Stock Code:2404

UNITED INTEGRATED SERVICES CO., LTD.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2019 and 2018

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The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Report	3
4. Balance Sheets	4
5. Statements of Comprehensive Income	5
6. Statements of Changes in Equity	6
7. Statements of Cash Flows	7
8. Notes to the Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the financial statements	8
(3) New standards, amendments and interpretations adopted	8～12
(4) Summary of significant accounting policies	12～28
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	28～29
(6) Explanation of significant accounts	30～61
(7) Related-party transactions	61～64
(8) Pledged assets	65
(9) Significant commitments and contingencies	65～69
(10) Losses due to major disasters	69
(11) Subsequent events	69
(12) Other	69～72
(13) Other disclosures	
(a) Information on significant transactions	73～74
(b) Information on investees	74～75
(c) Information on investment in mainland China	75
(14) Segment information	75
9. List of major account titles	76～92

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Independent Auditors' Report

To the Board of Directors of United Integrated Services Co., Ltd.:

Opinion

We have audited the financial statements of United Integrated Services Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2019 and 2018 and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter section), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

Some board members of United Integrated Services Co., Ltd. were sentenced of violating the Securities Exchange Act by the Taiwan High Court. For circumstances of these cases, please refer to Note12 (b) of the financial statements. Our opinion is not modified in respect of this matter.

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Other Matter

We did not audit the financial statements of certain investee companies under the equity method and Note 13 (b) "Information on investees of the financial statements". Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these investee companies, is based solely on the reports of other auditors. The investments in the investee companies constituted 4.22% and 4.26% of the total assets, as of December 31, 2019 and 2018, respectively. For the years then ended, the recognized shares of profit of associates accounted for using the equity method of these investee companies constituted 1.34% and 2.37% of the total profit before tax, respectively.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditors' report were as follows:

1. Revenue recognition

   For the accounting policies related to revenue recognition, please refer to Note 4 (o) "Revenue recognition"; for uncertainty of accounting estimates and assumption for revenue recognition, please refer to Note 5 (b) "Revenue recognition"; for information of revenue recognition, please refer to Note 6 (t) "Revenue from contracts with customers" to the financial statements.

   Description of Key Audit Matter:

   The Company recognizes construction contract revenue by percentage of completion method. The percentage of completion is based on the contract costs incurred as of the financial statements reporting date, representing the percentage of the estimated total contract costs. Because construction contract accounting involves a high level of estimation and judgment, revenue recognition has been identified as one of the key audit matters for our audit.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, our principal audit procedures included testing the effectiveness of the internal control related to the timing and precision of revenue recognition. Through sampling and reviewing new construction contracts throughout the Company's reporting period, we obtained annual project revenue statistics and validated the correctness of revenue recognized on the projects.

2. Accounts receivable impairment assessment

   For the accounting policies related to the impairment assessment of accounts receivable, please refer to Note 4 (f) "Financial instruments"; for uncertainty of accounting estimates and assumption for the impairment assessment of accounts receivable, please refer to Note 5 (a) "Impairment assessment of accounts receivable"; for information of the impairment assessment of accounts receivable, please refer to Note 6 (c) "Notes and accounts receivable" to the financial statements.

   Description of Key Audit Matter:

   The Company recognized expected credit loss in accordance with the Company's policy of allowance for accounts receivable , and established its estimation based on its clients' credit risk, historical experiences of credit loss, and rational expectation of future economic conditions. Since the accounting of expected credit loss of accounts receivable involves a high level of estimation and judgment, the impairment assessment of accounts receivable has been identified as one of the key audit matters for our audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: (i) understanding the accounting policies of the impairment assessment of notes and trade receivables; (ii) implementing sampling procedures to examine the accuracy of accounts receivable aging report; (iii) analyzing the changes of the aging of accounts receivable in each period; (iv) examining historical collection records; (v) examining subsequent collection status to evaluate the reasonableness of the Company's recognition of allowance for impairment loss.

3. Financial instruments assessment

For the accounting policies related to the assessment of financial instruments, please refer to Note 4 (f) "Financial Instruments"; for uncertainty of accounting estimates and judgments for fair value of financial instruments, please refer to Note 5 (c) "Fair value of financial instruments"; for information of the fair value of financial instruments, please refer to Note 6 (w) "Fair value hierarchy information" to the financial statements.

Description of Key Audit Matter:

The accounting of the assessment of financial instruments involves a high level of estimation and judgment. Therefore, the assessment of financial instruments has been identified as one of the key audit matters for our audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: (i) testing the investment cycle and related financial reporting procedures, involving measurements and the internal control of financial reporting disclosures. (ii) assessing the reasonableness of valuation techniques of the financial assets measured at fair value without active market prices, including testing valuation models and inspecting the significant unobservable inputs to ensure that the applied valuation techniques were in accordance with IFRS 13 "Fair Value Measurement".

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partners on the audit resulting in this independent auditors' report are Jung-Lin, Lee and Tzu-Hui, Lee.

KPMG

Taipei, Taiwan (Republic of China)
March 24, 2020

Notes to Readers

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

The independent auditors' audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

UNITED INTEGRATED SERVICES CO., LTD.

Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2019		December 31, 2018	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note6(a))	$ 4,349,076	22	5,802,022	33
1110	Current financial assets measured at fair value through profit or loss (note6(b)(w))	214,179	1	149,575	2
1140	Current contract assets (note6(t))	880,164	4	1,002,722	6
1150	Notes receivable, net (note6(c))	1,859	-	3,035	-
1170	Accounts receivables, net (note6(c)(t))	3,408,266	17	2,789,672	16
1180	Accounts receivables－related parties (note6(c) and 7)	46,149	-	66,904	-
1220	Current tax assets	14,485	-	14,485	-
130X	Inventories (note6(d))	42,029	-	44,134	-
1410	Prepayments (note6(e))	1,012,546	5	1,041,684	6
1470	Other current assets (note6(l), 7 and 8)	4,832,698	25	2,003,552	11
	Total current assets	14,801,451	74	12,917,785	74
	Non-current assets:				
1510	Non-current financial assets measured at fair value through profit or loss (note6(f)(w))	6,347	-	7,879	-
1517	Non-current financial assets measured at fair value through other comprehensive income (note6(g)(w))	2,051,779	11	1,636,961	9
1550	Investments accounted for using equity method (note6(h))	2,048,791	10	2,314,018	13
1600	Property, plant and equipment (note6(i))	553,061	3	560,187	3
1755	Right-of-use assets (note6(j))	19,164	-	-	-
1780	Intangible assets (note6(k))	2,705	-	1,341	-
1840	Deferred tax assets (note6(q))	156,384	1	84,696	-
1940	Long-term other receivables－related parties (note7)	203,876	1	218,682	1
1995	Other non-current assets (note6(l) and 8)	7,639	-	6,551	-
	Total non-current assets	5,049,746	26	4,830,315	26
	Total assets	**$ 19,851,197**	**100**	**17,748,100**	**100**

		December 31, 2019		December 31, 2018	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2130	Current contract liabilities (note6(t))	$ 5,568,691	28	5,894,776	33
2150	Notes payable (note6(w))	14,149	-	241,531	1
2160	Notes payable－related parties (note6(w) and 7)	-	-	38,960	-
2170	Accounts payables (note6(w))	3,808,665	19	2,610,173	14
2180	Accounts payables－related parties (note6(w) and 7)	115,841	1	112,197	1
2200	Other payables(note6(p)(w))	691,923	3	629,254	3
2220	Other payables－related parties (note7)	160,183	1	153,885	1
2230	Current tax liabilities	486,933	2	336,632	2
2250	Current provisions (note6(m))	16,743	-	13,354	-
2280	Current lease liabilities (note6(n)(w))	12,357	-	-	-
2300	Other current liabilities	7,616	-	7,600	-
	Total current liabilities	10,883,101	54	10,038,362	55
	Non-Current liabilities:				
2550	Non-current provisions (note6(p))	288,952	1	334,415	2
2570	Deferred tax liabilities (note6(q))	102,607	1	118,983	1
2580	Non-current lease liabilities (note6(n)(w))	6,928	-	-	-
2645	Guarantee deposits received (note6(w))	2,143	-	2,004	-
	Total non-current liabilities	400,630	2	455,402	3
	Total liabilities	11,283,731	56	10,493,764	58
31XX	**Equity (note6(g)(p)(q)(r)):**				
3100	Common stock	1,905,867	10	1,905,867	11
3200	Capital surplus	373,561	2	374,156	2
	Retained earnings:				
3310	Legal reserve	1,730,497	9	1,515,740	9
3320	Special reserve	-	-	112,888	1
3350	Unappropriated earnings	3,625,577	18	2,780,424	16
		5,356,074	27	4,409,052	26
3400	Other equity	931,964	5	565,261	3
	Total equity	8,567,466	44	7,254,336	42
	Total liabilities and equity	**$ 19,851,197**	**100**	**17,748,100**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

UNITED INTEGRATED SERVICES CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollar, Except Earnings Per Share)

		2019 Amount	%	2018 Amount	%
	Operating Revenues (note6(t) and 7):				
4520	Construction revenue	$ 19,039,765	98	9,352,741	98
4600	Service and design revenue	394,044	2	220,976	2
	Operating revenues, net	19,433,809	100	9,573,717	100
	Operating costs (note6(d)(k)(p)(u), 7 and 12):				
5500	Construction cost	15,278,348	79	7,109,722	75
5600	Service and design cost	205,796	1	167,948	2
	Total operating costs	15,484,144	80	7,277,670	77
	Gross profit from operations	3,949,665	20	2,296,047	23
	Operating expenses (note6(c)(k)(n)(o)(p)(u), 7 and 12):				
6100	Selling expenses	33,549	-	32,363	-
6200	Administrative expenses	724,890	4	604,691	6
6300	Research and development expenses	35,099	-	36,070	-
7055	Expected credit losses	48,443	-	36,733	-
	Total operating expenses	841,981	4	709,857	6
	Net operating income	3,107,684	16	1,586,190	17
	Non-operating income and expenses:				
7010	Other income (note6(v) and 7)	155,591	1	373,337	4
7020	Other gains and losses (note6(v) and 7)	(51,735)	-	91,091	1
7100	Interest income	142,044	-	139,197	1
7510	Interest expense (note6(n)(v) and 7)	(6,578)	-	(6,298)	-
7375	Share of profit of subsidiaries, associations and joint ventures accounted for using equity method (note6(h))	147,994	1	497,540	5
	Total non-operating income and expenses	387,316	2	1,094,867	11
	Net income from continuing operations before tax	3,495,000	18	2,681,057	28
7950	Less: Income tax expenses (note6(q))	679,702	3	533,491	6
	Net income	2,815,298	15	2,147,566	22
8300	**Other comprehensive income(note6(g)(p)(q)):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains (losses) on remeasurements of defined benefit plans	47,955	-	(21,830)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	414,818	2	(954,501)	(10)
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(773)	-	(133)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	9,591	-	(9,567)	-
	Items that may not be reclassified subsequently to profit or loss	452,409	2	(966,897)	(10)
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign operation	(49,605)	-	-	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(8,431)	-	(31,987)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(9,921)	-	(6,397)	-
	Items that may be reclassified subsequently to profit or loss	(48,115)	-	(25,590)	-
8300	**Other comprehensive income**	404,294	2	(992,487)	(10)
8500	**Comprehensive income**	**$ 3,219,592**	**17**	**1,155,079**	**12**
9750	**Basic earnings per share (note6(s))**	**$**	**14.77**		**9.42**
9850	**Diluted earnings per share (note6(s))**	**$**	**14.57**		**9.27**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

UNITED INTEGRATED SERVICES CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollar)

	Share capital		Retained earnings				Other equity			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity	Total equity
Balance at January 1, 2018	$ 2,382,334	611,987	1,394,285	133,666	1,937,098	3,465,049	(37,898)	1,583,250	1,545,352	8,004,722
Net income	-	-	-	-	2,147,566	2,147,566	-	-	-	2,147,566
Other comprehensive income	-	-	-	-	(12,396)	(12,396)	(25,590)	(954,501)	(980,091)	(992,487)
Total comprehensive income	-	-	-	-	2,135,170	2,135,170	(25,590)	(954,501)	(980,091)	1,155,079
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	121,455	-	(121,455)	-	-	-	-	-
Special reserve	-	-	-	(20,778)	20,778	-	-	-	-	-
Cash dividends	-	(238,233)	-	-	(1,191,167)	(1,191,167)	-	-	-	(1,429,400)
Other changes in capital surplus:										
Changes in equity of associates and joint ventures accounted for using equity method	-	402	-	-	-	-	-	-	-	402
Capital reduction	(476,467)	-	-	-	-	-	-	-	-	(476,467)
Balance on December 31, 2018	1,905,867	374,156	1,515,740	112,888	2,780,424	4,409,052	(63,488)	628,749	565,261	7,254,336
Net income	-	-	-	-	2,815,298	2,815,298	-	-	-	2,815,298
Other comprehensive income	-	-	-	-	37,591	37,591	(48,115)	414,818	366,703	404,294
Total comprehensive income	-	-	-	-	2,852,889	2,852,889	(48,115)	414,818	366,703	3,219,592
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	214,757	-	(214,757)	-	-	-	-	-
Special reserve	-	-	-	(112,888)	112,888	-	-	-	-	-
Cash dividends	-	-	-	-	(1,905,867)	(1,905,867)	-	-	-	(1,905,867)
Other changes in capital surplus:										
Changes in equity of associates and joint ventures accounted for using equity method	-	(595)	-	-	-	-	-	-	-	(595)
Balance on December 31, 2019	**$ 1,905,867**	**373,561**	**1,730,497**	**-**	**3,625,577**	**5,356,074**	**(111,603)**	**1,043,567**	**931,964**	**8,567,466**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

UNITED INTEGRATED SERVICES CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollar)

