

**UNIMICRON TECHNOLOGY CORP. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2022 AND 2021**

UNIMICRON TECHNOLOGY CORP.
MARCH 31, 2022 AND 2021 CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Unimicron Technology Corp. and its subsidiaries (the "Group") as at March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews and the reports of other independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Other matter

We did not review the financial statements of certain consolidated subsidiaries. Those financial statements were reviewed by other independent auditors, whose reports thereon have been furnished to us, and our conclusion expressed herein, insofar as it relates to the amounts included in the financial statements was based solely on the review reports of other independent auditors. Those statements reflect total assets of NT\$1,628,122 thousand and NT\$1,342,902 thousand, both constituting 1% of the consolidated total assets as at March 31, 2022 and 2021, respectively, and total comprehensive income of NT\$62,415 thousand and NT\$34,814 thousand, constituting 1% and 2% of the consolidated total comprehensive income for the three months then ended, respectively.

Wu, Han-Chi

Lin, Ya-Hui

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
MARCH 31, 2022, DECEMBER 31, 2021 AND MARCH 31, 2021
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2022 and 2021 are reviewed, not audited)

Assets		Notes	March 31, 2022		December 31, 2021		March 31, 2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 46,320,474	26	\$ 39,401,609	23	\$ 22,365,918	18
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		39,632	-	96,302	-	14,026	-
1150	Notes receivable, net	6(3)	27,651	-	41,293	-	20,693	
1170	Accounts receivable, net	6(3) and 8	24,114,984	13	23,567,451	14	17,640,576	14
1180	Accounts receivable - related parties	7	31,196	-	30,462	-	27,985	-
1200	Other receivables	6(4)(8)(10) and 7	1,458,854	1	2,081,728	1	1,309,539	1
130X	Inventory	6(5)	12,622,597	7	12,151,603	7	9,549,172	7
1410	Prepayments	6(6)	2,252,202	1	2,488,837	2	1,730,378	1
1460	Non-current assets classified as held for sale, net	6(8)(11)	192,790	-	-	-	-	-
1470	Other current assets	6(1) and 8	17,849	-	17,847	-	17,800	-
11XX	Total current assets		87,078,229	48	79,877,132	47	52,676,087	41
Non-current assets								
1510	Financial assets at fair value	6(2)						
	through profit or loss - non-current		7,247,102	4	8,098,255	5	6,495,904	5
1517	Non-current financial assets at fair value through other comprehensive income		35,783	-	39,933	-	-	-
1535	Non-current financial assets at amortized cost	6(1) and 8	1,701,652	1	1,598,701	1	859,519	1
1550	Investments accounted for using equity method	6(7)	2,644,209	1	2,572,383	2	2,340,909	2
1600	Property, plant and equipment	6(8), 7 and 8	78,221,372	43	72,020,994	42	59,944,287	47
1755	Right-of-use assets	6(9) and 7	3,129,762	2	3,140,808	2	2,432,648	2
1760	Investment property - net	6(11)	402,861	-	575,138	-	645,575	1
1780	Intangible assets	6(12)	684,906	-	580,124	-	436,010	-
1840	Deferred income tax assets		1,493,845	1	1,298,125	1	1,042,547	1
1900	Other non-current assets	6(10)	266,984	-	253,660	-	281,080	-
15XX	Total non-current assets		95,828,476	52	90,178,121	53	74,478,479	59
1XXX	Total assets		\$ 182,906,705	100	\$ 170,055,253	100	\$ 127,154,566	100

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

	Liabilities and Equity	Notes	March 31, 2022		December 31, 2021		March 31, 2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(13) and 8	\$ 6,951,484	4	\$ 10,176,216	6	\$ 10,524,523	8
2110	Short-term notes and bills payable	6(14)	349,975	-	399,900	-	99,999	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)(15)	107,760	-	-	-	20,793	-
2150	Notes payable		1,961	-	149,184	-	7,562	-
2170	Accounts payable		11,742,037	6	13,139,238	8	11,278,044	9
2180	Accounts payable - related parties	7	203,921	-	206,771	-	181,803	-
2200	Other payables	6(16) and 7	17,611,836	10	16,432,729	10	10,694,595	8
2230	Current tax liabilities		3,848,580	2	2,657,472	2	786,755	1
2320	Long-term liabilities, current portion	6(19) and 8	2,515,647	1	2,594,726	1	4,455,180	4
2399	Other current liabilities	6(17)(26) and 7	4,688,289	3	3,304,091	2	4,451,469	4
21XX	Total current liabilities		<u>48,021,490</u>	<u>26</u>	<u>49,060,327</u>	<u>29</u>	<u>42,500,723</u>	<u>34</u>
	Non-current liabilities							
2530	Bonds payable	6(18)	10,988,808	6	7,991,923	5	2,996,359	2
2540	Long-term borrowings	6(19) and 8	14,714,900	8	14,250,576	8	19,022,614	15
2570	Deferred income tax liabilities		370,945	-	239,532	-	305,000	-
2600	Other non-current liabilities	6(7)(8)(9)(20)(26), 7 and 9	36,523,834	20	32,996,719	19	7,082,675	6
25XX	Total non-current liabilities		<u>62,598,487</u>	<u>34</u>	<u>55,478,750</u>	<u>32</u>	<u>29,406,648</u>	<u>23</u>
2XXX	Total liabilities		<u>110,619,977</u>	<u>60</u>	<u>104,539,077</u>	<u>61</u>	<u>71,907,371</u>	<u>57</u>
	Equity attributable to owners of parent							
	Share capital	6(23)						
3110	Common stock		14,752,603	8	14,752,603	9	15,047,323	12
	Capital surplus	6(24)						
3200	Capital surplus		9,397,110	6	9,396,676	6	8,831,473	6
	Retained earnings	6(25)						
3310	Legal reserve		5,537,329	3	5,537,329	3	4,994,171	4
3320	Special reserve		550,543	-	550,543	-	861,619	1
3350	Unappropriated retained earnings		36,475,364	20	30,809,266	18	22,050,419	17
	Other equity interest							
3400	Other equity interest		293,728	-	332,855	-	598,215	-
	Treasury stocks	6(23)						
3500	Treasury stocks		-	-	-	-	608,194	-
31XX	Equity attributable to owners of the parent		<u>67,006,677</u>	<u>37</u>	<u>60,713,562</u>	<u>36</u>	<u>50,578,596</u>	<u>40</u>
36XX	Non-controlling interest		<u>5,280,051</u>	<u>3</u>	<u>4,802,614</u>	<u>3</u>	<u>4,668,599</u>	<u>3</u>
3XXX	Total equity		<u>72,286,728</u>	<u>40</u>	<u>65,516,176</u>	<u>39</u>	<u>55,247,195</u>	<u>43</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>\$ 182,906,705</u>	<u>100</u>	<u>\$ 170,055,253</u>	<u>100</u>	<u>\$ 127,154,566</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
THREE MONTHS ENDED MARCH 31, 2022 AND 2021

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

Items		Notes	Three months ended March 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(26) and 7	\$ 30,710,993	100	\$ 21,823,178	100
5000	Operating costs	6(5)(31)(32) and 7	(20,788,071)	(68)	(18,067,994)	(83)
5900	Net operating margin		9,922,922	32	3,755,184	17
	Operating expenses	6(31)(32) and 7				
6100	Selling expenses		(443,679)	(2)	(378,254)	(2)
6200	General and administrative expenses		(1,030,487)	(3)	(1,161,297)	(5)
6300	Research and development expenses		(1,289,840)	(4)	(1,024,561)	(4)
6000	Total operating expenses		(2,764,006)	(9)	(2,564,112)	(11)
	Net operating income		7,158,916	23	1,191,072	6
6500	Other (losses)/gains - net	6(27) and 7	30,379	-	43,414	-
6900	Operating profit		7,189,295	23	1,234,486	6
	Non-operating income and expenses					
7100	Interest income		87,768	-	41,147	-
7010	Other income	6(28) and 7	318,802	1	330,956	1
7020	Other gains and losses	6(29) and 7	(72,563)	-	993,801	5
7050	Finance costs	6(30) and 7	(78,793)	-	(83,271)	-
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	46,536	-	30,420	-
7000	Total non-operating income and expenses		301,750	1	1,313,053	6
7900	Profit (loss) before income tax		7,491,045	24	2,547,539	12
7950	Income tax expense	6(33)	(1,604,589)	(5)	(352,550)	(2)
8200	Profit (loss) for the year		\$ 5,886,456	19	\$ 2,194,989	10

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UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2022 AND 2021

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

Items	Notes	Three months ended March 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		\$ -	-	\$ 13,914	-
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		12,458	-	7,558	-
8310 Other comprehensive income that will not be reclassified to profit or loss		12,458	-	21,472	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		632,965	2	(114,518)	-
8370 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		4,597	-	(485)	-
8360 Other comprehensive income (loss) that will be reclassified to profit or loss		637,562	2	(115,003)	-
8300 Total other comprehensive income (loss) for the year		<u>\$ 650,020</u>	<u>2</u>	<u>(\$ 93,531)</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 6,536,476</u>	<u>21</u>	<u>\$ 2,101,458</u>	<u>10</u>
Profit attributable to:					
8610 Owners of the parent		\$ 5,666,681	18	\$ 2,183,480	10
8620 Non-controlling interest		219,775	1	11,509	-
		<u>\$ 5,886,456</u>	<u>19</u>	<u>\$ 2,194,989</u>	<u>10</u>
Comprehensive income (loss) attributable to:					
8710 Owners of the parent		\$ 6,293,264	20	\$ 2,151,528	10
8720 Non-controlling interest		243,212	1	(50,070)	-
		<u>\$ 6,536,476</u>	<u>21</u>	<u>\$ 2,101,458</u>	<u>10</u>
Earnings per share (in dollars)					
9750 Basic earnings per share	6(34)	<u>\$</u>	<u>3.85</u>	<u>\$</u>	<u>1.49</u>
9850 Diluted earnings per share	6(34)	<u>\$</u>	<u>3.83</u>	<u>\$</u>	<u>1.48</u>

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

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

Equity attributable to owners of the parent												
		Retained Earnings				Other Equity Interest						
		Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling interest	Total equity
Notes												
Three months ended March 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 period		-	-	-	-	2,183,480	-	-	-	2,183,480	11,509	2,194,989
Other comprehensive income (loss) for the period		-	-	-	-	15,720	(53,420)	5,748	-	(31,952)	(61,579)	(93,531)
Total comprehensive income (loss)		-	-	-	-	2,199,200	(53,420)	5,748	-	2,151,528	(50,070)	2,101,458
Changes in equity of associates and joint ventures accounted for using equity method	6(24)	-	120	-	-	-	-	-	-	120	-	120
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	45,121	45,121
Reversal of capital surplus - dividends not received by shareholders	6(24)	-	(62)	-	-	-	-	-	-	(62)	-	(62)
Balance at March 31, 2021		\$ 15,047,323	\$ 8,831,473	\$ 4,994,171	\$ 861,619	\$ 22,050,419	(\$ 435,755)	(\$ 162,460)	(\$ 608,194)	\$ 50,578,596	\$ 4,668,599	\$ 55,247,195
Three months ended March 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 period		-	-	-	-	5,666,681	-	-	-	5,666,681	219,775	5,886,456
Other comprehensive income (loss) for the period		-	-	-	-	-	614,125	12,458	-	626,583	23,437	650,020
Total comprehensive income		-	-	-	-	5,666,681	614,125	12,458	-	6,293,264	243,212	6,536,476
Appropriations of 2021 earnings		-	-	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	6(24)	-	521	-	-	-	-	-	-	521	-	521
Changes in equity of associates and joint ventures accounted for using equity method	6(24)	-	(208)	-	-	(583)	-	-	-	(791)	-	(791)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	234,225	234,225
Capital surplus - dividends not received by shareholders	6(24)	-	121	-	-	-	-	-	-	121	-	121
Balance at March 31, 2022		\$ 14,752,603	\$ 9,397,110	\$ 5,537,329	\$ 550,543	\$ 36,475,364	\$ 309,323	(\$ 15,595)	\$ -	\$ 67,006,677	\$ 5,280,051	\$ 72,286,728

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

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

		Three months ended March 31	
	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 7,491,045	\$ 2,547,539
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property and right-of-use asset)	6(8)(9)(11)(27)(31)	2,604,473	2,216,531
Amortization	6(12)(31)	68,010	48,576
Expected impairment loss (including related parties)	12(2)	1,305	12,556
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	6(2)(29)	1,023,596	(1,043,582)
Interest expense	6(30)	73,030	75,077
Interest income	(	87,768)	(41,147)
Dividend income	6(28)	(145,957)	(113,242)
Share-based payments	6(22)	778	-
Share of profit of associates accounted for using equity method	6(7)	(46,536)	(30,420)
Loss on disposal and scrap of property, plant and equipment	6(29)	7,725	6,752
Exchange (gains) loss on valuation of long-term foreign borrowings	6(36)	(10,635)	40,207
Deferred credits - realised transfer income	(	4,434)	(4,401)
Gain from lease modification	6(9)(29)	-	(8)
Gain by fire	6(8)	-	(19,585)
Amortization of discount on bonds payable	6(30)(36)	635	159
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		13,651	(2,730)
Accounts receivable	(	551,167)	(430,331)
Accounts receivable due from related parties	(	734)	(15,812)
Other receivables		628,357	137,600
Inventories	(	470,994)	(585,076)
Prepayments		234,142	258,092
Other non-current assets	(	308)	(60)
Changes in operating liabilities			
Notes payable	(	80,223)	(1,966)
Accounts payable	(	1,397,201)	(540,997)
Accounts payable to related parties	(	2,850)	(40,681)
Other payables		510,409	(258,890)
Other current liabilities	(	172,608)	(705,235)
Accrued pension liabilities	(	4,963)	(18,878)
Contract liabilities		5,027,678	2,024,897
Other non-current liabilities		10,673	4,802
Cash inflow generated from operations		14,719,129	3,519,747
Interest received		76,966	36,997
Dividends received		145,957	113,242
Interest paid	(	72,082)	(77,081)
Income tax paid	(471,173)	(23,047)
Net cash flows from operating activities		14,398,797	3,569,858

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

		Three months ended March 31	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		\$ -	(\$ 100)
Proceeds from disposal of financial assets at fair value through profit or loss		-	9,872
Paid by financial assets at fair value through profit or loss		(5,776)	-
Acquisition of amortized cost financial assets		(102,943)	(440,764)
Acquisition of property, plant and equipment	6(35)	(7,391,983)	(5,248,826)
Proceeds from disposal of property, plant and equipment		133,983	19,702
Acquisition of intangible assets	6(12)	(166,342)	(119,319)
Increase in restricted assets		(10)	(12)
(Increase) decrease in refundable deposits		(11,628)	5,476
Net cash flows used in investing activities		(7,544,699)	(5,773,971)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings	6(36)	(3,352,101)	2,000,733
Decrease in short-term notes and bills payable	6(36)	(49,925)	(99,973)
Proceeds from issuing bonds	6(18)(36)	3,000,000	3,000,000
Issuance cost of bonds payable	6(36)	(3,750)	(3,800)
Proceeds from long-term borrowings	6(36)	1,148,495	2,050,145
Repayments of long-term borrowings	6(36)	(885,990)	(6,501,681)
Increase (decrease) in guarantee deposits received		4,032	(16,651)
Payments for lease liabilities	6(36)	(105,327)	(78,212)
Change in non-controlling interests		234,225	45,121
Reversal of capital surplus - dividends not received by shareholders	6(24)	-	(62)
Capital surplus - dividends not received by shareholders	6(24)	121	-
Net cash flows (used in) from financing activities		(10,220)	395,620
Effect of foreign exchange translations		74,987	(20,052)
Net increase (decrease) in cash and cash equivalents		6,918,865	(1,828,545)
Cash and cash equivalents at beginning of period	6(1)	39,401,609	24,194,463
Cash and cash equivalents at end of period	6(1)	\$ 46,320,474	\$ 22,365,918

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

UNIMICRON TECHNOLOGY CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2022 AND 2021

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

(Reviewed, not audited)

1. HISTORY AND ORGANISATION

Unimicron Technology Corp. (the “Company”) was incorporated on January 25, 1990. The Company and its subsidiaries (the “Group”) are primarily engaged in the manufacturing, processing, and sales of printed circuit boards, electrical equipment, electronic products, and testing and burn-in systems for integrated circuit products. The stock of the Company commenced trading on the Taipei Exchange in December 1998 and was approved for listing on the Taiwan Stock Exchange in August 2002. As of March 31, 2022, the Group had 29,113 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 April 26, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before	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

None.

