839	3.71	-	-	596,902	-
Unimicron Technology (KunShan) Corp.	Unimicron Germany GmbH	Same parent company	158,980	0.92	-	-	-	-
Unimicron Technology (KunShan) Corp.	UniGreat Holding Limited	Same parent company	160,322	3.97	-	-	31,802	-
Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	Same parent company	1,197,346	2.99	-	-	-	-
Unimicron Technology (Huangshi) Corp.	UniGreat Holding Limited	Same parent company	106,429	3.19	-	-	-	-
Unimicron-FPC Technology (Kunshan) Inc.	Best Option Investments Limited	Same parent company	300,272	2.02	-	-	68,999	-
Unimicron Technology (ShenZhen) Corp.	Unimicron (SZ) Trading Limited	Same parent company	272,698	4.32	-	-	99,206	-
Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	Same parent company	2,246,809	3.49	-	-	606,697	-
Unimicron JAPAN Co., Ltd.	Unimicron (SZ) Trading Limited	Same parent company	142,129	4.00	-	-	-	-
APM communication, Inc.	The Company	Ultimate parent company	138,840	2.76	-	-	-	-
Unimicron (KS) Trading Limited	The Company	Ultimate parent company	1,426,912	3.98	-	-	525,475	-
Unimicron (SZ) Trading Limited	The Company	Ultimate parent company	271,338	4.42	-	-	99,206	-
Unimicron Holding Limited	The Company	Ultimate parent company	1,025,377	4.46	-	-	381,713	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	Same parent company	\$ 2,168,918	3.98	\$ -	\$ -	\$ 242,096	\$ -
UniGreat Holding Limited	Unimicron Technology (Huangshi) Corp.	Same parent company	144,888	4.65	-	-	32,239	-
Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	Same parent company	162,493	3.29	-	-	35,879	-
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	Smart Idea Holdings Limited	The Company's subsidiary	629,192	Note 2	-	-	-	-
The Company	Unimicron Germany GmbH	The Company's subsidiary	120,850	Note 2	-	-	-	-
The Company	Unimicron (SZ) Trading Limited	The Company's subsidiary	1,918,756	Note 2	-	-	-	-
The Company	Unimicron Holding Limited	The Company's subsidiary	108,001	Note 2	-	-	3,027	-
The Company	Unimicron JAPAN Co., Ltd.	The Company's subsidiary	255,128	Note 2	-	-	-	-
The Company	Subtron Technology Co., Ltd.	The Company's subsidiary	1,131,487	Note 2	-	-	325,640	-
UniBest Holding Limited	Unimicron Germany GmbH	Same parent company	1,973,601	Note 2	-	-	-	-
UniBest Holding Limited	Unimicron (SZ) Trading Limited	Same parent company	108,931	Note 2	-	-	-	-
UniBest Holding Limited	UniGreat Holding Limited	Same parent company	368,614	Note 2	-	-	-	-
Unimicron Technology (KunShan) Corp.	Unimicron-FPC Technology (Kunshan) Inc.	Same parent company	280,183	Note 2	-	-	-	-
Unimicron Technology (ShenZhen) Corp.	Suzhou Qunye Enterprise Management Co., Ltd.	Same parent company	323,835	Note 2	-	-	-	-
Unimicron Technology (SuZhou) Corp.	Unimicron-CarrierTechnology (Huangshi) Inc.	Same parent company	441,873	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
Year ended December 31, 2022

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction (Note 5)			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of total operating revenues or total assets (Note 3)
1	Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	3	Accounts receivable	\$ 1,718,839	Available for the third party	1%
2	Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	3	Accounts receivable	1,197,346	Available for the third party	1%
3	Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	3	Accounts receivable	2,246,809	Available for the third party	1%
4	Unimicron (KS) Trading Limited	The Company	2	Accounts receivable	1,426,912	Available for the third party	1%
5	Unimicron Holding Limited	The Company	2	Accounts receivable	1,025,377	Available for the third party	0%
6	Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	3	Accounts receivable	2,168,918	Available for the third party	1%
8	The Company	Unimicron Germany GmbH	1	Other receivables	1,918,756	Available for the third party	1%
9	The Company	Unimicron JAPAN Co., Ltd.	1	Other receivables	1,131,487	Available for the third party	1%
11	UniBest Holding Limited	Smart Idea Holdings Limited	3	Other receivables	1,973,601	Available for the third party	1%
11	Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	3	Sales	5,453,471	Available for the third party	4%
12	Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	3	Sales	3,925,120	Available for the third party	3%
13	Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	3	Sales	7,264,517	Available for the third party	5%
14	Unimicron (KS) Trading Limited	The Company	2	Sales	4,170,713	Available for the third party	3%
15	Unimicron Holding Limited	The Company	2	Sales	3,759,376	Available for the third party	3%
16	Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	3	Sales	6,735,354	Available for the third party	5%

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

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary

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

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

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

Unimicron Technology Corp. and subsidiaries

Information on investees

Year ended December 31, 2022

Table 10

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	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	90,613,516	30.40%	\$ 1,540,590	\$ 147,574	\$ 44,879	
The Company	Hsin Yang Investment Corp.	Taiwan	Holding company	3,423,689	3,423,689	96,840,707	100.00%	1,008,784	(48,321)	(48,313)	
The Company	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	198,962	198,962	19,175,303	17.17%	204,050	(142,632)	(24,490)	
The Company	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	982,156	982,156	29,476,572	62.78%	287,815	(10,251)	(11,844)	
The Company	Hemingway Int'l Limited	BVI	Holding company	6,118,151	6,118,151	187,988,866	100.00%	10,205,780	2,264,001	2,264,001	
The Company	UMTC Holdings Limited	BVI	Holding company	6,199,051	6,199,051	139,465,246	100.00%	6,035,010	1,806,854	1,806,854	
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	7,258,500	2,713,632	240,550,000	100.00%	8,531,996	1,712,445	1,712,445	
The Company	Uniflex Technology Inc.	Taiwan	Manufacture and sale of electronic parts	342,385	342,385	15,586,822	9.98%	80,330	(266,501)	(26,597)	
The Company	NEOCONIX, INC.	USA	Design and manufacture of connector	118,963	118,963	865,526,530	92.00%	165,562	116,005	106,780	
The Company	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	107,959	107,959	4,657,650	49.57%	61,286	50,861	25,362	
The Company	UniFresh, Inc.	Taiwan	Food and restaurants	26,000	26,000	2,600,000	24.42%	15,837	8,711	2,127	
The Company	HK3D-Circuit Ltd.	Hong Kong	Manufacture and sale of electronic parts	31,170	31,170	7,750,000	18.61%	-	-	-	
The Company	Yih Dar Technologies Co., Ltd.	Taiwan	Manufacture and sale of electronic parts	40,000	40,000	4,000,000	26.67%	-	-	-	
The Company	Qun Hong Technology Inc.	Taiwan	Manufacture and sale of electronic parts	2,435,152	2,435,152	102,377,429	91.41%	630,031	(28,103)	(23,954)	
The Company	Unidisplay Holding Corp.	Samoa	Holding company	-	342,372	-	-	-	-	-	Note6
The Company	PAVIDA Trading Limited	Samoa	Holding company and trading	4,406	4,406	139,818	17.27%	3,755	2,412	416	
The Company	UniWonderful Holding Limited	Samoa	Holding company	1,320,853	-	43,000,000	100.00%	1,321,356	1,219	1,219	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership	Book value (Note 3)			
				Hsin Yang Investment Corp.	UniFresh, Inc.	Taiwan	Food and restaurants	\$ 80,480			
Hsin Yang Investment Corp.	UniSense Technology Co. Ltd.	Taiwan	Manufacture and sale of electronic parts	48,231	48,231	4,823,074	30.98%	79,519	26,931	9,433	
Hsin Yang Investment Corp.	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	355,496	355,496	1,952,861	4.16%	20,757	(10,251)	(426)	
Hsin Yang Investment Corp.	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	95,935	95,935	7,781,675	6.97%	74,281	(142,632)	(9,941)	
Hsin Yang Investment Corp.	Subtron Technology Co., Ltd	Taiwan	Manufacture and sale of electronic parts	9,934	9,934	4,620,710	1.55%	75,223	147,574	2,286	
Hsin Yang Investment Corp.	Unimax C.P.I Technology Corp.	Mauritius	Holding company	-	112,326	-	-	-	(1,407)	(309)	Note4
Hsin Yang Investment Corp.	3D Circuit Taiwan Company Ltd.	Taiwan	Manufacture and sale of electronic parts	18,360	18,360	612,000	2.52%	(4,669)	-	-	
Hsin Yang Investment Corp.	Unipoint Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic parts	190,037	190,037	19,003,703	38.24%	273,434	38,208	14,678	
Hsin Yang Investment Corp.	Uniflex Technology Inc.	Taiwan	Manufacture and sale of electronic parts	502,294	502,294	25,307,736	16.21%	186,543	(266,501)	(43,200)	
Hsin Yang Investment Corp.	Unidisplay Trading Corp.	Samoa	Trading	-	859,190	-	-	-	-	-	Note5
Hsin Yang Investment Corp.	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	58,337	58,337	168,801	1.80%	1,245	50,861	915	
Hsin Yang Investment Corp.	Qun Hong Technology Inc.	Taiwan	Manufacture and sale of electronic parts	110,863	110,863	3,962,504	3.54%	25,387	(28,103)	(995)	
UniFresh, Inc.	UniCuisine, Inc.	Taiwan	Sales and manufacture of food	89,130	81,622	1,773,908	68.26%	40,657	11,124	7,690	
APM communication, Inc.	PAVIDA Trading Limited	Samoa	Holding company and trading	20,832	20,832	670,000	82.73%	17,988	2,412	1,995	
Asia Pacific Microsystems, Inc.	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	332,259	332,259	2,911,867	30.99%	34,867	50,861	15,762	
Hemingway Int'l Limited	Plato Electronics (Cayman) Limited	Cayman	Holding company	1,467,681	1,467,681	27,989,612	72.02%	1,186,911	(137,947)	(99,350)	
Hemingway Int'l Limited	Smart Idea Holdings Limited	Cayman	Holding company	888,787	888,787	30,000,000	42.10%	3,827,094	743,595	313,054	
Hemingway Int'l Limited	Best Option Investments Limited	Samoa	Holding company	3,415,024	3,415,024	644,263,312	21.74%	171,080	(443,514)	(96,863)	
Hemingway Int'l Limited	Unimicron Holding Limited	Samoa	Holding company	1,719,360	1,719,360	53,151,515	28.54%	4,985,841	7,244,553	2,153,081	
Hemingway Int'l Limited	UniSmart Holding Limited	Samoa	Holding company	174,124	174,124	5,099,086	15.55%	15,499	(37,295)	(5,799)	
UMTC Holdings Limited	Plato Electronics (Cayman) Limited	Cayman	Holding company	216,114	216,114	4,474,259	11.51%	87,190	(137,947)	(15,878)	
UMTC Holdings Limited	Smart Idea Holdings Limited	Cayman	Holding company	629,580	629,580	20,761,904	29.13%	2,618,999	743,595	216,609	
UMTC Holdings Limited	Best Option Investments Limited	Samoa	Holding company	1,232,586	1,232,586	42,195,000	1.43%	18,069	(443,514)	(6,387)	
UMTC Holdings Limited	Unimicron Holding Limited	Samoa	Holding company	1,210,064	1,210,064	40,400,000	21.69%	3,716,193	7,244,553	1,636,544	
UMTC Holdings Limited	UniSmart Holding Limited	Samoa	Holding company	703,420	703,420	21,286,112	64.93%	6,798	(37,295)	(24,215)	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership	Book value (Note 3)			
UMTC Holdings Limited	Unimicron JAPAN Co., Ltd.	Japan	Manufacture and sale of electronic parts	\$ 503,200	\$ 503,200	35,130	100.00%	(\$ 495,367)	(\$ 11,072)	(\$ 12,069)	
Plato Electronics (Cayman) Limited	Unimicron(SZ) Trading Ltd.	Samoa	Trading	202,525	202,525	6,500,000	100.00%	(174,759)	(149,168)	(149,168)	
Smart Idea Holdings Limited	UniGreat Holding Limited	Samoa	Holding company	1,407,974	1,407,974	45,900,050	100.00%	792,462	46,714	46,714	
Smart Idea Holdings Limited	UniRuwel Holding Limited	Cayman	Holding company	1,371,730	1,049,300	44,962,000	100.00%	287,584	(466,934)	(466,934)	
Smart Idea Holdings Limited	Unimicron (KS)Trading Ltd.	Samoa	Trading	582,000	582,000	20,000,001	100.00%	(249,813)	(251,223)	(251,223)	
UniSmart Holding Limited	MARUWA CORPORATION	Japan	Manufacture and sales of flexible Print	95,703	118,482	2,400	28.24%	(35,252)	-	-	
UniRuwel Holding Limited	Unimicron Germany GmbH	Germany	Manufacture and sale of electronic parts	1,239,903	917,473	25,000	100.00%	288,841	(462,880)	(462,880)	Note7
Unidisplay Holding Corp.	Unidisplay Trading Corp.	Samoa	Trading	-	335,776	-	-	-	-	-	Note5
UniBest Holding Limited	Unimicron Holding Limited	Samoa	Holding company	2,655,707	1,377,245	57,878,614	31.08%	5,242,880	7,244,553	2,045,862	
UniBest Holding Limited	Best Option Investments Limited	Samoa	Holding company	1,766,182	1,132,402	2,276,363,910	76.83%	709,291	(443,514)	(340,264)	
UniBest Holding Limited	UniSmart Holding Limited	Samoa	Holding company	185,165	185,165	6,400,000	19.52%	(14,169)	(37,295)	(7,280)	

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

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

- (1)The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2022' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2)The 'Net profit (loss) of the investee for the year ended December 31, 2022' column should fill in amount of net profit (loss) of the investee for this period.
- (3)The 'Investment income (loss) recognised by the Company for the year ended December 31, 2022' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

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

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

Note 5: UniDT was liquidated in September 2022.

Note 6: UniDH was liquidated in November 2022.

Note 7: Please refer to Note 11 G. for details regarding of the capital increase in Unimicron Germany GmbH by UniRuwel Holding Limited subsequent change of investment method by the Board of Directors .

Unimicon Technology Corp. and subsidiaries
Information on investments in Mainland China
Year ended December 31, 2022

Table 11

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022			Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for theyear ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan							
Unimicon Technology (ShenZhen) Corp.	Manufacture and sale of electronic parts	\$ 3,050,860	Plato-Cayman	\$ 1,484,856	\$ -	\$ -	\$ 1,484,856	\$ 34,985	83.53	\$ 29,223	\$ 1,351,079	\$ -	
Unimicon Technology (KunShan) Corp.	Manufacture and sale of electronic parts	2,369,600	SI	1,372,769	-	-	1,372,769	1,264,809	71.23	903,041	3,708,143	-	
Unimicon-FPC Technology (Kunshan) Inc.	Manufacture and sale of electronic parts	6,280,552	BO	5,196,551	633,780	-	5,830,331	(516,595)	100.00	(516,595)	657,678	-	
Unimicon Technology (SuZhou) Corp.	Manufacture and sale of electronic parts	5,262,004	UHL and Suzhou Qunye	1,837,430	-	-	1,837,430	7,700,806	78.46	5,971,360	12,380,407	-	
Suzhou AMC Technology Co., Ltd.	Manufacture and sale of electronic parts	1,263,293	AMCHOLDING LIMITED	192,869	-	-	192,869	(25,911)	6.38	-	48,946	-	
Unipoint Technology (KunShan) Corp.	Manufacture and sale of electronic parts	35,544	UMT Technology Corp.	6,813	-	-	6,813	-	19.01	-	-	-	
Unimicon Touch (ShenZhen) Corp.	Manufacture and sale of electronic parts	-	UniDT	1,159,920	-	5,948	1,153,972	-	-	-	-	-	Note 6
Kunshan 3D Circuit Technology Co., Ltd.	Manufacture and sale of electronic parts	125,925	HK3D-Circuit Ltd.	31,170	-	-	31,170	-	18.61	-	(13,334)	-	
Unimicon Technology (Huangshi) Corp.	Manufacture and sale of electronic parts	4,672,240	UniGreat and Unimicon Management (KunShan)	-	-	-	-	508,721	71.23	362,362	2,634,474	-	
Unimicon Management (KunShan) Corp., Ltd.	Business management consulting and property management	3,823,736	Unimicon Technology (KunShan)	-	-	-	-	339,908	71.23	242,116	2,521,308	-	
Unimicon-Carrier Technology (Huangshi) Inc.	Manufacture and sale of electronic parts	2,184,076	UHL and Unimicon Technology (SuZhou)	339,555	175,122	-	514,677	(37,838)	79.57	(30,108)	1,696,615	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022			Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for theyear ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan							
Hu Se Sn Li Managemnet Corp., Ltd.	Business management consulting	\$ 1,010,407	Unimicron Management (KunShan)	\$ -	\$ -	-	\$ -	(\$ 16,378)	71.23	(\$ 11,666)	\$ 668,544	-	
Gobo Lighting Technology Ltd.	Manufacture and sale of lighting products	38,943	PAVIDA	17,914	-	-	17,914	6,015	35.39	2,429	19,571	-	
Kunshan Dingchangxin Electronic Technology Co., Ltd.	Manufacture and sale of electronic parts	5,570,270	SI	-	-	-	-	(9,056)	71.23	(6,418)	3,954,250	-	
Suzhou Qunye Enterprise Management Co., Ltd.	Business management consulting	-	UHL	-	-	-	-	23,839	81.31	19,383	(27,854)	-	
Kunshan Qunqi Technology Co., Ltd.	Manufacture and sale of electronic parts	1,496,952	UHL and Unimicron Technology (SuZhou)	-	-	-	-	(649)	81.31	(528)	1,218,341	-	
UNIMICRON ELECTRONIC TESTING (KUNSHAN) CORP.	Inspection of goods, sales of electronic component and equipment and	-	Kunshan Dingchangxin	-	-	-	-	-	71.23	-	-	-	
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022 (Note 4)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA										
The Company	\$ 12,628,071	\$ 15,789,109	\$ -										

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 audited by R.O.C. parent company's CPA.

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

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

Note 5: On November 11, 2020, the Company received an approval letter issued by the Industrial Development Bureau of the Ministry of Economic Affairs, effective from November 5, 2020 to November 4, 2023. Hence, calculation of investment limit is not needed.

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

Unimicron Technology Corp. and subsidiaries

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

Year ended December 31, 2022

Table 12

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
	Amount	%	Amount	%	Balance at December 31, 2022	%	Balance at December 31, 2022	Purpose	Maximum balance during the year ended December 31, 2022	Balance at December 31, 2022	Interest rate	Interest during the year ended December 31, 2022	Others
Unimicron Technology (ShenZhen) Corp.	\$ 49,149	0%	\$ -	-	\$ 20,731	0%	\$ 921,000	Borrowings	\$ -	\$ -	-	\$ -	
Unimicron Technology (ShenZhen) Corp.	(896,375)	3%	-	-	(307,784)	4%	-	-	-	-	-	-	
Unimicron Technology (KunShan) Corp.	604,989	1%	1,176	0%	150,553	1%	921,000	Borrowings	-	-	-	-	
Unimicron Technology (KunShan) Corp.	(4,170,713)	13%	-	-	(1,422,796)	17%	-	-	-	-	-	-	
Unimicron-FPC Technology (Kunshan) Inc	-	-	-	-	-	-	3,837,500	Borrowings	294,700	-	-	-	
Unimicron Technology (SuZhou) Corp.	78,849	0%	-	-	-	-	2,149,000	Borrowings	-	-	-	-	
Unimicron Technology (SuZhou) Corp.	(3,781,031)	12%	-	-	(1,019,777)	12%	-	-	-	-	-	-	
Unimicron Technology (Huangshi) Corp.	23	0%	-	-	23	0%	-	-	-	-	-	-	
Unimicron Technology (Huangshi) Corp.	(255,940)	1%	-	-	(82,956)	1%	3,070,000	Borrowings	1,178,800	-	1.20%	10,486	
Unimicron -Carrier Technology (Huangshi) Inc.	-	-	-	-	-	-	1,535,000	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

December 31, 2022

Table 13

Name of Major Shareholders	Shares	
	Number of Shares	Ownership (%)
United Microelectronics Corp.	196,136,008	13.26%

**Appendix II. Individual Financial Statements and Independent Auditors' Report
of the most recent year**

**UNIMICRON TECHNOLOGY CORP.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS'
REPORT
DECEMBER 31, 2022 AND 2021**

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22003444

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

Opinion

We have audited the accompanying parent company only balance sheets of Unimicron Technology Corp. ("Unimicron Corp.") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and parent company only notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the "Other Matter-Scope of the Audit" section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of Unimicron Corp. as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits of the financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As described in Notes 6(7) and (35), on March 30, 2022, the Company acquired the equity interests 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 on January 6, 2023, and the Company applied IFRS 3, 'Business combinations' for the related accounting treatments.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

As at December 31, 2022, Hemingway Int'l Limited, UniBest Holding Limited and UMTC Holdings Limited, subsidiaries owned by Unimicron Corp., are the major operating entities of Unimicron Corp., and were included in investments accounted for using equity method. Refer to Note 6(7) of these financial statements for detailed information. Because the financial condition and performance of the aforementioned subsidiaries have a material impact on the financial statements of Unimicron Corp., the key audit matters of the subsidiaries pertaining to inventory valuation and impairment assessment of investments accounted for under the equity method were also considered key audit matters of Unimicron Corp.