		2019	2018
Cash flows from (used in) operating activities:			
Income before income tax	$	3,495,000	2,681,057
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		18,685	12,082
Amortization expense		965	1,909
Expected credit loss		48,443	36,733
Net (gain) loss on financial assets measured at fair value through profit or loss		(52,933)	15,206
Interest expense		6,578	6,298
Interest income		(142,044)	(139,197)
Dividend income		(93,980)	(356,400)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		(147,994)	(497,540)
Gain on disposal of property, plant and equipment		(1,643)	(241)
Total adjustments to reconcile loss		(363,923)	(921,150)
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease (increase) in current contract assets		122,439	(321,246)
Decrease in notes receivable		1,176	91
Increase in accounts receivables		(667,037)	(2,174,528)
Decrease (increase) in accounts receivables－related parties		20,755	(50,650)
Decrease (increase) in inventories		2,105	(4,916)
Decrease (increase) in prepayments		29,138	(982,965)
Decrease in other current assets		28,241	31,029
Subtotal of changes in operating assets		(463,183)	(3,503,185)
Changes in operating liabilities:			
(Decrease) increase in current contract liabilities		(326,085)	1,393,209
(Decrease) increase in notes payable		(227,382)	195,396
(Decrease) increase in notes payable－related parties		(38,960)	38,960
Increase in accounts payables		1,198,492	1,426,053
Increase in accounts payables－related parties		3,644	13,425
Increase in other payables		62,669	-
Increase in current provisions		3,389	10,149
Increase in other current liabilities		16	242,357
Increase in net defined benefit liability		2,492	3,314
Subtotal of changes in operating liabilities		678,275	3,322,863
Total changes in operating assets and liabilities		215,092	(180,322)
Total adjustments		(148,831)	(1,101,472)
Cash inflow generated from operations		3,346,169	1,579,585
Interest received		141,170	128,791
Interest paid		(280)	-
Income taxes paid		(617,135)	(147,966)
Net cash flows from operating activities		2,869,924	1,560,410
Cash flows from (used in) investing activities:			
Acquisition of financial assets at fair value through profit or loss		(10,139)	(826)
Proceeds from disposal of financial assets at fair value through profit or loss		-	1,806
Acquisition of investments accounted for using equity method		(99,449)	(10,382)
Acquisition of property, plant and equipment		(4,024)	(4,678)
Proceeds from disposal of property, plant and equipment		3,227	2,580
Decrease in guarantee deposits paid		768	744
Decrease in other receivables		-	181,854
Acquisition of intangible assets		(1,823)	(90)
Dcrease in long-term other receivables－related parties		18,948	9,498
Increase in other financial assets		(3,061,663)	(77,334)
Increase in other non-current assets		(475)	(563)
Dividends received		746,367	80,902
Net cash flows (used in) from investing activities		(2,408,263)	183,511
Cash flows from (used in) financing activities:			
Increase in guarantee deposits received		139	292
Payment of lease liabilities		(8,879)	-
Cash dividends paid		(1,905,867)	(1,429,400)
Capital reduction payments to shareholders		-	(476,467)
Net cash flows used in financing activities		(1,914,607)	(1,905,575)
Net decrease in cash and cash equivalents		(1,452,946)	(161,654)
Cash and cash equivalents at beginning of period		5,802,022	5,963,676
Cash and cash equivalents at end of period	$	4,349,076	5,802,022

See accompanying notes to parent company only financial statements.

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

(1) Company history

United Integrated Services Co., Ltd. (hereinafter referred to as the "Company") was incorporated as a limited company under the provisions of the Ministry of Economic Affairs, R.O.C on September 13, 1982, as United Technology And Engineering Co., Ltd.. The Company reincorporated as United Linkfast Co., Ltd. on March 14, 1990. On October 30, 1990, the Company merged with Linkfast System Co., Ltd. The surviving company was United Linkfast Co., Ltd., and renamed as United Integrated Services Co., Ltd. on May 29, 2002. The registered address of the Company was 6F., No.297 Sec.6 , Roosevelt Rd., Wenshan Dist., Taipei City, Taiwan(R.O.C). On July 29, 2003, the Company merged with TAI-QUN Technology Co., Ltd. through the cash consideration method. The surviving company was United Integrated Services Co., Ltd..

The Company and its subsidiaries (collectively referred hereinafter as the "Group") are primarily engaged in: (1) contracting various running water projects, instrumental control projects, refrigerating and air conditioning projects, installation of clean rooms and the related transactions and manufacturing of supplies. (2) Traffic surveillance & control system engineering building, factory computer control monitoring systems, engineering environment monitoring systems, the design and installation of engineering toll collection systems and related supply transactions. (3) Various electrical and mechanical engineering contracts for transmission and distribution of electric power. (4) The design, installation, maintenance and trading of related equipment of various computerized automatic engineering monitoring systems. (5) Contracting of various computer and communication system integration projects and the manufacturing and trading of related software and hardware. (6) Installation and design of controlling equipment in computer rooms. (7) Technical advisory services for planning and designing of projects. (8) Importing restrained telecom radio frequency equipment.

(2) Approval date and procedures of the financial statements

These parent company only financial statements were authorized for issuance by the Board of Directors on March 24, 2020.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2019.

New, Revised or Amended Standards and Interpretations	Effective date per IASB
IFRS 16 "Leases"	January 1, 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019
Amendments to IFRS 9 "Prepayment features with negative compensation"	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IAS 28 "Long-term interests in associates and joint ventures"	January 1, 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	January 1, 2019

Except for the following items, the Company believes that the adoption of the above IFRSs would not have any material impact on its financial statements. The extent and impact of signification changes are as follows:

(i) IFRS 16"Leases"

IFRS 16 replaces the existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings on January 1, 2019. The details of the changes in accounting policies are disclosed below,

1) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Company assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 4 (k).

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

2) As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognizes right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Company decided to apply recognition exemptions to short-term leases of office equipment.

- Leases classified as operating leases under IAS 17

  At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at either:

  - their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application – the Company applied this approach to its largest property leases; or

  - an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Company applied this approach to all other lease.

  In addition, the Company used the following practical expedients when applying IFRS 16 to leases.

  - Applied a single discount rate to a portfolio of leases with similar characteristics.

  - Adjusted the right-of-use assets by the amount of IAS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.

  - Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.

  - Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

  - Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

- Leases previously classified as finance leases

  For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at January 1, 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

3) Impacts on financial statements

On transition to IFRS 16, the Company recognized additional $16,697 thousand of right-of-use assets and of lease liabilities. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted average rate applied is 1.55%.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

The explanation of differences between operating lease commitments disclosed at the end of the annual reporting period immediately preceding the date of initial application, and lease liabilities recognized in the statement of financial position at the date of initial application disclosed as follows:

	January 1, 2019
Operating lease commitment at December 31, 2018 as disclosed in the Company's financial statements	$ 22,434
Discounted using the incremental borrowing rate at January 1, 2019	$ 16,697
Finance lease liabilities recognized as at December 31, 2018	-
Lease liabilities recognized at January 1, 2019	$ 16,697

(b) The impact of IFRS issued by the FSC but not yet effective

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2020 in accordance with Rule No. 1080323028 issued by the FSC on July 29, 2019:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020
Amendments to IFRS 9, IAS39 and IFRS7 "Interest Rate Benchmark Reform"	January 1, 2020
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020

The Company assesses that the adoption of the abovementioned standards would not have any material impact on its financial statements.

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Those which may be relevant to the Company are set out below:

Issue Dates	New Standards and Amendments	Main amendments
September 11, 2014	Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

(4) Summary of significant accounting policies

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

1) Financial instruments measured at fair value through profit or loss are measured at fair value;

2) Financial assets measured at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(Continued)

(ii) Functional and presentation currency

The functional currency of each entity is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- an investment in equity securities designated as at fair value through other comprehensive income;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

The Company is mainly engaged in the planning, designation and construction contracting of various projects. Its business cycle is about three to five years. Due to assets and liabilities related to the engineering business, are based on operating cycle as the standard for dividing current or non-current.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in fair value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(Continued)

(f) Financial instruments

(i) Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(Continued)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

· the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management' s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

· how the performance of the portfolio is evaluated and reported to the Company' s management;

· the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

· the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI, accounts receivable and contract assets.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company’s historical experience and informed credit assessment as well as forward-looking information.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due, or the debtor is unlikely to pay its credit obligations to the Company in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 90 days past due;

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

6) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities

1) Financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

The cost of inventories consists of all costs of purchase, conversion, and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories includes an appropriate share of fixed production overhead based on normal capacity and allocated variable production overhead based on actual output. However, unallocated fixed production overhead arising from lower or idle capacity is recognized in cost of goods sold during the period. If actual capacity is higher than normal capacity, fixed production overhead should be allocated based on actual capacity. The method of valuing inventories is the weighted average method.

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period. When the cost of inventories is higher than the net realizable value, inventories are written down to net realizable value, and the write down amount is charged to current year's cost of goods sold. If net realizable value increases in the future, the cost of inventories is reversed within the original write down amount, and such reversal is treated as a reduction of cost of goods sold.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Subsidiaries

The Company accounts the investee companies that it possesses control using the equity. Net income, other comprehensive income, and shareholder' s equity in the financial reports of the Company and the net income, other comprehensive income, and shareholder's equity that belongs to the Consolidated Company in the consolidated financial reports should be the same.

The Company accounts the changes in equity, under the condition that control is still present, as equity transactions between the proprietors.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Buildings	3~50 years
2)	Machinery	3~7 years
3)	Plant equipment	3~50 years
4)	Transportation equipment	3~5 years
5)	Office equipment	3~7 years
6)	Leasehold improvements	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

<u>Applicable from January 1, 2019</u>

(i) Identifying a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

2) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3) the customer has the right to direct the use of the asset throughout the period of use only if either:

- the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or
- the relevant decisions about how and for what purpose the asset is used are predetermined and:
  - the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
  - the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

On the date the lease contract is established or when reassessing whether a contract includes a lease, the Group allocates the cost of the contract to individual lease components based on a relative individual price. However, when leasing land and buildings, the Group chooses not to differentiate non-leasing components and treats both leasing and non-leasing components as a single lease component.

(ii) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

(Continued)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Applicable before January 1, 2019

Leases in which the Company assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the lease asset is measured at an amount equal to the lower of its fair value or the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Other leases are operating leases and are not recognized in the Company's balance sheets. Payments made under operating leases (excluding insurance and maintenance expenses) are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(l) Intangible assets

(i) Recognition and measurement

Other intangible assets, including computer software, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Computer software	3~5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and assets arising from employee benefits) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an ouflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the monetary market time value of money and the risks specific to the liability.The unwinding of the discount is recognized as finance cost.

The Company shall provide one-thousandth of the total contract amounts for the completed project within one year of the period-end settlement for the project warranty reserve. When the actual expenditure occurs, the provision is reversed, and if there is a deficiency, it is listed as the annual expense.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(o) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

(i) Sale of goods

The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(ii) Consulting Services

The Company is engaged in providing construction consulting and design services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the surveys of work performed.

(iii) Construction contracts

The Company enters into contracts to design and install constructions. Because its customer controls the asset as it is being constructed, the Company recognizes revenue over time basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed and variable amounts. Considering the progress of a public construction is highly susceptible to factors outside the Company's control and, therefore, completion bonus is usually constrained, the Company recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Company has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

If the Company cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Company shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for onerous contracts is recognized when the Company expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For constructions, the Company offers a standard warranty to provide assurance that they comply with agreed-upon specifications and has recognized warranty provisions for this obligation.

(p) Contract costs

(i) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred, if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

(ii) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

· The costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;

·The costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

·The costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Income tax

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(s) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(t) Operating segments

The Company has disclosed segment information in the consolidated financial statements, so it is not necessary to disclose such information in the parent company only financial statements.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the parent company only financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent company only financial statements is as follows:

The Company has less than 20% of the voting or potential voting rights of Wholetech System Hitech Limited, JG Environmental Technology Co., Ltd. and Eco Energy Corporation. However, the Company has determined that it has significant influence because it has representation on the board of Wholetech System Hitech Limited, JG Environmental Technology Co., Ltd. and Eco Energy Corporation.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

(a) Impairment assessment of accounts receivable

The Company has estimated the allowance for loss on trade receivable that is based on the risk of default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating impairments and the selected inputs. For relevant assumptions and input values, please refer to Note 6 (c).

(b) Revenue recognition

The Company recognizes contract revenues based on the degree of completion on construction contracts; degree of completion is calculated with contract costs incurred to date as a percentage of estimated total contract costs. The Company considers the nature of each project, the estimated construction period, the project item, the construction process, the construction method and the estimated amount of the subcontracts when estimating total contract costs. Any changes in the estimates above may result in a significant adjustment to the estimated amount., please refer to Note 6 (t).

(c) Fair value of financial instruments

The fair value of financial instruments in non-active markets or without open market quotes is determined by evaluation models or counterparty quotations. When using the evaluation model to determine fair value, all models only use observable data as input values without artificial adjustment. The observable input value is based on the principle of long-term stable market-used parameters to avoid differences in cross-period financial reporting due to changes in data sources. The model must be repeatedly adjusted and verified to ensure that the output is sufficient to properly reflect the value of the asset.

For detailed information on the main assumptions used in determining the fair value of the financial instruments and detailed sensitivity analysis of these assumptions, please refer to Note 6 (w).

(d) Measurement of defined benefit obligations

Defined benefit costs and net defined benefit liabilities (assets) under defined benefit pension plans are calculated using the Projected Unit Credit Method. The appropriate actuarial assumptions include the discount rate, employee turnover rate, and future salary increase rate. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and liability. Please refer to Note6 (p) for the material actuarial assumptions and sensitivity analysis for actuarial calculations.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2019	December 31, 2018
Cash on hand and petty cash	$ 3,821	3,205
Demand deposits	1,396,648	1,337,360
Check deposits	1,083	-
Time deposits	2,947,524	4,461,457
Cash and cash equivalents in the statement of cash flow	**$ 4,349,076**	**5,802,022**

Please refer to note 6 (w) for the disclosure of the sensitivity analysis and interest rate risk of the financial assets and liabilities of the Company.

(b) Current financial assets measured at fair value through profit or loss

	December 31, 2019	December 31, 2018
Financial asset measured at fair value through profit or loss:		
Stock listed on domestic markets	$ 117,896	117,896
Stocks unlisted on domestic markets	186,989	175,345
Valuation adjustment	(90,706)	(143,666)
Total	**$ 214,179**	**149,575**

For the years ended December 31, 2019 and 2018, the Company recognized dividend income from the above financial assets measured at fair value through profit or loss of $5,736 thousand and $14,529 thousand, respectively.