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Initial application of IFRS 17 and IFRS 9-comparative information'.	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2021.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets and liabilities at fair value through other comprehensive income Available-for-sale financial assets measured at fair value.

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

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2022	December 31, 2021	March 31, 2021	
The Company	Hemingway Int'l Limited (Hemingway)	Holding company	100.00	100.00	100.00	
The Company	UMTC Holdings Limited (UMTC)	Holding company	100.00	100.00	100.00	
The Company	Hsin Yang Investment Corp. (Hsin Yang Investment)	Holding company	100.00	100.00	99.16	
The Company	UniBest Holding Limited (UniBest)	Holding company	100.00	100.00	100.00	
The Company	NEOCONIX, INC. (NEOCONIX)	Design and manufacture of connectors	92.00	92.00	92.00	
The Company	Unidisplay Holding Corp. (UniDH)	Holding company	100.00	100.00	100.00	
The Company and Hsin Yang Investment	Qun Hong Technology Inc. (Qun Hong Technology)	Manufacture and sales of electronic parts	94.50	94.50	94.50	
The Company and Hsin Yang Investment	UniFresh, Inc. (UniFresh)	Food and restaurants	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2022	December 31, 2021	March 31, 2021	
The Company and Hsin Yang Investment	Asia Pacific Microsystems, Inc. (Asia Pacific)	Manufacture and sales of electronic parts	66.94	66.94	66.94	
The Company and Hsin Yang Investment	Apm Communication, Inc. (Apm Communication)	Manufacture and sales of electronic parts	72.11	72.11	72.11	
The Company and Apm Communication	PAVIDA Trading Limited (PAVIDA)	Holding company and trading	76.93	76.93	76.93	
UniFresh, Inc. (UniFresh)	UniCuisine, Inc. (UniCuisine)	Manufacture and sales of food	69.97	69.97	69.97	
Hemingway and UMTC	Plato Electronics (Cayman) Limited (Plato-Cayman)	Holding company	83.53	83.53	83.53	
Hemingway and UMTC	Smart Idea Holdings Limited (SI)	Holding company	71.23	71.23	71.23	
Hemingway, UMTC and UniBest	Best Option Investments Limited (BO)	Holding company	100.00	100.00	99.51	
Hemingway, UMTC and UniBest	UniSmart Holding Limited (UniSmart)	Holding company	100.00	100.00	100.00	
Hemingway, UMTC and UniBest	Unimicron Holding Limited (UHL)	Holding company	78.86	78.86	77.95	
UMTC	UniClover Holding Limited (UniClover)	Holding company	-	-	-	Note 1
UniClover	Unimicron JAPAN Co., Ltd. (U JAPAN)	Manufacture and sales of electronic parts	-	-	-	Note 1
UMTC	U JAPAN	Manufacture and sales of electronic parts	100.00	100.00	100.00	Note 1
Plato-Cayman	Unimicron Technology (ShenZhen) Corp. (Unimicron Technology (ShenZhen))	Manufacture and sales of electronic parts	83.53	83.53	83.53	
Plato-Cayman	Unimicron (SZ) Trading Ltd. (USZT)	Trading	83.53	83.53	83.53	
SI	Unimicron Technology (KunShan) Corp. (Unimicron Technology (KunShan))	Manufacture and sales of electronic parts	71.23	71.23	71.23	
SI	Kunshan Dingchangxin Electronic Technology Co., Ltd. (Kunshan Dingchangxin)	Manufacture and sales of electronic parts	71.23	71.23	71.23	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2022	December 31, 2021	March 31, 2021	
SI	UniRuwel Holding Limited (UniRuwel)	Holding company	71.23	71.23	71.23	
SI	Unimicron (KS) Trading Ltd. (UKST)	Trading	71.23	71.23	71.23	
SI	UniGreat Holding Limited (UniGreat)	Holding Company	71.23	71.23	71.23	
UniRuwel	Unimicron Germany GmbH (U Germany)	Manufacture and sales of electronic parts	71.23	71.23	71.23	
BO	Unifley Technology (KunShan) Inc. (Unifley Technology (KunShan))	Manufacture and sales of electronic parts	100.00	100.00	99.51	
UHL	Unimicron Technology (SuZhou) Corp. (Unimicron Technology (SuZhou))	Manufacture and sales of electronic parts	78.86	78.86	77.95	
UHL	Suzhou Qunye Enterprise Management Co., Ltd. (Suzhou Qunye)	Business management consulting	78.86	-	-	Note 3
Unimicron Technology (KunShan)	Unimicron Management (KunShan) Corp., Ltd. (Unimicron Management)	Business management consulting and property management	71.23	71.23	71.23	
Unimicron Management and UniGreat	Unimicron Technology (Huangshi) Corp. (Unimicron Technology)	Manufacture and sales of electronic parts	71.23	71.23	71.23	
UniDH and Hsin Yang Investment	Unidisplay Trading Corp. (UniDT)	Trading	98.16	98.16	98.16	
UniDT	Unimicron Touch (ShenZhen) Corp. (Unimicron Touch)	Manufacture and sales of electronic parts	-	-	98.16	Note 2
Unimicron Management (KunShan)	Hu Se Sn Li Managemnet Corp., Ltd. (Hu Se Sn Li)	Business management consulting	71.23	71.23	71.23	
Unimicron Technology (SuZhou)	Unimicron-Carrier Technology (Huangshi) Inc. (Unimicron-Carrier Technology (Huangshi))	Manufacture and sales of electronic parts	78.86	78.86	77.95	

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

On March 31, 2022 and 2021, the consolidated subsidiaries and their consolidated entities were reviewed by the independent auditors who were commissioned by the Company.

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

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

Note 3: Suzhou Qunye was established in February 2022 .

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 March 31, 2022, December 31, 2021 and March 31, 2021, the non-controlling interest amounted to \$5,280,051, \$4,802,614 and \$4,668,599, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest				
		March 31, 2022		December 31, 2021		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
SI	Cayman	\$ 2,588,753	28.77	\$ 2,457,389	28.77	
UHL	Samoa	2,162,166	21.14	1,824,122	21.14	
		<u>\$ 4,750,919</u>		<u>\$ 4,281,511</u>		
		Non-controlling interest				
		March 31, 2021				
Name of subsidiary	Principal place of business			Amount	Ownership (%)	Description
SI	Cayman			\$ 2,498,204	28.77	
UHL	Samoa			1,506,776	22.05	
				<u>\$ 4,004,980</u>		

Summarized financial information of the subsidiaries:

Balance sheets

	SI		
	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 10,413,730	\$ 10,431,365	\$ 10,678,665
Non-current assets	10,951,214	10,078,970	9,353,646
Current liabilities	(9,579,543)	(10,413,036)	(8,927,921)
Non-current liabilities	(2,787,302)	(1,555,800)	(2,421,027)
Total net assets	<u>\$ 8,998,099</u>	<u>\$ 8,541,499</u>	<u>\$ 8,683,363</u>

	UHL		
	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 13,863,986	\$ 12,348,292	\$ 4,078,506
Non-current assets	13,211,507	11,568,267	8,821,048
Current liabilities	(5,774,457)	(6,194,186)	(3,760,653)
Non-current liabilities	(11,073,192)	(9,093,603)	(2,305,452)
Total net assets	<u>\$ 10,227,844</u>	<u>\$ 8,628,770</u>	<u>\$ 6,833,449</u>

Statements of comprehensive income

	SI	
	Three months ended March 31	
	2022	2021
Operating revenue	\$ 4,996,075	\$ 4,737,595
Income (loss) before income tax	131,466	(21,752)
Income tax expense	(12,926)	(18,247)
Profit (loss) for the period	118,540	(39,999)
Other comprehensive income (loss), net of tax	22,504	(115,057)
Total comprehensive income (loss) for the period	<u>\$ 141,044</u>	<u>(\$ 155,056)</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 40,578</u>	<u>(\$ 44,610)</u>

	UHL	
	Three months ended March 31	
	2022	2021
Operating revenue	\$ 3,424,772	\$ 2,037,212
Profit before income tax	1,254,036	298,999
Income tax expense	(13,877)	(46,108)
Profit for the year	1,240,159	252,891
Other comprehensive income (loss), net of tax	34,008	(61,031)
Total comprehensive income for the period	\$ 1,274,167	\$ 191,860
Comprehensive income attributable to non-controlling interest	\$ 269,359	\$ 42,305

Statements of cash flows

	SI	
	Three months ended March 31	
	2022	2021
Net cash provided by (used in) operating activities	\$ 351,107	(\$ 155,952)
Net cash used in investing activities	(663,363)	(340,462)
Net cash provided by financing activities	214,599	687,673
Effect of exchange rates on cash and cash equivalents	85,064	3,870
(Decrease) increase in cash and cash equivalents	(12,593)	195,129
Cash and cash equivalents, beginning of period	2,541,886	2,823,944
Cash and cash equivalents, end of period	\$ 2,529,293	\$ 3,019,073

	UHL	
	Three months ended March 31	
	2022	2021
Net cash provided by operating activities	\$ 2,407,644	\$ 192,876
Net cash used in investing activities	(1,284,741)	(1,021,527)
Net cash (used in) provided by financing activities	(629,775)	709,000
Effect of exchange rates on cash and cash equivalents	321,538	2,208
Increase (decrease) in cash and cash equivalents	814,666	(117,443)
Cash and cash equivalents, beginning of period	9,041,719	1,673,384
Cash and cash equivalents, end of period	\$ 9,856,385	\$ 1,555,941

(4) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(5) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognized immediately in profit or loss.
- iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Employees' compensation and directors' remuneration

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

(6) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

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

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

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

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

Investment property

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

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories.

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

As of March 31, 2022, the carrying amount of inventories was \$12,622,597.

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 March 31, 2022, the Group's investments accounted for using the equity method, net of impairment loss, amounted to \$2,644,209.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Cash on hand	\$ 2,861	\$ 3,472	\$ 2,921
Checking accounts and demand deposits	16,824,316	24,142,420	7,774,544
Time deposits	21,794,893	10,523,012	11,097,625
Commercial paper	9,417,905	6,349,253	4,368,147
	<u>48,039,975</u>	<u>41,018,157</u>	<u>23,243,237</u>
Transferred to other current assets (	17,849) (	17,847) (	17,800) (
Transferred to non-current financial assets at amortized cost (	1,701,652) (	1,598,701) (	859,519) (
	<u>\$ 46,320,474</u>	<u>\$ 39,401,609</u>	<u>\$ 22,365,918</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. Interest rates on term deposits ranged from 0.07% to 4.02%, 0.07% to 4.02% and 0.06% to 4.18% as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively. Certain time deposits which have been pledged as collateral were classified as long-term time deposits due to capital planning and reclassified as “other current assets” or “non-current financial assets at amortized cost”.
- C. Interest rates on commercial paper ranged from 0.26% to 0.42%, 0.25% to 0.26% and 0.23% to 0.32% as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.
- D. Details of the Group’s cash and cash equivalents through profit or loss pledged to others as collateral are provided in Note 8.

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

<u>Items</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 9,901	\$ 10,531	\$ 11,962
Derivatives	-	64,377	-
	<u>9,901</u>	<u>74,908</u>	<u>11,962</u>
Valuation adjustment	<u>29,731</u>	<u>21,394</u>	<u>2,064</u>
	<u>\$ 39,632</u>	<u>\$ 96,302</u>	<u>\$ 14,026</u>

Items	March 31, 2022	December 31, 2021	March 31, 2021
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 45,499	\$ 45,499	\$ 54,499
Unlisted stocks	3,680,739	3,680,739	4,236,363
Foreign closed-end funds	89,648	89,648	89,489
Corporate bonds	87,728	87,728	87,728
	3,903,614	3,903,614	4,468,079
Valuation adjustment	3,343,488	4,194,641	2,027,825
	<u>\$ 7,247,102</u>	<u>\$ 8,098,255</u>	<u>\$ 6,495,904</u>

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

	Three months ended March 31	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 809	\$ 11,580
Unlisted stocks	(836,875)	1,034,077
Foreign closed-end funds	(8,571)	(27,691)
Derivatives	(178,959)	25,616
	<u>(\$ 1,023,596)</u>	<u>\$ 1,043,582</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:

March 31, 2022		
Derivative instruments	Contract amount (notional principal)	Contract period
Current items:		
Forward foreign exchange contracts		
- 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
- Buy JPY sell CNY	JPY 92,274,800	2022.01.24~2022.05.09
- Buy USD sell CNY	USD 5,000,000	2022.01.27~2022.04.27
Cross currency swap		
- Buy TWD sell EUR	EUR 10,800,000	2022.01.06~2022.04.06
- Buy TWD sell EUR	EUR 3,150,000	2022.02.09~2022.05.04
- Buy TWD sell EUR	EUR 4,500,000	2022.03.08~2022.06.07
- Buy TWD sell EUR	EUR 30,000,000	2022.02.09~2022.05.09
- Buy TWD sell EUR	EUR 1,700,000	2022.03.22~2022.06.22
- Buy TWD sell EUR	EUR 4,600,000	2022.01.25~2022.04.25
- Buy TWD sell USD	USD 20,000,000	2022.02.10~2022.05.10
- Buy TWD sell USD	USD 23,000,000	2022.01.18~2022.04.18
- Buy TWD sell USD	USD 30,000,000	2022.03.15~2022.06.15
- Buy TWD sell USD	USD 10,000,000	2022.03.07~2022.05.31
- Buy TWD sell USD	USD 6,000,000	2022.02.10~2022.05.10
- Buy TWD sell USD	USD 20,000,000	2022.02.14~2022.05.16
- Buy TWD sell USD	USD 10,000,000	2022.03.14~2022.05.31
- Buy TWD sell USD	USD 15,000,000	2022.03.15~2022.06.15

December 31, 2021		
<u>Derivative instruments</u>	<u>Contract amount (notional principal)</u>	<u>Contract period</u>
Current items:		
Forward foreign exchange contracts		
- Buy JPY sell CNY	JPY 180,680,000	2021.10.28~2022.01.06
- Buy JPY sell CNY	JPY 196,560,000	2021.11.26~2022.02.14
- Buy JPY sell CNY	JPY 88,862,600	2021.11.26~2022.02.16
- Buy JPY sell CNY	JPY 214,577,400	2021.12.13~2022.03.07
- Buy JPY sell CNY	JPY 230,000,000	2021.12.27~2022.04.21
- Buy JPY sell CNY	JPY 88,862,600	2021.12.28~2022.04.07
- Buy JPY sell CNY	JPY 88,862,600	2021.12.28~2022.04.20
Cross currency swap		
- Buy TWD sell EUR	EUR 4,300,000	2021.10.14~2022.01.13
- Buy TWD sell EUR	EUR 2,500,000	2021.09.24~2022.01.13
- Buy TWD sell EUR	EUR 3,150,000	2021.11.05~2022.02.09
- Buy TWD sell EUR	EUR 4,500,000	2021.12.08~2022.03.08
- Buy TWD sell EUR	EUR 4,000,000	2021.09.08~2022.01.13
- Buy TWD sell EUR	EUR 30,000,000	2021.11.04~2022.02.09
- Buy TWD sell EUR	EUR 1,700,000	2021.12.22~2022.03.22
- Buy TWD sell USD	USD 20,000,000	2021.11.10~2022.02.10
- Buy TWD sell USD	USD 30,000,000	2021.12.16~2022.03.15
- Buy TWD sell USD	USD 10,000,000	2021.12.07~2022.03.07
- Buy TWD sell USD	USD 6,000,000	2021.11.10~2022.02.10
- Buy TWD sell USD	USD 20,000,000	2021.11.12~2022.02.14
- Buy TWD sell USD	USD 10,000,000	2021.12.13~2022.03.14
- Buy TWD sell USD	USD 15,000,000	2021.12.15~2022.03.15
- Buy TWD sell USD	USD 23,000,000	2021.10.18~2022.01.18

<u>Derivative instruments</u>	March 31, 2021	
	<u>Contract amount (notional principal)</u>	<u>Contract period</u>
Current items:		
Forward foreign exchange contracts		
- Buy JPY sell CNY	<u>JPY 100,000,000</u>	2021.03.03~2021.05.24
- Buy JPY sell CNY	<u>JPY 100,000,000</u>	2021.03.04~2021.05.24
- Buy USD sell CNY	<u>USD 1,500,000</u>	2021.03.26~2021.07.29
- Buy USD sell CNY	<u>USD 3,500,000</u>	2021.03.26~2021.09.17
Cross currency swap		
- Buy TWD sell EUR	<u>EUR 30,000,000</u>	2021.02.17~2021.05.17
- Buy TWD sell EUR	<u>EUR 4,300,000</u>	2021.01.14~2021.04.14
- Buy TWD sell EUR	<u>EUR 2,500,000</u>	2021.03.24~2021.06.24
- Buy TWD sell USD	<u>USD 15,000,000</u>	2021.03.16~2021.06.16
- Buy TWD sell USD	<u>USD 10,000,000</u>	2021.02.08~2021.05.10
- Buy TWD sell USD	<u>USD 20,000,000</u>	2021.02.17~2021.05.17
- Buy TWD sell USD	<u>USD 2,500,000</u>	2021.01.25~2021.04.26
- Buy TWD sell USD	<u>USD 20,000,000</u>	2021.03.15~2021.06.15
- Buy TWD sell USD	<u>USD 30,000,000</u>	2021.03.16~2021.06.16

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

(3) Notes and accounts receivable

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Notes receivable	\$ 27,665	\$ 41,316	\$ 20,697
Less: Allowance for uncollectible accounts	(14)	(23)	(4)
	<u>\$ 27,651</u>	<u>\$ 41,293</u>	<u>\$ 20,693</u>
Accounts receivable	\$ 24,231,558	\$ 23,680,391	\$ 17,775,142
Less: Allowance for uncollectible accounts	(116,574)	(112,940)	(134,566)
	<u>\$ 24,114,984</u>	<u>\$ 23,567,451</u>	<u>\$ 17,640,576</u>

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Not past due	\$ 24,172,910	\$ 23,640,639	\$ 17,690,565
1-30 days past due	68,106	62,492	54,680
31-60 days past due	5,172	4,983	40,919
61-90 days past due	1,206	1,563	1,382
Over 90 days past due	11,829	12,030	8,293
	<u>\$ 24,259,223</u>	<u>\$ 23,721,707</u>	<u>\$ 17,795,839</u>

The above ageing analysis was based on past due date.