The key audit matters of the financial statements of Unimicron Corp. for the year ended December 31, 2022 were as follows:

Valuation of inventory

Description

Refer to Note 4(12) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for description of allowance

for inventory valuation losses.

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

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

How our audit addressed the matter

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

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

Investments accounted for using equity method - impairment assessment of associates

Description

Refer to Note 4(18) for accounting policy on impairment assessment of investments accounted for using equity method, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to impairment assessment of investments accounted for using equity method, and Note 6(7) for details of investments accounted for using equity method - associates.

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

How our audit addressed the matter

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

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

Other matter – Scope of the Audit

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these investments, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$364,355 thousand and NT\$2,093,551 thousand, constituting 0% and 2% of the parent company only total assets as at December 31, 2022 and 2021, respectively, and the comprehensive loss recognized from investments accounted for under the equity method amounted to (NT\$314,154) thousand and (NT\$25,157) thousand, constituting (1%) and 0% of the parent company only total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the financial statements

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

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

Those charged with governance (including audit committee) are responsible for overseeing Unimicron Corp.'s financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Unimicron Corp.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Unimicron Corp.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Unimicron Corp. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Unimicron Corp. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

safeguards.

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

Lin, Ya-Hui

Wu, Han-Chi

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 21, 2023

The accompanying parent company only 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 parent company only 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.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022	December 31, 2021
Current assets			
1100	Cash and cash equivalents	\$ 33,056,618	\$ 24,863,684
1110	Financial assets at fair value through profit or loss - current	17,100	95,886
1150	Notes receivable, net	210	210
1170	Accounts receivable, net	21,792,092	16,091,646
1180	Accounts receivable - related parties	159,761	260,995
1200	Other receivables	5,231,362	7,824,249
130X	Inventory	7,814,797	6,630,753
1410	Prepayments	1,790,270	1,535,469
11XX	Total current assets	<u>69,862,210</u>	<u>57,302,892</u>
Non-current assets			
1510	Financial assets at fair value through profit or loss - non-current	5,856,301	7,917,707
1535	Non-current financial assets at amortised cost	86,646	65,564
1550	Investments accounted for under equity method	30,092,177	18,516,505
1600	Property, plant and equipment	64,883,667	48,097,639
1755	Right-of-use assets	801,672	1,094,443
1760	Investment property - net	487,297	682,636
1780	Intangible assets	456,089	373,972
1840	Deferred income tax assets	561,234	705,587
1900	Other non-current assets	404,786	471,728
15XX	Total non-current assets	<u>103,629,869</u>	<u>77,925,781</u>
1XXX	Total assets	<u>\$ 173,492,079</u>	<u>\$ 135,228,673</u>

(Continued)

UNIMICRON TECHNOLOGY CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022	December 31, 2021
Current liabilities			
2100	Short-term borrowings	\$ 2,148,409	\$ 5,692,786
2110	Short-term notes and bills payable	300,000	299,926
2120	Financial liabilities at fair value through profit or loss - current	11,584	-
2130	Current contract liabilities	4,574,899	2,180,865
2150	Notes payable	1,504	149,020
2170	Accounts payable	5,493,239	6,265,234
2180	Accounts payable - related parties	2,996,255	1,788,041
2200	Other payables	18,191,701	12,474,706
2230	Current income tax liabilities	4,956,359	2,177,611
2320	Long-term liabilities, current portion	1,071,667	590,000
2399	Other current liabilities	353,449	706,906
21XX	Total current liabilities	<u>40,099,066</u>	<u>32,325,095</u>
Non-current liabilities			
2527	Non-current contract liabilities	25,912,127	21,827,633
2530	Bonds payable	10,990,807	7,991,923
2540	Long-term borrowings	8,467,500	10,538,771
2570	Deferred income tax liabilities	765,079	50,116
2600	Other non-current liabilities	1,522,981	1,781,573
25XX	Total non-current liabilities	<u>47,658,494</u>	<u>42,190,016</u>
2XXX	Total liabilities	<u>87,757,560</u>	<u>74,515,111</u>
Equity			
Share capital			
3110	Common stock	14,783,653	14,752,603
Capital surplus			
3200	Capital surplus	9,956,882	9,396,676
Retained earnings			
3310	Legal reserve	6,861,800	5,537,329
3320	Special reserve	332,855	550,543
3350	Unappropriated retained earnings	54,437,070	30,809,266
Other equity interest			
3400	Other equity interest	(637,741)	(332,855)
Treasury stocks			
3500	Treasury stocks	-	-
3XXX	Total equity	<u>85,734,519</u>	<u>60,713,562</u>
Significant contingent liabilities and unrecognized contract commitments			
	9		
Significant disaster loss			
	10		
Significant events after the balance sheet date			
	11		
3X2X	Total liabilities and equity	<u>\$ 173,492,079</u>	<u>\$ 135,228,673</u>

The accompanying notes are an integral part of these parent company only financial statements.

UNIMICRON TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Items	Notes	Year ended December 31	
		2022	2021
4000 Sales revenue	6(26) and 7	\$ 100,177,866	\$ 69,337,839
5000 Operating costs	6(5)(31)(32) and 7	(62,399,741)	(49,309,731)
5900 Net operating margin		37,778,125	20,028,108
5910 Unrealized profit from sales	6(7)	(5)	(391)
5920 Realized profit (loss) from sales		391	(4,960)
5950 Net operating margin		37,778,511	20,022,757
Operating expenses	6(31)(32) and 7		
6100 Selling expenses		(838,029)	(619,970)
6200 General and administrative expenses		(2,863,856)	(2,483,967)
6300 Research and development expenses		(4,641,454)	(3,564,809)
6000 Total operating expenses		(8,343,339)	(6,668,746)
Net operating income		29,435,172	13,354,011
6500 Other (losses)/gains - net	6(27) and 7	10,672	82,481
6900 Operating profit		29,445,844	13,436,492
Non-operating income and expenses			
7100 Interest income	7	310,072	141,487
7010 Other income	6(28) and 7	881,424	524,722
7020 Other gains and losses	6(29) and 7	490,709	2,655,230
7050 Finance costs	6(30) and 7	(196,628)	(204,120)
7070 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	6(7)	5,828,885	(627,388)
7000 Total non-operating income and expenses		7,314,462	2,489,931
7900 Profit before income tax		36,760,306	15,926,423
7950 Income tax expense	6(33)	(7,141,801)	(2,704,167)
8200 Profit for the year		\$ 29,618,505	\$ 13,222,256

(Continued)

UNIMICRON TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Items	Notes	Year ended December 31	
		2022	2021
Other comprehensive income			
Components of other comprehensive income that will not be reclassified to profit or loss			
8311	Actuarial gains on defined benefit plans	6(21)	
		\$ 127,844	\$ 44,734
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method		
		99,131	164,179
8310	Other comprehensive income that will not be reclassified to profit or loss		
		226,975	208,913
Components of other comprehensive income (loss) that will be reclassified to profit or loss			
8361	Exchange differences on translation		
		1,740,746 (365,418)
8380	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method		
		(1,965,523)	442,951
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		
		(224,777)	77,533
8300	Other comprehensive income for the year		
		\$ 2,198	\$ 286,446
8500	Total comprehensive income for the year		
		\$ 29,620,703	\$ 13,508,702
Earnings per share (in dollars)			
9750	Basic earnings per share	6(34)	
		\$ 20.08	\$ 8.98
9850	Diluted earnings per share	6(34)	
		\$ 19.29	\$ 8.91

The accompanying notes are an integral part of these parent company only financial statements.

UNIMICRON TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings				Other Equity Interest					Total equity
		Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Other equity - others	Treasury stocks	
Year ended December 31, 2021											
Balance at January 1, 2021		\$ 15,047,323	\$ 8,831,415	\$ 4,994,171	\$ 861,619	\$ 19,851,219	(\$ 382,335)	(\$ 168,208)	\$ -	(\$ 608,194)	\$ 48,427,010
Profit for the year		-	-	-	-	13,222,256	-	-	-	-	13,222,256
Other comprehensive income for the year		-	-	-	-	68,758	77,533	140,155	-	-	286,446
Total comprehensive income		-	-	-	-	13,291,014	77,533	140,155	-	-	13,508,702
Appropriations of 2021 earnings	6(25)										
Legal reserve		-	-	543,158	-	(543,158)	-	-	-	-	-
Reversal of special reserve		-	-	-	(311,076)	311,076	-	-	-	-	-
Cash dividends		-	-	-	-	(2,054,577)	-	-	-	-	(2,054,577)
Changes in ownership interests in subsidiaries	6(24)	-	17,086	-	-	-	-	-	-	-	17,086
Changes in equity of associates and joint ventures accounted for using equity method	6(24)	-	257	-	-	(1,913)	-	-	-	-	(1,656)
Share-based payment	6(22)(24)	-	518,562	-	-	-	-	-	-	-	518,562
Treasury shares sold to employees	6(23)(24)	-	172,524	-	-	-	-	-	-	126,049	298,573
Reversal of capital surplus - dividends not received by shareholders	6(24)	-	(138)	-	-	-	-	-	-	-	(138)
Retirement of treasury shares	6(23)(24)	(294,720)	(143,030)	-	-	(44,395)	-	-	-	482,145	-
Balance at December 31, 2021		\$ 14,752,603	\$ 9,396,676	\$ 5,537,329	\$ 550,543	\$ 30,809,266	(\$ 304,802)	(\$ 28,053)	\$ -	\$ -	\$ 60,713,562
Year ended December 31, 2022											
Balance at January 1, 2022		\$ 14,752,603	\$ 9,396,676	\$ 5,537,329	\$ 550,543	\$ 30,809,266	(\$ 304,802)	(\$ 28,053)	\$ -	\$ -	\$ 60,713,562
Profit for the year		-	-	-	-	29,618,505	-	-	-	-	29,618,505
Other comprehensive income (loss) for the year		-	-	-	-	139,079	(224,777)	87,896	-	-	2,198
Total comprehensive income		-	-	-	-	29,757,584	(224,777)	87,896	-	-	29,620,703
Appropriations of 2022 earnings	6(25)										
Legal reserve		-	-	1,324,471	-	(1,324,471)	-	-	-	-	-
Reversal of special reserve		-	-	-	(217,688)	217,688	-	-	-	-	-
Cash dividends		-	-	-	-	(5,015,885)	-	-	-	-	(5,015,885)
Changes in ownership interests in subsidiaries	6(24)	-	165,395	-	-	-	-	-	(58,268)	-	107,127
Changes in equity of associates and joint ventures accounted for using equity method	6(24)	-	38	-	-	(7,112)	-	5,998	-	-	(1,076)
Issuance of restricted shares to employees	6(22)(23)(24)	31,050	394,999	-	-	-	-	-	(141,717)	-	284,332
Compensation costs of employee restricted stock	6(22)	-	-	-	-	-	-	-	25,982	-	25,982
Reversal of capital surplus - dividends not received by shareholders	6(24)	-	(277)	-	-	-	-	-	-	-	(277)
Others	6(24)	-	51	-	-	-	-	-	-	-	51
Balance at December 31, 2022		\$ 14,783,653	\$ 9,956,882	\$ 6,861,800	\$ 332,855	\$ 54,437,070	(\$ 529,579)	\$ 65,841	(\$ 174,003)	\$ -	\$ 85,734,519

The accompanying notes are an integral part of these parent company only financial statements.

UNIMICRON TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 36,760,306	\$ 15,926,423
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property and right-of-use assets)	6(8)(9)(11)(27)(31)	7,711,619	5,764,873
Amortisation	6(12)(31)	264,330	198,233
Expected impairment loss (reversal) (including related parties)	12(2)	78,353	(11,333)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	6(2)(29)	2,589,592	(2,903,509)
Interest expense	6(30)	173,644	178,019
Interest income		(310,072)	(141,487)
Dividend income	6(28)	(189,318)	(164,709)
Share-based payments	6(22)	25,982	518,562
Cash dividends received from investments accounted for using equity method		93,217	32,242
Share of (profit) loss of associates accounted for using equity method	6(7)	(5,828,885)	627,388
(Gain) loss on disposal of property, plant and equipment (including investment property)	6(29)	(599,972)	8,540
Loss from subleasing right-of-use assets	6(9)	704	680
Gain from lease modifications	6(9)(29)	-	(876)
Exchange gain on valuation of long-term foreign borrowings	6(37)	-	(124,164)
Realised (gain) loss from inter-affiliate accounts		(386)	(5,351)
Gain by fire	6(28)	-	(135,820)
Amortisation of discount on bonds payable	6(30)(37)	2,634	1,498
Loss on liquidation of investments accounted for using the equity method	6(7)	11,236	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(5,776,540)	(5,981,788)
Accounts receivable - related parties		101,234	202,530
Other receivables		267,845	155,682
Inventories		(1,184,044)	(2,142,730)
Prepayments		(254,801)	(579,822)
Changes in operating liabilities			
Notes payable		(80,516)	139,801
Accounts payable		(771,995)	985,970
Accounts payable - related parties		1,208,214	305,796
Other payables		4,712,858	3,681,790
Other advance receipts		(7,765)	(349)
Other current liabilities		(270,643)	(3,166,300)
Accrued pension liabilities		(17,714)	(19,061)
Contract liabilities		6,478,528	21,092,092
Cash inflow generated from operations		45,187,645	34,453,522
Interest received		291,135	153,820
Dividends received		189,318	164,709
Interest paid		(172,483)	(186,554)
Income tax paid		(3,503,737)	(891,399)
Net cash flows from operating activities		41,991,878	33,694,098

(Continued)

UNIMICRON TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in other receivables		\$ 2,460,233	\$ 798,828
Acquisition of property, plant and equipment	6(36)	(23,357,729)	(18,693,660)
Proceeds from disposal of property, plant and equipment (including investment property)		852,637	25,315
Decrease in guarantee deposits received		27,902	5,388
Acquisition of intangible assets	6(12)	(346,447)	(411,583)
Acquisition of investments accounted for using equity method	7	(5,865,721)	(1,323,449)
Acquisition of financial assets at fair value through profit or loss		(437,815)	(160)
Changes in proceeds from disposal of financial assets at fair value through profit or loss		-	166,093
Acquisition of financial assets at amortized cost		(21,082)	(84)
Proceeds from liquidation of investments accounted for using the equity method	6(7)	1,765	-
Net cash flows used in investing activities		(26,686,257)	(19,433,312)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(37)	(3,544,377)	(150,025)
Increase in short-term notes and bills payable	6(37)	74	299,926
Proceeds from long-term borrowings	6(37)	1,000,000	4,480,000
Repayment of long-term borrowings	6(37)	(2,590,000)	(15,454,600)
(Decrease) increase in refundable deposits		(1,038)	3,392
Cash dividends paid	6(25)	(5,015,885)	(2,054,577)
Payments for lease liabilities	6(37)	(252,720)	(251,117)
Proceeds from issuing bonds	6(18)(37)	3,000,000	8,000,000
Issuance cost of bonds payable	6(37)	(3,750)	(9,575)
Reversal of capital surplus - dividends not received by shareholders	6(24)	(277)	(138)
Issuance of restricted shares to employees		295,286	-
Treasury shares sold to employees		-	126,049
Net cash flows used in financing activities		(7,112,687)	(5,010,665)
Net increase in cash and cash equivalents		8,192,934	9,250,121
Cash and cash equivalents at beginning of year	6(1)	24,863,684	15,613,563
Cash and cash equivalents at end of year	6(1)	\$ 33,056,618	\$ 24,863,684

The accompanying notes are an integral part of these parent company only financial statements.

UNIMICRON TECHNOLOGY CORP.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

1. HISTORY AND ORGANIZATION

Unimicron Technology Corp. (the “Company”) was incorporated on January 25, 1990. The Company is 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 stocks 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.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized for issuance by the Board of Directors on February 21, 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 2022 are as follows:

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

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

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

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

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

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

- A. Except for the following items, the parent company only 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 at fair value through other comprehensive income/Available-for-sale financial assets measured at fair value.
 - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional and the Company’s presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions. All other foreign exchange gains and losses based on the nature of those transactions are

presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company still retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, or control of the former, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;

- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The company classifies all liabilities that do not meet the above criteria as non-current.

(5) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.
- D. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognized and derecognized using trade date accounting.
- C. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

The Company always measure the loss allowance at an amount equal to lifetime expected credit losses for accounts receivable or contract assets that do not contain a significant financing component at each balance sheet date

(10) Derecognition of financial assets

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

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

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

- A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.
 - (a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as ‘lease receivables’ at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognized as ‘unearned finance income of finance lease’.
 - (b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor’s net investment in the finance lease.
 - (c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.
- B. Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(12) Inventories

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

(13) Investments accounted for using equity method / subsidiaries, associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

- B. Unrealised gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- E. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- F. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- H. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- I. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to

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

- J. Pursuant to the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners’ equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3 ~ 55 years
Machinery and equipment	2 ~ 11 years
Transportation equipment and other equipment	2 ~ 11 years

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

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

commencement date, discounted using the incremental borrowing interest rate.

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

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

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

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(16) Investment property

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

(17) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 ~ 3 years.

(18) Impairment of non-financial assets

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

(19) Borrowings

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

(20) Accounts and notes payable

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

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

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

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

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

(22) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(23) Derecognition of financial liabilities

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

(24) Offsetting financial instruments

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

(25) Financial guarantee contracts

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

(26) Non-hedging derivatives

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

(27) 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 plan

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

(b) Defined benefit plan

- 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 Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plan 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 uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on the defined benefit plan 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 Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Employee share-based payment

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

- (b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Company recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.
- (c) For restricted stocks where employees have to pay to acquire those stocks, if the Company will pay the employees who resign during the vesting period to repurchase the stocks, the Company estimates such payments that will be made and recognizes such amounts as compensation cost and liability at the grant date, in accordance with the terms of restricted stocks.

(29) 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 goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised 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 utilized. 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.

(30) Share capital

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

(31) Dividends

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

(32) Revenue recognition

- A. The Company researches and develops, manufactures and sells a range of printed circuit boards, electrical equipment, electronic products, and testing and burn-in systems for integrated circuit products. Sales are recognized when control of the products has transferred, being when the products are delivered to the distributor, the distributor has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the distributor's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the distributor, and either the distributor has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- B. Sales are recognized at contract price net of expected business tax, returns, rebates and discounts for the sale of a range of printed circuit boards, electrician equipment, electronic products, and testing and burn-in systems for integrated circuit products. Revenue arising from the sales of goods is recognized when the Company has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.
- C. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(33) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that

the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate.

(34) Business combinations

A. The Company uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

B. The excess of the consideration transferred, the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company'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 Company's accounting policies

Investment property

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

As of December 31, 2022, the carrying amount of inventories was \$7,814,797.