(c) Notes and accounts receivable, net

	December 31, 2019	December 31, 2018
Notes receivable－unrelated parties	$ 1,859	3,035
Accounts receivable－unrelated parties	3,495,447	2,840,679
Accounts receivable－related parties	46,149	66,904
Less: Loss allowance	87,181	51,007
Total	**$ 3,456,274**	**2,859,611**

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

	December 31, 2019		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	$ 3,449,726		-
1 to 60 days past due	6,614	1%	66
More than one year past due	87,115	100%	87,115
	$ 3,543,455		**87,181**

	December 31, 2018		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	$ 2,817,744		-
1 to 60 days past due	10,514	1%	105
61 to 120 days past due	28,473	1%	285
121 to 365 days past due	3,303	1%	33
More than one year past due	50,584	100%	50,584
	$ 2,910,618		**51,007**

The movement in the allowance for notes and accounts receivable were as follows:

	2019	2018
Balance at January 1	$ 51,007	71,700
Impairment losses recognized	48,443	23,007
Amounts written off	(12,269)	(43,700)
Balance at December 31	**$ 87,181**	**51,007**

The Company recognized the allowance for notes and accounts receivable based on the nature of the industry, historical payment behavior and the credit rating of customers.

The Company did not provide any notes and accounts receivable as collaterals.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(d) Inventories

	December 31, 2019		
	Cost	Allowance for Impairment	Carrying Amount
Raw materials	$ 48,742	(9,899)	38,843
Work in progress	18,439	(16,700)	1,739
Finished goods	12,527	(11,080)	1,447
Merchandise	6,805	(6,805)	-
Total	**$ 86,513**	**(44,484)**	**42,029**

	December 31, 2018		
	Cost	Allowance for Impairment	Carrying Amount
Raw materials	$ 50,678	(12,046)	38,632
Work in progress	21,272	(19,032)	2,240
Finished goods	14,925	(11,663)	3,262
Merchandise	6,532	(6,532)	-
Total	**$ 93,407**	**(49,273)**	**44,134**

For the years ended December 31, 2019 and 2018, the reversal of write-downs of inventories amounted to $4,789 thousand and $5,252 thousand, respectively. The loss on disposal of inventories amounted to $2,998 thousand in 2019. The amounts shown above were included in the cost of sales.

As of December 31, 2019 and 2018, the Company did not provide any inventories as collaterals.

(e) Prepayments

	December 31, 2019	December 31, 2018
Domestic purchase of materials	$ 328,710	109,840
Foreign purchases of materials	610,509	888,539
Clean and safety fee	10,130	3,312
Prepaid insurance	17,746	20,009
Prepaid technical service fee	37,939	19,516
Others	7,512	468
Total	**$ 1,012,546**	**1,041,684**

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(f) Non-current financial assets measured at fair value through profit or loss

		December 31, 2019	December 31, 2018
Financial assets measured at fair value through profit or loss:			
Stocks unlisted on domestic markets	$	34,795	36,300
Valuation adjustments		(28,448)	(28,421)
Total	$	**6,347**	**7,879**

(g) Non-current financial assets measured at fair value through other comprehensive income

		December 31, 2019	December 31, 2018
Equity instruments measured at fair value through other comprehensive income			
Unlisted stocks (overseas)	$	1,008,212	1,008,212
Valuation adjustment		1,043,567	628,749
Total	$	**2,051,779**	**1,636,961**

(i) The equity instrument investment of the Company is a long-term strategic investment and is not held for trading, which has been designated as measured at fair value through other comprehensive income. In September 2019 and 2018, the equity instrument investments declared dividends amounting to $88,244 thousand and $341,871 thousand, respectively, and both be claimed in November 2019.

(ii) The changes in valuation adjustment of financial assets measured at fair value through other comprehensive income in the years 2019 and 2018 were as follows:

		2019	2018
Balance at January 1	$	628,749	-
Effects of retrospective application		-	1,583,250
Add: Recognition for current period		414,818	(954,501)
Balance at December 31	$	**1,043,567**	**628,749**

(h) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date was as follows::

		December 31, 2019	December 31, 2018
Subsidiary	$	1,210,818	1,557,204
Associates		837,973	756,814
Total	$	**2,048,791**	**2,314,018**

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(i) Subsidiary

Please refer to the consolidated financial statement for the year ended December 31, 2019.

(ii) Associates

1) Affiliate which was material to the Company consisted of the followings:

Name of Affiliate	Nature of Relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights	
			December 31, 2019	December 31, 2018
Ablerex electronics co., Ltd.	Selling and Manufacturing of UPS	Taiwan	33.30 %	33.30 %

The fair value of affilitate listed on the Stock Exchange (over the counter) which was material to the Company was as follows:

	December 31, 2019	December 31, 2018
Ablerex electronics co., Ltd.	$ 1,507,500	1,485,000

A summary of the financial information of significant associates was as follows:

	December 31, 2019	December 31, 2018
Current assets	$ 1,848,379	1,763,345
Non-current assets	1,006,010	947,340
Current liabilities	(1,256,452)	(1,078,347)
Non-current liabilities	(116,537)	(103,598)
Net assets	$ 1,481,400	1,528,740
Net assets attributable to non-controlling interests	$ 12,643	11,097
Net assets attributable to investee	$ 1,468,757	1,517,643

	2019	2018
Operating revenue	$ 2,462,390	2,530,613
Net income from continuing operations	$ 40,623	74,916
Other comprehensive income	(20,462)	(4,323)
Total comprehensive income	$ 20,161	70,593
Total comprehensive income attributable to non-controlling interests	$ (238)	1,543
Total comprehensive income attributable to investee	$ 20,399	69,050

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

		2019	2018
Share of net assets of associate attributable to the Company as of January 1	$	507,101	521,571
Total comprehensive income attributable to the Company		6,794	22,996
Adjustments for using equity method		(595)	-
Dividends received from associate		(22,480)	(37,466)
Share of net assets of associate attributable to the Company as of December 31		490,820	507,101
Add: Goodwill		116	116
Ending balance of net assets of associate attributable to the Company	**$**	**490,936**	**507,217**

2) Insignificant associates

The Company's financial information for investments accounted for using the equity method that are individually insignificant were as follows:

		December 31, 2019	December 31, 2018
Carrying amount of individually insignificant associate’s equity	**$**	**347,037**	**249,813**

		2019	2018
Attributable to the Company:			
Income from continuing operations	$	33,718	39,272
Other comprehensive income		(2,820)	(1,246)
Total comprehensive income	**$**	**30,898**	**38,026**

As of 2019 and 2018, the preparation of the financial statements for the investee companies under the equity method was evaluated based on the auditors' reports of the investee companies. For the years ended December 31, 2019 and 2018, the share of profit of associations accounted for using equity method amounted to $46,896 thousand and $63,636 thousand, respectively.

(iii) Guarantee

The Company did not provide any investment accounted for using equity method as collaterals.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(i) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2019 and 2018, were as follows:

	Land	Buildings	Machinery	Plant equipment	Transportation Equipment	Office equipment	Leasehold Improvements	Total
Cost or deemed cost:								
Balance at January 1, 2019	$ 398,538	63,519	77,752	156,485	9,010	55,889	2,076	763,269
Additions	-	324	1,380	350	-	1,970	-	4,024
Reclassification	-	-	-	-	-	119	-	119
Disposal	-	-	(25,365)	-	(669)	(5,914)	-	(31,948)
Balance at December 31, 2019	**$ 398,538**	**63,843**	**53,767**	**156,835**	**8,341**	**52,064**	**2,076**	**735,464**
Balance at January 1, 2018	$ 398,538	63,519	92,016	156,400	4,610	56,687	2,076	773,846
Additions	-	-	-	85	4,400	193	-	4,678
Disposal	-	-	(14,264)	-	-	(991)	-	(15,255)
Balance at December 31, 2018	**$ 398,538**	**63,519**	**77,752**	**156,485**	**9,010**	**55,889**	**2,076**	**763,269**
Accumulated depreciation and impairment loss:								
Balance at January 1, 2019	$ 1,160	33,809	70,760	39,286	4,177	52,115	1,775	203,082
Depreciation	-	1,427	1,922	4,185	943	1,009	199	9,685
Disposal	-	-	(23,793)	-	(668)	(5,903)	-	(30,364)
Balance at December 31, 2019	**$ 1,160**	**35,236**	**48,889**	**43,471**	**4,452**	**47,221**	**1,974**	**182,403**
Balance at January 1, 2018	$ 1,160	32,377	78,527	35,064	3,473	51,848	1,468	203,917
Depreciation	-	1,432	4,200	4,222	704	1,217	307	12,082
Disposal	-	-	(11,967)	-	-	(950)	-	(12,917)
Balance at December 31, 2018	**$ 1,160**	**33,809**	**70,760**	**39,286**	**4,177**	**52,115**	**1,775**	**203,082**
Carrying amounts:								
Balance at December 31, 2019	**$ 397,378**	**28,607**	**4,878**	**113,364**	**3,889**	**4,843**	**102**	**553,061**
Balance at January 1, 2018	**$ 397,378**	**31,142**	**13,489**	**121,336**	**1,137**	**4,839**	**608**	**569,929**
Balance at December 31, 2018	**$ 397,378**	**29,710**	**6,992**	**117,199**	**4,833**	**3,774**	**301**	**560,187**

As of December 31, 2019 and 2018, the property, plant and equipment of the Company had not been pledged as collaterals.

(j) Right-of-use assets

The Company leases many assets including buildings and office equipment. Information about leases for which the Company as a lessee was presented below:

	Buildings	Office Equipment	Total
Cost:			
Balance at January 1, 2019	$ -	-	-
Effects of retrospective application	15,707	990	16,697
Balance at January 1, 2019 after adjustments	15,707	990	16,697
Additions	11,467	-	11,467
Balance at December 31, 2019	**$ 27,174**	**990**	**28,164**

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

		Buildings	Office Equipment	Total
Accumulated depreciation:				
Balance at January 1, 2019	$	-	-	-
Depreciation		8,562	438	9,000
Balance at December 31, 2019	$	**8,562**	**438**	**9,000**
Carrying amount:				
Balance at December 31, 2019	$	**18,612**	**552**	**19,164**

(k) Intangible assets

The cost and amortization of the intangible assets of the Company for the years ended December 31, 2019 and 2018, were as follows:

		Computer software
Costs:		
Balance at January 1, 2019	$	1,341
Additions		1,823
Amortization		(459)
Balance at December 31, 2019	$	**2,705**
Balance at January 1, 2018	$	1,809
Amortization		(468)
Balance at December 31, 2018	$	**1,341**

For the years ended December 31, 2019 and 2018, the amortization expense amounted to $459 thousand and $468 thousand, respectively. These expenses were included in operating costs and operating expenses in the statements of comprehensive income.

(l) Other current assets and non-current assets

(i) The other current assets of the Company were as follows:

		December 31, 2019	December 31, 2018
Other financial assets	$	4,453,340	1,392,071
Construction guarantee deposits paid		-	1,493
Construction bid bond		3,100	7,500
Dividends receivable		358,091	584,938
Others		18,167	17,550
	$	**4,832,698**	**2,003,552**

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Other financial assets were time deposits with a maturity of three to twelve months and restricted time deposits. As of December 31, 2019 and 2018, the time deposits with a maturity of three to twelve months amounted to $4,453,340 thousand and $1,390,371 thousand, respectively. And the restricted time deposits amounted to $0 thousand and $1,700 thousand, respectively.

(ii) The other non-current assets of the Company were as follows:

	December 31, 2019	December 31, 2018
Performance and guaranty	$ 4,694	3,969
Other financial assets	1,013	619
Others	1,932	1,963
	$ 7,639	**6,551**

(m) Provisions

	Warranty
Balance at January 1, 2019	$ 13,354
Provisions made during the year	11,388
Provisions used during the year	(7,999)
Balance at December 31, 2019	**$ 16,743**
Balance at January 1, 2018	$ 3,205
Provisions made during the year	12,173
Provisions used during the year	(2,024)
Balance at December 31, 2018	**$ 13,354**

The Company determined provisions for warranty based on 0.1% of the value of the construction contracts completed within one year. The provisions for warranty were deducted as incurred, otherwise, it was recognized as an expense for current period if there was a deficiency.

(n) Lease liabilities

The Company's lease liabilities were as follow:

	December 31, 2019
Current	**$ 12,357**
Non-current	**$ 6,928**

For the maturity analysis, please refer to note 6 (w).

The amounts recognized in profit or loss were as follows:

	2019
Interest on lease liabilities	**$ 280**
Expenses relating to short-term leases	**$ 3,672**

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

The amounts recognized in the statement of cash flows for the Company was as follows:

	2019
Total cash outflow for leases	$ 12,831

(i) Real estate leases

As of December 31, 2019, the Company leases buildings for its office space. The leases of office space typically run for a period of 2 to 4 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract-term.

Some leases provide for additional rent payments that are based on changes in local price indices. Some also require the Company to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

Some leases of office buildings contain extension or cancellation options. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Company leases office equipment, with lease terms of 2 to 4 years. In some cases, the Company has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Company also leases buildings and office equipment with contract terms of half a year to 1 year. These leases are short-term items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(o) Operating leases

Leases as lessee

Non-cancellable operating lease rentals payable was as follows:

	December 31, 2018
Less than 1 year	$ 4,197
Between 1 and 5 years	18,237
	$ 22,434

The Company leases offices and warehouses under operating leases. The leases typically run for a period of 1 to 3 years, with an option to renew the lease after that date.

