

**UNITED MICROELECTRONICS CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
WITH REPORT OF INDEPENDENT ACCOUNTANTS  
FOR THE SIX-MONTH PERIODS ENDED  
JUNE 30, 2019 AND 2018**

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

## Review Report of Independent Accountants

To United Microelectronics Corporation

### Introduction

We have reviewed the accompanying consolidated balance sheets of United Microelectronics Corporation and its subsidiaries (collectively, the “Company”) as of June 30, 2019 and 2018, the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2019 and 2018 and consolidated statements of changes in equity and cash flows for the six-month periods ended June 30, 2019 and 2018, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. 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 Statement of Auditing Standards No. 65, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China 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 review reports of other independent accountants (please refer to the Other Matter paragraph of our report), 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 Company as of June 30, 2019 and 2018, and its consolidated financial performance for the three-month and six-month periods ended June 30, 2019 and 2018, and its consolidated cash flows for the six-month periods ended June 30, 2019 and 2018, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

### **Other Matter – Making Reference to the Reviews of Other Independent Accountants**

We did not review the financial statement of certain associates and joint ventures accounted for under the equity method. Our review, insofar as it related to the investments accounted for under the equity method balances of NT\$9,416 million and NT\$9,966 million, which represented 2.55% and 2.62% of the total consolidated assets as of June 30, 2019 and 2018, respectively, the related shares of profit or loss from the associates and joint ventures in the amount of NT\$258 million, NT\$118 million, NT\$483 million and NT\$347 million, which represented 22.56%, 5.64%, 60.85% and 8.80% of the consolidated income from continuing operations before income tax for the three-month and six-month periods ended June 30, 2019 and 2018, respectively, and the related shares of other comprehensive income from the associates and joint ventures in the amount of NT\$222 million, NT\$14 million, NT\$543 million and NT\$138 million, which represented 13.16%, 0.27%, 10.07% and 1.75% of the consolidated total comprehensive income for the three-month and six-month periods ended June 30, 2019 and 2018, respectively, are based solely on the reports of other independent accountants.

/s/ Chiu, Wan-Ju

/s/ Hsu, Hsin-Min

Ernst & Young, Taiwan

July 24, 2019

### **Notice to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
June 30, 2019, December 31, 2018 and June 30, 2018 (June 30, 2019 and 2018 are unaudited)  
(Expressed in Thousands of New Taiwan Dollars)

| Assets                                                                        | Notes          | As of                 |                       |                       |
|-------------------------------------------------------------------------------|----------------|-----------------------|-----------------------|-----------------------|
|                                                                               |                | June 30, 2019         | December 31, 2018     | June 30, 2018         |
| <b>Current assets</b>                                                         |                |                       |                       |                       |
| Cash and cash equivalents                                                     | 6(1)           | \$ 90,355,850         | \$ 83,661,739         | \$ 75,192,843         |
| Financial assets at fair value through profit or loss, current                | 6(2), 12(7)    | 613,504               | 528,450               | 470,383               |
| Contract assets, current                                                      | 6(19)          | 72,773                | 92,210                | 152,438               |
| Notes receivable                                                              |                | 132                   | 118                   | 8,620                 |
| Accounts receivable, net                                                      | 6(3)           | 24,109,757            | 23,735,989            | 26,721,474            |
| Accounts receivable-related parties, net                                      | 7              | 276,348               | 138,912               | 281,482               |
| Other receivables                                                             |                | 1,220,813             | 708,432               | 1,053,956             |
| Current tax assets                                                            |                | 20,096                | 20,856                | 629,617               |
| Inventories, net                                                              | 6(4)           | 19,629,371            | 18,203,119            | 17,656,458            |
| Prepayments                                                                   |                | 11,538,192            | 11,225,322            | 13,245,029            |
| Non-current assets held for sale                                              | 6(7)           | 71,279                | -                     | -                     |
| Other current assets                                                          | 6(19)          | 2,598,905             | 2,878,285             | 1,670,369             |
| <b>Total current assets</b>                                                   |                | <b>150,507,020</b>    | <b>141,193,432</b>    | <b>137,082,669</b>    |
| <b>Non-current assets</b>                                                     |                |                       |                       |                       |
| Financial assets at fair value through profit or loss, noncurrent             | 6(2), 7, 12(7) | 12,111,851            | 11,555,847            | 13,704,084            |
| Financial assets at fair value through other comprehensive income, noncurrent | 6(5), 12(7)    | 14,378,666            | 11,585,477            | 11,366,652            |
| Investments accounted for under the equity method                             | 6(6), 7        | 11,353,231            | 10,363,977            | 12,246,388            |
| Property, plant and equipment                                                 | 6(7), 8        | 158,439,907           | 172,846,595           | 188,825,103           |
| Right-of-use assets                                                           | 6(8), 8        | 8,315,414             | -                     | -                     |
| Intangible assets                                                             | 6(9), 7        | 4,151,768             | 2,991,804             | 3,581,597             |
| Deferred tax assets                                                           |                | 6,189,906             | 6,387,909             | 7,018,082             |
| Prepayment for equipment                                                      |                | 633,891               | 661,402               | 856,788               |
| Refundable deposits                                                           | 8              | 2,687,474             | 2,757,399             | 2,831,954             |
| Other noncurrent assets-others                                                | 8              | 1,166,166             | 4,261,064             | 3,376,980             |
| <b>Total non-current assets</b>                                               |                | <b>219,428,274</b>    | <b>223,411,474</b>    | <b>243,807,628</b>    |
| <b>Total assets</b>                                                           |                | <b>\$ 369,935,294</b> | <b>\$ 364,604,906</b> | <b>\$ 380,890,297</b> |

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
June 30, 2019, December 31, 2018 and June 30, 2018 (June 30, 2019 and 2018 are unaudited)  
(Expressed in Thousands of New Taiwan Dollars)

| Liabilities and Equity                                                                                                                                             | Notes                         | As of                 |                       |                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|-----------------------|-----------------------|
|                                                                                                                                                                    |                               | June 30, 2019         | December 31, 2018     | June 30, 2018         |
| <b>Current liabilities</b>                                                                                                                                         |                               |                       |                       |                       |
| Short-term loans                                                                                                                                                   | 6(10), 6(26)                  | \$ 16,319,873         | \$ 13,103,808         | \$ 11,620,038         |
| Financial liabilities at fair value through profit or loss, current                                                                                                | 6(11), 12(7)                  | -                     | -                     | 39,431                |
| Contract liabilities, current                                                                                                                                      | 6(19)                         | 956,472               | 932,371               | 2,114,749             |
| Notes and accounts payable                                                                                                                                         |                               | 6,912,347             | 6,801,745             | 7,407,737             |
| Other payables                                                                                                                                                     | 7                             | 13,149,206            | 12,455,861            | 12,552,389            |
| Payables on equipment                                                                                                                                              |                               | 2,598,290             | 4,008,142             | 3,611,251             |
| Dividends payable                                                                                                                                                  | 6(17)                         | 6,916,105             | -                     | 8,557,023             |
| Current tax liabilities                                                                                                                                            |                               | 1,047,650             | 2,059,172             | 2,615,425             |
| Liabilities directly associated with non-current assets held for sale                                                                                              | 6(7)                          | 975                   | -                     | -                     |
| Lease liabilities, current                                                                                                                                         | 6(8), 6(26)                   | 456,486               | -                     | -                     |
| Current portion of long-term liabilities                                                                                                                           | 6(12), 6(13), 6(26), 8, 12(7) | 23,104,908            | 5,121,396             | 5,611,823             |
| Other current liabilities                                                                                                                                          | 6(15), 6(16), 6(26), 7        | 5,592,113             | 5,416,842             | 5,040,794             |
| <b>Total current liabilities</b>                                                                                                                                   |                               | <u>77,054,425</u>     | <u>49,899,337</u>     | <u>59,170,660</u>     |
| <b>Non-current liabilities</b>                                                                                                                                     |                               |                       |                       |                       |
| Contract liabilities, noncurrent                                                                                                                                   | 6(19)                         | 497,760               | -                     | -                     |
| Bonds payable                                                                                                                                                      | 6(12), 6(26), 12(7)           | 18,686,194            | 38,878,947            | 38,698,695            |
| Long-term loans                                                                                                                                                    | 6(13), 6(26), 8, 12(7)        | 26,707,906            | 28,204,054            | 29,065,426            |
| Deferred tax liabilities                                                                                                                                           |                               | 2,109,130             | 1,965,693             | 1,997,511             |
| Lease liabilities, noncurrent                                                                                                                                      | 6(8), 6(26)                   | 5,395,030             | -                     | -                     |
| Net defined benefit liabilities, noncurrent                                                                                                                        | 6(14)                         | 4,148,964             | 4,167,174             | 4,125,480             |
| Guarantee deposits                                                                                                                                                 | 6(26)                         | 228,475               | 612,903               | 512,472               |
| Other noncurrent liabilities-others                                                                                                                                | 6(15), 6(26), 9(5)            | 33,012,770            | 34,340,307            | 36,537,598            |
| <b>Total non-current liabilities</b>                                                                                                                               |                               | <u>90,786,229</u>     | <u>108,169,078</u>    | <u>110,937,182</u>    |
| <b>Total liabilities</b>                                                                                                                                           |                               | <u>167,840,654</u>    | <u>158,068,415</u>    | <u>170,107,842</u>    |
| <b>Equity attributable to the parent company</b>                                                                                                                   |                               |                       |                       |                       |
| <b>Capital</b>                                                                                                                                                     | 6(17)                         |                       |                       |                       |
| Common stock                                                                                                                                                       |                               | 117,243,187           | 124,243,187           | 126,243,187           |
| <b>Additional paid-in capital</b>                                                                                                                                  | 6(12), 6(17), 6(18)           |                       |                       |                       |
| Premiums                                                                                                                                                           |                               | 34,234,413            | 36,278,383            | 36,862,383            |
| Treasury stock transactions                                                                                                                                        |                               | 2,400,208             | 1,737,113             | 1,753,028             |
| The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries |                               | 573,336               | 573,336               | 573,336               |
| Recognition of changes in subsidiaries' ownership                                                                                                                  |                               | 51                    | 39                    | 157,766               |
| Share of changes in net assets of associates and joint ventures accounted for using equity method                                                                  |                               | 108,854               | 108,613               | 98,197                |
| Employee stock options                                                                                                                                             |                               | 399,356               | 178,401               | -                     |
| Stock options                                                                                                                                                      |                               | 1,515,297             | 1,515,297             | 1,515,297             |
| Other                                                                                                                                                              |                               | 8,036                 | 8,181                 | 8,659                 |
| <b>Retained earnings</b>                                                                                                                                           | 6(17)                         |                       |                       |                       |
| Legal reserve                                                                                                                                                      |                               | 11,572,579            | 10,865,280            | 10,865,280            |
| Special reserve                                                                                                                                                    |                               | 14,513,940            | -                     | -                     |
| Unappropriated earnings                                                                                                                                            |                               | 29,299,508            | 50,723,263            | 53,148,322            |
| <b>Other components of equity</b>                                                                                                                                  |                               |                       |                       |                       |
| Exchange differences on translation of foreign operations                                                                                                          |                               | (4,721,104)           | (5,692,326)           | (4,721,370)           |
| Unrealized gains or losses on financial assets measured at fair value through other comprehensive income                                                           |                               | (5,361,607)           | (8,819,556)           | (8,483,439)           |
| Gains or losses on hedging instruments                                                                                                                             |                               | (2,058)               | (2,058)               | -                     |
| <b>Treasury stock</b>                                                                                                                                              | 6(17), 6(18)                  | <u>(119,801)</u>      | <u>(5,647,430)</u>    | <u>(7,848,219)</u>    |
| <b>Total equity attributable to the parent company</b>                                                                                                             |                               | <u>201,664,195</u>    | <u>206,069,723</u>    | <u>210,172,427</u>    |
| <b>Non-controlling interests</b>                                                                                                                                   | 6(17)                         | <u>430,445</u>        | <u>466,768</u>        | <u>610,028</u>        |
| <b>Total equity</b>                                                                                                                                                |                               | <u>202,094,640</u>    | <u>206,536,491</u>    | <u>210,782,455</u>    |
| <b>Total liabilities and equity</b>                                                                                                                                |                               | <u>\$ 369,935,294</u> | <u>\$ 364,604,906</u> | <u>\$ 380,890,297</u> |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the three-month and six-month periods ended June 30, 2019 and 2018  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

|                                                                                                                                           | Notes                                  | For the three-month periods ended June 30, |                     | For the six-month periods ended June 30, |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------|---------------------|------------------------------------------|---------------------|
|                                                                                                                                           |                                        | 2019                                       | 2018                | 2019                                     | 2018                |
| <b>Operating revenues</b>                                                                                                                 | 6(19), 7, 14                           | \$ 36,031,184                              | \$ 38,851,577       | \$ 68,614,143                            | \$ 76,348,714       |
| <b>Operating costs</b>                                                                                                                    | 6(4), 6(9), 6(14), 6(18), 6(20), 7, 14 | (30,379,154)                               | (32,176,402)        | (60,700,033)                             | (65,031,540)        |
| <b>Gross profit</b>                                                                                                                       |                                        | <u>5,652,030</u>                           | <u>6,675,175</u>    | <u>7,914,110</u>                         | <u>11,317,174</u>   |
| <b>Operating expenses</b>                                                                                                                 | 6(3), 6(9), 6(14), 6(18), 6(20), 7, 14 |                                            |                     |                                          |                     |
| Sales and marketing expenses                                                                                                              |                                        | (952,859)                                  | (1,103,278)         | (1,841,404)                              | (2,012,065)         |
| General and administrative expenses                                                                                                       |                                        | (1,250,689)                                | (1,082,458)         | (2,487,964)                              | (2,099,043)         |
| Research and development expenses                                                                                                         |                                        | (2,787,490)                                | (3,027,043)         | (5,594,367)                              | (5,951,223)         |
| Expected credit losses                                                                                                                    |                                        | (586,866)                                  | -                   | (586,866)                                | -                   |
| Subtotal                                                                                                                                  |                                        | <u>(5,577,904)</u>                         | <u>(5,212,779)</u>  | <u>(10,510,601)</u>                      | <u>(10,062,331)</u> |
| Net other operating income and expenses                                                                                                   | 6(7), 6(15), 6(21), 14                 | 1,686,849                                  | 1,718,735           | 2,760,002                                | 2,695,680           |
| <b>Operating income</b>                                                                                                                   |                                        | <u>1,760,975</u>                           | <u>3,181,131</u>    | <u>163,511</u>                           | <u>3,950,523</u>    |
| <b>Non-operating income and expenses</b>                                                                                                  |                                        |                                            |                     |                                          |                     |
| Other income                                                                                                                              |                                        | 405,269                                    | 326,614             | 642,214                                  | 467,386             |
| Other gains and losses                                                                                                                    | 6(22)                                  | (269,856)                                  | (59,373)            | 766,995                                  | 345,287             |
| Finance costs                                                                                                                             | 6(22)                                  | (771,391)                                  | (722,280)           | (1,500,604)                              | (1,408,094)         |
| Share of profit or loss of associates and joint ventures                                                                                  | 6(6), 14                               | 201,053                                    | 79,936              | 397,008                                  | 287,151             |
| Exchange gain, net                                                                                                                        | 12                                     | -                                          | -                   | 324,670                                  | 300,394             |
| Exchange loss, net                                                                                                                        | 12                                     | (182,151)                                  | (720,017)           | -                                        | -                   |
| Subtotal                                                                                                                                  |                                        | <u>(617,076)</u>                           | <u>(1,095,120)</u>  | <u>630,283</u>                           | <u>(7,876)</u>      |
| <b>Income from continuing operations before income tax</b>                                                                                |                                        | <u>1,143,899</u>                           | <u>2,086,011</u>    | <u>793,794</u>                           | <u>3,942,647</u>    |
| <b>Income tax benefit (expense)</b>                                                                                                       | 6(24), 14                              | (201,515)                                  | 330,739             | 241,197                                  | 1,503,687           |
| <b>Net income</b>                                                                                                                         |                                        | <u>942,384</u>                             | <u>2,416,750</u>    | <u>1,034,991</u>                         | <u>5,446,334</u>    |
| <b>Other comprehensive income (loss)</b>                                                                                                  | 6(23)                                  |                                            |                     |                                          |                     |
| <b>Items that will not be reclassified subsequently to profit or loss</b>                                                                 |                                        |                                            |                     |                                          |                     |
| Unrealized gains or losses on financial assets at fair value through other comprehensive income                                           |                                        | 616,532                                    | 86,951              | 2,837,655                                | 1,235,194           |
| Share of other comprehensive income (loss) of associates and joint ventures which will not be reclassified subsequently to profit or loss |                                        | 223,497                                    | (21,397)            | 545,974                                  | 130,149             |
| Income tax related to items that will not be reclassified subsequently                                                                    | 6(24)                                  | 1,383                                      | 67,903              | (10,158)                                 | 39,886              |
| <b>Items that may be reclassified subsequently to profit or loss</b>                                                                      |                                        |                                            |                     |                                          |                     |
| Exchange differences on translation of foreign operations                                                                                 |                                        | (121,414)                                  | 2,517,800           | 954,970                                  | 1,002,628           |
| Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss      |                                        | 35,858                                     | 29,224              | 45,381                                   | 13,597              |
| Income tax related to items that may be reclassified subsequently                                                                         | 6(24)                                  | (13,691)                                   | (38,893)            | (17,178)                                 | (13,825)            |
| <b>Total other comprehensive income (loss), net of tax</b>                                                                                |                                        | <u>742,165</u>                             | <u>2,641,588</u>    | <u>4,356,644</u>                         | <u>2,407,629</u>    |
| <b>Total comprehensive income</b>                                                                                                         |                                        | <u>\$ 1,684,549</u>                        | <u>\$ 5,058,338</u> | <u>\$ 5,391,635</u>                      | <u>\$ 7,853,963</u> |
| <b>Net income attributable to:</b>                                                                                                        |                                        |                                            |                     |                                          |                     |
| Stockholders of the parent                                                                                                                |                                        | \$ 1,740,476                               | \$ 3,658,779        | \$ 2,941,923                             | \$ 7,059,177        |
| Non-controlling interests                                                                                                                 |                                        | (798,092)                                  | (1,242,029)         | (1,906,932)                              | (1,612,843)         |
|                                                                                                                                           |                                        | <u>\$ 942,384</u>                          | <u>\$ 2,416,750</u> | <u>\$ 1,034,991</u>                      | <u>\$ 5,446,334</u> |
| <b>Comprehensive income attributable to:</b>                                                                                              |                                        |                                            |                     |                                          |                     |
| Stockholders of the parent                                                                                                                |                                        | \$ 2,487,683                               | \$ 6,297,277        | \$ 7,300,551                             | \$ 9,455,569        |
| Non-controlling interests                                                                                                                 |                                        | (803,134)                                  | (1,238,939)         | (1,908,916)                              | (1,601,606)         |
|                                                                                                                                           |                                        | <u>\$ 1,684,549</u>                        | <u>\$ 5,058,338</u> | <u>\$ 5,391,635</u>                      | <u>\$ 7,853,963</u> |
| <b>Earnings per share (NTD)</b>                                                                                                           | 6(25)                                  |                                            |                     |                                          |                     |
| Earnings per share-basic                                                                                                                  |                                        | \$ 0.15                                    | \$ 0.30             | \$ 0.25                                  | \$ 0.58             |
| Earnings per share-diluted                                                                                                                |                                        | <u>\$ 0.14</u>                             | <u>\$ 0.28</u>      | <u>\$ 0.23</u>                           | <u>\$ 0.54</u>      |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the six-month periods ended June 30, 2019 and 2018  
(Expressed in Thousands of New Taiwan Dollars)

| Equity Attributable to the Parent Company                                                         |              |                |                            |               |                 |                         |                                                           |                                                                                                          |                                        |                |                |                           |                |
|---------------------------------------------------------------------------------------------------|--------------|----------------|----------------------------|---------------|-----------------|-------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------|----------------|----------------|---------------------------|----------------|
|                                                                                                   |              | Capital        | Retained Earnings          |               |                 |                         | Other Components of Equity                                |                                                                                                          |                                        |                |                |                           |                |
|                                                                                                   | Notes        | Common Stock   | Additional Paid-in Capital | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange Differences on Translation of Foreign Operations | Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income | Gains or Losses on Hedging Instruments | Treasury Stock | Total          | Non-Controlling Interests | Total Equity   |
| Adjusted balance as of January 1, 2018                                                            |              | \$ 126,243,187 | \$ 40,858,350              | \$ 9,902,407  | \$ -            | \$ 56,133,198           | \$ (5,712,533)                                            | \$ (9,867,013)                                                                                           | \$ -                                   | \$ (4,719,037) | \$ 212,838,559 | \$ 958,405                | \$ 213,796,964 |
| Appropriation and distribution of 2017 retained earnings                                          | 6(17)        |                |                            |               |                 |                         |                                                           |                                                                                                          |                                        |                |                |                           |                |
| Legal reserve                                                                                     |              | -              | -                          | 962,873       | -               | (962,873)               | -                                                         | -                                                                                                        | -                                      | -              | -              | -                         | -              |
| Cash dividends                                                                                    |              | -              | -                          | -             | -               | (8,557,023)             | -                                                         | -                                                                                                        | -                                      | -              | (8,557,023)    | -                         | (8,557,023)    |
| Net income in the first half of 2018                                                              | 6(17)        | -              | -                          | -             | -               | 7,059,177               | -                                                         | -                                                                                                        | -                                      | -              | 7,059,177      | (1,612,843)               | 5,446,334      |
| Other comprehensive income (loss), net of tax in the first half of 2018                           | 6(17), 6(23) | -              | -                          | -             | -               | 21,655                  | 991,163                                                   | 1,383,574                                                                                                | -                                      | -              | 2,396,392      | 11,237                    | 2,407,629      |
| Total comprehensive income (loss)                                                                 |              | -              | -                          | -             | -               | 7,080,832               | 991,163                                                   | 1,383,574                                                                                                | -                                      | -              | 9,455,569      | (1,601,606)               | 7,853,963      |
| Treasury stock acquired                                                                           | 6(17)        | -              | -                          | -             | -               | -                       | -                                                         | -                                                                                                        | -                                      | (3,129,182)    | (3,129,182)    | -                         | (3,129,182)    |
| Share of changes in net assets of associates and joint ventures accounted for using equity method |              | -              | 715                        | -             | -               | 16,870                  | -                                                         | -                                                                                                        | -                                      | -              | 17,585         | -                         | 17,585         |
| Changes in subsidiaries' ownership                                                                | 6(17)        | -              | 157,766                    | -             | -               | (61,311)                | -                                                         | -                                                                                                        | -                                      | -              | 96,455         | (323,403)                 | (226,948)      |
| Others                                                                                            | 6(17)        | -              | (48,165)                   | -             | -               | (501,371)               | -                                                         | -                                                                                                        | -                                      | -              | (549,536)      | 1,576,632                 | 1,027,096      |
| Balance as of June 30, 2018                                                                       | 6(17)        | \$ 126,243,187 | \$ 40,968,666              | \$ 10,865,280 | \$ -            | \$ 53,148,322           | \$ (4,721,370)                                            | \$ (8,483,439)                                                                                           | \$ -                                   | \$ (7,848,219) | \$ 210,172,427 | \$ 610,028                | \$ 210,782,455 |
| Balance as of January 1, 2019                                                                     | 6(17)        | \$ 124,243,187 | \$ 40,399,363              | \$ 10,865,280 | \$ -            | \$ 50,723,263           | \$ (5,692,326)                                            | \$ (8,819,556)                                                                                           | \$ (2,058)                             | \$ (5,647,430) | \$ 206,069,723 | \$ 466,768                | \$ 206,536,491 |
| Impact of retroactive applications                                                                | 3, 6(17)     | -              | (10,427)                   | -             | -               | -                       | (13,935)                                                  | -                                                                                                        | -                                      | -              | (24,362)       | (0)                       | (24,362)       |
| Adjusted balance as of January 1, 2019                                                            | 6(17)        | 124,243,187    | 40,388,936                 | 10,865,280    | -               | 50,723,263              | (5,706,261)                                               | (8,819,556)                                                                                              | (2,058)                                | (5,647,430)    | 206,045,361    | 466,768                   | 206,512,129    |
| Appropriation and distribution of 2018 retained earnings                                          | 6(17)        |                |                            |               |                 |                         |                                                           |                                                                                                          |                                        |                |                |                           |                |
| Legal reserve                                                                                     |              | -              | -                          | 707,299       | -               | (707,299)               | -                                                         | -                                                                                                        | -                                      | -              | -              | -                         | -              |
| Special reserve                                                                                   |              | -              | -                          | -             | 14,513,940      | (14,513,940)            | -                                                         | -                                                                                                        | -                                      | -              | -              | -                         | -              |
| Cash dividends                                                                                    |              | -              | -                          | -             | -               | (6,916,105)             | -                                                         | -                                                                                                        | -                                      | -              | (6,916,105)    | -                         | (6,916,105)    |
| Net income in the first half of 2019                                                              | 6(17)        | -              | -                          | -             | -               | 2,941,923               | -                                                         | -                                                                                                        | -                                      | -              | 2,941,923      | (1,906,932)               | 1,034,991      |
| Other comprehensive income (loss), net of tax in the first half of 2019                           | 6(17), 6(23) | -              | -                          | -             | -               | -                       | 985,157                                                   | 3,373,471                                                                                                | -                                      | -              | 4,358,628      | (1,984)                   | 4,356,644      |
| Total comprehensive income (loss)                                                                 |              | -              | -                          | -             | -               | 2,941,923               | 985,157                                                   | 3,373,471                                                                                                | -                                      | -              | 7,300,551      | (1,908,916)               | 5,391,635      |
| Share-based payment transaction                                                                   | 6(18)        | -              | 227,207                    | -             | -               | -                       | -                                                         | -                                                                                                        | -                                      | -              | 227,207        | -                         | 227,207        |
| Treasury stock acquired                                                                           | 6(17)        | -              | -                          | -             | -               | -                       | -                                                         | -                                                                                                        | -                                      | (2,859,498)    | (2,859,498)    | -                         | (2,859,498)    |
| Treasury stock cancelled                                                                          | 6(17)        | (7,000,000)    | (1,387,127)                | -             | -               | -                       | -                                                         | -                                                                                                        | -                                      | 8,387,127      | -              | -                         | -              |
| Share of changes in net assets of associates and joint ventures accounted for using equity method |              | -              | 241                        | -             | -               | 92,420                  | -                                                         | (92,420)                                                                                                 | -                                      | -              | 241            | -                         | 241            |
| Changes in subsidiaries' ownership                                                                | 6(17)        | -              | 12                         | -             | -               | (22,280)                | -                                                         | -                                                                                                        | -                                      | -              | (22,268)       | 23,928                    | 1,660          |
| Disposal of equity instruments measured at fair value through other comprehensive income          | 6(5)         | -              | -                          | -             | -               | (176,898)               | -                                                         | 176,898                                                                                                  | -                                      | -              | -              | -                         | -              |
| Others                                                                                            | 6(17)        | -              | 10,282                     | -             | -               | (2,121,576)             | -                                                         | -                                                                                                        | -                                      | -              | (2,111,294)    | 1,848,665                 | (262,629)      |
| Balance as of June 30, 2019                                                                       | 6(17)        | \$ 117,243,187 | \$ 39,239,551              | \$ 11,572,579 | \$ 14,513,940   | \$ 29,299,508           | \$ (4,721,104)                                            | \$ (5,361,607)                                                                                           | \$ (2,058)                             | \$ (119,801)   | \$ 201,664,195 | \$ 430,445                | \$ 202,094,640 |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the six-month periods ended June 30, 2019 and 2018  
(Expressed in Thousands of New Taiwan Dollars)

|                                                                                              | For the six-month periods ended June 30, |              |
|----------------------------------------------------------------------------------------------|------------------------------------------|--------------|
|                                                                                              | 2019                                     | 2018         |
| Cash flows from operating activities:                                                        |                                          |              |
| Net income before tax                                                                        | \$ 793,794                               | \$ 3,942,647 |
| Adjustments to reconcile net income before tax to net cash provided by operating activities: |                                          |              |
| Depreciation                                                                                 | 23,628,447                               | 25,586,168   |
| Amortization                                                                                 | 936,358                                  | 1,075,355    |
| Expected credit losses                                                                       | 586,866                                  | 844          |
| Net gain of financial assets and liabilities at fair value through profit or loss            | (758,160)                                | (264,320)    |
| Interest expense                                                                             | 1,469,975                                | 1,379,020    |
| Interest income                                                                              | (500,031)                                | (344,307)    |
| Dividend income                                                                              | (142,183)                                | (123,079)    |
| Share-based payment                                                                          | 220,956                                  | -            |
| Share of profit of associates and joint ventures                                             | (397,008)                                | (287,151)    |
| Loss (gain) on disposal of property, plant and equipment                                     | 10,149                                   | (84,086)     |
| Gain on disposal of investments                                                              | -                                        | (12,570)     |
| Impairment loss on non-financial assets                                                      | 85,446                                   | -            |
| Exchange loss on financial assets and liabilities                                            | 29,496                                   | 160,170      |
| Amortization of deferred government grants                                                   | (2,042,569)                              | (1,894,440)  |
| Income and expense adjustments                                                               | 23,127,742                               | 25,191,604   |
| Changes in operating assets and liabilities:                                                 |                                          |              |
| Financial assets and liabilities at fair value through profit or loss                        | (189,498)                                | (15,102)     |
| Contract assets                                                                              | 19,850                                   | (22,422)     |
| Notes receivable and accounts receivable                                                     | (1,183,686)                              | (4,773,697)  |
| Other receivables                                                                            | (159,905)                                | 158,241      |
| Inventories                                                                                  | (1,363,272)                              | 601,865      |
| Prepayments                                                                                  | 195,957                                  | (139,293)    |
| Other current assets                                                                         | 363,366                                  | 1,136,159    |
| Contract fulfillment costs                                                                   | (83,687)                                 | (110,316)    |
| Contract liabilities                                                                         | 17,054                                   | (1,846,214)  |
| Notes and accounts payable                                                                   | 83,218                                   | 821,713      |
| Other payables                                                                               | (308,236)                                | (357,273)    |
| Other current liabilities                                                                    | 244,421                                  | (26,200)     |
| Net defined benefit liabilities                                                              | (18,210)                                 | (13,039)     |
| Other noncurrent liabilities-others                                                          | (3,240)                                  | -            |
| Cash generated from operations                                                               | 21,535,668                               | 24,548,673   |
| Interest received                                                                            | 449,326                                  | 308,789      |
| Dividend received                                                                            | 142,183                                  | 123,079      |
| Interest paid                                                                                | (1,208,405)                              | (1,222,397)  |
| Income tax paid                                                                              | (467,589)                                | (717,483)    |
| Net cash provided by operating activities                                                    | 20,451,183                               | 23,040,661   |

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
**UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the six-month periods ended June 30, 2019 and 2018  
(Expressed in Thousands of New Taiwan Dollars)

|                                                                                                     | For the six-month periods ended June 30, |                      |
|-----------------------------------------------------------------------------------------------------|------------------------------------------|----------------------|
|                                                                                                     | 2019                                     | 2018                 |
| Cash flows from investing activities:                                                               |                                          |                      |
| Acquisition of financial assets at fair value through profit or loss                                | \$ (150,417)                             | \$ (418,175)         |
| Proceeds from disposal of financial assets at fair value through profit or loss                     | 200,677                                  | -                    |
| Proceeds from disposal of financial assets at fair value through other comprehensive income or loss | 44,466                                   | -                    |
| Acquisition of investments accounted for under the equity method                                    | (10,000)                                 | (840,000)            |
| Proceeds from capital reduction and liquidation of investments                                      | -                                        | 113                  |
| Acquisition of property, plant and equipment                                                        | (9,466,742)                              | (9,616,986)          |
| Proceeds from disposal of property, plant and equipment                                             | 23,121                                   | 146,175              |
| Increase in refundable deposits                                                                     | (28,185)                                 | (1,538,041)          |
| Decrease in refundable deposits                                                                     | 100,542                                  | 618,402              |
| Acquisition of intangible assets                                                                    | (777,034)                                | (377,793)            |
| Government grants related to assets acquisition                                                     | 190,279                                  | 6,634,672            |
| Increase in other noncurrent assets-others                                                          | (5,787)                                  | (19,637)             |
| Decrease in other noncurrent assets-others                                                          | 8,786                                    | 548                  |
| Net cash used in investing activities                                                               | (9,870,294)                              | (5,410,722)          |
| Cash flows from financing activities:                                                               |                                          |                      |
| Increase in short-term loans                                                                        | 14,828,303                               | 7,689,279            |
| Decrease in short-term loans                                                                        | (11,827,018)                             | (21,653,911)         |
| Cash payments for the principal portion of the lease liability                                      | (294,255)                                | -                    |
| Redemption of bonds                                                                                 | (2,500,000)                              | (7,500,000)          |
| Proceeds from long-term loans                                                                       | 782,900                                  | 58,500               |
| Repayments of long-term loans                                                                       | (2,518,436)                              | (513,561)            |
| Increase in guarantee deposits                                                                      | 216,384                                  | 38,353               |
| Decrease in guarantee deposits                                                                      | (10,794)                                 | (80,338)             |
| Treasury stock acquired                                                                             | (2,972,243)                              | (3,129,182)          |
| Change in non-controlling interests                                                                 | 1,538                                    | 582,501              |
| Others                                                                                              | 5,817                                    | (183)                |
| Net cash used in financing activities                                                               | (4,287,804)                              | (24,508,542)         |
| Effect of exchange rate changes on cash and cash equivalents                                        | 405,693                                  | 396,874              |
| Net increase (decrease) in cash and cash equivalents                                                | 6,698,778                                | (6,481,729)          |
| Cash and cash equivalents at beginning of period                                                    | 83,661,739                               | 81,674,572           |
| Cash and cash equivalents at end of period                                                          | <u>\$ 90,360,517</u>                     | <u>\$ 75,192,843</u> |
| Reconciliation of the balances of cash and cash equivalents at end of period:                       |                                          |                      |
| Cash and cash equivalents balances on the consolidated balance sheets                               | \$ 90,355,850                            | \$ 75,192,843        |
| Cash and cash equivalents included in non-current assets held for sale                              | 4,667                                    | -                    |
| Cash and cash equivalents at end of period                                                          | <u>\$ 90,360,517</u>                     | <u>\$ 75,192,843</u> |

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

UNITED MICROELECTRONICS CORPORATION AND SUBSIDIARIES  
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the Six-Month Periods Ended June 30, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. HISTORY AND ORGANIZATION

United Microelectronics Corporation (UMC) was incorporated in Republic of China (R.O.C.) in May 1980 and commenced operations in April 1982. UMC is a full service semiconductor wafer foundry, and provides a variety of services to satisfy customer needs. UMC's ordinary shares were publicly listed on the Taiwan Stock Exchange (TWSE) in July 1985 and its American Depositary Shares (ADSs) were listed on the New York Stock Exchange (NYSE) in September 2000.

2. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of UMC and its subsidiaries ("the Company") were authorized for issue in accordance with a resolution of the Board of Directors' meeting on July 24, 2019.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) The Company applied International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are endorsed by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2019. Apart from the impact of the standards and interpretations which is described below, all other standards and interpretations have no material impact on the Company's financial position and performance.

a. IFRS 16 "Leases" ("IFRS 16")

IFRS 16 replaces IAS 17 "Leases" ("IAS 17"), IFRIC 4 "Determining whether an Arrangement contains a Lease" ("IFRIC 4"), SIC 15 "Operating Leases-Incentives", and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease" for annual periods beginning on or after January 1, 2019.

The Company elects not to reassess whether a contract is, or contains, a lease at the date of initial application (January 1, 2019) in accordance with the transition provision in IFRS 16. The Company is permitted to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Company elects not to restate comparative information and applies the standard retrospectively only to contracts that are not completed at the date of initial application in accordance with the transition provision in IFRS 16. Instead, the Company will recognize the cumulative effect of initially applying IFRS 16 on January 1, 2019. The impact arising from the adoption of IFRS 16 are summarized as follows:

- i. For leases that were classified as operating leases applying IAS 17, lease payments are recognized as an expense on a straight-line basis over the lease term. After adopting IFRS 16, the Company expects to measure and recognize those leases, except for short-term or low-value asset lease exemptions, as lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. On a lease-by-lease basis, the right-of-use asset is measured and recognized at an amount equal to the lease liability (adjusted by the amount of any prepaid lease payments). The Company assesses the cumulative effect at the date of initial application is primarily consisted of a decrease in prepayments amounting to NT\$15 million; an increase in right-of-use assets amounting to NT\$8,578 million; a decrease in other noncurrent assets-others amounting to NT\$2,621 million; a decrease in other payables amounting to NT\$40 million; an increase in lease liabilities amounting to NT\$6,006 million; a decrease in additional paid-in capital-other amounting to NT\$10 million; and a decrease in other components of equity amounting to NT\$14 million.
- ii. The Company measured lease liabilities on January 1, 2019 using the weighted average lessee's incremental borrowing rate of 2.64%.
- iii. The difference between the present value of operating lease commitments under IAS 17 as of December 31, 2018 discounted at the lessee's incremental borrowing rate and lease liabilities recognized on January 1, 2019 is explained as below:

|                                                                               |                    |
|-------------------------------------------------------------------------------|--------------------|
| Operating lease commitments under IAS 17 as of December 31, 2018              | \$7,408,369        |
| Present value discounted at the incremental borrowing rate on January 1, 2019 | \$5,997,551        |
| Add: An extension option reasonably certain to be exercised                   | 8,906              |
| Lease liabilities as of January 1, 2019                                       | <u>\$6,006,457</u> |

- (2) Standards issued by International Accounting Standards Board (“IASB”) but not yet endorsed by FSC (the effective dates are to be determined by FSC) are listed below:

| No.                       | The projects of Standards or Interpretations                                          | Effective for annual periods beginning on or after |
|---------------------------|---------------------------------------------------------------------------------------|----------------------------------------------------|
| IFRS 10 and IAS 28        | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined by IASB                           |
| IFRS 17                   | Insurance Contracts                                                                   | January 1, 2021                                    |
| Amendments to IFRS 3      | Definition of a Business                                                              | January 1, 2020                                    |
| Amendments to IAS 1 and 8 | Definition of Material                                                                | January 1, 2020                                    |

The potential effects of adopting the standards or interpretations issued by IASB but not yet endorsed by FSC on the Company’s financial statements in future periods are summarized as below:

b. IFRS 10 “Consolidated Financial Statements” (“IFRS 10”) and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures (Amendment) (“IAS 28”)

The amendments address the inconsistency between the requirements in IFRS 10 and IAS 28, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint venture. IFRS 10 requires full profit or loss recognition on the loss of control of a subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 “Business Combinations” (“IFRS 3”) between an investor and its associate or joint venture is recognized in full. IFRS 10 was also amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture. The effective date of this amendment has been deferred indefinitely, but early adoption is allowed.

c. IFRS 3 - Definition of a Business (Amendment)

The amendments clarify the definition of a business in IFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

IFRS 3 continues to adopt a market participant's perspective to determine whether an acquired set of activities and assets is a business. The amendments clarify the minimum requirements for a business; add guidance to help entities assess whether an acquired process is substantive; and narrow the definitions of a business and of outputs; etc.

d. IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of Material (Amendment)

The main amendment is to clarify a new definition of material. It states that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The Company is currently evaluating the potential impact of the aforementioned standards and interpretations listed (b) ~ (d) to the Company's financial position and performance, and the related impact will be disclosed when the evaluation is completed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The Company's consolidated financial statements were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers (Regulations) and IAS 34 "Interim Financial Reporting" which is endorsed and become effective by FSC.

(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value.

### (3) General Description of Reporting Entity

#### a. Principles of consolidation

The same principles of consolidation have been applied in the Company's consolidated financial statements as those applied in the Company's consolidated financial statements for the year ended December 31, 2018. For the principles of consolidation, please refer to Note 4(3) of the Company's consolidated financial statements for the year ended December 31, 2018.

#### b. The consolidated entities are as follows:

##### As of June 30, 2019, December 31, 2018 and June 30, 2018

| Investor | Subsidiary                              | Business nature                             | Percentage of ownership (%) |                      |                  |
|----------|-----------------------------------------|---------------------------------------------|-----------------------------|----------------------|------------------|
|          |                                         |                                             | As of                       |                      |                  |
|          |                                         |                                             | June 30,<br>2019            | December 31,<br>2018 | June 30,<br>2018 |
| UMC      | UMC GROUP (USA)                         | IC Sales                                    | 100.00                      | 100.00               | 100.00           |
| UMC      | UNITED MICROELECTRONICS (EUROPE) B.V.   | Marketing support activities                | 100.00                      | 100.00               | 100.00           |
| UMC      | UMC CAPITAL CORP.                       | Investment holding                          | 100.00                      | 100.00               | 100.00           |
| UMC      | GREEN EARTH LIMITED (GE)                | Investment holding                          | 100.00                      | 100.00               | 100.00           |
| UMC      | TLC CAPITAL CO., LTD. (TLC)             | Venture capital                             | 100.00                      | 100.00               | 100.00           |
| UMC      | UMC NEW BUSINESS INVESTMENT CORP. (NBI) | Investment holding                          | -                           | -                    | 100.00           |
| UMC      | UMC INVESTMENT (SAMOA) LIMITED          | Investment holding                          | 100.00                      | 100.00               | 100.00           |
| UMC      | FORTUNE VENTURE CAPITAL CORP. (FORTUNE) | Consulting and planning for venture capital | 100.00                      | 100.00               | 100.00           |
| UMC      | UMC GROUP JAPAN                         | IC Sales                                    | 100.00                      | 100.00               | 100.00           |
| UMC      | UMC KOREA CO., LTD.                     | Marketing support activities                | 100.00                      | 100.00               | 100.00           |
| UMC      | OMNI GLOBAL LIMITED (OMNI)              | Investment holding                          | 100.00                      | 100.00               | 100.00           |
| UMC      | SINO PARAGON LIMITED                    | Investment holding                          | 100.00                      | 100.00               | 100.00           |
| UMC      | BEST ELITE INTERNATIONAL LIMITED (BE)   | Investment holding                          | 100.00                      | 100.00               | 100.00           |

| Investor              | Subsidiary                                            | Business nature                                                            | Percentage of ownership (%) |                      |                  |
|-----------------------|-------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------|----------------------|------------------|
|                       |                                                       |                                                                            | As of                       |                      |                  |
|                       |                                                       |                                                                            | June 30,<br>2019            | December 31,<br>2018 | June 30,<br>2018 |
| UMC, FORTUNE and TLC  | NEXPOWER TECHNOLOGY CORP. (NEXPOWER)                  | Sales and manufacturing of solar power batteries                           | 93.36                       | 93.36                | 87.06            |
| UMC and FORTUNE       | WAVETEK MICROELECTRONICS CORPORATION (WAVETEK)        | Sales and manufacturing of integrated circuits                             | 80.57                       | 78.47                | 78.47            |
| UMC CAPITAL CORP.     | UMC CAPITAL (USA)                                     | Investment holding                                                         | 100.00                      | 100.00               | 100.00           |
| TLC                   | SOARING CAPITAL CORP.                                 | Investment holding                                                         | 100.00                      | 100.00               | 100.00           |
| SOARING CAPITAL CORP. | UNITRUTH ADVISOR (SHANGHAI) CO., LTD.                 | Investment holding and advisory                                            | 100.00                      | 100.00               | 100.00           |
| GE                    | UNITED MICROCHIP CORPORATION                          | Investment holding                                                         | 100.00                      | 100.00               | 100.00           |
| FORTUNE               | TERA ENERGY DEVELOPMENT CO., LTD. (TERA ENERGY)       | Energy technical services                                                  | 100.00                      | 100.00               | -                |
| NBI                   | TERA ENERGY                                           | Energy technical services                                                  | -                           | -                    | 100.00           |
| NBI                   | UNISTARS CORP.                                        | High brightness LED packages                                               | -                           | -                    | 83.69            |
| TERA ENERGY           | EVERRICH ENERGY INVESTMENT (HK) LIMITED (EVERRICH-HK) | Investment holding                                                         | 100.00                      | 100.00               | 100.00           |
| EVERRICH-HK           | EVERRICH (SHANDONG) ENERGY CO., LTD.                  | Solar engineering integrated design services                               | 100.00                      | 100.00               | 100.00           |
| OMNI                  | UNITED MICROTECHNOLOGY CORPORATION (NEW YORK)         | Research and development                                                   | 100.00                      | 100.00               | 100.00           |
| OMNI                  | UNITED MICROTECHNOLOGY CORPORATION (CALIFORNIA)       | Research and development                                                   | 100.00                      | 100.00               | 100.00           |
| OMNI                  | ECP VITA PTE. LTD.                                    | Insurance                                                                  | 100.00                      | 100.00               | 100.00           |
| OMNI                  | UMC TECHNOLOGY JAPAN CO., LTD.                        | Semiconductor manufacturing technology development and consulting services | 100.00                      | 100.00               | 100.00           |

| Investor                                | Subsidiary                                                          | Business nature                                | Percentage of ownership (%) |                      |                  |
|-----------------------------------------|---------------------------------------------------------------------|------------------------------------------------|-----------------------------|----------------------|------------------|
|                                         |                                                                     |                                                | As of                       |                      |                  |
|                                         |                                                                     |                                                | June 30,<br>2019            | December 31,<br>2018 | June 30,<br>2018 |
| WAVETEK                                 | WAVETEK MICROELECTRONICS INVESTMENT (SAMOA) LIMITED (WAVETEK-SAMOA) | Investment holding                             | 100.00                      | 100.00               | 100.00           |
| WAVETEK-SAMOA                           | WAVETEK MICROELECTRONICS CORPORATION (USA)                          | Sales and marketing service                    | 100.00                      | 100.00               | 100.00           |
| NEXPOWER                                | SOCIALNEX ITALIA 1 S.R.L.                                           | Photovoltaic power plant                       | 100.00                      | 100.00               | 100.00           |
| BE                                      | INFOSHINE TECHNOLOGY LIMITED (INFOSHINE)                            | Investment holding                             | 100.00                      | 100.00               | 100.00           |
| INFOSHINE                               | OAKWOOD ASSOCIATES LIMITED (OAKWOOD)                                | Investment holding                             | 100.00                      | 100.00               | 100.00           |
| OAKWOOD                                 | HEJIAN TECHNOLOGY (SUZHOU) CO., LTD. (HEJIAN)                       | Sales and manufacturing of integrated circuits | 98.14                       | 98.14                | 98.14            |
| HEJIAN                                  | UNITEDDS SEMICONDUCTOR (SHANDONG) CO., LTD.                         | Integrated circuits design services            | 100.00                      | 100.00               | 100.00           |
| UNITED MICROCHIP CORPORATION and HEJIAN | UNITED SEMICONDUCTOR (XIAMEN) CO., LTD.                             | Sales and manufacturing of integrated circuits | 65.22                       | 65.22                | 61.50            |

#### (4) Other Significant Accounting Policies

The same accounting policies of consolidation have been applied in the Company's consolidated financial statements as those applied in the Company's consolidated financial statements for the three-month period ended March 31, 2019 and the year ended December 31, 2018. For the summary of significant accounting policies, please refer to Note 4 of the Company's consolidated financial statements for the three-month period ended March 31, 2019 and for the year ended December 31, 2018.

#### 5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The same significant accounting judgments, estimates and assumptions have been applied in the Company's consolidated financial statements for the six-month period ended June 30, 2019 as those applied in the Company's consolidated financial statements for the year ended December 31, 2018. For significant accounting judgments, estimates and assumptions, please refer to Note 5 of the Company's consolidated financial statements for the year ended December 31, 2018.

## 6. CONTENTS OF SIGNIFICANT ACCOUNTS

### (1) Cash and Cash Equivalents

|                                                                                    | As of               |                      |                     |
|------------------------------------------------------------------------------------|---------------------|----------------------|---------------------|
|                                                                                    | June 30,<br>2019    | December 31,<br>2018 | June 30,<br>2018    |
| Cash on hand and petty cash                                                        | \$6,129             | \$6,091              | \$6,457             |
| Checking and savings accounts                                                      | 26,491,350          | 25,021,265           | 21,686,547          |
| Time deposits                                                                      | 54,474,179          | 49,139,549           | 43,211,497          |
| Repurchase agreements collateralized<br>by government bonds and corporate<br>notes | 9,384,192           | 9,494,834            | 10,288,342          |
| Total                                                                              | <u>\$90,355,850</u> | <u>\$83,661,739</u>  | <u>\$75,192,843</u> |

### (2) Financial Assets at Fair Value through Profit or Loss

|                                                                               | As of               |                      |                     |
|-------------------------------------------------------------------------------|---------------------|----------------------|---------------------|
|                                                                               | June 30,<br>2019    | December 31,<br>2018 | June 30,<br>2018    |
| Financial assets mandatorily measured<br>at fair value through profit or loss |                     |                      |                     |
| Common stocks                                                                 | \$7,620,663         | \$6,814,915          | \$8,716,809         |
| Preferred stocks                                                              | 2,900,098           | 2,998,228            | 3,443,114           |
| Funds                                                                         | 2,129,192           | 2,030,688            | 1,734,468           |
| Convertible Bonds                                                             | 67,112              | 236,905              | 223,160             |
| Forward contracts                                                             | 8,290               | 3,561                | 534                 |
| Option                                                                        | -                   | -                    | 56,382              |
| Total                                                                         | <u>\$12,725,355</u> | <u>\$12,084,297</u>  | <u>\$14,174,467</u> |
| Current                                                                       | \$613,504           | \$528,450            | \$470,383           |
| Noncurrent                                                                    | 12,111,851          | 11,555,847           | 13,704,084          |
| Total                                                                         | <u>\$12,725,355</u> | <u>\$12,084,297</u>  | <u>\$14,174,467</u> |

On June 29, 2018, the Board of Directors of UMC resolved to exercise the call option of a joint venture agreement between FUJITSU SEMICONDUCTOR LIMITED (FSL) and UMC. The transaction was approved by the Taiwan authorities on September 26, 2018. Upon obtaining other relevant authority's approval of the investment application, the Company anticipates to invest NT\$15.8 billion for acquiring remaining shares of MIE FUJITSU SEMICONDUCTOR LIMITED (MIFS), representing ownership interest of 84.1% and making MIFS a wholly-owned subsidiary of the Company. The change of the fair value for the call option is recorded in profit or loss.

(3) Accounts Receivable, Net

|                      | As of               |                      |                     |
|----------------------|---------------------|----------------------|---------------------|
|                      | June 30,<br>2019    | December 31,<br>2018 | June 30,<br>2018    |
| Accounts receivable  | \$24,724,819        | \$23,784,141         | \$26,761,888        |
| Less: loss allowance | (615,062)           | (48,152)             | (40,414)            |
| Net                  | <u>\$24,109,757</u> | <u>\$23,735,989</u>  | <u>\$26,721,474</u> |

Aging analysis of accounts receivable, net:

|                               | As of               |                      |                     |
|-------------------------------|---------------------|----------------------|---------------------|
|                               | June 30,<br>2019    | December 31,<br>2018 | June 30,<br>2018    |
| Neither past due nor impaired | \$19,447,935        | \$18,271,304         | \$22,201,399        |
| Past due but not impaired:    |                     |                      |                     |
| ≤ 30 days                     | 3,097,180           | 3,407,690            | 3,498,340           |
| 31 to 60 days                 | 342,689             | 739,054              | 527,246             |
| 61 to 90 days                 | 60,451              | 545,366              | 92,441              |
| 91 to 120 days                | 16,099              | 365,007              | 179,045             |
| ≥ 121 days                    | 1,145,403           | 407,568              | 223,003             |
| Subtotal                      | <u>4,661,822</u>    | <u>5,464,685</u>     | <u>4,520,075</u>    |
| Total                         | <u>\$24,109,757</u> | <u>\$23,735,989</u>  | <u>\$26,721,474</u> |

Movement of loss allowance for accounts receivable:

|                           | For the six-month periods<br>ended June 30, |                 |
|---------------------------|---------------------------------------------|-----------------|
|                           | 2019                                        | 2018            |
| Beginning balance         | \$48,152                                    | \$39,578        |
| Net charge for the period | 566,910                                     | 836             |
| Ending balance            | <u>\$615,062</u>                            | <u>\$40,414</u> |

The collection periods for third party domestic sales and third party overseas sales were month-end 30~60 days and net 30~60 days, respectively.

An impairment analysis is performed at each reporting date to measure expected credit losses (ECLs) of accounts receivable. For receivable past due within 60 days, including not past due, the Company estimates a provision rate to calculate ECLs. A provision rate is determined based on the Company's historical credit loss experience and customers' current financial condition, adjusted for forward-looking factors, such as customers' economic environment. For the receivable past due over 60 days, the Company applies the aforementioned provision rate and also individually assesses whether to recognize additional expected credit losses by considering customer's operating situation and debt-paying ability.

(4) Inventories, Net

|                          | As of               |                      |                     |
|--------------------------|---------------------|----------------------|---------------------|
|                          | June 30,<br>2019    | December 31,<br>2018 | June 30,<br>2018    |
| Raw materials            | \$4,609,522         | \$3,766,056          | \$3,042,436         |
| Supplies and spare parts | 3,241,076           | 3,133,737            | 3,245,052           |
| Work in process          | 10,808,887          | 10,034,488           | 10,059,831          |
| Finished goods           | 969,886             | 1,268,838            | 1,309,139           |
| Total                    | <u>\$19,629,371</u> | <u>\$18,203,119</u>  | <u>\$17,656,458</u> |

a. For the three-month periods ended June 30, 2019 and 2018, the Company recognized NT\$29,470 million and NT\$31,214 million, respectively, in operating cost, of which NT\$938 million and NT\$436 million were related to reversal of inventories. For the six-month periods ended June 30, 2019 and 2018, the Company recognized NT\$58,898 million and NT\$62,713 million, respectively, in operating cost, of which NT\$82 million and NT\$555 million were related to write-down of inventories.

b. None of the aforementioned inventories were pledged.

(5) Financial Assets at Fair Value through Other Comprehensive Income, Non-Current

|                    | As of               |                      |                     |
|--------------------|---------------------|----------------------|---------------------|
|                    | June 30,<br>2019    | December 31,<br>2018 | June 30,<br>2018    |
| Equity instruments |                     |                      |                     |
| Common stocks      | \$14,222,011        | \$11,401,451         | \$11,138,640        |
| Preferred stocks   | 156,655             | 184,026              | 228,012             |
| Total              | <u>\$14,378,666</u> | <u>\$11,585,477</u>  | <u>\$11,366,652</u> |

These investments in equity instruments are held for medium to long-term purposes and therefore are accounted for as fair value through other comprehensive income. Dividends from equity instruments designated as fair value through other comprehensive income were both nil for the six-month periods ended June 30, 2019 and 2018.

For the six-month periods ended June 30, 2019, the Company sold certain investments designated as fair value through other comprehensive income as considering the Company's investment strategy. The fair value on the date of sale is NT\$44 million and the accumulated unrealized gain (loss) recognized in other components of equity of NT\$(177) million was transferred to retained earnings.

(6) Investments Accounted For Under the Equity Method

a. Details of investments accounted for under the equity method are as follows:

| Investee companies                 | As of     |                                          |              |                                          |           |                                          |
|------------------------------------|-----------|------------------------------------------|--------------|------------------------------------------|-----------|------------------------------------------|
|                                    | June 30,  |                                          | December 31, |                                          | June 30,  |                                          |
|                                    | 2019      |                                          | 2018         |                                          | 2018      |                                          |
|                                    | Amount    | Percentage of ownership or voting rights | Amount       | Percentage of ownership or voting rights | Amount    | Percentage of ownership or voting rights |
| <u>Listed companies</u>            |           |                                          |              |                                          |           |                                          |
| CLIENTRON CORP.                    | \$253,194 | 22.39                                    | \$249,762    | 22.39                                    | \$266,231 | 22.39                                    |
| FARADAY TECHNOLOGY CORP. (FARADAY) | 1,472,138 | 13.78                                    | 1,477,167    | 13.78                                    | 1,618,298 | 13.78                                    |
| (Note A)                           |           |                                          |              |                                          |           |                                          |
| <u>Unlisted companies</u>          |           |                                          |              |                                          |           |                                          |
| WINAICO SOLAR PROJEKT 1 GMBH       | -         | 50.00                                    | -            | 50.00                                    | -         | 50.00                                    |
| (Note B)                           |           |                                          |              |                                          |           |                                          |
| MTIC HOLDINGS PTE. LTD.            | 3,168     | 45.44                                    | 3,026        | 45.44                                    | 65,291    | 45.44                                    |
| YUNG LI INVESTMENTS, INC.          | 2,213     | 45.16                                    | 2,213        | 45.16                                    | 35,661    | 45.16                                    |
| WINAICO IMMOBILIEN GMBH            | -         | 44.78                                    | -            | 44.78                                    | -         | 44.78                                    |
| (Note B)                           |           |                                          |              |                                          |           |                                          |
| PURIUMFIL INC.                     | 9,303     | 44.45                                    | -            | -                                        | -         | -                                        |
| UNITECH CAPITAL INC.               | 593,150   | 42.00                                    | 568,005      | 42.00                                    | 691,814   | 42.00                                    |
| TRIKNIGHT CAPITAL CORPORATION      | 1,574,653 | 40.00                                    | 1,520,575    | 40.00                                    | 1,644,359 | 40.00                                    |
| HSUN CHIEH INVESTMENT CO., LTD.    | 3,833,012 | 36.49                                    | 3,419,430    | 36.49                                    | 4,420,673 | 36.49                                    |
| YANN YUAN INVESTMENT CO., LTD.     | 3,161,603 | 30.87                                    | 2,642,543    | 30.87                                    | 2,943,002 | 30.87                                    |
| HSUN CHIEH CAPITAL CORP.           | 151,935   | 30.00                                    | 161,319      | 30.00                                    | 180,695   | 30.00                                    |
| VSENSE CO., LTD.                   | 28,307    | 26.89                                    | 31,544       | 26.89                                    | 74,636    | 28.63                                    |

|                                                | As of               |                                          |                     |                                          |                     |                                          |
|------------------------------------------------|---------------------|------------------------------------------|---------------------|------------------------------------------|---------------------|------------------------------------------|
|                                                | June 30,            |                                          | December 31,        |                                          | June 30,            |                                          |
|                                                | 2019                |                                          | 2018                |                                          | 2018                |                                          |
| Investee companies                             | Amount              | Percentage of ownership or voting rights | Amount              | Percentage of ownership or voting rights | Amount              | Percentage of ownership or voting rights |
| UNITED LED CORPORATION HONG KONG LIMITED       | \$147,777           | 25.14                                    | \$167,953           | 25.14                                    | \$194,979           | 25.14                                    |
| TRANSLINK CAPITAL PARTNERS I, L.P.<br>(Note C) | 122,778             | 10.38                                    | 120,440             | 10.38                                    | 110,749             | 10.38                                    |
| Total                                          | <u>\$11,353,231</u> |                                          | <u>\$10,363,977</u> |                                          | <u>\$12,246,388</u> |                                          |

Note A: Beginning from June 2015, the Company accounts for its investment in FARADAY as an associate given the fact that the Company obtained the ability to exercise significant influence over FARADAY through representation on its Board of Directors.

Note B: WINAICO SOLAR PROJEKT 1 GMBH and WINAICO IMMOBILIEN GMBH are joint ventures to the Company.

Note C: The Company follows international accounting practices in equity accounting for limited partnerships and uses the equity method to account for these investees.

The carrying amount of investments accounted for using the equity method for which there are published price quotations amounted to NT\$1,725 million, NT\$1,727 million and NT\$1,885 million, as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively. The fair value of these investments were NT\$1,853 million, NT\$1,621 million and NT\$2,215 million, as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively.

Certain investments accounted for under the equity method were reviewed by other independent accountants. Shares of profit or loss of these associates and joint ventures amounted to NT\$258 million, NT\$118 million, NT\$483 million and NT\$347 million for the three-month and six-month periods ended June 30, 2019 and 2018, respectively. Share of other comprehensive income (loss) of these associates and joint ventures amounted to NT\$222 million, NT\$14 million, NT\$543 million and NT\$138 million for the three-month and six-month periods ended June 30, 2019 and 2018, respectively. The balances of investments accounted for under the equity method were NT\$9,416 million, NT\$8,714 million and NT\$9,966 million as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively.

None of the aforementioned associates and joint ventures were pledged.

b. Financial information of associates and joint ventures:

There is no individually significant associate or joint venture for the Company. When an associate or a joint venture is a foreign operation, and the functional currency of the foreign entity is different from the Company, an exchange difference arising from translation of the foreign entity will be recognized in other comprehensive income (loss). Such exchange differences recognized in other comprehensive income (loss) in the financial statements for the three-month and six-month periods ended June 30, 2019 and 2018 were NT\$31 million, NT\$17 million, NT\$33 million and NT\$7 million, respectively, which were not included in the following table.

- i. The aggregate amount of the Company's share of its associates that are accounted for using the equity method was as follows:

|                                          | For the three-month periods<br>ended June 30, |                 |
|------------------------------------------|-----------------------------------------------|-----------------|
|                                          | 2019                                          | 2018            |
| Income (loss) from continuing operations | \$201,053                                     | \$79,936        |
| Other comprehensive income (loss)        | 220,831                                       | (17,821)        |
| Total comprehensive income (loss)        | <u>\$421,884</u>                              | <u>\$62,115</u> |

|                                          | For the six-month periods<br>ended June 30, |                  |
|------------------------------------------|---------------------------------------------|------------------|
|                                          | 2019                                        | 2018             |
| Income (loss) from continuing operations | \$397,008                                   | \$287,151        |
| Other comprehensive income (loss)        | 550,642                                     | 131,147          |
| Total comprehensive income (loss)        | <u>\$947,650</u>                            | <u>\$418,298</u> |

- ii. The aggregate amount of the Company's share of its joint ventures that are accounted for using the equity method were both nil for the three-month and six-month periods ended June 30, 2019 and 2018.

- c. One of UMC's associates, HSUN CHIEH INVESTMENT CO., LTD., held 441 million shares of UMC's stock as of June 30, 2019, December 31, 2018 and June 30, 2018. Another associate, YANN YUAN INVESTMENT CO., LTD., held 200 million shares, 172 million shares and 172 million shares of UMC's stock as of June 30, 2019, December 31, 2018 and June 30, 2018.

(7) Property, Plant and Equipment

|                                                               | As of                |                      |                      |
|---------------------------------------------------------------|----------------------|----------------------|----------------------|
|                                                               | June 30,<br>2019     | December 31,<br>2018 | June 30,<br>2018     |
| Land                                                          | \$1,314,402          | \$1,314,402          | \$1,314,402          |
| Buildings                                                     | 19,227,882           | 19,841,058           | 20,817,988           |
| Machinery and equipment                                       | 127,954,127          | 139,213,317          | 156,643,932          |
| Transportation equipment                                      | 21,592               | 20,921               | 18,942               |
| Furniture and fixtures                                        | 1,803,008            | 1,908,214            | 2,000,199            |
| Leasehold improvement                                         | 2,859                | 3,869                | 5,214                |
| Construction in progress and<br>equipment awaiting inspection | 8,116,037            | 10,544,814           | 8,024,426            |
| Net                                                           | <u>\$158,439,907</u> | <u>\$172,846,595</u> | <u>\$188,825,103</u> |

Cost:

|                                    | Land               | Buildings           | Machinery<br>and equipment | Transportation<br>equipment | Furniture<br>and fixtures | Leasehold<br>improvement | Construction<br>in progress and<br>equipment<br>awaiting<br>inspection | Total                |
|------------------------------------|--------------------|---------------------|----------------------------|-----------------------------|---------------------------|--------------------------|------------------------------------------------------------------------|----------------------|
| As of January 1, 2019              | \$1,314,402        | \$38,306,302        | \$853,688,505              | \$66,355                    | \$8,056,901               | \$53,449                 | \$10,550,763                                                           | \$912,036,677        |
| Additions                          | -                  | -                   | -                          | -                           | -                         | -                        | 7,638,052                                                              | 7,638,052            |
| Disposals                          | -                  | (1,043)             | (802,436)                  | (161)                       | (6,863)                   | -                        | (21,717)                                                               | (832,220)            |
| Transfers and<br>reclassifications | -                  | 81,142              | 10,148,279                 | 3,557                       | 161,683                   | -                        | (10,154,522)                                                           | 240,139              |
| Exchange effect                    | -                  | 121,474             | 2,398,263                  | 221                         | 14,263                    | 570                      | 109,410                                                                | 2,644,201            |
| As of June 30, 2019                | <u>\$1,314,402</u> | <u>\$38,507,875</u> | <u>\$865,432,611</u>       | <u>\$69,972</u>             | <u>\$8,225,984</u>        | <u>\$54,019</u>          | <u>\$8,121,986</u>                                                     | <u>\$921,726,849</u> |

|                                    | Land               | Buildings           | Machinery<br>and equipment | Transportation<br>equipment | Furniture<br>and fixtures | Leasehold<br>improvement | Construction<br>in progress and<br>equipment<br>awaiting<br>inspection | Total                |
|------------------------------------|--------------------|---------------------|----------------------------|-----------------------------|---------------------------|--------------------------|------------------------------------------------------------------------|----------------------|
| As of January 1, 2018              | \$1,314,402        | \$38,073,660        | \$826,268,919              | \$75,782                    | \$7,675,798               | \$52,557                 | \$20,761,439                                                           | \$894,222,557        |
| Additions                          | -                  | -                   | -                          | -                           | -                         | -                        | 7,708,328                                                              | 7,708,328            |
| Disposals                          | -                  | (1,504)             | (1,405,266)                | (10,895)                    | (30,371)                  | -                        | -                                                                      | (1,448,036)          |
| Transfers and<br>reclassifications | -                  | 358,474             | 20,159,557                 | 3,253                       | 239,189                   | 1,980                    | (20,770,145)                                                           | (7,692)              |
| Exchange effect                    | -                  | 148,032             | 3,590,498                  | 264                         | 14,284                    | 1,010                    | 330,753                                                                | 4,084,841            |
| As of June 30, 2018                | <u>\$1,314,402</u> | <u>\$38,578,662</u> | <u>\$848,613,708</u>       | <u>\$68,404</u>             | <u>\$7,898,900</u>        | <u>\$55,547</u>          | <u>\$8,030,375</u>                                                     | <u>\$904,559,998</u> |

### Accumulated Depreciation and Impairment:

|                                    |            |                     |                            |                             |                           |                          | Construction<br>in progress and<br>equipment<br>awaiting<br>inspection |                      |
|------------------------------------|------------|---------------------|----------------------------|-----------------------------|---------------------------|--------------------------|------------------------------------------------------------------------|----------------------|
|                                    | Land       | Buildings           | Machinery<br>and equipment | Transportation<br>equipment | Furniture<br>and fixtures | Leasehold<br>improvement |                                                                        | Total                |
| As of January 1, 2019              | \$-        | \$18,465,244        | \$714,475,188              | \$45,434                    | \$6,148,687               | \$49,580                 | \$5,949                                                                | \$739,190,082        |
| Depreciation                       | -          | 791,693             | 22,248,425                 | 3,031                       | 275,493                   | 1,045                    | -                                                                      | 23,319,687           |
| Impairment loss                    | -          | -                   | 85,446                     | -                           | -                         | -                        | -                                                                      | 85,446               |
| Disposals                          | -          | (740)               | (801,117)                  | (161)                       | (6,731)                   | -                        | -                                                                      | (808,749)            |
| Transfers and<br>reclassifications | -          | -                   | (130,530)                  | -                           | (422)                     | 2                        | -                                                                      | (130,950)            |
| Exchange effect                    | -          | 23,796              | 1,601,072                  | 76                          | 5,949                     | 533                      | -                                                                      | 1,631,426            |
| As of June 30, 2019                | <u>\$-</u> | <u>\$19,279,993</u> | <u>\$737,478,484</u>       | <u>\$48,380</u>             | <u>\$6,422,976</u>        | <u>\$51,160</u>          | <u>\$5,949</u>                                                         | <u>\$763,286,942</u> |

|                                    |            |                     |                            |                             |                           |                          | Construction<br>in progress and<br>equipment<br>awaiting<br>inspection |                      |
|------------------------------------|------------|---------------------|----------------------------|-----------------------------|---------------------------|--------------------------|------------------------------------------------------------------------|----------------------|
|                                    | Land       | Buildings           | Machinery<br>and equipment | Transportation<br>equipment | Furniture<br>and fixtures | Leasehold<br>improvement |                                                                        | Total                |
| As of January 1, 2018              | \$-        | \$16,960,853        | \$665,771,857              | \$57,031                    | \$5,636,982               | \$48,204                 | \$5,949                                                                | \$688,480,876        |
| Depreciation                       | -          | 752,459             | 24,564,000                 | 3,085                       | 265,468                   | 1,156                    | -                                                                      | 25,586,168           |
| Disposals                          | -          | (1,156)             | (1,366,274)                | (10,895)                    | (15,730)                  | -                        | -                                                                      | (1,394,055)          |
| Transfers and<br>reclassifications | -          | 302                 | (3,220)                    | -                           | 2,918                     | -                        | -                                                                      | -                    |
| Exchange effect                    | -          | 48,216              | 3,003,413                  | 241                         | 9,063                     | 973                      | -                                                                      | 3,061,906            |
| As of June 30, 2018                | <u>\$-</u> | <u>\$17,760,674</u> | <u>\$691,969,776</u>       | <u>\$49,462</u>             | <u>\$5,898,701</u>        | <u>\$50,333</u>          | <u>\$5,949</u>                                                         | <u>\$715,734,895</u> |

The Company expected to dispose of SOCIALNEX ITALIA 1 S.R.L (SOCIALNEX), a subsidiary. As such, SOCIALNEX performed an impairment test on the cash-generating unit (CGU) composed of property, plant and equipment before being reclassified as a disposal group held for sale, and determined the recoverable amount of CGU based on the net selling price. The impairment test revealed that the recoverable amount was less than its carrying amount, so the Company recorded in the other operating income and expenses an impairment loss of NT\$85 million, which came from new business segment.