B. Impairment assessment of investments accounted for using equity method-associates

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

As of December 31, 2022, the Company's investments accounted for using equity method-associates amounted to \$1,824,970.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand	\$ 430	\$ 518
Checking accounts and demand deposits	4,455,079	13,308,679
Time deposits	24,739,646	5,506,864
Commercial paper	<u>3,948,109</u>	<u>6,113,187</u>
	33,143,264	24,929,248
Transferred to non-current financial assets at amortised cost	(<u>86,646</u>)	(<u>65,564</u>)
	<u>\$ 33,056,618</u>	<u>\$ 24,863,684</u>

- A. The Company 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 time deposits ranged from 0.10% to 1.45% and 0.07% to 0.76% as of December 31, 2022 and 2021, respectively. Certain time deposits have been pledged as collateral and were reclassified as "non-current financial assets at amortised cost".
- C. Interest rates on commercial paper ranged from 0.88% to 0.92% and 0.25% to 0.26% as of December 31, 2022 and 2021, respectively.
- D. Details of the Company'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>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 8,712	\$ 8,712
Derivatives	-	67,206
	<u>8,712</u>	<u>75,918</u>
Valuation adjustment	<u>8,388</u>	<u>19,968</u>
	<u>\$ 17,100</u>	<u>\$ 95,886</u>

<u>Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	\$ 2,780,447	\$ 2,760,447
Foreign closed-end funds	<u>89,648</u>	<u>89,648</u>
	<u>2,870,095</u>	<u>2,850,095</u>
Valuation adjustment	<u>2,986,206</u>	<u>5,067,612</u>
	<u>\$ 5,856,301</u>	<u>\$ 7,917,707</u>

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

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	(\$ 11,580)	\$ 22,572
Unlisted stocks	(2,061,055)	2,639,684
Foreign closed-end funds	(20,351)	(28,899)
Derivatives	(496,606)	270,152
	<u>(\$ 2,589,592)</u>	<u>\$ 2,903,509</u>

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

	December 31, 2022	
<u>Derivative instruments</u>	<u>Contract amount</u> <u>(notional principal)</u>	<u>Contract period</u>
Current items:		
Cross currency swap		
- Buy NTD sell EUR	EUR 24,800,000	2022.11.22~2023.02.22
- Buy NTD sell EUR	EUR 23,800,000	2022.10.26~2023.01.30
- Buy NTD sell EUR	EUR 6,460,000	2022.10.27~2023.01.30
- Buy NTD sell EUR	EUR 3,200,000	2022.10.31~2023.01.31
- Buy NTD sell USD	USD 20,000,000	2022.11.10~2023.02.10

	December 31, 2021	
<u>Derivative instruments</u>	<u>Contract amount</u> <u>(notional principal)</u>	<u>Contract period</u>
Current items:		
Cross currency swap		
- Buy NTD sell EUR	EUR 4,300,000	2021.10.14~2022.01.13
- Buy NTD sell EUR	EUR 2,500,000	2021.09.24~2022.01.13
- Buy NTD sell EUR	EUR 3,150,000	2021.11.05~2022.02.09
- Buy NTD sell EUR	EUR 4,500,000	2021.12.08~2022.03.08
- Buy NTD sell EUR	EUR 4,000,000	2021.09.08~2022.01.13
- Buy NTD sell EUR	EUR 30,000,000	2021.11.04~2022.02.09
- Buy NTD sell EUR	EUR 1,700,000	2021.12.22~2022.03.22
- Buy NTD sell USD	USD 20,000,000	2021.11.10~2022.02.10
- Buy NTD sell USD	USD 30,000,000	2021.12.16~2022.03.15
- Buy NTD sell USD	USD 10,000,000	2021.12.07~2022.03.07
- Buy NTD sell USD	USD 6,000,000	2021.11.10~2022.02.10
- Buy NTD sell USD	USD 20,000,000	2021.11.12~2022.02.14
- Buy NTD sell USD	USD 10,000,000	2021.12.13~2022.03.14
- Buy NTD sell USD	USD 15,000,000	2021.12.15~2022.03.15
- Buy NTD sell USD	USD 23,000,000	2021.10.18~2022.01.18

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>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 210	\$ 210
Accounts receivable	\$ 21,889,760	\$ 16,113,907
Less: Allowance for uncollectible accounts	(97,668)	(22,261)
	<u>\$ 21,792,092</u>	<u>\$ 16,091,646</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 21,844,982	\$ 16,065,686
1-30 days past due	21,784	34,497
31-60 days past due	4,573	1,569
61-90 days past due	10,022	911
Over 90 days past due	8,609	11,454
	<u>\$ 21,889,970</u>	<u>\$ 16,114,117</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables from contracts with customers amounted to \$10,132,307.

C. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were both \$210, and accounts receivable were \$21,792,092 and \$16,091,646, respectively.

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

(4) Other receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables due from related parties (loans to related parties) (Note 2)	\$ 3,653,288	\$ 6,113,521
Fire insurance claims receivable (Note 1)	705,163	1,400,174
Other receivables due from related parties (Note 2)	643,918	141,409
Others	228,993	169,145
	<u>\$ 5,231,362</u>	<u>\$ 7,824,249</u>

Note 1: Details of fire insurance claims receivable are provided in Note 6(8).

Note 2: Details of other receivables due from related parties are provided in Note 7.

(5) Inventories

	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Book value</u>
Raw materials	\$ 1,643,550	(\$ 179,493)	\$ 1,464,057
Work in progress	4,438,525	(1,098,846)	3,339,679
Finished goods	3,826,797	(815,736)	3,011,061
	<u>\$ 9,908,872</u>	<u>(\$ 2,094,075)</u>	<u>\$ 7,814,797</u>

	December 31, 2021		
	Cost	Allowance for valuation losses	Book value
Raw materials	\$ 1,991,877	(\$ 232,247)	\$ 1,759,630
Work in progress	3,499,843	(322,004)	3,177,839
Finished goods	2,099,220	(405,936)	1,693,284
	<u>\$ 7,590,940</u>	<u>(\$ 960,187)</u>	<u>\$ 6,630,753</u>

The cost of inventories recognized as expense for the year:

	Year ended December 31	
	2022	2021
Cost of goods sold	\$ 59,445,829	\$ 47,859,932
Loss on market value decline and obsolete and slow-moving inventories	1,447,568	337,011
Loss by fire (Note 1)	-	(127,450)
Others (Note 2)	1,506,344	1,240,238
	<u>\$ 62,399,741</u>	<u>\$ 49,309,731</u>

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

Note 2: Mainly pertain to cost differences resulting from low capacity utilization and revenue from sale of scrap or waste materials.

(6) Prepayments

	December 31, 2022	December 31, 2021
Prepaid insurance premiums	\$ 660,907	\$ 566,595
Excess business tax paid	476,417	420,530
Prepayment for material purchases	25,736	29,311
Others	627,210	519,033
	<u>\$ 1,790,270</u>	<u>\$ 1,535,469</u>

(7) Investments accounted for using equity method

<u>Investees</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries		
Hemingway Int'l Limited	\$ 10,205,780	\$ 7,891,046
UniBest Holding Limited	8,531,996	2,424,964
UMTC Holdings Limited	6,035,010	4,264,319
UniWonderful Holding Limited	1,321,356	–
Hsin Yang Investment Co., Ltd.	1,008,784	1,058,140
Qun Hong Technology Inc.	630,031	646,737
Asia Pacific Microsystems, Inc.	287,815	294,288
Others	246,435	114,267
	<u>28,267,207</u>	<u>16,693,761</u>
Associates		
Subtron Technology Co., Ltd. (Subtron Technology)	1,540,590	1,493,665
Advance Materials Corp. (Advance Materials) (Note)	204,050	222,919
Others	80,330	106,160
	<u>1,824,970</u>	<u>1,822,744</u>
	<u>\$ 30,092,177</u>	<u>\$ 18,516,505</u>
Credit balance of investments accounted for using equity method transferred to other non-current liabilities	<u>\$ 74,899</u>	<u>\$ 74,899</u>

Note: If the total ownership percentage in the voting equity of the investee by the Company and its subsidiaries exceeds 20% or is the largest among all shareholders, the investment is accounted for under the equity method.

- A. For information on the Company's subsidiaries, refer to Note 4(3) of the consolidated financial statements for the year ended December 31, 2022.
- B. For the years ended December 31, 2022 and 2021, the share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method recognized was \$5,828,885 and (\$627,388), respectively. For the year ended December 31, 2021, the financial statements of these entities were audited by auditors appointed by the Company with the exception of Subtron Technology.
- C. The Company has prepared consolidated financial statements for the years ended December 31, 2022 and 2021. Consolidated subsidiaries are entities which the Company effectively controls and owns, directly or indirectly, more than 50% of the equity.
- D. As of December 31, 2022 and 2021, unrealised gross (gains) losses from downstream sales in the amount of (\$5) and (\$391), respectively, were eliminated, and the amounts written off were recorded as deduction and addition to "investments accounted for using equity method".

E. The basic information of the associate that is material to the Company is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Method of measurement
		December 31, 2022	December 31, 2021		
Subtron Technology	Taiwan	30.40%	30.62%	Investment accounted for using equity method	Equity method

F. The summarized financial information of the associate that is material to the Company is as follows:

Balance sheet

	Subtron Technology	
	December 31, 2022	December 31, 2021
Current assets	\$ 2,281,039	\$ 3,166,952
Non-current assets	5,738,902	4,783,176
Current liabilities	(1,322,831)	(1,423,529)
Non-current liabilities	(1,923,938)	(1,970,544)
Total net assets	<u>\$ 4,773,172</u>	<u>\$ 4,556,055</u>
Share in associate's net assets	\$ 1,451,044	\$ 1,395,064
Difference on net value of equity	89,546	98,601
Carrying amount of the associate	<u>\$ 1,540,590</u>	<u>\$ 1,493,665</u>

Statement of comprehensive income

	Subtron Technology	
	Year ended December 31	
	2022	2021
Operating revenue	\$ 3,384,904	\$ 4,820,763
Profit for the year from continuing operations	147,574	593,860
Other comprehensive income, net of tax	350,161	280,453
Total comprehensive income	<u>\$ 497,735</u>	<u>\$ 874,313</u>

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

As of December 31, 2022 and 2021, the carrying amount of the Company's individually immaterial associates amounted to \$209,481 and \$254,180, respectively.

	Year ended December 31	
	2022	2021
Loss for the year from continuing operations	(\$ 409,133)	(\$ 64,428)
Other comprehensive income, net of tax	57,173	38,143
Total comprehensive loss	<u>(\$ 351,960)</u>	<u>(\$ 26,285)</u>

- H. The Company and its subsidiaries (collectively referred herein as the “Group”) are the single largest shareholders of Subtron Technology, Advance Materials and Yih Dar Technologies Co., Ltd. with a 31.95%, 24.14% and 26.67% 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 these investees, the Group has no control, but only has significant influence, over these investees.
- I. The Group is the single largest shareholder of Uniflex Technology with a 26.19% equity interest. Given that the voting rights obtained by the Group did not account for more than half of the total voting rights for attendance in the shareholders’ meetings in the past years, which indicates that the Group has no current ability to direct the relevant activities of Uniflex Technology, the Group has no control, but only has significant influence, over the investee.
- J. Unidisplay Holding Corp. completed the liquidation process in November 2022. The proceeds from capital reduction and loss on liquidation were \$1,765 and \$11,236, respectively.
- K. 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 changed 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, 2023 and November 22, 2022, respectively. Subtron Technology will become the wholly-owned subsidiary of the Company after the shares swap. Refer to Note 6 (35) for details of related subsequent share swap transaction.

(8) Property, plant and equipment

2022

	Land	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			
<u>At January 1</u>										
Cost	\$ 5,914,332	\$ 30,011,117	\$ 229,603	\$ 30,240,720	\$ 33,431,913	\$ 2,234	\$ 33,434,147	\$ 1,374,499	\$ 7,850,684	\$ 78,814,382
Accumulated depreciation	-	(16,110,017)	(89,333)	(16,199,350)	(13,680,116)	(2,234)	(13,682,350)	(835,043)	-	(30,716,743)
	<u>\$ 5,914,332</u>	<u>\$ 13,901,100</u>	<u>\$ 140,270</u>	<u>\$ 14,041,370</u>	<u>\$ 19,751,797</u>	<u>\$ -</u>	<u>\$ 19,751,797</u>	<u>\$ 539,456</u>	<u>\$ 7,850,684</u>	<u>\$ 48,097,639</u>
<u>At January 1</u>										
At January 1	\$ 5,914,332	\$ 13,901,100	\$ 140,270	\$ 14,041,370	\$ 19,751,797	\$ -	\$ 19,751,797	\$ 539,456	\$ 7,850,684	\$ 48,097,639
Additions	259,616	2,616,460	-	2,616,460	1,146,881	-	1,146,881	97,668	20,162,575	24,283,200
Disposals, net	(21,635)	-	-	-	(59,407)	-	(59,407)	(193)	-	(81,235)
Reclassifications	12,942	5,041,539	8,937	5,050,476	13,735,881	-	13,735,881	175,623	(18,848,813)	126,109
Depreciation	-	(2,195,533)	(10,005)	(2,205,538)	(5,157,178)	-	(5,157,178)	(179,330)	-	(7,542,046)
At December 31	<u>\$ 6,165,255</u>	<u>\$ 19,363,566</u>	<u>\$ 139,202</u>	<u>\$ 19,502,768</u>	<u>\$ 29,417,974</u>	<u>\$ -</u>	<u>\$ 29,417,974</u>	<u>\$ 633,224</u>	<u>\$ 9,164,446</u>	<u>\$ 64,883,667</u>
<u>At December 31, 2022</u>										
Cost	\$ 6,165,255	\$ 37,663,224	\$ 244,431	\$ 37,907,655	\$ 43,564,631	\$ 2,234	\$ 43,566,865	\$ 1,641,498	\$ 9,164,446	\$ 98,445,719
Accumulated depreciation	-	(18,299,658)	(105,229)	(18,404,887)	(14,146,657)	(2,234)	(14,148,891)	(1,008,274)	-	(33,562,052)
	<u>\$ 6,165,255</u>	<u>\$ 19,363,566</u>	<u>\$ 139,202</u>	<u>\$ 19,502,768</u>	<u>\$ 29,417,974</u>	<u>\$ -</u>	<u>\$ 29,417,974</u>	<u>\$ 633,224</u>	<u>\$ 9,164,446</u>	<u>\$ 64,883,667</u>

	Buildings and structures			Machinery and equipment			Transportation equipment and other equipment	Unfinished construction and equipment under acceptance	Total	
	Land	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease				Subtotal
<u>At January 1</u>										
Cost	\$ 4,800,226	\$ 22,277,229	\$ 190,773	\$ 22,468,002	\$ 28,734,378	\$ 2,234	\$ 28,736,612	\$ 959,618	\$ 9,126,897	\$ 66,091,355
Accumulated depreciation	-	(14,690,440)	(69,482)	(14,759,922)	(16,040,882)	(2,234)	(16,043,116)	(727,027)	-	(31,530,065)
Accumulated impairment	-	-	-	-	(49,954)	-	(49,954)	-	-	(49,954)
	<u>\$ 4,800,226</u>	<u>\$ 7,586,789</u>	<u>\$ 121,291</u>	<u>\$ 7,708,080</u>	<u>\$ 12,643,542</u>	<u>\$ -</u>	<u>\$ 12,643,542</u>	<u>\$ 232,591</u>	<u>\$ 9,126,897</u>	<u>\$ 34,511,336</u>
<u>At January 1</u>										
At January 1	\$ 4,800,226	\$ 7,586,789	\$ 121,291	\$ 7,708,080	\$ 12,643,542	\$ -	\$ 12,643,542	\$ 232,591	\$ 9,126,897	\$ 34,511,336
Additions	13,922	2,367,442	-	2,367,442	836,054	-	836,054	87,621	16,164,153	19,469,192
Derecognition after fire cleanup	-	(11,699)	-	(11,699)	(313,372)	-	(313,372)	(723)	(15,938)	(341,732)
Disposals, net	-	-	-	-	(33,855)	-	(33,855)	-	-	(33,855)
Reclassifications	1,100,184	5,413,497	24,687	5,438,184	10,609,507	-	10,609,507	344,422	(17,424,428)	67,869
Depreciation	-	(1,454,929)	(5,708)	(1,460,637)	(3,990,079)	-	(3,990,079)	(124,455)	-	(5,575,171)
At December 31	<u>\$ 5,914,332</u>	<u>\$ 13,901,100</u>	<u>\$ 140,270</u>	<u>\$ 14,041,370</u>	<u>\$ 19,751,797</u>	<u>\$ -</u>	<u>\$ 19,751,797</u>	<u>\$ 539,456</u>	<u>\$ 7,850,684</u>	<u>\$ 48,097,639</u>
<u>At December 31, 2021</u>										
Cost	\$ 5,914,332	\$ 30,011,117	\$ 229,603	\$ 30,240,720	\$ 33,431,913	\$ 2,234	\$ 33,434,147	\$ 1,374,499	\$ 7,850,684	\$ 78,814,382
Accumulated depreciation	-	(16,110,017)	(89,333)	(16,199,350)	(13,680,116)	(2,234)	(13,682,350)	(835,043)	-	(30,716,743)
	<u>\$ 5,914,332</u>	<u>\$ 13,901,100</u>	<u>\$ 140,270</u>	<u>\$ 14,041,370</u>	<u>\$ 19,751,797</u>	<u>\$ -</u>	<u>\$ 19,751,797</u>	<u>\$ 539,456</u>	<u>\$ 7,850,684</u>	<u>\$ 48,097,639</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:

	Year ended December 31	
	2022	2021
Amount capitalized	\$ 40,885	\$ 31,320
Range of the interest rates for capitalization	0.61%~1.43%	0.59%~0.89%

- 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	2~11 years
Transportation equipment and other equipment	Truck and fork lift	2~11 years

- C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.
- D. The Company owned a land located at Luzhu Dist., Taoyuan City for building a plant and the related facilities, with an area of 883 square meters, and the cost amounted to \$21,360. The land belongs to forest-floor, and the registration for the transfer cannot be completed. The Company has obtained other rights of the land for securing certain rights to this land. In addition, the Company sold the land in June 2022. Refer to table 6 for related transactions.
- E. 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 years ended December 31, 2022 and 2021, loss from fire incident amounted to \$0 and \$51,890, respectively. In addition, as of December 31, 2022 and 2021, insurance claims receivable amounted to \$705,163 and \$1,400,174, respectively (included in other receivables). As of December 31, 2022, the Company has received claims of \$1,615,578 from the insurance company, and continued negotiating with the insurance company with respect to the final settlement of the claims.

(9) Leasing arrangements — lessee

A. The Company leases various assets including land, buildings, machinery and equipment, transportation equipment and other equipment. Rental contracts are typically made for periods of 1 to 20 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>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 167,697	\$ 188,223
Buildings	611,071	675,519
Machinery and equipment	12,670	218,570
Transportation equipment and other equipment	10,234	12,131
	<u>\$ 801,672</u>	<u>\$ 1,094,443</u>

	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 27,925	\$ 23,475
Buildings	105,126	102,996
Machinery and equipment	20,507	43,308
Transportation equipment and other equipment	5,048	5,597
	<u>\$ 158,606</u>	<u>\$ 175,376</u>

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$65,674 and \$219,646, respectively.

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

	<u>December 31,</u>	<u>December 31,</u>
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 30,906	\$ 35,228
Expense on short-term lease contracts	55,373	56,745
Expense on leases of low-value assets	3,091	1,112
Expense on variable lease payments	491	388
Loss from sublease of right-of-use assets	704	680
Gain from lease modifications	-	876

E. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were \$344,268 and \$344,135, respectively.