For the year ended December 31, 2018, an amount of $5,030 thousand was recognized as an expense in profit or loss in respect of operating leases.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(p) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

	December 31, 2019	December 31, 2018
Present value of the defined benefit obligations	$ (393,352)	(431,883)
Fair value of plan assets	104,400	97,468
Net defined benefit liabilities	**$ (288,952)**	**(334,415)**

The Company's employee benefit liabilities were as follows:

	December 31, 2019	December 31, 2018
Short-term compensated absence liabilities (Accrued expenses)	**$ 23,248**	**2,346**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitled a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to $104,400 thousand at the end of the reporting period. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

2) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Company for the years ended December 31, 2019 and 2018 were as follows:

		2019	2018
Defined benefit obligations at January 1	$	431,883	414,292
Current service costs and interest cost		6,506	8,116
Remeasurements of the net defined benefit liabilities			
－Actuarial loss (gain) arising from changes in financial assumptions		(8,969)	(3,821)
－Actuarial loss (gain) arising from experience adjustments		(35,249)	28,413
Benefits paid		(819)	(15,117)
Defined benefit obligations at December 31	**$**	**393,352**	**431,883**

3) Movements in defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Company for the years ended December 31, 2019 and 2018 were as follows:

		2019	2018
Fair value of plan assets at January 1	$	97,468	105,022
Interest income		959	1,423
Remeasurements of the net defined benefit liabilities			
－Return on plan assets excluding interest income		3,737	2,761
Contributions		3,055	3,379
Benefits paid		(819)	(15,117)
Fair value of plan assets at December 31	$	104,400	97,468

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company for the years ended December 31, 2019 and 2018 were as follows:

		2019	2018
Current service costs	$	2,331	2,504
Net interest of net liabilities for defined benefit obligations		3,216	4,189
	$	**5,547**	**6,693**

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

		2019	2018
Operating cost	$	4,569	5,510
Selling expenses		175	204
Administration expenses		670	787
Research and development expenses		133	192
	$	**5,547**	**6,693**

5) Remeasurement of the net defined benefit liability recognized in other comprehensive income

the Company's remeasurement of the net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2019 and 2018 were as follows:

		2019	2018
Accumulated amount at January 1	$	152,224	130,394
Recognized during the period		(47,955)	21,830
Accumulated amount at December 31	$	**104,269**	**152,224**

6) Actuarial assumptions

The principal actuarial assumptions for the Company at the reporting date were as follows:

	December 31, 2019	December 31, 2018
Discount rate	1.10 %	0.97 %
Future salary increases rate	1.50 %	2.00 %

The expected alloation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $3,117 thousand.

The weighted average lifetime of the defined benefit plans is 8.92 years.

7) Sensitivity analysis

As of December 31, 2019 and 2018, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligations shall be as follows:

		The impact of defined benefit obligations	
		Increase	Decrease
December 31, 2019			
Discount rate (0.50%)	$	(16,723)	17,853
Future salary increase rate (0.25%)		8,531	(8,301)
December 31, 2018			
Discount rate (0.50%)		(20,068)	21,528
Future salary increase rate (0.25%)		10,304	(10,002)

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2019 and 2018.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to $29,489 thousand and $27,665 thousand for the years ended December 31, 2019 and 2018, respectively.

(q) Income taxes

(i) Income tax expenses

The components of income tax of the Company in the years 2019 and 2018 were as follows:

		2019	2018
Current tax expense			
Current period	$	792,224	474,923
Adjustment for prior periods		(24,788)	4,788
		767,436	479,711
Deferred tax (benefit) expense			
Origination and reversal of temporary differences		(87,734)	49,207
Adjustment in tax rate		-	4,573
		(87,734)	53,780
Income tax expense from continuing operations	**$**	**679,702**	**533,491**

The amount of income tax expense (benefit) recognized directly in other comprehensive income for the years ended December 31, 2019 and 2018 were as follows:

		2019	2018
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans	$	(9,591)	9,567
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation		9,921	6,397
	$	**330**	**15,964**

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Reconciliation of the Company's income tax expense and net income before tax for 2019 and 2018 was as follows:

	2019	2018
Net income before tax	$ 3,495,000	2,681,057
Income tax using the Company's domestic tax rate	$ 699,000	536,211
Tax- exempt income	(1,147)	(13,337)
Adjustment in tax rate	-	4,573
Permanent differences	3,038	1,256
5% income surtax on undistributed earnings	3,599	-
Income tax adjustments for prior periods	(24,788)	4,788
Total	$ 679,702	533,491

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2019	December 31, 2018
The court adjudged to pay the payment and related interest expenses	$ 32,037	29,620
Adjustment in tax rate	-	(4,428)
	$ 32,037	25,192

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2019 and 2018 were as follows:

Deferred tax liabilities:

	Foreign investment income	cumulative translation adjustment	Total
Balance at January 1, 2019	$ 125,353	(6,370)	118,983
Recognized in profit or loss	(22,746)	-	(22,746)
Recognized in other comprehensive income	-	6,370	6,370
Balance at December 31, 2019	$ 102,607	-	102,607

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

	Foreign investment income	cumulative translation adjustment	Total
Balance at January 1, 2018	$ 89,295	23	89,318
Recognized in profit or loss	36,058	-	36,058
Recognized in other comprehensive income	-	(6,393)	(6,393)
Balance at December 31, 2018	**$ 125,353**	**(6,370)**	**118,983**

Deferred tax assets:

	Defined benefit plans	Unrealized warranty	Loss allowance exceeded the limit	Allowance for inventory valuation	Foreign investment loss	Others	Total
Balance at January 1, 2019	$ 39,037	5,145	4,412	9,854	-	26,248	84,696
Recognized in profit or loss	-	678	8,367	(957)	36,609	20,291	64,988
Recognized in other comprehensive income	(9,591)	-	-	-	-	16,291	6,700
Balance at December 31, 2019	**$ 29,446**	**5,823**	**12,779**	**8,897**	**36,609**	**62,830**	**156,384**
Balance at January 1, 2018	$ 29,470	2,648	10,925	9,269	-	40,540	92,852
Recognized in profit or loss	-	2,497	(6,513)	585	-	(14,292)	(17,723)
Recognized in other comprehensive income	9,567	-	-	-	-	-	9,567
Balance at December 31, 2018	**$ 39,037**	**5,145**	**4,412**	**9,854**	**-**	**26,248**	**84,696**

(iii) Assessment of tax

The Company's tax returns for the years through 2016 were assessed by the tax authorities.

(r) Capital and other equity

(i) Common Stock

As of December 31, 2019 and 2018, the Company's authorized capital both amounted to $3,000,000 thousand with par value of $10 per share.

On October 3, 2018, the FSC approved the Company's capital reduction by returning cash to shareholders, the decrease of capital totaled $476,467 thousand. The Company's issued capital both amounted to $1,905,867 thousand at December 31, 2019 and 2018.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(ii) Capital surplus

The balances of capital surplus were as follows:

		December 31, 2019	December 31, 2018
Capital surplus - premium from merger	$	6,938	6,938
Share premium		49,987	49,987
Convertible bond premium		215,672	215,672
Treasury share transactions		77,158	77,158
Others		23,806	24,401
	$	**373,561**	**374,156**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's articles of incorporation stipulate that Company's net earnings should first be used to offset the prior year's deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, until it is equal to issued common stock. In addition, a special reserve in accordance with applicable laws and regulations shall be set aside. And then any remaining profit together with any undistributed retained earnings shall be distributed according to the distirbution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The Company's current industrial development is in the growth stage, capital requirements for increased operating income over the next few years, so adopt the residual dividend policy.The cash dividend in the surplus distribution should be at least 25 percent of the total dividend. Distribution of surplus in the preceding paragraph, which are initially proposed by the Board of Directors to the operational and capital expenditure needs,and drafted a case to submitted to the Shareholders' meeting to resolve.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution to a resolution by the shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

2) Special reserve

As the Company adopted for the exemptions allowed under IFRS 1 "First-time Adoption of International Financial Reporting Standards" during the Company's first-time adoption of the IFRS as endorsed by the FSC, unrealized revaluation increments and cumulative translation adjustments of $42,036 thousand, which were previously recognized in shareholders' equity were reclassified to retained earnings. In accordance with Ruling No.1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. In addition, during the use, disposal or reclassifications of relevant assets, this special reserve is reverted to distributable earnings proportionately. The carrying amount of special reserve amounted to $42,036 thousand as of December 31, 2019.

A portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current period reduction of special earnings reserve resulting from the first time adoption of IFRSs and the carrying amount of other shareholders' equity as stated above. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods due to the first time adoption of IFRSs. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distribution for 2018 and 2017 was approved by the meeting of shareholders for the years ended December 31, 2019 and 2018, the cash dividends to shareholders were $10 and $5 per share, respectively, and the distributions of capital surplus as cash dividends were $0 and $1 per share, respectively. Related information would be available at the Market Observation Post System website.

(iv) Other equitiy, net of tax

		Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2019	$	(63,488)	628,749	565,261
Exchange differences on foreign operations		(48,115)	-	(48,115)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	414,818	414,818
Balance at December 31, 2019	**$**	**(111,603)**	**1,043,567**	**931,964**

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Available-for-sale financial assets	Total
Balance at January 1, 2018	$ (37,898)	-	(74,990)	(112,888)
Effects of retrospective application	-	1,583,250	74,990	1,658,240
Balance at January 1, 2018 after adjustments	(37,898)	1,583,250	-	1,545,352
Exchange differences on foreign operations	(25,590)	-	-	(25,590)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(954,501)	-	(954,501)
Balance at December 31, 2018	**$ (63,488)**	**628,749**	**-**	**565,261**

(s) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the years ended December 31, 2019 and 2018 were as follows:

(i) Basic earnings per share

	2019	2018
Net income attributable to ordinary shareholders of the Company	**$ 2,815,298**	**2,147,566**
Weighted average number of ordinary shares	**190,587**	**228,051**
Basic earnings per share (in NT dollars)	**$ 14.77**	**9.42**

ii) Diluted earnings per share

	2019	2018
Net income attributable to ordinary shareholders of the Company (diluted)	**$ 2,815,298**	**2,147,566**
Weighted average number of ordinary shares (basic)	190,587	228,051
Effect of potentially dilutive ordinary shares:		
Effect of employee bonuses	2,612	3,544
Weighted average number of ordinary shares (diluted)	**193,199**	**231,595**
Diluted earnings per share (in NT dollars)	**$ 14.57**	**9.27**

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	2019	2018
Major products/services lines:		
Integrated engineering service	$ 19,039,765	9,352,741
Service and Design	312,116	136,609
Sales	81,928	84,367
	$ 19,433,809	**9,573,717**

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

		2019	2018
Type of contract:			
Fixed price contract	$	19,351,881	9,489,350
Material-based contract		81,928	84,367
	$	**19,433,809**	**9,573,717**

(ii) Contract balances

		December 31, 2019	December 31, 2018
Accounts receivable	$	3,495,447	2,840,679
Less: allowance for impairment		87,181	51,007
Total	$	**3,408,266**	**2,789,672**
Contract assets-Construction in Progress	$	**880,164**	**1,002,722**
Contract liabilities-Construction in Progress	$	**5,568,691**	**5,894,776**

For details on accounts receivable and allowance for impairment, please refer to note 6 (c).

The amount of revenue recognized for the years ended December 31, 2019 and 2018 that was included in the contract liabilities balance at the beginning of the period were $23 thousand and 4,460 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. Other significant changes during the period were as follows:

		2019		2018	
		Contract assets	Contract liabilities	Contract assets	Contract liabilities
Stage of completion measurement	$	-	-	-	-
Contract modification	$	**(8,597)**	**283,392**	**621,639**	**2,497,351**

(u) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute 6% to 10% of the profit as employee compensation and less than 2% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

For the years ended December 31, 2019 and 2018, the Company estimated its employee remuneration amounting to $390,000 thousand and $300,000 thousand, and directors' and supervisors' remuneration amounting to $33,000 thousand and $27,000 thousand, respectively. The estimated amounts mentioned above are based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2019 and 2018. Related information would be available at the Market Observation Post System website. The amounts, as stated in 2018 financial statements, are identical to those of the actual distributions in 2019 shareholders meeting.

(v) Non-operating income and expenses

(i) Other income

The Company's other income for the years ended December 31, 2019 and 2018 were as follows:

	2019	2018
Rental income	$ 4,694	4,673
Dividend income	93,980	356,400
Other income－other		
Income from sale of scraps	12,559	10,358
Others	44,358	1,906
Subtotal	56,917	12,264
Total	**$ 155,591**	**373,337**

ii) Other gains and losses

The Company's other gains and losses for the years ended December 31, 2019 and 2018 were as follows:

	2019	2018
Gains (losses) on disposal of property, plant and equipment	$ 1,643	(3,415)
Gain on disposal of investments	-	3,514
Foreign exchange (losses) gains	(106,283)	124,785
Gains (losses) on financial assets at fair value through profit or loss	52,933	(15,206)
Other gains and losses	(28)	(18,587)
Total	**$ (51,735)**	**91,091**

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

iii) Finance costs

The Company's finance costs for the years ended December 31, 2019 and 2018 were as follows:

	2019	2018
Other finance costs	$ 6,578	6,298

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of December 31, 2019 and 2018, the amounts of the maximum exposure to credit risk were $12,264,397 thousand and $8,661,633 thousand, respectively.

The Company assesses the financial condition of its customers continuously to reduce the credit risk of accounts receivable and requires its customers to provide guarantees and collateral if it is necessary. The Company monitors and reviews the recoverable amount of the accounts receivable to ensure the uncollecitble amount are recognized appropriately as impairment loss. Therefore, the expected credit losses are in the expectation of the Company.