Please refer to Note 8 for property, plant and equipment pledged as collateral.

(8) Leases

The Company leases various properties, such as land (including land use right), buildings, machinery and equipment, transportation equipment and other equipment with lease terms of 1 to 30 years, except for the land use rights with lease term of 50 years. Most lease contracts of land located in R.O.C specify that lease payments will be adjusted based on the announced land value prices. The Company does not have purchase options of leased land at the end of the lease terms.

a. Right-of-use assets

|                          | As of              |              |          |
|--------------------------|--------------------|--------------|----------|
|                          | June 30,           | December 31, | June 30, |
|                          | 2019               | 2018         | 2018     |
|                          |                    | (Note)       | (Note)   |
| Land                     | \$6,127,942        |              |          |
| Buildings                | 276,163            |              |          |
| Machinery and equipment  | 1,887,097          |              |          |
| Transportation equipment | 10,160             |              |          |
| Other equipment          | 14,052             |              |          |
| Net                      | <u>\$8,315,414</u> |              |          |

Note: The Company adopted IFRS 16 on January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

Cost:

|                                 | Land               | Buildings        | Machinery and equipment | Transportation equipment | Other equipment | Total              |
|---------------------------------|--------------------|------------------|-------------------------|--------------------------|-----------------|--------------------|
| As of January 1, 2019           | \$6,338,790        | \$306,831        | \$1,904,399             | \$12,003                 | \$16,392        | \$8,578,415        |
| Increase                        | 12,601             | 1,379            | 44,204                  | 964                      | 1,151           | 60,299             |
| Decrease                        | (55,490)           | (154)            | (0)                     | -                        | (1,598)         | (57,242)           |
| Transfers and reclassifications | (19,679)           | -                | -                       | -                        | -               | (19,679)           |
| Exchange effect                 | 37,362             | 2,654            | 19,891                  | (18)                     | 51              | 59,940             |
| As of June 30, 2019             | <u>\$6,313,584</u> | <u>\$310,710</u> | <u>\$1,968,494</u>      | <u>\$12,949</u>          | <u>\$15,996</u> | <u>\$8,621,733</u> |

Accumulated Depreciation and Impairment:

|                                    | Land             | Buildings       | Machinery<br>and equipment | Transportation<br>equipment | Other<br>equipment | Total            |
|------------------------------------|------------------|-----------------|----------------------------|-----------------------------|--------------------|------------------|
| As of January 1, 2019              | \$-              | \$-             | \$-                        | \$-                         | \$-                | \$-              |
| Depreciation                       | 186,735          | 34,765          | 82,516                     | 2,790                       | 1,954              | 308,760          |
| Transfers and<br>reclassifications | (536)            | -               | -                          | -                           | -                  | (536)            |
| Exchange effect                    | (557)            | (218)           | (1,119)                    | (1)                         | (10)               | (1,905)          |
| As of June 30, 2019                | <u>\$185,642</u> | <u>\$34,547</u> | <u>\$81,397</u>            | <u>\$2,789</u>              | <u>\$1,944</u>     | <u>\$306,319</u> |

Please refer to Note 8 for right-of-use assets pledged as collateral.

b. Lease Liabilities

|            | As of                          |
|------------|--------------------------------|
|            | June 30,<br>2019               |
|            | December 31,<br>2018<br>(Note) |
|            | June 30,<br>2018<br>(Note)     |
| Current    | \$456,486                      |
| Noncurrent | 5,395,030                      |
| Total      | <u>\$5,851,516</u>             |

Note: The Company adopted IFRS 16 on January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

Please refer to Note 6(22) for the interest expense of lease liabilities.

(9) Intangible Assets

|                                     | As of                |
|-------------------------------------|----------------------|
|                                     | June 30,<br>2019     |
|                                     | December 31,<br>2018 |
|                                     | June 30,<br>2018     |
| Goodwill                            | \$15,012             |
| Software                            | 1,535,635            |
| Patents and technology license fees | 1,812,603            |
| Others                              | 788,518              |
| Net                                 | <u>\$4,151,768</u>   |
|                                     | <u>\$2,991,804</u>   |
|                                     | <u>\$3,581,597</u>   |

Cost:

|                       | Goodwill        | Software           | Patents and<br>technology<br>license fees | Others             | Total               |
|-----------------------|-----------------|--------------------|-------------------------------------------|--------------------|---------------------|
| As of January 1, 2019 | \$15,012        | \$1,125,804        | \$4,511,629                               | \$3,190,116        | \$8,842,561         |
| Additions             | -               | 1,184,356          | 293,654                                   | 423,520            | 1,901,530           |
| Disposals             | -               | (188,565)          | -                                         | (305,248)          | (493,813)           |
| Reclassifications     | -               | 55,711             | -                                         | (97)               | 55,614              |
| Exchange effect       | -               | 3,845              | 124,686                                   | (0)                | 128,531             |
| As of June 30, 2019   | <u>\$15,012</u> | <u>\$2,181,151</u> | <u>\$4,929,969</u>                        | <u>\$3,308,291</u> | <u>\$10,434,423</u> |

|                       | Goodwill        | Software           | Patents and<br>technology<br>license fees | Others             | Total              |
|-----------------------|-----------------|--------------------|-------------------------------------------|--------------------|--------------------|
| As of January 1, 2018 | \$15,188        | \$1,080,726        | \$4,687,751                               | \$3,565,705        | \$9,349,370        |
| Additions             | -               | -                  | -                                         | 412,835            | 412,835            |
| Disposals             | -               | (55,327)           | -                                         | (441,486)          | (496,813)          |
| Reclassifications     | -               | 297,501            | -                                         | -                  | 297,501            |
| Exchange effect       | -               | 3,367              | 75,006                                    | (1)                | 78,372             |
| As of June 30, 2018   | <u>\$15,188</u> | <u>\$1,326,267</u> | <u>\$4,762,757</u>                        | <u>\$3,537,053</u> | <u>\$9,641,265</u> |

Accumulated Amortization and Impairment:

|                       | Goodwill   | Software         | Patents and<br>technology<br>license fees | Others             | Total              |
|-----------------------|------------|------------------|-------------------------------------------|--------------------|--------------------|
| As of January 1, 2019 | \$-        | \$601,649        | \$2,843,411                               | \$2,405,697        | \$5,850,757        |
| Amortization          | -          | 230,488          | 252,990                                   | 419,421            | 902,899            |
| Disposals             | -          | (188,565)        | -                                         | (305,248)          | (493,813)          |
| Reclassifications     | -          | 420              | -                                         | (97)               | 323                |
| Exchange effect       | -          | 1,524            | 20,965                                    | (0)                | 22,489             |
| As of June 30, 2019   | <u>\$-</u> | <u>\$645,516</u> | <u>\$3,117,366</u>                        | <u>\$2,519,773</u> | <u>\$6,282,655</u> |

|                       | Goodwill   | Software         | Patents and<br>technology<br>license fees | Others             | Total              |
|-----------------------|------------|------------------|-------------------------------------------|--------------------|--------------------|
| As of January 1, 2018 | \$-        | \$670,014        | \$2,585,190                               | \$2,306,657        | \$5,561,861        |
| Amortization          | -          | 147,110          | 225,673                                   | 604,146            | 976,929            |
| Disposals             | -          | (55,327)         | -                                         | (441,486)          | (496,813)          |
| Exchange effect       | -          | 2,006            | 15,686                                    | (1)                | 17,691             |
| As of June 30, 2018   | <u>\$-</u> | <u>\$763,803</u> | <u>\$2,826,549</u>                        | <u>\$2,469,316</u> | <u>\$6,059,668</u> |

The amortization amounts of intangible assets are as follows:

|                    | For the three-month periods<br>ended June 30, |           |
|--------------------|-----------------------------------------------|-----------|
|                    | 2019                                          | 2018      |
| Operating costs    | \$188,245                                     | \$177,121 |
| Operating expenses | \$260,007                                     | \$311,675 |

  

|                    | For the six-month periods<br>ended June 30, |           |
|--------------------|---------------------------------------------|-----------|
|                    | 2019                                        | 2018      |
| Operating costs    | \$388,527                                   | \$345,879 |
| Operating expenses | \$514,372                                   | \$631,050 |

(10) Short-Term Loans

|                       | As of            |                      |                  |
|-----------------------|------------------|----------------------|------------------|
|                       | June 30,<br>2019 | December 31,<br>2018 | June 30,<br>2018 |
| Unsecured bank loans  | \$8,679,307      | \$7,780,552          | \$7,981,514      |
| Unsecured other loans | 7,640,566        | 5,323,256            | 3,638,524        |
| Total                 | \$16,319,873     | \$13,103,808         | \$11,620,038     |

  

|                        | For the six-month periods ended June 30, |             |
|------------------------|------------------------------------------|-------------|
|                        | 2019                                     | 2018        |
| Interest rates applied | 0.00%~4.55%                              | 0.00%~4.10% |

The Company's unused short-term lines of credit amounted to NT\$74,772 million, NT\$77,658 million and NT\$78,078 million as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively.

(11) Financial Liabilities at Fair Value through Profit or Loss, Current

|                   | As of            |                      |                  |
|-------------------|------------------|----------------------|------------------|
|                   | June 30,<br>2019 | December 31,<br>2018 | June 30,<br>2018 |
| Forward contracts | \$-              | \$-                  | \$39,431         |

(12) Bonds Payable

|                                     | As of               |                      |                     |
|-------------------------------------|---------------------|----------------------|---------------------|
|                                     | June 30,<br>2019    | December 31,<br>2018 | June 30,<br>2018    |
| Unsecured domestic bonds payable    | \$21,200,000        | \$23,700,000         | \$23,700,000        |
| Unsecured convertible bonds payable | 18,196,332          | 18,196,332           | 18,196,332          |
| Less: Discounts on bonds payable    | (335,325)           | (518,150)            | (699,321)           |
| Total                               | 39,061,007          | 41,378,182           | 41,197,011          |
| Less: Current portion               | (20,374,813)        | (2,499,235)          | (2,498,316)         |
| Net                                 | <u>\$18,686,194</u> | <u>\$38,878,947</u>  | <u>\$38,698,695</u> |

- a. UMC issued domestic unsecured corporate bonds. The terms and conditions of the bonds were as follows:

| Term       | Issuance date         | Issued amount     | Coupon rate | Repayment                                                                                         |
|------------|-----------------------|-------------------|-------------|---------------------------------------------------------------------------------------------------|
| Seven-year | In early June 2012    | NT\$2,500 million | 1.63%       | Interest will be paid annually and the principal has been fully repaid in June 2019.              |
| Five-year  | In mid-March 2013     | NT\$7,500 million | 1.35%       | Interest will be paid annually and the principal has been fully repaid in March 2018.             |
| Seven-year | In mid-March 2013     | NT\$2,500 million | 1.50%       | Interest will be paid annually and the principal will be repayable in March 2020 upon maturity.   |
| Seven-year | In mid-June 2014      | NT\$2,000 million | 1.70%       | Interest will be paid annually and the principal will be repayable in June 2021 upon maturity.    |
| Ten-year   | In mid-June 2014      | NT\$3,000 million | 1.95%       | Interest will be paid annually and the principal will be repayable in June 2024 upon maturity.    |
| Five-year  | In late March 2017    | NT\$6,200 million | 1.15%       | Interest will be paid annually and the principal will be repayable in March 2022 upon maturity.   |
| Seven-year | In late March 2017    | NT\$2,100 million | 1.43%       | Interest will be paid annually and the principal will be repayable in March 2024 upon maturity.   |
| Five-year  | In early October 2017 | NT\$2,000 million | 0.94%       | Interest will be paid annually and the principal will be repayable in October 2022 upon maturity. |
| Seven-year | In early October 2017 | NT\$3,400 million | 1.13%       | Interest will be paid annually and the principal will be repayable in October 2024 upon maturity. |

b. On May 18, 2015, UMC issued SGX-ST listed currency linked zero coupon convertible bonds. The terms and conditions of the bonds were as follows:

i. Issue Amount: US\$600 million

ii. Period: May 18, 2015 ~ May 18, 2020 (Maturity date)

iii. Redemption:

- (i) UMC may redeem the bonds, in whole or in part, after 3 years of the issuance and prior to the maturity date, at the principal amount of the bonds with an interest calculated at the rate of -0.25% per annum (the Early Redemption Amount) if the closing price of the ordinary shares of UMC on the TWSE, for a period of 20 out of 30 consecutive trading days, the last of which occurs not more than 5 days prior to the date upon which notice of such redemption is published, is at least 125% of the conversion price. The Early Redemption Price will be converted into NTD based on the Fixed Exchange Rate (NTD 30.708=USD 1.00), and this fixed NTD amount will be converted using the prevailing rate at the time of redemption for payment in USD.
- (ii) UMC may redeem the bonds, in whole, but not in part, at the Early Redemption Amount if at least 90% in principal amount of the bonds has already been converted, redeemed or repurchased and cancelled.
- (iii) UMC may redeem all, but not part, of the bonds, at the Early Redemption Amount at any time, in the event of certain changes in the R.O.C.'s tax rules which would require UMC to gross up for payments of principal, or to gross up for payments of interest or premium.
- (iv) All or any portion of the bonds will be redeemable at Early Redemption Amount at the option of bondholders on May 18, 2018 at 99.25% of the principal amount.
- (v) Bondholders have the right to require UMC to redeem all of the bonds at the Early Redemption Amount if UMC's ordinary shares cease to be listed on the Taiwan Stock Exchange.
- (vi) In the event that a change of control as defined in the indenture of the bonds occurs to UMC, the bondholders shall have the right to require UMC to redeem the bonds, in whole but not in part, at the Early Redemption Amount.

iv. Terms of Conversion:

- (i) Underlying Securities: Ordinary shares of UMC
- (ii) Conversion Period: The bonds are convertible at any time on or after June 28, 2015 and prior to May 8, 2020, into UMC ordinary shares; provided, however, that if the exercise date falls within 5 business days from the beginning of, and during, any closed period, the right of the converting holder of the bonds to vote with respect to the shares it receives will be subject to certain restrictions.
- (iii) Conversion Price and Adjustment: The conversion price was originally NT\$17.50 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture. The conversion price was NT\$14.8157 per share on June 30, 2019.

- v. Redemption on the Maturity Date: On the maturity date, UMC will redeem the bonds at 98.76% of the principal amount unless, prior to such date:
- (i) UMC shall have redeemed the bonds at the option of UMC, or the bonds shall have been redeemed at option of the bondholder;
  - (ii) The bondholders shall have exercised the conversion right before maturity; or
  - (iii) The bonds shall have been redeemed or repurchased by UMC and cancelled.

In accordance with IAS 32, the value of the conversion right of the convertible bonds was determined at issuance and recognized in additional paid-in capital-stock options amounting to NT\$1,894 million, after reduction of issuance costs amounting to NT\$9 million. The effective interest rate on the liability component of the convertible bonds was determined to be 2.03%.

### (13) Long-Term Loans

- a. Details of long-term loans as of June 30, 2019, December 31, 2018 and June 30, 2018 are as follows:

| Lenders                                                                  | As of            |                      |                  | Redemption                                                                                                                                                               |
|--------------------------------------------------------------------------|------------------|----------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                          | June 30,<br>2019 | December 31,<br>2018 | June 30,<br>2018 |                                                                                                                                                                          |
| Secured Long-Term Loan from<br>Mega International Commercial<br>Bank (1) | \$-              | \$-                  | \$2,000          | Effective November 21, 2013 to November 21, 2018. Interest-only payment for the first year. Principal is repaid in 17 quarterly payments with monthly interest payments. |
| Secured Long-Term Loan from<br>Mega International Commercial<br>Bank (2) | 4,920            | 6,013                | 7,106            | Effective July 3, 2017 to July 5, 2021. Interest-only payment for the first year. Principal is repaid in 17 quarterly payments with monthly interest payments.           |
| Secured Long-Term Loan from<br>Taiwan Cooperative Bank (1)               | -                | -                    | 5,618            | Effective July 10, 2013 to July 10, 2018. Interest-only payment for the first year. Principal is repaid in 17 quarterly payments with monthly interest payments.         |
| Secured Long-Term Loan from<br>Taiwan Cooperative Bank (2)               | -                | -                    | 7,992            | Effective February 13, 2015 to February 13, 2020. Interest-only payment for the first year. Principal is repaid in 17 quarterly payments with monthly interest payments. |

| Lenders                                                                | As of            |                      |                  | Redemption                                                                                                                                                                           |
|------------------------------------------------------------------------|------------------|----------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                        | June 30,<br>2019 | December 31,<br>2018 | June 30,<br>2018 |                                                                                                                                                                                      |
| Secured Long-Term Loan from<br>Taiwan Cooperative Bank (3)             | \$-              | \$-                  | \$10,706         | Effective April 28, 2015 to April 28, 2020.<br>Interest-only payment for the first year.<br>Principal is repaid in 17 quarterly<br>payments with monthly interest payments.          |
| Secured Long-Term Loan from<br>Taiwan Cooperative Bank (4)             | 2,147            | 3,006                | 3,865            | Effective August 10, 2015 to August 10,<br>2020. Interest-only payment for the first<br>year. Principal is repaid in 17 quarterly<br>payments with monthly interest payments.        |
| Secured Long-Term Loan from<br>Taiwan Cooperative Bank (5)             | 77,297           | 83,243               | 89,189           | Effective October 19, 2015 to October 19,<br>2025. Interest-only payment for the first<br>year. Principal is repaid in 37 quarterly<br>payments with monthly interest payments.      |
| Secured Long-Term Loan from<br>Taiwan Cooperative Bank (6)             | -                | -                    | 1,181            | Effective October 28, 2015 to April 28, 2020.<br>Interest-only payment for the first half<br>year. Principal is repaid in 17 quarterly<br>payments with monthly interest payments.   |
| Secured Long-Term Loan from<br>Taiwan Cooperative Bank (7)             | -                | -                    | 3,471            | Effective November 20, 2015 to November<br>20, 2020. Interest-only payment for the<br>first year. Principal is repaid in 17<br>quarterly payments with monthly interest<br>payments. |
| Secured Long-Term Loan from<br>Taiwan Cooperative Bank (8)             | 35,000           | -                    | -                | Repayable monthly from May 31, 2019 to<br>May 31, 2023 with monthly interest<br>payments.                                                                                            |
| Secured Long-Term Loan from<br>KGI Bank                                | -                | -                    | 58,500           | Effective June 28, 2018 to February 23, 2023.<br>Interest-only payment for the first year.<br>Principal is repaid in 9 semi-annual<br>payments with monthly interest payments.       |
| Unsecured Long-Term Loan from<br>Bank of Taiwan                        | -                | 1,000,000            | 300,000          | Repayable quarterly from March 23, 2019 to<br>December 23, 2021 with monthly interest<br>payments.                                                                                   |
| Unsecured Syndicated Loans from<br>Bank of Taiwan and 7 others         | -                | 747,900              | 997,200          | Repayable semi-annually from February 6,<br>2017 to February 6, 2020 with monthly<br>interest payments.                                                                              |
| Unsecured Long-Term Loan from<br>Mega International Commercial<br>Bank | -                | -                    | 237,178          | Repayable quarterly from October 4, 2015 to<br>October 4, 2018 with monthly interest<br>payments.                                                                                    |

| Lenders                                                           | As of               |                      |                     | Redemption                                                                                                                                                                                  |
|-------------------------------------------------------------------|---------------------|----------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                   | June 30,<br>2019    | December 31,<br>2018 | June 30,<br>2018    |                                                                                                                                                                                             |
| Unsecured Long-Term Loan from CTBC Bank                           | \$747,900           | \$-                  | \$-                 | Effective January 10, 2019 to September 30, 2021. Interest-only payment for the first and nine months. Principal is repaid in full at the end of the term with monthly interest payments.   |
| Secured Syndicated Loans from China Development Bank and 6 others | 28,570,737          | 28,987,895           | 30,457,618          | Effective October 20, 2016 to October 20, 2024. Interest-only payment for the first and the second year. Principal is repaid in 13 semi-annual payments with semi-annual interest payments. |
| Subtotal                                                          | 29,438,001          | 30,828,057           | 32,181,624          |                                                                                                                                                                                             |
| Less: Administrative expenses from syndicated loans               | -                   | (1,842)              | (2,691)             |                                                                                                                                                                                             |
| Less: Current portion                                             | (2,730,095)         | (2,622,161)          | (3,113,507)         |                                                                                                                                                                                             |
| Total                                                             | <u>\$26,707,906</u> | <u>\$28,204,054</u>  | <u>\$29,065,426</u> |                                                                                                                                                                                             |

For the six-month periods  
ended June 30,

|                        | 2019               | 2018               |
|------------------------|--------------------|--------------------|
| Interest rates applied | <u>0.99%~5.56%</u> | <u>0.99%~5.20%</u> |

- b. Please refer to Note 8 for property, plant and equipment pledged as collateral for long-term loans.

**(14) Post-Employment Benefits**

a. Defined contribution plan

The employee pension plan under the Labor Pension Act of the R.O.C. (the Act) is a defined contribution plan. Pursuant to the plan, UMC and its domestic subsidiaries make monthly contributions of 6% based on each individual employee's salary or wage to employees' pension accounts. Pension benefits for employees of the Singapore branch and subsidiaries overseas are provided in accordance with the local regulations. Total pension expenses of NT\$326 million, NT\$334 million, NT\$674 million and NT\$664 million are contributed by the Company for the three-month and six-month periods ended June 30, 2019 and 2018, respectively.

b. Defined benefit plan

The employee pension plan mandated by the Labor Standards Act of the R.O.C. is a defined benefit plan. The pension benefits are disbursed based on the units of service years and average monthly salary prior to retirement according to the Labor Standards Act. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year and the total units will not exceed 45 units. The Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited with the Bank of Taiwan under the name of a pension fund supervisory committee. The pension fund is managed by the government's designated authorities and therefore is not included in the Company's consolidated financial statements. Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year. For the three-month and six-month periods ended June 30, 2019 and 2018, total pension expenses of NT\$15, NT\$17 million, NT\$29 and NT\$35 million, respectively, were recognized by the Company.

(15) Deferred Government Grants

|                             | As of               |                      |                     |
|-----------------------------|---------------------|----------------------|---------------------|
|                             | June 30,<br>2019    | December 31,<br>2018 | June 30,<br>2018    |
| Beginning balance           | \$17,480,904        | \$14,595,546         | \$14,595,546        |
| Arising during the period   | 190,279             | 7,129,770            | 6,634,672           |
| Recorded in profit or loss: |                     |                      |                     |
| Other operating income      | (2,042,569)         | (3,885,722)          | (1,894,440)         |
| Exchange effect             | 198,633             | (358,690)            | 63,517              |
| Ending balance              | <u>\$15,827,247</u> | <u>\$17,480,904</u>  | <u>\$19,399,295</u> |
| Current                     | \$3,901,606         | \$3,832,124          | \$3,837,438         |
| Noncurrent                  | 11,925,641          | 13,648,780           | 15,561,857          |
| Total                       | <u>\$15,827,247</u> | <u>\$17,480,904</u>  | <u>\$19,399,295</u> |

The significant government grants related to equipment acquisitions received by the Company are amortized as income over the useful lives of related equipment, and recorded in the net other operating income and expenses.

(16) Refund Liabilities

|                    | As of              |                      |                  |
|--------------------|--------------------|----------------------|------------------|
|                    | June 30,<br>2019   | December 31,<br>2018 | June 30,<br>2018 |
| Refund liabilities | <u>\$1,425,909</u> | <u>\$1,213,476</u>   | <u>\$960,009</u> |

(17) Equity

a. Capital stock:

- i. UMC had 26,000 million common shares authorized to be issued as of June 30, 2019, December 31, 2018 and June 30, 2018, of which 11,724 million shares, 12,424 million shares, and 12,624 million shares were issued as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively, each at a par value of NT\$10.
- ii. UMC had 140 million, 143 million and 144 million ADSs, which were traded on the NYSE as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively. The total number of common shares of UMC represented by all issued ADSs were 700 million shares, 717 million shares and 720 million shares as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively. One ADS represents five common shares.
- iii. On June 28, 2019, UMC cancelled 400 million shares of treasury stock, which were repurchased during the period from May 13 to June 13, 2016 for the purpose of transferring to employees, and repurchased during the period from April 26 to June 13, 2019 for the purpose of maintaining UMC's credit and stockholders' rights and interests.
- iv. On March 11, 2019, UMC cancelled 300 million shares of treasury stock, which were repurchased during the period from November 7, 2018 to January 4, 2019 for the purpose of maintaining UMC's credit and stockholders' rights and interests.
- v. On August 27, 2018, UMC cancelled 200 million shares of treasury stock, which were repurchased during the period from March 12 to May 4, 2018 for the purpose of maintaining UMC's credit and stockholders' rights and interests.

b. Treasury stock:

- i. UMC carried out treasury stock program and repurchased its shares from the centralized securities exchange market. The purpose for repurchase, and changes in treasury stock during the six-month periods ended June 30, 2019 and 2018 are as follows:

For the six-month period ended June 30, 2019

(In thousands of shares)

| Purpose                                                         | January 1,<br>2019 | Increase       | Decrease       | June 30,<br>2019 |
|-----------------------------------------------------------------|--------------------|----------------|----------------|------------------|
| For transfer to employees                                       | 200,000            | -              | 200,000        | -                |
| To maintain UMC's credit and stockholders' rights and interests | 280,000            | 220,000        | 500,000        | -                |
|                                                                 | <u>480,000</u>     | <u>220,000</u> | <u>700,000</u> | <u>-</u>         |

For the six-month period ended June 30, 2018

(In thousands of shares)

| Purpose                                                         | January 1,<br>2018 | Increase       | Decrease | June 30,<br>2018 |
|-----------------------------------------------------------------|--------------------|----------------|----------|------------------|
| For transfer to employees                                       | 400,000            | -              | -        | 400,000          |
| To maintain UMC's credit and stockholders' rights and interests | -                  | 200,000        | -        | 200,000          |
|                                                                 | <u>400,000</u>     | <u>200,000</u> | <u>-</u> | <u>600,000</u>   |

- ii. According to the Securities and Exchange Law of the R.O.C., the total shares of treasury stock shall not exceed 10% of UMC's issued stock, and the total purchase amount shall not exceed the sum of the retained earnings, additional paid-in capital-premiums and realized additional paid-in capital. As such, the number of shares of treasury stock that UMC held as of June 30, 2019, December 31, 2018 and June 30, 2018, did not exceed the limit.

iii. In compliance with Securities and Exchange Law of the R.O.C., treasury stock held by the parent company should not be pledged, nor should it be entitled to voting rights or receiving dividends. Stock held by subsidiaries is treated as treasury stock. These subsidiaries have the same rights as other stockholders except for subscription to new stock issuance and voting rights.

iv. As of June 30, 2019, December 31, 2018 and June 30, 2018, UMC's subsidiary, FORTUNE VENTURE CAPITAL CORP., held 16 million shares of UMC's stock. The closing price on June 30, 2019, December 31, 2018 and June 30, 2018, were NT\$13.95, NT\$11.25 and NT\$16.95, respectively.

v. UMC's subsidiary, FORTUNE VENTURE CAPITAL CORP., held shares of UMC's stock through acquiring shares of UNITED SILICON INC. in 1997, and these shares were converted to UMC's stock in 2000 as a result of the Company's 5 in 1 merger.

c. Retained earnings and dividend policies:

According to UMC's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- i. Payment of taxes.
- ii. Making up loss for preceding years.
- iii. Setting aside 10% for legal reserve, except for when accumulated legal reserve has reached UMC's paid-in capital.
- iv. Appropriating or reversing special reserve by government officials or other regulations.
- v. The remaining, plus the previous year's unappropriated earnings, shall be distributed according to the distribution plan proposed by the Board of Directors according to the dividend policy and submitted to the stockholders' meeting for approval.

Because UMC conducts business in a capital intensive industry and continues to operate in its growth phase, the dividend policy of UMC shall be determined pursuant to factors such as the investment environment, its funding requirements, domestic and overseas competitive landscape and its capital expenditure forecast, as well as stockholders' interest, balancing dividends and UMC's long-term financial planning. The Board of Directors shall propose the distribution plan and submit it to the stockholders' meeting every year.

The distribution of stockholders' dividend shall be allocated as cash dividend in the range of 20% to 100%, and stock dividend in the range of 0% to 80%.

According to the regulations of Taiwan FSC, UMC is required to appropriate a special reserve in the amount equal to the sum of debit elements under equity, such as unrealized loss on financial instruments and debit balance of exchange differences on translation of foreign operations, at every year-end. Such special reserve is prohibited from distribution. However, if any of the debit elements is reversed, the special reserve in the amount equal to the reversal may be released for earnings distribution or offsetting accumulated deficits.

The distribution of earnings for 2018 and 2017 was approved by the stockholders' meeting held on June 12, 2019 and June 12, 2018, respectively. The details of distribution are as follows:

|                 | Appropriation of earnings<br>(in thousand NT dollars) |           | Cash dividend per share<br>(NT dollars) |        |
|-----------------|-------------------------------------------------------|-----------|-----------------------------------------|--------|
|                 | 2018                                                  | 2017      | 2018                                    | 2017   |
| Legal reserve   | \$707,299                                             | \$962,873 |                                         |        |
| Special reserve | 14,513,940                                            | -         |                                         |        |
| Cash dividends  | 6,916,105                                             | 8,557,023 | \$0.58                                  | \$0.70 |

The aforementioned 2018 and 2017 distribution approved by stockholders' meeting were consistent with the resolutions of meeting of Board of Directors held on March 6, 2019 and March 7, 2018.

The cash dividend per share for 2018 was adjusted to NT\$0.58989396 per share according to the resolution of the Board of Directors' meeting on June 19, 2019. The adjustment was made for the decrease in outstanding common shares due to the share repurchase program.

The cash dividend per share for 2017 was adjusted to NT\$0.71164307 per share according to the resolution of the Board of Directors' meeting on June 12, 2018. The adjustment was made for the decrease in outstanding common shares due to the share repurchase program.

Please refer to Note 6(20) for information on the employees' and directors' compensation.

d. Non-controlling interests:

|                                            | For the six-month periods<br>ended June 30, |                  |
|--------------------------------------------|---------------------------------------------|------------------|
|                                            | 2019                                        | 2018             |
| Adjusted balance at January 1              | \$466,768                                   | \$958,405        |
| Attributable to non-controlling interests: |                                             |                  |
| Net loss                                   | (1,906,932)                                 | (1,612,843)      |
| Other comprehensive income (loss)          | (1,984)                                     | 11,237           |
| Changes in subsidiaries' ownership         | 23,928                                      | (323,403)        |
| Others                                     | 1,848,665                                   | 1,576,632        |
| Ending balance                             | <u>\$430,445</u>                            | <u>\$610,028</u> |

(18) Share-Based Payment

In order to attract, retain talents and reward the employees for their productivity and loyalty, the Company carried out a compensation plan to offer 200 million shares of treasury stock to employees in August 2018. The compensation cost for the share-based payment was measured at fair value, having recognized in expense the difference between the closing quoted market price of the shares at the grant date and the cash received from employees. The closing quoted market price of the Company's shares on the grant date was NT\$16.95 per share. For the stocks vested on the date of grant, the Company recognized the entire compensation cost on the grant date, whereas for the stocks with requisite service conditions to vest at the end of one or two-years from the date of grant, the Company recognizes the compensation cost on a straight-line basis over the period in which the services conditions are fulfilled, together with a corresponding increase in equity. As such, for the three-month and six-month periods ended June 30, 2019, total compensation cost of NT\$111 million and NT\$221 million, respectively, were recognized by the Company.