- B. As of March 31, 2022, December 31, 2021 and March 31, 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 March 31, 2022, December 31, 2021 and March 31, 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 \$27,651, \$41,293 and \$20,693, and accounts receivable were \$24,114,984, \$23,567,451 and \$17,640,576, 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>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Fire insurance claims receivable (Note)	\$ 749,868	\$ 1,522,779	\$ 831,750
Interest receivable	78,304	62,219	31,917
Finance lease receivable	3,190	3,135	3,053
Others	627,492	493,595	442,819
	<u>\$ 1,458,854</u>	<u>\$ 2,081,728</u>	<u>\$ 1,309,539</u>

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

(5) Inventories

March 31, 2022			
	Cost	Allowance for valuation losses	Book value
Raw materials	\$ 3,383,734	(\$ 342,722)	\$ 3,041,012
Work in progress	5,841,586	(726,539)	5,115,047
Finished goods	5,129,629	(663,091)	4,466,538
	<u>\$ 14,354,949</u>	<u>(\$ 1,732,352)</u>	<u>\$ 12,622,597</u>
December 31, 2021			
	Cost	Allowance for valuation losses	Book value
Raw materials	\$ 3,337,679	(\$ 331,672)	\$ 3,006,007
Work in progress	5,397,326	(600,520)	4,796,806
Finished goods	4,986,844	(638,054)	4,348,790
	<u>\$ 13,721,849</u>	<u>(\$ 1,570,246)</u>	<u>\$ 12,151,603</u>
March 31, 2021			
	Cost	Allowance for valuation losses	Book value
Raw materials	\$ 2,783,751	(\$ 260,329)	\$ 2,523,422
Work in progress	4,489,201	(650,491)	3,838,710
Finished goods	3,893,737	(706,697)	3,187,040
	<u>\$ 11,166,689</u>	<u>(\$ 1,617,517)</u>	<u>\$ 9,549,172</u>

The cost of inventories recognized as expense for the period:

Three months ended March 31		
	2022	2021
Cost of goods sold	\$ 20,048,366	\$ 17,361,303
Loss on market value decline and obsolete and slow-moving inventories	205,062	187,780
Loss by fire	-	(42,599)
Others (Note 1)	534,643	561,510
	<u>\$ 20,788,071</u>	<u>\$ 18,067,994</u>

Note 1: Primarily includes cost differences resulting from low capacity utilization and revenue from sale of scrap or waste materials.

Note 2: Refer to Note 6(8) for the details of inventory loss caused by fire in certain factory.

(6) Prepayments

	March 31, 2022	December 31, 2021	March 31, 2021
Excess business tax paid	\$ 824,251	\$ 927,198	\$ 668,773
Prepaid insurance premiums	399,874	602,227	70,089
Prepayments for material purchase	164,133	157,012	140,413
Others	863,944	802,400	851,103
	<u>\$ 2,252,202</u>	<u>\$ 2,488,837</u>	<u>\$ 1,730,378</u>

(7) Investments accounted for using equity method

Investees	March 31, 2022	December 31, 2021	March 31, 2021
Subtron Technology Co., Ltd. (Subtron Technology)	\$ 1,628,122	\$ 1,566,498	\$ 1,342,902
Uniflex Technology Inc. (Uniflex Technology)	332,520	334,658	348,998
Advance Materials Corp. (Advance Materials)	307,654	304,859	293,993
Unipoint Technology Co., Ltd. (Unipoint Technology)	264,056	258,756	253,526
Others	111,857	107,612	101,490
	<u>\$ 2,644,209</u>	<u>\$ 2,572,383</u>	<u>\$ 2,340,909</u>

Credit balance of investments accounted for using equity method transferred to other non-current liabilities	<u>\$ 132,971</u>	<u>\$ 131,199</u>	<u>\$ 132,804</u>
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A. For the three months ended March 31, 2022 and 2021, the share of profit of associates and joint ventures accounted for using equity method recognized was \$46,536 and \$30,420, respectively. The financial statements of these entities were audited by auditors appointed by the Company, except for the financial statements of Subtron Technology.

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

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Method of measurement
		March 31, 2022	December 31, 2021	March 31, 2021		
Subtron Technology	Taiwan	32.04%	32.18%	32.64%	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		
	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 3,392,755	\$ 3,166,952	\$ 2,641,017
Non-current assets	4,908,862	4,783,176	4,637,164
Current liabilities	(1,429,060)	(1,423,529)	(1,282,120)
Non-current liabilities	(2,079,496)	(1,970,544)	(2,133,112)
Total net assets	<u>\$ 4,793,061</u>	<u>\$ 4,556,055</u>	<u>\$ 3,862,949</u>
Share in associate's net assets	\$ 1,535,697	\$ 1,466,138	\$ 1,260,867
Difference in net value of equity	92,425	100,360	82,035
Carrying amount of the associate	<u>\$ 1,628,122</u>	<u>\$ 1,566,498</u>	<u>\$ 1,342,902</u>

Statement of comprehensive income

	Subtron Technology	
	Three months ended March 31	
	2022	2021
Operating revenue	\$ 1,090,106	\$ 1,105,477
Profit for the period from continuing operations	141,837	100,956
Other comprehensive income, net of tax	87,834	13,158
Total comprehensive income	<u>\$ 229,671</u>	<u>\$ 114,114</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 March 31, 2022, December 31, 2021 and March 31, 2021, the carrying amount of the Group's individually immaterial associates amounted to \$883,116 \$874,686 and \$865,203, respectively.

	Three months ended March 31	
	2022	2021
Loss for the period from continuing operations	(\$ 3,402)	(\$ 20,759)
Other comprehensive income (loss), net of tax	35,151	(4,063)
Total comprehensive income (loss)	<u>\$ 31,749</u>	<u>(\$ 24,822)</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 32.04%, 24.14%, 26.67%, 30.98% and 45.88% equity interest, respectively. Given that 6 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. 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, the method of merger which may change. On March 30, 2022, the Board of Directors approved to terminate the former 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, with the effective date temporarily set on October 1, 2022. Subtron Technology will become the wholly-owned subsidiary of the Company after the shares swap.

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(8) Property, plant and equipment

2022

	Land-revaluation		Buildings and structures			Machinery and equipment			Transportation equipment and other equipment	Unfinished construction and equipment under acceptance	Total
	Land	increment	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal			
At January 1											
Cost	\$ 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	62,913	-	622,845	-	622,845	292,176	-	292,176	18,084	6,962,453	7,958,471
Disposals, net	(275)	-	(195)	-	(195)	(141,003)	-	(141,003)	(235)	-	(141,708)
Reclassifications (Note)	(21,360)	-	1,089,636	-	1,089,636	3,167,088	-	3,167,088	31,250	(4,216,476)	50,138
Depreciation	-	-	(638,425)	(3,805)	(642,230)	(1,794,046)	-	(1,794,046)	(67,920)	-	(2,504,196)
Net exchange differences	2,246	-	293,731	-	293,731	356,119	-	356,119	10,359	175,218	837,673
At March 31	<u>\$ 6,225,304</u>	<u>\$ 10,162</u>	<u>\$ 23,908,028</u>	<u>\$ 136,465</u>	<u>\$ 24,044,493</u>	<u>\$ 32,235,149</u>	<u>\$ -</u>	<u>\$ 32,235,149</u>	<u>\$ 880,837</u>	<u>\$ 14,825,427</u>	<u>\$ 78,221,372</u>
At March 31											
Cost	\$ 6,225,304	\$ 10,162	\$ 52,051,133	\$ 229,603	\$ 52,280,736	\$ 71,111,259	\$ 2,234	\$ 71,113,493	\$ 2,689,622	\$ 14,825,427	\$ 147,144,744
Accumulated depreciation	-	-	(28,057,197)	(93,138)	(28,150,335)	(38,529,162)	(2,234)	(38,531,396)	(1,808,785)	-	(68,490,516)
Accumulated impairment	-	-	(85,908)	-	(85,908)	(346,948)	-	(346,948)	-	-	(432,856)
	<u>\$ 6,225,304</u>	<u>\$ 10,162</u>	<u>\$ 23,908,028</u>	<u>\$ 136,465</u>	<u>\$ 24,044,493</u>	<u>\$ 32,235,149</u>	<u>\$ -</u>	<u>\$ 32,235,149</u>	<u>\$ 880,837</u>	<u>\$ 14,825,427</u>	<u>\$ 78,221,372</u>

Note: On March 30, 2022, to maximize asset utilization and optimize operations, the Board of Directors resolved to sell land and investment property. The transaction was expected to be completed in June 2022, related assets had been transfer non-current assets held for sale.

2021

		Land-revaluation	Buildings and structures			Machinery and equipment			Transportation	Unfinished	
	Land	increment	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	equipment and	construction	Total
									other equipment	and equipment	
										under acceptance	
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	-	-	572,606	-	572,606	140,753	-	140,753	33,285	3,634,032	4,380,676
Disposals, net	-	-	-	-	-	(26,123)	-	(26,123)	(331)	-	(26,454)
Loss by fire	-	-	-	-	-	(33,042)	-	(33,042)	(296)	-	(33,338)
Reclassifications	-	-	655,550	-	655,550	1,421,703	-	1,421,703	157,217	(2,261,762)	(27,292)
Depreciation	-	-	(516,082)	(1,581)	(517,663)	(1,570,330)	-	(1,570,330)	(50,641)	-	(2,138,634)
Net exchange differences	(6,019)	-	(65,672)	-	(65,672)	(102,470)	-	(102,470)	(4,754)	(12,495)	(191,410)
At March 31	<u>\$ 5,075,866</u>	<u>\$ 10,162</u>	<u>\$ 17,152,904</u>	<u>\$ 119,710</u>	<u>\$ 17,272,614</u>	<u>\$ 24,363,057</u>	<u>\$ -</u>	<u>\$ 24,363,057</u>	<u>\$ 735,071</u>	<u>\$ 12,487,517</u>	<u>\$ 59,944,287</u>
At March 31											
Cost	\$ 5,075,866	\$ 10,162	\$ 42,648,954	\$ 190,773	\$ 42,839,727	\$ 61,668,757	\$ 2,234	\$ 61,670,991	\$ 2,356,026	\$ 12,487,517	\$ 124,440,289
Accumulated depreciation	-	-	(25,496,050)	(71,063)	(25,567,113)	(37,056,889)	(2,234)	(37,059,123)	(1,620,955)	-	(64,247,191)
Accumulated impairment	-	-	-	-	-	(248,811)	-	(248,811)	-	-	(248,811)
	<u>\$ 5,075,866</u>	<u>\$ 10,162</u>	<u>\$ 17,152,904</u>	<u>\$ 119,710</u>	<u>\$ 17,272,614</u>	<u>\$ 24,363,057</u>	<u>\$ -</u>	<u>\$ 24,363,057</u>	<u>\$ 735,071</u>	<u>\$ 12,487,517</u>	<u>\$ 59,944,287</u>

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

	Three months ended March 31	
	2022	2021
Amount capitalized	\$ 13,559	\$ 12,699
Range of the interest rates for capitalization	0.60%~1.26%	0.71%~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 has not yet been completed as of March 31, 2022. The Company has obtained other rights of the land for securing certain rights to this land. In addition, on March 30, 2022, the Board of Directors of the Company resolved to sell the land.
- E. In December 2016, certain plants, buildings, equipment and inventory of U Germany, a subsidiary of the Company, were damaged in a fire. However, the damaged assets were covered by sufficient fire and business interruption insurance, so the Company did not incur any significant loss. In the first quarter of 2022 and 2021, the claims income arising from operating termination and assets disaster were not recognized. In addition, as of March 31, 2022, the related fire claims have not been settled.
- F. The second-tier subsidiary of the Company, Unimicron Technology (KunShan) caught fire in September 2020, resulting in losses on certain factory and buildings, equipment and inventory. For the three months ended March 31, 2022 and 2021, gain from fire incident amounted to \$0 and \$37,033, respectively. In addition, as of March 31, 2022 and 2021, insurance claim receivable amounted to \$122,605 and \$85,902, respectively (included in other receivables). As of March 31, 2022, Unimicron Technology (KunShan) has received claims of \$65,631 from the insurance company, and continued negotiating with the insurance company with respect to the final settlement of the claims.

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 caused to the Company. For the three months ended March 31, 2022 and 2021, loss from fire incident amounted to \$0 and (\$17,448), respectively. In addition, as of March 31, 2022 and 2021, insurance claim receivable amounted to \$627,263 and \$745,848, respectively (included in other receivables). As of March 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 March 31, 2022, the remaining unamortized balances were RMB 12,909 thousand and RMB 522 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>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land and land use rights	\$ 1,922,114	\$ 1,913,024	\$ 1,413,695
Buildings	993,028	928,550	767,146
Machinery and equipment	194,422	276,828	233,097
Transportation equipment and other equipment	20,198	22,406	18,710
	<u>\$ 3,129,762</u>	<u>\$ 3,140,808</u>	<u>\$ 2,432,648</u>

	Three months ended March 31	
	2022	2021
	Depreciation charge	Depreciation charge
Land and land use rights	\$ 40,111	\$ 19,921
Buildings	45,695	44,206
Machinery and equipment	10,590	10,098
Transportation equipment and other equipment	3,034	2,814
	<u>\$ 99,430</u>	<u>\$ 77,039</u>

C. For the three months ended March 31, 2022 and 2021, the additions to right-of-use assets were \$7,558 and \$3,215, respectively.

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

	Three months ended March 31	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 11,588	\$ 8,653
Expense on short-term lease contracts	15,915	20,837
Expense on leases of low-value assets	1,040	370
Expense on variable lease payments	1,967	5,140
Gain from lease modifications	-	8

E. For the three months ended March 31, 2022 and 2021, the Group's total cash outflow for leases were \$137,297 and \$106,267, respectively.

F. Variable lease payments

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

G. Extension options

- (a) Extension options are included in the Group's lease contracts pertaining to land, land use rights, buildings and structures, transportation equipment and other equipment. These terms and conditions aim to maximize optional flexibility in terms of managing contracts.
- (b) In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

H. Land use rights acquired by the Group have a duration of 27 to 70 years, starting from the acquisition date. For the three months ended March 31, 2022 and 2021, depreciation expense and rent expenses were \$7,327 and \$6,412, respectively. In particular, Unimicron Technology (Huangshi) was eligible to receive development subsidies from the local government in the amount of RMB 19,299 thousand (included in other non-current liabilities), which will be recognized in profit or loss over the duration of the land use rights on a straight-line basis. The remaining unamortized balance of Unimicron Technology (Huangshi) was RMB 17,401 thousand.