F. Variable lease payments

Some of the Company's lease contracts contain variable lease payment terms that are linked to the usage amount of transportation 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 Company's lease contracts pertaining to land, buildings and structures and transportation equipment. These terms and conditions aim to maximise optional flexibility in terms of managing contracts.
- (b) In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(10) Leasing arrangements – lessor

- A. The Company leases various assets including land, buildings, machinery and equipment. Rental contracts are typically made for periods of 1 and 12 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 Company leases land, buildings and structures to others under finance lease. For the years ended December 31, 2022 and 2021, the amount of finance income from the net investment in the finance lease related to lease contracts was \$7,801 and \$8,606, respectively.
- C. The maturity analysis of the undiscounted lease payments under the finance leases is as follows:

	2022	2021
Less than one year	\$ 39,472	\$ 37,502
More than one year but not later than five years	173,862	169,531
Over five years	80,576	124,436
	<u>\$ 293,910</u>	<u>\$ 331,469</u>

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

	December 31, 2022	
	Current	Non-current
Undiscounted lease payments	\$ 39,472	\$ 254,438
Unearned finance income	(488)	(680)
Net investment in the lease	<u>\$ 38,984</u>	<u>\$ 253,758</u>

	<u>December 31, 2021</u>	
	<u>Current</u>	<u>Non-current</u>
Undiscounted lease payments	\$ 37,502	\$ 293,967
Unearned finance income	(603)	(1,168)
Net investment in the lease	<u>\$ 36,899</u>	<u>\$ 292,799</u>

E. For the years ended December 31, 2022 and 2021, the Company recognized rent income in the amount of \$90,841 and \$93,981, respectively, based on the operating lease agreements, which does not include variable lease payments.

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

	<u>2022</u>	<u>2021</u>
Less than one year	\$ 95,347	\$ 101,055
More than one year but not later than five years	236,193	269,255
Over five years	<u>100,716</u>	<u>133,571</u>
	<u>\$ 432,256</u>	<u>\$ 503,881</u>

(11) Investment property

	<u>2022</u>		
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1</u>			
Cost	\$ 596,690	\$ 783,199	\$ 1,379,889
Accumulated depreciation	-	(697,253)	(697,253)
	<u>\$ 596,690</u>	<u>\$ 85,946</u>	<u>\$ 682,636</u>
<u>2022</u>			
At January 1	\$ 596,690	\$ 85,946	\$ 682,636
Disposals, net	(171,430)	-	(171,430)
Reclassifications (Note)	(12,942)	-	(12,942)
Depreciation	-	(10,967)	(10,967)
At December 31	<u>\$ 412,318</u>	<u>\$ 74,979</u>	<u>\$ 487,297</u>
<u>At December 31</u>			
Cost	\$ 412,318	\$ 783,199	\$ 1,195,517
Accumulated depreciation	-	(708,220)	(708,220)
	<u>\$ 412,318</u>	<u>\$ 74,979</u>	<u>\$ 487,297</u>

	2021		
	Land	Buildings and structures	Total
<u>At January 1</u>			
Cost	\$ 664,559	\$ 783,199	\$ 1,447,758
Accumulated depreciation	-	(682,927)	(682,927)
	<u>\$ 664,559</u>	<u>\$ 100,272</u>	<u>\$ 764,831</u>
<u>2021</u>			
At January 1	\$ 664,559	\$ 100,272	\$ 764,831
Reclassifications (Note)	(67,869)	-	(67,869)
Depreciation	-	(14,326)	(14,326)
At December 31	<u>\$ 596,690</u>	<u>\$ 85,946</u>	<u>\$ 682,636</u>
<u>At December 31</u>			
Cost	\$ 596,690	\$ 783,199	\$ 1,379,889
Accumulated depreciation	-	(697,253)	(697,253)
	<u>\$ 596,690</u>	<u>\$ 85,946</u>	<u>\$ 682,636</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:

	Year ended December 31	
	2022	2021
Rental income from investment property	<u>\$ 29,368</u>	<u>\$ 40,144</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 66,288</u>	<u>\$ 64,628</u>

- B. The fair value of the investment property held by the Company as at December 31, 2022 and 2021 was \$2,358,970 and \$2,655,734 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.
- C. Information about the investment property that were pledged to others as collateral is provided in Note 8.

(12) Intangible assets

	2022		
	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
<u>At January 1</u>			
Cost	\$ 928,584	\$ 336,660	\$ 1,265,244
Accumulated amortization	(754,754)	(136,518)	(891,272)
	<u>\$ 173,830</u>	<u>\$ 200,142</u>	<u>\$ 373,972</u>
<u>2022</u>			
At January 1	\$ 173,830	\$ 200,142	\$ 373,972
Additions — acquired separately	234,333	112,114	346,447
Amortization	(168,110)	(96,220)	(264,330)
At December 31	<u>\$ 240,053</u>	<u>\$ 216,036</u>	<u>\$ 456,089</u>
<u>At December 31</u>			
Cost	\$ 1,162,917	\$ 448,774	\$ 1,611,691
Accumulated amortization	(922,864)	(232,738)	(1,155,602)
	<u>\$ 240,053</u>	<u>\$ 216,036</u>	<u>\$ 456,089</u>
	2021		
	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
<u>At January 1</u>			
Cost	\$ 738,695	\$ 114,966	\$ 853,661
Accumulated amortization	(606,072)	(86,967)	(693,039)
	<u>\$ 132,623</u>	<u>\$ 27,999</u>	<u>\$ 160,622</u>
<u>2021</u>			
At January 1	\$ 132,623	\$ 27,999	\$ 160,622
Additions — acquired separately	189,889	221,694	411,583
Amortization	(148,682)	(49,551)	(198,233)
At December 31	<u>\$ 173,830</u>	<u>\$ 200,142</u>	<u>\$ 373,972</u>
<u>At December 31</u>			
Cost	\$ 928,584	\$ 336,660	\$ 1,265,244
Accumulated amortization	(754,754)	(136,518)	(891,272)
	<u>\$ 173,830</u>	<u>\$ 200,142</u>	<u>\$ 373,972</u>

Details of amortization on intangible assets are as follows:

	Year ended December 31	
	2022	2021
Operating costs	\$ 195,188	\$ 151,401
Selling expenses	1,087	1,312
General and administrative expenses	20,902	7,166
Research and development expenses	47,153	38,354
	<u>\$ 264,330</u>	<u>\$ 198,233</u>

(13) Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank borrowings	\$ -	\$ 2,890,300
L/C borrowings	2,148,409	2,802,486
	<u>\$ 2,148,409</u>	<u>\$ 5,692,786</u>
Interest rate range	<u>0.65%~6.17%</u>	<u>0.58%~0.76%</u>
Undrawn borrowing facilities	<u>\$ 35,424,300</u>	<u>\$ 33,038,900</u>

As of December 31, 2022 and 2021, the Company issued guarantee notes in the amount of \$10,260,000 and US\$260,000,000 as well as \$8,560,000 and US\$390,000,000 for the aforementioned borrowings, respectively, except for the collateral stated in Note 8.

(14) Short-term notes and bills payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial paper payable	\$ 300,000	\$ 300,000
Less: Unamortized discount	-	(74)
	<u>\$ 300,000</u>	<u>\$ 299,926</u>
Issue rate	<u>1.42%</u>	<u>0.52%</u>
Undrawn borrowing facilities	<u>\$ 1,700,000</u>	<u>\$ 1,700,000</u>

The aforementioned commercial paper payable of the Company is guaranteed by International Bill Finance Corp.

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

<u>Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial liabilities held for trading		
Valuation adjustment	<u>\$ 11,584</u>	<u>\$ -</u>

Details of transaction nature and contract information of derivative financial instruments and the amount of net (loss) income recognized for the years ended December 31, 2022 and 2021 are provided in Note 6(2).

(16) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Employees' compensation and directors' remuneration	\$ 6,580,512	\$ 2,538,862
Payable on machinery and equipment	5,412,193	4,419,722
Salaries and bonuses payable	1,666,299	1,226,242
Others	4,532,697	4,289,880
	<u>\$ 18,191,701</u>	<u>\$ 12,474,706</u>

(17) Other current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease liabilities	168,723	289,901
Fund collected for the purchase of equipment on behalf of others (Note)	79,944	319,987
Others	104,782	97,018
	<u>\$ 353,449</u>	<u>\$ 706,906</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>December 31, 2022</u>	<u>December 31, 2021</u>
Bonds payable	\$ 11,000,000	\$ 8,000,000
Less: Discount on bonds payable	(9,193)	(8,077)
	<u>\$ 10,990,807</u>	<u>\$ 7,991,923</u>

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

Name	Issuance date	Period	Coupon rate	Original issue price	December 31, 2022
1 st issuance in 2020	2021.01.13	5 years	0.68	\$ 3,000,000	\$ 3,000,000
1 st issuance in 2021	2021.05.04	5 years	0.75	5,000,000	5,000,000
1 st issuance in 2022	2021.01.12	5 years	0.79	3,000,000	3,000,000
					<u>\$ 8,000,000</u>

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

(19) Long-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank borrowings	\$ 6,439,167	\$ 8,029,167
Commercial paper payable	3,100,000	3,100,000
Less: Unamortized discount	-	(396)
	9,539,167	11,128,771
Less: Current portion	(1,071,667)	(590,000)
	<u>\$ 8,467,500</u>	<u>\$ 10,538,771</u>
Interest rate range	<u>1.18%~1.45%</u>	<u>0.38%~0.70%</u>

A. The long-term borrowings listed above will mature between 2022 and 2028.

B. In 2021, the Company renewed commercial paper issuance agreements with companies including China Bills Finance Corporation (“Bills Finance Corp.”), who agreed to act as underwriters of

commercial paper issued by the Company. Under the terms of the agreement, the Company must issue commercial paper with maturity of 90 days or less in the contractual period. If the Company does not issue the full amount during the period the agreement is in effect, it is required to pay a commitment fee to the other party at an annual interest rate of 0.5%~0.7%. These agreements expire in January 2025, June 2025 and August 2025.

- C. In October 2019, the Company signed an agreement of loans for returning Taiwanese investors totaling \$2,000,000 with Taipei Fubon Bank. The loan period is five years from the date the credit is first used (April 23, 2020). The Company is required to maintain the following financial ratios for the duration of the agreement (calculated based on the annual and half-year consolidated financial statements):
- (a) Current ratio of 100% or more;
 - (b) Debt ratio not to exceed 150% (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders' equity less intangible assets);
 - (c) Interest coverage ratio of 4 or more (calculated as earnings before interest, taxes, depreciation and amortization divided by interest expense).
 - (d) Net tangible assets of not lower than \$40,000,000.

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 totalling \$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 more than 4 (calculated as earnings before interest, taxes, depreciation and amortization divided by interest expense).

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

- E. As of December 31, 2022 and 2021, the Company issued guarantee notes in the amount of \$11,612,000 and \$15,112,000 for the aforementioned borrowings, respectively, in addition to the collateral stated in Note 8.

(20) Other non-current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease liabilities	\$ 921,887	\$ 1,033,884
Accrued pension liabilities	504,454	650,012
Others	96,640	97,677
	<u>\$ 1,522,981</u>	<u>\$ 1,781,573</u>

(21) Pensions

A. (a) The Company has 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 contributes 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 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 will make contributions for the deficit by next March.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	\$ 1,240,423	\$ 1,340,145
Fair value of plan assets	(735,969)	(690,133)
Net defined benefit liability	<u>\$ 504,454</u>	<u>\$ 650,012</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
2022			
Balance at January 1	\$ 1,340,145	(\$ 690,133)	\$ 650,012
Current service cost	2,955	-	2,955
Interest expense (income)	<u>9,381</u>	<u>(4,831)</u>	<u>4,550</u>
	<u>1,352,481</u>	<u>(694,964)</u>	<u>657,517</u>
Remeasurements:			
Change in financial assumptions	(84,730)	-	(84,730)
Experience adjustments	<u>9,758</u>	<u>(52,872)</u>	<u>(43,114)</u>
	<u>(74,972)</u>	<u>(52,872)</u>	<u>(127,844)</u>
Pension fund contribution	-	(25,219)	(25,219)
Paid pension	<u>(37,086)</u>	<u>37,086</u>	<u>-</u>
Balance at December 31	<u>\$ 1,240,423</u>	<u>(\$ 735,969)</u>	<u>\$ 504,454</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2021			
Balance at January 1	\$ 1,404,342	(\$ 690,535)	\$ 713,807
Current service cost	3,581	-	3,581
Interest expense (income)	4,213	(2,071)	2,142
	<u>1,412,136</u>	<u>(692,606)</u>	<u>719,530</u>
Remeasurements:			
Change in demographic assumptions	1,495	-	1,495
Change in financial assumptions	(65,903)	-	(65,903)
Experience adjustments	30,449	(10,775)	19,674
	<u>(33,959)</u>	<u>(10,775)</u>	<u>(44,734)</u>
Pension fund contribution	-	(24,784)	(24,784)
Paid pension	(38,032)	38,032	-
Balance at December 31	<u>\$ 1,340,145</u>	<u>(\$ 690,133)</u>	<u>\$ 650,012</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

	Year ended December 31	
	2022	2021
Discount rate	1.30%	0.70%
Future salary increases	4.50%	4.50%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2022 and 2021.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 33,131)	\$ 34,383	\$ 30,201	(\$ 29,323)
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ 38,694)	\$ 40,241	\$ 35,365	(\$ 34,277)

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

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

- (f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2023 amount to \$24,985.
- (g) As of December 31, 2022, the weighted average duration of the retirement plan is 11 years.
- B. (a) Effective July 1, 2005, the Company has 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 contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2022 and 2021 were \$467,058 and \$411,767, respectively.

(22) Share-based payment

- A. For the years ended December 31, 2022 and 2021, the Company's share-based payment arrangements were as follows:
 - (a) Treasury stock transferred to employees

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

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

(b) Restricted stocks to employees

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

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

- A. After 15 months starting from the issuance date of new restricted stocks, employees could exercise 50% of vested shares.
- B. After 30 months starting from the issuance date of new restricted stocks, employees could exercise 50% of vested shares. Except for inheritance, aforementioned restricted stocks issued by the Company cannot be sold, pledged, transferred, granted to others, creates the thing with a right in rem, or other ways of disposal during the vesting period, but voting right and dividend right are not restricted on these stocks. When employees do not reach those conditions, the Company will repurchase at original issuance price and retire those shares. The aforementioned share-based payment arrangements all are equity-settled.

B. Details of the share-based payment arrangements are as follows:

(a) Treasury stock transferred to employees

	Year ended December 31			
	2022		2021	
	No. of rights of alienation (Shares in thousands)	Exercise price (in dollars)	No. of rights of alienation (Shares in thousands)	Exercise price (in dollars)
Rights of alienation outstanding at beginning of year	-	\$ -	149	\$ 16.41
Rights of alienation granted	-	-	7,705	37.94, 38.45 and 51.33
Rights of alienation exercised	-	-	(7,705)	37.94, 38.45 and 51.33
Rights of alienation expired	-	-	(149)	-
Rights of alienation outstanding at end of year	-	\$ -	-	\$ -
Rights of alienation exercisable	-	\$ -	-	\$ -

(b) Restricted stocks to employees

	2022		2021	
	No. of restricted stocks (Shares in thousands)	Exercise price (in dollars)	No. of restricted stocks (Shares in thousands)	Exercise price (in dollars)
	Employee restricted shares at beginning of year	-	\$ -	-
Shares granted	3,105	95.10	-	-
Shares vested	-	-	-	-
Shares repurchased	-	-	-	-
Employee restricted shares	3,105	\$ 95.10	-	\$ -

C. There was no rights of alienation outstanding as of December 31, 2022 and 2021.

D. As of December 31, 2022, the exercise price of restricted stocks to employees outstanding was NT\$95.10. The weighted-average remaining contractual period was 2.20 years.

E. The fair value of stock options granted is measured using the Black-Scholes option-pricing

model or value equation model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends (in dollars)	Risk-free interest rate	Fair value per unit (in dollars)
Third phase of the 8 th treasury stocks transferred to employees	2021.04.27	\$ 102.50	\$ 37.94	51.93%	0.04 years	\$ -	0.1500%	\$ 64.56
Fourth phase of the 8 th treasury stocks transferred to employees	2021.05.28	\$ 104.50	\$ 38.45	54.15%	0.04 years	\$ -	0.1300%	\$ 66.05
Fifth phase of the 8 th treasury stocks transferred to employees	2021.10.26	\$ 156.00	\$ 51.33	53.68%	0.03 years	\$ -	0.2300%	\$ 104.67
Restricted Stock to employees	2022.09.12	\$ 142.50	\$ 95.10	-	-	\$ -	-	\$ 47.40

E. Expenses arising from share-based payment transactions are shown below:

	Year ended December 31	
	2022	2021
Equity-settled	\$ 25,982	\$ 518,562

(23) Share capital

- A. As of December 31, 2022, the Company's authorized and paid-in capital were \$20,000,000 and \$14,783,653, respectively.
- B. On October 26, 2021, the Board of Directors resolved to retire 29,472,000 treasury shares amounting to \$294,720. The ratio of capital reduction was 1.96%. The registration of retirement of treasury shares was completed on December 3, 2021.

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

	Year ended December 31	
	2022	2021
At January 1	1,475,260,333	1,467,555,333
Treasury shares sold to employees	-	7,705,000
Issuance of restricted shares to employees	3,105,000	-
At December 31	1,478,365,333	1,475,260,333

- C. On June 15, 2022, the shareholders of the Company resolved to issue restricted shares to employees (refer to Note 6(22) for details). It was effective after applying 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 September 12, 2022, and the application was approved by the Ministry of Economic Affairs on October 19, 2022. The issuance contained 3,105 thousand common shares at an acquisition price of NT\$95.10 per share. The employee

restricted ordinary shares issued are subject to certain transfer restrictions before their vesting conditions are met. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares.

(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. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

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	2022										
	Share premium	Employee stock options	Expired employee stock options	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates and joint ventures accounted for using equity method	Net assets from merger	Treasury share transactions	Employee restricted shares	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	-	-	-	-	165,395	-	-	-	-	-	165,395
Changes in net assets of associates accounted for under equity method	-	-	-	-	-	38	-	-	-	-	38
Reversal of capital surplus - dividends not received by shareholders	-	-	-	-	-	-	-	-	-	(277)	(277)
Issuance of restricted shares to employees	-	-	-	-	-	-	-	-	394,999	-	394,999
Others	51	-	-	-	-	-	-	-	-	-	51
At December 31	\$ 6,222,199	\$ -	\$ 34,314	\$ 11,944	\$ 309,642	\$ 77,995	\$ 1,903,855	\$ 937,482	\$ 459,451	\$ -	\$ 9,956,882

	2021										
	Share premium	Employee stock options	Expired employee stock options	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates and joint ventures accounted for using equity method	Net assets from merger	Treasury share transactions	Employee restricted shares	Others	Total
At January 1	\$ 6,346,450	\$ 2,064	\$ 32,250	\$ 11,944	\$ 127,161	\$ 77,700	\$ 1,903,855	\$ 265,124	\$ 64,452	\$ 415	\$ 8,831,415
Share-based payments	-	518,562	-	-	-	-	-	-	-	-	518,562
Treasury shares sold to employees	-	(518,562)	-	-	-	-	-	691,086	-	-	172,524
Changes in ownership interests in subsidiaries	-	-	-	-	17,086	-	-	-	-	-	17,086
Changes in net assets of associates accounted for under equity method	-	-	-	-	-	257	-	-	-	-	257
Reversal of capital surplus - dividends not received by shareholders	-	-	-	-	-	-	-	-	-	(138)	(138)
Expired treasury shares	-	(2,064)	2,064	-	-	-	-	-	-	-	-
Retirement of treasury shares	(124,302)	-	-	-	-	-	-	(18,728)	-	-	(143,030)
At December 31	\$ 6,222,148	\$ -	\$ 34,314	\$ 11,944	\$ 144,247	\$ 77,957	\$ 1,903,855	\$ 937,482	\$ 64,452	\$ 277	\$ 9,396,676

(25) Retained earnings

- A. In accordance with the Articles of Incorporation of the Company, earnings is distributed in the following order:
- (a) Payment of taxes.
 - (b) Covering accumulated deficit.
 - (c) Set aside 10% of the remaining earnings as legal reserve; however this is not required if total legal reserve equals total paid-in capital.
 - (d) Set aside or reverse special reserve in accordance with relevant laws and regulations or as required by the competent authority.
 - (e) The distribution of the remaining amount, plus unappropriated earnings from prior years, shall be proposed by the Board of Directors and resolved by shareholders in their general meeting.
- B. The Company's dividend policy is carried out in accordance with the amended Articles of Incorporation, which take into account the Company's current and future investment environment, capital needs, domestic and foreign competition, and capital budget, along with shareholders' interests and the balance between dividends and long-term financial plans of the Company. Pursuant to existing regulations, the Board of Directors prepares an earnings distribution proposal every year and submits it to the shareholders for approval. The Company's dividend policy is as follows: taking into consideration the Company's future expansion plans and capital needs while operating in the high-tech electronics industry, cash dividends shall account for at least 10% of total dividends distributed, and no more than 90% of the Company's distributable earnings shall be appropriated as dividends.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. (a) The appropriations of 2021 and 2020 earnings as resolved by the shareholders during their meeting on June 15, 2022 and August 12, 2021, respectively, are as follows:

	Year ended December 31			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 1,324,471		\$ 543,158	
Appropriation of special reserve	(217,688)		(311,076)	
Cash dividends	<u>5,015,885</u>	\$ 3.40	<u>2,054,577</u>	\$ 1.40
	<u>\$ 6,122,668</u>		<u>\$ 2,286,659</u>	

(b) The appropriations of 2022 earnings as proposed by the Board of Directors during its meeting on February 21, 2023 are as follows:

	2022	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 2,975,047	
Special reserve	304,886	
Cash dividends	<u>12,190,426</u>	\$ 8.00
	<u>\$ 15,470,359</u>	

As of February 21, 2023, the above stated appropriation of 2022 earnings has not yet been resolved by the shareholders.