(19) Operating Revenues

a. Disaggregation of revenue

i. By operating segments

|                                             | For the three-month period ended June 30, 2019 |                 |                     |                                  |                     |
|---------------------------------------------|------------------------------------------------|-----------------|---------------------|----------------------------------|---------------------|
|                                             | Wafer<br>Fabrication                           | New<br>Business | Subtotal            | Adjustment<br>and<br>Elimination | Consolidated        |
| Revenue from<br>contracts with<br>customers | <u>\$36,003,395</u>                            | <u>\$27,789</u> | <u>\$36,031,184</u> | <u>\$-</u>                       | <u>\$36,031,184</u> |
| The timing of revenue recognition:          |                                                |                 |                     |                                  |                     |
| At a point in<br>time                       | \$35,739,831                                   | \$27,789        | \$35,767,620        | \$-                              | \$35,767,620        |
| Over time                                   | 263,564                                        | -               | 263,564             | -                                | 263,564             |
| Total                                       | <u>\$36,003,395</u>                            | <u>\$27,789</u> | <u>\$36,031,184</u> | <u>\$-</u>                       | <u>\$36,031,184</u> |

| For the three-month period ended June 30, 2018 |              |          |              |             |              |
|------------------------------------------------|--------------|----------|--------------|-------------|--------------|
|                                                | Wafer        | New      |              | Adjustment  |              |
|                                                | Fabrication  | Business | Subtotal     | and         | Consolidated |
|                                                |              |          |              | Elimination |              |
| Revenue from                                   |              |          |              |             |              |
| contracts with                                 |              |          |              |             |              |
| customers                                      | \$38,766,648 | \$92,184 | \$38,858,832 | \$(7,255)   | \$38,851,577 |

The timing of revenue recognition:

|               |              |          |              |           |              |
|---------------|--------------|----------|--------------|-----------|--------------|
| At a point in |              |          |              |           |              |
| time          | \$37,299,736 | \$92,184 | \$37,391,920 | \$(7,255) | \$37,384,665 |
| Over time     | 1,466,912    | -        | 1,466,912    | -         | 1,466,912    |
| Total         | \$38,766,648 | \$92,184 | \$38,858,832 | \$(7,255) | \$38,851,577 |

| For the six-month period ended June 30, 2019 |              |          |              |             |              |
|----------------------------------------------|--------------|----------|--------------|-------------|--------------|
|                                              | Wafer        | New      |              | Adjustment  |              |
|                                              | Fabrication  | Business | Subtotal     | and         | Consolidated |
|                                              |              |          |              | Elimination |              |
| Revenue from                                 |              |          |              |             |              |
| contracts with                               |              |          |              |             |              |
| customers                                    | \$68,561,775 | \$52,368 | \$68,614,143 | \$-         | \$68,614,143 |

The timing of revenue recognition:

|               |              |          |              |     |              |
|---------------|--------------|----------|--------------|-----|--------------|
| At a point in |              |          |              |     |              |
| time          | \$68,063,111 | \$52,368 | \$68,115,479 | \$- | \$68,115,479 |
| Over time     | 498,664      | -        | 498,664      | -   | 498,664      |
| Total         | \$68,561,775 | \$52,368 | \$68,614,143 | \$- | \$68,614,143 |

| For the six-month period ended June 30, 2018 |              |           |              |             |              |
|----------------------------------------------|--------------|-----------|--------------|-------------|--------------|
|                                              | Wafer        | New       |              | Adjustment  |              |
|                                              | Fabrication  | Business  | Subtotal     | and         | Consolidated |
|                                              |              |           |              | Elimination |              |
| Revenue from                                 |              |           |              |             |              |
| contracts with                               |              |           |              |             |              |
| customers                                    | \$76,204,238 | \$158,705 | \$76,362,943 | \$(14,229)  | \$76,348,714 |

The timing of revenue recognition:

|               |              |           |              |            |              |
|---------------|--------------|-----------|--------------|------------|--------------|
| At a point in |              |           |              |            |              |
| time          | \$73,112,866 | \$158,705 | \$73,271,571 | \$(14,229) | \$73,257,342 |
| Over time     | 3,091,372    | -         | 3,091,372    | -          | 3,091,372    |
| Total         | \$76,204,238 | \$158,705 | \$76,362,943 | \$(14,229) | \$76,348,714 |

## ii. By geography

For the three-month period ended June 30, 2019

|                                       | China<br>(includes  |                    |                    |                    |                    |                    |                    |                     |
|---------------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
|                                       | Taiwan              | Singapore          | Hong Kong)         | Japan              | USA                | Europe             | Others             | Total               |
| Revenue from contracts with customers | <u>\$14,220,502</u> | <u>\$5,553,019</u> | <u>\$4,255,080</u> | <u>\$1,652,243</u> | <u>\$4,339,669</u> | <u>\$2,074,298</u> | <u>\$3,936,373</u> | <u>\$36,031,184</u> |
| The timing of revenue recognition:    |                     |                    |                    |                    |                    |                    |                    |                     |
| At a point in time                    | \$14,208,263        | \$5,553,019        | \$4,203,225        | \$1,634,203        | \$4,335,855        | \$1,898,210        | \$3,934,845        | \$35,767,620        |
| Over time                             | <u>12,239</u>       | <u>-</u>           | <u>51,855</u>      | <u>18,040</u>      | <u>3,814</u>       | <u>176,088</u>     | <u>1,528</u>       | <u>263,564</u>      |
| Total                                 | <u>\$14,220,502</u> | <u>\$5,553,019</u> | <u>\$4,255,080</u> | <u>\$1,652,243</u> | <u>\$4,339,669</u> | <u>\$2,074,298</u> | <u>\$3,936,373</u> | <u>\$36,031,184</u> |

For the three-month period ended June 30, 2018

|                                       | China<br>(includes  |                    |                    |                    |                    |                    |                    |                     |
|---------------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
|                                       | Taiwan              | Singapore          | Hong Kong)         | Japan              | USA                | Europe             | Others             | Total               |
| Revenue from contracts with customers | <u>\$14,006,222</u> | <u>\$7,049,822</u> | <u>\$4,911,255</u> | <u>\$1,285,285</u> | <u>\$5,920,269</u> | <u>\$3,456,463</u> | <u>\$2,222,261</u> | <u>\$38,851,577</u> |
| The timing of revenue recognition:    |                     |                    |                    |                    |                    |                    |                    |                     |
| At a point in time                    | \$13,960,474        | \$7,039,685        | \$3,761,464        | \$1,282,524        | \$5,912,011        | \$3,206,459        | \$2,222,048        | \$37,384,665        |
| Over time                             | <u>45,748</u>       | <u>10,137</u>      | <u>1,149,791</u>   | <u>2,761</u>       | <u>8,258</u>       | <u>250,004</u>     | <u>213</u>         | <u>1,466,912</u>    |
| Total                                 | <u>\$14,006,222</u> | <u>\$7,049,822</u> | <u>\$4,911,255</u> | <u>\$1,285,285</u> | <u>\$5,920,269</u> | <u>\$3,456,463</u> | <u>\$2,222,261</u> | <u>\$38,851,577</u> |

For the six-month period ended June 30, 2019

|                                       | China<br>(includes  |                     |                    |                    |                    |                    |                    |                     |
|---------------------------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
|                                       | Taiwan              | Singapore           | Hong Kong)         | Japan              | USA                | Europe             | Others             | Total               |
| Revenue from contracts with customers | <u>\$26,434,603</u> | <u>\$11,906,295</u> | <u>\$7,396,715</u> | <u>\$3,624,749</u> | <u>\$8,038,514</u> | <u>\$3,785,802</u> | <u>\$7,427,465</u> | <u>\$68,614,143</u> |
| The timing of revenue recognition:    |                     |                     |                    |                    |                    |                    |                    |                     |
| At a point in time                    | \$26,406,871        | \$11,906,295        | \$7,308,774        | \$3,600,994        | \$8,028,191        | \$3,446,090        | \$7,418,264        | \$68,115,479        |
| Over time                             | <u>27,732</u>       | <u>-</u>            | <u>87,941</u>      | <u>23,755</u>      | <u>10,323</u>      | <u>339,712</u>     | <u>9,201</u>       | <u>498,664</u>      |
| Total                                 | <u>\$26,434,603</u> | <u>\$11,906,295</u> | <u>\$7,396,715</u> | <u>\$3,624,749</u> | <u>\$8,038,514</u> | <u>\$3,785,802</u> | <u>\$7,427,465</u> | <u>\$68,614,143</u> |

For the six-month period ended June 30, 2018

|                                       | China<br>(includes  |                     |                     |                    |                     |                    |                    | Total               |
|---------------------------------------|---------------------|---------------------|---------------------|--------------------|---------------------|--------------------|--------------------|---------------------|
|                                       | Taiwan              | Singapore           | Hong Kong)          | Japan              | USA                 | Europe             | Others             |                     |
| Revenue from contracts with customers | <u>\$26,633,299</u> | <u>\$13,652,020</u> | <u>\$10,212,657</u> | <u>\$2,369,560</u> | <u>\$11,796,774</u> | <u>\$6,291,188</u> | <u>\$5,393,216</u> | <u>\$76,348,714</u> |
| The timing of revenue recognition:    |                     |                     |                     |                    |                     |                    |                    |                     |
| At a point in time                    | \$26,521,392        | \$13,640,725        | \$7,690,644         | \$2,365,459        | \$11,783,857        | \$5,862,793        | \$5,392,472        | \$73,257,342        |
| Over time                             | 111,907             | 11,295              | 2,522,013           | 4,101              | 12,917              | 428,395            | 744                | 3,091,372           |
| Total                                 | <u>\$26,633,299</u> | <u>\$13,652,020</u> | <u>\$10,212,657</u> | <u>\$2,369,560</u> | <u>\$11,796,774</u> | <u>\$6,291,188</u> | <u>\$5,393,216</u> | <u>\$76,348,714</u> |

The geographic breakdown of the Company's operating revenues was based on the location of the Company's customers.

### iii. By Product

|        | For the three-month periods<br>ended June 30, |                     |
|--------|-----------------------------------------------|---------------------|
|        | 2019                                          | 2018                |
| Wafer  | \$34,775,172                                  | \$36,672,650        |
| Others | 1,256,012                                     | 2,178,927           |
| Total  | <u>\$36,031,184</u>                           | <u>\$38,851,577</u> |
|        |                                               |                     |
|        | For the six-month periods<br>ended June 30,   |                     |
|        | 2019                                          | 2018                |
| Wafer  | \$66,140,931                                  | \$71,276,529        |
| Others | 2,473,212                                     | 5,072,185           |
| Total  | <u>\$68,614,143</u>                           | <u>\$76,348,714</u> |

### b. Contract balances

#### i. Contract assets, current

|                             | As of            |                      |                  |
|-----------------------------|------------------|----------------------|------------------|
|                             | June 30,<br>2019 | December 31,<br>2018 | June 30,<br>2018 |
| Sales of goods and services | \$471,112        | \$486,184            | \$152,438        |
| Less: Loss allowance        | (398,339)        | (393,974)            | -                |
| Net                         | <u>\$72,773</u>  | <u>\$92,210</u>      | <u>\$152,438</u> |

The loss allowance was assessed by the company primarily at an amount equal to lifetime expected credit losses. The loss allowance was mainly resulted from the indictment filed by the United States Department of Justice (DOJ) against UMC related to the joint technology development agreement. Please refer to Note 9(6).

ii. Contract liabilities

|                             | As of              |                      |                    |
|-----------------------------|--------------------|----------------------|--------------------|
|                             | June 30,<br>2019   | December 31,<br>2018 | June 30,<br>2018   |
| Sales of goods and services | <u>\$1,454,232</u> | <u>\$932,371</u>     | <u>\$2,114,749</u> |
| Current                     | \$956,472          | \$932,371            | \$2,114,749        |
| Noncurrent                  | <u>497,760</u>     | <u>-</u>             | <u>-</u>           |
| Total                       | <u>\$1,454,232</u> | <u>\$932,371</u>     | <u>\$2,114,749</u> |

The movement of contract liabilities is mainly caused by the timing difference of the satisfaction of a performance of obligation and the consideration received from customers.

The Company recognized NT\$450 million and NT\$2,887 million, respectively, in revenues from the contract liabilities balance at the beginning of the period as performance obligations were satisfied during the six-month periods ended June 30, 2019 and 2018.

- c. The Company's transaction price allocated to unsatisfied performance obligations amounted to NT\$3,158 million as of June 30, 2019. The Company will recognize revenue as the Company satisfies its performance obligations over time that aligns with progress toward completion of a contract in the future. As of the report date, the progress cannot be reliably estimated primarily due to the suspension as disclosed in Note 9(6). The estimate of the transaction price does not include any estimated amounts of variable consideration that are constrained.

- d. Asset recognized from the cost to fulfill a contract with customer

As of June 30, 2019, December 31, 2018 and June 30, 2018, the Company recognized the cost to fulfill engineering and service contracts that are eligible for capitalization as assets which amounted to NT\$654 million, NT\$567 million and NT\$232 million, and accounted for as other current assets. Subsequently, the Company will expense to operating costs from the cost to fulfill a contract when the related obligations are satisfied.

(20) Operating Costs and Expenses

The Company's employee benefit, depreciation and amortization expenses are summarized as follows:

|                                          | For the three-month periods ended June 30, |                    |              |                 |                    |              |
|------------------------------------------|--------------------------------------------|--------------------|--------------|-----------------|--------------------|--------------|
|                                          | 2019                                       |                    |              | 2018            |                    |              |
|                                          | Operating costs                            | Operating expenses | Total        | Operating costs | Operating expenses | Total        |
| Employee benefit expenses                |                                            |                    |              |                 |                    |              |
| Salaries                                 | \$4,176,640                                | \$1,911,916        | \$6,088,556  | \$4,342,441     | \$1,717,138        | \$6,059,579  |
| Labor and health insurance               | 212,373                                    | 90,724             | 303,097      | 214,329         | 85,140             | 299,469      |
| Pension                                  | 254,822                                    | 86,345             | 341,167      | 268,734         | 82,454             | 351,188      |
| Other employee benefit expenses          | 67,669                                     | 24,978             | 92,647       | 71,662          | 22,957             | 94,619       |
| Depreciation                             | 11,200,201                                 | 458,686            | 11,658,887   | 12,137,062      | 659,219            | 12,796,281   |
| Amortization                             | 192,733                                    | 270,323            | 463,056      | 204,500         | 332,546            | 537,046      |
| For the six-month periods ended June 30, |                                            |                    |              |                 |                    |              |
|                                          | 2019                                       |                    |              | 2018            |                    |              |
|                                          | Operating costs                            | Operating expenses | Total        | Operating costs | Operating expenses | Total        |
|                                          |                                            |                    |              |                 |                    |              |
| Employee benefit expenses                |                                            |                    |              |                 |                    |              |
| Salaries                                 | \$8,283,098                                | \$3,690,632        | \$11,973,730 | \$8,663,162     | \$3,381,439        | \$12,044,601 |
| Labor and health insurance               | 441,127                                    | 180,415            | 621,542      | 442,996         | 171,543            | 614,539      |
| Pension                                  | 524,694                                    | 178,866            | 703,560      | 534,711         | 164,327            | 699,038      |
| Other employee benefit expenses          | 128,553                                    | 48,038             | 176,591      | 133,047         | 43,204             | 176,251      |
| Depreciation                             | 22,581,637                                 | 919,710            | 23,501,347   | 24,211,785      | 1,295,291          | 25,507,076   |
| Amortization                             | 398,141                                    | 538,217            | 936,358      | 400,133         | 675,222            | 1,075,355    |

According to UMC's Articles of Incorporation, the employees' and directors' compensation shall be distributed in the following order:

UMC shall allocate no less than 5% of profit as employees' compensation and no more than 0.1% of profit as directors' compensation for each profitable fiscal year after offsetting any cumulative losses. The aforementioned employees' compensation will be distributed in shares or cash. The employees of UMC's subsidiaries who fulfill specific requirements stipulated by the Board of Directors may be granted such compensation. Directors may only receive compensation in cash. UMC may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, distribute the aforementioned employees' and directors' compensation and report to the stockholders' meeting for such distribution.

The Company estimates the amounts of the employees' and directors' compensation and recognizes them in the profit or loss during the periods when earned for the six-month periods ended June 30, 2019 and 2018. The Board of Directors estimated the amount by taking into consideration the Articles of Incorporation, government regulations and industry averages. If the Board of Directors resolves to distribute employee compensation through stock, the number of stock distributed is calculated based on total employee compensation divided by the closing price of the day before the Board of Directors meeting. If the Board of Directors subsequently modifies the estimates significantly, the Company will recognize the change as an adjustment in the profit or loss in the subsequent period.

The distributions of employees' and directors' compensation for 2018 and 2017 were reported to the stockholders' meeting on June 12, 2019 and June 12, 2018, respectively. The details of distribution are as follows:

|                                | 2018        | 2017        |
|--------------------------------|-------------|-------------|
| Employees' compensation – Cash | \$1,400,835 | \$1,032,324 |
| Directors' compensation        | 7,624       | 11,452      |

The aforementioned 2018 and 2017 employees' and directors' compensation reported during the stockholders' meeting were consistent with the resolutions of meeting of Board of Directors held on March 6, 2019 and March 7, 2018.

Information relevant to the aforementioned employees' and directors' compensation can be obtained from the "Market Observation Post System" on the website of the TWSE.

(21) Net Other Operating Income and Expenses

|                                                   | For the three-month periods<br>ended June 30, |                    |
|---------------------------------------------------|-----------------------------------------------|--------------------|
|                                                   | 2019                                          | 2018               |
| Government grants                                 | \$1,810,774                                   | \$1,700,335        |
| Gain on disposal of property, plant and equipment | 4,470                                         | 57,561             |
| Impairment loss on property, plant and equipment  | (85,446)                                      | -                  |
| Others                                            | (42,949)                                      | (39,161)           |
| Total                                             | <u>\$1,686,849</u>                            | <u>\$1,718,735</u> |

  

|                                                          | For the six-month periods<br>ended June 30, |                    |
|----------------------------------------------------------|---------------------------------------------|--------------------|
|                                                          | 2019                                        | 2018               |
| Government grants                                        | \$2,925,836                                 | \$2,681,624        |
| Gain (loss) on disposal of property, plant and equipment | (10,149)                                    | 84,086             |
| Impairment loss on property, plant and equipment         | (85,446)                                    | -                  |
| Others                                                   | (70,239)                                    | (70,030)           |
| Total                                                    | <u>\$2,760,002</u>                          | <u>\$2,695,680</u> |

(22) Non-Operating Income and Expenses

a. Other gains and losses

|                                                                                               | For the three-month periods<br>ended June 30, |                   |
|-----------------------------------------------------------------------------------------------|-----------------------------------------------|-------------------|
|                                                                                               | 2019                                          | 2018              |
| Loss on valuation of financial assets and liabilities at<br>fair value through profit or loss | \$(273,945)                                   | \$(112,199)       |
| Gain on disposal of investments                                                               | -                                             | 15,179            |
| Others                                                                                        | 4,089                                         | 37,647            |
| Total                                                                                         | <u>\$(269,856)</u>                            | <u>\$(59,373)</u> |

  

|                                                                                               | For the six-month periods<br>ended June 30, |                  |
|-----------------------------------------------------------------------------------------------|---------------------------------------------|------------------|
|                                                                                               | 2019                                        | 2018             |
| Gain on valuation of financial assets and liabilities at<br>fair value through profit or loss | \$758,160                                   | \$264,320        |
| Gain on disposal of investments                                                               | -                                           | 12,570           |
| Others                                                                                        | 8,835                                       | 68,397           |
| Total                                                                                         | <u>\$766,995</u>                            | <u>\$345,287</u> |

b. Finance costs

|                          |  | For the three-month periods<br>ended June 30, |                    |
|--------------------------|--|-----------------------------------------------|--------------------|
|                          |  | 2019                                          | 2018               |
| Interest expenses        |  |                                               |                    |
| Bonds payable            |  | \$171,165                                     | \$172,231          |
| Bank loans               |  | 472,423                                       | 465,781            |
| Lease liabilities (Note) |  | 46,240                                        | -                  |
| Others                   |  | 70,153                                        | 72,030             |
| Financial expenses       |  | 11,410                                        | 12,238             |
| Total                    |  | <u>\$771,391</u>                              | <u>\$722,280</u>   |
|                          |  | For the six-month periods<br>ended June 30,   |                    |
|                          |  | 2019                                          | 2018               |
| Interest expenses        |  |                                               |                    |
| Bonds payable            |  | \$344,759                                     | \$364,843          |
| Bank loans               |  | 920,219                                       | 871,826            |
| Lease liabilities (Note) |  | 86,665                                        | -                  |
| Others                   |  | 118,332                                       | 142,351            |
| Financial expenses       |  | 30,629                                        | 29,074             |
| Total                    |  | <u>\$1,500,604</u>                            | <u>\$1,408,094</u> |

Note: The Company adopted IFRS 16 on January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(23) Components of Other Comprehensive Income (Loss)

| For the three-month period ended June 30, 2019                                                                                                        |                              |                                                      |                                                        |                      |                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------------------|--------------------------------------------------------|----------------------|--------------------------------------------------------|
|                                                                                                                                                       | Arising during<br>the period | Reclassification<br>adjustments<br>during the period | Other<br>comprehensive<br>income (loss),<br>before tax | Income tax<br>effect | Other<br>comprehensive<br>income (loss),<br>net of tax |
| Items that will not be reclassified<br>subsequently to profit or loss:                                                                                |                              |                                                      |                                                        |                      |                                                        |
| Unrealized gains or losses on<br>financial assets at fair value<br>through other comprehensive<br>income                                              | \$616,532                    | \$-                                                  | \$616,532                                              | \$1,383              | \$617,915                                              |
| Share of other comprehensive<br>income (loss) of associates<br>and joint ventures which will<br>not be reclassified<br>subsequently to profit or loss | 223,497                      | -                                                    | 223,497                                                | -                    | 223,497                                                |

| For the three-month period ended June 30, 2019                                                                                                        |                              |                                                      |                                                        |                      |                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------------------|--------------------------------------------------------|----------------------|--------------------------------------------------------|
|                                                                                                                                                       | Arising during<br>the period | Reclassification<br>adjustments<br>during the period | Other<br>comprehensive<br>income (loss),<br>before tax | Income tax<br>effect | Other<br>comprehensive<br>income (loss),<br>net of tax |
| Items that may be reclassified<br>subsequently to profit or loss:                                                                                     |                              |                                                      |                                                        |                      |                                                        |
| Exchange differences on<br>translation of foreign<br>operations                                                                                       | \$(121,414)                  | \$-                                                  | \$(121,414)                                            | \$(5,987)            | \$(127,401)                                            |
| Share of other comprehensive<br>income (loss) of associates<br>and joint ventures which<br>may be reclassified<br>subsequently to profit or loss      | 35,858                       | -                                                    | 35,858                                                 | (7,704)              | 28,154                                                 |
| Total other comprehensive<br>income (loss)                                                                                                            | <u>\$754,473</u>             | <u>\$-</u>                                           | <u>\$754,473</u>                                       | <u>\$(12,308)</u>    | <u>\$742,165</u>                                       |
| For the three-month period ended June 30, 2018                                                                                                        |                              |                                                      |                                                        |                      |                                                        |
|                                                                                                                                                       | Arising during<br>the period | Reclassification<br>adjustments<br>during the period | Other<br>comprehensive<br>income (loss),<br>before tax | Income tax<br>effect | Other<br>comprehensive<br>income (loss),<br>net of tax |
| Items that will not be reclassified<br>subsequently to profit or loss:                                                                                |                              |                                                      |                                                        |                      |                                                        |
| Remeasurement of<br>defined-benefit plan                                                                                                              | \$-                          | \$-                                                  | \$-                                                    | \$21,635             | \$21,635                                               |
| Unrealized gains or losses on<br>financial assets at fair value<br>through other comprehensive<br>income                                              | 86,951                       | -                                                    | 86,951                                                 | 46,268               | 133,219                                                |
| Share of other comprehensive<br>income (loss) of associates<br>and joint ventures which will<br>not be reclassified<br>subsequently to profit or loss | (21,397)                     | -                                                    | (21,397)                                               | -                    | (21,397)                                               |
| Items that may be reclassified<br>subsequently to profit or loss:                                                                                     |                              |                                                      |                                                        |                      |                                                        |
| Exchange differences on<br>translation of foreign<br>operations                                                                                       | 2,517,392                    | 408                                                  | 2,517,800                                              | (30,646)             | 2,487,154                                              |
| Share of other comprehensive<br>income (loss) of associates<br>and joint ventures which<br>may be reclassified<br>subsequently to profit or loss      | 44,811                       | (15,587)                                             | 29,224                                                 | (8,247)              | 20,977                                                 |
| Total other comprehensive<br>income (loss)                                                                                                            | <u>\$2,627,757</u>           | <u>\$(15,179)</u>                                    | <u>\$2,612,578</u>                                     | <u>\$29,010</u>      | <u>\$2,641,588</u>                                     |

| For the six-month period ended June 30, 2019                                                                                                          |                              |                                                      |                                                        |                      |                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------------------|--------------------------------------------------------|----------------------|--------------------------------------------------------|
|                                                                                                                                                       | Arising during<br>the period | Reclassification<br>adjustments<br>during the period | Other<br>comprehensive<br>income (loss),<br>before tax | Income tax<br>effect | Other<br>comprehensive<br>income (loss),<br>net of tax |
| Items that will not be reclassified<br>subsequently to profit or loss:                                                                                |                              |                                                      |                                                        |                      |                                                        |
| Unrealized gains or losses on<br>financial assets at fair value<br>through other comprehensive<br>income                                              | \$2,837,655                  | \$-                                                  | \$2,837,655                                            | \$(10,158)           | \$2,827,497                                            |
| Share of other comprehensive<br>income (loss) of associates<br>and joint ventures which will<br>not be reclassified<br>subsequently to profit or loss | 545,974                      | -                                                    | 545,974                                                | -                    | 545,974                                                |
| Items that may be reclassified<br>subsequently to profit or loss:                                                                                     |                              |                                                      |                                                        |                      |                                                        |
| Exchange differences on<br>translation of foreign<br>operations                                                                                       | 954,970                      | -                                                    | 954,970                                                | (9,036)              | 945,934                                                |
| Share of other comprehensive<br>income (loss) of associates<br>and joint ventures which<br>may be reclassified<br>subsequently to profit or loss      | 45,381                       | -                                                    | 45,381                                                 | (8,142)              | 37,239                                                 |
| Total other comprehensive<br>income (loss)                                                                                                            | <u>\$4,383,980</u>           | <u>\$-</u>                                           | <u>\$4,383,980</u>                                     | <u>\$(27,336)</u>    | <u>\$4,356,644</u>                                     |

| For the six-month period ended June 30, 2018                                                                                                          |                              |                                                      |                                                        |                      |                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------------------|--------------------------------------------------------|----------------------|--------------------------------------------------------|
|                                                                                                                                                       | Arising during<br>the period | Reclassification<br>adjustments<br>during the period | Other<br>comprehensive<br>income (loss),<br>before tax | Income tax<br>effect | Other<br>comprehensive<br>income (loss),<br>net of tax |
| Items that will not be reclassified<br>subsequently to profit or loss:                                                                                |                              |                                                      |                                                        |                      |                                                        |
| Remeasurement of<br>defined-benefit plan                                                                                                              | \$-                          | \$-                                                  | \$-                                                    | \$21,635             | \$21,635                                               |
| Unrealized gains or losses on<br>financial assets at fair value<br>through other comprehensive<br>income                                              | 1,235,194                    | -                                                    | 1,235,194                                              | 23,295               | 1,258,489                                              |
| Share of other comprehensive<br>income (loss) of associates<br>and joint ventures which will<br>not be reclassified<br>subsequently to profit or loss | 130,149                      | -                                                    | 130,149                                                | (5,044)              | 125,105                                                |

|                                                                                                                                                  | For the six-month period ended June 30, 2018 |                                                      |                                                        |                      |                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------|--------------------------------------------------------|----------------------|--------------------------------------------------------|
|                                                                                                                                                  | Arising during<br>the period                 | Reclassification<br>adjustments<br>during the period | Other<br>comprehensive<br>income (loss),<br>before tax | Income tax<br>effect | Other<br>comprehensive<br>income (loss),<br>net of tax |
| Items that may be reclassified<br>subsequently to profit or loss:                                                                                |                                              |                                                      |                                                        |                      |                                                        |
| Exchange differences on<br>translation of foreign<br>operations                                                                                  | \$1,002,220                                  | \$408                                                | \$1,002,628                                            | \$(13,644)           | \$988,984                                              |
| Share of other comprehensive<br>income (loss) of associates<br>and joint ventures which<br>may be reclassified<br>subsequently to profit or loss | 26,494                                       | (12,897)                                             | 13,597                                                 | (181)                | 13,416                                                 |
| Total other comprehensive<br>income (loss)                                                                                                       | <u>\$2,394,057</u>                           | <u>\$(12,489)</u>                                    | <u>\$2,381,568</u>                                     | <u>\$26,061</u>      | <u>\$2,407,629</u>                                     |

#### (24) Income Tax

a. The major components of income tax expense for the three-month and six-month periods ended June 30, 2019 and 2018 were as follows:

i. Income tax expense (benefit) recorded in profit or loss

|                                                                                                         | For the three-month periods<br>ended June 30, |                    |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------|
|                                                                                                         | 2019                                          | 2018               |
| Current income tax expense (benefit):                                                                   |                                               |                    |
| Current income tax charge                                                                               | \$135,199                                     | \$122,915          |
| Adjustments in respect of current income tax of<br>prior periods                                        | (21,888)                                      | (164,848)          |
| Deferred income tax expense (benefit):                                                                  |                                               |                    |
| Deferred income tax related to origination and<br>reversal of temporary differences                     | 177,797                                       | 654,599            |
| Deferred income tax related to recognition and<br>derecognition of tax losses and unused tax<br>credits | (46,899)                                      | (643,091)          |
| Deferred income tax related to changes in tax<br>rates                                                  | -                                             | 21,635             |
| Adjustment of prior year's deferred income tax                                                          | 123,712                                       | 24,574             |
| Deferred income tax arising from write-down or<br>reversal of write-down of deferred tax assets         | (166,406)                                     | (346,523)          |
| Income tax expense (benefit) recorded in profit or<br>loss                                              | <u>\$201,515</u>                              | <u>\$(330,739)</u> |

|                                                                                                      | For the six-month periods<br>ended June 30, |                      |
|------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------|
|                                                                                                      | 2019                                        | 2018                 |
| Current income tax expense (benefit):                                                                |                                             |                      |
| Current income tax charge                                                                            | \$271,331                                   | \$209,216            |
| Adjustments in respect of current income tax of<br>prior periods                                     | (825,341)                                   | (1,117,602)          |
| Deferred income tax expense (benefit):                                                               |                                             |                      |
| Deferred income tax related to origination and<br>reversal of temporary differences                  | 277,491                                     | 1,072,768            |
| Deferred income tax related to recognition and<br>derecognition of tax losses and unused tax credits | (124,226)                                   | (720,645)            |
| Deferred income tax related to changes in tax<br>rates                                               | -                                           | (848,223)            |
| Adjustment of prior year's deferred income tax                                                       | 118,384                                     | (2,820)              |
| Deferred income tax arising from write-down or<br>reversal of write-down of deferred tax assets      | 41,164                                      | (96,381)             |
| Income tax benefit recorded in profit or loss                                                        | <u>\$(241,197)</u>                          | <u>\$(1,503,687)</u> |

ii. Income tax related to components of other comprehensive income (loss)

(i) Items that will not be reclassified subsequently to profit or loss:

|                                                                                                       | For the three-month periods<br>ended June 30, |                 |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------|
|                                                                                                       | 2019                                          | 2018            |
| Unrealized gains or losses on financial assets<br>at fair value through other comprehensive<br>income | \$1,383                                       | \$46,268        |
| Deferred income tax related to changes in tax<br>rates                                                | -                                             | 21,635          |
| Income tax related to items that will not be<br>reclassified subsequently to profit or loss           | <u>\$1,383</u>                                | <u>\$67,903</u> |

|                                                                                                       | For the six-month periods<br>ended June 30, |                 |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------|
|                                                                                                       | 2019                                        | 2018            |
| Unrealized gains or losses on financial assets<br>at fair value through other comprehensive<br>income | \$(10,158)                                  | \$10,768        |
| Deferred income tax related to changes in tax<br>rates                                                | -                                           | 29,118          |
| Income tax related to items that will not be<br>reclassified subsequently to profit or loss           | <u>\$(10,158)</u>                           | <u>\$39,886</u> |

(ii) Items that may be reclassified subsequently to profit or loss:

|                                                                                                                                      | For the three-month periods<br>ended June 30, |                   |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-------------------|
|                                                                                                                                      | 2019                                          | 2018              |
| Exchange differences on translation of foreign operations                                                                            | \$(5,987)                                     | \$(30,646)        |
| Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss | (7,704)                                       | (8,247)           |
| Income tax related to items that may be reclassified subsequently                                                                    | <u>\$(13,691)</u>                             | <u>\$(38,893)</u> |

|                                                                                                                                      | For the six-month periods<br>ended June 30, |                   |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------|
|                                                                                                                                      | 2019                                        | 2018              |
| Exchange differences on translation of foreign operations                                                                            | \$(9,036)                                   | \$(16,432)        |
| Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss | (8,142)                                     | (4,628)           |
| Deferred income tax related to changes in tax rates                                                                                  | -                                           | 7,235             |
| Income tax related to items that may be reclassified subsequently                                                                    | <u>\$(17,178)</u>                           | <u>\$(13,825)</u> |

iii. Deferred income tax charged directly to equity

|                                                     | For the three-month periods<br>ended June 30, |            |
|-----------------------------------------------------|-----------------------------------------------|------------|
|                                                     | 2019                                          | 2018       |
| Deferred income tax related to changes in tax rates | <u>\$-</u>                                    | <u>\$-</u> |

|                                                     | For the six-month periods<br>ended June 30, |                   |
|-----------------------------------------------------|---------------------------------------------|-------------------|
|                                                     | 2019                                        | 2018              |
| Deferred income tax related to changes in tax rates | <u>\$-</u>                                  | <u>\$(56,759)</u> |

- b. The Company is subject to taxation in Taiwan and other foreign jurisdictions. As of June 30, 2019, income tax returns of UMC and its subsidiaries in Taiwan have been examined by the tax authorities through 2014, while in other foreign jurisdictions, relevant tax authorities have completed the examination through 2012.