2) Concentration of credit risk

When the transaction of financial instruments is concentrated in a single industry or region, the ability to oblige the contract would be impacted by similar factors, thereby causing concentration of credit risk. As of December 31, 2019 and 2018, notes and accounts receivable concentrated on few counter-parties were as follows:

	December 31, 2019		
Name of client	Carrying amount	the maximum exposure to credit risk	%
Taiwan Semiconductor Manufacturing Co., Ltd.	$ 1,019,088	1,019,088	29.49
Micron Memory Taiwan Co., Ltd.	2,038,590	2,038,590	58.98
Micron Technology Taiwan Co., Ltd.	259,165	259,165	7.50
Total	$ 3,316,843	3,316,843	95.97

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Name of client		December 31, 2018 Carrying amount	the maximum exposure to credit risk	%
Taiwan Semiconductor Manufacturing Co., Ltd.	$	712,645	712,645	25.52
Micron Memory Taiwan Co., Ltd.		1,417,420	1,417,420	50.75
Micron Technology Taiwan Co., Ltd.		538,738	538,738	19.29
Total	$	**2,668,803**	**2,668,803**	**95.56**

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities:

		Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2019								
Non-derivative financial liabilities								
Notes payable	$	14,149	14,149	14,149	-	-	-	-
Accounts payable		3,924,506	3,924,506	2,673,663	37,491	68,105	1,039,428	105,819
Accrued expenses		2,433	2,433	2,433	-	-	-	-
Guarantee deposits received		2,143	2,143	-	1,217	632	294	-
Lease liabilities		19,285	19,533	6,292	6,276	6,965	-	-
	$	**3,962,516**	**3,962,764**	**2,696,537**	**44,984**	**75,702**	**1,039,722**	**105,819**
December 31, 2018								
Non-derivative financial liabilities								
Notes payable	$	280,491	280,491	280,491	-	-	-	-
Accounts payable		2,722,370	2,722,370	1,745,857	28,838	179,361	654,152	114,162
Accrued expenses		15,221	15,221	15,221	-	-	-	-
Guarantee deposits received		2,004	2,004	-	-	-	2,004	-
	$	**3,020,086**	**3,020,086**	**2,041,569**	**28,838**	**179,361**	**656,156**	**114,162**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk were as follows:

	December 31, 2019			December 31, 2018		
	Foreign currency	Exchange rate (dollars)	TWD	Foreign currency	Exchange rate (dollars)	TWD
Financial assets						
Monetary assets						
USD	$ 83,049	29.98	2,489,809	108,129	30.72	3,321,723
CNY	338,624	4.31	1,457,776	230,365	4.47	1,029,732
SGD	65	22.28	1,448	153	22.49	3,438
Non-monetary assets						
Financial assets measured at fair value through other comprehensive income	476,604	4.31	2,051,779	366,211	4.47	1,636,961
Finance liabilities						
Monetary assets						
USD	14,212	29.98	426,076	9,078	30.72	278,876
EUR	327	33.59	10,984	257	35.16	9,036
JPY	416	0.28	115	416	0.28	117
CNY	3,365	4.31	14,486	-	4.47	-
SGD	339	22.28	7,553	662	22.49	14,888

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable and other payables that are denominated in foreign currency. A (weakening) strengthening of 1% of the NTD against the USD, EUR, CNY, SGD and JPY, the Company's net income before tax would have increased (decreased) by $27,919 thousand and $32,416 thousand, and other comprehensive income would have increased (decreased) by $16,414 thousand and $13,096 thousand, for the years ended December 31, 2019 and 2018, respectively. The analysis was performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2019 and 2018, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $(106,283) thousand and $124,785 thousand, respectively.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

If the interest rate had increased/decreased by 0.25%, the Company’s net income would have increased/decreased by $17,599 thousand and $7,249 thousand for the years ended December 31, 2019 and 2018, respectively, with all other variable factors remaining constant.

Since there were no loan for the years ended December 31, 2019 and 2018, the changes of interest do not have significant impact on the Company.

(v) Fair value of financial instruments

1) Fair value hierarchy

To provide disclosure information, the Company classifies the measurement of fair value based on fair value hierarchy which reflects the significance of the inputs during the measurement. The Company categorizes fair value into the following levels:

a) Level 1

Level 1 inputs are quoted prices in active markets for identical financial instruments. An active market is a market in which all the following conditions exist:

i) The items traded within the market are homogeneous.

ii) Willing buyers and sellers can normally be found at any time.

iii) Prices are available to the public.

b) Level 2

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e. derived from prices).

c) Level 3

Level 3 inputs are valuation parameters which are not based on the information available in the market or the quoted price from the counter party. For example, historical volatility used in option pricing models is an unobservable input since it cannot represents the expected value of future volatility of the entire market participants.

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	December 31, 2019				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 220,526	34,346	179,833	6,347	220,526
Financial assets at fair value through other comprehensive income					
Unquoted equity instrument measured at fair value	2,051,779	-	-	2,051,779	2,051,779
Total	$ 2,272,305	34,346	179,833	2,058,126	2,272,305

	December 31, 2018				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 157,454	34,631	114,944	7,879	157,454
Financial assets at fair value through other comprehensive income					
Unquoted equity instrument measured at fair value	1,636,961	-	-	1,636,961	1,636,961
Total	$ 1,794,415	34,631	114,944	1,644,840	1,794,415

2) Transfer between Level 1 and Level 2

There were no transfers from Level 1 to Level 2 for the years ended December 31, 2019 and 2018.

3) Reconciliation of Level 3 fair values

	Fair value through profit or loss	Fair value through other comprehensive income	
	Designated at fair value through profit or loss	Unquoted equity instruments	Total
Balance at January 1, 2019	$ 7,879	1,636,961	1,644,840
Total gains and losses			
In profit or loss	(1,532)	-	(1,532)
In other comprehensive income	-	414,818	414,818
Balance at December 31, 2019	**$ 6,347**	**2,051,779**	**2,058,126**
Balance at January 1, 2018	$ 9,595	2,591,462	2,601,057
Total gains and losses			
In profit or loss	(1,716)	-	(1,716)
In other comprehensive income	-	(954,501)	(954,501)
Balance at December 31, 2018	**$ 7,879**	**1,636,961**	**1,644,840**

Total gains and losses were recognized in "other gains and losses" and "unrealized gains and losses from financial assets at fair value through other comprehensive income".

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss— equity investments" and "financial assets measured at fair value through other comprehensive income—equity investments".

The equity investments which are lack of active market and categorized into Level 3 have numerous significant unobservable inputs. The significant unobservable inputs of equity investments without active market are independent between each other. Hence, there is no correlation between each significant unobservable inputs.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss－equity investments without an active market	Comparable Company	· Price Book Ratio (December 31, 2018 was 1.22 ,and December 31, 2019 was 1.53) · Discount for lack of marketability (Both of December 31, 2018 and 2019 were 22.20%)	· The higher the ratio, the higher the fair value · The higher the discount, the lower the fair value
Financial assets at fair value through profit or loss－equity investments without an active market	Net asset value method	· Discount for lack of marketability (Both of December 31, 2018 and 2019 were 17.5%) · Discount for control (Both of December 31, 2018 and 2019 were 22.48%)	· The higher the discount, the lower the fair value · The higher the controlling discount, the lower the fair value
Financial assets at fair value through other comprehensive income－equity investments without an active market	Comparable Company	· Price Book Ratio (December 31, 2018 was 0.97 and December 31, 2019 was 1.00) · Discount for lack of marketability (December 31, 2018 was 23.90% and December 31, 2019 was 23.07%)	· The higher the ratio, the higher the fair value · The higher the discount, the lower the fair value

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

5) Fair value measurement in Level 3－ sensitivity analysis of reasonably possible alternative assumptions

While under different models or using different parameters may lead to different results, fair value measurement for financial instruments is reasonable.
The following tables shows the valuation impacts changes in input parameters on Level 3 financial instruments:

	Input	Assumptions	Fair Value through Profit and Loss		Fair value through other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
December 31, 2019						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Discount for lakc of markability	10%	102	(102)	-	-
Equity investments without an active market	Discount for control	10%	82	(82)	-	-
Equity investments without an active market	Price Book Ratio	10%	352	(352)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Discount for lack of marketability	10%	-	-	62,173	(62,173)
Equity investments without an active market	Price Book Ratio	10%	-	-	207,323	(207,323)
December 31, 2018						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Discount for lack of marketability	10%	144	(144)	-	-
Equity investments without an active market	Discount for control	10%	82	(82)	-	-
Equity investments without an active market	Price Book Ratio	10%	505	(505)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Discount for lack of marketability	10%	-	-	215,107	(215,107)
Equity investments without an active market	Price Book Ratio	10%	-	-	163,696	(163,696)

6) Financial instruments not measured at fair value

a) Fair value information

The Company's financial instruments not measured at fair value include cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposits paid, notes and accounts payable, other payables, guarantee deposits receieved and part of other financial assets, whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required.

b) Valuation techniques

The Company's valuation methods and assumptions used for financial instruments not measured at fair value are as follows:

Since the maturity date is close and the future receipt and reimbursement price is similar to the book value, the fair value of cash and cash equivalents, notes and accounts receivable, other receivables, notes and accounts payable and other payables were measured at book value at the reporting date.

(x) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks.

(ii) Structure of risk management

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market coniditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

1) Notes and accounts receivable

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is required to conduct management and credit risk analysis for each of its new customers before the terms and conditions of the contract and delivery are set in accordance with the internal credit policy. The internal risk control system assesses the credit quality of customers by considering their financial status, past experiences and other factors. The main credit risk derives from cash and cash equivalents, deposits in banks and in financial institutions. Furthermore, credit risk may derives from customers, including unreceived receivables and committed transaction.

2) Guarantees

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2019 and 2018, no other guarantees were outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

As of December 31, 2019 and 2018, the Company's unused credit line were amounted to $1,058,891 thousand and $2,205,627 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, and optimizing the return.

1) Currency risk

The Company is a multinational institution and therefore exposes to currency risk deriving from many different currencies, mainly from USD and RMB. The relevant currency risk stems from future commercial transactions, recognized assets and liabilities, and net investments in foreign operating agencies.

2) Interest rate risk

The short-term loans of the Company are debts with floating interest rates. Therefore, changes in market interest rates will lead to changes in the interest rate of short-term loans, resulting in fluctuations of future cash flows.

3) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments as the management of the Company minimizes the risk by holding different investment portfolios.

(y) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

The Company's strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry cycle and the life cycle of products, the Company determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products. The management of the Company periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. In general, the Company implements prudent strategy of risk management.

	December 31, 2019	December 31, 2018
Total liabilities	$ 11,283,731	10,493,764
Less: cash and cash equivalents	4,349,076	5,802,022
Net debt	**$ 6,934,655**	**4,691,742**
Total equity	**$ 8,567,466**	**7,254,336**
Debt-to-capital ratio	**80.94 %**	**64.68 %**

(z) Cash flows information on acquisition of property, plant and equipment

The supplementary information on acquisition of property, plant and equipment of the Company were as follows:

	2019	2018
Increase in property, plant and equipment	$ 4,024	4,678
Cash payments	**$ 4,024**	**4,678**

(7) Related-party transactions

(a) Parent company and ultimate controlling company

United Integrated Services Co., Ltd. is both the Company and the ultimate controlling party of its subsidiaries.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related party and the Company's subsidiaries during the periods covered in the financial statements.

Name of related party	Relationship with the Company
United Integrated Services BVI	Subsidiary
Jiangxi United Integrated Services Ltd.	Subsidiary
Singapore United Integrated Services Ltd.	Subsidiary
Su Yuan (Shanghai) Trading Ltd.	Subsidiary
Suzhou Han Tai System Integrated Ltd.	Subsidiary
Beijing Han He Tang Medical Instrument Ltd.	Subsidiary
Wholetech System Hitech Limited	Investee accounted for using equity method

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Name of related party	Relationship with the Company
Ablerex Electronics Co., Ltd.	Investee accounted for using equity method
JG Environmental Technology Co., Ltd	Investee accounted for using equity method
Eco Energy Corporation	Investee accounted for using equity method
UniMEMS Manufacturing Co., Ltd.	Related party
AIRREX Co., Ltd.	Related party
FU-KUO ENGINEERING CO., Ltd.	Related party
Huayuan Engineering Co., Ltd.	Related party
Dentsu Engineering Co., Ltd.	Related party
Yun Hao Motor Technician Office	Related party
Sheng Yang Integration Co., Ltd.	Related party
All directors, supervisors, general managers and deputy general managers	Key management personnel

(c) Significant transactions with related parties

(i) Operating revenue

The amounts of significant sales by the Company to related parties were as follows:

	2019	2018
Subsidiaries	$ 160,949	75,375
Other related parties	44	29
	$ 160,993	**75,404**

There is no significant difference between the credit terms of the Company and of the same businesses.

(ii) Construction cost

The amounts of purchases by the Company from related parties were as follows:

	2019	2018
Subsidiaries	$ 579	-
Associates	116,539	20,157
Other related parties	130,286	173,087
	$ 247,404	**193,244**

There is no significant difference between the payment terms of the Company and of the same businesses.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2019	December 31, 2018
Accounts receivable	Subsidiaries	$ 46,149	66,904
Dividends receivable	Subsidiaries	358,091	584,938
Long-term receivables－related party (Principal)	Subsidiaries	134,919	150,688
Long-term receivables－related party (Interest)	Subsidiaries	68,957	67,994
		$ 608,116	**870,524**

(iv) Payables to Related Parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2019	December 31, 2018
Accounts payable	Subsidiaries	$ 27,232	27,366
	Associates	20,450	19,224
	Other related parties	68,159	65,607
Notes payable	Other related parties	-	38,960
Other payables	Other related parties	160,183	153,885
		$ 276,024	**305,042**

Other payables mentioned above included package fee disbursements, salaries and interests, etc. Please refer note 12 (c) for further information.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(v) Leases

Name of related party	Object	Lease term	Rental income 2019	Rental income 2018
Associates	1F., No.1、3, Ln. 7, Baogao Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	2017.06.01~ 2020.05.31	$ 4,392	4,290
	Parking Space	2017.06.01~ 2020.05.31	72	72
Other related paties	No.18, Aly. 2, Ln. 261, Xinghua Rd., Shanhua Dist., Tainan City 741, Taiwan (R.O.C.)	2017.08.01~ 2020.04.30	194	194
			$ 4,658	**4,556**

(vi) Finance costs

	2019	2018
Other related party－Dentsu Engineering	**$ 6,298**	**6,298**

(vii) Property compensation

The disposals of property, plant and equipment to related parties were summarized as follows:

Relationship	2019 Disposal price	2019 Gain (loss) from disposal	2018 Disposal price	2018 Gain (loss) from disposal
Associates	**$ 2,420**	**2,411**	**-**	**-**

Due to the capital increase of affiliated companies, the Company has a payment of 461 thousand shares amounting to $10,382 thousand in 2018.

(viii) The Company recognizes unrecoverable loss of $13,726 thousand in September, 2018, due to the suspension of business of other related parties.

(d) Key management personnel compensation

	2019	2018
Short-term employee benefits	$ 227,223	183,622
Post-employment benefits	2,183	2,183
	$ 229,406	**185,805**

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2019	December 31, 2018
Restricted assets (other current assets)	Engineering performance bond	$ -	1,700
Restricted assets (other non－current assets)	Engineering performance bond	1,013	619
		$ 1,013	2,319

(9) Significant commitments and contingencies

(a) As of December 31, 2019 and 2018, except for the disclosures of Note 7, the Company's commitments and contingencies were as follows:

(i) As of December 31, 2019 and 2018, guaranteed notes received from construction contractors for performance guarantees or maintenance guarantees amounted to $10,489,820 thousand and $8,895,380 thousand, respectively.

(ii) As of December 31, 2019 and 2018, guaranteed notes issued to construction contractors for performance guarantees or maintenance guarantees amounted to $143,010 thousand and $160,776 thousand, respectively.