(26) Operating revenue

A. Disaggregation of revenue from contracts with customers

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

<u>2022</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$33,033,410</u>	<u>\$64,593,860</u>	<u>\$ 2,171,947</u>	<u>\$ 378,649</u>	<u>\$ 100,177,866</u>
Timing of revenue recognition					
At a point in time	<u>\$33,033,410</u>	<u>\$64,593,860</u>	<u>\$ 2,171,947</u>	<u>\$ 378,649</u>	<u>\$ 100,177,866</u>
<u>2021</u>	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$20,413,134</u>	<u>\$47,585,976</u>	<u>\$ 1,114,610</u>	<u>\$ 224,119</u>	<u>\$ 69,337,839</u>
Timing of revenue recognition					
At a point in time	<u>\$20,413,134</u>	<u>\$47,585,976</u>	<u>\$ 1,114,610</u>	<u>\$ 224,119</u>	<u>\$ 69,337,839</u>

B. Contract liabilities

The Company has recognized the following revenue-related contract assets and liabilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2020</u>
Contract liabilities			
– advance sales receipts	\$ 30,487,026	\$ 24,008,498	\$ 2,916,406

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

	<u>2022</u>	<u>2021</u>
Operating revenue	\$ 2,358,858	\$ 344,239

As of December 31, 2022 and 2021, certain letters of credit guaranteed by a bank for the abovementioned contract liabilities amounted to USD 102,297 thousand and USD 87,431 thousand, respectively.

(27) Other income and expenses-net

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Rental income from investment property	\$ 29,368	\$ 40,144
Depreciation on investment property	(10,967)	(14,326)
Other income and expenses, net	(7,729)	56,663
	<u>\$ 10,672</u>	<u>\$ 82,481</u>

(28) Other income

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Dividend income	\$ 189,318	\$ 164,709
Rental revenue	61,473	53,837
Income from fire claims	17,109	41,291
Revenue from sale of scraps	-	135,820
Miscellaneous income	613,524	129,065
	<u>\$ 881,424</u>	<u>\$ 524,722</u>

(29) Other gains and losses

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Net currency exchange gains (losses)	\$ 2,489,992	(\$ 232,327)
Net gains (losses) on disposal of property, plant and equipment	599,972	(8,540)
Net (losses) gains on financial assets or liabilities at fair value through profit or loss	(2,589,592)	2,903,509
Gain from lease modifications	-	876
Miscellaneous disbursements	(9,663)	(8,288)
	<u>\$ 490,709</u>	<u>\$ 2,655,230</u>

(30) Finance costs

	Year ended December 31	
	2022	2021
Interest expense - bank borrowings	\$ 103,031	\$ 129,579
Interest expense - bonds	80,592	44,532
Interest expense - lease transactions	30,906	35,228
Bill handling fee	20,328	24,582
Amortization of discount on bonds	2,634	1,498
Others	22	21
	<u>237,513</u>	<u>235,440</u>
Less: Capitalization of qualifying assets	(40,885)	(31,320)
	<u>\$ 196,628</u>	<u>\$ 204,120</u>

(31) Expenses by nature

	Year ended December 31	
	2022	2021
Employee benefit expense	\$ 19,603,417	\$ 14,335,093
Depreciation charges on property, plant and equipment (including investment property and right-of-use assets)	7,711,619	5,764,873
Amortization charges on intangible assets	264,330	198,233
	<u>\$ 27,579,366</u>	<u>\$ 20,298,199</u>

(32) Employee benefit expense

	Year ended December 31	
	2022	2021
Salary expenses	\$ 17,394,433	\$ 12,368,625
Labour and health insurance fees	1,105,266	964,497
Pension and severance pay	500,393	433,445
Other personnel expenses	603,325	568,526
	<u>\$ 19,603,417</u>	<u>\$ 14,335,093</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 years ended December 31, 2022 and 2021, employees' compensation was accrued at \$6,492,879 and \$2,490,449, respectively; while directors' remuneration was accrued at \$29,794 and \$29,472, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration for 2022 as resolved by the Board of Directors were \$5,951,876 and \$29,970, respectively, and the employees' compensation will be distributed in the form of cash.

For 2021, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$2,324,419 and \$29,472 respectively. The difference of (\$166,030)

between the amounts resolved by the Board of Directors and the amounts recognized in the 2021 financial statements had been adjusted in the profit or loss for 2022. The employees' compensation will be distributed in the form of cash.

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

(33) Income tax

A. Income tax expense

Components of income tax expense:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Current tax:		
Current tax on profits for the year	\$ 6,323,046	\$ 2,654,266
Prior year income tax over estimation	(40,561)	(2,568)
Total current tax	6,282,485	2,651,698
Deferred tax:		
Origination and reversal of temporary differences	859,316	52,469
Income tax expense	<u>\$ 7,141,801</u>	<u>\$ 2,704,167</u>

B. Reconciliation between income tax expense and accounting profit

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Income tax calculated by applying statutory rate to the profit before tax	\$ 7,392,623	\$ 3,195,285
Effects from items disallowed by tax regulation	(101,259)	(396,832)
Prior year income tax over estimation	(40,561)	(2,568)
Effect from investment tax credits	(109,002)	(91,718)
Income tax expense	<u>\$ 7,141,801</u>	<u>\$ 2,704,167</u>

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

		2022			
		January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:					
– Deferred tax assets:					
Allowance for inventory valuation losses	\$	192,037	\$ 226,778	\$ -	\$ 418,815
Estimated sales discounts and allowances		17,635	25,842	-	43,477
Long-term investment losses		430,242	(430,242)	-	-
Others		<u>65,673</u>	<u>33,269</u>	<u>-</u>	<u>98,942</u>
		<u>705,587</u>	<u>(144,353)</u>	<u>-</u>	<u>561,234</u>
– Deferred tax liabilities:					
Long-term investment gain		-	(728,738)	-	(728,738)
Others		<u>(50,116)</u>	<u>13,775</u>	<u>-</u>	<u>(36,341)</u>
		<u>(50,116)</u>	<u>(714,963)</u>	<u>-</u>	<u>(765,079)</u>
	\$	<u>655,471</u>	(\$ <u>859,316</u>)	\$ <u>-</u>	(\$ <u>203,845</u>)
		2021			
		January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:					
– Deferred tax assets:					
Allowance for inventory valuation losses	\$	182,782	\$ 9,255	\$ -	\$ 192,037
Estimated sales discounts and allowances		15,317	2,318	-	17,635
Long-term investment losses		478,556	(48,314)	-	430,242
Others		<u>75,989</u>	<u>(10,316)</u>	<u>-</u>	<u>65,673</u>
		<u>752,644</u>	<u>(47,057)</u>	<u>-</u>	<u>705,587</u>
– Deferred tax liabilities:					
Others		<u>(44,704)</u>	<u>(5,412)</u>	<u>-</u>	<u>(50,116)</u>
	\$	<u>707,940</u>	(\$ <u>52,469</u>)	\$ <u>-</u>	\$ <u>655,471</u>

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

	December 31, 2022	December 31, 2021
Deductible temporary differences	\$ <u>415,616</u>	\$ <u>433,514</u>

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(34) Earnings per share

	<u>Year ended December 31, 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	<u>\$ 29,618,505</u>	<u>1,475,260</u>	<u>\$ 20.08</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 29,618,505	1,475,260	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		59,188	
Employee restricted shares		<u>812</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 29,618,505</u>	<u>1,535,260</u>	<u>\$ 19.29</u>
		<u>Year ended December 31, 2021</u>	
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 13,222,256</u>	<u>1,472,051</u>	<u>\$ 8.98</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 13,222,256	1,472,051	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		<u>12,244</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 13,222,256</u>	<u>1,484,295</u>	<u>\$ 8.91</u>

(35) Business combinations

- A. On January 6, 2023, the Company acquired the remaining 68.05% equity interest of 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 specializes 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 summarizes 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>December 31, 2022</u>
Purchase consideration	
Equity instruments	\$ 5,407,106
Fair value of equity interest in Subtron Company 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 and cash equivalents	1,344,347
Accounts and notes receivable (including related parties), net	516,566
Inventories	387,871
Non-current financial assets at fair value through other comprehensive income	77,074
Investments accounted for using equity method	1,501,871
Property, plant and equipment	5,347,724
Investment property - net	879,727
Intangible assets	411,791
Other net assets	62,969
Bank borrowings	(1,992,408)
Accounts payable	(239,508)
Other accounts payable	(753,916)
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.
- D. The fair value of the acquired identifiable intangible assets was \$411,791 (including patents).
- E. The Company recognized a gain of \$933,115 as a result of measuring at fair value its 31.95% equity interest in Subtron Technology held before the business combination.

(36) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31	
	2022	2021
Acquisition of property, plant and equipment	\$ 24,283,200	\$ 19,469,192
Add: Opening balance of payable on equipment	4,419,722	3,711,190
Opening balance of notes payable	67,000	-
Less: Ending balance of payable on equipment	(5,412,193)	(4,419,722)
Ending balance of notes payable	-	(67,000)
Cash paid during the year	<u>\$ 23,357,729</u>	<u>\$ 18,693,660</u>

(37) Changes in liabilities from financing activities

	Short-term borrowings	Short-terms notes and bills payable	Bonds payable	Long-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1, 2022	\$ 5,692,786	\$ 299,926	\$ 7,991,923	\$ 11,128,771	\$ 1,323,785	\$ 26,437,191
Changes in cash flow from financing activities	(3,544,377)	74	2,996,250	(1,590,000)	(252,720)	(2,390,773)
Changes in other non-cash items	-	-	2,634	396	19,545	22,575
At December 31, 2022	<u>\$ 2,148,409</u>	<u>\$ 300,000</u>	<u>\$ 10,990,807</u>	<u>\$ 9,539,167</u>	<u>\$ 1,090,610</u>	<u>\$ 24,068,993</u>
						Liabilities from financing activities - gross
At January 1, 2021	\$ 5,842,811	\$ -	\$ -	\$ 22,227,535	\$ 1,365,466	\$ 29,435,812
Changes in cash flow from financing activities	(150,025)	299,926	7,990,425	(11,098,764)	(251,117)	(3,209,555)
Changes in other non-cash items	-	-	1,498	-	209,436	210,934
At December 31, 2021	<u>\$ 5,692,786</u>	<u>\$ 299,926</u>	<u>\$ 7,991,923</u>	<u>\$ 11,128,771</u>	<u>\$ 1,323,785</u>	<u>\$ 26,437,191</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Hemingway Int'l Limited	The Company's subsidiary
UMTC Holdings Limited (UMTC)	The Company's subsidiary
Neoconix, Inc	The Company's subsidiary
Hsin Yang Investment Corp. (Hsin Yang)	The Company's subsidiary
UniFresh, Inc.	The Company's subsidiary
Qun Hong Technology Inc. (Qun Hong)	The Company's subsidiary
UniBest Holding Limited (UniBest)	The Company's subsidiary
Unidisplay Holding Corp.	The Company's subsidiary
Apm Communication, Inc.	The Company's subsidiary
Asia Pacific Microsystems, Inc.	The Company's subsidiary
UniWonderful Holding Limited (UniWonderful)	The Company's subsidiary
Plato Electronics (Cayman) Limited	The Company is its ultimate parent company
Smart Idea Holdings Limited (SI)	The Company is its ultimate parent company
UniRuwel Holding Limited	The Company is its ultimate parent company
UniSmart Holding Limited	The Company is its ultimate parent company
Best Option Investments Limited	The Company is its ultimate parent company
Unimicron JAPAN Co, Ltd. (U JAPAN)	The Company is its ultimate parent company
Unimicron Germany GmbH (U Germany)	The Company is its ultimate parent company
Unimicron Holding Limited (UHL)	The Company is its ultimate parent company
Unidisplay Trading Corp.	The Company is its ultimate parent company
UniGreat Holding Limited	The Company is its ultimate parent company
Unimicron (KS)Trading Ltd. (UKST)	The Company is its ultimate parent company
Unimicron (SZ)Trading Ltd. (USZT)	The Company is its ultimate parent company
Unimicron Technology (KunShan) Corp. (Unimicron Technology (KunShan))	The Company is its ultimate parent company
Unimicron-FPC Technology (Kunshan) Inc (Unimicron-FPC Technology (Kunshan))	The Company is its ultimate parent company
UniCuisine, Inc.	The Company is its ultimate parent company
Unimicron Technology (ShenZhen) Corp.	The Company is its ultimate parent company

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Unimicron Technology (SuZhou) Corp. (Unimicron Technology (SuZhou))	The Company is its ultimate parent company
Unimicron Technology (Huangshi) Corp. (Unimicron Technology (Huangshi))	The Company is its ultimate parent company
Unimicron-Carrier Technology (Huangshi) Inc.	The Company is its ultimate parent company
Unimicron Touch (ShenZhen) Corp.	The Company is its ultimate parent company (Note 2)
Yih Dar Technologies Co., Ltd.	The Company's investee
United Microelectronics Corp. (UMC)	The Company's director
3D Circuit Taiwan Company Ltd.	The Company is its director (Note 1)
Advance Materials Corp. (Advance Materials)	The Company is its director
Emax Technology Co., Ltd.	The Company is its director
Faraday Technology Corp.	The Company is its director
Yann Yuan Investment Co., Ltd.	The Company is its director
Unistars Technology Co., Ltd.	The Company is its director (Note 1)
Unipoint Technology Co., Ltd. (Unipoint Technology)	The Company is its director
Topoint Technology Co., Ltd.	Unipoint Technology Co., Ltd.'s parent
Uniflex Technology Inc.	Same chairmain
Subtron Technology Co., Ltd. (Subtron)	Same chairmain
Unted Semiconductor (Xiamen) Co., Ltd.	Within the same group as UMC
Shieh Yong Investment Co., Ltd.'s stocks (Shieh Yong)	The Company's management is this company's supervisor

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

Note 2: The liquidation was completed in January 2022, and there were no related party transactions during the period.

(2) Significant related party transactions

A. Operating revenue and Processing revenue:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
— Subsidiaries	\$ 823,541	\$ 645,873
— Other related parties and its subsidiaries	12,551	11,284
— Key management personnel of the Company	5,985	14,888
— Key management personnel of the entities	-	173
	<u>\$ 842,077</u>	<u>\$ 672,218</u>

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

B. Purchases and processing cost:

	Year ended December 31	
	2022	2021
Purchases:		
– Subsidiaries		
UKST	\$ 4,170,713	\$ 2,912,504
UHL	3,759,376	2,283,507
Others	1,273,550	950,553
– Key management personnel of the entities and its subsidiaries	205,082	121,391
– Other related parties and its subsidiaries	1,320	1,354
– Associates	141	221
	<u>\$ 9,410,182</u>	<u>\$ 6,269,530</u>
Processing cost:		
– Subsidiaries		
Qun Hong	\$ 523,826	\$ 251,103
– Key management personnel of the entities and its subsidiaries	164,953	245,673
– Other related parties and its subsidiaries	17,100	1,583
– Associates	17	20
	<u>\$ 705,896</u>	<u>\$ 498,379</u>

Certain goods and processing services are purchased based on normal commercial terms and conditions. Payments are settled by 60 to 150 days after acceptance.

C. Receivables from related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable:		
– Subsidiaries	\$ 153,196	\$ 259,844
– Key management personnel of the Company	3,725	-
– Other related parties and its subsidiaries	2,840	1,151
	<u>\$ 159,761</u>	<u>\$ 260,995</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables:		
– Subsidiaries (Excluding the principles of loans to others)	\$ 637,921	\$ 134,022
– Key management personnel of the entities and its subsidiaries	5,786	6,012
– Associates	188	197
– Other related parties and its subsidiaries	23	1,178
	<u>\$ 643,918</u>	<u>\$ 141,409</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Finance lease receivables (shown as other non-current assets):		
– Subsidiaries— Qun Hong	\$ 241,349	\$ 276,861

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

(b) Information on loans to related parties is provided in Note 7(2) G.

D. Payables to related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
– Subsidiaries		
UKST	\$ 1,422,796	\$ 669,401
UHL	985,273	660,105
Others	449,575	311,588
– Key management personnel of the entities and its subsidiaries	127,094	146,630
– Other related parties and its subsidiaries	<u>11,517</u>	<u>317</u>
	<u>\$ 2,996,255</u>	<u>\$ 1,788,041</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables:		
– Subsidiaries	\$ 169,965	\$ 82,945
– Key management personnel of the entities and its subsidiaries	29,517	24,463
– Other related parties and its subsidiaries	434	7,317
– Associates	<u>20</u>	<u>216</u>
	<u>\$ 199,936</u>	<u>\$ 114,941</u>

E. Property transactions

(a) Disposal of property, plant and equipment

	<u>Year ended December 31, 2022</u>		<u>Year ended December 31, 2021</u>	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
– Other related parties and its subsidiaries	\$ 42,827	\$ 4,681	\$ -	\$ -
– Subsidiaries	<u>11,346</u>	<u>2,896</u>	<u>23,665</u>	<u>3,657</u>
	<u>\$ 54,173</u>	<u>\$ 7,577</u>	<u>\$ 23,665</u>	<u>\$ 3,657</u>

(b) Acquisition of property, plant and equipment

	Year ended December 31	
	2022	2021
— Subsidiaries	\$ 319,122	\$ 177,802
— Key management personnel of the entities	46,140	-
	<u>\$ 365,262</u>	<u>\$ 177,802</u>

(c) Acquisition of financial assets:

			Year ended December 31, 2022	
	Accounts	No. of shares	Objects	Consideration
The Company	Investments accounted for using equity method	147,000,000	UniBest	\$ 4,544,868
The Company	Investments accounted for using equity method	43,000,000	UniWonderful	1,320,853
				<u>\$ 5,865,721</u>
			Year ended December 31, 2021	
	Accounts	No. of shares	Objects	Consideration
The Company	Investments accounted for using equity method	29,150,000	UniBest	\$ 811,438
The Company	Investments accounted for using equity method	18,248,175	UMTC	503,200
The Company	Investments accounted for using equity method	1,650,000	Hsin Yang	8,811
				<u>\$ 1,323,449</u>

(d) Acquisition of other assets:

		Year ended December 31	
		2022	2021
	Accounts	Consideration	Consideration
— Subsidiaries	Intangible assets	\$ 2,700	\$ -

F. Lease transactions - lease

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

(b) Acquisition of right-of-use asset

	Year ended December 31	
	2022	2021
— Subtron	\$ -	\$ 145,544

(c) Rent expense

	Year ended December 31	
	2022	2021
Rent expense		
— Key management personnel of the entities	\$ 26	\$ 24

(d) Lease liabilities

A. Outstanding balance

	December 31, 2022	December 31, 2021
— Other related parties	\$ 125,916	\$ 139,633

B. Interest expense

	Year ended December 31	
	2022	2021
— Other related parties	\$ 3,009	\$ 2,452
— Subsidiaries	-	174
	\$ 3,009	\$ 2,626

G. Loans to /from related parties:

Loans to related parties

(a) Outstanding balance

	December 31, 2022	December 31, 2021
— Subsidiaries		
U Germany	\$ 1,912,016	\$ 1,582,889
U JAPAN	1,121,132	822,852
SI	620,140	2,019,910
Unimicron Technology (Huangshi)	-	1,106,800
Others	-	581,070
	\$ 3,653,288	\$ 6,113,521

(b) Interest income

	Year ended December 31	
	2022	2021
— Subsidiaries		
SI	\$ 37,974	\$ 28,548
U Germany	23,486	16,252
Unimicron-FPC Technology (Kunshan)	-	14,432
Others	28,643	33,451
	\$ 90,103	\$ 92,683

The loans to subsidiaries are repayable based on the agreement and carry interest at 1.10%~3.70% and 1.10%~1.40% per annum for the years ended December 31, 2022 and 2021, respectively.