(10) Leasing arrangements – lessor

- A. The Group leases various assets including land, buildings, machinery and equipment. Rental contracts are typically made for periods of 1 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.
- B. The Group leases land, buildings, machinery and equipment under a finance lease. For the three months ended March 31, 2022 and 2021, the amount of finance income from the net investment in the finance lease related to lease contracts was \$161 and \$187, respectively.
- C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Less than one year	\$ 3,766	\$ 3,738	\$ 3,738
More than one year but not later than five years	16,144	16,411	16,088
Over five years	-	695	3,822
	<u>\$ 19,910</u>	<u>\$ 20,844</u>	<u>\$ 23,648</u>

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

	<u>March 31, 2022</u>	<u>March 31, 2022</u>
	<u>Current</u>	<u>Non-current</u>
Undiscounted lease payments	\$ 3,766	\$ 16,144
Unearned finance income	(576)	(1,035)
Net investment in the lease	<u>\$ 3,190</u>	<u>\$ 15,109</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>

	March 31, 2021	March 31, 2021
	Current	Non-current
Undiscounted lease payments	\$ 3,738	\$ 19,910
Unearned finance income	(685)	(1,610)
Net investment in the lease	<u>\$ 3,053</u>	<u>\$ 18,300</u>

E. In the first quarter of 2022 and 2021, the Group recognized rent income in the amounts of \$16,984 and \$11,575, 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:

	March 31, 2022	December 31, 2021	March 31, 2021
Less than one year	\$ 67,346	\$ 69,198	\$ 50,445
More than one year but not later than five years	123,025	136,721	88,130
Over five years	686	-	3,147
	<u>\$ 191,057</u>	<u>\$ 205,919</u>	<u>\$ 141,722</u>

(11) Investment property

	2022		
	Land	Buildings and structures	Total
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
Reclassifications (Note)	(171,430)	-	(171,430)
Depreciation	-	(847)	(847)
At March 31	<u>\$ 362,783</u>	<u>\$ 40,078</u>	<u>\$ 402,861</u>
At March 31			
Cost	\$ 362,783	\$ 128,494	\$ 491,277
Accumulated depreciation	-	(88,416)	(88,416)
	<u>\$ 362,783</u>	<u>\$ 40,078</u>	<u>\$ 402,861</u>

Note: On March 30, 2022, to maximize asset utilization and optimize operation, the Board of Directors resolved to sell land and investment property. The transaction was expected to be completed in June 2022, and the related assets had been transferred to non-current assets held for sale.

2021			
	Land	Buildings and structures	Total
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	-	(858)	(858)
At March 31	<u>\$ 602,082</u>	<u>\$ 43,493</u>	<u>\$ 645,575</u>
At March 31			
Cost	\$ 602,082	\$ 128,494	\$ 730,576
Accumulated depreciation	-	(85,001)	(85,001)
	<u>\$ 602,082</u>	<u>\$ 43,493</u>	<u>\$ 645,575</u>

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

	Three months ended March 31	
	2022	2021
Rental income from investment property	<u>\$ 2,859</u>	<u>\$ 2,859</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 15,028</u>	<u>\$ 12,133</u>

B. The fair value of the investment property held by the Group as at March 31, 2022, December 31, 2021 and March 31, 2021 was \$1,690,381, \$1,690,381 and \$1,759,156, 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		102,757	-	63,585	166,342
Amortization	(	45,651)	-	(22,359)	(68,010)
Net exchange differences		2,755	2,461	1,234	6,450
At March 31	\$	<u>333,817</u>	<u>\$ 70,354</u>	<u>\$ 280,735</u>	<u>\$ 684,906</u>
At March 31					
Cost	\$	1,124,124	\$ 70,354	\$ 496,015	\$ 1,690,493
Accumulated amortization	(	790,307)	-	(215,280)	(1,005,587)
	\$	<u>333,817</u>	<u>\$ 70,354</u>	<u>\$ 280,735</u>	<u>\$ 684,906</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		103,139	-	16,180	119,319
Disposals-cost	(	10,704)	-	3,634	(7,070)
Disposals-accumulated amortization		10,704	-	(3,634)	7,070
Amortization	(	45,219)	-	(3,357)	(48,576)
Net exchange differences	(	1,857)	(655)	(525)	(3,037)
At March 31	\$	<u>269,434</u>	<u>\$ 69,833</u>	<u>\$ 96,743</u>	<u>\$ 436,010</u>
At March 31					
Cost	\$	1,025,631	\$ 69,833	\$ 291,374	\$ 1,386,838
Accumulated amortization	(	756,197)	-	(194,631)	(950,828)
	\$	<u>269,434</u>	<u>\$ 69,833</u>	<u>\$ 96,743</u>	<u>\$ 436,010</u>

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

	Three months ended March 31	
	2022	2021
Operating costs	\$ 48,465	\$ 30,610
Selling expenses	349	408
General and administrative expenses	4,402	6,308
Research and development expenses	14,794	11,250
	<u>\$ 68,010</u>	<u>\$ 48,576</u>

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

	March 31, 2022	December 31, 2021	March 31, 2021
Mainland China	\$ 65,207	\$ 62,746	\$ 64,686
Others	5,147	5,147	5,147
	<u>\$ 70,354</u>	<u>\$ 67,893</u>	<u>\$ 69,833</u>

(13) Short-term borrowings

	March 31, 2022	December 31, 2021	March 31, 2021
Bank borrowings	\$ 3,832,900	\$ 6,973,730	\$ 6,675,292
L/C borrowings	3,118,584	3,202,486	3,849,231
	<u>\$ 6,951,484</u>	<u>\$ 10,176,216</u>	<u>\$ 10,524,523</u>
Interest rate range	0.75%~1.97%	0.58%~1.92%	0.64%~2.05%
Undrawn borrowing facilities	<u>\$ 46,621,192</u>	<u>\$ 45,928,171</u>	<u>\$ 29,918,955</u>

As of March 31, 2022, December 31, 2021 and March 31, 2021, the Group issued guarantee notes in the amount of \$8,000,000 and US\$280,000,000, \$9,700,000 and US\$435,000,000, \$6,935,000 and US\$265,000,000 for the aforementioned borrowings, respectively.

(14) Short-term notes and bills payable

	March 31, 2022	December 31, 2021	March 31, 2021
Commercial paper payable	\$ 350,000	\$ 400,000	\$ 100,000
Less: Unamortised discount	(25)	(100)	(1)
	<u>\$ 349,975</u>	<u>\$ 399,900</u>	<u>\$ 99,999</u>
Issue rate	0.63%~0.66%	0.35%~0.52%	0.31%
Undrawn borrowing facilities	<u>\$ 2,100,000</u>	<u>\$ 2,100,000</u>	<u>\$ 2,200,000</u>

The aforementioned commercial paper payable of the Group is guaranteed by International Bill Finance Corp., China Bills Finance Corp. and The Shanghai Commercial & Savings Bank, Ltd.

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

<u>Items</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Current items:			
Financial liabilities held for trading valuation adjustment	\$ <u>107,760</u>	\$ <u>-</u>	\$ <u>20,793</u>

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

(16) Other payables

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Payable on machinery and equipment	\$ 6,273,593	\$ 5,595,376	\$ 3,761,294
Employees' compensation and directors' payable	3,977,593	2,726,506	973,805
Salaries and bonuses payable	2,112,317	2,716,125	1,993,814
Others	5,248,333	5,394,722	3,965,682
	<u>\$ 17,611,836</u>	<u>\$ 16,432,729</u>	<u>\$ 10,694,595</u>

(17) Other current liabilities

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Contract liabilities (Note 2)	4,071,806	2,559,805	\$ 1,268,175
Fund collected for purchase of equipment on behalf of others (Note 1)	124,522	319,987	2,788,684
Lease liabilities	339,607	294,802	275,225
Others	152,354	129,497	119,386
	<u>\$ 4,688,289</u>	<u>\$ 3,304,091</u>	<u>\$ 4,451,470</u>

Note 1: It refers to fund collected for the purchase of equipment on behalf of customer who commissioned the Company to acquire equipment on its behalf.

Note 2: Details of contract liabilities are provided in Note 6(26).

(18) Bonds payable

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Bonds payable	\$ 11,000,000	\$ 8,000,000	\$ 3,000,000
Less: Amorization of discount on bonds payable	(11,192)	(8,077)	(3,641)
	<u>\$ 10,988,808</u>	<u>\$ 7,991,923</u>	<u>\$ 2,996,359</u>

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

Name	Issuance date	Period	Coupon rate (%)	Original issue price	March 31, 2022
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>

Name	Issuance date	Period	Coupon rate (%)	Original issue price	December 31, 2021
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>

Name	Issuance date	Period	Coupon rate (%)	Original issue price	March 31, 2021
1 st issuance in 2020	2021.01.13	five years	0.68%	\$ 3,000,000	\$ 3,000,000

(19) Long-term borrowings

	March 31, 2022	December 31, 2021	March 31, 2021
Bank borrowings	\$ 14,130,547	\$ 13,745,698	\$ 19,478,660
Commercial paper payable	3,100,000	3,100,000	4,000,000
Less: Unamortised discount	-	(396)	(867)
	17,230,547	16,845,302	23,477,793
Less: Current portion	(2,515,647)	(2,594,726)	(4,455,179)
	<u>\$ 14,714,900</u>	<u>\$ 14,250,576</u>	<u>\$ 19,022,614</u>
Interest rate range	<u>0.57%~2.05%</u>	<u>0.38%~2.05%</u>	<u>0.22%~2.05%</u>

A. The long-term borrowings listed above will mature between 2021 and 2028.

B. In 2021, the Company renewed commercial paper issuance agreements with companies including China Bills Finance Corporation (“Bills Finance Corp.”), who agreed to act as underwriters of commercial paper issued by the Company. Under the terms of the agreement, the Company must issue commercial paper with maturity of 90 days or less in the contractual period. If the Company does not issue the full amount during the period the agreement is in effect, it is required to pay a commitment fee to the other party at an annual interest rate of 0.5%~0.7%. These agreements expire in January 2025, June 2025 and August 2025.

In addition, in the first quarter of 2021, except for China Bills Finance Corp. which has calculated interest according to the new contract, remaining commercial papers shall pay commitment fees to the counterparties at annual rate of 1%.

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

(a) Current ratio of 100% or more;

- (b) Debt ratio not to exceed 150% (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders' equity less intangible assets);
- (c) Interest coverage ratio of more than 4 (calculated as earnings before interest, taxes, depreciation and amortization divided by interest expense);
- (d) Net tangible assets of not lower than \$37,500,000.

In addition, the Company repaid the long-term borrowings in February 2021.

D. 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.

E. In March 2020, the Company signed an agreement of loans for returning Taiwanese investors totaling \$2,000,000 with Mega International Commercial Bank. The loan period is five years from the date the credit is first used (September 28, 2021). The Company is required to maintain the following financial ratios for the duration of the agreement (calculated based on the annual and half-year consolidated financial statements):

- (a) Current ratio of 100% or more;
- (b) Debt ratio not to exceed 150% (calculated as total liabilities divided by net tangible assets; net tangible assets equal stockholders' equity less intangible assets);
- (c) Interest coverage ratio of 4 or more (calculated as earnings before interest, taxes, depreciation and amortization divided by interest expense).

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

F. 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.

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

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

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

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

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

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

- (a) Current ratio of at least 100%;
- (b) Debt ratio not to exceed 350% (calculated as total liabilities divided by net tangible assets).
- (c) Net tangible assets of not lower than \$1,800,000 (net tangible assets equal stockholders' equity less intangible assets).

In addition, the Company repaid the long-term borrowings in May 2021.

I. In May 2010, 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.

J. As of March 31, 2022, December 31, 2021 and March 31, 2021, aside from the collateral listed in Note 8, the Company also issued guarantee notes in the amounts of \$17,042,000 and US\$23,000,000, \$19,092,000 and US\$180,000,000, \$19,380,000 and US\$325,000,000 for the aforementioned borrowings, respectively.

(20) Other non-current liabilities

	March 31, 2022	December 31, 2021	March 31, 2021
Contract liabilities (Note 1)	\$ 32,865,284	\$ 29,349,607	\$ 4,164,446
Lease liabilities	1,444,007	1,481,048	1,071,472
Construction payable on behalf of others (Note 2)	822,027	792,059	791,452
Accrued pension liabilities	632,354	637,317	703,840
Others	760,162	736,688	351,465
	<u>\$ 36,523,834</u>	<u>\$ 32,996,719</u>	<u>\$ 7,082,675</u>

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

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

(21) Pensions

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

following year, the Company, Qun Hong Technology, Apm Communication and Asia Pacific will make contributions for the deficit by next March. U JAPAN has a defined benefit retirement plan in accordance with local regulations.

- (b) The pension costs under the defined benefit pension plans of the Group for the three months ended March 31, 2022 and 2021 were \$3,551 and \$3,431, respectively.
 - (c) Expected contributions to the defined benefit pension plans of the Company, Qun Hong, Asia Pacific and U JAPAN for the year ending December 31, 2022 amount to \$25,226, \$1,527, \$0 and \$6,820, respectively.
- B. (a) The Company, Qun Hong Technology, UniCuisine, Apm and Asia Pacific Communication have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company, Qun Hong Technology, UniCuisine, Apm and Asia Pacific Communication contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) Consolidated subsidiaries, Unimicron Technology (ShenZhen), Unimicron Technology (KunShan), Uniflex Technology (KunShan), Unimicron Technology (SuZhou), Unimicron Technology (Huangshi), Unimicron Touchand , Unimicron-Carrier Technology, Hu Se Sn Li Management Crop., Ltd. and U Germany, contribute a fixed percentage of the salaries and wages of its employees to a pension fund every month in accordance with local pension regulations. The contribution ratios range from 13% to 28%. The pension fund of each employee is administered by the government. Unimicron Touch completed the liquidation process in January 2022.
 - (c) Consolidated subsidiaries, Hemingway, UMTC, Plato-Cayman, SI, UHL, BO, UniSmart, UniRuwel, UniClover, UniDH, UniDT, UniBest, USZT, UKST, UniGreat, NEOCONIX and PAVID, do not have employee retirement plans, nor are they required to have such plans according to local laws and regulations. In addition, Uniclover finished the liquidation process in 2021.
 - (d) Hsin Yang Investment, Unimicron Management (KunShan), Kunshan Dingchangxin, Suzhou Qunye and UniFresh have no employees and therefore do not have to recognize pension costs.
 - (e) The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2022 and 2021 were \$272,657 and \$254,002, respectively.

(22) Share-based payment

A. For the three months ended March 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</u> <u>(Shares in thousands)</u>	<u>Contract</u> <u>period</u>	<u>Vesting</u> <u>conditions</u>
First phase of the 8 th treasury stocks transferred to employees	2020.03.27	11,000	0.10 years	Note
Second phase of the 8 th treasury stocks transferred to employees	2020.10.27	1,072	0.03 years	Note
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) Qun Hong Technology:

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

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

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

(c) NEOCONIX:

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

(d) Asia Pacific

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (Shares in thousands)</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Employee stock options	2021.09.01	2,357	3.5 years	Note

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

- A. On the first anniversary of the grant date, up to 50% of the stock warrants granted can be exercised.
- B. On the second anniversary of the grant date, up to 80% of the stock warrants granted can be exercised.
- C. On the 30 months of the grant date, 100% of the stock warrants granted can be exercised.