(iii) As of December 31, 2019 and 2018, guaranteed notes issued for bank loans and letters of credits both amounted to $400,000 thousand.

(iv) As of December 31, 2019 and 2018, guaranteed letters offered by banks for contract performance guarantees amounted to $8,000 thousand and $8,794 thousand, respectively.

(v) As of December 31, 2019 and 2018, the total contract price of contracted construction projects amounted to $97,052,931 thousand and $56,142,981 thousand, respectively, and the contract payments received by the Company amounted to $42,110,429 thousand and $38,135,241 thousand, respectively.

(vi) As of December 31, 2019 and 2018,the total subcontract price of subcontracted construction projects amounted to $3,860,270 thousand and $3,330,180 thousand, respectively, and the contract payment paid by the Company amounted to $2,935,561 thousand and $2,326,278 thousand, respectively.

(vii) As of December 31, 2019 and 2018,the outstanding letters of credits issued by the Company for purchasing equipment amounted to $100,011 thousand and $212,332 thousand, respectively.

(viii) As of December 31, 2019 and 2018, guaranteed notes received from lessees for rental of buildings both mounted to $1,073 thousand.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(b) Significant liabilities

Among the construction contracts entered by the Company, 193 of them have not been completed. As of December 31, 2019, the following table presents the main contracts (including contracts with total prices over 100 million) of the Company:

Proprietor	Date of project	Description	Warranty service period	Restrictions	Note
InfoVision Optoelectronics (Kunshan) Co., Ltd	2007/12/01~ 2009/12/31	Longteng Optoelectronics 110K Expansion Main System Engineering	One year	Delay penalty：one thousandth of total contract price per day	1、2
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2011/11/28~ 2012/07/01	TSMC F12 P6 C/R PACKAGE STAGE1	One year	Delay penalty：one thousandth of total contract price per day	1、2
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2012/05/14~ 2013/07/31	TSMC F6 BUMPPING engineering	One year	Delay penalty：one thousandth of total contract price per day	1、2
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2012/05/25~ 2013/10/31	F12 P6 CCD EXPANSIONEDC2 F12 P4 SITE	One year	Delay penalty：one thousandth of total contract price per day	1、2
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2012/10/01~ 2013/10/31	TSMC F14 P5 MEP PACKAGE	One year	Delay penalty：one thousandth of total contract price per day	1、2
UNITED INTEGRATED SERVICES CO., Ltd.(Singapore)	2014/06/23~ 2014/12/31	SINGAPORE AU L4B POWER MTM PROJECT	One year	Delay penalty：one thousandth of total contract price per day	1、2
ADVANCED SEMICONDUCTOR ENGINEERING, INC.ASE	2015/02/11~ 2015/12/31	New construction of K22 plane construction factory in ASE byKaohsiung Plant	One year	Delay penalty：one thousandth of total contract price per day	1、2
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2015/09/20~ 2016/07/31	TSMC F15 P5 MEP PACKAGE (STAGE 1)	One year	Delay penalty：one thousandth of total contract price per day	1、2
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2016/03/01~ 2017/03/01	TSMC F15 P6 MEP PACKAGE STAGE 1 (EQUIPMENT/LABOR/MATERIAL)	One year	Delay penalty：one thousandth of total contract price per day	1、2
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2016/03/01~ 2017/12/31	TSMC F15 P5 MEP PACKAGE (STAGE 1) (UPS)	One year	Delay penalty：one thousandth of total contract price per day	1、2
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2016/10/01~ 2017/12/31	TSMC F15 P6 CR SCAD TEM addition engineering	One year	Delay penalty：one thousandth of total contract price per day	1、2
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2016/11/01~ 2017/12/31	TSMC by Nanjing CHINA CLEANROOM PACKAGE EQ (STAGE 1)	One year	Delay penalty：one thousandth of total contract price per day	1、2

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Proprietor	Date of project	Description	Warranty service period	Restrictions	Note
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2017/03/01~ 2018/06/30	TSMC F 12 P4 EUV MEP+CR engineering	One year	Delay penalty：one thousandth of total contract price per day	1
UNITED INTEGRATED SERVICES CO., Ltd. (Singapore)	2017/10/31~ 2018/12/31	SSMC Expansion project	One year	Delay penalty：one thousandth of total contract price per day	1
MICRON MEMORY TAIWAN CO., Ltd.	2017/11/13~ 2018/06/30	new construction of F500 MicronTCP plant	One year	Delay penalty：one thousandth of total contract price per day	1
Systems on silicon manufacturing company Pte. Ltd.	2018/02/12~ 2018/06/30	new construction of SSMC factory equipment procurement	One year	Delay penalty：one thousandth of total contract price per day	1
MICRON MEMORY TAIWAN CO., Ltd.	2018/02/14~ 2019/03/01	new construction of Micron F11 CUB 1B	One year	Delay penalty：one thousandth of total contract price per day	1
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2018/04/13~ 2018/12/31	TSMC F15P7 C/R PROJECT A	One year	Delay penalty：one thousandth of total contract price per day	1
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2018/04/30~ 2019/02/28	TSMC F18 P1 MEPA PACKAGE	One year	Delay penalty：one thousandth of total contract price per day	1
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2018/04/30~ 2019/02/28	TSMC F18 P1 MEPB PACKAGE	One year	Delay penalty：one thousandth of total contract price per day	1
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2018/04/30~ 2019/02/28	TSMC F18 P1 FIRE PACKAGE	One year	Delay penalty：one thousandth of total contract price per day	1
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2018/05/03~ 2019/04/30	TSMC F18 P1 C/R	One year	Delay penalty：one thousandth of total contract price per day	1
Yangtze River Storage Technology	2018/06/04~ 2018/09/30	Yangtze River Storage National Storage Base (Phase I) Industrial equipment pipeline of Import equipment	One year	Delay penalty：one thousandth of total contract price per day	1
MICRON MEMORY TAIWAN CO., Ltd.	2018/07/04~ 2018/12/31	Build up for MTB warehouse	One year	Delay penalty：one thousandth of total contract price per day	1
MICRON MEMORY TAIWAN CO., Ltd.	2018/07/17~ 2019/07/31	A2 E100 expansion project	One year	Delay penalty：one thousandth of total contract price per day	1
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2018/07/27~ 2018/12/31	TSMCF18P1 EBO	One year	Delay penalty：one thousandth of total contract price per day	1

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Proprietor	Date of project	Description	Warranty service period	Restrictions	Note
KOPIN TAIWAN CORPATION	2018/08/24~ 2019/03/31	New construction of TURNKEY	One year	Delay penalty：one thousandth of total contract price per day	1
AU Optronics Corporation	2018/12/04~ 2019/05/31	L3DIJP Project	One year	Delay penalty：one thousandth of total contract price per day	1
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2018/12/15~ 2019/12/31	TSMC F18 P2 MEPA PACKAGE	One year	Delay penalty：one thousandth of total contract price per day	1
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2018/12/15~ 2019/12/31	TSMC F18 P2 MEPB PACKAGE	One year	Delay penalty：one thousandth of total contract price per day	1
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2018/12/15~ 2019/12/31	TSMC F18 P2 FIRE PACKAGE	One year	Delay penalty：one thousandth of total contract price per day	1
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2018/12/15~ 2019/12/31	TSMC F18 P2 PCW PACKAGE	One year	Delay penalty：one thousandth of total contract price per day	1
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2018/12/20~ 2019/12/31	TSMC F18 P2 C/R PACKAGE	One year	Delay penalty：one thousandth of total contract price per day	1
Advanced. Wireless Semiconductor Company	2019/02/11~ 2020/12/31	New construction of Hongjie Phase II plane construction factory (A,B,C,D,E,F Building) -Mechanical and electrical contracting engineering	One year	Delay penalty：one thousandth of total contract price per day	
MICRON MEMORY TAIWAN CO., Ltd.	2019/03/04~ 2021/12/31	New construction of MICRON factory project design	One year	Delay penalty：one thousandth of total contract price per day	
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2019/7/4~ 2020/12/31	TSMC F15P7 C/R Project B	One year	Delay penalty：one thousandth of total contract price per day	
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2019/7/18~ 2020/12/31	TSMC F15 P7 MEP PACKAGE B	One year	Delay penalty：one thousandth of total contract price per day	
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2019/10/21~ 2020/12/31	TSMC F18 P3 MEP A PACKAGE	One year	Delay penalty：one thousandth of total contract price per day	
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2019/10/21~ 2020/12/31	TSMC F18 P3 MEP B PACKAGE	One year	Delay penalty：one thousandth of total contract price per day	

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Proprietor	Date of project	Description	Warranty service period	Restrictions	Note
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2019/10/21~ 2020/12/31	TSMC F18 P3 FIRE PACKAGE	One year	Delay penalty：one thousandth of total contract price per day	
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2019/11/13~ 2020/12/31	TSMC F18 P3 C/R	One year	Delay penalty：one thousandth of total contract price per day	

Note 1: The contract is unable to settle for the final acceptance is not completed by the owners. Hence, the Company does not have further responsibility and penalty.

Note 2: The additional project has not been completed, but the date of projects is same as the period of main contract.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, was as follows:

By function / By nature	2019			2018		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	521,575	585,083	1,106,658	466,417	483,134	949,551
Labor and health insurance	27,100	31,309	58,409	24,826	27,322	52,148
Pension	16,256	18,780	35,036	16,357	18,001	34,358
Remuneration of directors	-	38,676	38,676	-	30,180	30,180
Others	9,165	10,388	19,553	5,550	5,709	11,259
Depreciation	6,933	11,752	18,685	1,133	10,949	12,082
Amortization	478	487	965	1,234	675	1,909

The Company for the years ended December 31, 2019 and 2018, additional information on number of employees and employee benefits were as follows:

	2019	2018
Number of employees	771	690
Non-employee directors	4	5
Average employee benefits	$ 1,590	1,529
Average employee salary	$ 1,443	1,386
Adjustments of average employee salary	4.11 %	

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(b) Certain directors of the Company were sentenced of violating the Securities and Exchange Act by the Taiwan High Court (the "High Court"). With respect to the main content of the judgment, corresponding measures and the impact of the litigation on the operations, please refer to the following information:

(i) Main Content of the Judgment

On June 5, 2013, the Taipei District Prosecutors Office (the "Prosecutors Office") filed a public prosecution against Chairman Chen and former Chairman Wang of the Company, and others, on the accusation of embezzlement, and claimed that between 2001 and 2011, the defendants have transferred more than NT$1.3 billion, from the funds of Company, to other companies that are effectively controlled by the defendants as follows: Dentsu Engineering Co. Ltd ("Dentsu"), Fuguo Engineering Co. Ltd., and Huayuan Engineering Co. Ltd. After the defendants presented numerous evidence to clarify the relevant facts during the trial, the Taipei District Court sentenced on August 31, 2015 (No. 102 Jin-Shang-Chung-Su-Tzu 17) with the following main content: the court adopts the defendants' explanations and evidence regarding the NT$1.3 billion, as mentioned in the indictment, that the funds, except for part of them are payment for construction fee and the wages of the construction workers, the rest of the funds were used for repaying several incidental payments (collectively referred to as the "Package Fees"), previously paid by Dentsu and other companies. There is also no evidence provided that the defendants had committed an offence involving embezzlement or breach of trust; therefore, the court considers that the defendants were not guilty of each of the abovementioned criminal charge. However, the court still held the defendants guilty for financial statement fraud due to failure to disclose in the financial statements of Dentsu and other companies and the Package Fees thereof. The defendants all appealed against the conviction while the public prosecutor also filed an appeal against the acquittal part of the verdict; and due to the death of Mr. Wang, the former Chairman of the Company, the High Court (No. 104 Jin-Shang-Chung-Su-Tzu 40) declared a dismissal judgment for Mr. Wang on July 25, 2017 with respect to the charges of non-arm's length transactions, breach of trust, and embezzlement. The High Court stated that there was no evidence to prove that the defendants, other than Mr. Wang, were guilty and the public prosecutor accepted the acquittal judgment without further appeal. As for the High Court's decision of guilty on the financial statement fraud, the sentences on two of the defendants were finalized because they were given probations and decided not to appeal; while Chairman Chen appealed to the Supreme Court, wherein the Supreme Court (No. 106 Tai-Shang-Tzu 3336), on July 25, 2018, reversed and remanded the case to the High Court whose further judgment (No. 107 Jin-Shang-Chung-Geng-Yi-Tzu 8) on December 10, 2019 sentenced Mr. Chen guilty for misrepresented financial statements for certain years and guilty for violations of the Business Entity Accounting Act, as well as a five-year probation; Chairman Chen filed an appeal while the SFIPC center also requested the prosecutor to appeal, moving the case for further proceedings in the Supreme Court.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(ii) Corresponding Measures

Since the establishment of the Company by the formal Chairman Wang, the performance and earnings have always surpassed those of the same industry. Apart from having no deficit, almost all distributable surplus has always been distributed to shareholders; additionally, Chairman Wang almost has never sold his shares in the Company since the Company was listed on the OTC market, which proves Chairman Wang's loyalty and confidence in the Company; Chairman Chen has assisted with matters of the Company for decades and has worked hard for the Company. Owing to the contributions of two of them, the Company has thrived and has been able to consistently make stable profits. Therefore, we feel grateful that the investigation by the first and second instance courts resulting in the opinions of the court that the assertions of embezzlement and non-arm's length transactions as indicted by the prosecutor are not true. It is regrettable that the court still considers that the financial reports of certain fiscal years are misrepresented. As the defendant has filed an appeal to the Supreme Court, the Company will await the final judgment.

(iii) Impact on the Operations

Since the occurrence of this case, the staff of the Company altogether have continued to stay on their posts and serve customers. The Company has also received support from proprietors and third-party firms. The Company's revenue continues to grow, while the progress, collection and payment operations of projects remain normal. Current business and finances of the Company are quite robust, as the Company's operations have not been affected by any of the judicial events.

(iv) On December 5, 2013, based on the contents of the indictment, the SFIPC argued that it was inappropriate for the former three directors to hold such positions in the Company and appealed for court decision to dismiss the directors' positions.