H. Other income and expenses

	Year ended December 31	
	2022	2021
Rent income		
– Subsidiaries		
Qun Hong	\$ 17,932	\$ 28,709
Others	1,672	1,644
– Key management personnel of the entities		
Advance Materials	11,587	11,799
– Associates	5,416	5,416
	<u>\$ 36,607</u>	<u>\$ 47,568</u>
	Year ended December 31	
	2022	2021
Miscellaneous income		
– Subsidiaries		
UHL	\$ 241,581	\$ 11,492
UKST	120,987	128
USZT	105,504	128
Others	70,206	1,342
– Associates		
Shieh Yong	99,661	-
Others	129	116
– Key management personnel of the entities	44,415	48,839
– Other related parties	5,413	1,980
	<u>\$ 687,896</u>	<u>\$ 64,025</u>

(a) The rentals are received or paid monthly, and the price is mutually agreed by both parties.

(b) Miscellaneous income arise from the services provided to associates, dividend income or other miscellaneous income.

I. Endorsements and guarantees provided to related parties

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

	December 31, 2022	December 31, 2021
Unimicron-FPC Technology (Kunshan)	\$ 2,548,100	\$ 2,351,950
UHL	-	553,400
Unimicron Technology (SuZhou)	153,500	1,037,625
Unimicron Technology (KunShan)	-	311,288
Unimicron Technology (Huangshi)	2,456,000	1,262,444
Unimicron Technology (Shenzhen)	614,000	-

(3) Key management compensation

	Year ended December 31	
	2022	2021
Salaries and other short-term employee benefits	\$ 1,011,061	\$ 398,203
Share-based payment	7,765	116,552
	<u>\$ 1,018,826</u>	<u>\$ 514,755</u>

8. PLEGGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2022	December 31, 2021	
Time deposit (non-current financial assets at amortized cost)	\$ 86,646	\$ 65,564	Customs duty guarantee, guarantee for bonded factory and guarantee for gas consumption used in production
Land	565,671	565,671	Long and short-term borrowings
Building and structures	3,339,551	1,326,861	Long and short-term borrowings
Investment property—Land	52,315	52,315	Short-term borrowings
Investment property—Building and structures	11,193	13,629	Short-term borrowings
	<u>\$ 4,055,376</u>	<u>\$ 2,024,040</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of December 31, 2022 and 2021, the Company has applied for non-cancellable letters of credit.

The letters of credit for the purchase of raw materials and equipment not yet imported amounted to \$2,139,554 and \$3,377,877, respectively.

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

	December 31, 2022	December 31, 2021
Property, plant and equipment	<u>\$ 2,546,027</u>	<u>\$ 3,836,864</u>

10. SIGNIFICANT DISASTER LOSS

Details of fire incidents of the Company in 2022 and 2021 are provided in Notes 6(5) and 6(8).

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

A. On January 6, 2023, the Company issued new shares to acquire the remaining 68.05% equity interest in Subtron Technology. Refer to Note 6(35) for details.

B. The appropriations of 2022 earnings as resolved by the Board of Directors on February 21, 2023 is provided in Note 6(25)E.(b).

C. On February 21, 2023, the Board of Directors of the Company resolved to issue new employee restricted stocks to employees. However, as of February 21, 2023, issuance has not yet been approved by the shareholders.

- D. In line with the Group's business development plans, on February 21, 2023, the Board of Directors of the Company resolved to increase capital in UniWonderful in the amount of USD 45,000 thousand.
- E. In line with the Group's business development plans, on February 21, 2023, the Board of Directors of the Company approved to increase capital in UniBest in the amount of USD 46,200 thousand.
- F. As the actual method of acquiring 10,000 thousand shares of the subsidiary, Ugermany, was different from the method of acquisition as resolved by the Board of Directors on October 25, 2022, the Company's Board of Directors during its meeting on February 21, 2023, approved another resolution to indirectly acquire equity interest in Ugermany for a total consideration of EUR 10,000 thousand.
- G. To integrate the operational needs and to adjust the organizational structure of the Group, on February 21, 2023, the Company's Board of Directors approved to carry out a short-form merger with the subsidiary, Qun Hong Technology, whose shares were 91.41% directly held by the Company. The effective date was set on July 1, 2023.

12. OTHERS

(1) Capital management

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

During the year ended December 31, 2022, the Company's strategy was unchanged from 2021. The gearing ratios at December 31, 2022 and 2021 were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total borrowings	\$ 22,978,383	\$ 25,113,406
Less: Cash and cash equivalents	(33,056,618)	(24,863,684)
Net debt	(10,078,235)	249,722
Total equity	<u>85,734,519</u>	<u>60,713,562</u>
Total capital	<u>\$ 75,656,284</u>	<u>\$ 60,963,284</u>
Gearing ratio	<u>-</u>	<u>0.41%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	\$ 5,873,401	\$ 8,013,593
Financial assets at amortized cost (Note)	<u>60,326,689</u>	<u>49,106,348</u>
	<u>\$ 66,200,090</u>	<u>\$ 57,119,941</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss	\$ 11,584	\$ -
Financial liabilities at amortized cost (Note)	49,661,082	45,790,407
Lease liability	<u>1,090,610</u>	<u>1,323,785</u>
	<u>\$ 50,763,276</u>	<u>\$ 47,114,192</u>

Note: Financial assets at amortised cost include cash and cash equivalents, notes and accounts receivable, net (including related parties), other receivables 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

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company hedges foreign exchange rate by using forward exchanges and interest rate swaps. However, the Company does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Notes 6(2) and 6(15).
- ii. The Company's sales are primarily denominated in USD, and its purchases are denominated in NTD and RMB, as well as USD, JPY, 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 and interest rate exchange.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities

denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2022			
(Foreign currency: functional currency)	Foreign currency amount		Book value (NTD)
	(In thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 792,076	30.70	\$ 24,316,733
JPY:NTD	9,838,328	0.2326	2,288,395
EUR:NTD	59,639	32.74	1,952,581
RMB:NTD	172,991	4.4048	761,991
<u>Non-monetary items</u>			
<u>Investments accounted for using equity method</u>			
USD:NTD	855,487	30.70	26,263,459
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	193,216	30.70	5,931,731
JPY:NTD	10,565,554	0.2326	2,457,548
December 31, 2021			
(Foreign currency: functional currency)	Foreign currency amount		Book value (NTD)
	(In thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,089,928	27.67	\$ 30,158,308
JPY:NTD	10,764,559	0.2406	2,589,953
EUR:NTD	54,313	31.33	1,701,626
RMB:NTD	91,213	4.3441	396,238
<u>Non-monetary items</u>			
<u>Investments accounted for using equity method</u>			
USD:NTD	529,286	27.67	14,645,330
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	267,420	27.67	7,399,511
JPY:NTD	12,189,996	0.2406	2,932,913
EUR:NTD	8,537	31.33	267,464

- iv. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years

ended December 31, 2022 and 2021 amounted to \$2,489,992 and (\$232,327), respectively.

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

(Foreign currency: functional currency)	Year ended December 31, 2022		
	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%	\$ 194,533	\$ -
JPY:NTD	1%	18,307	-
EUR:NTD	1%	15,621	-
RMB:NTD	1%	6,096	-
<u>Non-monetary items</u>			
<u>Investments accounted for using equity method</u>			
USD:NTD	1%	-	210,108
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	47,454	-
JPY:NTD	1%	19,660	-
<u>Year ended December 31, 2021</u>			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 241,266	\$ -
JPY:NTD	1%	20,720	-
EUR:NTD	1%	13,613	-
RMB:NTD	1%	3,170	-
<u>Non-monetary items</u>			
<u>Investments accounted for using equity method</u>			
USD:NTD	1%	-	117,163
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	59,196	-
JPY:NTD	1%	23,463	-
EUR:NTD	1%	2,140	-

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio and invests in the familiar industries.
- ii. The Company's investments in equity securities comprise shares and closed-end funds issued by the domestic or foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased by \$46,987 and \$63,571, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

The Company 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 \$116,876 in the cash outflow.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.
- ii. The Company manages its credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, the Company is responsible for credit investigation and assessment of the credit risk for each of the new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the management. The utilisation of credit limits is regularly monitored.
- iii. The Company 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 Company adopts the following assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- v. The Company classifies customer's accounts receivable by applying the simplified approach to estimate expected credit loss under the provision matrix basis.

vi. The Company used the forecastability to adjust historical and timely information to assess the default possibility of notes and accounts receivable. On December 31, 2022 and 2021, the provision matrix is as follows:

	<u>Not past due</u>	<u>1~30 days past due</u>	<u>31~60 days past due</u>	<u>61~90 days past due</u>	<u>Over 90 days past due</u>	<u>Total</u>
<u>At December 31, 2022</u>						
Expected loss rate	0~5%	20%	20%	20%	100%	
Total book value	\$ 21,844,982	\$ 21,784	\$ 4,573	\$ 10,022	\$ 8,609	21,889,970
Loss allowance	81,783	4,357	915	2,004	8,609	97,668

	<u>Not past due</u>	<u>1~30 days past due</u>	<u>31~60 days past due</u>	<u>61~90 days past due</u>	<u>Over 90 days past due</u>	<u>Total</u>
<u>At December 31, 2021</u>						
Expected loss rate	0~5%	20%	20%	20%	100%	
Total book value	\$ 16,065,686	\$ 34,497	\$ 1,569	\$ 911	\$ 11,454	16,114,117
Loss allowance	3,412	6,899	314	182	11,454	22,261

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

	<u>2022</u>	
	<u>Accounts receivable</u>	<u>Other receivables</u>
At January 1	\$ 22,261	\$ 46,423
Provision (reversal of) for impairment loss	80,612	(2,259)
Write-offs	(5,205)	-
At December 31	<u>\$ 97,668</u>	<u>\$ 44,164</u>
	<u>2021</u>	
	<u>Accounts receivable</u>	<u>Other receivables</u>
At January 1	\$ 36,979	\$ 43,038
(Reversal of) provision for impairment loss	(14,718)	3,385
At December 31	<u>\$ 22,261</u>	<u>\$ 46,423</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
- ii. Listed stocks invested by the Company 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 Company'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 Company'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	
December 31, 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	194,918	364,213	632,941
Long-term borrowings (including current portion)	1,078,578	6,690,761	2,020,263
<u>Non-derivative financial liabilities</u>		Between 1 year	
December 31, 2021	<u>Less than 1 year</u>	<u>and 3 years</u>	<u>Over 3 years</u>
Bonds payable	\$ 57,028	\$ 115,799	\$ 8,116,673
Lease liabilities	326,110	349,479	787,493
Long-term borrowings (including current portion)	591,593	4,495,133	6,190,352

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

(d) The Company 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 Company's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company'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. For 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, 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 is as follows:

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	\$ 17,100	\$ -	\$ 5,840,873	\$ 5,857,973
Foreign closed-end fund	-	-	15,428	15,428
	<u>\$ 17,100</u>	<u>\$ -</u>	<u>\$ 5,856,301</u>	<u>\$ 5,873,401</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	\$ -	\$ 11,584	\$ -	\$ 11,584
December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 28,680	\$ -	\$ 7,881,928	\$ 7,910,608
Foreign closed-end fund	-	-	35,779	35,779
Forward foreign exchange contracts	-	67,206	-	67,206
	<u>\$ 28,680</u>	<u>\$ 67,206</u>	<u>\$ 7,917,707</u>	<u>\$ 8,013,593</u>

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

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

Listed shares

Market quoted price Closing price

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques. The fair value of financial instruments

measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date.

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

(d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company'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 Company'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 parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

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

F. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	2022		
	<u>Equity instruments</u>	<u>Funds instruments</u>	<u>Total</u>
At January 1	\$ 7,881,928	\$ 35,779	\$ 7,917,707
Acquired during the year	20,000	-	20,000
Recorded as non-operating income and expenses	(2,061,055)	(20,351)	(2,081,406)
At December 31	<u>\$ 5,840,873</u>	<u>\$ 15,428</u>	<u>\$ 5,856,301</u>
	2021		
	<u>Equity instruments</u>	<u>Funds instruments</u>	<u>Total</u>
At January 1	\$ 5,242,244	\$ 64,518	\$ 5,306,762
Acquired during the year	-	160	160
Recorded as non-operating income and expenses	2,639,684	(28,899)	2,610,785
At December 31	<u>\$ 7,881,928</u>	<u>\$ 35,779</u>	<u>\$ 7,917,707</u>

H. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.

I. Investment segment is in charge of valuation procedures for fair value measurements being categorised 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:

	Fair value at <u>December 31, 2022</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:				
Unlisted shares	\$ 112,584	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; 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
	3,883	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	
	5,724,406	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

	Fair value at <u>December 31, 2021</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:				
Unlisted shares	\$ 117,171	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; the
	4,865	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	higher the weighted average cost of capital and discount for lack of control, the lower the fair value; the higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value
	7,759,892	Net asset value	Discount for lack of marketability	The higher the net asset value, the higher the fair value; the higher the discount for marketability, the lower the fair value
Foreign closed-end fund	35,779	Net asset value	N/A	The higher the net asset value, the higher the fair value

K. The Company 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 categorised within Level 3 if the inputs used to valuation models have changed:

			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%	\$ 1,126	(\$ 1,126)	\$ -	\$ -
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	±1%	39	(39)	-	-
Equity instrument	Net asset value	±1%	57,244	(57,244)	-	-
Foreign closed-end fund	Net asset value	±1%	154	(154)	-	-
			<u>\$ 58,563</u>	<u>(\$ 58,563)</u>	<u>\$ -</u>	<u>\$ -</u>
			December 31, 2021			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple, enterprise value to EBITA multiple	±1%	\$ 1,172	(\$ 1,172)	\$ -	\$ -
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	±1%	49	(49)	-	-
Equity instrument	Net asset value	±1%	77,599	(77,599)	-	-
Foreign closed-end fund	Net asset value	±1%	358	(358)	-	-
			<u>\$ 79,178</u>	<u>(\$ 79,178)</u>	<u>\$ -</u>	<u>\$ -</u>

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

In accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company's significant transactions for the year ended December 31, 2022 are as follows. For disclosure of investees, certain financial statements of investees were audited by other auditors, and following inter-company transactions within the Group were eliminated when preparing the consolidated statements. Following disclosure information is for reference only.

A. Loans to others: 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: table 6.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 7.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 8.

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 11.

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

(4) Major shareholders information

Major shareholders information: Refer to table 13.

14. SEGMENT INFORMATION

Not applicable.

Unimicron Technology Corp.
Loans to others
Year ended December 31, 2022

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended		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		Ceiling on total loans granted		Note
					December 31, 2022 (Note 3)	December 31, 2022 (Note 8)							Item	Value	(Note 7)	(Note 9)	(Note 7)	(Note 9)	
0	The Company	Smart Idea Holdings Limited	Other receivables	Y	\$ 3,530,520	\$ 620,140	\$ 620,140	3.70%	2	\$ -	Operation needs	\$ -	-	\$ -	\$ 34,293,808	\$ 34,293,808			
0	The Company	Unimicron Holding Limited	Other receivables	Y	442,050	-	-	-	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
0	The Company	UniGreat Holding Limited	Other receivables	Y	412,580	-	-	-	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
0	The Company	Unimicron Germany GmbH	Other receivables	Y	3,553,750	1,912,016	1,912,016	1.10%~2.20%	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
0	The Company	Unimicron JAPAN Co., Ltd.	Other receivables	Y	2,428,344	2,428,344	1,121,132	1.10%~1.20%	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
0	The Company	Unimicron-FPC Technology (Kunshan) Inc.	Other receivables	Y	294,700	-	-	-	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
0	The Company	Unimicron Technology (Huangshi) Corp.	Other receivables	Y	1,178,800	-	-	-	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
0	The Company	Qun Hong Technology Inc.	Other receivables	Y	380,000	-	-	-	2	-	Operation needs	-	-	-	34,293,808	34,293,808			
1	Unimicron Technology (KunShan) Corp.	Kunshan Dingchangxin Electronic Technology Co., Ltd.	Other receivables	Y	2,477,464	1,092,390	-	-	2	-	Operation needs	-	-	-	5,209,030	5,209,030			
1	Unimicron Technology (KunShan) Corp.	UNIMICRON ELECTRONIC TESTING (KUNSHAN) CORP.	Other receivables	Y	310,793	308,336	-	-	2	-	Operation needs	-	-	-	5,209,030	5,209,030			
1	Unimicron Technology (KunShan) Corp.	Unimicron-FPC Technology (Kunshan) Inc.	Other receivables	Y	721,360	246,669	246,669	1.17%	2	-	Operation needs	-	-	-	5,209,030	5,209,030			
1	Unimicron Technology (KunShan) Corp.	Unimicron Technology (Huangshi) Corp.	Other receivables	Y	1,704,472	-	-	-	2	-	Operation needs	-	-	-	5,209,030	5,209,030			
2	Unimicron Technology (ShenZhen) Corp.	Suzhou Qunye Enterprise Management Co., Ltd.	Other receivables	Y	324,170	307,658	307,658	3.53%	2	-	Operation needs	-	-	-	1,617,461	1,617,461			
3	Unimicron Technology (SuZhou) Corp.	Kunshan Qunqi Technology Co., Ltd.	Other receivables	Y	445,120	440,480	-	-	2	-	Operation needs	-	-	-	6,543,594	6,543,594			
3	Unimicron Technology (SuZhou) Corp.	Unimicron-Carrier Technology (Huangshi) Inc.	Other receivables	Y	890,240	880,960	440,480	1.53%	2	-	Operation needs	-	-	-	6,543,594	6,543,594			
3	Unimicron Technology (SuZhou) Corp.	Kunshan Dingchangxin Electronic Technology Co., Ltd.	Other receivables	Y	-	-	-	-	2	-	Operation needs	-	-	-	6,543,594	6,543,594			
4	UniBest Holding Limited	Smart Idea Holdings Limited	Other receivables	Y	1,964,800	1,964,800	1,964,800	4.90%~5.30%	2	-	Operation needs	-	-	-	3,412,799	3,412,799			
4	UniBest Holding Limited	Unimicron (SZ) Trading Limited	Other receivables	Y	257,680	245,600	107,450	3.70%	2	-	Operation needs	-	-	-	8,531,997	8,531,997			
4	UniBest Holding Limited	UniGreat Holding Limited	Other receivables	Y	368,400	368,400	368,400	5.30%	2	-	Operation needs	-	-	-	8,531,997	8,531,997			
4	UniBest Holding Limited	Unimicron Germany GmbH	Other receivables	Y	109,375	-	-	-	2	-	Operation needs	-	-	-	8,531,997	8,531,997			

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

(1) The Company is '0'.

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

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

Note 3: Fill in the maximum outstanding balance of loans to others during the nine months ended September 30, 2022.