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

(a) The Company:

i. Employee stock options

	Three months ended March 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 period	-	\$ -	149	\$ 16.41
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	-	-
Options outstanding at end of period	-	\$ -	149	\$ 16.41
Employee stock options exercised	-	\$ -	149	\$ 16.41

(b) Qun Hong Technology:

Employee stock options

	Three months ended March 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 period	4,288	\$ 16.89	6,000	\$ 16.89
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired (115)	-	-	-	-
Options outstanding at end of period	4,173	\$ 16.89	6,000	\$ 16.89
Employee stock options exercised	4,173	\$ 16.89	6,000	\$ 16.89

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

(c) NEOCONIX:

	Three months ended March 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 period	225	\$0.04~\$0.15	1,065	\$0.04~\$0.15
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	-	-
Options outstanding at end of period	<u>225</u>	<u>\$0.04~\$0.15</u>	<u>1,065</u>	<u>\$0.04~\$0.15</u>
Employee stock options exercised	<u>225</u>	<u>\$0.04~\$0.15</u>	<u>1,065</u>	<u>\$0.04~\$0.15</u>

(d) Asia Pacific

	Three months ended March 31	
	2022	
	No. of options (Shares in thousands)	Exercise price (in dollars)
Options outstanding at beginning of period	2,327	\$ 10.20
Options granted	-	-
Options exercised	-	-
Options expired	(57)	-
Options outstanding at end of period	<u>2,270</u>	<u>\$ 10.20</u>
Employee stock options exercised	<u>1,135</u>	<u>\$ 10.20</u>

- C. As of March 31, 2021, the exercise price of stock options outstanding was NT\$16.41. The weighted-average remaining contractual period was 0 year. In addition, there was no stock option outstanding as of March 31, 2022 and December 31, 2021.
- D. As of March 31, 2022, December 31, 2021 and March 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 0.22 years, 0.47 years and 1.22 years, respectively.
- E. As of March 31, 2022, December 31, 2021 and March 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 0.4 years, 0.7 years and 1.4 years, respectively.
- F. As of March 31, 2022 and December 31 2021, the range of exercise prices of stock options outstanding of Asia Pacific was NT\$10.2 for this period; the weighted-average remaining

contractual period was 2.92 years and 3.17 years, respectively.

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

(a) The Company:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends (in dollars)	Risk-free interest rate	Fair value per unit (in dollars)
First phase of the 8 th treasury stocks transferred to employees	2020.03.27	\$ 30.25	\$ 16.41	57.16%	0.01 years	\$ -	0.3800%	\$ 13.85
Second phase of the 8 th treasury stocks transferred to employees	2020.10.27	\$ 81.60	\$ 32.70	55.74%	0.03 years	\$ -	0.1600%	\$ 48.90
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

(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)
Employee stock option certificates A~B	2012.06.18 ~ 2012.06.30	\$ -	\$ -	-	8.7 years	\$ -	-	\$ -

(d) Asia Pacific

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

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

	Three months ended March 31	
	2022	2021
Equity-settled	\$ 778	\$ -

(23) Share capital

- A. As of March 31, 2022, the Company's authorized and paid-in capital were \$20,000,000 and \$14,752,603, 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 Company's ordinary shares (in thousands) outstanding are as follows:

	Three months ended March 31	
	2022	2021
At January 1 (March 31)	1,475,260,333	1,467,555,333

C. Treasury shares

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

Name of company		March 31, 2022	
<u>holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares</u>	<u>Carrying amount</u>
The Company	To be reissued to employees	-	\$ -
Name of company		December 31, 2021	
<u>holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares</u>	<u>Carrying amount</u>
The Company	To be reissued to employees	-	\$ -
Name of company		March 31, 2021	
<u>holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares</u>	<u>Carrying amount</u>
The Company	To be reissued to employees	37,177,000 shares	\$ 608,194

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(24) Capital surplus

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

	2022										
				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	Other	Total
	Share premium	Employee stock options	Expired employee stock options								
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	-	-	-	-	521	-	-	-	-	-	521
Changes in net assets of associates accounted for using equity method	-	-	-	-	-	(208)	-	-	-	(208)	
Capital surplus - dividends not received by shareholders	-	-	-	-	-	-	-	-	-	121	121
At March 31	\$ 6,222,148	\$ -	\$ 34,314	\$ 11,944	\$ 144,768	\$ 77,749	\$ 1,903,855	\$ 937,482	\$ 64,452	\$ 398	\$ 9,397,110
	2021										
				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	Other	Total
	Share premium	Employee stock options	Expired employee stock options								
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
Changes in net assets of associates accounted for using equity method	-	-	-	-	-	120	-	-	-	-	120
Reversal of capital surplus - dividends not received by shareholders	-	-	-	-	-	-	-	-	-	(62)	(62)
At March 31	\$ 6,346,450	\$ 2,064	\$ 32,250	\$ 11,944	\$ 127,161	\$ 77,820	\$ 1,903,855	\$ 265,124	\$ 64,452	\$ 353	\$ 8,831,473

(25) Retained earnings

- A. In accordance with the Articles of Incorporation, earnings is distributed in the following order:
- (a) Payment of taxes.
 - (b) Covering accumulated deficit.
 - (c) Set aside 10% of the remaining earnings as legal reserve; however this is not required if total legal reserve equals total paid-in capital.
 - (d) Set aside or reverse special reserve in accordance with relevant laws and regulations or as required by the competent authority.
 - (e) The distribution of the remaining amount, plus unappropriated earnings from prior years, shall be proposed by the Board of Directors and resolved by shareholders in their general meeting.
- B. The Company's dividend policy is carried out in accordance with the amended Articles of Incorporation, which take into account the Company's current and future investment environment, capital needs, domestic and foreign competition, and capital budget, along with shareholders' interests and the balance between dividends and long-term financial plans of the Company. Pursuant to existing regulations, the Board of Directors prepares an earnings distribution proposal every year and submits it to the shareholders for approval. The Company's dividend policy is as follows: taking into consideration the Company's future expansion plans and capital needs while operating in the high-tech electronics industry, cash dividends shall account for at least 10% of total dividends distributed, and no more than 90% of the Company's distributable earnings shall be appropriated as dividends.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. The appropriations of 2021 and 2020 earnings as resolved by the shareholders during their meeting on February 22, 2022 and August 12, 2021, respectively, are as follows:

	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 1,324,471		\$ 543,158	
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>	

As of April 26, 2022, the above stated appropriations of 2021 earnings have not yet been resolved by the shareholders.

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

(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:

Three months ended March 31, 2022

	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 6,316,612</u>	<u>\$ 22,328,942</u>	<u>\$ 926,735</u>	<u>\$ 1,138,704</u>	<u>\$ 30,710,993</u>
Timing of revenue recognition					
At a point in time	<u>\$ 6,316,612</u>	<u>\$ 22,328,942</u>	<u>\$ 926,735</u>	<u>\$ 1,138,704</u>	<u>\$ 30,710,993</u>

Three months ended March 31, 2021

	<u>Taiwan</u>	<u>Asia</u>	<u>America</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 4,201,003</u>	<u>\$ 15,832,623</u>	<u>\$ 518,031</u>	<u>\$ 1,271,521</u>	<u>\$ 21,823,178</u>
Timing of revenue recognition					
At a point in time	<u>\$ 4,201,003</u>	<u>\$ 15,832,623</u>	<u>\$ 518,031</u>	<u>\$ 1,271,521</u>	<u>\$ 21,823,178</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>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>	<u>January 1, 2021</u>
Contract liabilities - advance sales receipts	<u>\$ 36,937,090</u>	<u>\$ 31,909,412</u>	<u>\$ 5,432,621</u>	<u>\$ 3,407,724</u>

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

	Three months ended March 31	
	2022	2021
Operating revenue	\$ 621,079	\$ 18,337

As of March 31, 2022, December 31, 2021 and March 31, 2021, certain letters of credit guaranteed by a bank for the abovementioned contract liabilities amounted to USD 116,024 thousand, USD 87,431 thousand and USD 89,700 thousand, respectively.

(27) Other income and expenses-net

	Three months ended March 31	
	2022	2021
Rental income from investment property	\$ 2,859	\$ 2,859
Depreciation on investment property	(847)	(858)
Other income and expenses, net	28,367	41,413
	<u>\$ 30,379</u>	<u>\$ 43,414</u>

(28) Other income

	Three months ended March 31	
	2022	2021
Revenue from sale of scraps	\$ 101,825	\$ 84,275
Dividend income	145,957	113,242
Rental revenue	14,125	8,716
Miscellaneous income	56,895	124,723
	<u>\$ 318,802</u>	<u>\$ 330,956</u>

(29) Other gains and losses

	Three months ended March 31	
	2022	2021
Net currency exchange gains (losses)	\$ 968,700	(\$ 32,677)
Losses on disposal of property, plant and equipment	(7,725)	(6,752)
Net (losses) gains on financial assets or liabilities at fair value through profit or loss	(1,023,596)	1,043,582
Gains arising from lease modifications	-	8
Miscellaneous disbursements	(9,942)	(10,360)
	<u>(\$ 72,563)</u>	<u>\$ 993,801</u>

(30) Finance costs

	Three months ended March 31	
	2022	2021
Interest expense-bank borrowings	\$ 53,566	\$ 74,876
Interest expense-lease transactions	11,588	8,653
Interest expense-bonds payable	19,406	4,247
Bill handling fee	5,128	8,014
Amortization of discount on bonds payable	635	159
Others	2,029	21
	92,352	95,970
Less: Capitalization of qualifying assets	(13,559)	(12,699)
	<u>\$ 78,793</u>	<u>\$ 83,271</u>

(31) Expenses by nature

	Three months ended March 31	
	2022	2021
Employee benefit expense	\$ 6,741,760	\$ 5,699,337
Depreciation charges on property, plant and equipment (including investment assets and right-of-use assets)	2,604,473	2,216,531
Amortization charges on intangible assets	68,010	48,576
	<u>\$ 9,414,243</u>	<u>\$ 7,964,444</u>

(32) Employee benefit expense

	Three months ended March 31	
	2022	2021
Salary expenses	\$ 5,713,185	\$ 4,701,718
Labour and health insurance fees	443,297	432,226
Pension and severance pay	277,798	266,507
Other personnel expenses	307,480	298,886
	<u>\$ 6,741,760</u>	<u>\$ 5,699,337</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be between 6% and 16% for employees' compensation and shall not exceed 0.9% for directors' remuneration.
- B. For the three months ended March 31, 2022 and 2021, employees' compensation was accrued at \$1,277,092 and \$317,742, respectively; while directors' remuneration was accrued at \$6,930 and \$6,598, respectively. The aforementioned amounts were recognized in salary expenses.
- The employees' compensation and directors' remuneration were estimated and accrued based on the percentage of distributable profit of first quarter of 2022 as of the end of the reporting period as prescribed by the Company's Articles of Incorporation. The amount of employees' compensation and directors' remuneration for 2021 were \$2,324,419 and \$29,472, respectively, as resolved by the Board of Directors. The difference of (\$166,030) between employees'

compensation as resolved by the Board of Directors and the amount recognized in the 2021 financial statements had been adjusted in 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 shareholders during their meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

- C. For the three months ended March 31, 2022 and 2021, employees' compensation of UniCuisine was accrued at \$485 and \$1,460, respectively; while directors' and supervisors' remuneration was accrued at \$13 and \$16, respectively. The aforementioned amounts were recognized in salary expenses.
- D. For the three months ended March 31, 2022 and 2021, Qun Hong Technology, Apm Communication and Asia Pacific did not accrue employees' compensation and directors' and supervisors' remuneration due to the loss before tax.
- E. No employees' compensation and directors' and supervisors' remuneration was accrued by Hsin Yang Investment and UniFresh as they had no employees.

(33) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended March 31	
	2022	2021
Current tax:		
Current tax on profits for the period	\$ 1,653,540	\$ 355,843
Provisional withholding tax	951	674
Prior year income tax under (over) estimation	23	(4,300)
Total current tax	1,654,514	352,217
Deferred tax:		
Origination and reversal of temporary differences	(41,784)	(253)
Effects of foreign exchange	(8,141)	586
Income tax expense	\$ 1,604,589	\$ 352,550

- B. The consolidated subsidiaries, Unimicron Technology (ShenZhen), Unimicron Technology (KunShan), Uniflex Technology (KunShan), Unimicron Technology (SuZhou), Unimicron Touch, Unimicron Technology (Huangshi), Kunshan Dingchangxin, Unimicron-Carrier Technology (Huangshi) and Suzhou Qunye are production type foreign investment enterprises, Unimicron Management (KunShan) and Hu Se Sn Li Managemnet Corp., Ltd. are domestic-invested enterprises established in the People's Republic of China, and therefore have been subject to the new income tax laws since January 1, 2008.
- C. The Company's, Qun Hong Technology's, Hsin Yang Investment's, Apm Communication's, UniCuisine's, UniFresh's and Asia Pacific's income tax returns through 2019 have been assessed

and approved by the Tax Authority.

(34) Earnings per share

Three months ended March 31, 2022			
	<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	\$ 5,666,681	1,472,686	\$ 3.85
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 5,666,681	1,472,686	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		6,673	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 5,661,681	1,479,359	\$ 3.83
Three months ended March 31, 2021			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,183,480	1,467,555	\$ 1.49
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,183,480	1,467,555	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		4,863	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,183,480	1,472,418	\$ 1.48

(35) Supplemental cash flow information

Investing activities with partial cash payments

	Three months ended March 31	
	2022	2021
Acquisition of property, plant and equipment (including investment property)	\$ 7,958,471	\$ 4,380,676
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	(6,273,593)	(3,761,294)
Net exchange differences	44,729	(5,544)
Cash paid during the period	<u>\$ 7,391,983</u>	<u>\$ 5,248,826</u>

(36) Changes in liabilities from financing activities

	2022						
	Short-term borrowings	Short-term notes and bills payable	Bonds payable	Long-term borrowings	Construction payables on behalf of others	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 10,176,216	\$ 399,900	\$ 7,991,923	\$ 16,845,302	\$ 792,059	\$ 1,775,850	\$ 37,981,250
Changes in cash flow from financing activities	(3,352,101)	(49,925)	2,996,250	251,870	-	(105,327)	(259,233)
Changes in other non-cash items	-	-	635	-	-	102,073	102,708
Impact of changes in foreign exchange rate	127,369	-	-	133,375	29,968	11,018	301,730
At March 31	<u>\$ 6,951,484</u>	<u>\$ 349,975</u>	<u>\$ 10,988,808</u>	<u>\$ 17,230,547</u>	<u>\$ 822,027</u>	<u>\$ 1,783,614</u>	<u>\$ 38,126,455</u>

	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	\$ 8,580,823	\$ 199,972	\$ -	\$ 27,885,361	\$ 796,000	\$ 1,419,885	\$ 38,882,041
Changes in cash flow from financing activities	2,000,733	(99,973)	2,996,200	(4,411,329)	-	(78,212)	407,419
Changes in other non-cash items	(20,000)	-	159	20,000	-	5,836	5,995
Impact of changes in foreign exchange rate	(37,033)	-	-	(16,239)	(4,548)	(812)	(58,632)
At March 31	<u>\$ 10,524,523</u>	<u>\$ 99,999</u>	<u>\$ 2,996,359</u>	<u>\$ 23,477,793</u>	<u>\$ 791,452</u>	<u>\$ 1,346,697</u>	<u>\$ 39,236,823</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. (Yih Dar)	The Company's investee
Shieh Yong Investment Co., Ltd's stocks (Shieh Yong)	The Company's management is this company's supervisor
United Microelectronics Corp. (UMC)	The Company's director
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
Unipoint Technology Co., Ltd. (Unipoint Technology)	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
Unted Semiconductor (Xiamen) Co., Ltd.	Within the same group as UMC
Shanghai Topoint Precision Technology	Topoint Technology's subsidiary

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

(2) Significant related party transactions and balances

A. Operating revenue and processing transaction:

	<u>Three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
- Key management personnel of the entities	\$ 15,994	\$ 11,103
- Other related parties and its subsidiaries	6,443	8,533
- Key management personnel of the Company	-	6,469
	<u>\$ 22,437</u>	<u>\$ 26,105</u>

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

B. Purchases and processing expense:

	Three months ended March 31	
	2022	2021
Purchases		
-Key management personnel of the entities and its subsidiaries	\$ 63,840	\$ 51,955
-Other related parties and its subsidiaries	21,362	29,901
-Related parties	141	221
	<u>\$ 85,343</u>	<u>\$ 82,077</u>
Processing cost		
-Key management personnel of the entities and its subsidiaries	\$ 59,731	\$ 43,933
-Other related parties and its subsidiaries	3,224	315
-Related parties	17	19
	<u>\$ 62,972</u>	<u>\$ 44,267</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

	March 31, 2022	December 31, 2021	March 31, 2021
Accounts receivable			
- Key management personnel of the entities	\$ 22,363	\$ 19,595	\$ 13,212
- Other related parties and its subsidiaries	8,833	10,867	8,864
- Key management personnel of the entities	-	-	5,909
- Key management personnel of the company	<u>\$ 31,196</u>	<u>\$ 30,462</u>	<u>\$ 27,985</u>
Other receivables:			
- Key management personnel of the entities and its subsidiaries	\$ 6,013	\$ 6,475	\$ 6,338
- Other related parties and its subsidiaries	36,919	1,416	4,697
- Related parties	162	197	333
	<u>\$ 43,094</u>	<u>\$ 8,088</u>	<u>\$ 11,368</u>