As mentioned above, under the leadership of the Chairman Wang, the operations and performances of the Company were extremely good. Apart from the record of the indictment, the SFIPC did not propose any specific evidence of the three directors' unsuitability for directorship. On February 6, 2014, the shareholders' meeting was held, and after discussion and resolutions, the majority of shareholders supported the decision for the three directors to continue to run the Company. In 2015, the shareholders' general meeting re-elected directors, and the three directors also won the majority of the shareholders' support for re-election. Under the Taipei District Court's ruling in June 18, 2015, the SFIPC lost the lawsuit. The SFIPC filed an appeal, but due to the death of Chairman Wang, the SFIPC withdrew part of the appeal and changed its petition to be dismissing two directors' positions from June 16, 2015 to June 15, 2018. The court of Second Instance decided in early February 2016 to dismiss the complaint of the SFIPC about changes of claims. The SFIPC appealed to the Court of Third Instance on March 28, 2016. The Supreme Court (No. 106 Tai-Shang-Tzu 2658) revoked the original Second Instance judgment on September 28, 2018, and remanded the case to the High Court. The financial and business operations of the Company have also not been affected by this lawsuit.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(v) According to the content of the indictment on January 27, 2014, the SFIPC filed a group lawsuit on behalf of the investor on the grounds that the Company's financial reports from the third quarter of 2008 to 2011 were misrepresented, requesting the Company, directors and former supervisors to jointly compensate the investors for the damage amounting to more than NT$243 million.

As stated above, the Company's operations and financial position have always been sound, and its share price has remained at a considerable level. It has been a stable and profitable Company for a long time. Relevant parties have also indicated that the Company has handled the affairs of the Company's interests and has not caused the Company's financial reports to be misrepresented. The verdict of the criminal trial court also holds that even though the Company's financial reports and financial business documents between years 2008 and 2011 were indeed misrepresented and have not reached materiality criteria, they have only violating the Business Accounting Laws regulations. Given that Chairmen Chen and the prosecutor have both appealed, the verdict of the court of the third instance is still in progress. Before the criminal case and the final judgment of this civil action are determined, whether the Company has misrepresented financial reports in the past years stated, the investors have been harmed, or the damage is related to false financial reporting, etc., it would take a period of time before the verdict is announced. This lawsuit has also not affected the normal operation of the Company's current financial business.

(vi) On June 28, 2016, the SFIPC, with regards to the content of the indictment and according to the provisions of the Investor Protection Law, claimed that the Company was infringed and misappropriated by NT$ 1.3 billion in damages as alleged in the indictment, and filed an incidental civil action in the criminal proceedings in the criminal court of the Second Instance court, requesting the defendants to compensate the Company for the amount of damages previously disclosed. On July 25, 2017, the Criminal Court ruled that the parties did not commit any embezzlement and breach of trust against the Company. On the same day, the court decided to refer the incident to the civil court of the same court for further trial. The civil court, in citing that the case of irregular transactions and special breach of trust and embezzlement were sentenced not guilty, declaring that the SFIPC's claims were not legal, and therefore, were overruled on March 22, 2018.

(c) The Company received the civil judgment from the Taiwan Taipei District Court on September 2, 2014 that the Company should pay the package fees of $104,559 thousand and the former Chairman Wang' s salary from January 2001 to April 2012, as previously paid by Dentsu, amounting to $21,405 thousand.

In the third quarter of 2014, in accordance with the judgment stated above, the Company assessed and took into accounts the package fees and salary paid by Dentsu, which have yet to be reimbursed by the Company (respectively logged as construction costs and management costs). The Company also estimated that the relevant interest payable as of December 31, 2019 amounted to $34,219 thousand (please refer to note 7).

As of the reporting date, the Company has yet to reimburse the abovementioned package fees, salary and related interests.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company for the year ended December 31, 2019:

(i) Loans to other parties:

Unit: in thousands of New Taiwan Dollar

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 1)	Ending balance (Note 1)	Actual usage amount during the period	Range of interest rates	Purposes of fund financing for the borrower (Note 3)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limit (Note 2)	Maximum limit of fund financing (Note 2)
													Item	Value		
0	The Company	Su Yuan Trading (Shanghai) Co., Ltd.	Other receivables	Yes	137,948	136,899	134,919	1.95%	2	-	Operating capital	-		-	1,713,493	3,426,986
0	〃	UNITED INTEGRATED SERVICES CO. LTD. (SINGAPORE)	〃	Yes	126,400	-	-	3%	2	-	〃	-		-	1,713,493	3,426,986
0	〃	UNITED INTEGRATED SERVICES CO., Ltd.(JIANGXI)	〃	Yes	177,216	-	-	3%	2	-	〃	-		-	1,713,493	3,426,986

Note 1: The highest balance and the ending balance during the current period are the amount, not the actual usage amount.

Note 2: The total amount of the Company's externally handled funds and loans does not exceed 40% of the Company's net worth, and the loan for a single business fund is not more than 20% of the Company's net worth.

Note 3: The capital loan and nature are as follows:
There are business contacts for 1
The need for short-term financing is 2

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held at the end of the period (excluding investment in subsidiaries, associates and joint ventures):

Unit: in thousands of New Taiwan Dollar/thousand of shares

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	stock－Nanya Technology Corporation	-	Current financial assets at fair value through profit or loss	63	5,292	- %	5,292	
〃	stock－Taichung Commercial Bank Co., Ltd.	-	〃	100	1,204	- %	1,204	
〃	stock－Acer	-	〃	1,400	24,990	0.05 %	24,990	
〃	stock－Chunghwa Telecom Co., Ltd	-	〃	26	2,860	- %	2,860	
〃	stock－Powerchip Technology Corporation	-	〃	10,566	157,187	0.34 %	157,187	
	stock－Powerchip Semiconductor Manufacturing Corporation			1,153	22,646	0.04 %	22,646	
	totals				**214,179**			
〃	stock－Taiwan Electronic Data Processing Corp.	-	Non-current financial assets at fair value through profit or loss	374	3,522	9.65 %	3,522	
〃	stock－Pu-Xun Venture Capital	-	〃	722	2,825	1.67 %	2,825	
〃	stock－Aetas Technology Inc.	-	〃	91	-	0.30 %	-	
〃	stock－Zowie Technology Corporation	-	〃	15	-	0.07 %	-	
〃	stock－Glandtex Corporation	-	〃	1	-	0.01 %	-	
〃	stock－Promos Technologies Inc.	-	〃	2	-	- %	-	
	totals				**6,347**			
〃	stock－Jiangxi Construction	-	Non-current financial assets at fair value through other comprehensive income	Note 1	2,051,779	19.80 %	2,051,779	

Note 1: Registered with the amount of capital contribution.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Unit: in thousands of New Taiwan Dollar

Name of company	Related party	Nature of Relationship	Transaction details				Transactions with terms different from others		Notes / accounts receivable (payable)		Note
			Purchase / Sale	Amount	Percentage of total purchases / sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes / accounts receivable (payable)	
The Company	UIS (Jiangxi)	Subsidiary	Sales	128,039	0.66 %	90 days	-	-	-	- %	

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Unit: in thousands of New Taiwan Dollar

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowances
					Amount	Action taken		
The Company	Su Yuan Trading (Shanghai) Co., Ltd.	subsidiary	168,216	-	-	-	1,469	-

(ix) Trading in derivative instruments: None.

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2019 (excluding information on investees in Mainland China):

Unit: in thousands of New Taiwan Dollar

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/losses of investee (Note 1)	Note
				December 31, 2019	December 31, 2018	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	ABLEREX ELECTRONICS CO., LTD.	Taiwan	Sale and purchase of UPS	189,852	189,852	14,987	33.30 %	490,936	39,567	13,178	
〃	WHOLETECH SYSTEM HITECH LIMITED	Taiwan	Gas pipeline engineering	61,367	61,367	9,946	13.61 %	193,385	190,646	25,958	
〃	UNITED INFORMATION SYSTEMS (BVI) CO., Ltd.	BVI	Investment activities	567,643	567,643	17,698	100.00 %	691,732	48,391	48,391	
〃	UNITED INTEGRATED SERVICES CO., Ltd.(Singapore)	Singapore	Clean room system construction	34,040	34,040	-	100.00 %	8,045	(183,043)	(183,043)	
〃	UNIMEMS MANUFACTURING CO., Ltd.	Taiwan	Machinery and Equipment Manufacturing	19,000	19,000	2,095	19.49 %	-	-	-	
〃	JG NVIRONMENTAL TECHNOLOGY CO., Ltd.	Taiwan	Machinery and Equipment Manufacturing	47,874	47,874	3,488	17.01 %	54,127	45,168	7,684	
〃	Eco Energy Corporation	Taiwan	Integration and Solutions of Battery Energy Storage Systems, Purchase and Sale of Related Materials and Equipment	99,449	-	6,630	16.57 %	99,525	950	76	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH LIMITED	BVI	Investment activities	170,884	170,884	5,400	100.00 %	219,076	28,686	28,686	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH LIMITED	Shanghai	Electromechanical, Circuit, and Pipeline Engineering Businesses	169,127	169,127	-	100.00 %	219,056	28,686	28,686	
〃	WHOLETECH SYSTEM HITECH INC.	Mauritius	Investment activities	110,559	110,559	3,500	100.00 %	180,623	25,045	25,045	
〃	WHOLETECH GROUP INTERNATIONAL TRADING LIMITED	Mauritius	Investment activities	110,559	110,559	3,500	100.00 %	180,623	25,045	25,045	
WHOLETECH GROUP INTERNATIONAL TRADING LIMITED	WHOLETECH GROUP (Shanghai) TRADING LIMITED	Shanghai	Import and Export Trading Business of Electronics, Machineries, Chemical Equipment, Pipe Fitting Hardware, etc.	110,559	110,559	-	100.00 %	180,623	25,045	25,045	
〃	WHOLETECH SYSTEM HITECH(S) PTE. Ltd.	Singapore	Construction of water, gas pipelines and sewage systems, gas production, distribution of fuel gas main systems, etc.	30,865	30,865	200	100.00 %	42,273	(7,416)	(7,416)	
WHOLETECH SYSTEM HITECH(S) PTE. LTD.	WHOLETECH SYSTEM HITECH（M）SDN. BHD.	Malaysia	Construction of water, gas pipelines and sewage systems, gas production, distribution of fuel gas main systems, etc.	855	855	100	100.00 %	473	5,564	5,564	
ABLEREX ELECTRONICS CO.,LTD.	Ablerex Electronics (Samoa) Corporation Limited	Samoa	Holding company	217,445	217,445	6,635	100.00 %	469,926	(3,819)	(3,490)	
〃	Joint Rewards Trading Corporation	B.V.I.	Provide management services	104	104	3	100.00 %	30	(46)	(46)	
〃	Ablerex Corporation	USA	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	8,303	8,303	250	100.00 %	43,566	(6,074)	(6,076)	

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: December 31, 2019	Original investment amount: December 31, 2018	Ending balance: Shares (thousands)	Ending balance: Percentage of ownership	Ending balance: Carrying value	Net income (losses) of investee	Share of profits/losses of investee (Note 1)	Note
ABLEREX ELECTRONICS CO.,LTD.	Ablerex International Corporation Limited	Hong Kong	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	43	43	10	100.00 %	30,116	507	507	
〃	Ablerex Electronics (S) Pte Limited	Singapore	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	48,008	48,008	2,141	100.00 %	88,776	5,819	5,735	
〃	Ablerex Electronics U.K. Limited	UK	Holding company	4,674	4,674	100	100.00 %	5,148	503	(288)	
〃	Ablerex JP	Japan	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	9,253	9,253	3	100.00 %	2,922	(1,683)	(1,911)	
Ablerex Samoa	Ablerex Overseas	Hong Kong	Holding company	217,445	217,445	6,635	100.00 %	473,835	(3,778)	-	
Ablerex UK	Ablerex IT	Italia	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	4,674	4,674	100	100.00 %	5,148	503	-	
Ablerex SG	Ablerex TH	Thailand	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	256	256	280	70.00 %	3,542	3,327	-	
Ablerex USA	Ablerex LATAM	USA	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	15,358	15,358	4	86.00 %	2,306	(10,946)	-	
JG ENVIRONMENTAL TECHNOLOGY CO., Ltd.	ASIA INTELLIGENCEINVESTMENTSLIMITED	BVI	Investment activities	30,282	30,282	-	100.00 %	41,144	15,124	15,124	
ASIA INTELLIGENCEINVESTMENTSLIMITED	JG ENVIRONMENTAL TECHNOLOGY CO., Ltd.	Shanghai	Sales of polluton control equipment and manufacturing	30,282	30,282	-	100.00 %	41,144	15,124	15,124	
JG ENVIRONMENTAL TECHNOLOGY CO., Ltd.	Taiwan Sustainable environmental energy co., LTD.	Taiwan	Sales of polluton control equipment	1,000	-	100	14.00 %	1,000	-	-	

Note 1: The profits/losses of the investee for current period were recognized by the investment company.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Unit: in thousands of New Taiwan Dollar

Name of investee	Main businesse and products	Tota amount of capital surplus	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2019	Investment flows: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2019	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value as of December 31, 2019	Accumulated remittance of earnings in current period
Su Yuan Trading (Shanghai) Co., Ltd.	Semiconductor, clean room and electromechanical	NT$ 34,495 USD 1,000	(2)	NT$ 34,495 USD 1,000	-	-	NT$ 34,495 USD 1,000	36,773	100.00 %	NT$ 36,773	NT$ 283,108	-
UNITED INTEGRATED SERVICES CO., Ltd.(JIANGXI)	Electromechanical business and pipeline engineering business	NT$ 453,360 RMB 100,000	(1)	NT$ 338,573 RMB 75,000	-	-	NT$ 338,573 RMB 75,000	314,333	75.00 %	NT$ 235,750	NT$ 511,041	NT$ 744,518 RMB 146,236
Suzhou Hantai System Integration Co., Ltd.	Construction hardware , materials production and sales	NT$ 381,660 USD 12,000	(2)	NT$ 381,660 USD 12,000	-	-	NT$ 381,660 USD 12,000	7,725	100.00 %	NT$ 7,725	NT$ 303,980	-
Jiangxi Construction Engineering Group Co., Ltd.	Various types of building construction	NT$ 5,113,150 RMB 1,043,500	(1)	NT$ 1,008,212 RMB 206,600	-	-	NT$ 1,008,212 RMB 206,600	-	19.80 %	NT$ -	NT$ 2,051,779	NT$ 1,518,180 RMB 324,806
Beijing Hanhe Tang Medical Devices Co., Ltd.	Distribution agency for medical equipment, import and export of goods, after-sales service	NT$ 30,187 USD 1,000	(2)	NT$ 30,187 USD 1,000	-	-	NT$ 30,187 USD 1,000	3,886	100.00 %	NT$ 3,886	NT$ 9,322	-

Note 1: Investment method

(1) Investing in the mainland through companies in another country

(2) Establishing a company through the investment in the third region to reinvest in the mainland.