(25) Earnings Per Share

a. Earnings per share-basic

Basic earnings per share amounts are calculated by dividing the net income for the year attributable to ordinary equity holders of the parent company by the weighted-average number of ordinary shares outstanding during the year. The reciprocal stockholdings held by subsidiaries are deducted from the computation of weighted-average number of shares outstanding.

|                                                                                              | For the three-month periods<br>ended June 30, |                    |
|----------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------|
|                                                                                              | 2019                                          | 2018               |
| Net income attributable to the parent company                                                | <u>\$1,740,476</u>                            | <u>\$3,658,779</u> |
| Weighted-average number of ordinary shares for<br>basic earnings per share (thousand shares) | <u>11,817,658</u>                             | <u>12,048,575</u>  |
| Earnings per share-basic (NTD)                                                               | <u>\$0.15</u>                                 | <u>\$0.30</u>      |
|                                                                                              |                                               |                    |
|                                                                                              | For the six-month periods ended<br>June 30,   |                    |
|                                                                                              | 2019                                          | 2018               |
| Net income attributable to the parent company                                                | <u>\$2,941,923</u>                            | <u>\$7,059,177</u> |
| Weighted-average number of ordinary shares for<br>basic earnings per share (thousand shares) | <u>11,862,931</u>                             | <u>12,125,248</u>  |
| Earnings per share-basic (NTD)                                                               | <u>\$0.25</u>                                 | <u>\$0.58</u>      |

b. Earnings per share-diluted

Diluted earnings per share is calculated by taking basic earnings per share plus the effect of additional common shares that would have been outstanding if the dilutive share equivalents had been issued. The net income attributable to ordinary equity holders of the parent company would be also adjusted for the interest and other income or expenses derived from any underlying dilutive share equivalents, such as convertible bonds. For employees' compensation that may be distributed in shares, the number of shares to be distributed is taken into consideration assuming the distribution will be made entirely in shares when calculating diluted earnings per share.

|                                                                                            | For the three-month periods<br>ended June 30, |                    |
|--------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------|
|                                                                                            | 2019                                          | 2018               |
| Net income attributable to the parent company                                              | \$1,740,476                                   | \$3,658,779        |
| Effect of dilution                                                                         |                                               |                    |
| Unsecured convertible bonds                                                                | 72,095                                        | 70,651             |
| Income attributable to stockholders of the parent                                          | <u>\$1,812,571</u>                            | <u>\$3,729,430</u> |
| Weighted-average number of common stocks for<br>basic earnings per share (thousand shares) | 11,817,658                                    | 12,048,575         |
| Effect of dilution                                                                         |                                               |                    |
| Employees' compensation                                                                    | 18,405                                        | 26,352             |
| Unsecured convertible bonds                                                                | <u>1,243,599</u>                              | <u>1,193,935</u>   |
| Weighted-average number of common stocks after<br>dilution (thousand shares)               | <u>13,079,662</u>                             | <u>13,268,862</u>  |
| Earnings per share-diluted (NTD)                                                           | <u>\$0.14</u>                                 | <u>\$0.28</u>      |

|                                                                                            | For the six-month periods<br>ended June 30, |                    |
|--------------------------------------------------------------------------------------------|---------------------------------------------|--------------------|
|                                                                                            | 2019                                        | 2018               |
| Net income attributable to the parent company                                              | \$2,941,923                                 | \$7,059,177        |
| Effect of dilution                                                                         |                                             |                    |
| Unsecured convertible bonds                                                                | 143,837                                     | 140,958            |
| Income attributable to stockholders of the parent                                          | <u>\$3,085,760</u>                          | <u>\$7,200,135</u> |
| Weighted-average number of common stocks for<br>basic earnings per share (thousand shares) | 11,862,931                                  | 12,125,248         |
| Effect of dilution                                                                         |                                             |                    |
| Employees' compensation                                                                    | 61,105                                      | 52,552             |
| Unsecured convertible bonds                                                                | <u>1,243,599</u>                            | <u>1,193,935</u>   |
| Weighted-average number of common stocks after<br>dilution (thousand shares)               | <u>13,167,635</u>                           | <u>13,371,735</u>  |
| Earnings per share-diluted (NTD)                                                           | <u>\$0.23</u>                               | <u>\$0.54</u>      |

(26) Reconciliation of Liabilities Arising from Financing Activities

For the six-month period ended June 30, 2019:

| Items                                               | January 1,<br>2019 | Cash Flows  | Non-cash changes    |                    | June 30,<br>2019 |
|-----------------------------------------------------|--------------------|-------------|---------------------|--------------------|------------------|
|                                                     |                    |             | Foreign<br>exchange | Others<br>(Note A) |                  |
| Short-term loans                                    | \$13,103,808       | \$3,001,285 | \$96,530            | \$118,250          | \$16,319,873     |
| Long-term loans<br>(current portion<br>included)    | 30,826,215         | (1,735,536) | 345,480             | 1,842              | 29,438,001       |
| Bonds payable (current<br>portion included)         | 41,378,182         | (2,500,000) | -                   | 182,825            | 39,061,007       |
| Guarantee deposits<br>(current portion<br>included) | 665,793            | 205,590     | 1,559               | (619,347)          | 253,595          |
| Lease liabilities                                   | 6,006,457          | (294,255)   | 49,592              | 89,722             | 5,851,516        |
| Other financial<br>liabilities-noncurrent           | 20,410,355         | -           | 220,364             | 193,828            | 20,824,547       |

For the six-month period ended June 30, 2018:

| Items                                               | January 1,<br>2018 | Cash Flows     | Non-cash changes    |                    | June 30,<br>2018 |
|-----------------------------------------------------|--------------------|----------------|---------------------|--------------------|------------------|
|                                                     |                    |                | Foreign<br>exchange | Others<br>(Note A) |                  |
| Short-term loans                                    | \$25,445,540       | \$(13,964,632) | \$(3,424)           | \$142,554          | \$11,620,038     |
| Long-term loans<br>(current portion<br>included)    | 32,165,336         | (455,061)      | 467,808             | 850                | 32,178,933       |
| Bonds payable (current<br>portion included)         | 48,517,631         | (7,500,000)    | -                   | 179,380            | 41,197,011       |
| Guarantee deposits<br>(current portion<br>included) | 564,576            | (41,985)       | 10,869              | -                  | 533,460          |
| Other financial<br>liabilities-noncurrent           | 20,486,119         | -              | 109,453             | 193,404            | 20,788,976       |

Note A: Other non-cash changes mainly consisted of discount amortization measured by the effective interest method.

Note B: Please refer to Note 9(5) for more details on other financial liabilities-noncurrent.

## 7. RELATED PARTY TRANSACTIONS

The following is a summary of transactions between the Company and related parties during the financial reporting periods:

### (1) Name and Relationship of Related Parties

| <u>Name of related parties</u>                | <u>Relationship with the Company</u> |
|-----------------------------------------------|--------------------------------------|
| FARADAY TECHNOLOGY CORP. and its Subsidiaries | Associate                            |
| HSUN CHIEH CAPITAL CORP.                      | Associate                            |
| TRIKNIGHT CAPITAL CORPORATION                 | Associate                            |
| JINING SUNRICH SOLARENERGY CORPORATION        | Joint venture's subsidiary           |
| SILICON INTEGRATED SYSTEMS CORP.              | The Company's director               |
| PHOTRONICS DNP MASK CORPORATION               | Other related parties                |
| UNITEDVISION SEMICONDUCTOR CO., LTD.          | Other related parties                |

### (2) Significant related party transactions

#### a. Operating transactions

##### Operating revenues

|                | <u>For the three-month periods<br/>ended June 30,</u> |                  |
|----------------|-------------------------------------------------------|------------------|
|                | <u>2019</u>                                           | <u>2018</u>      |
| Associates     | \$396,436                                             | \$328,073        |
| Joint ventures | -                                                     | 1,078            |
| Others         | 11,673                                                | 5,892            |
| Total          | <u>\$408,109</u>                                      | <u>\$335,043</u> |

  

|                | <u>For the six-month periods<br/>ended June 30,</u> |                  |
|----------------|-----------------------------------------------------|------------------|
|                | <u>2019</u>                                         | <u>2018</u>      |
| Associates     | \$610,769                                           | \$505,140        |
| Joint ventures | -                                                   | 4,277            |
| Others         | 13,674                                              | 9,098            |
| Total          | <u>\$624,443</u>                                    | <u>\$518,515</u> |

Accounts receivable, net

|            | As of            |                      |                  |
|------------|------------------|----------------------|------------------|
|            | June 30,<br>2019 | December 31,<br>2018 | June 30,<br>2018 |
| Associates | \$266,634        | \$134,646            | \$276,480        |
| Others     | 9,714            | 4,266                | 5,002            |
| Total      | <u>\$276,348</u> | <u>\$138,912</u>     | <u>281,482</u>   |

The sales price to the above related parties was determined through mutual agreement in reference to market conditions. The collection period for domestic sales to related parties were month-end 30~60 days, while the collection period for overseas sales was net 30~60 days.

Refund liabilities (classified under other current liabilities)

|            | As of            |                      |                  |
|------------|------------------|----------------------|------------------|
|            | June 30,<br>2019 | December 31,<br>2018 | June 30,<br>2018 |
| Associates | \$8,768          | \$1,287              | \$2,097          |
| Others     | 30               | 71                   | 68               |
| Total      | <u>\$8,798</u>   | <u>\$1,358</u>       | <u>\$2,165</u>   |

b. Significant asset transactions

Acquisition of financial assets at fair value through profit or loss – noncurrent

|            | Trading Volume<br>(In thousands<br>of shares) | Transaction<br>underlying                | Purchase price                                    |
|------------|-----------------------------------------------|------------------------------------------|---------------------------------------------------|
|            |                                               |                                          | For the three-month period<br>ended June 30, 2019 |
| Associates | 500                                           | MATERIALS<br>ANALYSIS<br>TECHNOLOGY INC. | <u>\$32,923</u>                                   |

|            | Trading Volume<br>(In thousands<br>of shares) | Transaction<br>underlying                | Purchase price                                  |
|------------|-----------------------------------------------|------------------------------------------|-------------------------------------------------|
|            |                                               |                                          | For the six-month period<br>ended June 30, 2019 |
| Associates | 500                                           | MATERIALS<br>ANALYSIS<br>TECHNOLOGY INC. | <u>\$32,923</u>                                 |

For the three-month and six-month periods ended June 30, 2018: None.

Acquisition of intangible assets

|            | Purchase price                             |                 |
|------------|--------------------------------------------|-----------------|
|            | For the three-month periods ended June 30, |                 |
|            | 2019                                       | 2018            |
|            | <u>\$138,429</u>                           | <u>\$96,833</u> |
| Associates |                                            |                 |

|            | Purchase price                           |                  |
|------------|------------------------------------------|------------------|
|            | For the six-month periods ended June 30, |                  |
|            | 2019                                     | 2018             |
|            | <u>\$179,740</u>                         | <u>\$107,002</u> |
| Associates |                                          |                  |

Acquisition of investments accounted for under the equity method

For the three-month and six-month periods ended June 30, 2019: None.

|            | Trading Volume<br>(In thousands<br>of shares) | Transaction<br>underlying | Purchase price                                 |
|------------|-----------------------------------------------|---------------------------|------------------------------------------------|
|            |                                               |                           | For the three-month period ended June 30, 2018 |
|            |                                               |                           |                                                |
|            |                                               |                           | <u>\$840,000</u>                               |
| Associates | 84,000                                        | Stock                     |                                                |

|            | Trading Volume<br>(In thousands<br>of shares) | Transaction<br>underlying | Purchase price                               |
|------------|-----------------------------------------------|---------------------------|----------------------------------------------|
|            |                                               |                           | For the six-month period ended June 30, 2018 |
|            |                                               |                           |                                              |
|            |                                               |                           | <u>\$840,000</u>                             |
| Associates | 84,000                                        | Stock                     |                                              |

c. Others

Mask expenditure

|        | For the three-month periods ended June 30, |                  |
|--------|--------------------------------------------|------------------|
|        | 2019                                       | 2018             |
|        | <u>\$623,759</u>                           | <u>\$364,079</u> |
|        |                                            |                  |
| Others |                                            |                  |

|        | For the six-month periods ended June 30, |                  |
|--------|------------------------------------------|------------------|
|        | 2019                                     | 2018             |
|        | <u>\$1,145,263</u>                       | <u>\$834,029</u> |
|        |                                          |                  |
| Others |                                          |                  |

Other payables of mask expenditure

|        | As of            |                      |                  |
|--------|------------------|----------------------|------------------|
|        | June 30,<br>2019 | December 31,<br>2018 | June 30,<br>2018 |
| Others | \$690,663        | \$571,036            | \$463,551        |

d. Key management personnel compensation

|                              | For the three-month periods<br>ended June 30, |          |
|------------------------------|-----------------------------------------------|----------|
|                              | 2019                                          | 2018     |
| Short-term employee benefits | \$56,198                                      | \$56,467 |
| Post-employment benefits     | 684                                           | 364      |
| Share-based payment          | 19,482                                        | 17       |
| Others                       | 148                                           | 71       |
| Total                        | \$76,512                                      | \$56,919 |

|                              | For the six-month periods<br>ended June 30, |           |
|------------------------------|---------------------------------------------|-----------|
|                              | 2019                                        | 2018      |
| Short-term employee benefits | \$130,726                                   | \$138,872 |
| Post-employment benefits     | 1,270                                       | 1,443     |
| Termination benefits         | 3,415                                       | -         |
| Share-based payment          | 38,750                                      | 33        |
| Others                       | 295                                         | 140       |
| Total                        | \$174,456                                   | \$140,488 |

8. ASSETS PLEDGED AS COLLATERAL

As of June 30, 2019, December 31, 2018 and June 30, 2018

|                                                           | Carrying Amount  |                      |                  | Party to which asset(s)<br>was pledged | Purpose of pledge         |
|-----------------------------------------------------------|------------------|----------------------|------------------|----------------------------------------|---------------------------|
|                                                           | As of            |                      |                  |                                        |                           |
|                                                           | June 30,<br>2019 | December 31,<br>2018 | June 30,<br>2018 |                                        |                           |
| Refundable Deposits<br>(Bank deposit and<br>Time deposit) | \$964,220        | \$961,198            | \$965,482        | Customs                                | Customs duty<br>guarantee |

|                                       | Carrying Amount  |                      |                  | Party to which asset(s)<br>was pledged                                                                                            | Purpose of pledge                                                       |
|---------------------------------------|------------------|----------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
|                                       | As of            |                      |                  |                                                                                                                                   |                                                                         |
|                                       | June 30,<br>2019 | December 31,<br>2018 | June 30,<br>2018 |                                                                                                                                   |                                                                         |
| Refundable Deposits<br>(Time deposit) | \$237,358        | \$237,358            | \$237,358        | Science Park Administration                                                                                                       | Collateral for land lease                                               |
| Refundable Deposits<br>(Time deposit) | 19,510           | 19,579               | 19,579           | Science Park Administration                                                                                                       | Collateral for dormitory lease                                          |
| Refundable Deposits<br>(Time deposit) | -                | -                    | 800              | Science Park Administration                                                                                                       | Industry-university cooperative research project performance guarantees |
| Refundable Deposits<br>(Time deposit) | 37,084           | 37,084               | 38,115           | Liquefied Natural Gas Business Division, CPC Corporation, Taiwan                                                                  | Energy resources guarantee                                              |
| Refundable Deposits<br>(Time deposit) | 1,000,000        | 1,000,000            | 1,000,000        | Bank of China                                                                                                                     | Bank performance guarantee                                              |
| Buildings                             | 5,756,752        | 5,823,938            | 6,083,539        | Taiwan Cooperative Bank and Secured Syndicated Loans from China Development Bank and 6 others                                     | Collateral for long-term loans                                          |
| Machinery and equipment               | 23,078,344       | 25,762,086           | 29,632,813       | Taiwan Cooperative Bank, Mega International Commercial Bank and Secured Syndicated Loans from China Development Bank and 6 others | Collateral for long-term loans                                          |
| Right-of-use assets                   | 309,117          | -                    | -                | Secured Syndicated Loans from China Development Bank and 6 others                                                                 | Collateral for long-term loans                                          |
| Other noncurrent assets               | -                | 309,108              | 321,321          | Secured Syndicated Loans from China Development Bank and 6 others                                                                 | Collateral for long-term loans                                          |
| Total                                 | \$31,402,385     | \$34,150,351         | \$38,299,007     |                                                                                                                                   |                                                                         |

## 9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

- (1) As of June 30, 2019, amounts available under unused letters of credit for importing machinery and equipment was NT\$0.2 billion.
- (2) As of June 30, 2019, the Company entrust financial institutes to open performance guarantee, mainly related to the litigations and customs tax guarantee, amounted to NT\$1.5 billion.
- (3) The Company entered into several patent license agreements and development contracts of intellectual property for a total contract amount of approximately NT\$12.3 billion. As of June 30, 2019, the portion of royalties and development fees not yet recognized was NT\$1.2 billion.
- (4) The Company entered into several construction contracts for the expansion of its operations. As of June 30, 2019, these construction contracts amounted to approximately NT\$1.9 billion and the portion of the contracts not yet recognized was approximately NT\$0.6 billion.
- (5) The Board of Directors of UMC resolved in October 2014 to participate in a 3-way agreement with Xiamen Municipal People's Government and FUJIAN ELECTRONIC & INFORMATION GROUP to form a company which will focus on 12" wafer foundry services. As of June 30, 2019, the Company obtained R.O.C. government authority's approval for the investment and invested RMB 8.3 billion in USCXM, representing ownership interest of 65.22%. Furthermore, based on the agreement, UMC recognized a financial liability in other noncurrent liabilities-others for the purchase from the other investors of their investments in USCXM at their original investment cost plus interest totally amounting to RMB 4.9 billion, beginning from the seventh year (2022) following the last instalment payment made by the other investors. Accordingly, the Company recognizes non-controlling interests as required by IFRS 10 during the reporting period. At the end of each reporting period, the Company recognizes a financial liability for its commitment to the other investors in accordance with IFRS 9, at the same time derecognizing the non-controlling interests. Any difference between the financial liability and the non-controlling interests balance is recognized in equity.

(6) On August 31, 2017, the Taichung District Prosecutors Office indicted UMC based on the Trade Secret Act of R.O.C., alleging that employees of UMC misappropriated the trade secrets of MICRON TECHNOLOGY INC. (“MICRON”). On December 5, 2017, MICRON filed a civil action with similar cause against UMC with the United States District Court, Northern District of California. MICRON claimed entitlement to the actual damages, treble damages and relevant fees and requested the court to issue an order that enjoins UMC from using its trade secrets in question. The case is currently in progress and UMC has appointed counsels to prepare answers against these charges.

On January 12, 2018, UMC filed three patent infringement actions with the Fuzhou Intermediate People’s Court against, among others, MICRON (XI’AN) CO., LTD. and MICRON (SHANGHAI) TRADING CO., LTD., requesting the court to order the defendants to stop manufacturing, processing, importing, selling, and committing to sell the products deploying the infringing patents in questions, and also to destroy all inventories and related molds and tools. On July 3, 2018, the Fuzhou Intermediate People’s Court ruled against the aforementioned two defendants, holding that the two defendants must immediately cease to manufacture, sell, and import products that infringe the patent rights of UMC. The lawsuit filed by UMC is still on trial.

On November 1, 2018, the Department of Justice of the United States (“DOJ”) unsealed an indictment against UMC, FUJIAN JINHUA INTEGRATED CIRCUIT CO., LTD. (“JINHUA”), and three individuals, including one current employee and two former employees of UMC, alleging that UMC and others conspired to steal trade secrets of MICRON, and used that information to develop technology that was subsequently transferred to JINHUA. On the same day, the DOJ filed a civil complaint enjoining the aforementioned defendants from exporting to the United States any products containing DRAM manufactured by UMC or JINHUA and preventing the defendants from transferring the trade secrets to anyone else. The indictment and civil complaint are still on trial. UMC has suspended the joint technology development activities with JINHUA and appointed counsel to prepare answers against these charges. Given these litigations are still in the preliminary stages, UMC cannot assess the legal proceeding and probable outcome or impact.

#### 10. SIGNIFICANT DISASTER LOSS

None.

#### 11. SIGNIFICANT SUBSEQUENT EVENTS

None.

## 12. OTHERS

### (1) Categories of financial instruments

|                                                                   | As of                |                      |                      |
|-------------------------------------------------------------------|----------------------|----------------------|----------------------|
|                                                                   | June 30,<br>2019     | December 31,<br>2018 | June 30,<br>2018     |
| <u>Financial Assets</u>                                           |                      |                      |                      |
| Financial assets at fair value through profit or loss             | \$ 12,725,355        | \$12,084,297         | \$14,174,467         |
| Financial assets at fair value through other comprehensive income | 14,378,666           | 11,585,477           | 11,366,652           |
| Financial assets measured at amortized cost                       |                      |                      |                      |
| Cash and cash equivalents (excludes cash on hand)                 | 90,349,721           | 83,655,648           | 75,186,386           |
| Receivables                                                       | 25,607,050           | 24,583,451           | 28,065,532           |
| Refundable deposits                                               | 2,687,474            | 2,757,399            | 2,831,954            |
| Other financial assets                                            | 1,945,009            | 2,320,037            | 1,500,450            |
| Total                                                             | <u>\$147,693,275</u> | <u>\$136,986,309</u> | <u>\$133,125,441</u> |
| <u>Financial Liabilities</u>                                      |                      |                      |                      |
| Financial liabilities at fair value through profit or loss        | \$-                  | \$-                  | \$39,431             |
| Financial liabilities measured at amortized cost                  |                      |                      |                      |
| Short-term loans                                                  | 16,319,873           | 13,103,808           | 11,620,038           |
| Payables                                                          | 29,783,072           | 23,465,536           | 32,237,475           |
| Guarantee deposits (current portion included)                     | 253,595              | 665,793              | 533,460              |
| Bonds payable (current portion included)                          | 39,061,007           | 41,378,182           | 41,197,011           |
| Long-term loans (current portion included)                        | 29,438,001           | 30,826,215           | 32,178,933           |
| Lease liabilities (Note)                                          | 5,851,516            | -                    | -                    |
| Other financial liabilities                                       | 20,824,547           | 20,523,099           | 20,788,976           |
| Total                                                             | <u>\$141,531,611</u> | <u>\$129,962,633</u> | <u>\$138,595,324</u> |

Note: The Company adopted IFRS 16 on January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

## (2) Financial risk management objectives and policies

The Company's risk management objectives are to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies, measures and manages the aforementioned risks based on policy and risk preference.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant financial activities, approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

## (3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise currency risk, interest rate risk and other price risk (such as equity price risk).

### Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company applies natural hedges on the foreign currency risk arising from purchases or sales, and utilizes spot or forward exchange contracts to manage foreign currency risk and the net effect of the risks related to monetary financial assets and liabilities is minor. The notional amounts of the foreign currency contracts are the same as the amount of the hedged items. In principle, the Company does not carry out any forward exchange contracts for uncertain commitments. The Company designates certain forward currency contracts as cash flow hedges to hedge its exposure to foreign currency exchange risk associated with certain highly probable forecast transactions. On the basis of assessment, the Company expects that the value of forward currency exchange contracts and the value of the hedged transactions will change systematically in opposite directions for given changes in foreign exchange rates. Hedge ineffectiveness in these hedging relationships mainly arises from the counterparties' credit risk, impacting the fair value movements of the hedging instruments and hedged items. No other sources of ineffectiveness emerged from these hedging relationships. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The company designated certain forward exchange contracts, amounting to JPY 23 billion, to partially hedge foreign currency exchange rate risks associated with the highly probable purchase of the remaining outstanding shares of MIFS in JPY. The Company discontinued hedge accounting when the hedging instrument expired prior to December 31, 2018. The cash flow hedge reserve in other components of equity amounted to NT\$(2) million as of June 30, 2019.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. When NTD strengthens/weakens against USD by 10%, the profit for the six-month periods ended June 30, 2019 and 2018 decreases/increases by NT\$1,214 million and NT\$936 million, respectively. When RMB strengthens/weakens against USD by 10%, the profit for the six-month periods ended June 30, 2019 and 2018 increases/decreases by NT\$2,582 million and NT\$3,283 million, respectively.

#### Interest rate risk

The Company is exposed to interest rate risk arising from borrowing at floating interest rates. All of the Company's bonds have fixed interest rates and are measured at amortized cost. As such, changes in interest rates would not affect the future cash flows. On the other hand, as the interest rates of the Company's short-term and long-term bank loans are floating, changes in interest rates would affect the future cash flows but not the fair value. Please refer to Note 6(10), 6(12) and 6(13) for the range of interest rates of the Company's bonds and bank loans.

At the reporting dates, a change of 10 basis points of interest rate in a reporting period could cause the profit for the six-month periods ended June 30, 2019 and 2018 to decrease/increase by NT\$23 million and NT\$22 million, respectively.

#### Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future performance of equity markets. The Company's equity investments are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

The sensitivity analysis for the equity instruments is based on the change in fair value as of the reporting date. A change of 5% in the price of the aforementioned financial assets at fair value through profit or loss of listed companies could increase/decrease the Company's profit for the six-month periods ended June 30, 2019 and 2018 by NT\$207 million and NT\$231 million, respectively. A change of 5% in the price of the aforementioned financial assets at fair value through other comprehensive income of listed companies could increase/decrease the Company's other comprehensive income for the six-month periods ended June 30, 2019 and 2018 by NT\$555 million and NT\$370 million.

#### (4) Credit risk management

The Company only trades with approved and creditworthy third parties. Where the Company trades with third parties which have less credit, it will request collateral from them. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, notes and accounts receivable balances are monitored on an ongoing basis to decrease the credit risk.

The Company mitigates the credit risks from financial institutions by limiting its counter parties to only reputable domestic or international financial institutions with good credit standing and spreading its holdings among various financial institutions. The Company's exposure to credit risk arising from the default of counter-parties is limited to the carrying amount of these instruments.

As of June 30, 2019, December 31, 2018 and June 30, 2018, accounts receivable from the top ten customers represent 54%, 54% and 50% of the total accounts receivable of the Company, respectively. The credit concentration risk of other accounts receivable is insignificant.

#### (5) Liquidity risk management

The Company's objectives are to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, bank loans, bonds and lease.

The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity:

|                                         | As of June 30, 2019 |                     |                     |                     |                      |
|-----------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
|                                         | Less than<br>1 year | 2 to 3<br>years     | 4 to 5<br>years     | > 5 years           | Total                |
| Non-derivative<br>financial liabilities |                     |                     |                     |                     |                      |
| Short-term loans                        | \$16,473,418        | \$-                 | \$-                 | \$-                 | \$16,473,418         |
| Payables                                | 29,430,955          | 207,124             | -                   | -                   | 29,638,079           |
| Guarantee<br>deposits                   | 25,120              | 162,558             | -                   | 65,917              | 253,595              |
| Bonds payable                           | 21,058,342          | 8,647,514           | 7,348,435           | 3,409,811           | 40,464,102           |
| Long-term loans                         | 4,112,425           | 12,931,923          | 13,176,935          | 4,713,902           | 34,935,185           |
| Lease liabilities                       | 633,355             | 1,237,542           | 1,154,811           | 4,026,394           | 7,052,102            |
| Other financial<br>liabilities          | -                   | 13,251,273          | 8,834,497           | -                   | 22,085,770           |
| Total                                   | <u>\$71,733,615</u> | <u>\$36,437,934</u> | <u>\$30,514,678</u> | <u>\$12,216,024</u> | <u>\$150,902,251</u> |

| As of December 31, 2018 |                     |                     |                     |                     |                      |
|-------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
|                         | Less than<br>1 year | 2 to 3<br>years     | 4 to 5<br>years     | > 5 years           | Total                |
| Non-derivative          |                     |                     |                     |                     |                      |
| financial liabilities   |                     |                     |                     |                     |                      |
| Short-term loans        | \$13,171,811        | \$-                 | \$-                 | \$-                 | \$13,171,811         |
| Payables                | 22,994,059          | 199,788             | -                   | -                   | 23,193,847           |
| Guarantee               | 52,890              | 154,787             | 15,385              | 442,731             | 665,793              |
| deposits                |                     |                     |                     |                     |                      |
| Bonds payable           | 3,000,855           | 23,187,913          | 8,484,393           | 8,563,021           | 43,236,182           |
| Long-term loans         | 4,036,260           | 10,997,829          | 17,209,849          | 4,765,719           | 37,009,657           |
| Other financial         | 112,744             | -                   | 17,477,984          | 4,369,730           | 21,960,458           |
| liabilities             |                     |                     |                     |                     |                      |
| Total                   | <u>\$43,368,619</u> | <u>\$34,540,317</u> | <u>\$43,187,611</u> | <u>\$18,141,201</u> | <u>\$139,237,748</u> |
| As of June 30, 2018     |                     |                     |                     |                     |                      |
|                         | Less than<br>1 year | 2 to 3<br>years     | 4 to 5<br>years     | > 5 years           | Total                |
| Non-derivative          |                     |                     |                     |                     |                      |
| financial liabilities   |                     |                     |                     |                     |                      |
| Short-term loans        | \$11,719,801        | \$-                 | \$-                 | \$-                 | \$11,719,801         |
| Payables                | 31,927,272          | -                   | -                   | 109,075             | 32,036,347           |
| Guarantee               | 20,988              | 41,218              | 30,530              | 440,724             | 533,460              |
| deposits                |                     |                     |                     |                     |                      |
| Bonds payable           | 2,913,800           | 23,223,663          | 8,529,443           | 8,626,496           | 43,293,402           |
| Long-term loans         | 3,823,343           | 8,793,840           | 13,601,800          | 12,697,807          | 38,916,790           |
| Other financial         | -                   | -                   | 17,967,694          | 4,492,164           | 22,459,858           |
| liabilities             |                     |                     |                     |                     |                      |
| Total                   | <u>\$50,405,204</u> | <u>\$32,058,721</u> | <u>\$40,129,467</u> | <u>\$26,366,266</u> | <u>\$148,959,658</u> |
| Derivative financial    |                     |                     |                     |                     |                      |
| liabilities             |                     |                     |                     |                     |                      |
| Forward exchange        |                     |                     |                     |                     |                      |
| contracts               |                     |                     |                     |                     |                      |
| Net settlement          |                     |                     |                     |                     |                      |
| -outflow                | <u>\$(39,431)</u>   | <u>\$-</u>          | <u>\$-</u>          | <u>\$-</u>          | <u>\$(39,431)</u>    |

(6) Foreign currency risk management

UMC entered into forward exchange contracts for hedging the exchange rate risk arising from the net monetary assets or liabilities denominated in foreign currency. The details of forward exchange contracts entered into by UMC are summarized as follows:

As of June 30, 2019

| Type                       | Notional Amount     | Contract Period            |
|----------------------------|---------------------|----------------------------|
| Forward exchange contracts | Sell USD 20 million | June 13, 2019~July 3, 2019 |

As of December 31, 2018

| Type                       | Notional Amount     | Contract Period                   |
|----------------------------|---------------------|-----------------------------------|
| Forward exchange contracts | Sell USD 28 million | December 10, 2018~January 7, 2019 |

As of June 30, 2018

| Type                       | Notional Amount      | Contract Period             |
|----------------------------|----------------------|-----------------------------|
| Forward exchange contracts | Sell USD 138 million | June 14, 2018~July 10, 2018 |

(7) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

a. Assets and liabilities measured and recorded at fair value on a recurring basis:

|                                                                               | As of June 30, 2019 |          |           |            |
|-------------------------------------------------------------------------------|---------------------|----------|-----------|------------|
|                                                                               | Level 1             | Level 2  | Level 3   | Total      |
| Financial assets:                                                             |                     |          |           |            |
| Financial assets at fair value through profit or loss, current                | \$572,129           | \$41,375 | \$-       | \$613,504  |
| Financial assets at fair value through profit or loss, noncurrent             | 4,114,185           | 39,612   | 7,958,054 | 12,111,851 |
| Financial assets at fair value through other comprehensive income, noncurrent | 11,106,286          | -        | 3,272,380 | 14,378,666 |

|                                                                               | As of December 31, 2018 |          |           |            |
|-------------------------------------------------------------------------------|-------------------------|----------|-----------|------------|
|                                                                               | Level 1                 | Level 2  | Level 3   | Total      |
| Financial assets:                                                             |                         |          |           |            |
| Financial assets at fair value through profit or loss, current                | \$493,481               | \$34,969 | \$-       | \$528,450  |
| Financial assets at fair value through profit or loss, noncurrent             | 3,612,243               | 44,597   | 7,899,007 | 11,555,847 |
| Financial assets at fair value through other comprehensive income, noncurrent | 8,166,277               | -        | 3,419,200 | 11,585,477 |

|                                                                               | As of June 30, 2018 |          |           |            |
|-------------------------------------------------------------------------------|---------------------|----------|-----------|------------|
|                                                                               | Level 1             | Level 2  | Level 3   | Total      |
| Financial assets:                                                             |                     |          |           |            |
| Financial assets at fair value through profit or loss, current                | \$383,725           | \$30,276 | \$56,382  | \$470,383  |
| Financial assets at fair value through profit or loss, noncurrent             | 4,526,763           | 42,497   | 9,134,824 | 13,704,084 |
| Financial assets at fair value through other comprehensive income, noncurrent | 7,390,012           | -        | 3,976,640 | 11,366,652 |
| Financial liabilities:                                                        |                     |          |           |            |
| Financial liabilities at fair value through profit or loss, current           | -                   | 39,431   | -         | 39,431     |

Fair values of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income that are categorized into level 1 are based on the quoted market prices in active markets. If there is no active market, the Company estimates the fair value by using the valuation techniques (income approach and market approach) in consideration of cash flow forecast, recent fund raising activities, valuation of similar companies, individual company's development, market conditions and other economic indicators. If there are restrictions on the sale or transfer of a financial asset, which are a characteristic of the asset, the fair value of the asset will be determined based on similar but unrestricted financial assets' quoted market price with appropriate discounts for the restrictions. To measure fair values, if the lowest level input that is significant to the fair value measurement is directly or indirectly observable, then the financial assets are classified as Level 2 of the fair value hierarchy, otherwise as Level 3.

During the six-month periods ended June 30, 2019 and 2018, there were no significant transfers between Level 1 and Level 2 fair value measurements.

Reconciliations for fair value measurement in Level 3 fair value hierarchy were as follows:

|                                                 | Financial assets at fair value through profit or loss |                    |                    |                    |                    | Financial assets at fair value through other comprehensive income |                  |                    |
|-------------------------------------------------|-------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------------------------------------------------------|------------------|--------------------|
|                                                 | Option                                                | Common             | Preferred          | Funds              | Total              | Common                                                            | Preferred        | Total              |
|                                                 |                                                       | stock              | stock              |                    |                    | stock                                                             | stock            |                    |
| As of January 1, 2019                           | \$-                                                   | \$3,077,691        | \$2,971,528        | \$1,849,788        | \$7,899,007        | \$3,235,174                                                       | \$184,026        | \$3,419,200        |
| Recognized in profit (loss)                     | -                                                     | (24,532)           | 170,987            | (38,086)           | 108,369            | -                                                                 | -                | -                  |
| Recognized in other comprehensive income (loss) | -                                                     | -                  | -                  | -                  | -                  | (119,449)                                                         | (27,371)         | (146,820)          |
| Acquisition                                     | -                                                     | 71,176             | -                  | 125,000            | 196,176            | -                                                                 | -                | -                  |
| Disposal                                        | -                                                     | (1,475)            | (280,029)          | -                  | (281,504)          | -                                                                 | -                | -                  |
| Exchange effect                                 | -                                                     | 6,779              | 16,737             | 12,490             | 36,006             | -                                                                 | -                | -                  |
| As of June 30, 2019                             | <u>\$-</u>                                            | <u>\$3,129,639</u> | <u>\$2,879,223</u> | <u>\$1,949,192</u> | <u>\$7,958,054</u> | <u>\$3,115,725</u>                                                | <u>\$156,655</u> | <u>\$3,272,380</u> |

|                                                 | Financial assets at fair value through profit or loss |                    |                    |                    |                    | Financial assets at fair value through other comprehensive income |                  |                    |
|-------------------------------------------------|-------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------------------------------------------------------|------------------|--------------------|
|                                                 | Option                                                | Common             | Preferred          | Funds              | Total              | Common                                                            | Preferred        | Total              |
|                                                 |                                                       | stock              | stock              |                    |                    | stock                                                             | stock            |                    |
| As of January 1, 2018                           | \$31,605                                              | \$3,832,537        | \$2,994,294        | \$1,183,940        | \$8,042,376        | \$3,350,694                                                       | \$233,326        | \$3,584,020        |
| Recognized in profit (loss)                     | 24,777                                                | 39,048             | 32,441             | 121,467            | 217,733            | -                                                                 | -                | -                  |
| Recognized in other comprehensive income (loss) | -                                                     | -                  | -                  | -                  | -                  | 397,934                                                           | (5,314)          | 392,620            |
| Acquisition                                     | -                                                     | 95,451             | 569,112            | 412,085            | 1,076,648          | -                                                                 | -                | -                  |
| Disposal                                        | -                                                     | (587)              | (219,909)          | -                  | (220,496)          | -                                                                 | -                | -                  |
| Return of capital                               | -                                                     | (16)               | -                  | -                  | (16)               | -                                                                 | -                | -                  |
| Exchange effect                                 | -                                                     | 16,009             | 41,976             | 16,976             | 74,961             | -                                                                 | -                | -                  |
| As of June 30, 2018                             | <u>\$56,382</u>                                       | <u>\$3,982,442</u> | <u>\$3,417,914</u> | <u>\$1,734,468</u> | <u>\$9,191,206</u> | <u>\$3,748,628</u>                                                | <u>\$228,012</u> | <u>\$3,976,640</u> |

Recognized as part of profit (loss) above, the profit (loss) from financial assets still held by the Company as of June 30, 2019 and 2018 was NT\$2 million and NT\$269 million, respectively.