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

D. Payables to related parties:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Accounts payable:			
-Key management personnel of the entities and its subsidiaries	\$ 167,027	\$ 184,122	\$ 146,419
-Other related parties and its subsidiaries	36,729	22,649	35,139
-Related parties	<u>165</u>	<u>-</u>	<u>245</u>
	<u>\$ 203,921</u>	<u>\$ 206,771</u>	<u>\$ 181,803</u>
Other payables:			
-Key management personnel of the entities	\$ 32,555	\$ 24,469	\$ 20,614
-Other related parties and its subsidiaries	2,932	7,317	801
-Related parties	<u>-</u>	<u>216</u>	<u>11</u>
	<u>\$ 35,487</u>	<u>\$ 32,002</u>	<u>\$ 21,426</u>

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

E. Property transactions:

Acquisition of property, plant and equipment:

	<u>Three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
-Key management personnel of the entities and its subsidiaries	<u>\$ 26,040</u>	<u>\$ -</u>

Disposal of property, plant and equipment:

	<u>Three months ended March 31</u>			
	<u>2022</u>		<u>2021</u>	
	<u>Disposal proceeds</u>	<u>Loss on disposal</u>	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Disposals of property, plant and equipment-Subtron Technology	<u>\$ 34,262</u>	<u>(\$ 3,885)</u>	<u>\$ -</u>	<u>\$ -</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) Rent expense

	Three months ended March 31	
	2022	2021
Rent expense		
-Key management personnel of the entities	\$ 8	\$ 8

c) Lease liabilities

A. Outstanding balance

	March 31, 2022	December 31, 2021	March 31, 2021
-Other related parties	\$ 136,233	\$ 139,633	\$ -

B. Interest expense

	Three months ended March 31	
	2022	2021
-Other related parties	\$ 782	\$ -

G. Other income and expenses

	Three months ended March 31	
	2022	2021
Rental income - Key management personnel of the entities		
Advance Materials	\$ 2,950	\$ 2,950
Yih Dar	1,354	1,354
Miscellaneous income		
-Key management personnel of the entities	-	5,593
-Other related parties	-	61
Shieh Yong	99,661	-
Others	32	21
	\$ 103,997	\$ 9,979

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

(b) Miscellaneous income arise from the services provided to associates, dividend income and other miscellaneous income.

(3) Key management compensation

	Three months ended March 31	
	2022	2021
Salaries and other short-term employee benefits	\$ 210,267	\$ 82,233

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	March 31, 2022	December 31, 2021	March 31, 2021	
Time deposit (shown as other current assets)	\$ 17,849	\$ 17,847	\$ 17,800	Guarantee for post-release duty payment
Time deposit (shown as non-current financial assets at amortized cost)	69,572	69,564	69,491	Customs duty guarantee, guarantee for bonded factory, guarantee for applying research subsidy and guarantee for gas
Accounts receivable	344,733	1,346,094	1,496,684	Short-term borrowings
Land	713,692	713,692	713,692	Long and Short-term borrowings
Building and structures	1,887,401	1,618,165	1,719,623	Long and Short-term borrowings
Machinery and equipment	1,047,770	1,143,496	1,775,249	Long-term borrowings
	<u>\$ 4,081,017</u>	<u>\$ 4,908,858</u>	<u>\$ 5,792,539</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of March 31, 2022, December 31, 2021 and March 31, 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 \$5,097,235, \$4,199,774 and \$4,063,047, respectively.

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

	March 31, 2022	December 31, 2021	March 31, 2021
Property, plant and equipment	<u>\$ 4,245,412</u>	<u>\$ 4,422,889</u>	<u>\$ 1,358,738</u>

The aforementioned amounts did not include the commitments as described in the following points D and G.

(3) Endorsements and guarantees

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

	March 31, 2022	December 31, 2021	March 31, 2021
Uniflex Technology (KunShan) and BO	\$ -	\$ -	\$ 156,915
Uniflex Technology (KunShan)	2,432,700	2,351,950	998,550
UHL	572,400	553,400	570,600
Unimicron Technology (SuZhou)	1,001,700	1,037,625	570,600
Unimicron Technology (KunShan)	232,538	311,288	552,769
Unimicron Technology (Huangshi)	1,466,775	1,262,444	1,462,163
Unimicron Technology (Shenzhen)	429,300	-	-

(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 March 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 March 31, 2022, the subsidiary has received the first installment of relocation compensation of RMB 55,103 thousand (shown as other non-current liabilities). Unimicron Technology (KunShan) plans to close a plant by December 31, 2022, close all of the plants by December 31, 2023 and transfer the land by June 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 March 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. had lawsuit with its directors for the trading target, on April 19, 2022, this company’s parent company, Advance Materials Corp., had published significant news that it was seized by Suzhou Industrial Park People's Court, thus, the registration of changes temporarily could not be completed. The transfer date was waiting for the responsive measures 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. Because of the outbreak of Covid-19, the operations of the Group's subsidiaries in Kunshan district were affected starting from April 2, 2022 as they had adopted adequate responsive measures in compliance with the pandemic prevention policies of the local government. However, the impact on the Group's operations as a whole cannot be reasonably estimated as of the report date.
- B. On December 17, 2021, the Company's subsidiary, Unimicron Technology (SuZhou), formerly entered into a land and plant transfer contract with Suzhou AMC Technology Co., Ltd. For the details of litigation of Suzhou AMC Technology Co., Ltd., refer to Note 9 (6).
- C. For the requirement of developing group business, on April 26, 2022, the Board of Directors of the Company approved to indirectly reinvest in UHL through the subsidiary, Uni Best, in the amount of USD 37,000 thousand.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

<u>Financial assets</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Financial assets at fair value through profit or loss	\$ 7,286,734	\$ 8,194,557	\$ 6,509,930
Financial assets at fair value through other comprehensive income	35,783	39,933	-
Financial assets at amortized cost (Note)	73,672,660	66,739,091	42,242,030
	<u>\$ 80,995,177</u>	<u>\$ 74,973,581</u>	<u>\$ 48,751,960</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss	\$ 107,760	\$ -	\$ 20,793
Financial liabilities at amortized cost (Note)	65,080,569	65,341,263	59,260,678
Lease liabilities	1,783,614	1,775,850	1,346,697
	<u>\$ 66,971,943</u>	<u>\$ 67,117,113</u>	<u>\$ 60,628,168</u>

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

payable and long-term borrowings (including current portion).

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

March 31, 2022			
(Foreign currency: functional currency)	Foreign currency		Book value
	amount (In thousands)	Exchange rate	(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 710,454	28.62	\$ 20,333,193
JPY:NTD	7,074,389	0.2354	1,665,311
USD:RMB	203,749	6.3480	5,831,296
RMB:NTD	79,252	4.5085	357,308
RMB:USD	102,594	0.1575	462,545
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	132,938	28.62	3,804,686
JPY:NTD	13,804,940	0.2354	3,249,683
USD:CNY	186,580	6.3480	5,339,920
EUR:NTD	4,510	31.9200	143,959
CNY:USD	101,472	0.1575	457,487
December 31, 2021			
(Foreign currency: functional currency)	Foreign currency		Book value
	amount (In thousands)	Exchange rate	(NTD)
<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

	March 31, 2021		
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 481,139	28.53	\$ 13,726,896
JPY:NTD	2,428,492	0.2578	626,065
USD:CNY	216,570	6.5725	6,178,742
CNY:NTD	123,284	4.3408	535,151
CNY:USD	95,784	0.1521	415,779
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	268,723	28.53	7,666,667
JPY:NTD	11,373,518	0.2578	2,932,093
USD:CNY	172,871	6.5725	4,932,010
CNY:USD	94,746	0.1521	411,273

- iv. The total exchange loss, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2022 and 2021 amounted to \$968,700 and (\$32,677), respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	Three months ended March 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% \$	162,666	\$ -
JPY:NTD	1%	13,322	-
USD:CNY	1%	46,650	-
CNY:NTD	1%	2,858	-
CNY:USD	1%	3,700	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	30,437	-
JPY:NTD	1%	25,997	-
USD:CNY	1%	42,719	-
EUR:NTD	1%	1,152	-
CNY:USD	1%	3,660	-

Three months ended March 31, 2021			
(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%	\$ 109,815	\$ -
JPY:NTD	1%	5,009	-
USD:CNY	1%	49,430	-
CNY:NTD	1%	4,281	-
CNY:USD	1%	3,326	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	61,333	-
JPY:NTD	1%	23,457	-
USD:CNY	1%	39,456	-
CNY:USD	1%	3,290	-

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 fair value through other comprehensive income financial assets. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio and invests in the familiar industries.
- ii. The Group's investments in equity securities comprise shares and closed-end funds issued by the domestic or foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the three months ended March 31, 2022 and 2021 would have increased by \$58,294 and \$52,079, respectively as a result of gains/losses on equity securities classified as at fair value through profit or loss; increased by \$286 and \$0 respectively as a result of gains/losses on equity securities classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group has short-term borrowings and long-term borrowings (including current portion) with floating rate whose long-term and short-term effective rate would change with market interest, and then affect the future cash flow. Every 1% increase in the market interest rate would result in an increase of \$241,820 in the cash outflow.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for credit investigation and assessment of the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the management. The utilization of credit limits is regularly monitored.
- iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customer's accounts receivable by applying the simplified approach to estimate expected credit loss under the provision matrix basis.
- vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of notes and accounts receivable. As for March 31, 2022, December 31, 2021 and March 31, 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 March 31, 2022</u>						
Expected loss rate	0~5%	20%	20%	20%	100%	
Total book value	\$ 24,172,910	\$ 68,106	\$ 5,172	\$ 1,206	\$ 11,829	\$ 24,259,223
Loss allowance	89,863	13,621	1,034	241	11,829	116,588
	Not past due	1~30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
<u>At December 31, 2021</u>						
Expected loss rate	0~5%	20%	20%	20%	100%	
Total book value	\$ 23,640,639	\$ 62,492	\$ 4,983	\$ 1,563	\$ 12,030	\$ 23,721,707
Loss allowance	87,125	12,498	997	313	12,030	112,963

	Not past due	1~30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
<u>At March 31, 2021</u>						
Expected loss rate	0~5%	20%	20%	20%	100%	
Total book value	\$ 17,690,565	\$ 54,680	\$ 40,919	\$ 1,382	\$ 8,293	\$ 17,795,839
Loss allowance	106,881	10,936	8,184	276	8,293	134,570

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

	2022	
	Accounts receivable	Other receivables
At January 1	\$ 112,963	\$ 39,990
Provision for impairment loss	650	655
Effect of foreign exchange	2,975	(236)
At March 31	<u>\$ 116,588</u>	<u>\$ 40,409</u>
	2021	
	Accounts receivable	Other receivables
At January 1	\$ 125,750	\$ 36,638
Provision for impairment loss	10,830	1,726
Effect of foreign exchange	(1,923)	(148)
At March 31	<u>\$ 134,657</u>	<u>\$ 38,216</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	
March 31, 2022	<u>Less than 1 year</u>	<u>and 3 years</u>	<u>Over 3 years</u>
Bonds payable	\$ 80,586	\$ 163,209	\$ 11,144,662
Lease liabilities	377,326	530,680	1,055,936
Long-term borrowings (including current portion)	2,530,998	12,338,573	2,655,415
<u>Non-derivative financial liabilities</u>		Between 1 year	
December 31, 2021	<u>Less than 1 year</u>	<u>and 3 years</u>	<u>Over 3 years</u>
Bonds payable	\$ 57,028	\$ 115,799	\$ 8,116,673
Lease liabilities	308,948	650,819	1,105,483
Long-term borrowings (including current portion)	2,608,247	7,043,576	7,454,107
<u>Non-derivative financial liabilities</u>		Between 1 year	
March 31, 2021	<u>Less than 1 year</u>	<u>and 3 years</u>	<u>Over 3 years</u>
Bonds payable	19,452	61,207	3,021,251
Lease liabilities	340,948	401,281	742,054
Long-term borrowings (including current portion)	4,476,796	14,050,731	5,276,297

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

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

- B. Fair value information of investment property at cost is provided in Note 6(11).
C. Financial instruments not measured at fair value.

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

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

March 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	\$ 92,725	\$ -	\$ 7,160,838	\$ 7,253,563
Debt securities	-	-	5,963	5,963
Foreign closed-end fund	-	-	27,208	27,208
Financial assets at fair value through other comprehensive				
Equity securities	-	-	35,783	35,783
	<u>\$ 92,725</u>	<u>\$ -</u>	<u>\$ 7,229,792</u>	<u>\$ 7,322,517</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Cross currency swap	\$ -	\$ 107,760	\$ -	\$ 107,760
	<u>\$ -</u>	<u>\$ 107,760</u>	<u>\$ -</u>	<u>\$ 107,760</u>
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				
Equity securities	-	-	39,933	39,933
	<u>\$ 93,214</u>	<u>\$ 64,377</u>	<u>\$ 8,076,899</u>	<u>\$ 8,234,490</u>

March 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	\$ 73,111	\$ -	\$ 6,393,664	\$ 6,466,775
Debt securities	-	-	6,328	6,328
Foreign closed-end fund	-	-	36,827	36,827
	<u>\$ 73,111</u>	<u>\$ -</u>	<u>\$ 6,436,819</u>	<u>\$ 6,509,930</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Cross currency swap	\$ -	\$ 20,793	\$ -	\$ 20,793

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 three months ended March 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 three months ended March 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
Recorded as non-operating income and expenses	(836,875)	-	(8,571)	(845,446)
Recorded as other comprehensive income	(4,150)	-	-	(4,150)
Effect of exchange rate changes	2,236	253	-	2,489
At March 31	<u>\$ 7,196,621</u>	<u>\$ 5,963</u>	<u>\$ 27,208</u>	<u>\$ 7,229,792</u>
	2021			
	Equity instruments	Debt instruments	Fund instruments	Total
At January 1	\$ 5,359,532	\$ 6,504	\$ 64,518	\$ 5,430,554
Acquired during the period	100	-	-	100
Recorded as non-operating income and expenses	1,034,077	-	(27,691)	1,006,386
Effect of exchange rate changes	(45)	(176)	-	(221)
At March 31	<u>\$ 6,393,664</u>	<u>\$ 6,328</u>	<u>\$ 36,827</u>	<u>\$ 6,436,819</u>

H. For the three months ended March 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 March 31, 2022	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 217,049	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
	10,117	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long- term pre-tax operating margin	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value; the higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value
	6,969,455	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	27,208	Net asset value	N/A	The higher the net asset value, the higher the fair value
Non-derivative debt instrument:				
Corporate bond	5,963	Net asset value	Discount for lack of marketability	The higher the net asset value, the higher the fair value; the higher the discount for marketability, the lower the fair value

Non-derivative equity instrument:	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 221,734	Market comparable companies	Price to book ratio multiple, enterprise value to EBITA multiple	The higher the multiple and control premium, the higher the fair value
	13,602	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long- term pre-tax operating margin	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value; the higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value
	7,800,074	Net asset value	Discount for lack of marketability	The higher the net asset value, the higher the fair value; the higher the discount for marketability, the lower the fair value
Foreign closed-end fund	35,779	Net asset value	N/A	The higher the net asset value, the higher the fair value
Non-derivative debt instrument:				
Corporate bond	5,710	Net asset value	Discount for lack of marketability	The higher the net asset value, the higher the fair value; the higher the discount for marketability, the lower the fair value

Non-derivative equity instrument:	Fair value at March 31, 2021	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 210,935	Market comparable companies	Price to book ratio multiple, enterprise value to EBITA multiple	The higher the multiple and control premium, the higher the fair value
	8,550	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long- term pre-tax operating margin	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value; the higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value
	6,174,179	Net asset value	Discount for lack of marketability	The higher the net asset value, the higher the fair value; the higher the discount for marketability, the lower the fair value
Foreign closed-end fund	36,827	Net asset value	N/A	The higher the net asset value, the higher the fair value
Non-derivative debt instrument:				
Corporate bond	6,328	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:

			March 31, 2022			
	Input	Change	Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple, enterprise value to EBITA multiple	±1%	\$ 1,812	(\$ 1,812)	\$ 358	(\$ 358)
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	±1%	101	(101)	-	-
Equity	Net asset value	±1%	69,695	(69,695)	-	-
Foreign closed-end fund	Net asset value	±1%	272	(272)	-	-
			<u>\$ 71,880</u>	<u>(\$ 71,880)</u>	<u>\$ 358</u>	<u>(\$ 358)</u>
			December 31, 2021			
	Input	Change	Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple, enterprise value to EBITA multiple	±1%	\$ 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	Net asset value	±1%	78,001	(78,001)	-	-
Foreign closed-end fund	Net asset value	±1%	358	(358)	-	-
			<u>\$ 80,313</u>	<u>(\$ 80,313)</u>	<u>\$ 399</u>	<u>(\$ 399)</u>

			March 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%	\$ 2,109	(\$ 2,109)	\$ -	\$ -
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin	±1%	86	(86)	-	-
Equity	Net asset value	±1%	61,742	(61,742)	-	-
Foreign closed-end fund	Net asset value	±1%	368	(368)	-	-
			<u>\$ 64,305</u>	<u>(\$ 64,305)</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, 2021 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: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company’s paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please

refer to table 7.