Note 4: The column of 'Nature of loan' shall fill in

(1) Business transaction is 1.

(2) Short-term financing is 2.

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

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

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans",

and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

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

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

Unimicron Technology Corp.
Provision of endorsements and guarantees to others
Year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3) (Note 8)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022 (Note 4)	Outstanding endorsement/ guarantee amount as of December 31, 2022 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)(Note 8)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements / guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Relationship with the endorser/ guarantor (Note 2)	Company name											
0	The Company	Unimicron-FPC Technology (Kunshan) Inc.	2	\$ 25,720,356	\$ 6,055,480	\$ 3,837,500	\$ 2,548,100	\$ -	4.48%	\$ 42,867,260	Y	N	Y	
0	The Company	Unimicron Technology (ShenZhen) Corp.	2	25,720,356	966,300	921,000	614,000	-	1.07%	42,867,260	Y	N	Y	
0	The Company	Unimicron Holding Limited	2	25,720,356	1,178,800	-	-	-	-	42,867,260	Y	N	N	
0	The Company	Unimicron Technology (SuZhou) Corp.	2	25,720,356	2,254,700	2,149,000	153,500	-	2.51%	42,867,260	Y	N	Y	
0	The Company	Unimicron Technology (KunShan) Corp.	2	25,720,356	1,288,400	921,000	-	-	1.07%	42,867,260	Y	N	Y	
0	The Company	Unimicron Technology (Huangshi) Corp.	2	25,720,356	3,499,450	3,070,000	2,456,000	-	3.58%	42,867,260	Y	N	Y	
0	The Company	Smart Idea Holding Limited	2	25,720,356	2,254,700	1,535,000	-	-	1.79%	42,867,260	Y	N	N	
0	The Company	Unimicron-Carrier Technology (Huangshi) Inc.	2	25,720,356	1,610,500	1,535,000	-	-	1.79%	42,867,260	Y	N	Y	
0	The Company	UniGreat Holding Limited	2	25,720,356	322,100	307,000	-	-	0.36%	42,867,260	Y	N	N	
0	The Company	Unimicron (SZ) Trading Limited	2	25,720,356	322,100	307,000	-	-	0.36%	42,867,260	Y	N	N	
0	The Company	Unimicron (KS) Trading Limited	2	25,720,356	322,100	307,000	-	-	0.36%	42,867,260	Y	N	N	
0	The Company	UniBest Holding Limited	2	25,720,356	1,127,350	1,074,500	-	-	1.25%	42,867,260	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.

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

December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2022				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
The Company	Unitech Capital Inc.'s stocks	Investee of United Microelectronics Corp.	Financial assets at fair value through profit or loss-non-current	6,500,000	\$ 125,620	13.00%	\$ 125,620	
The Company	Shieh Yong Investment Co., Ltd.'s stocks	The Company's management is this company's supervisor	Financial assets at fair value through profit or loss-non-current	367,498,772	2,742,848	16.67%	2,742,848	
The Company	Shihlien Fine Chemicals Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	12,778,831	47,474	4.92%	47,474	
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	55,717	4.52%	55,717	
The Company	Unistars Corp.'s stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	3,820,779	-	6.93%	-	
The Company	PI R&D Co., Ltd.'s stocks	The Company's second-tier subsidiary is the company's director	Financial assets at fair value through profit or loss-non-current	8,000	-	0.20%	-	
The Company	TNP Small/Medium Size & Venture Enterprises Growth Promotion Investment Limited Partnership funds	None	Financial assets at fair value through profit or loss-non-current	310	15,428	6.38%	15,428	
The Company	Trillion Science Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	4,666,666	-	9.96%	-	
The Company	Yann Yuan Investment Co., Ltd.'s stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	60,000,000	2,855,938	11.64%	2,855,938	
The Company	Eminent Materials Corporation's stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	1,000,000	-	16.67%	-	
The Company	Eagle Materials Technology Co., Ltd	None	Financial assets at fair value through profit or loss-non-current	-	3,883	-	3,883	
The Company	Pomiran Metalization Research Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	2,000,000	9,393	6.21%	9,393	
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	17,100	0.05%	17,100	
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	19,009	1.97%	19,009	
Hsin Yang Investment Corp.	Stack Devices Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	76,626	-	0.12%	-	
Hsin Yang Investment Corp.	Ocean Net Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	91,575	-	9.16%	-	
Hsin Yang Investment Corp.	Solargate Technology Croporation's stocks	None	Financial assets at fair value through profit or loss-non-current	30,769	-	0.51%	-	
Hsin Yang Investment Corp.	Ability I Venture Capital Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	628,600	3,562	2.00%	3,562	

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2022				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Hsin Yang Investment Corp.	Integrated Digital Technologies, Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	520,000	\$ -	1.81%	\$ -	
Hsin Yang Investment Corp.	NeoPac Lighting, Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	4,500,000	-	5.73%	-	
Hsin Yang Investment Corp.	Pomiran Metalization Research Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	7,000	30	0.02%	30	
Hsin Yang Investment Corp.	UniTest Technology Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	10,000	4,842	10.00%	4,842	
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	5,118	8.81%	5,118	
Hsin Yang Investment Corp.	Taimide Technology Inc.'s stocks	None	Financial assets at fair value through profit or loss-current	44,037	1,409	0.03%	1,409	
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	44,607	1.02%	44,607	
Hsin Yang Investment Corp.	Semicomm Technology Co., Ltd.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	650,000	29,327	5.91%	29,327	
UMTC Holdings Limited	AMC Holding Limited's stocks	None	Financial assets at fair value through profit or loss-non-current	897,750	48,946	7.09%	48,946	
UMTC Holdings Limited	UMT Technology Corp.'s stocks	None	Financial assets at fair value through profit or loss-non-current	230,000	-	19.01%	-	
Plato Electronics (Cayman) Limited	Biloda International Limited 's stocks	None	Financial assets at fair value through profit or loss-non-current	1,440,000	-	18.00%	-	
UniSmart Holding Limited	PI R&D Co., Ltd's stocks	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	173,300	-	4.34%	-	
UniSmart Holding Limited	Trillion Science Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	3,199,999	-	6.83%	-	
UniSmart Holding Limited	Aqua Science Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	333	-	0.36%	-	
UniSmart Holding Limited	Shocking Technologies, Inc.'s stocks	None	Financial assets at fair value through profit or loss-non-current	1,468,533	-	2.26%	-	
UniSmart Holding Limited	MARUWA CORPORATION's bonds	The Company is the company's director	Financial assets at fair value through profit or loss-non-current	2,450	6,324	31.98%	6,324	
Unimicron Germany GmbH	Naavinya CAD Soft Pvt Ltd 's equity shares	None	Financial assets at fair value through profit or loss-non-current	-	414	-	414	

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.

Unimicon Technology Corp.
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2022		Addition (Note 3)		Disposal (Note 3)			Balance as at December 31, 2022		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
The Company	UniBest Holding Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	93,550,000	\$ 2,424,964	147,000,000	\$ 6,107,032 (Note 5)	-	\$ -	\$ -	\$ -	240,550,000	\$ 8,531,996
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 (Note 6)	-	-	-	-	43,000,000	\$ 1,321,356
UniBest Holding Limited	Unimicon Holding Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	36,282,468	1,889,391	21,596,146	3,353,489 (Note 7)	-	-	-	-	57,878,614	5,242,880
Unimicon Holding Limited	Unimicon-Carrier Technology (Huangshi) Inc.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	393,046	-	439,883 (Note 8)	-	-	-	-	-	832,929
Unimicon Technology (SuZhou) Corp.	Unimicon-Carrier Technology (Huangshi) Inc.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	917,052	-	382,249 (Note 9)	-	-	-	-	-	1,299,301
Unimicon Holding Limited	Kunshan Qunqi Technology Co., Ltd.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	-	-	1,498,390 (Note 10)	-	-	-	-	-	1,498,390
UniBest Holding Limited	Best Option Investments Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	2,256,363,910	541,006	20,000,000	168,285 (Note 11)	-	-	-	-	2,276,363,910	709,291
Best Option Investments Limited	Unimicon-FPC Technology (Kunshan) Inc.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	534,051	-	123,627 (Note 12)	-	-	-	-	-	657,678
Smart Idea Holdings Limited	UniRuwel Holding Limited	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	35,000,000	428,039	9,962,000	(140,455) (Note 13)	-	-	-	-	44,962,000	287,584
UniRuwel Holding Limited	Unimicon Germany GmbH	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	25,000	425,407	-	(136,566) (Note 14)	-	-	-	-	25,000	288,841
Smart Idea Holdings Limited	Kunshan Dingchangxin Electronic Technology Co., Ltd.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	(3,910)	-	5,555,293 (Note 15)	-	-	-	-	-	5,551,383
Unimicon Technology (KunShan) Corp.	Unimicon Management(KunShan) Corp., Ltd.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	2,853,340	-	686,331 (Note 16)	-	-	-	-	-	3,539,671
Unimicon Management(KunShan) Corp., Ltd.	Hu Se Sn Li ManagemnetCorp., Ltd.	Investment accounted for using equity method	Capital increase by cash for stocks subscription	The Company's subsidiary	-	637,613	-	300,958 (Note 17)	-	-	-	-	-	938,571

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 \$4,544,868, investment gain recognized for the period of \$1,712,445, translation differences decrease of \$118,366, decrease of \$19,220 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership, and recognitions of subsidiaries' capital surplus and changes in other equity were an increase of \$9,577 and a decrease of \$22,272, respectively.

Note 6: The amount includes investment increase of \$1,320,853, investment gain recognized for the period of \$1,219 and translation differences decrease of \$716.

Note 7: The amount includes investment increase of \$1,278,462, investment gain recognized for the period of \$2,045,862, translation differences decrease of \$109,390 and increase of \$138,555 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 8: The amount includes investment increase of \$455,800, investment loss recognized for the period of \$11,635, translation differences decrease of \$1,927 and decrease of \$2,355 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 9: The amount includes investment increase of \$408,618, investment loss recognized for the period of \$26,203, translation differences decrease of \$2,521 and increase of \$2,355 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 10: The amount includes investment increase of \$1,496,952, investment loss recognized for the period of \$649 and translation differences increase of \$2,087.

Note 11: The amount includes investment increase of \$633,780, investment loss recognized for the period of \$340,264, translation differences increase of \$16,389 and decrease of \$141,620 in capital surplus from purchase of new stock of subsidiary not proportionate to ownership.

Note 12: The amount includes investment increase of \$633,780, investment loss recognized for the period of \$516,595 and translation differences increase of \$6,442.

Note 13: The amount includes investment increase of \$322,430, investment loss recognized for the period of \$466,934 and translation differences increase of \$4,049.

Note 14: The amount includes investment increase of \$322,430, investment loss recognized for the period of \$462,880 and translation differences increase of \$3,884.

Note 15: The amount includes investment increase of \$5,570,270, investment loss recognized for the period of \$9,011 and translation differences decrease of \$5,966.

Note 16: The amount includes investment increase of \$308,339, investment gain recognized for the period of \$339,908 and translation differences increase of \$38,084.

Note 17: The amount includes investment increase of \$308,339, investment loss recognized for the period of \$16,378 and translation differences increase of \$8,997.

Unimicron Technology Corp.

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

Year ended December 31, 2022

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship original owner and the acquirer	Date of the original transaction	Amount			
The Company	Lane 209, Section 2, Xinnong Street, Yangmei District, Taoyuan City (No. 69-1, Caonan Slope Section, Yangmei District, Taoyuan City)	2019.08.23	\$ 1,520,000	Fully paid \$1,428,800 based on the contract	Ever Accord Construction Corp.	-	-	-	-	\$ -	NA	For production	-
The Company	Building next to No. 169 Shanying Road, Guishan District, Taoyuan City (No. 370, 370-2, 370-3 on the top of the mountain)	2020.03.23	333,800	Fully paid	Ever Accord Construction Corp.	-	-	-	-	-	NA	For production	-
The Company	No. 40-4, 45-0, Caonan Slope Section, Yangmei District, Taoyuan City	2021.05.28	697,000	Fully paid	SINO TACTFUL CO., LTD.	-	-	-	-	-	It was appraised by Baoyuan Real Estate Appraiser Firm.	For the necessity of the Company's future development	-
The Company	No. 100, Xinxing Section, Zhongxing Section, Hukou Township, Hsinchu County	2021.10.01	1,233,000	Fully paid \$850,770 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 \$299,860 based on the contract	Jingwen Construction Engineering Steel Structure Co., Ltd.	-	-	-	-	-	NA	For production	-

Unimicron Technology Corp.
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship original owner and the acquirer	Date of the original transaction	Amount			
The Company	Caonan Slope Land, Yangmei District, Taoyuan City (Note 4)	2021.04.12 -2022.02.22	453,846	Fully paid \$408,201 based on the contract	Natural person and non-related parties	-	-	-	-	\$ -	It was appraised by Baoyuan Real Estate Appraiser Firm.	Expand plant to increase capacity	-
Unimicron Technology (SuZhou) Corp.	No. 158 Fengli Street, Suzhou Industrial Park (Note 5)	2021.12.16	591,666	Fully paid \$59,167 based on the contract	Suzhou AMC Technology Co., Ltd.	Other related parties	-	-	-	-	It was appraised by Suzhou Zhongan Real Estate Appraisal Co., Ltd..	For production	-
Kunshan Dingchangxin Electronic Technology Co., Ltd.	Land located at Kunshan New & High Tech Industrial Development Zone in the north site of Yuyang Rd. and the east site of Ruike Rd.	2022.08.22	1,101,385	Fully paid \$770,966 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.	2022.11.1	546,709	Fully paid \$244,798 based on the contract	Xing Ye Jian Gong Ji Tuan You Xian Gong Si Di Yi Fen Gong Si	-	-	-	-	-	NA	For production	-

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

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

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

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

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

Unimicron Technology Corp.
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 6 Expressed in thousands of NTD
(Except as otherwise indicated)

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

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

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

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

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

Unimicron Technology Corp.
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit term	Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount			Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Unimicron (KS) Trading Limited	The Company's subsidiary	Sales	\$ 604,989	1%	3 months after monthly billings	\$ -	\$ -	\$ 118,967	1%	
Unimicron Technology (KunShan) Corp.	Unimicron Technology (Huangshi) Corp.	Same parent company	Sales	124,104	1%	3 months after monthly billings	-	-	33,450	1%	
Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	Same parent company	Sales	5,453,471	31%	3 months after monthly billings	-	-	1,718,839	46%	
Unimicron Technology (KunShan) Corp.	Unimicron Germany GmbH	Same parent company	Sales	187,305	1%	3 months after monthly billings	-	-	158,980	4%	
Unimicron Technology (KunShan) Corp.	UniGreat Holding Limited	Same parent company	Sales	422,414	2%	3 months after monthly billings	-	-	160,322	4%	
Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	Same parent company	Sales	3,925,120	63%	3 months after monthly billings	-	-	1,197,346	68%	
Unimicron Technology (Huangshi) Corp.	UniGreat Holding Limited	Same parent company	Sales	273,933	4%	3 months after monthly billings	-	-	106,429	6%	
Unimicron-FPC Technology (Kunshan) Inc.	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	718,262	18%	3 months after monthly billings	-	-	78,566	8%	
Unimicron-FPC Technology (Kunshan) Inc.	Best Option Investments Limited	Same parent company	Sales	620,380	15%	3 months after monthly billings	-	-	300,272	32%	
Unimicron Technology (ShenZhen) Corp.	NEOCONIX, INC.	Same parent company	Sales	470,081	14%	3 months after monthly billings	-	-	-	-	
Unimicron Technology (ShenZhen) Corp.	Unimicron (SZ) Trading Limited	Same parent company	Sales	881,861	26%	3 months after monthly billings	-	-	272,698	42%	
Unimicron Technology (SuZhou) Corp.	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	255,494	1%	3 months after monthly billings	-	-	29,821	1%	
Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	Same parent company	Sales	7,264,517	39%	3 months after monthly billings	-	-	2,246,809	47%	
Unimicron-CarrierTechnology (Huangshi) Inc.	Unimicron Technology(SuZhou) Corp.	Same parent company	Sales	143,469	100%	3 months after monthly billings	-	-	58,369	100%	
Unimicron JAPAN Co., Ltd.	Unimicron (SZ) Trading Limited	Same parent company	Sales	435,255	41%	3 months after monthly billings	-	-	142,129	38%	

Unimicron Technology Corp.
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Differences in transaction terms compared to third party transactions (Note 1)			Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount		Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Qun Hong Technology Inc.	The Company	Ultimate parent company	Sales	\$ 682,427	19%	3 months after monthly billings	\$ -	\$ -	\$ 64,406	3%	
Apm Communication, Inc	The Company	Ultimate parent company	Sales	322,206	96%	3 months after monthly billings	-	-	138,840	100%	
Unimicron (KS) Trading Limited	The Company	Ultimate parent company	Sales	4,170,713	40%	3 months after monthly billings	-	-	1,426,912	39%	
Unimicron (SZ) Trading Limited	The Company	Ultimate parent company	Sales	896,375	45%	3 months after monthly billings	-	-	271,338	63%	
Unimicron Holding Limited	The Company	Ultimate parent company	Sales	3,759,376	52%	3 months after monthly billings	-	-	1,025,377	81%	
UniGreat Holding Limited	The Company	Ultimate parent company	Sales	255,940	7%	3 months after monthly billings	-	-	85,639	35%	
Topoint Technology Co., Ltd.	The Company	The Company's investee	Sales	139,112	4%	3 months after monthly billings	-	-	52,518	1%	
UniCuisine, Inc.	The Company	Ultimate parent company	Sales	126,765	64%	3 months after monthly billings	-	-	10,204	71%	
Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	6,735,354	65%	3 months after monthly billings	-	-	2,168,918	59%	
UniGreat Holding Limited	Unimicron Technology (Huangshi) Corp.	Same parent company	Sales	488,182	14%	3 months after monthly billings	-	-	144,888	59%	
Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	Same parent company	Sales	492,250	25%	3 months after monthly billings	-	-	162,493	37%	
The Company	Unipoint Technology Co., Ltd.	The Company's investee	Processing cost	141,079	0%	3 months after monthly billings	-	-	(45,546)	1%	

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

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

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

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

Unimicron Technology Corp.
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
December 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	Unimicron (KS) Trading Limited	The Company's subsidiary	\$ 118,967	5.46	\$ -	-	\$ 33,590	\$ -
Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	Same parent company	1,718,839	3.71	-	-	596,902	-
Unimicron Technology (KunShan) Corp.	Unimicron Germany GmbH	Same parent company	158,980	0.92	-	-	-	-
Unimicron Technology (KunShan) Corp.	UniGreat Holding Limited	Same parent company	160,322	3.97	-	-	31,802	-
Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	Same parent company	1,197,346	2.99	-	-	-	-
Unimicron Technology (Huangshi) Corp.	UniGreat Holding Limited	Same parent company	106,429	3.19	-	-	-	-
Unimicron-FPC Technology (Kunshan) Inc.	Best Option Investments Limited	Same parent company	300,272	2.02	-	-	68,999	-
Unimicron Technology (ShenZhen) Corp.	Unimicron (SZ) Trading Limited	Same parent company	272,698	4.32	-	-	99,206	-
Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	Same parent company	2,246,809	3.49	-	-	606,697	-
Unimicron JAPAN Co., Ltd.	Unimicron (SZ) Trading Limited	Same parent company	142,129	4.00	-	-	-	-
APM communication, Inc.	The Company	Ultimate parent company	138,840	2.76	-	-	-	-
Unimicron (KS) Trading Limited	The Company	Ultimate parent company	1,426,912	3.98	-	-	525,475	-
Unimicron (SZ) Trading Limited	The Company	Ultimate parent company	271,338	4.42	-	-	99,206	-
Unimicron Holding Limited	The Company	Ultimate parent company	1,025,377	4.46	-	-	381,713	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	Same parent company	\$ 2,168,918	3.98	\$ -	\$ -	\$ 242,096	\$ -
UniGreat Holding Limited	Unimicron Technology (Huangshi) Corp.	Same parent company	144,888	4.65	-	-	32,239	-
Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	Same parent company	162,493	3.29	-	-	35,879	-
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	Smart Idea Holdings Limited	The Company's subsidiary	629,192	Note 2	-	-	-	-
The Company	Unimicron Germany GmbH	The Company's subsidiary	120,850	Note 2	-	-	-	-
The Company	Unimicron (SZ) Trading Limited	The Company's subsidiary	1,918,756	Note 2	-	-	-	-
The Company	Unimicron Holding Limited	The Company's subsidiary	108,001	Note 2	-	-	3,027	-
The Company	Unimicron JAPAN Co., Ltd.	The Company's subsidiary	255,128	Note 2	-	-	-	-
The Company	Subtron Technology Co., Ltd.	The Company's subsidiary	1,131,487	Note 2	-	-	325,640	-
UniBest Holding Limited	Unimicron Germany GmbH	Same parent company	1,973,601	Note 2	-	-	-	-
UniBest Holding Limited	Unimicron (SZ) Trading Limited	Same parent company	108,931	Note 2	-	-	-	-
UniBest Holding Limited	UniGreat Holding Limited	Same parent company	368,614	Note 2	-	-	-	-
Unimicron Technology (KunShan) Corp.	Unimicron-FPC Technology (Kunshan) Inc.	Same parent company	280,183	Note 2	-	-	-	-
Unimicron Technology (ShenZhen) Corp.	Suzhou Qunye Enterprise Management Co., Ltd.	Same parent company	323,835	Note 2	-	-	-	-
Unimicron Technology (SuZhou) Corp.	Unimicron-CarrierTechnology (Huangshi) Inc.	Same parent company	441,873	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.