Recognized as part of other comprehensive income (loss) above, the income (loss) from financial assets still held by the Company as of June 30, 2019 and 2018 was NT\$(147) million and NT\$393 million, respectively.

The Company's policy to recognize the transfer into and out of fair value hierarchy levels is based on the event or changes in circumstances that caused the transfer.

Significant unobservable inputs of fair value measurement in Level 3 fair value hierarchy were as follow:

| As of June 30, 2019           |                     |                                    |                          |                                                                                                |                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------|---------------------|------------------------------------|--------------------------|------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category of equity securities | Valuation technique | Significant unobservable inputs    | Quantitative information | Interrelationship between inputs and fair value                                                | Sensitivity analysis of interrelationship between inputs and fair value                                                                                                                                                                                                                                                                                                  |
| Unlisted stock                | Market Approach     | Discount for lack of marketability | 0%~50%                   | The greater degree of lack of marketability, the lower the estimated fair value is determined. | A change of 5% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's profit or loss for the six-month period ended June 30, 2019 by NT\$279 million and NT\$222 million, respectively. Other comprehensive income (loss) for the six-month period ended June 30, 2019 by NT\$226 million. |

| As of June 30, 2018           |                     |                                    |                          |                                                                                                |                                                                                                                                                                                                                                                                                                                |
|-------------------------------|---------------------|------------------------------------|--------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category of equity securities | Valuation technique | Significant unobservable inputs    | Quantitative information | Interrelationship between inputs and fair value                                                | Sensitivity analysis of interrelationship between inputs and fair value                                                                                                                                                                                                                                        |
| Unlisted stock                | Market Approach     | Discount for lack of marketability | 10%~50%                  | The greater degree of lack of marketability, the lower the estimated fair value is determined. | A change of 5% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's profit or loss and other comprehensive income (loss) for the six-month period ended June 30, 2018 by NT\$400 million and by NT\$290 million, respectively. |

b. Assets and liabilities not recorded at fair value but for which fair value is disclosed:

The fair value of bonds payable is estimated by the market price or using a valuation model. The model uses market-based observable inputs including share price, volatility, credit spread and risk-free interest rates. The fair value of long-term loans is determined using discounted cash flow model, based on the Company's current incremental borrowing rates of similar loans.

The fair values of the Company's short-term financial instruments including cash and cash equivalents, receivables, refundable deposits, other financial assets-current, short-term loans, payables and guarantee deposits approximate their carrying amount due to their maturities within one year.

As of June 30, 2019

| Items                                      | Fair value   | Fair value measurements during<br>reporting period using |              |         | Carrying<br>amount |
|--------------------------------------------|--------------|----------------------------------------------------------|--------------|---------|--------------------|
|                                            |              | Level 1                                                  | Level 2      | Level 3 |                    |
| Bonds payables (current portion included)  | \$39,296,554 | \$21,365,226                                             | \$17,931,328 | \$-     | \$39,061,007       |
| Long-term loans (current portion included) | 29,438,001   | -                                                        | 29,438,001   | -       | 29,438,001         |

As of December 31, 2018

| Items                                      | Fair value   | Fair value measurements during<br>reporting period using |              |         | Carrying<br>amount |
|--------------------------------------------|--------------|----------------------------------------------------------|--------------|---------|--------------------|
|                                            |              | Level 1                                                  | Level 2      | Level 3 |                    |
| Bonds payables (current portion included)  | \$41,714,368 | \$23,929,019                                             | \$17,785,349 | \$-     | \$41,378,182       |
| Long-term loans (current portion included) | 30,826,215   | -                                                        | 30,826,215   | -       | 30,826,215         |

As of June 30, 2018

| Items                                      | Fair value   | Fair value measurements during<br>reporting period using |              |         | Carrying<br>amount |
|--------------------------------------------|--------------|----------------------------------------------------------|--------------|---------|--------------------|
|                                            |              | Level 1                                                  | Level 2      | Level 3 |                    |
| Bonds payables (current portion included)  | \$42,085,824 | \$23,971,961                                             | \$18,113,863 | \$-     | \$41,197,011       |
| Long-term loans (current portion included) | 32,178,933   | -                                                        | 32,178,933   | -       | 32,178,933         |

(8) Significant financial assets and liabilities denominated in foreign currencies

|                               | As of         |          |              |                   |          |              |
|-------------------------------|---------------|----------|--------------|-------------------|----------|--------------|
|                               | June 30, 2019 |          |              | December 31, 2018 |          |              |
|                               | Foreign       |          |              | Foreign           |          |              |
|                               | Currency      | Exchange | NTD          | Currency          | Exchange | NTD          |
|                               | (thousand)    | Rate     | (thousand)   | (thousand)        | Rate     | (thousand)   |
| <u>Financial Assets</u>       |               |          |              |                   |          |              |
| <u>Monetary items</u>         |               |          |              |                   |          |              |
| USD                           | \$1,582,778   | 31.01    | \$49,081,928 | \$1,536,283       | 30.67    | \$47,117,775 |
| JPY                           | 19,222,097    | 0.2867   | 5,510,975    | 19,954,240        | 0.2764   | 5,515,352    |
| EUR                           | 4,397         | 35.18    | 154,676      | 2,669             | 35.01    | 93,450       |
| SGD                           | 38,942        | 22.88    | 891,003      | 34,325            | 22.41    | 769,217      |
| RMB                           | 4,401,978     | 4.50     | 19,791,298   | 4,089,229         | 4.45     | 18,184,800   |
| <u>Non-Monetary items</u>     |               |          |              |                   |          |              |
| USD                           | 213,225       | 31.01    | 6,612,112    | 215,146           | 30.67    | 6,598,528    |
| JPY                           | 7,889,976     | 0.2867   | 2,262,056    | 8,466,263         | 0.2764   | 2,340,075    |
| SGD                           | 6,847         | 22.88    | 156,655      | 8,212             | 22.41    | 184,025      |
| RMB                           | 48,976        | 4.50     | 220,195      | 49,506            | 4.45     | 220,152      |
| <u>Financial Liabilities</u>  |               |          |              |                   |          |              |
| <u>Monetary items</u>         |               |          |              |                   |          |              |
| USD                           | 313,072       | 31.11    | 9,739,613    | 322,705           | 30.77    | 9,929,626    |
| JPY                           | 2,654,582     | 0.2908   | 771,952      | 3,875,144         | 0.2805   | 1,086,978    |
| EUR                           | 6,008         | 35.58    | 213,776      | 13,721            | 35.41    | 485,880      |
| SGD                           | 86,482        | 23.06    | 1,994,282    | 39,650            | 22.59    | 895,677      |
| RMB                           | 15,229,104    | 4.55     | 69,231,507   | 14,332,554        | 4.50     | 64,453,497   |
| <u>The exchange gain</u>      |               |          |              |                   |          |              |
| <u>or loss from</u>           |               |          |              |                   |          |              |
| <u>monetary financial</u>     |               |          |              |                   |          |              |
| <u>assets and liabilities</u> |               |          |              |                   |          |              |
| USD                           |               |          | 266,937      |                   |          | 635,992      |
| JPY                           |               |          | 143,306      |                   |          | 39,116       |
| EUR                           |               |          | 5,229        |                   |          | 8,133        |
| SGD                           |               |          | (20,418)     |                   |          | 4,473        |
| RMB                           |               |          | (72,176)     |                   |          | (1,044,912)  |
| Other                         |               |          | 1,792        |                   |          | 205          |

|                                                                                     | As of                             |               |                   |
|-------------------------------------------------------------------------------------|-----------------------------------|---------------|-------------------|
|                                                                                     | June 30, 2018                     |               |                   |
|                                                                                     | Foreign<br>Currency<br>(thousand) | Exchange Rate | NTD<br>(thousand) |
| <u>Financial Assets</u>                                                             |                                   |               |                   |
| <u>Monetary items</u>                                                               |                                   |               |                   |
| USD                                                                                 | \$1,608,092                       | 30.42         | \$48,923,384      |
| JPY                                                                                 | 5,841,552                         | 0.2737        | 1,598,557         |
| EUR                                                                                 | 3,931                             | 35.13         | 138,115           |
| SGD                                                                                 | 29,723                            | 22.28         | 662,237           |
| RMB                                                                                 | 3,053,953                         | 4.57          | 13,965,713        |
| <u>Non-Monetary items</u>                                                           |                                   |               |                   |
| USD                                                                                 | 233,931                           | 30.43         | 7,118,546         |
| JPY                                                                                 | 9,020,126                         | 0.2737        | 2,468,809         |
| SGD                                                                                 | 10,234                            | 22.28         | 228,012           |
| RMB                                                                                 | 50,016                            | 4.57          | 228,722           |
| <u>Financial Liabilities</u>                                                        |                                   |               |                   |
| <u>Monetary items</u>                                                               |                                   |               |                   |
| USD                                                                                 | 425,797                           | 30.53         | 12,999,859        |
| JPY                                                                                 | 2,859,587                         | 0.2778        | 794,393           |
| EUR                                                                                 | 2,571                             | 35.65         | 91,669            |
| SGD                                                                                 | 37,255                            | 22.46         | 836,750           |
| RMB                                                                                 | 13,574,897                        | 4.62          | 62,756,750        |
| <u>The exchange gain or loss from<br/>monetary financial assets and liabilities</u> |                                   |               |                   |
| USD                                                                                 |                                   |               | 444,665           |
| JPY                                                                                 |                                   |               | (1,892)           |
| EUR                                                                                 |                                   |               | 3,233             |
| SGD                                                                                 |                                   |               | 16,009            |
| RMB                                                                                 |                                   |               | (161,501)         |
| Other                                                                               |                                   |               | (120)             |

- (9) Significant intercompany transactions among consolidated entities for six-month periods ended June 30, 2019 and 2018 are disclosed in Attachment 1.

#### (10) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize the stockholders' value. The Company also ensures its ability to operate continuously to provide returns to stockholders and the interests of other related parties, while maintaining the optimal capital structure to reduce costs of capital.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to stockholders, return capital to stockholders, issue new shares or dispose assets to redeem liabilities.

Similar to its peers, the Company monitors its capital based on debt to capital ratio. The ratio is calculated as the Company's net debt divided by its total capital. The net debt is derived by taking the total liabilities on the consolidated balance sheets minus cash and cash equivalents. The total capital consists of total equity (including capital, additional paid-in capital, retained earnings, other components of equity and non-controlling interests) plus net debt.

|                                 | As of            |                      |                  |
|---------------------------------|------------------|----------------------|------------------|
|                                 | June 30,<br>2019 | December 31,<br>2018 | June 30,<br>2018 |
| Total liabilities               | \$167,840,654    | \$158,068,415        | \$170,107,842    |
| Less: Cash and cash equivalents | (90,355,850)     | (83,661,739)         | (75,192,843)     |
| Net debt                        | 77,484,804       | 74,406,676           | 94,914,999       |
| Total equity                    | 202,094,640      | 206,536,491          | 210,782,455      |
| Total capital                   | \$279,579,444    | \$280,943,167        | \$305,697,454    |
| Debt to capital ratios          | 27.71%           | 26.48%               | 31.05%           |

#### 13. ADDITIONAL DISCLOSURES

- (1) The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau:
  - a. Financing provided to others for the six-month period ended June 30, 2019: Please refer to Attachment 2.
  - b. Endorsement/Guarantee provided to others for the six-month period ended June 30, 2019: Please refer to Attachment 3.

- c. Securities held as of June 30, 2019 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 4.
- d. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six-month period ended June 30, 2019: Please refer to Attachment 5.
- e. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six-month period ended June 30, 2019: Please refer to Attachment 6.
- f. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six-month period ended June 30, 2019: Please refer to Attachment 7.
- g. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the six-month period ended June 30, 2019: Please refer to Attachment 8.
- h. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of June 30, 2019: Please refer to Attachment 9.
- i. Names, locations and related information of investees as of June 30, 2019 (excluding investment in Mainland China): Please refer to Attachment 10.
- j. Financial instruments and derivative transactions: Please refer to Note 12.

(2) Investment in Mainland China

- a. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 11.
- b. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: Please refer to Attachment 1, Attachment 2, Attachment 3, Attachment 8 and Attachment 9.

#### 14. OPERATING SEGMENT INFORMATION

The Company determined its operating segments based on business activities with discrete financial information regularly reported through the Company's internal reporting protocols to the Company's chief operating decision maker. The Company is organized into business units based on its products and services. As of June 30, 2019, the Company had the following segments: wafer fabrication and new business. The operating segment information was prepared according to the accounting policies described in Note 4. The primary operating activity of the wafer fabrication segment is the manufacture of chips to the design specifications of our customers by using our own proprietary processes and techniques. The Company maintains a diversified customer base across industries, including communication, consumer electronics, computer, memory and others, while continuing to focus on manufacturing for high growth, large volume applications, including networking, telecommunications, internet, multimedia, PCs and graphics. New business segment primarily includes researching, developing, manufacturing, and providing solar energy.

Reportable segment information for the three-month and six-month periods ended June 30, 2019 and 2018 were as follows:

|                                                                | For the three-month period ended June 30, 2019 |              |              |                               |              |
|----------------------------------------------------------------|------------------------------------------------|--------------|--------------|-------------------------------|--------------|
|                                                                | Wafer<br>Fabrication                           | New Business | Subtotal     | Adjustment and<br>Elimination | Consolidated |
| Operating revenues from external customers                     | \$36,003,395                                   | \$27,789     | \$36,031,184 | \$-                           | \$36,031,184 |
| Segment net income (loss), net of tax                          | 953,710                                        | (161,761)    | 791,949      | 150,435                       | 942,384      |
| Acquisition of property, plant and equipment                   | 3,903,762                                      | -            | 3,903,762    | -                             | 3,903,762    |
| Acquisition of intangible assets                               | 246,878                                        | -            | 246,878      | -                             | 246,878      |
| Cash payments for the principal portion of the lease liability | 153,035                                        | 4,684        | 157,719      | -                             | 157,719      |
| Depreciation                                                   | 11,687,524                                     | 34,328       | 11,721,852   | -                             | 11,721,852   |
| Share of profit or loss of associates and joint ventures       | 50,618                                         | -            | 50,618       | 150,435                       | 201,053      |
| Income tax expense (benefit)                                   | 201,810                                        | (295)        | 201,515      | -                             | 201,515      |
| Impairment loss                                                | -                                              | 85,446       | 85,446       | -                             | 85,446       |

|                                                          | For the three-month period ended June 30, 2018 |              |              |                |              |
|----------------------------------------------------------|------------------------------------------------|--------------|--------------|----------------|--------------|
|                                                          | Wafer                                          | New Business | Subtotal     | Adjustment and | Consolidated |
|                                                          | Fabrication                                    |              |              | Elimination    |              |
| Operating revenues from external customers               | \$38,766,648                                   | \$84,929     | \$38,851,577 | \$-            | \$38,851,577 |
| Operating revenues from sales among intersegments        | -                                              | 7,255        | 7,255        | (7,255)        | -            |
| Segment net income (loss), net of tax                    | 2,429,057                                      | (255,109)    | 2,173,948    | 242,802        | 2,416,750    |
| Acquisition of property, plant and equipment             | 3,900,719                                      | -            | 3,900,719    | -              | 3,900,719    |
| Depreciation                                             | 12,788,487                                     | 47,495       | 12,835,982   | -              | 12,835,982   |
| Share of profit or loss of associates and joint ventures | (151,314)                                      | (11,552)     | (162,866)    | 242,802        | 79,936       |
| Income tax expense (benefit)                             | (332,981)                                      | 2,242        | (330,739)    | -              | (330,739)    |

|                                                                | For the six-month period ended June 30, 2019 |              |              |                |              |
|----------------------------------------------------------------|----------------------------------------------|--------------|--------------|----------------|--------------|
|                                                                | Wafer                                        | New Business | Subtotal     | Adjustment and | Consolidated |
|                                                                | Fabrication                                  |              |              | Elimination    |              |
| Operating revenues from external customers                     | \$68,561,775                                 | \$52,368     | \$68,614,143 | \$-            | \$68,614,143 |
| Segment net income (loss), net of tax                          | 1,053,140                                    | (267,246)    | 785,894      | 249,097        | 1,034,991    |
| Acquisition of property, plant and equipment                   | 9,466,742                                    | -            | 9,466,742    | -              | 9,466,742    |
| Acquisition of intangible assets                               | 777,034                                      | -            | 777,034      | -              | 777,034      |
| Cash payments for the principal portion of the lease liability | 284,888                                      | 9,367        | 294,255      | -              | 294,255      |
| Depreciation                                                   | 23,558,194                                   | 70,253       | 23,628,447   | -              | 23,628,447   |
| Share of profit or loss of associates and joint ventures       | 147,911                                      | -            | 147,911      | 249,097        | 397,008      |
| Income tax expense (benefit)                                   | (240,583)                                    | (614)        | (241,197)    | -              | (241,197)    |
| Impairment loss                                                | -                                            | 85,446       | 85,446       | -              | 85,446       |

| For the six-month period ended June 30, 2018             |              |              |              |                |              |
|----------------------------------------------------------|--------------|--------------|--------------|----------------|--------------|
|                                                          | Wafer        |              |              | Adjustment and |              |
|                                                          | Fabrication  | New Business | Subtotal     | Elimination    | Consolidated |
| Operating revenue from external customers                | \$76,204,238 | \$144,476    | \$76,348,714 | \$-            | \$76,348,714 |
| Operating revenue from sales among intersegments         | -            | 14,229       | 14,229       | (14,229)       | -            |
| Segment net income (loss), net of tax                    | 5,470,506    | (380,656)    | 5,089,850    | 356,484        | 5,446,334    |
| Acquisition of property, plant and equipment             | 9,616,986    | -            | 9,616,986    | -              | 9,616,986    |
| Depreciation                                             | 25,490,120   | 96,048       | 25,586,168   | -              | 25,586,168   |
| Share of profit or loss of associates and joint ventures | (46,089)     | (23,244)     | (69,333)     | 356,484        | 287,151      |
| Income tax expense (benefit)                             | (1,501,910)  | (1,777)      | (1,503,687)  | -              | (1,503,687)  |

| As of June 30, 2019 |                      |                    |                      |                    |                      |
|---------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
|                     | Wafer                |                    |                      | Adjustment and     |                      |
|                     | Fabrication          | New Business       | Subtotal             | Elimination (Note) | Consolidated         |
| Segment assets      | <u>\$368,835,184</u> | <u>\$1,116,154</u> | <u>\$369,951,338</u> | <u>\$(16,044)</u>  | <u>\$369,935,294</u> |
| Segment liabilities | <u>\$166,729,912</u> | <u>\$1,188,378</u> | <u>\$167,918,290</u> | <u>\$(77,636)</u>  | <u>\$167,840,654</u> |

| As of December 31, 2018 |                      |                    |                      |                    |                      |
|-------------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
|                         | Wafer                |                    |                      | Adjustment and     |                      |
|                         | Fabrication          | New Business       | Subtotal             | Elimination (Note) | Consolidated         |
| Segment assets          | <u>\$363,529,040</u> | <u>\$1,263,368</u> | <u>\$364,792,408</u> | <u>\$(187,502)</u> | <u>\$364,604,906</u> |
| Segment liabilities     | <u>\$157,000,054</u> | <u>\$1,068,722</u> | <u>\$158,068,776</u> | <u>\$(361)</u>     | <u>\$158,068,415</u> |

| As of June 30, 2018 |                      |                    |                      |                    |                      |
|---------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
|                     | Wafer                |                    |                      | Adjustment and     |                      |
|                     | Fabrication          | New Business       | Subtotal             | Elimination (Note) | Consolidated         |
| Segment assets      | <u>\$379,518,964</u> | <u>\$2,338,207</u> | <u>\$381,857,171</u> | <u>\$(966,874)</u> | <u>\$380,890,297</u> |
| Segment liabilities | <u>\$168,742,502</u> | <u>\$1,387,410</u> | <u>\$170,129,912</u> | <u>\$(22,070)</u>  | <u>\$170,107,842</u> |

Note: The adjustment primarily consisted of elimination entries for wafer fabrication segment's investments in new business segment that was accounted for under the equity method.

ATTACHMENT 1 (Significant intercompany transactions between consolidated entities)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

For the six-month period ended June 30, 2019

| No.<br>(Note 1) | Related party                           | Counterparty                            | Relationship with<br>the Company<br>(Note 2) | Transactions        |              |                                | Percentage of consolidated operating<br>revenues or consolidated total assets<br>(Note 4) |
|-----------------|-----------------------------------------|-----------------------------------------|----------------------------------------------|---------------------|--------------|--------------------------------|-------------------------------------------------------------------------------------------|
|                 |                                         |                                         |                                              | Account             | Amount       | Collection periods<br>(Note 3) |                                                                                           |
| 0               | UNITED MICROELECTRONICS CORPORATION     | UMC GROUP (USA)                         | 1                                            | Sales               | \$22,306,386 | Net 60 days                    | 33%                                                                                       |
| 0               | UNITED MICROELECTRONICS CORPORATION     | UMC GROUP (USA)                         | 1                                            | Accounts receivable | 7,162,881    | -                              | 2%                                                                                        |
| 0               | UNITED MICROELECTRONICS CORPORATION     | UMC GROUP JAPAN                         | 1                                            | Sales               | 2,145,540    | Net 60 days                    | 3%                                                                                        |
| 0               | UNITED MICROELECTRONICS CORPORATION     | UMC GROUP JAPAN                         | 1                                            | Accounts receivable | 698,880      | -                              | 0%                                                                                        |
| 0               | UNITED MICROELECTRONICS CORPORATION     | UNITED SEMICONDUCTOR (XIAMEN) CO., LTD. | 1                                            | Sales               | 602,639      | Net 30 days                    | 1%                                                                                        |
|                 |                                         |                                         |                                              |                     | (Note 5)     |                                |                                                                                           |
| 0               | UNITED MICROELECTRONICS CORPORATION     | UNITED SEMICONDUCTOR (XIAMEN) CO., LTD. | 1                                            | Accounts receivable | 27,743       | -                              | 0%                                                                                        |
| 1               | UNITED SEMICONDUCTOR (XIAMEN) CO., LTD. | UMC GROUP (USA)                         | 3                                            | Sales               | 534,349      | Net 60 days                    | 1%                                                                                        |
| 1               | UNITED SEMICONDUCTOR (XIAMEN) CO., LTD. | UMC GROUP (USA)                         | 3                                            | Accounts receivable | 133,601      | -                              | 0%                                                                                        |
| 2               | HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.    | UMC GROUP JAPAN                         | 3                                            | Sales               | 113,836      | Net 60 days                    | 0%                                                                                        |
| 2               | HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.    | UMC GROUP JAPAN                         | 3                                            | Accounts receivable | 35,222       | -                              | 0%                                                                                        |

For the six-month period ended June 30, 2018

| No.<br>(Note 1) | Related party                           | Counterparty                            | Relationship with<br>the Company<br>(Note 2) | Transactions        |              |                                | Percentage of consolidated operating<br>revenues or consolidated total assets<br>(Note 4) |
|-----------------|-----------------------------------------|-----------------------------------------|----------------------------------------------|---------------------|--------------|--------------------------------|-------------------------------------------------------------------------------------------|
|                 |                                         |                                         |                                              | Account             | Amount       | Collection periods<br>(Note 3) |                                                                                           |
| 0               | UNITED MICROELECTRONICS CORPORATION     | UMC GROUP (USA)                         | 1                                            | Sales               | \$29,925,437 | Net 60 days                    | 39%                                                                                       |
| 0               | UNITED MICROELECTRONICS CORPORATION     | UMC GROUP (USA)                         | 1                                            | Accounts receivable | 7,868,712    | -                              | 2%                                                                                        |
| 0               | UNITED MICROELECTRONICS CORPORATION     | UMC GROUP JAPAN                         | 1                                            | Sales               | 2,006,075    | Net 60 days                    | 3%                                                                                        |
| 0               | UNITED MICROELECTRONICS CORPORATION     | UMC GROUP JAPAN                         | 1                                            | Accounts receivable | 743,422      | -                              | 0%                                                                                        |
| 0               | UNITED MICROELECTRONICS CORPORATION     | UNITED SEMICONDUCTOR (XIAMEN) CO., LTD. | 1                                            | Sales               | 742,304      | Net 30 days                    | 1%                                                                                        |
|                 |                                         |                                         |                                              |                     | (Note 5)     |                                |                                                                                           |
| 0               | UNITED MICROELECTRONICS CORPORATION     | UNITED SEMICONDUCTOR (XIAMEN) CO., LTD. | 1                                            | Accounts receivable | 45,158       | -                              | 0%                                                                                        |
| 1               | UNITED SEMICONDUCTOR (XIAMEN) CO., LTD. | UMC GROUP (USA)                         | 3                                            | Sales               | 362,696      | Net 60 days                    | 0%                                                                                        |
| 1               | UNITED SEMICONDUCTOR (XIAMEN) CO., LTD. | UMC GROUP (USA)                         | 3                                            | Accounts receivable | 135,373      | -                              | 0%                                                                                        |
| 2               | HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.    | UMC GROUP (USA)                         | 3                                            | Sales               | 177,642      | Net 60 days                    | 0%                                                                                        |
| 2               | HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.    | UMC GROUP (USA)                         | 3                                            | Accounts receivable | 66,313       | -                              | 0%                                                                                        |
| 2               | HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.    | UMC GROUP JAPAN                         | 3                                            | Sales               | 114,033      | Net 60 days                    | 0%                                                                                        |
| 2               | HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.    | UMC GROUP JAPAN                         | 3                                            | Accounts receivable | 46,226       | -                              | 0%                                                                                        |

Note 1: UMC and its subsidiaries are coded as follows:

1. UMC is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1. The holding company to subsidiary.
2. Subsidiary to holding company.
3. Subsidiary to subsidiary.

Note 3: The sales price to the above related parties was determined through mutual agreement in reference to market conditions.

Note 4: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.

For profit or loss items, cumulative balances are used as basis.

Note 5: UMC authorized technology licenses to its subsidiary, UNITED SEMICONDUCTOR (XIAMEN) CO., LTD., in the amount of USD 0.35 billion which was recognized as deferred revenue.

Since it was a downstream transaction, the deferred revenue would be realized over time.

ATTACHMENT 2 (Financing provided to others for the six-month period ended June 30, 2019)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**UNITED MICROELECTRONICS CORPORATION**

| No.<br>(Note 1) | Lender                                    | Counter-party                                 | Financial<br>statement<br>account         | Related Party | Maximum<br>balance for the<br>period | Ending<br>balance | Actual amount<br>provided | Interest rate | Nature of<br>financing                  | Amount of sales to<br>(purchases from)<br>counter-party | Reason for<br>financing | Loss<br>allowance | Collateral |       | Limit of financing amount<br>for individual counter-party<br>(Note2) | Limit of total<br>financing amount<br>(Note2) |
|-----------------|-------------------------------------------|-----------------------------------------------|-------------------------------------------|---------------|--------------------------------------|-------------------|---------------------------|---------------|-----------------------------------------|---------------------------------------------------------|-------------------------|-------------------|------------|-------|----------------------------------------------------------------------|-----------------------------------------------|
|                 |                                           |                                               |                                           |               |                                      |                   |                           |               |                                         |                                                         |                         |                   | Item       | Value |                                                                      |                                               |
| 0               | UNITED<br>MICROELECTRONICS<br>CORPORATION | UNITED<br>SEMICONDUCTOR<br>(XIAMEN) CO., LTD. | Other<br>receivables -<br>related parties | Yes           | \$7,752,500                          | \$7,752,500       | \$1,240,400               | 2.92%         | The need for<br>short-term<br>financing | \$-                                                     | Business<br>turnover    | \$-               | None       | \$-   | \$20,166,420                                                         | \$80,665,678                                  |

**TERA ENERGY DEVELOPMENT CO., LTD.**

| No.<br>(Note 1) | Lender                                  | Counter-party                             | Financial<br>statement<br>account | Related Party | Maximum<br>balance for the<br>period | Ending<br>balance | Actual amount<br>provided | Interest rate | Nature of<br>financing | Amount of sales to<br>(purchases from)<br>counter-party | Reason for<br>financing | Loss<br>allowance | Collateral |       | Limit of financing amount<br>for individual counter-party<br>(Note3) | Limit of total<br>financing amount<br>(Note3) |
|-----------------|-----------------------------------------|-------------------------------------------|-----------------------------------|---------------|--------------------------------------|-------------------|---------------------------|---------------|------------------------|---------------------------------------------------------|-------------------------|-------------------|------------|-------|----------------------------------------------------------------------|-----------------------------------------------|
|                 |                                         |                                           |                                   |               |                                      |                   |                           |               |                        |                                                         |                         |                   | Item       | Value |                                                                      |                                               |
| 1               | TERA ENERGY<br>DEVELOPMENT CO.,<br>LTD. | TIPPING POINT ENERGY<br>COC PPA SPE-1,LLC | Other<br>receivables              | No            | \$2,426                              | \$2,426           | \$2,426                   | 9.00%         | Needs for<br>operation | \$2,426                                                 | -                       | \$2,426           | None       | \$-   | \$2,426                                                              | \$32,659                                      |

Note 1: The parent company and its subsidiaries are coded as follows:

- (i) The parent company is coded "0".
- (ii) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Limit of financing amount for individual counter-party shall not exceed 10% of the lender's net assets value as of the period.

Limit of total financing amount shall not exceed 40% of the Company's net asset value.

Note 3: Limit of financing amount for individual counter-party shall not exceed 10% of the lender's net assets value as of the period or the needed amount for operation, which is lower.

Limit of total financing amount shall not exceed 40% of latest financial statements of lender.

ATTACHMENT 3 (Endorsement/Guarantee provided to others for the six-month period ended June 30, 2019)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**UNITED MICROELECTRONICS CORPORATION**

| No.<br>(Note 1) | Endorsor/Guarantor                  | Receiving party                         |                          | Limit of<br>guarantee/endorsement<br>amount for receiving party<br>(Note 3) | Maximum<br>balance for the<br>period | Ending balance         | Actual amount<br>provided | Amount of collateral<br>guarantee/endorsement | Percentage of accumulated<br>guarantee amount to net assets value<br>from the latest financial statement | Limit of total<br>guarantee/endorsement<br>amount (Note 4) |
|-----------------|-------------------------------------|-----------------------------------------|--------------------------|-----------------------------------------------------------------------------|--------------------------------------|------------------------|---------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
|                 |                                     | Company name                            | Relationship<br>(Note 2) |                                                                             |                                      |                        |                           |                                               |                                                                                                          |                                                            |
| 0               | UNITED MICROELECTRONICS CORPORATION | NEXPOWER TECHNOLOGY CORP.               | 2                        | \$90,748,888                                                                | \$2,448,000                          | \$748,000<br>(Note 5)  | \$747,900<br>(Note 5)     | \$-                                           | 0.37%                                                                                                    | \$90,748,888                                               |
| 0               | UNITED MICROELECTRONICS CORPORATION | UNITED SEMICONDUCTOR (XIAMEN) CO., LTD. | 2                        | 90,748,888                                                                  | 15,598,030                           | 15,598,030<br>(Note 6) | 14,536,626<br>(Note 6)    | -                                             | 7.73%                                                                                                    | 90,748,888                                                 |

**HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.**

| No.<br>(Note 1) | Endorsor/Guarantor                   | Receiving party                         |                          | Limit of<br>guarantee/endorsement<br>amount for receiving party<br>(Note 7) | Maximum<br>balance for the<br>period | Ending balance | Actual amount<br>provided | Amount of collateral<br>guarantee/endorsement | Percentage of accumulated<br>guarantee amount to net assets value<br>from the latest financial statement | Limit of total<br>guarantee/endorsement<br>amount (Note 7) |
|-----------------|--------------------------------------|-----------------------------------------|--------------------------|-----------------------------------------------------------------------------|--------------------------------------|----------------|---------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
|                 |                                      | Company name                            | Relationship<br>(Note 2) |                                                                             |                                      |                |                           |                                               |                                                                                                          |                                                            |
| 1               | HEJIAN TECHNOLOGY (SUZHOU) CO., LTD. | UNITED SEMICONDUCTOR (XIAMEN) CO., LTD. | 6                        | \$10,363,240                                                                | \$9,120,588                          | \$9,120,588    | \$4,153,701               | \$-                                           | 39.60%                                                                                                   | \$10,363,240                                               |

Note 1: The parent company and its subsidiaries are coded as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50 % of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The amount of endorsements/guarantees shall not exceed 45% of the net worth of endorsor/guarantor; and the ceilings on the amount of endorsements/guarantees for any single entity are as follows:

1. The amount of endorsements/guarantees for any single entity shall not exceed 45% of net worth of endorsor/guarantor.
2. The amount of endorsements/guarantees for a company which endorsor/guarantor does business with, except the ceiling rules abovementioned shall not exceed the needed amounts arising from business dealings which is the higher amount of total sales or purchase transactions between endorsor/guarantor and the receiving party.

The aggregate amount of endorsements/guarantees that the Company as a whole is permitted to make shall not exceed 45% of the Company's net worth, and the aggregate amount of endorsements/guarantees for any single entity shall not exceed 45% of the Company's net worth.

Note 4: Limit of total guarantee/endorsement amount shall not exceed 45% of UMC's net assets value as of June 30, 2019.

Note 5: On December 24, 2014, the board of directors resolved to provide endorsement to NEXPOWER TECHNOLOGY CORP.'s syndicated loan from banks including Bank of Taiwan for the amount up to NT\$1,700 million, it has been fully repaid in January 2019.

On December 12, 2018, the board of directors resolved to increase the endorsement amounted to NT\$748 million. As of June 30, 2019, actual amount provided was NT\$748 million.