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

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

(4) Major shareholders information

Major shareholders information: Please refer to table 12.

14. SEGMENT INFORMATION

(1) General information

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

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

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

Three months ended March 31, 2022

	<u>Taiwan</u>	<u>Mainland China</u>	<u>Others</u>	<u>Total</u>
Segment revenue				
Revenue from external customers	\$ 21,803,985	\$ 8,162,959	\$ 744,049	\$ 30,710,993
Inter-segment revenue	473,931	3,147,991	123,517	3,745,439
	<u>\$ 22,277,916</u>	<u>\$ 11,310,950</u>	<u>\$ 867,566</u>	<u>\$ 34,456,432</u>
Segment income	<u>\$ 7,199,743</u>	<u>\$ 1,611,899</u>	<u>\$ 638,228</u>	<u>\$ 9,449,870</u>

Three months ended March 31, 2021

	<u>Taiwan</u>	<u>Mainland China</u>	<u>Others</u>	<u>Total</u>
Segment revenue				
Revenue from external customers	\$ 14,242,448	\$ 6,763,749	\$ 816,981	\$ 21,823,178
Inter-segment revenue	409,905	2,766,907	6,429	3,183,241
	<u>\$ 14,652,353</u>	<u>\$ 9,530,656</u>	<u>\$ 823,410</u>	<u>\$ 25,006,419</u>
Segment income (loss)	<u>\$ 21,886,795</u>	<u>\$ 137,009</u>	<u>(\$ 174,684)</u>	<u>\$ 21,849,120</u>

(3) Reconciliation for segment income (loss)

	Three months ended March 31, 2022	Three months ended March 31, 2021
Reportable segments income	\$ 9,449,870	\$ 2,149,120
Other segments (loss) income	(1,958,825)	398,419
Income before tax from continuing operations	<u>\$ 7,491,045</u>	<u>\$ 2,547,539</u>

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Unimicron Technology Corp. and subsidiaries

Loans to others

For the three months ended March 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 three months ended March 31, 2022 (Note 3)	Balance at March 31, 2022 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan 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
0	The Company	Smart Idea Holdings Limited	Other receivables	Y	\$ 3,530,520	\$ 2,747,520	\$ 2,089,260	1.20%~1.40%	2	\$ -	Operation needs	\$ -	-	\$ -	\$ 26,802,671	\$ 26,802,671		
0	The Company	Unimicron Holding Limited	Other receivables	Y	429,300	429,300	429,300	1.20%	2	-	Operation needs	-	-	-	26,802,671	26,802,671		
0	The Company	UniGreat Holding Limited	Other receivables	Y	171,720	171,720	171,720	1.20%	2	-	Operation needs	-	-	-	26,802,671	26,802,671		
0	The Company	Unimicron Germany GmbH	Other receivables	Y	2,010,002	2,010,002	1,761,792	1.00%~1.10%	2	-	Operation needs	-	-	-	26,802,671	26,802,671		
0	The Company	Unimicron JAPAN Co., Ltd.	Other receivables	Y	2,003,968	1,939,696	969,848	1.10%	2	-	Operation needs	-	-	-	26,802,671	26,802,671		
0	The Company	Unifley Technology (KunShan) Corp.	Other receivables	Y	286,200	286,200	-	-	2	-	Operation needs	-	-	-	26,802,671	26,802,671		
0	The Company	Unimicron Technology (Huangshi) Corp.	Other receivables	Y	1,144,800	1,144,800	1,144,800	1.20%~1.30%	2	-	Operation needs	-	-	-	26,802,671	26,802,671		
0	The Company	Qun Hong Technology Inc.	Other receivables	Y	380,000	-	-	-	2	-	Operation needs	-	-	-	26,802,671	26,802,671		
1	Unimicron Technology (KunShan) Corp.	Kunshan Dingchangxin Electronic Technology Co., Ltd.	Other receivables	Y	901,700	901,700	676,275	1.17%	2	-	Operation needs	-	-	-	3,993,117	3,993,117		
1	Unimicron Technology (KunShan) Corp.	Unifley Technology (KunShan) Corp.	Other receivables	Y	721,360	721,360	721,360	1.17%~1.20%	2	-	Operation needs	-	-	-	3,993,117	3,993,117		
1	Unimicron Technology (KunShan) Corp.	Unimicron Technology (Huangshi) Corp.	Other receivables	Y	1,704,472	1,082,040	1,082,040	1.17%~1.20%	2	-	Operation needs	-	-	-	3,993,117	3,993,117		
2	Unimicron Technology (ShenZhen) Corp.	Suzhou Qunye Enterprise Management Co., Ltd.	Other receivables	Y	314,820	314,820	-	-	2	-	Operation needs	-	-	-	648,151	648,151		

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 three months ended March 31, 2022.

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

(1) Business transaction is 1.

(2) Short-term financing is 2.

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

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

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans",

and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

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

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

Unimicron Technology Corp. and subsidiaries
Provision of endorsements and guarantees to others
For the three months ended March 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 March 31, 2022 (Note 4)	Outstanding endorsement/ guarantee amount as of March 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	Unifley Technology (KunShan) Corp.	2	\$ 20,102,003	\$ 3,577,500	\$ 3,577,500	\$ 2,432,700	\$ -	5.34%	\$ 33,503,339	Y	N	Y		
0	The Company	Unimicron Technology (ShenZhen) Corp.	2	20,102,003	572,400	572,400	429,300	-	0.85%	33,503,339	Y	N	Y		
0	The Company	Unimicron Holding Limited	2	20,102,003	1,144,800	1,144,800	572,400	-	1.71%	33,503,339	Y	N	N		
0	The Company	Unimicron Technology (SuZhou) Corp.	2	20,102,003	2,003,400	2,003,400	1,001,700	-	2.99%	33,503,339	Y	N	Y		
0	The Company	Unimicron Technology (KunShan) Corp.	2	20,102,003	715,500	715,500	232,538	-	1.07%	33,503,339	Y	N	Y		
0	The Company	Unimicron Technology (Huangshi) Corp.	2	20,102,003	3,291,300	3,291,300	1,466,775	-	4.91%	33,503,339	Y	N	Y		
0	The Company	Smart Idea Holding Limited	2	20,102,003	2,003,400	2,003,400	-	-	2.99%	33,503,339	Y	N	N		
0	The Company	Unimicron-Carrier Technology (Huangshi) Inc.	2	20,102,003	1,431,000	1,431,000	-	-	2.14%	33,503,339	Y	N	Y		
0	The Company	UniGreat Holding Limited	2	20,102,003	286,200	286,200	-	-	0.43%	33,503,339	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)
March 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 March 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	\$ 258,850	13.00%	\$ 258,850	
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	268,048,948	3,089,418	16.67%	3,089,418	
The Company	Shihlien Fine Chemicals Co., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	12,778,831	74,123	4.92%	74,123	
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	44,605	4.52%	44,605	
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	27,208	6.38%	27,208	
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	20,000,000	3,566,122	12.27%	3,566,122	
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 Technology., Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	10,000	2,418	14.29%	2,418	
The Company	Faraday Technology Corp.'s stocks	The Company is the company's director	Financial assets at fair value through profit or loss-current	120,000	36,660	0.05%	36,660	
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	29,679	1.97%	29,679	
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 Croperation's stocks	None	Financial assets at fair value through profit or loss-non-current	30,769	-	0.51%	-	
Hsin Yang Investment Corp.	Ability I Venture Capital Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	948,600	7,515	2.00%	7,515	
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%	-	

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of March 31, 2022				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
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	70,000	-	0.32%	-	
Hsin Yang Investment Corp.	UniTest Technology Corporation's stocks	None	Financial assets at fair value through profit or loss-non-current	10,000	4,734	10.00%	4,734	
Hsin Yang Investment Corp.	Unimemory Technology (s) Pte Ltd.'s stocks	None	Financial assets at fair value through profit or loss-non-current	325,945	10,179	10.81%	10,179	
Hsin Yang Investment Corp.	Taimide Technology Inc.'s stocks	None	Financial assets at fair value through profit or loss-current	49,037	2,972	0.04%	2,972	
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	53,093	1.02%	53,093	
Hsin Yang Investment Corp.	Semicomm Technology Co., Ltd.'s stocks	None	Financial assets at fair value through other comprehensive income-non-current	650,000	35,783	5.91%	35,783	
UMTC Holdings Limited	AMC Holding Limited's stocks	None	Financial assets at fair value through profit or loss-non-current	897,750	47,550	7.09%	47,550	
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	22,680	18.00%	22,680	
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	5,963	27.65%	5,963	
Unimicron Germany GmbH	Naavinya CAD Soft Pvt Ltd 's equity shares	None	Financial assets at fair value through profit or loss-non-current	-	2,965	-	2,965	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities in accordance with IFRS 9.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Unimicron Technology Corp. and subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the three months ended March 31, 2022

Table 4

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 \$322,080 based on the contract.	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 \$194,760 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 \$82,720 based on the contract.	Jingwen Construction Engineering Steel Structure Co., Ltd.	-	-	-	-	-	NA	For production.	-
The Company	Caonan Slope Land, Yangmei District, Taoyuan City (Note 4)	2021.04.12 -2022.02.22	453,846	Fully paid	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	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.	-

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.

Unimicron Technology Corp. and subsidiaries
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the three months ended March 31, 2022

Table 5

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	\$ 803,051	Uncollected	\$ 610,261	Both of 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: On March 30, 2022, to maximize asset utilization and optimize operations, the Board of Directors resolved to sell land and investment property, the transaction was expected to be completed in June 2022, related assets had been transferred to non-current assets held for sale.

Unimicron Technology Corp. and subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
For the three months ended March 31, 2022

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Transaction							Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
							Unit price	Credit term	Balance	Percentage of notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term					
The Company	Unimicron (KS) Trading Limited	The Company's subsidiary	Sales	\$ 128,943	1%	3 months after monthly billings	\$ -	-	\$ 168,336	1%	
Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	Same parent company	Sales	906,817	21%	3 months after monthly billings	-	-	967,904	25%	
Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	Same parent company	Sales	990,964	70%	3 months after monthly billings	-	-	1,446,606	75%	
Unifley Technology (KunShan) Corp.	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	220,480	18%	3 months after monthly billings	-	-	106,702	7%	
Unifley Technology (KunShan) Corp.	Best Option Investments Limited	Same parent company	Sales	152,894	13%	3 months after monthly billings	-	-	329,546	21%	
Unimicron Technology (ShenZhen) Corp.	NEOCONIX, INC.	Same parent company	Sales	112,255	13%	3 months after monthly billings	-	-	141,610	18%	
Unimicron Technology (ShenZhen) Corp.	Unimicron (SZ) Trading Limited	Same parent company	Sales	162,997	19%	3 months after monthly billings	-	-	167,802	21%	
Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	Same parent company	Sales	1,644,969	48%	3 months after monthly billings	-	-	1,994,557	59%	
Unimicron JAPAN Co., Ltd.	Unimicron (SZ) Trading Limited	Same parent company	Sales	113,937	49%	3 months after monthly billings	-	-	184,979	63%	
Qun Hong Technology Inc.	The Company	Ultimate parent company	Sales	181,498	23%	3 months after monthly billings	-	-	42,814	7%	

Unimicron Technology Corp. and subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
For the three months ended March 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction		Differences in transaction terms compared to third party transactions (Note 1)			Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote (Note 2)
Unimicron (KS) Trading Limited	The Company	Ultimate parent company	Sales	\$ 474,976	20%	3 months after monthly billings	\$ -	-	\$ 522,070	20%	
Unimicron (SZ) Trading Limited	The Company	Ultimate parent company	Sales	139,639	26%	3 months after monthly billings	-	-	166,534	46%	
Unimicron Holding Limited	The Company	Ultimate parent company	Sales	719,642	44%	3 months after monthly billings	-	-	731,453	62%	
Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	Same parent company	Sales	1,294,751	55%	3 months after monthly billings	-	-	1,838,115	34%	
Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	Same parent company	Sales	104,905	20%	3 months after monthly billings	-	-	192,933	47%	

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

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

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

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

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

Unimicron Technology Corp. and subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
March 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 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	\$ 168,336	3.81	\$ -	-	\$ -	\$ -
Unimicron Technology (KunShan) Corp.	Unimicron (KS) Trading Limited	Same parent company	967,904	3.32	-	-	360,552	-
Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	Same parent company	1,446,606	2.76	-	-	-	-
Unifley Technology (KunShan) Inc.	Unimicron Technology (KunShan) Corp.	Same parent company	106,702	7.80	-	-	-	-
Unifley Technology (KunShan) Inc.	Best Option Investments Limited	Same parent company	329,546	1.90	-	-	-	-
Unimicron Technology (ShenZhen) Corp.	Neconix, Inc.	Same parent company	141,610	4.06	-	-	26,760	-
Unimicron Technology (ShenZhen) Corp.	Unimicron (SZ) Trading Limited	Same parent company	167,802	4.30	-	-	-	-
Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	Same parent company	1,994,557	3.37	-	-	529,154	-
Unimicron JAPAN Co., Ltd.	Unimicron (SZ) Trading Limited	Same parent company	184,979	3.50	-	-	-	-
Unimicron (KS) Trading Limited	The Company	Ultimate parent company	522,070	3.19	-	-	151,687	-
Unimicron (SZ) Trading Limited	The Company	Ultimate parent company	166,534	3.72	-	-	50,201	-
Unimicron Holding Limited	The Company	Ultimate parent company	731,453	4.14	-	-	232,357	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 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	\$ 1,838,115	3.39	\$ -	-	\$ -	\$ -
Unimicron (SZ) Trading Limited	Unimicron Technology (ShenZhen) Corp.	Same parent company	192,933	2.55	-	-	36,479	-
The Company	3D Circuit Taiwan Company Ltd.	Investee accounted for using equity method	156,564	Note 3	156,564	Note 4	-	156,564
The Company	Unimicron Technology (Huangshi) Corp.	The Company's subsidiary	1,148,721	Note 2	-	-	-	-
The Company	Smart Idea Holdings Limited	The Company's subsidiary	2,103,042	Note 2	-	-	667,476	-
The Company	Unimicron Germany GmbH	The Company's subsidiary	1,769,719	Note 2	-	-	-	-
The Company	Unimicron Holding Limited	The Company's subsidiary	447,198	Note 2	-	-	-	-
The Company	Unimicron JAPAN Co., Ltd.	The Company's subsidiary	972,384	Note 2	-	-	141,683	-
The Company	UniGreat Holding Limited	The Company's subsidiary	176,233	Note 2	-	-	-	-
Unimicron Technology (KunShan) Corp.	Unimicron Technology (Huangshi) Corp.	Same parent company	1,085,847	Note 2	-	-	-	-
Unimicron Technology (KunShan) Corp.	Unifley Technology (KunShan) Inc.	Same parent company	733,751	Note 2	-	-	-	-
Unimicron Technology (KunShan) Corp.	Kunshan Dingchangxin Electronic Technology Co., Ltd.	Same parent company	678,437	Note 2	-	-	-	-