Unimicon Technology Corp.
Significant inter-company transactions during the reporting period
Year ended December 31, 2022

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction (Note 5)			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of total operating revenues or total assets (Note 3)
1	Unimicon Technology (KunShan) Corp.	Unimicon (KS) Trading Limited	3	Accounts receivable	\$ 1,718,839	Available for the third party	1%
2	Unimicon Technology (Huangshi) Corp.	Unimicon (KS) Trading Limited	3	Accounts receivable	1,197,346	Available for the third party	1%
3	Unimicon Technology (SuZhou) Corp.	Unimicon Holding Limited	3	Accounts receivable	2,246,809	Available for the third party	1%
4	Unimicon (KS) Trading Limited	The Company	2	Accounts receivable	1,426,912	Available for the third party	1%
5	Unimicon Holding Limited	The Company	2	Accounts receivable	1,025,377	Available for the third party	0%
6	Unimicon (KS) Trading Limited	Unimicon Technology (KunShan) Corp.	3	Accounts receivable	2,168,918	Available for the third party	1%
8	The Company	Unimicon Germany GmbH	1	Other receivables	1,918,756	Available for the third party	1%
9	The Company	Unimicon JAPAN Co., Ltd.	1	Other receivables	1,131,487	Available for the third party	1%
11	UniBest Holding Limited	Smart Idea Holdings Limited	3	Other receivables	1,973,601	Available for the third party	1%
11	Unimicon Technology (KunShan) Corp.	Unimicon (KS) Trading Limited	3	Sales	5,453,471	Available for the third party	4%
12	Unimicon Technology (Huangshi) Corp.	Unimicon (KS) Trading Limited	3	Sales	3,925,120	Available for the third party	3%
13	Unimicon Technology (SuZhou) Corp.	Unimicon Holding Limited	3	Sales	7,264,517	Available for the third party	5%
14	Unimicon (KS) Trading Limited	The Company	2	Sales	4,170,713	Available for the third party	3%
15	Unimicon Holding Limited	The Company	2	Sales	3,759,376	Available for the third party	3%
16	Unimicon (KS) Trading Limited	Unimicon Technology (KunShan) Corp.	3	Sales	6,735,354	Available for the third party	5%

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

(1) Parent company is '0'.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary

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

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

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

Unimicron Technology Corp.
Information on investees
Year ended December 31, 2022

Table 10

Expressed in thousands of NTD (Except as otherwise indicated)											
				Initial investment amount		Shares held as at December 31, 2022			Investment income (loss)		
Investor	Investee (Notes 1 and 2)	Location	Main business activities	Balance as	Balance as at	Number of shares	Ownership	Book value	Net profit (loss)	recognized by the	Footnote
				at December 31, 2022	December 31, 2021			(Note 3)	of the investee for the year ended December 31, 2022 (Note 2(2))	Company for the year ended December 31, 2022 (Note 2(3))	
The Company	Subtron Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic parts	\$ 1,333,548	\$ 1,333,548	90,613,516	30.40%	\$ 1,540,590	\$ 147,574	\$ 44,879	
The Company	Hsin Yang Investment Corp.	Taiwan	Holding company	3,423,689	3,423,689	96,840,707	100.00%	1,008,784	(48,321)	(48,313)	
The Company	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	198,962	198,962	19,175,303	17.17%	204,050	(142,632)	(24,490)	
The Company	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	982,156	982,156	29,476,572	62.78%	287,815	(10,251)	(11,844)	
The Company	Hemingway Int'l Limited	BVI	Holding company	6,118,151	6,118,151	187,988,866	100.00%	10,205,780	2,264,001	2,264,001	
The Company	UMTC Holdings Limited	BVI	Holding company	6,199,051	6,199,051	139,465,246	100.00%	6,035,010	1,806,854	1,806,854	
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	7,258,500	2,713,632	240,550,000	100.00%	8,531,996	1,712,445	1,712,445	
The Company	Uniflex Technology Inc.	Taiwan	Manufacture and sale of electronic parts	342,385	342,385	15,586,822	9.98%	80,330	(266,501)	(26,597)	
The Company	NEOCONIX, INC.	USA	Design and manufacture of connector	118,963	118,963	865,526,530	92.00%	165,562	116,005	106,780	
The Company	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	107,959	107,959	4,657,650	49.57%	61,286	50,861	25,362	
The Company	UniFresh, Inc.	Taiwan	Food and restaurants	26,000	26,000	2,600,000	24.42%	15,837	8,711	2,127	
The Company	HK3D-Circuit Ltd.	Hong Kong	Manufacture and sale of electronic parts	31,170	31,170	7,750,000	18.61%	-	-	-	
The Company	Yih Dar Technologies Co., Ltd.	Taiwan	Manufacture and sale of electronic parts	40,000	40,000	4,000,000	26.67%	-	-	-	
The Company	Qun Hong Technology Inc.	Taiwan	Manufacture and sale of electronic parts	2,435,152	2,435,152	102,377,429	91.41%	630,031	(28,103)	(23,954)	
The Company	Unidisplay Holding Corp.	Samoa	Holding company	-	342,372	-	-	-	-	-	Note6
The Company	PAVIDA Trading Limited	Samoa	Holding company and trading	4,406	4,406	139,818	17.27%	3,755	2,412	416	
The Company	UniWonderful Holding Limited	Samoa	Holding company	1,320,853	-	43,000,000	100.00%	1,321,356	1,219	1,219	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership	Book value (Note 3)			
Hsin Yang Investment Corp.	UniFresh, Inc.	Taiwan	Food and restaurants	\$ 80,480	\$ 80,480	8,048,000	75.58%	\$ 54,004	\$ 8,711	\$ 6,584	
Hsin Yang Investment Corp.	UniSense Technology Co. Ltd.	Taiwan	Manufacture and sale of electronic parts	48,231	48,231	4,823,074	30.98%	79,519	26,931	9,433	
Hsin Yang Investment Corp.	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	355,496	355,496	1,952,861	4.16%	20,757	(10,251)	(426)	
Hsin Yang Investment Corp.	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	95,935	95,935	7,781,675	6.97%	74,281	(142,632)	(9,941)	
Hsin Yang Investment Corp.	Subtron Technology Co., Ltd	Taiwan	Manufacture and sale of electronic parts	9,934	9,934	4,620,710	1.55%	75,223	147,574	2,286	
Hsin Yang Investment Corp.	Unimax C.P.I Technology Corp.	Mauritius	Holding company	-	112,326	-	-	-	(1,407)	(309)	Note4
Hsin Yang Investment Corp.	3D Circuit Taiwan Company Ltd.	Taiwan	Manufacture and sale of electronic parts	18,360	18,360	612,000	2.52%	(4,669)	-	-	
Hsin Yang Investment Corp.	Unipoint Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic parts	190,037	190,037	19,003,703	38.24%	273,434	38,208	14,678	
Hsin Yang Investment Corp.	Uniflex Technology Inc.	Taiwan	Manufacture and sale of electronic parts	502,294	502,294	25,307,736	16.21%	186,543	(266,501)	(43,200)	
Hsin Yang Investment Corp.	Unidisplay Trading Corp.	Samoa	Trading	-	859,190	-	-	-	-	-	Note5
Hsin Yang Investment Corp.	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	58,337	58,337	168,801	1.80%	1,245	50,861	915	
Hsin Yang Investment Corp.	Qun Hong Technology Inc.	Taiwan	Manufacture and sale of electronic parts	110,863	110,863	3,962,504	3.54%	25,387	(28,103)	(995)	
UniFresh, Inc.	UniCuisine, Inc.	Taiwan	Sales and manufacture of food	89,130	81,622	1,773,908	68.26%	40,657	11,124	7,690	
APM communication, Inc.	PAVIDA Trading Limited	Samoa	Holding company and trading	20,832	20,832	670,000	82.73%	17,988	2,412	1,995	
Asia Pacific Microsystems, Inc.	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	332,259	332,259	2,911,867	30.99%	34,867	50,861	15,762	
Hemingway Int'l Limited	Plato Electronics (Cayman) Limited	Cayman	Holding company	1,467,681	1,467,681	27,989,612	72.02%	1,186,911	(137,947)	(99,350)	
Hemingway Int'l Limited	Smart Idea Holdings Limited	Cayman	Holding company	888,787	888,787	30,000,000	42.10%	3,827,094	743,595	313,054	
Hemingway Int'l Limited	Best Option Investments Limited	Samoa	Holding company	3,415,024	3,415,024	644,263,312	21.74%	171,080	(443,514)	(96,863)	
Hemingway Int'l Limited	Unimicron Holding Limited	Samoa	Holding company	1,719,360	1,719,360	53,151,515	28.54%	4,985,841	7,244,553	2,153,081	
Hemingway Int'l Limited	UniSmart Holding Limited	Samoa	Holding company	174,124	174,124	5,099,086	15.55%	15,499	(37,295)	(5,799)	
UMTC Holdings Limited	Plato Electronics (Cayman) Limited	Cayman	Holding company	216,114	216,114	4,474,259	11.51%	87,190	(137,947)	(15,878)	
UMTC Holdings Limited	Smart Idea Holdings Limited	Cayman	Holding company	629,580	629,580	20,761,904	29.13%	2,618,999	743,595	216,609	
UMTC Holdings Limited	Best Option Investments Limited	Samoa	Holding company	1,232,586	1,232,586	42,195,000	1.43%	18,069	(443,514)	(6,387)	
UMTC Holdings Limited	Unimicron Holding Limited	Samoa	Holding company	1,210,064	1,210,064	40,400,000	21.69%	3,716,193	7,244,553	1,636,544	
UMTC Holdings Limited	UniSmart Holding Limited	Samoa	Holding company	703,420	703,420	21,286,112	64.93%	6,798	(37,295)	(24,215)	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership	Book value (Note 3)			
UMTC Holdings Limited	Unimicron JAPAN Co., Ltd.	Japan	Manufacture and sale of electronic parts	\$ 503,200	\$ 503,200	35,130	100.00%	(\$ 495,367)	(\$ 11,072)	(\$ 12,069)	
Plato Electronics (Cayman) Limited	Unimicron(SZ) Trading Ltd.	Samoa	Trading	202,525	202,525	6,500,000	100.00%	(174,759)	(149,168)	(149,168)	
Smart Idea Holdings Limited	UniGreat Holding Limited	Samoa	Holding company	1,407,974	1,407,974	45,900,050	100.00%	792,462	46,714	46,714	
Smart Idea Holdings Limited	UniRuwel Holding Limited	Cayman	Holding company	1,371,730	1,049,300	44,962,000	100.00%	287,584	(466,934)	(466,934)	
Smart Idea Holdings Limited	Unimicron (KS)Trading Ltd.	Samoa	Trading	582,000	582,000	20,000,001	100.00%	(249,813)	(251,223)	(251,223)	
UniSmart Holding Limited	MARUWA CORPORATION	Japan	Manufacture and sales of flexible Print	95,703	118,482	2,400	28.24%	(35,252)	-	-	
UniRuwel Holding Limited	Unimicron Germany GmbH	Germany	Manufacture and sale of electronic parts	1,239,903	917,473	25,000	100.00%	(288,841)	(462,880)	(462,880)	Note7
Unidisplay Holding Corp.	Unidisplay Trading Corp.	Samoa	Trading	-	335,776	-	-	-	-	-	Note5
UniBest Holding Limited	Unimicron Holding Limited	Samoa	Holding company	2,655,707	1,377,245	57,878,614	31.08%	5,242,880	7,244,553	2,045,862	
UniBest Holding Limited	Best Option Investments Limited	Samoa	Holding company	1,766,182	1,132,402	2,276,363,910	76.83%	(709,291)	(443,514)	(340,264)	
UniBest Holding Limited	UniSmart Holding Limited	Samoa	Holding company	185,165	185,165	6,400,000	19.52%	(14,169)	(37,295)	(7,280)	

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

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

- (1)The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2022' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2)The 'Net profit (loss) of the investee for the year ended December 31, 2022' column should fill in amount of net profit (loss) of the investee for this period.
- (3)The 'Investment income (loss) recognised by the Company for the year ended December 31, 2022' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

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

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

Note 5: UniDT was liquidated in September 2022.

Note 6: UniDH was liquidated in November 2022.

Note 7: Please refer to Note 11 G. for details regarding of the capital increase in Unimicron Germany GmbH by UniRuwel Holding Limited subsequent change of investment method by the Board of Directors .

Unimicon Technology Corp.
Information on investments in Mainland China
Year ended December 31, 2022

Table 11

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022			Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan							
Unimicon Technology (ShenZhen) Corp.	Manufacture and sale of electronic parts	\$ 3,050,860	Plato-Cayman	\$ 1,484,856	\$ -	\$ -	\$ 1,484,856	\$ 34,985	83.53	\$ 29,223	\$ 1,351,079	\$ -	
Unimicon Technology (KunShan) Corp.	Manufacture and sale of electronic parts	2,369,600	SI	1,372,769	-	-	1,372,769	1,264,809	71.23	903,041	3,708,143	-	
Unimicon-FPC Technology (Kunshan) Inc.	Manufacture and sale of electronic parts	6,280,552	BO	5,196,551	633,780	-	5,830,331	(516,595)	100.00	(516,595)	657,678	-	
Unimicon Technology (SuZhou) Corp.	Manufacture and sale of electronic parts	5,262,004	UHL and Suzhou Qunye	1,837,430	-	-	1,837,430	7,700,806	78.46	5,971,360	12,380,407	-	
Suzhou AMC Technology Co., Ltd.	Manufacture and sale of electronic parts	1,263,293	AMCHOLDING LIMITED	192,869	-	-	192,869	(25,911)	6.38	-	48,946	-	
Unipoint Technology (KunShan) Corp.	Manufacture and sale of electronic parts	35,544	UMT Technology Corp.	6,813	-	-	6,813	-	19.01	-	-	-	
Unimicon Touch (ShenZhen) Corp.	Manufacture and sale of electronic parts	-	UniDT	1,159,920	-	5,948	1,153,972	-	-	-	-	-	Note 6
Kunshan 3D Circuit Technology Co., Ltd.	Manufacture and sale of electronic parts	125,925	HK3D-Circuit Ltd.	31,170	-	-	31,170	-	18.61	-	(13,334)	-	
Unimicon Technology (Huangshi) Corp.	Manufacture and sale of electronic parts	4,672,240	UniGreat and Unimicon Management (KunShan)	-	-	-	-	508,721	71.23	362,362	2,634,474	-	
Unimicon Management (KunShan) Corp., Ltd.	Business management consulting and property management	3,823,736	Unimicon Technology (KunShan)	-	-	-	-	339,908	71.23	242,116	2,521,308	-	
Unimicon-Carrier Technology (Huangshi) Inc.	Manufacture and sale of electronic parts	2,184,076	UHL and Unimicon Technology (SuZhou)	339,555	175,122	-	514,677	(37,838)	79.57	(30,108)	1,696,615	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022			Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for theyear ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan							
Hu Se Sn Li Managemnet Corp., Ltd.	Business management consulting	\$ 1,010,407	Unimicron Management (KunShan)	\$ -	\$ -	-	\$ -	(\$ 16,378)	71.23	(\$ 11,666)	\$ 668,544	-	
Gobo Lighting Technology Ltd.	Manufacture and sale of lighting products	38,943	PAVIDA	17,914	-	-	17,914	6,015	35.39	2,429	19,571	-	
Kunshan Dingchangxin Electronic Technology Co., Ltd.	Manufacture and sale of electronic parts	5,570,270	SI	-	-	-	-	(9,056)	71.23	(6,418)	3,954,250	-	
Suzhou Qunye Enterprise Management Co., Ltd.	Business management consulting	-	UHL	-	-	-	-	23,839	81.31	19,383	(27,854)	-	
Kunshan Qunqi Technology Co., Ltd.	Manufacture and sale of electronic parts	1,496,952	UHL and Unimicron Technology (SuZhou)	-	-	-	-	(649)	81.31	(528)	1,218,341	-	
UNIMICRON ELECTRONIC TESTING (KUNSHAN) CORP.	Inspection of goods, sales of electronic component and equipment and	-	Kunshan Dingchangxin	-	-	-	-	-	71.23	-	-	-	
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022 (Note 4)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA										
The Company	\$ 12,628,071	\$ 15,789,109	\$ -										

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 audited by R.O.C. parent company's CPA.

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

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

Note 5: On November 11, 2020, the Company received an approval letter issued by the Industrial Development Bureau of the Ministry of Economic Affairs, effective from November 5, 2020 to November 4, 2023. Hence, calculation of investment limit is not needed.

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

Unimicron Technology Corp.

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

Year ended December 31, 2022

Table 12

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
	Amount	%	Amount	%	Balance at December 31, 2022	%	Balance at December 31, 2022	Purpose	Maximum balance during the year ended December 31, 2022	Balance at December 31, 2022	Interest rate	Interest during the year ended December 31, 2022	Others
Unimicron Technology (ShenZhen) Corp.	\$ 49,149	0%	\$ -	-	\$ 20,731	0%	\$ 921,000	Borrowings	\$ -	\$ -	-	\$ -	
Unimicron Technology (ShenZhen) Corp.	(896,375)	3%	-	-	(307,784)	4%	-	-	-	-	-	-	
Unimicron Technology (KunShan) Corp.	604,989	1%	1,176	0%	150,553	1%	921,000	Borrowings	-	-	-	-	
Unimicron Technology (KunShan) Corp.	(4,170,713)	13%	-	-	(1,422,796)	17%	-	-	-	-	-	-	
Unimicron-FPC Technology (Kunshan) Inc	-	-	-	-	-	-	3,837,500	Borrowings	294,700	-	-	-	
Unimicron Technology (SuZhou) Corp.	78,849	0%	-	-	-	-	2,149,000	Borrowings	-	-	-	-	
Unimicron Technology (SuZhou) Corp.	(3,781,031)	12%	-	-	(1,019,777)	12%	-	-	-	-	-	-	
Unimicron Technology (Huangshi) Corp.	23	0%	-	-	23	0%	-	-	-	-	-	-	
Unimicron Technology (Huangshi) Corp.	(255,940)	1%	-	-	(82,956)	1%	3,070,000	Borrowings	1,178,800	-	1.20%	10,486	
Unimicron -Carrier Technology (Huangshi) Inc.	-	-	-	-	-	-	1,535,000	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.

Unimicron Technology Corp.
Information on Major Shareholders
December 31, 2022

Table 13

Name of Major Shareholders	Shares	
	Number of Shares	Ownership (%)
United Microelectronics Corp.	196,136,008	13.26%

Unimicron Technology Corp.

Legal representative: Tzyy-Jang Tseng