Note 6: On February 22, 2017, the board of directors resolved to guarantee UNITED SEMICONDUCTOR (XIAMEN) CO., LTD.'s syndicated loan from banks including China Development Bank in the amount up to USD 310 million.

On March 7, 2018, the board of directors resolved to increase the endorsement amounted to USD 152 million, on October 24, 2018, the board of directors resolved to increase the endorsement amounted to USD 41 million. Total endorsement amount is up to USD 503 million.

As of June 30, 2019, actual amount provided was NT\$14,537 million.

Note 7: Limit of total endorsed/guaranteed amount shall not exceed 45% of HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.'s net assets value as of June 30, 2019.

The amount of endorsements/guarantees for any single entity shall not exceed 45% of net worth of HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.'s net assets value as of June 30, 2019.

The aggregate amount of endorsements/guarantees that the Company as a whole is permitted to make shall not exceed 45% of the Company's net worth, and the aggregate amount of endorsements/guarantees for any single entity shall not exceed 45% of the Company's net worth.

ATTACHMENT 4 (Securities held as of June 30, 2019) (Excluding subsidiaries, associates and joint ventures)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**UNITED MICROELECTRONICS CORPORATION**

| Type of securities    | Name of securities                          | Relationship           | Financial statement account                                                   | June 30, 2019                                    |                 |                                |                                 |                                       |
|-----------------------|---------------------------------------------|------------------------|-------------------------------------------------------------------------------|--------------------------------------------------|-----------------|--------------------------------|---------------------------------|---------------------------------------|
|                       |                                             |                        |                                                                               | Units (thousand)/<br>bonds/ shares<br>(thousand) | Carrying amount | Percentage of<br>ownership (%) | Fair value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
| Stock                 | ACTION ELECTRONICS CO., LTD.                | -                      | Financial assets at fair value through profit or loss, current                | 18,182                                           | \$123,639       | 6.56                           | \$123,639                       | None                                  |
| Fund                  | MILLERFUL NO.1 REAL ESTATE INVESTMENT TRUST | -                      | Financial assets at fair value through profit or loss, current                | 18,000                                           | 180,000         | 1.70                           | 180,000                         | None                                  |
| Stock                 | PIXART IMAGING, INC.                        | -                      | Financial assets at fair value through profit or loss, current                | 1,600                                            | 196,800         | 1.17                           | 196,800                         | None                                  |
| Stock                 | KING YUAN ELECTRONICS CO., LTD.             | -                      | Financial assets at fair value through profit or loss, current                | 2,675                                            | 71,690          | 0.22                           | 71,690                          | None                                  |
| Stock                 | PIXTECH, INC.                               | -                      | Financial assets at fair value through profit or loss, noncurrent             | 9,883                                            | -               | 17.63                          | -                               | None                                  |
| Stock                 | UNITED FU SHEN CHEN TECHNOLOGY CORP.        | -                      | Financial assets at fair value through profit or loss, noncurrent             | 17,511                                           | -               | 15.75                          | -                               | None                                  |
| Stock                 | HOLTEK SEMICONDUCTOR INC.                   | -                      | Financial assets at fair value through profit or loss, noncurrent             | 22,230                                           | 1,591,686       | 9.83                           | 1,591,686                       | None                                  |
| Stock                 | OCTASIA INVESTMENT HOLDING INC.             | -                      | Financial assets at fair value through profit or loss, noncurrent             | 6,692                                            | 292,595         | 9.29                           | 292,595                         | None                                  |
| Stock                 | UNITED INDUSTRIAL GASES CO., LTD.           | -                      | Financial assets at fair value through profit or loss, noncurrent             | 16,680                                           | 1,470,148       | 7.66                           | 1,470,148                       | None                                  |
| Stock                 | AMIC TECHNOLOGY CORP.                       | -                      | Financial assets at fair value through profit or loss, noncurrent             | 5,627                                            | -               | 4.71                           | -                               | None                                  |
| Stock                 | SUBTRON TECHNOLOGY CO., LTD.                | -                      | Financial assets at fair value through profit or loss, noncurrent             | 12,521                                           | 154,005         | 4.38                           | 154,005                         | None                                  |
| Stock                 | KING YUAN ELECTRONICS CO., LTD.             | -                      | Financial assets at fair value through profit or loss, noncurrent             | 20,483                                           | 548,936         | 1.68                           | 548,936                         | None                                  |
| Stock                 | EPISTAR CORP.                               | -                      | Financial assets at fair value through profit or loss, noncurrent             | 10,715                                           | 267,875         | 0.98                           | 267,875                         | None                                  |
| Stock                 | TOPOINT TECHNOLOGY CO., LTD.                | -                      | Financial assets at fair value through profit or loss, noncurrent             | 1,184                                            | 23,022          | 0.83                           | 23,022                          | None                                  |
| Stock                 | PROMOS TECHNOLOGIES INC.                    | -                      | Financial assets at fair value through profit or loss, noncurrent             | 324                                              | -               | 0.72                           | -                               | None                                  |
| Stock-Preferred stock | TONBU, INC.                                 | -                      | Financial assets at fair value through profit or loss, noncurrent             | 938                                              | -               | -                              | -                               | None                                  |
| Stock-Preferred stock | AETAS TECHNOLOGY INC.                       | -                      | Financial assets at fair value through profit or loss, noncurrent             | 1,166                                            | -               | -                              | -                               | None                                  |
| Stock-Preferred stock | TA SHEE GOLF & COUNTRY CLUB                 | -                      | Financial assets at fair value through profit or loss, noncurrent             | 0                                                | 20,875          | -                              | 20,875                          | None                                  |
| Stock                 | SILICON INTEGRATED SYSTEMS CORP.            | The Company's director | Financial assets at fair value through other comprehensive income, noncurrent | 105,356                                          | 855,488         | 19.73                          | 855,488                         | None                                  |
| Stock                 | UNIMICRON HOLDING LIMITED                   | -                      | Financial assets at fair value through other comprehensive income, noncurrent | 20,000                                           | 703,927         | 17.00                          | 703,927                         | None                                  |
| Stock                 | MIE FUJITSU SEMICONDUCTOR LIMITED           | -                      | Financial assets at fair value through other comprehensive income, noncurrent | 18,447                                           | 2,155,599       | 15.87                          | 2,155,599                       | None                                  |
| Stock                 | UNIMICRON TECHNOLOGY CORP.                  | -                      | Financial assets at fair value through other comprehensive income, noncurrent | 196,136                                          | 6,913,794       | 13.03                          | 6,913,794                       | None                                  |
| Stock                 | ITE TECH. INC.                              | -                      | Financial assets at fair value through other comprehensive income, noncurrent | 13,960                                           | 492,089         | 8.67                           | 492,089                         | None                                  |
| Stock                 | NOVATEK MICROELECTRONICS CORP.              | -                      | Financial assets at fair value through other comprehensive income, noncurrent | 16,445                                           | 2,844,914       | 2.70                           | 2,844,914                       | None                                  |
| Stock-Preferred stock | MTIC HOLDINGS PTE. LTD.                     | -                      | Financial assets at fair value through other comprehensive income, noncurrent | 12,000                                           | 156,655         | -                              | 156,655                         | None                                  |

ATTACHMENT 4 (Securities held as of June 30, 2019) (Excluding subsidiaries, associates and joint ventures)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**FORTUNE VENTURE CAPITAL CORP.**

| Type of securities | Name of securities                               | Relationship | Financial statement account                                       | June 30, 2019                                    |                 |                                |                                 |                                       |
|--------------------|--------------------------------------------------|--------------|-------------------------------------------------------------------|--------------------------------------------------|-----------------|--------------------------------|---------------------------------|---------------------------------------|
|                    |                                                  |              |                                                                   | Units (thousand)/<br>bonds/ shares<br>(thousand) | Carrying amount | Percentage of<br>ownership (%) | Fair value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
| Stock              | DARCHUN VENTURE CORP.                            | -            | Financial assets at fair value through profit or loss, noncurrent | 1,782                                            | \$4,400         | 19.65                          | \$4,400                         | None                                  |
| Stock              | SOLARGATE TECHNOLOGY CORP.                       | -            | Financial assets at fair value through profit or loss, noncurrent | 957                                              | -               | 15.94                          | -                               | None                                  |
| Stock              | CENTERA PHOTONICS INC.                           | -            | Financial assets at fair value through profit or loss, noncurrent | 3,750                                            | 16,200          | 14.87                          | 16,200                          | None                                  |
| Stock              | TRONC-E CO., LTD.                                | -            | Financial assets at fair value through profit or loss, noncurrent | 1,800                                            | 1,332           | 14.49                          | 1,332                           | None                                  |
| Stock              | EVERGLORY RESOURCE TECHNOLOGY CO., LTD.          | -            | Financial assets at fair value through profit or loss, noncurrent | 2,500                                            | 17,650          | 10.23                          | 17,650                          | None                                  |
| Stock              | ADVANCE MATERIALS CORP.                          | -            | Financial assets at fair value through profit or loss, noncurrent | 10,719                                           | 44,268          | 8.67                           | 44,268                          | None                                  |
| Stock              | MONTJADE ENGINEERING CO., LTD.                   | -            | Financial assets at fair value through profit or loss, noncurrent | 1,800                                            | 20,052          | 8.18                           | 20,052                          | None                                  |
| Stock              | NEW SMART TECHNOLOGY CO., LTD.                   | -            | Financial assets at fair value through profit or loss, noncurrent | 900                                              | 29,700          | 7.29                           | 29,700                          | None                                  |
| Stock              | WIN WIN PRECISION TECHNOLOGY CO., LTD.           | -            | Financial assets at fair value through profit or loss, noncurrent | 3,150                                            | 39,722          | 6.93                           | 39,722                          | None                                  |
| Stock              | RISELINK VENTURE CAPITAL CORP.                   | -            | Financial assets at fair value through profit or loss, noncurrent | 1,754                                            | 15,738          | 6.67                           | 15,738                          | None                                  |
| Stock              | LICO TECHNOLOGY CORP.                            | -            | Financial assets at fair value through profit or loss, noncurrent | 6,609                                            | -               | 5.32                           | -                               | None                                  |
| Stock              | ACTI CORP.                                       | -            | Financial assets at fair value through profit or loss, noncurrent | 1,968                                            | 12,102          | 5.31                           | 12,102                          | None                                  |
| Stock              | ACT GENOMICS HOLDINGS CO., LTD.                  | -            | Financial assets at fair value through profit or loss, noncurrent | 4,600                                            | 38,514          | 5.11                           | 38,514                          | None                                  |
| Stock              | TAIWAN AULISA MEDICAL DEVICES TECHNOLOGIES, INC. | -            | Financial assets at fair value through profit or loss, noncurrent | 800                                              | 8,456           | 4.97                           | 8,456                           | None                                  |
| Stock              | MERIDIGEN BIOTECH CO., LTD.                      | -            | Financial assets at fair value through profit or loss, noncurrent | 3,838                                            | 30,894          | 4.22                           | 30,894                          | None                                  |
| Stock              | EXCELLENCE OPTOELECTRONICS INC.                  | -            | Financial assets at fair value through profit or loss, noncurrent | 6,374                                            | 123,653         | 3.72                           | 123,653                         | None                                  |
| Stock              | SOLID STATE SYSTEM CO., LTD.                     | -            | Financial assets at fair value through profit or loss, noncurrent | 3,000                                            | 66,600          | 3.71                           | 66,600                          | None                                  |
| Fund               | TRANSLINK CAPITAL PARTNERS IV, L.P.              | -            | Financial assets at fair value through profit or loss, noncurrent | -                                                | 59,714          | 3.60                           | 59,714                          | None                                  |
| Stock              | SUBTRON TECHNOLOGY CO., LTD.                     | -            | Financial assets at fair value through profit or loss, noncurrent | 10,059                                           | 123,723         | 3.52                           | 123,723                         | None                                  |
| Stock              | ANIMATION TECHNOLOGIES INC.                      | -            | Financial assets at fair value through profit or loss, noncurrent | 265                                              | -               | 3.16                           | -                               | None                                  |
| Stock              | TOPOINT TECHNOLOGY CO., LTD.                     | -            | Financial assets at fair value through profit or loss, noncurrent | 4,416                                            | 85,894          | 3.11                           | 85,894                          | None                                  |
| Stock              | BRIGHT SHELAND INTERNATIONAL CO., LTD.           | -            | Financial assets at fair value through profit or loss, noncurrent | 1,200                                            | 38,400          | 2.88                           | 38,400                          | None                                  |
| Stock              | WALTOP INTERNATIONAL CORP.                       | -            | Financial assets at fair value through profit or loss, noncurrent | 327                                              | 1,275           | 2.23                           | 1,275                           | None                                  |
| Stock              | MOBILE DEVICES INC.                              | -            | Financial assets at fair value through profit or loss, noncurrent | 261                                              | -               | 1.96                           | -                               | None                                  |
| Fund               | VERTEX V (C.I.) FUND L.P.                        | -            | Financial assets at fair value through profit or loss, noncurrent | -                                                | 28,909          | 1.89                           | 28,909                          | None                                  |

ATTACHMENT 4 (Securities held as of June 30, 2019) (Excluding subsidiaries, associates and joint ventures)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**FORTUNE VENTURE CAPITAL CORP.**

| Type of securities    | Name of securities                       | Relationship   | Financial statement account                                                   | June 30, 2019                              |                 |                             |                              | Shares as collateral (thousand) |
|-----------------------|------------------------------------------|----------------|-------------------------------------------------------------------------------|--------------------------------------------|-----------------|-----------------------------|------------------------------|---------------------------------|
|                       |                                          |                |                                                                               | Units (thousand)/ bonds/ shares (thousand) | Carrying amount | Percentage of ownership (%) | Fair value/ Net assets value |                                 |
| Stock                 | SOLAR APPLIED MATERIALS TECHNOLOGY CORP. | -              | Financial assets at fair value through profit or loss, noncurrent             | 8,000                                      | \$168,400       | 1.82                        | \$168,400                    | None                            |
| Stock                 | WIESON TECHNOLOGIES CO., LTD.            | -              | Financial assets at fair value through profit or loss, noncurrent             | 1,141                                      | 4,565           | 1.71                        | 4,565                        | None                            |
| Stock                 | ALL-STARS XMI LTD.                       | -              | Financial assets at fair value through profit or loss, noncurrent             | 3                                          | 84,142          | 1.37                        | 84,142                       | None                            |
| Stock                 | CRYSTALWISE TECHNOLOGY INC.              | -              | Financial assets at fair value through profit or loss, noncurrent             | 2,114                                      | 25,046          | 1.02                        | 25,046                       | None                            |
| Stock                 | NORATECH PHARMACEUTICALS, INC.           | -              | Financial assets at fair value through profit or loss, noncurrent             | 1,000                                      | 21,800          | 0.95                        | 21,800                       | None                            |
| Stock                 | TAIWANJ PHARMACEUTICALS CO., LTD.        | -              | Financial assets at fair value through profit or loss, noncurrent             | 582                                        | 5,878           | 0.84                        | 5,878                        | None                            |
| Stock                 | POWERTEC ENERGY CORP.                    | -              | Financial assets at fair value through profit or loss, noncurrent             | 9,930                                      | 52,031          | 0.75                        | 52,031                       | None                            |
| Stock                 | FUSHENG PRECISION CO., LTD.              | -              | Financial assets at fair value through profit or loss, noncurrent             | 700                                        | 138,600         | 0.53                        | 138,600                      | None                            |
| Stock                 | QUASER MACHINE TOOLS, INC.               | -              | Financial assets at fair value through profit or loss, noncurrent             | 200                                        | 11,880          | 0.50                        | 11,880                       | None                            |
| Stock                 | ZILLTEK TECHNOLOGY CORP.                 | -              | Financial assets at fair value through profit or loss, noncurrent             | 180                                        | 18,000          | 0.44                        | 18,000                       | None                            |
| Stock                 | FORTEMEDIA, INC.                         | -              | Financial assets at fair value through profit or loss, noncurrent             | 21                                         | 2               | 0.02                        | 2                            | None                            |
| Stock-Preferred Stock | EJOULE INTERNATIONAL LIMITED             | -              | Financial assets at fair value through profit or loss, noncurrent             | 23,909                                     | 172,392         | -                           | 172,392                      | None                            |
| Stock-Preferred Stock | FLOADIA CORP.                            | -              | Financial assets at fair value through profit or loss, noncurrent             | 2                                          | 98,999          | -                           | 98,999                       | None                            |
| Stock-Preferred Stock | CEREBREX, INC.                           | -              | Financial assets at fair value through profit or loss, noncurrent             | 1                                          | 7,458           | -                           | 7,458                        | None                            |
| Stock-Preferred Stock | FORTEMEDIA, INC.                         | -              | Financial assets at fair value through profit or loss, noncurrent             | 311                                        | 608             | -                           | 608                          | None                            |
| Convertible bonds     | JIH LIN TECHNOLOGY CO., LTD.             | -              | Financial assets at fair value through profit or loss, noncurrent             | 100                                        | 10,000          | -                           | 10,000                       | None                            |
| Convertible bonds     | YEM CHIO CO., LTD.                       | -              | Financial assets at fair value through profit or loss, noncurrent             | 50                                         | 5,290           | -                           | 5,290                        | None                            |
| Stock                 | SHIN-ETSU HANDOTAI TAIWAN CO., LTD.      | -              | Financial assets at fair value through other comprehensive income, noncurrent | 10,500                                     | 256,200         | 7.00                        | 256,200                      | None                            |
| Stock                 | UNITED MICROELECTRONICS CORP.            | Parent company | Financial assets at fair value through other comprehensive income, noncurrent | 16,079                                     | 224,298         | 0.13                        | 224,298                      | None                            |

**TLC CAPITAL CO., LTD.**

| Type of securities | Name of securities                                | Relationship | Financial statement account                                       | June 30, 2019                              |                 |                             |                              | Shares as collateral (thousand) |
|--------------------|---------------------------------------------------|--------------|-------------------------------------------------------------------|--------------------------------------------|-----------------|-----------------------------|------------------------------|---------------------------------|
|                    |                                                   |              |                                                                   | Units (thousand)/ bonds/ shares (thousand) | Carrying amount | Percentage of ownership (%) | Fair value/ Net assets value |                                 |
| Fund               | EVERYI CAPITAL ASIA FUND, L.P.                    | -            | Financial assets at fair value through profit or loss, noncurrent | -                                          | \$116,280       | 18.18                       | \$116,280                    | None                            |
| Stock              | WINKING ENTERTAINMENT LTD.                        | -            | Financial assets at fair value through profit or loss, noncurrent | 6,433                                      | 97,077          | 15.35                       | 97,077                       | None                            |
| Stock              | BEAUTY ESSENTIALS INTERNATIONAL LTD.              | -            | Financial assets at fair value through profit or loss, noncurrent | 150,500                                    | 119,786         | 13.99                       | 119,786                      | None                            |
| Fund               | OAK HILL OPPORTUNITIES FUND, SEGREGATED PORTFOLIO | -            | Financial assets at fair value through profit or loss, noncurrent | 9                                          | 251,868         | 9.00                        | 251,868                      | None                            |

ATTACHMENT 4 (Securities held as of June 30, 2019) (Excluding subsidiaries, associates and joint ventures)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**TLC CAPITAL CO., LTD.**

|                       |                                         |              |                                                                   | June 30, 2019                              |                 |                             |                              |      | Shares as collateral (thousand) |
|-----------------------|-----------------------------------------|--------------|-------------------------------------------------------------------|--------------------------------------------|-----------------|-----------------------------|------------------------------|------|---------------------------------|
| Type of securities    | Name of securities                      | Relationship | Financial statement account                                       | Units (thousand)/ bonds/ shares (thousand) | Carrying amount | Percentage of ownership (%) | Fair value/ Net assets value |      |                                 |
| Stock                 | ACTI CORP.                              | -            | Financial assets at fair value through profit or loss, noncurrent | 2,252                                      | \$13,847        | 6.08                        | \$13,847                     | None |                                 |
| Stock                 | EXCELLENCE OPTOELECTRONICS INC.         | -            | Financial assets at fair value through profit or loss, noncurrent | 8,529                                      | 165,464         | 4.98                        | 165,464                      | None |                                 |
| Stock                 | EVERGLORY RESOURCE TECHNOLOGY CO., LTD. | -            | Financial assets at fair value through profit or loss, noncurrent | 1,200                                      | 8,472           | 4.91                        | 8,472                        | None |                                 |
| Stock                 | ADVANCE MATERIALS CORP.                 | -            | Financial assets at fair value through profit or loss, noncurrent | 5,435                                      | 22,446          | 4.39                        | 22,446                       | None |                                 |
| Fund                  | TRANSLINK CAPITAL PARTNERS III, L.P.    | -            | Financial assets at fair value through profit or loss, noncurrent | -                                          | 178,019         | 4.24                        | 178,019                      | None |                                 |
| Stock                 | SUNDIA MEDITECH GROUP                   | -            | Financial assets at fair value through profit or loss, noncurrent | 779                                        | 16,615          | 3.23                        | 16,615                       | None |                                 |
| Stock                 | WIESON TECHNOLOGIES CO., LTD.           | -            | Financial assets at fair value through profit or loss, noncurrent | 1,829                                      | 7,314           | 2.74                        | 7,314                        | None |                                 |
| Fund                  | H&QAP GREATER CHINA GROWTH FUND, L.P.   | -            | Financial assets at fair value through profit or loss, noncurrent | -                                          | 8,891           | 2.67                        | 8,891                        | None |                                 |
| Stock                 | ALL-STARS XMI LTD.                      | -            | Financial assets at fair value through profit or loss, noncurrent | 2                                          | 72,122          | 1.17                        | 72,122                       | None |                                 |
| Stock                 | MATERIALS ANALYSIS TECHNOLOGY INC.      | -            | Financial assets at fair value through profit or loss, noncurrent | 500                                        | 32,650          | 0.80                        | 32,650                       | None |                                 |
| Stock                 | SIMPLO TECHNOLOGY CO., LTD.             | -            | Financial assets at fair value through profit or loss, noncurrent | 1,422                                      | 356,332         | 0.77                        | 356,332                      | None |                                 |
| Stock                 | TXC CORP.                               | -            | Financial assets at fair value through profit or loss, noncurrent | 1,978                                      | 68,834          | 0.64                        | 68,834                       | None |                                 |
| Stock                 | POWERTEC ENERGY CORP.                   | -            | Financial assets at fair value through profit or loss, noncurrent | 6,470                                      | 33,902          | 0.49                        | 33,902                       | None |                                 |
| Stock                 | ZILLTEK TECHNOLOGY CORP.                | -            | Financial assets at fair value through profit or loss, noncurrent | 180                                        | 18,000          | 0.44                        | 18,000                       | None |                                 |
| Stock                 | LINTES TECHNOLOGY CO., LTD.             | -            | Financial assets at fair value through profit or loss, noncurrent | 100                                        | 10,421          | 0.20                        | 10,421                       | None |                                 |
| Stock-Preferred stock | YOUJIA GROUP LTD.                       | -            | Financial assets at fair value through profit or loss, noncurrent | 2,685                                      | 7,104           | -                           | 7,104                        | None |                                 |
| Stock-Preferred stock | ALO7 LTD.                               | -            | Financial assets at fair value through profit or loss, noncurrent | 2,377                                      | 191,987         | -                           | 191,987                      | None |                                 |
| Stock-Preferred stock | ADWO MEDIA HOLDINGS LTD.                | -            | Financial assets at fair value through profit or loss, noncurrent | 5,332                                      | -               | -                           | -                            | None |                                 |
| Stock-Preferred stock | IMO, INC.                               | -            | Financial assets at fair value through profit or loss, noncurrent | 8,519                                      | -               | -                           | -                            | None |                                 |
| Stock-Preferred stock | HIGHLANDER FINANCIAL GROUP CO., LTD.    | -            | Financial assets at fair value through profit or loss, noncurrent | 26,499                                     | 234,754         | -                           | 234,754                      | None |                                 |
| Stock-Preferred stock | X2 POWER TECHNOLOGIES LTD.              | -            | Financial assets at fair value through profit or loss, noncurrent | 35,819                                     | 141,995         | -                           | 141,995                      | None |                                 |
| Stock-Preferred stock | GAME VIDEO LTD.                         | -            | Financial assets at fair value through profit or loss, noncurrent | 279                                        | 174,365         | -                           | 174,365                      | None |                                 |
| Stock-Preferred stock | CLOUD MOMENT (CAYMAN) INC.              | -            | Financial assets at fair value through profit or loss, noncurrent | 359                                        | 18,551          | -                           | 18,551                       | None |                                 |
| Stock-Preferred stock | PLAYNITRIDE INC.                        | -            | Financial assets at fair value through profit or loss, noncurrent | 1,739                                      | 185,772         | -                           | 185,772                      | None |                                 |
| Stock-Preferred stock | EJOULE INTERNATIONAL LTD.               | -            | Financial assets at fair value through profit or loss, noncurrent | 35,863                                     | 258,588         | -                           | 258,588                      | None |                                 |
| Stock-Preferred stock | TURNING POINT LASERS LTD.               | -            | Financial assets at fair value through profit or loss, noncurrent | 2,000                                      | 65,201          | -                           | 65,201                       | None |                                 |

ATTACHMENT 4 (Securities held as of June 30, 2019) (Excluding subsidiaries, associates and joint ventures)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**UMC CAPITAL CORP.**

| Type of securities    | Name of securities                                | Relationship | Financial statement account                                       | June 30, 2019                                    |                 |                                |                                 |                                       |  |
|-----------------------|---------------------------------------------------|--------------|-------------------------------------------------------------------|--------------------------------------------------|-----------------|--------------------------------|---------------------------------|---------------------------------------|--|
|                       |                                                   |              |                                                                   | Units (thousand)/<br>bonds/ shares<br>(thousand) | Carrying amount | Percentage of<br>ownership (%) | Fair value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |  |
| Convertible bonds     | SWIFTSTACK, INC.                                  | -            | Financial assets at fair value through profit or loss, current    | -                                                | USD 877         | -                              | USD 877                         | None                                  |  |
| Convertible bonds     | CLOUDWORDS, INC.                                  | -            | Financial assets at fair value through profit or loss, current    | -                                                | USD 190         | -                              | USD 190                         | None                                  |  |
| Convertible bonds     | GLYPSE, INC.                                      | -            | Financial assets at fair value through profit or loss, noncurrent | -                                                | USD 604         | -                              | USD 604                         | None                                  |  |
| Capital               | TRANSLINK MANAGEMENT III, L.L.C.                  | -            | Financial assets at fair value through profit or loss, noncurrent | -                                                | USD 682         | 14.33                          | USD 682                         | None                                  |  |
| Fund                  | TRANSLINK CAPITAL PARTNERS III, L.P.              | -            | Financial assets at fair value through profit or loss, noncurrent | -                                                | USD 15,521      | 11.47                          | USD 15,521                      | None                                  |  |
| Fund                  | TRANSLINK CAPITAL PARTNERS IV, L.P.               | -            | Financial assets at fair value through profit or loss, noncurrent | -                                                | USD 5,777       | 10.81                          | USD 5,777                       | None                                  |  |
| Stock                 | OCTTASIA INVESTMENT HOLDING INC.                  | -            | Financial assets at fair value through profit or loss, noncurrent | 7,035                                            | USD 9,919       | 9.76                           | USD 9,919                       | None                                  |  |
| Stock                 | ALL-STARS SP IV LTD.                              | -            | Financial assets at fair value through profit or loss, noncurrent | 7                                                | USD 7,193       | 5.03                           | USD 7,193                       | None                                  |  |
| Fund                  | TRANSLINK CAPITAL PARTNERS II, L.P.               | -            | Financial assets at fair value through profit or loss, noncurrent | -                                                | USD 1,672       | 4.53                           | USD 1,672                       | None                                  |  |
| Fund                  | OAK HILL OPPORTUNITIES FUND, SEGREGATED PORTFOLIO | -            | Financial assets at fair value through profit or loss, noncurrent | 4                                                | USD 3,610       | 4.00                           | USD 3,610                       | None                                  |  |
| Fund                  | SIERRA VENTURES XI, L.P.                          | -            | Financial assets at fair value through profit or loss, noncurrent | -                                                | USD 2,276       | 1.76                           | USD 2,276                       | None                                  |  |
| Fund                  | STORM VENTURES FUND V, L.P.                       | -            | Financial assets at fair value through profit or loss, noncurrent | -                                                | USD 2,837       | 1.69                           | USD 2,837                       | None                                  |  |
| Stock                 | ALL-STARS XMI LTD.                                | -            | Financial assets at fair value through profit or loss, noncurrent | 3                                                | USD 2,713       | 1.37                           | USD 2,713                       | None                                  |  |
| Stock                 | ACHIEVE MADE INTERNATIONAL LTD.                   | -            | Financial assets at fair value through profit or loss, noncurrent | 80                                               | USD 24          | 0.57                           | USD 24                          | None                                  |  |
| Stock                 | CIPHERMAX, INC.                                   | -            | Financial assets at fair value through profit or loss, noncurrent | 95                                               | -               | -                              | -                               | None                                  |  |
| Stock-Preferred stock | ACHIEVE MADE INTERNATIONAL LTD.                   | -            | Financial assets at fair value through profit or loss, noncurrent | 2,644                                            | USD 3,475       | -                              | USD 3,475                       | None                                  |  |
| Stock-Preferred stock | CNEX LABS, INC.                                   | -            | Financial assets at fair value through profit or loss, noncurrent | 3,052                                            | USD 3,674       | -                              | USD 3,674                       | None                                  |  |
| Stock-Preferred stock | GLYPSE, INC.                                      | -            | Financial assets at fair value through profit or loss, noncurrent | 1,349                                            | USD 2,151       | -                              | USD 2,151                       | None                                  |  |
| Stock-Preferred stock | ATSCALE, INC.                                     | -            | Financial assets at fair value through profit or loss, noncurrent | 7,683                                            | USD 8,174       | -                              | USD 8,174                       | None                                  |  |
| Stock-Preferred stock | SENSIFREE LTD.                                    | -            | Financial assets at fair value through profit or loss, noncurrent | 276                                              | USD 95          | -                              | USD 95                          | None                                  |  |
| Stock-Preferred stock | APPIER HOLDINGS, INC.                             | -            | Financial assets at fair value through profit or loss, noncurrent | 52                                               | USD 2,287       | -                              | USD 2,287                       | None                                  |  |
| Stock-Preferred stock | DCARD HOLDINGS LTD.                               | -            | Financial assets at fair value through profit or loss, noncurrent | 27,819                                           | USD 4,962       | -                              | USD 4,962                       | None                                  |  |
| Stock-Preferred stock | NEXTINPUT, INC.                                   | -            | Financial assets at fair value through profit or loss, noncurrent | 3,866                                            | USD 1,369       | -                              | USD 1,369                       | None                                  |  |
| Stock-Preferred stock | SHOCARD, INC.                                     | -            | Financial assets at fair value through profit or loss, noncurrent | 517                                              | USD 123         | -                              | USD 123                         | None                                  |  |
| Stock-Preferred stock | GCT SEMICONDUCTOR, INC.                           | -            | Financial assets at fair value through profit or loss, noncurrent | 175                                              | USD 33          | -                              | USD 33                          | None                                  |  |

ATTACHMENT 4 (Securities held as of June 30, 2019) (Excluding subsidiaries, associates and joint ventures)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**UMC CAPITAL CORP.**

|                       |                                   |              |                                                                   | June 30, 2019                                    |                 |                                |                                 |                                       |  |  |
|-----------------------|-----------------------------------|--------------|-------------------------------------------------------------------|--------------------------------------------------|-----------------|--------------------------------|---------------------------------|---------------------------------------|--|--|
| Type of securities    | Name of securities                | Relationship | Financial statement account                                       | Units (thousand)/<br>bonds/ shares<br>(thousand) | Carrying amount | Percentage of<br>ownership (%) | Fair value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |  |  |
| Stock-Preferred stock | FORTEMEDIA, INC.                  | -            | Financial assets at fair value through profit or loss, noncurrent | 12,241                                           | USD 3,898       | -                              | USD 3,898                       | None                                  |  |  |
| Stock-Preferred stock | SIFOTONICS TECHNOLOGIES CO., LTD. | -            | Financial assets at fair value through profit or loss, noncurrent | 3,500                                            | USD 6,619       | -                              | USD 6,619                       | None                                  |  |  |
| Stock-Preferred stock | NEVO ENERGY, INC.                 | -            | Financial assets at fair value through profit or loss, noncurrent | 4,980                                            | -               | -                              | -                               | None                                  |  |  |
| Stock-Preferred stock | SWIFTSTACK, INC.                  | -            | Financial assets at fair value through profit or loss, noncurrent | 2,855                                            | USD 1,053       | -                              | USD 1,053                       | None                                  |  |  |
| Stock-Preferred stock | NEXENTA SYSTEMS, INC.             | -            | Financial assets at fair value through profit or loss, noncurrent | 6,555                                            | USD 159         | -                              | USD 159                         | None                                  |  |  |
| Stock-Preferred stock | CLOUDWORDS, INC.                  | -            | Financial assets at fair value through profit or loss, noncurrent | 9,461                                            | USD 4,542       | -                              | USD 4,542                       | None                                  |  |  |
| Stock-Preferred stock | ZYLOGIC SEMICONDUCTOR CORP.       | -            | Financial assets at fair value through profit or loss, noncurrent | 750                                              | -               | -                              | -                               | None                                  |  |  |
| Stock-Preferred stock | EAST VISION TECHNOLOGY LTD.       | -            | Financial assets at fair value through profit or loss, noncurrent | 2,770                                            | -               | -                              | -                               | None                                  |  |  |
| Stock-Preferred stock | SENSIFREE LTD.                    | -            | Prepayments for investments                                       | -                                                | USD 565         | -                              | N/A                             | None                                  |  |  |

**TERA ENERGY DEVELOPMENT CO., LTD.**

|                    |                                     |              |                                                                   | June 30, 2019                      |                 |                                |                                 |                                       |
|--------------------|-------------------------------------|--------------|-------------------------------------------------------------------|------------------------------------|-----------------|--------------------------------|---------------------------------|---------------------------------------|
| Type of securities | Name of securities                  | Relationship | Financial statement account                                       | Units (thousand)/<br>bonds/ shares | Carrying amount | Percentage of<br>ownership (%) | Fair value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
|                    |                                     |              |                                                                   | (thousand)                         |                 |                                |                                 |                                       |
| Stock              | TIAN TAI PHOTOELECTRICITY CO., LTD. | -            | Financial assets at fair value through profit or loss, noncurrent | 375                                | \$4,916         | 1.18                           | \$4,916                         | None                                  |