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

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

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

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

Unimicron Technology Corp. and subsidiaries
Significant inter-company transactions during the reporting period
For the three months ended March 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Transaction (Note 5)							
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of total operating revenues or total assets (Note 3)
1	Unimicron Technology (Huangshi) Corp.	Unimicron (KS) Trading Limited	3	Accounts receivable	\$ 1,446,606	Available for the third party	1%
2	Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	3	Accounts receivable	1,994,557	Available for the third party	1%
3	Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	3	Accounts receivable	1,838,115	Available for the third party	1%
4	The Company	Smart Idea Holdings Limited	1	Other receivables	2,103,042	Available for the third party	1%
5	The Company	Unimicron Germany GmbH	1	Other receivables	1,769,719	Available for the third party	1%
6	The Company	Unimicron Technology (Huangshi) Corp.	1	Other receivables	1,148,721	Available for the third party	1%
7	Unimicron Technology (KunShan) Corp.	Unimicron Technology (Huangshi) Corp.	3	Other receivables	1,085,847	Available for the third party	1%
8	Unimicron Technology (SuZhou) Corp.	Unimicron Holding Limited	3	Sales	1,664,969	Available for the third party	5%
9	Unimicron (KS) Trading Limited	Unimicron Technology (KunShan) Corp.	3	Sales	1,294,751	Available for the third party	4%

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

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary

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

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

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

Unimicron Technology Corp. and subsidiaries

Information on investees

For the three months ended March 31, 2022

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2022			Net profit (loss) of the investee for the three months ended March 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the three months ended March 31, 2022 (Note 2(3))	Footnote
				Balance as at a March 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership	Book value (Note 4)			
The Company	Subtron Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic parts	\$ 1,333,548	\$ 1,333,548	90,613,516	30.49%	\$ 1,552,296	\$ 141,837	\$ 43,583	
The Company	Hsin Yang Investment Corp.	Taiwan	Holding company	3,423,689	3,423,689	197,568,290	100.00%	1,055,237	(4,572)	(4,569)	
The Company	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	198,962	198,962	19,175,303	17.17%	224,907	(3,574)	(614)	
The Company	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	982,156	982,156	29,476,572	62.78%	286,352	(9,112)	(8,425)	
The Company	Hemingway Int'l Limited	BVI	Holding company	6,118,151	6,118,151	187,988,866	100.00%	8,607,343	410,869	410,869	
The Company	UMTC Holdings Limited	BVI	Holding company	6,199,051	6,199,051	156,855,915	100.00%	4,808,645	334,892	334,892	
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	2,713,632	2,713,632	93,550,000	100.00%	2,740,064	217,846	217,846	
The Company	Uniflex Technology Inc.	Taiwan	Manufacture and sale of electronic parts	342,385	342,385	15,586,822	9.98%	105,345	(28,159)	(2,810)	
The Company	NEOCONIX, INC.	USA	Design and manufacture of connector	118,963	118,963	865,526,530	92.00%	74,572	24,242	22,279	
The Company	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	107,959	107,959	4,657,650	49.57%	41,354	10,659	5,332	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2022			Net profit (loss) of the investee for the three months ended March 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the three months ended March 31, 2022 (Note 2(3))	Footnote
				Balance as at a March 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership	Book value (Note 4)			
The Company	UniFresh, Inc.	Taiwan	Food and restaurants	\$ 26,000	\$ 26,000	2,600,000	24.42%	\$ 14,287	\$ 2,674	\$ 653	
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	153,653,543	91.41%	590,572	(63,812)	(57,858)	
The Company	Unidisplay Holding Corp.	Samoa	Holding company	342,372	342,372	11,790,000	100.00%	1,773	47	47	
The Company	PAVIDA Trading Limited	Samoa	Holding company and trading	4,406	4,406	139,818	17.27%	3,499	694	120	
Hsin Yang Investment Corp.	UniFresh, Inc.	Taiwan	Food and restaurants	80,480	80,480	8,048,000	75.58%	49,207	2,674	2,021	
Hsin Yang Investment Corp.	UniSense Technology Co. Ltd.	Taiwan	Manufacture and sale of electronic parts	48,231	48,231	4,823,074	30.98%	75,499	13,245	3,002	
Hsin Yang Investment Corp.	Asia Pacific Microsystems, Inc.	Taiwan	Manufacture and sale of electronic parts	355,496	355,496	1,952,861	4.16%	20,480	(9,112)	(379)	
Hsin Yang Investment Corp.	Advance Materials Corp.	Taiwan	Manufacture and sale of electronic parts	95,935	95,935	7,781,675	6.97%	82,747	(3,574)	(249)	
Hsin Yang Investment Corp.	Subtron Technology Co., Ltd	Taiwan	Manufacture and sale of electronic parts	9,934	9,934	4,620,710	1.55%	75,826	141,837	2,226	
Hsin Yang Investment Corp.	Unimax C.P.I Technology Corp.	Mauritius	Holding company	112,326	112,326	2,304,000	23.79%	17,460	(268)	(31)	
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%	264,056	13,686	5,300	
Hsin Yang Investment Corp.	Uniflex Technology Inc.	Taiwan	Manufacture and sale of electronic parts	502,294	502,294	25,307,736	16.21%	227,175	(28,159)	(4,565)	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2022			Net profit (loss) of the investee for the three months ended March 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the three months ended March 31, 2022 (Note 2(3))	Footnote
				Balance as at a March 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership	Book value (Note 4)			
Hsin Yang Investment Corp.	Unidisplay Trading Corp.	Samoa	Trading	\$ 859,190	\$ 859,190	41,666,666	76.50%	\$ 3,998	\$ 597	\$ 457	
Hsin Yang Investment Corp.	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	58,337	58,337	168,801	1.80%	525	10,659	192	
Hsin Yang Investment Corp.	Qun Hong Technology Inc.	Taiwan	Manufacture and sale of electronic parts	110,863	110,863	5,947,153	3.54%	24,093	(63,812)	(2,259)	
UniFresh, Inc.	UniCuisine, Inc.	Taiwan	Sales and manufacture of food	81,622	81,622	1,398,507	69.97%	26,316	3,347	2,426	
APM communication, Inc.	PAVIDA Trading Limited	Samoa	Holding company and trading	20,832	20,832	670,000	82.73%	16,764	694	574	
Asia Pacific Microsystems, Inc.	APM communication, Inc.	Taiwan	Manufacture and sale of electronic parts	332,259	332,259	2,911,867	30.99%	22,470	10,659	3,303	
Hemingway Int'l Limited	Plato Electronics (Cayman) Limited	Cayman	Holding company	1,467,681	1,467,681	27,989,612	72.02%	1,284,276	(30,581)	(22,025)	
Hemingway Int'l Limited	Smart Idea Holdings Limited	Cayman	Holding company	888,787	888,787	30,000,000	42.10%	3,821,906	118,540	49,906	
Hemingway Int'l Limited	Best Option Investments Limited	Samoa	Holding company	3,415,024	3,415,024	644,263,312	21.89%	117,073	(68,588)	(15,014)	
Hemingway Int'l Limited	Unimicron Holding Limited	Samoa	Holding company	1,719,360	1,719,360	53,151,515	32.28%	3,348,283	1,240,159	400,323	
Hemingway Int'l Limited	UniSmart Holding Limited	Samoa	Holding company	174,124	174,124	5,099,086	15.55%	17,674	(14,741)	(2,293)	
UMTC Holdings Limited	Plato Electronics (Cayman) Limited	Cayman	Holding company	216,114	216,114	4,474,259	11.51%	109,695	(30,581)	(3,520)	
UMTC Holdings Limited	Smart Idea Holdings Limited	Cayman	Holding company	629,580	629,580	20,761,904	29.13%	2,617,379	118,540	34,531	
UMTC Holdings Limited	Best Option Investments Limited	Samoa	Holding company	1,232,586	1,232,586	42,195,000	1.44%	14,070	(68,588)	(988)	
UMTC Holdings Limited	Unimicron Holding Limited	Samoa	Holding company	1,210,064	1,210,064	40,400,000	24.54%	2,477,276	1,240,159	304,335	
UMTC Holdings Limited	UniSmart Holding Limited	Samoa	Holding company	703,420	703,420	21,286,112	64.93%	19,808	(14,741)	(9,571)	
UMTC Holdings Limited	Unimicron JAPAN Co., Ltd.	Japan	Manufacture and sale of electronic parts	503,200	503,200	35,130	100.00%	(509,079)	(2,474)	(3,358)	
Plato Electronics (Cayman) Limited	Unimicron(SZ) Trading Ltd.	Samoa	Trading	202,525	202,525	6,500,000	100.00%	(51,603)	(31,242)	(31,242)	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2022			Net profit (loss) of the investee for the three months ended March 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the three months ended March 31, 2022 (Note 2(3))	Footnote
				Balance as at a March 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership	Book value (Note 4)			
Smart Idea Holdings Limited	UniGreat Holding Limited	Samoa	Holding company	\$ 1,407,974	\$ 1,407,974	45,900,050	100.00%	\$ 798,915	(\$ 12,256)	(\$ 12,256)	
Smart Idea Holdings Limited	UniRuwei Holding Limited	Cayman	Holding company	1,049,300	1,049,300	35,000,000	100.00%	326,957	(107,763)	(107,763)	
Smart Idea Holdings Limited	Unimicron (KS)Trading Ltd.	Samoa	Trading	582,000	582,000	20,000,001	100.00%	(13,792)	(21,692)	(21,692)	
UniSmart Holding Limited	MARUWA CORPORATION	Japan	Manufacture and sales of flexible Print	118,482	118,482	3,900	45.88%	(53,403)	-	-	
UniRuwei Holding Limited	Unimicron Germany GmbH	Germany	Manufacture and sale of electronic parts	917,473	917,473	25,000	100.00%	325,442	(106,582)	(106,582)	
Unidisplay Holding Corp.	Unidisplay Trading Corp.	Samoa	Trading	335,776	335,776	11,800,000	21.66%	1,132	597	129	
UniBest Holding Limited	Unimicron Holding Limited	Samoa	Holding company	1,377,245	1,377,245	36,282,468	22.04%	2,241,403	1,240,159	273,331	
UniBest Holding Limited	Best Option Investments Limited	Samoa	Holding company	1,132,402	1,132,402	2,256,363,910	76.67%	507,243	(68,588)	(52,587)	
UniBest Holding Limited	UniSmart Holding Limited	Samoa	Holding company	185,165	185,165	6,400,000	19.52%	(9,160)	(14,741)	(2,878)	

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 March 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 three months ended March 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 three months ended March 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: Unrealised gains and losses have not been excluded.

Unimicron Technology Corp. and subsidiaries
Information on investments in Mainland China
For the three months ended March 31, 2022

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022	Net income of investee for the three months ended March 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2022 (Note 2)	Book value of investments in Mainland China as of March 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Unimicron Technology (ShenZhen) Corp.	Manufacture and sale of electronic parts	\$ 3,050,860	Plato-Cayman	\$ 1,484,856	\$ -	\$ -	\$ 1,484,856	\$ 448	83.53	\$ 374	\$ 1,353,504	\$ -	
Unimicron Technology (KunShan) Corp.	Manufacture and sale of electronic parts	2,369,600	SI	1,372,769	-	-	1,372,769	238,226	71.23	174,947	7,108,413	-	
Unifley Technology (KunShan) Inc.	Manufacture and sale of electronic parts	5,646,772	BO	5,196,551	-	-	5,196,551	(39,058)	100.00	(39,058)	514,319	-	
Unimicron Technology (SuZhou) Corp.	Manufacture and sale of electronic parts	4,971,298	UHL	1,837,430	-	-	1,837,430	1,316,824	78.86	1,038,447	8,850,130	-	
Suzhou AMC Technology Co., Ltd.	Manufacture and sale of electronic parts	1,263,293	AMCHOLDING LIMITED	192,869	-	-	192,869	(1,245)	6.38	-	47,550	-	
Unipoint Technology (KunShan) Corp.	Manufacture and sale of electronic parts	35,544	UMT Technology Corp.	6,813	-	-	6,813	-	19.01	-	-	-	
Unimicron Touch (ShenZhen) Corp.	Manufacture and sale of electronic parts	-	UniDT	1,159,920	-	-	1,159,920	-	-	-	-	-	Note 6
Kunshan 3D Circuit Technology Co., Ltd.	Manufacture and sale of electronic parts	125,925	HK3D-Circuit Ltd.	31,170	-	-	31,170	-	18.61	-	(12,373)	-	
Unimicron Technology (Huangshi) Corp.	Manufacture and sale of electronic parts	4,672,240	UniGreat and Unimicron Management (KunShan)	-	-	-	-	120,716	71.23	85,986	2,415,459	-	
Unimicron Management (KunShan) Corp., Ltd.	Business management consulting and property management	3,515,397	Unimicron Technology (KunShan)	-	-	-	-	76,248	71.23	54,311	2,164,869	-	
Unimicron-Carrier Technology (Huangshi) Inc.	Manufacture and sale of electronic parts	1,319,658	UHL and Unimicron Technology (SuZhou)	339,555	-	-	339,555	4,166	78.86	3,285	1,075,593	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022	Net income of investee for the three months ended March 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2022 (Note 2)	Book value of investments in Mainland China as of March 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Hu Se Sn Li Managemnet Corp., Ltd.	Business management consulting	\$ 702,068	Unimicron Management (KunShan)	\$ -	\$ -	\$ -	\$ -	(\$ 8,306)	71.23	(\$ 5,916)	\$ 465,307	\$ -	
Gobo Lighting Technology Ltd.	Manufacture and sale of lighting products	38,943	PAVIDA	17,914	-	-	17,914	1,492	35.39	694	18,898	-	
Kunshan Dingchangxin Electronic Technology Co., Ltd.	Manufacture and sale of electronic parts	-	SI	-	-	-	-	(3,031)	71.23	(2,148)	(5,098)	-	
Suzhou Qunye Enterprise Management Co., Ltd.	Business management consulting	-	UHL	-	-	-	-	-	78.86	-	-	-	
	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Ceiling on investments in Mainland China imposed by the Investment Commission of										
Company name	(Note 4)	(MOEA)	MOEA										
The Company	\$ 12,076,718	\$ 13,876,705	\$ -										

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

(1) Directly invest in a company in Mainland China

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

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

Note 2: Investment income (loss) recognized for the period in accordance with the financial statements reviewed by R.O.C. parent company's CPA.

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

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

Note 5: On November 11, 2020, the Company received an approval letter issued by the Industrial Development Bureau of the Ministry of Economic Affairs, effective from November 5, 2020 to November 4, 2023. Hence, calculation of investment limit is not needed.

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

Unimicron Technology Corp. and subsidiaries

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

For the three months ended March 31, 2022

Table 11

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
	Amount	%	Amount	%	Balance at March 31, 2022	%	Balance at March 31, 2022	Purpose	Maximum balance during the three months ended March 31,	Balance at March 31, 2022	Interest rate	Interest during the three months ended March 31, 2022	Others
									2022				
Unimicron Technology (ShenZhen) Corp.	\$ 9,543	0%	\$ -	-	\$ 31,044	0%	\$ 572,400	Borrowings	\$ -	\$ -	-	-	-
Unimicron Technology (ShenZhen) Corp.	(139,639)	2%	-	-	(142,875)	2%	-	-	-	-	-	-	-
Unimicron Technology (KunShan) Corp.	128,943	1%	-	-	197,782	1%	715,500	Borrowings	-	-	-	-	-
Unimicron Technology (KunShan) Corp.	(474,976)	7%	-	-	(484,933)	7%	-	-	-	-	-	-	-
Unifley Technology (KunShan) Inc.	-	-	-	-	-	-	3,577,500	Borrowings	286,200	286,200	-	-	-
Unimicron Technology (SuZhou) Corp.	6,283	0%	-	-	14,068	0%	2,003,400	Borrowings	-	-	-	-	-
Unimicron Technology (SuZhou) Corp.	(719,642)	11%	-	-	(720,266)	10%	-	-	-	-	-	-	-
Unimicron Technology (Huangshi) Corp.	(62,020)	1%	-	-	(84,411)	1%	3,291,300	Borrowings	1,144,800	1,144,800	1.20%~1.30%	3,921	-
Unimicron -Carrier Technology (Huangshi) Inc.	-	-	-	-	-	-	1,431,000	Borrowings	-	-	-	-	-

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

Unimicron Technology Corp. and subsidiaries

Information on Major Shareholders

March 31, 2022

Table 12

Name of Major Shareholders	Shares	
	Number of Shares	Ownership (%)
United Microelectronics Corp.	196,136,008	13.29%
Mandated Fubon Asset Management Account For 2021 First Investment of Labor Pension Fund	83,657,500	5.67%