(ii) Limitation on investment in Mainland China:

Name of company	Accumulated investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
United Integrated Services Co., Ltd.	1,798,283 (USD59,165)	1,825,134 (USD59,165)	5,140,479

(iii) Significant transactions with investees in Mainland China:

The significant inter－company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(14) Segment information:

Please refer to the consolidated financial statement for the year ended December 31, 2019.

United Integrated Services Co., Ltd.

Statement of cash and cash equivalents

December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	
Cash on hand and foreign currency	Cash	$	2,921
	Petty cash		900
			3,821
Cash in banks	Demand deposits		1,371,488
	Check Deposits		1,083
	Time deposits		1,029,200
	Foreign currency deposits (Note)		1,943,484
			4,345,255
		$	**4,349,076**

Note: Including demand deposits USD 627 thousand and time deposits USD 61,000 thousand @$29.98, demand deposits JPY 554 thousand @$0.28, demand deposits CNY 1,374 thousand and time deposits CNY 20,800 thousand @$4.31, demand deposits SGD 14 thousand @$22.28.

United Integrated Services Co., Ltd.

Statement of financial assets measured at fair value through profit or loss - current

December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares or units	Par value	Total amount	Interest rate (%)	Acquisition cost	Fair value: Unit price	Fair value: Total amount	Fair value changes is attributable to the changes in credit risk	Note
Nanya Technology Corporation		63	$ -	-	-	19,928	83.40	5,292	-	
T.C.C.B		100	-	-	-	890	12.00	1,204	-	
ACER		1,400	-	-	-	94,045	17.85	24,990	-	
CHT		26	-	-	-	3,033	110.00	2,860	-	
Powerchip Semiconductor Manufacturing Corporation		1,153	-	-	-	11,644	19.64	22,646	-	
Powerchip / PTC		10,566	-	-	-	175,345	14.88	157,187	-	
						304,885		-	-	
Add: Valuation Adjustments						(90,706)		-	-	
						$ 214,179		214,179	-	

United Integrated Services Co., Ltd.

Statement of changes in financial assets measured at fair value through profit or loss - non-current

For the year ended December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Beginning Balance		Addition		Decrease		Ending Balance		Collateral	Note
	Shares or units	Fair value	Shares or units	Amount	Shares or units	Amount	Shares or units	Fair value		
Taiwan Electronic Data Processing Co.,Ltd.	2,495	$ 29,075	-	-	2,121	1,505	374	27,570		
Pu－Xun venture capital	722	7,225	-	-	-	-	722	7,225		
Add: Valuation Adjustments	-	(28,421)	-	-	-	27	-	(28,448)		
		$ 7,879		**-**		**1,532**		**6,347**		

United Integrated Services Co., Ltd.

Statement of changes in non-current financial assets measured at fair value through other comprehensive income

For the year ended December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Beginning Balance		Addition		Decrease		Ending Balance		Collateral	Note
	Shares or units	Fair value	Shares or units	Amount	Shares or units	Amount	Shares or units	Fair value		
Jiangxi Construction Engineering Group Co.,Ltd.	-	$ 1,008,212	-	-	-	-	-	1,008,212		
Add: Valuation Adjustments	-	628,749	-	414,818	-	-	-	1,043,567		
		$ 1,636,961		**414,818**		**-**		**2,051,779**		

United Integrated Services Co., Ltd.

Statement of notes receivable

December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount	Note
Unrelated Parties:			
Winbond Electronics Corp.	Operating	$ 1,207	
Giga Medical Instrument Ltd.	Operating	201	
Other (The balance of each household is less than 5% of the balance of the subject)	Operating	451	
		$ 1,859	

Statement of accounts receivable

Client name	Description	Amount	Note
Related Parties:			
UNITED INTEGRATED SERVICES CO. LTD.(SINGAPORE)	Operating	$ 42,506	
Beijing Hanhe Tang Medical Devices Co., Ltd.	Operating	3,643	
		46,149	
Unrelated Parties:			
Taiwan Semiconductor Manufacturing Company, Limited	Operating	1,019,088	
Micron Memory Taiwan	Operating	2,038,590	
Micron Technology Taiwan	Operating	259,165	
Other (The balance of each household is less than 5% of the balance of the subject)	Operating	178,604	
		3,495,447	
		3,541,596	
Less: Loss allowance		87,181	
		$ 3,454,415	

United Integrated Services Co., Ltd.

Statement of changes in Contract Assets and Contract Liabilities

For the year ended December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

	Contract Assets						Contract Liabilities					
		Addition		Decrease								
Name of Project	Beginning Balance	Construction cost	Gain on Construction	Loss on Construction	Complete and output	Ending Balance	Beginning Balance	Input	Complete and output	Ending Balance	Contract Assets	Contract liability
F210	$ 1,905,400	-	3,525	-	-	1,908,925	1,935,495	-	-	1,935,495	-	26,570
F360	1,071,638	21,787	1,603	-	-	1,095,028	1,159,318	6,484	-	1,165,802	-	70,774
F380	4,206,728	686	493,801	-	4,701,215	-	4,701,215	-	4,701,215	-	-	-
F390	1,068,877	13,468	27,476	-	1,109,821	-	1,109,821	-	1,109,821	-	-	-
F400	1,871,134	6,729	42,492	-	-	1,920,355	2,258,812	2,967	-	2,261,779	-	341,424
F410	2,030,774	(329)	239,765	-	2,270,210	-	2,270,210	-	2,270,210	-	-	-
F450	1,765,861	(1,429)	273,963	-	2,038,395	-	2,038,395	-	2,038,395	-	-	-
F460	1,788,275	3,283	-	6,017	-	1,785,541	2,151,986	6,345	-	2,158,331	-	372,790
F530	818,391	211,829	16,681	-	-	1,046,901	1,127,518	19,708	-	1,147,226	-	100,325
H600	871,407	3,802,008	226,017	-	-	4,899,432	1,080,650	4,880,021	-	5,960,671	-	1,061,239
Others	15,896,278	11,305,810	2,589,293	17,981	4,984,094	24,789,306	18,308,634	14,180,171	4,984,094	27,504,711	880,164	3,595,569
	$ 33,294,763	**15,363,842**	**3,914,616**	**23,998**	**15,103,735**	**37,445,488**	**38,142,054**	**19,095,696**	**15,103,735**	**42,134,015**	**880,164**	**5,568,691**

United Integrated Services Co., Ltd.

Statement of inventories

December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Net realizable value	Note
Merchandise	$ 6,805	-	
Finished goods	12,527	1,447	
Work in process	18,439	1,739	
Raw materials	48,742	38,843	
Total	86,513	**42,029**	
Less: Allowance for impairment	44,484		
	$ 42,029		

Statement of prepayments

Please refer to note 6 (e).

Statement of other current assets

Please refer to note 6 (l).

United Integrated Services Co., Ltd.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Addition		Decrease		Ending Balance			Market Value or Net Assets Value(Note 2)		
Name of investee	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of ownership (%)	Amount	Unit price	Total amount	Collateral
Ablerex Electronics Co., Ltd.	14,987	$ 507,217	-	13,178	-	29,459	14,987	33.30	490,936	33.50	502,065	None
Wholetech System Hitech Limited	9,946	199,792	-	25,958	-	32,365	9,946	13.61	193,385	31.15	309,818	〃
Uuited Integrated Service(BVI)	17,698	670,166	-	48,391	-	26,825	17,698	100.00	691,732	-	691,732	〃
United Integrated Services Co., Ltd. (Singapore)	Note 1	189,750	-	1,338	-	183,043	Note 1	100.00	8,045	-	8,045	〃
UniMEMS Manufacturing Co., Ltd.	2,095	-	-	-	-	-	2,095	19.49	-	-	-	〃
JG Environmental Technology Co., Ltd	3,488	49,805	-	7,684	-	3,362	3,488	17.01	54,127	31.94	111,407	〃
United Integrated Services Co. Ltd. (Jiangxi)	Note 1	697,288	-	235,750	-	421,997	Note 1	75.00	511,041	-	511,041	〃
Eco Energy Corporation	-	-	6,630	99,525	-	-	6,630	16.57	99,525	-	99,525	〃
		$ 2,314,018		431,824		697,051			2,048,791		2,233,633	

Note 1: Registered with the amount of capital contribution.

Note 2: If there is no open market price for a long-term equity investment, the net value or book value of the equity at the balance sheet date is its fair market value.

United Integrated Services Co., Ltd.

Statement of changes in property, plant and equipment

For the year ended December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6 (i).

Statement of changes in accumulated depreciation of property, plant and equipment

Please refer to note 6 (i).

Statement of changes in intangible assets

Please refer to note 6 (k).

Statement of deferred tax assets

Please refer to note 6 (q) (ii).

United Integrated Services Co., Ltd.

Statement of other non-current assets

December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Deferred Charges		$ 256	
Guarantee Deposits Paid:			
Construction Deposits		202	
Housing deposit		1,646	
Admission deposit		2,100	
Other (The balance of each household is less than 5% of the balance of the subject)		746	
Subtotal		4,694	
Other		2,689	
		$ 7,639	

Statement of notes payable

Vendor Name	Description	Amount	Note
Unrelated Parties:			
Yun Jia Enginering Co., Ltd.	operating	$ 2,462	
NAKOSIN Enterprise Co., Ltd.	operating	1,160	
Yue Hua Enginering Co., Ltd	operating	1,194	
Chang Ji Clean Room Technology Co., Ltd.	operating	5,101	
Fortune Electric Co., Ltd.	operating	1,149	
Other (The balance of each household is less than 5% of the balance of the subject)	operating	3,083	
		$ 14,149	

United Integrated Services Co., Ltd.

Statement of accounts payable

December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Vendor Name	Description	Amount	Note
Contruction Retainage Received:			
Related Parties:			
Fu-Kuo Engineering Co., Ltd.	operating	$ 5,300	
Dentsu Engineering Co., Ltd.	operating	3,100	
Huayuan Engineering Co., Ltd.	operating	2,936	
AIRREX Co., Ltd.	operating	638	
Wholetech System Hitech Limited	operating	13	
JG Environmental Technology Co., Ltd	operating	1,829	
Subtotal		13,816	
Unrelated Parties:			
Kedge Construction Co., Ltd.	operating	164,499	
Other (The balance of each household is less than 5% of the balance of the subject)	operating	995,662	
Subtotal		1,160,161	
Contruction Playble:			
Related Parties:			
Su Yuan Trading (Shanghai) Co., Ltd.	operating	640	
Uuited Integrated Service(BVI)	operating	26,592	
AIRREX Co., Ltd.	operating	56,185	
ABLEREX ELECTRONICS CO., LTD.	operating	18,262	
Wholetech System Hitech Limited	operating	346	
Subtotal		102,025	
Unrelated Parties:			
Fu Tsu Construction Co., Ltd.	operating	973,660	
Mega Fluid Systems Co., Ltd	operating	161,604	
Topline System Engineering CO., LTD	operating	118,762	
Other (The balance of each household is less than 5% of the balance of the subject)	operating	1,394,478	
Subtotal		2,648,504	
		$ 3,924,506	

United Integrated Services Co., Ltd.

Statement of other payables- related parties

December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Related Parties:			
Dentsu Engineering Co., Ltd.	the package fees and salary	$ **160,183**	

Statement of provisions - current

Please refer to note 6 (m).

Statement of other payables

Item	Description	Amount	Note
Other accrued expenses:			
	Employee bonus and board compensation	$ 486,320	
	Business tax	40,304	
	Salary allowance	136,959	
	Labor and health insurance premium	12,370	
	Other	12,238	
Other payables-other:		3,732	
		$ **691,923**	

United Integrated Services Co., Ltd.

Statement of other current liabilities

December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other current liabilities:			
	Temporary receipts	$ 2,005	
	Receipts under custody	1,472	
	Tax collections	3,692	
	Other notes payable	382	
	Other (The balance of each household is less than 5% of the balance of the subject)	65	
		$ 7,616	

Statement of provisions - non-current

Please refer to note 6 (p).

Statement of deferred tax liabilities

Please refer to note 6 (q) (ii) 2).

United Integrated Services Co., Ltd.

Statement of operating revenues

For the year ended December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Item	Quantity	Amount
Construction revenue:		
Percentage of completion method - Completed construction revenue	-	$ 2,180,193
Percentage of completion method - Uncompleted construction revenue	-	16,859,572
Subtotal		19,039,765
Service revenue	-	51,253
Design revenue	-	342,791
Net operating revenues		**$ 19,433,809**

Statement of operating costs

Item	Amount	
	Subtotal	Total
Costruction costs:		
Raw materials used	$ 13,851,466	
Labor	663,069	
Construction overhead	763,813	
Total of construction costs		15,278,348
Service costs		24,152
Design costs		181,644
Total operating costs		**$ 15,484,144**

United Integrated Services Co., Ltd.

Statement of construction overhead

For the year ended December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Components		$ 141,928
Shipping expenses		43,657
Overtime pay		63,874
Other (The balance of each household is less than 5% of the balance of the subject)		514,354
Total		**$ 763,813**

Statement of selling expenses

Item	Description	Amount
Salary and wages		$ 12,750
Depreciation		1,759
Professional service fees		2,476
Warranty fee		11,388
Other (The balance of each household is less than 5% of the balance of the subject)		5,176
Total		**$ 33,549**

United Integrated Services Co., Ltd.

Statement of administrative expenses

For the year ended December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Salary and wages		$ 582,324
Pension		34,404
Insurance		56,403
Other (The balance of each household is less than 5% of the balance of the subject)		51,759
Total		**$ 724,890**

Statement of the research and development expenses

Item	Description	Amount
Salary and wages		$ 23,906
Depreciation		2,378
Insurance		1,731
Other (The balance of each household is less than 5% of the balance of the subject)		7,084
Total		**$ 35,099**

United Integrated Services Co., Ltd.

Statement of finance costs

For the year ended December 31, 2019

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6 (v).

Statement of Labor, Depreciation and Amortization by Function

Please refer to note 12 (a).