**NEXPOWER TECHNOLOGY CORP.**

|                    |                                          |              |                                                                   | June 30, 2019                                    |                 |                                |                                 |                                       |
|--------------------|------------------------------------------|--------------|-------------------------------------------------------------------|--------------------------------------------------|-----------------|--------------------------------|---------------------------------|---------------------------------------|
| Type of securities | Name of securities                       | Relationship | Financial statement account                                       | Units (thousand)/<br>bonds/ shares<br>(thousand) | Carrying amount | Percentage of<br>ownership (%) | Fair value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
| Stock              | PACIFIC-GREEN INTEGRATED TECHNOLOGY INC. | -            | Financial assets at fair value through profit or loss, noncurrent | 54                                               | \$-             | 18.00                          | \$-                             | None                                  |

**SINO PARAGON LIMITED**

|                    |                                        |              |                                                                   | June 30, 2019                                       |                 |                                |                                 |                                       |
|--------------------|----------------------------------------|--------------|-------------------------------------------------------------------|-----------------------------------------------------|-----------------|--------------------------------|---------------------------------|---------------------------------------|
| Type of securities | Name of securities                     | Relationship | Financial statement account                                       | Units (thousand)/<br>bonds/<br>shares<br>(thousand) | Carrying amount | Percentage of<br>ownership (%) | Fair value/<br>Net assets value | Shares as<br>collateral<br>(thousand) |
| Fund               | SPARKLABS GLOBAL VENTURES FUND I, L.P. | -            | Financial assets at fair value through profit or loss, noncurrent | -                                                   | \$87,466        | 11.13                          | \$87,466                        | None                                  |
| Fund               | SPARKLABS KOREA FUND II, L.P.          | -            | Financial assets at fair value through profit or loss, noncurrent | -                                                   | 28,734          | 5.00                           | 28,734                          | None                                  |

**UNITED SEMICONDUCTOR (XIAMEN) CO., LTD.**

|                    |                    |              |                                                                   |                                            | June 30, 2019   |                             |                              |      | Shares as collateral (thousand) |
|--------------------|--------------------|--------------|-------------------------------------------------------------------|--------------------------------------------|-----------------|-----------------------------|------------------------------|------|---------------------------------|
| Type of securities | Name of securities | Relationship | Financial statement account                                       | Units (thousand)/ bonds/ shares (thousand) | Carrying amount | Percentage of ownership (%) | Fair value/ Net assets value |      |                                 |
|                    |                    |              |                                                                   |                                            |                 |                             |                              |      |                                 |
| Fund               | LANHOR FUND        | -            | Financial assets at fair value through profit or loss, noncurrent | -                                          | RMB 48,976      | 9.71                        | RMB 48,976                   | None |                                 |

ATTACHMENT 5 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six-month period ended June 30, 2019)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

|                    |                        |                             |               |              | Beginning balance                                      |        | Addition                                               |        | Disposal                                               |        |      |                              | Ending balance                                         |        |
|--------------------|------------------------|-----------------------------|---------------|--------------|--------------------------------------------------------|--------|--------------------------------------------------------|--------|--------------------------------------------------------|--------|------|------------------------------|--------------------------------------------------------|--------|
|                    |                        |                             |               |              | Units<br>(thousand)/<br>bonds/<br>shares<br>(thousand) | Amount | Units<br>(thousand)/<br>bonds/<br>shares<br>(thousand) | Amount | Units<br>(thousand)/<br>bonds/<br>shares<br>(thousand) | Amount | Cost | Gain (Loss)<br>from disposal | Units<br>(thousand)/<br>bonds/<br>shares<br>(thousand) | Amount |
| Type of securities | Name of the securities | Financial statement account | Counter-party | Relationship |                                                        |        |                                                        |        |                                                        |        |      |                              |                                                        |        |
| None               |                        |                             |               |              |                                                        |        |                                                        |        |                                                        |        |      |                              |                                                        |        |

ATTACHMENT 6 (Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six-month period ended June 30, 2019)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

| Name of properties | Transaction date | Transaction amount | Payment status | Counter-party | Relationship | Where counter-party is a related party, details of prior transactions |                                                             |                     |                    |                 | Date of acquisition and status of utilization | Other commitments |
|--------------------|------------------|--------------------|----------------|---------------|--------------|-----------------------------------------------------------------------|-------------------------------------------------------------|---------------------|--------------------|-----------------|-----------------------------------------------|-------------------|
|                    |                  |                    |                |               |              | Former holder of property                                             | Relationship between former holder and acquirer of property | Date of transaction | Transaction amount | Price reference |                                               |                   |
| None               |                  |                    |                |               |              |                                                                       |                                                             |                     |                    |                 |                                               |                   |

ATTACHMENT 7 (Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six-month period ended June 30, 2019)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

| <u>Names of properties</u> | <u>Transaction date</u> | <u>Date of original acquisition</u> | <u>Carrying amount</u> | <u>Transaction amount</u> | <u>Status of proceeds collection</u> | <u>Gain (Loss) from disposal</u> | <u>Counter-party</u> | <u>Relationship</u> | <u>Reason of disposal</u> | <u>Price reference</u> | <u>Other commitments</u> |
|----------------------------|-------------------------|-------------------------------------|------------------------|---------------------------|--------------------------------------|----------------------------------|----------------------|---------------------|---------------------------|------------------------|--------------------------|
| None                       |                         |                                     |                        |                           |                                      |                                  |                      |                     |                           |                        |                          |

ATTACHMENT 8 ( Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the six-month period ended June 30, 2019)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**UNITED MICROELECTRONICS CORPORATION**

| Counter-party                           | Relationship | Transactions      |              |                                       |                   | Details of non-arm's length transaction |      | Notes and accounts receivable (payable) |                                           |      |
|-----------------------------------------|--------------|-------------------|--------------|---------------------------------------|-------------------|-----------------------------------------|------|-----------------------------------------|-------------------------------------------|------|
|                                         |              | Purchases (Sales) | Amount       | Percentage of total purchases (sales) | Term              | Unit price                              | Term | Balance                                 | Percentage of total receivables (payable) | Note |
| UMC GROUP (USA)                         | Subsidiary   | Sales             | \$22,306,386 | 37 %                                  | Net 60 days       | N/A                                     | N/A  | \$7,162,881                             | 31 %                                      |      |
| UMC GROUP JAPAN                         | Subsidiary   | Sales             | 2,145,540    | 4 %                                   | Net 60 days       | N/A                                     | N/A  | 698,880                                 | 3 %                                       |      |
| UNITED SEMICONDUCTOR (XIAMEN) CO., LTD. | Subsidiary   | Sales             | 602,639      | 1 %                                   | Net 30 days       | N/A                                     | N/A  | 27,743                                  | 0 %                                       |      |
| FARADAY TECHNOLOGY CORPORATION          | Associate    | Sales             | 384,801      | 1 %                                   | Month-end 60 days | N/A                                     | N/A  | 118,061                                 | 1 %                                       |      |

**UMC GROUP (USA)**

| Counter-party                           | Relationship   | Transactions      |             |                                       |             | Details of non-arm's length transaction |      | Notes and accounts receivable (payable) |                                           |      |
|-----------------------------------------|----------------|-------------------|-------------|---------------------------------------|-------------|-----------------------------------------|------|-----------------------------------------|-------------------------------------------|------|
|                                         |                | Purchases (Sales) | Amount      | Percentage of total purchases (sales) | Term        | Unit price                              | Term | Balance                                 | Percentage of total receivables (payable) | Note |
| UNITED MICROELECTRONICS CORPORATION     | Parent company | Purchases         | USD 703,076 | 97 %                                  | Net 60 days | N/A                                     | N/A  | USD 230,986                             | 98 %                                      |      |
| UNITED SEMICONDUCTOR (XIAMEN) CO., LTD. | Associate      | Purchases         | USD 16,378  | 2 %                                   | Net 60 days | N/A                                     | N/A  | USD 4,322                               | 2 %                                       |      |

**UMC GROUP JAPAN**

| Counter-party                        | Relationship   | Transactions      |               |                                       |             | Details of non-arm's length transaction |      | Notes and accounts receivable (payable) |                                           |      |
|--------------------------------------|----------------|-------------------|---------------|---------------------------------------|-------------|-----------------------------------------|------|-----------------------------------------|-------------------------------------------|------|
|                                      |                | Purchases (Sales) | Amount        | Percentage of total purchases (sales) | Term        | Unit price                              | Term | Balance                                 | Percentage of total receivables (payable) | Note |
| UNITED MICROELECTRONICS CORPORATION  | Parent company | Purchases         | JPY 7,158,153 | 95 %                                  | Net 60 days | N/A                                     | N/A  | JPY 2,428,583                           | 95 %                                      |      |
| HEJIAN TECHNOLOGY (SUZHOU) CO., LTD. | Associate      | Purchases         | JPY 387,131   | 5 %                                   | Net 60 days | N/A                                     | N/A  | JPY 122,788                             | 5 %                                       |      |

**HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.**

| Counter-party                  | Relationship | Transactions      |            |                                       |             | Details of non-arm's length transaction |      | Notes and accounts receivable (payable) |                                           |      |
|--------------------------------|--------------|-------------------|------------|---------------------------------------|-------------|-----------------------------------------|------|-----------------------------------------|-------------------------------------------|------|
|                                |              | Purchases (Sales) | Amount     | Percentage of total purchases (sales) | Term        | Unit price                              | Term | Balance                                 | Percentage of total receivables (payable) | Note |
| FARADAY TECHNOLOGY CORPORATION | Associate    | Sales             | RMB 37,812 | 4 %                                   | Net 45 days | N/A                                     | N/A  | RMB 29,462                              | 9 %                                       |      |
| UMC GROUP JAPAN                | Associate    | Sales             | RMB 24,937 | 2 %                                   | Net 60 days | N/A                                     | N/A  | RMB 7,834                               | 2 %                                       |      |

**UNITED SEMICONDUCTOR (XIAMEN) CO., LTD.**

| Counter-party   | Relationship | Transactions      |             |                                       |             | Details of non-arm's length transaction |      | Notes and accounts receivable (payable) |                                           |      |
|-----------------|--------------|-------------------|-------------|---------------------------------------|-------------|-----------------------------------------|------|-----------------------------------------|-------------------------------------------|------|
|                 |              | Purchases (Sales) | Amount      | Percentage of total purchases (sales) | Term        | Unit price                              | Term | Balance                                 | Percentage of total receivables (payable) | Note |
| UMC GROUP (USA) | Associate    | Sales             | RMB 117,053 | 17 %                                  | Net 60 days | N/A                                     | N/A  | RMB 29,716                              | 8 %                                       |      |

ATTACHMENT 9 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of June 30, 2019)

(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**UNITED MICROELECTRONICS CORPORATION**

| Counter-party               | Relationship | Ending balance      |                        |                      |             | Turnover<br>rate (times) | Overdue receivables |                                    | Amount received in<br>subsequent period | Loss allowance |
|-----------------------------|--------------|---------------------|------------------------|----------------------|-------------|--------------------------|---------------------|------------------------------------|-----------------------------------------|----------------|
|                             |              | Notes<br>receivable | Accounts<br>receivable | Other<br>receivables | Total       |                          | Amount              | Collection status                  |                                         |                |
| UMC GROUP (USA)             | Subsidiary   | \$-                 | \$7,162,881            | \$-                  | \$7,162,881 | 6.16                     | \$-                 | -                                  | \$2,878,466                             | \$-            |
| UMC GROUP JAPAN             | Subsidiary   | -                   | 698,880                | -                    | 698,880     | 5.35                     | 78,232              | Collection in<br>subsequent period | -                                       | -              |
| FARADAY TECHNOLOGY<br>CORP. | Associate    | -                   | 118,061                | 47                   | 118,108     | 7.55                     | 10,698              | Collection in<br>subsequent period | 29,180                                  | -              |

**HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.**

| Counter-party               | Relationship | Ending balance      |                        |                      |            | Turnover<br>rate (times) | Overdue receivables |                   | Amount received in<br>subsequent period | Loss allowance |
|-----------------------------|--------------|---------------------|------------------------|----------------------|------------|--------------------------|---------------------|-------------------|-----------------------------------------|----------------|
|                             |              | Notes<br>receivable | Accounts<br>receivable | Other<br>receivables | Total      |                          | Amount              | Collection status |                                         |                |
| FARADAY TECHNOLOGY<br>CORP. | Associate    | \$-                 | RMB 29,462             | \$-                  | RMB 29,462 | 4.09                     | \$-                 | -                 | RMB 7,603                               | \$-            |

**UNITED SEMICONDUCTOR (XIAMEN) CO., LTD.**

| Counter-party   | Relationship | Ending balance      |                        |                      |            | Turnover<br>rate (times) | Overdue receivables |                   | Amount received in<br>subsequent period | Loss allowance |
|-----------------|--------------|---------------------|------------------------|----------------------|------------|--------------------------|---------------------|-------------------|-----------------------------------------|----------------|
|                 |              | Notes<br>receivable | Accounts<br>receivable | Other<br>receivables | Total      |                          | Amount              | Collection status |                                         |                |
| UMC GROUP (USA) | Associate    | \$-                 | RMB 29,716             | \$-                  | RMB 29,716 | 8.24                     | \$-                 | -                 | \$-                                     | \$-            |

ATTACHMENT 10 (Names, locations and related information of investee companies as of June 30, 2019) (Not including investment in Mainland China)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**UNITED MICROELECTRONICS CORPORATION**

| Investee company                      | Address                | Main businesses and products                      | Initial Investment |           |                   |           | Investment as of June 30, 2019 |                             |                 | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|---------------------------------------|------------------------|---------------------------------------------------|--------------------|-----------|-------------------|-----------|--------------------------------|-----------------------------|-----------------|---------------------------------------|-------------------------------------|------|
|                                       |                        |                                                   | Ending balance     |           | Beginning balance |           | Number of shares (thousand)    | Percentage of ownership (%) | Carrying amount |                                       |                                     |      |
| UMC GROUP (USA)                       | USA                    | IC Sales                                          | USD                | 16,438    | USD               | 16,438    | 16,438                         | 100.00                      | \$1,705,469     | \$(26,742)                            | \$(26,742)                          |      |
| UNITED MICROELECTRONICS (EUROPE) B.V. | The Netherlands        | Marketing support activities                      | USD                | 5,421     | USD               | 5,421     | 9                              | 100.00                      | 145,506         | 1,487                                 | 1,487                               |      |
| UMC CAPITAL CORP.                     | Cayman Islands         | Investment holding                                | USD                | 81,500    | USD               | 81,500    | 71,663                         | 100.00                      | 3,594,221       | 59,066                                | 59,066                              |      |
| GREEN EARTH LIMITED                   | Samoa                  | Investment holding                                | USD                | 977,000   | USD               | 977,000   | 977,000                        | 100.00                      | 14,667,628      | (2,689,134)                           | (2,689,134)                         |      |
| TLC CAPITAL CO., LTD.                 | Taipei City, Taiwan    | Venture capital                                   |                    | 4,610,000 |                   | 4,610,000 | 387,600                        | 100.00                      | 4,300,255       | 52,041                                | 52,041                              |      |
| UMC INVESTMENT (SAMOA) LIMITED        | Samoa                  | Investment holding                                | USD                | 1,520     | USD               | 1,520     | 1,520                          | 100.00                      | 43,439          | 531                                   | 531                                 |      |
| FORTUNE VENTURE CAPITAL CORP.         | Taipei City, Taiwan    | Consulting and planning for venture capital       |                    | 4,160,053 |                   | 4,160,053 | 462,000                        | 100.00                      | 4,939,055       | (225,534)                             | (225,534)                           |      |
| UMC GROUP JAPAN                       | Japan                  | IC Sales                                          | JPY                | 60,000    | JPY               | 60,000    | 1                              | 100.00                      | 97,092          | 44,932                                | 44,932                              |      |
| UMC KOREA CO., LTD.                   | Korea                  | Marketing support activities                      | KRW                | 550,000   | KRW               | 550,000   | 110                            | 100.00                      | 20,650          | 438                                   | 438                                 |      |
| OMNI GLOBAL LIMITED                   | Samoa                  | Investment holding                                | USD                | 4,300     | USD               | 4,300     | 4,300                          | 100.00                      | 596,312         | 17,020                                | 17,020                              |      |
| SINO PARAGON LIMITED                  | Samoa                  | Investment holding                                | USD                | 2,600     | USD               | 2,600     | 2,600                          | 100.00                      | 119,214         | (1,687)                               | (1,687)                             |      |
| BEST ELITE INTERNATIONAL LIMITED      | British Virgin Islands | Investment holding                                | USD                | 309,102   | USD               | 309,102   | 664,966                        | 100.00                      | 23,468,150      | 122,849                               | 122,849                             |      |
| WAVETEK MICROELECTRONICS CORPORATION  | Hsinchu County, Taiwan | Sales and manufacturing of integrated circuits    |                    | 1,894,660 |                   | 1,707,482 | 144,948                        | 79.92                       | 292,828         | (211,724)                             | (168,122)                           |      |
| NEXPOWER TECHNOLOGY CORP.             | Taichung City, Taiwan  | Sales and manufacturing of solar power batteries  |                    | 5,956,791 |                   | 5,956,791 | 33,998                         | 47.75                       | (76,449)        | (273,264)                             | (130,487)                           |      |
| MTIC HOLDINGS PTE. LTD.               | Singapore              | Investment holding                                | SGD                | 12,000    | SGD               | 12,000    | 12,000                         | 45.44                       | 3,168           | (4,732)                               | (32,480)                            |      |
| UNITECH CAPITAL INC.                  | British Virgin Islands | Investment holding                                | USD                | 21,000    | USD               | 21,000    | 21,000                         | 42.00                       | 593,150         | 44,830                                | 18,829                              |      |
| TRIKNIGHT CAPITAL CORPORATION         | Taipei City, Taiwan    | Investment holding                                |                    | 1,680,000 |                   | 1,680,000 | 168,000                        | 40.00                       | 1,574,653       | 135,195                               | 54,078                              |      |
| HSUN CHIEH INVESTMENT CO., LTD.       | Taipei City, Taiwan    | Investment holding                                |                    | 336,241   |                   | 336,241   | 168,973                        | 36.49                       | 3,833,012       | 1,131,607                             | 412,900                             |      |
| YANN YUAN INVESTMENT CO., LTD.        | Taipei City, Taiwan    | Investment holding                                |                    | 2,300,000 |                   | 2,300,000 | 46,000                         | 30.87                       | 3,161,603       | (51,083)                              | (15,770)                            |      |
| FARADAY TECHNOLOGY CORPORATION        | Hsinchu City, Taiwan   | Design of application-specific integrated circuit |                    | 38,918    |                   | 38,918    | 34,240                         | 13.78                       | 1,472,138       | (125,864)                             | (17,339)                            |      |

ATTACHMENT 10 (Names, locations and related information of investee companies as of June 30, 2019) (Not including investment in Mainland China)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**FORTUNE VENTURE CAPITAL CORP.**

| Investee company                         | Address                | Main businesses and products                                           | Initial Investment |                   | Investment as of June 30, 2019 |                             |                 | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|------------------------------------------|------------------------|------------------------------------------------------------------------|--------------------|-------------------|--------------------------------|-----------------------------|-----------------|---------------------------------------|-------------------------------------|------|
|                                          |                        |                                                                        | Ending balance     | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Carrying amount |                                       |                                     |      |
| TERA ENERGY DEVELOPMENT CO., LTD.        | Hsinchu City, Taiwan   | Energy Technical Services                                              | \$100,752          | \$100,752         | 18,655                         | 100.00                      | \$87,875        | \$6,018                               | \$6,018                             |      |
| PURIUMFIL INC.                           | Tainan City, Taiwan    | Chemicals and filtration products & Microcontamination control service | 10,000             | -                 | 1,000                          | 44.45                       | 9,303           | (1,569)                               | (697)                               |      |
| NEXPOWER TECHNOLOGY CORP.                | Taichung City, Taiwan  | Sales and manufacturing of solar power batteries                       | 1,688,630          | 1,688,630         | 23,827                         | 33.46                       | (53,577)        | (273,264)                             | (91,448)                            |      |
| WINAICO IMMOBILIEN GMBH                  | Germany                | Solar project                                                          | EUR 5,900          | EUR 5,900         | 5,900                          | 32.78                       | -               | -                                     | -                                   |      |
| UNITED LED CORPORATION HONG KONG LIMITED | Hongkong               | Investment holding                                                     | USD 22,500         | USD 22,500        | 22,500                         | 25.14                       | 147,777         | (87,985)                              | (22,119)                            |      |
| CLIENTRON CORP.                          | Xinbei City, Taiwan    | Thin client                                                            | 283,439            | 283,439           | 14,247                         | 22.39                       | 253,194         | 64,829                                | 13,016                              |      |
| WAVETEK MICROELECTRONICS CORPORATION     | Hsinchu County, Taiwan | Sales and manufacturing of integrated circuits                         | 8,856              | 8,856             | 1,194                          | 0.66                        | 3,859           | (211,724)                             | (1,431)                             |      |

**TLC CAPITAL CO., LTD.**

| Investee company          | Address               | Main businesses and products                                   | Initial Investment |                   | Investment as of June 30, 2019 |                             |                 | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|---------------------------|-----------------------|----------------------------------------------------------------|--------------------|-------------------|--------------------------------|-----------------------------|-----------------|---------------------------------------|-------------------------------------|------|
|                           |                       |                                                                | Ending balance     | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Carrying amount |                                       |                                     |      |
| SOARING CAPITAL CORP.     | Samoa                 | Investment holding                                             | USD 900            | USD 900           | 900                            | 100.00                      | \$15,161        | \$878                                 | \$878                               |      |
| YUNG LI INVESTMENTS, INC. | Taipei City, Taiwan   | Investment holding                                             | 22,581             | 22,581            | 2,258                          | 45.16                       | 2,213           | (1)                                   | (0)                                 |      |
| HSUN CHIEH CAPITAL CORP.  | Samoa                 | Investment holding                                             | USD 6,000          | USD 6,000         | 6,000                          | 30.00                       | 151,935         | (47,149)                              | (11,159)                            |      |
| VSENSE CO., LTD.          | Taipei City, Taiwan   | Medical devices, measuring equipment, reagents and consumables | 95,916             | 95,916            | 4,251                          | 26.89                       | 28,307          | (12,097)                              | (3,253)                             |      |
| NEXPOWER TECHNOLOGY CORP. | Taichung City, Taiwan | Sales and manufacturing of solar power batteries               | 888,019            | 888,019           | 8,645                          | 12.14                       | (19,440)        | (273,264)                             | (33,181)                            |      |

**UMC CAPITAL CORP.**

| Investee company                   | Address        | Main businesses and products | Initial Investment |                   | Investment as of June 30, 2019 |                             |                 | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|------------------------------------|----------------|------------------------------|--------------------|-------------------|--------------------------------|-----------------------------|-----------------|---------------------------------------|-------------------------------------|------|
|                                    |                |                              | Ending balance     | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Carrying amount |                                       |                                     |      |
| UMC CAPITAL (USA)                  | USA            | Investment holding           | USD 200            | USD 200           | 200                            | 100.00                      | USD 549         | USD 3                                 | USD 3                               |      |
| TRANSLINK CAPITAL PARTNERS I, L.P. | Cayman Islands | Investment holding           | USD 4,036          | USD 4,036         | -                              | 10.38                       | USD 3,959       | USD 389                               | USD 32                              |      |

**TERA ENERGY DEVELOPMENT CO., LTD.**

| Investee company                        | Address  | Main businesses and products | Initial Investment |                   | Investment as of June 30, 2019 |                             |                 | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|-----------------------------------------|----------|------------------------------|--------------------|-------------------|--------------------------------|-----------------------------|-----------------|---------------------------------------|-------------------------------------|------|
|                                         |          |                              | Ending balance     | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Carrying amount |                                       |                                     |      |
| EVERRICH ENERGY INVESTMENT (HK) LIMITED | Hongkong | Investment holding           | USD 750            | USD 750           | 750                            | 100.00                      | \$37,048        | \$4,430                               | \$4,430                             |      |
| WINAICO SOLAR PROJEKT 1 GMBH            | Germany  | Solar project                | EUR 1,120          | EUR 1,120         | 1,120                          | 50.00                       | -               | -                                     | -                                   |      |
| WINAICO IMMOBILIEN GMBH                 | Germany  | Solar project                | EUR 2,160          | EUR 2,160         | 2,160                          | 12.00                       | -               | -                                     | -                                   |      |

ATTACHMENT 10 (Names, locations and related information of investee companies as of June 30, 2019) (Not including investment in Mainland China)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**WAVETEK MICROELECTRONICS CORPORATION**

| Investee company                                    | Address | Main businesses and products | Initial Investment |                   | Investment as of June 30, 2019 |                             |                 | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|-----------------------------------------------------|---------|------------------------------|--------------------|-------------------|--------------------------------|-----------------------------|-----------------|---------------------------------------|-------------------------------------|------|
|                                                     |         |                              | Ending balance     | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Carrying amount |                                       |                                     |      |
| WAVETEK MICROELECTRONICS INVESTMENT (SAMOA) LIMITED | Samoa   | Investment holding           | USD 1,500          | USD 1,500         | 1,500                          | 100.00                      | \$5,614         | \$(3,521)                             | \$(3,521)                           |      |

**WAVETEK MICROELECTRONICS INVESTMENT (SAMOA) LIMITED**

| Investee company                           | Address | Main businesses and products | Initial Investment |                   | Investment as of June 30, 2019 |                             |                 | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|--------------------------------------------|---------|------------------------------|--------------------|-------------------|--------------------------------|-----------------------------|-----------------|---------------------------------------|-------------------------------------|------|
|                                            |         |                              | Ending balance     | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Carrying amount |                                       |                                     |      |
| WAVETEK MICROELECTRONICS CORPORATION (USA) | USA     | Sales and marketing service  | USD 60             | USD 60            | 60                             | 100.00                      | \$2,761         | \$131                                 | \$131                               |      |

**NEXPOWER TECHNOLOGY CORP.**

| Investee company          | Address | Main businesses and products | Initial Investment |                   | Investment as of June 30, 2019 |                             |                 | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|---------------------------|---------|------------------------------|--------------------|-------------------|--------------------------------|-----------------------------|-----------------|---------------------------------------|-------------------------------------|------|
|                           |         |                              | Ending balance     | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Carrying amount |                                       |                                     |      |
| SOCIALNEX ITALIA 1 S.R.L. | Italy   | Photovoltaic power plant     | EUR 3,637          | EUR 3,637         | -                              | 100.00                      | \$38,513        | \$(87,010)                            | \$(87,010)                          | Note |

Note: NEXPOWER TECHNOLOGY CORP. expected to dispose of SOCIALNEX ITALIA 1 S.R.L., the wholly-owned subsidiary, and reclassify this investment from the investments accounted for under the equity method to non-current assets held for sale as of June 30, 2019.

**BEST ELITE INTERNATIONAL LIMITED**

| Investee company             | Address                | Main businesses and products | Initial Investment |                   | Investment as of June 30, 2019 |                             |                 | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|------------------------------|------------------------|------------------------------|--------------------|-------------------|--------------------------------|-----------------------------|-----------------|---------------------------------------|-------------------------------------|------|
|                              |                        |                              | Ending balance     | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Carrying amount |                                       |                                     |      |
| INFOSHINE TECHNOLOGY LIMITED | British Virgin Islands | Investment holding           | USD 354,000        | USD 354,000       | -                              | 100.00                      | \$23,393,499    | \$124,591                             | \$124,591                           |      |

**INFOSHINE TECHNOLOGY LIMITED**

| Investee company           | Address                | Main businesses and products | Initial Investment |                   | Investment as of June 30, 2019 |                             |                 | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|----------------------------|------------------------|------------------------------|--------------------|-------------------|--------------------------------|-----------------------------|-----------------|---------------------------------------|-------------------------------------|------|
|                            |                        |                              | Ending balance     | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Carrying amount |                                       |                                     |      |
| OAKWOOD ASSOCIATES LIMITED | British Virgin Islands | Investment holding           | USD 354,000        | USD 354,000       | -                              | 100.00                      | \$23,393,499    | \$124,591                             | \$124,591                           |      |

**OMNI GLOBAL LIMITED**

| Investee company                                | Address   | Main businesses and products                                               | Initial Investment |                   | Investment as of June 30, 2019 |                             |                 | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|-------------------------------------------------|-----------|----------------------------------------------------------------------------|--------------------|-------------------|--------------------------------|-----------------------------|-----------------|---------------------------------------|-------------------------------------|------|
|                                                 |           |                                                                            | Ending balance     | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Carrying amount |                                       |                                     |      |
| UNITED MICROTECHNOLOGY CORPORATION (NEW YORK)   | USA       | Research & Development                                                     | USD 950            | USD 950           | 0                              | 100.00                      | \$31,213        | \$(10)                                | \$(10)                              |      |
| UNITED MICROTECHNOLOGY CORPORATION (CALIFORNIA) | USA       | Research & Development                                                     | USD 1,000          | USD 1,000         | 0                              | 100.00                      | 35,464          | 739                                   | 739                                 |      |
| ECP VITA PTE. LTD.                              | Singapore | Insurance                                                                  | USD 9,000          | USD 9,000         | 9,000                          | 100.00                      | 541,119         | 16,655                                | 16,655                              |      |
| UMC TECHNOLOGY JAPAN CO., LTD.                  | Japan     | Semiconductor manufacturing technology development and consulting services | JPY 35,000         | JPY 35,000        | 4                              | 100.00                      | 9,328           | (123)                                 | (123)                               |      |

ATTACHMENT 10 (Names, locations and related information of investee companies as of June 30, 2019) (Not including investment in Mainland China)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

**GREEN EARTH LIMITED**

| Investee company             | Address | Main businesses and products | Initial Investment |                   | Investment as of June 30, 2019 |                             |                 | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|------------------------------|---------|------------------------------|--------------------|-------------------|--------------------------------|-----------------------------|-----------------|---------------------------------------|-------------------------------------|------|
|                              |         |                              | Ending balance     | Beginning balance | Number of shares (thousand)    | Percentage of ownership (%) | Carrying amount |                                       |                                     |      |
| UNITED MICROCHIP CORPORATION | Cayman  | Investment holding           | USD 974,050        | USD 974,050       | 974,050                        | 100.00                      | \$14,640,322    | \$(2,689,642)                         | \$(2,689,642)                       |      |

ATTACHMENT 11 (Investment in Mainland China as of June 30, 2019)  
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

|                                                              |                                                           |                                                              |                                                                                |                                                                     | Investment flows |        |                                                                   |                                       |                         |                                              |                                     |                                                               |      |
|--------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------|--------|-------------------------------------------------------------------|---------------------------------------|-------------------------|----------------------------------------------|-------------------------------------|---------------------------------------------------------------|------|
| Investee company                                             | Main businesses and products                              | Total amount of paid-in capital                              | Method of investment (Note 1)                                                  | Accumulated outflow of investment from Taiwan as of January 1, 2019 | Outflow          | Inflow | Accumulated outflow of investment from Taiwan as of June 30, 2019 | Net income (loss) of investee company | Percentage of ownership | Investment income (loss) recognized (Note 2) | Carrying amount as of June 30, 2019 | Accumulated inward remittance of earnings as of June 30, 2019 |      |
|                                                              |                                                           |                                                              |                                                                                | (USD                                                                |                  |        | (USD                                                              |                                       |                         | (USD                                         |                                     | (RMB                                                          | (RMB |
| UNITRUTH ADVISOR (SHANGHAI) CO., LTD.                        | Investment Holding and advisory                           | (USD \$24,808 800)                                           | (ii)SOARING CAPITAL CORP.                                                      | (USD \$24,808 800)                                                  | \$-              | \$-    | (USD \$24,808 800)                                                | \$875                                 | 100.00%                 | \$875 (iii)                                  | \$14,921                            | \$-                                                           |      |
| EVERRICH (SHANDONG) ENERGY CO., LTD.                         | Solar engineering integrated design services              | (USD 23,258 750)                                             | (ii)EVERRICH ENERGY INVESTMENT (HK) LIMITED                                    | (USD 23,258 750)                                                    | -                | -      | (USD 23,258 750)                                                  | 4,435                                 | 100.00%                 | 4,435 (iii)                                  | 36,501                              | 136,196 (USD 4,392)                                           |      |
| UNITED LED CORPORATION                                       | Research, manufacturing and sales in LED epitaxial wafers | (USD 2,604,840 84,000)                                       | (ii)UNITED LED CORPORATION HONG KONG LIMITED                                   | (USD 627,953 20,250)                                                | -                | -      | (USD 627,953 20,250)                                              | (86,845) (RMB 19,316))                | 25.14%                  | (21,833) (RMB 4,856) (ii)                    | 131,670 (RMB 29,286)                | -                                                             |      |
| HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.                         | Sales and manufacturing of integrated circuits            | (RMB 14,409,743 3,205,014)                                   | (ii)OAKWOOD ASSOCIATES LIMITED                                                 | (USD 9,585,253 309,102)                                             | -                | -      | (USD 9,585,253 309,102)                                           | 108,457 (RMB 24,123)                  | 98.14% (Note 4)         | 106,434 (RMB 23,673) (ii)                    | 22,599,958 (RMB 5,026,681)          | -                                                             |      |
| UNITEDDS SEMICONDUCTOR (SHANDONG) CO., LTD.                  | Design support of integrated circuits                     | (RMB 134,880 30,000)                                         | (iii)HEJIAN TECHNOLOGY (SUZHOU) CO., LTD.                                      | -                                                                   | -                | -      | -                                                                 | 4,518 (RMB 1,005)                     | 98.14%                  | 4,433 (RMB 986) (iii)                        | 197,406 (RMB 43,907)                | -                                                             |      |
| UNITED SEMICONDUCTOR (XIAMEN) CO., LTD.                      | Sales and manufacturing of integrated circuits            | (RMB 57,089,282 12,697,794)                                  | (ii)UNITED MICROCHIP CORPORATION and (iii)HEJIAN TECHNOLOGY (SUZHOU) CO., LTD. | (USD 29,923,596 964,966) (Note 5)                                   | -                | -      | (USD 29,923,596 964,966) (Note 5)                                 | (5,234,576) (RMB 1,164,274))          | 64.95%                  | (3,399,709) (RMB 756,163) (ii)               | 18,833,434 (RMB 4,188,931)          | -                                                             |      |
| Accumulated investment in Mainland China as of June 30, 2019 |                                                           | Investment amounts authorized by Investment Commission, MOEA |                                                                                | Upper limit on investment                                           |                  |        |                                                                   |                                       |                         |                                              |                                     |                                                               |      |
| \$40,184,868 (USD 1,295,868)                                 |                                                           | \$50,475,752 (USD 1,627,725)                                 |                                                                                | \$120,998,517                                                       |                  |        |                                                                   |                                       |                         |                                              |                                     |                                                               |      |