



Unictron Technologies Corporation

2024 Annual General Shareholders' Meeting Minutes

(English Translation for Reference Only)

Meeting Type: Physical shareholders meeting

Time: 9:00 a.m. on Friday, May 31, 2024

Place: 2F, No. 428, Kewang Road, Longtan District, Taoyuan City, Taiwan (208 Conference Room in Aspire Resort)

The Number of Shares of Attendance:

Total shares represented by shareholders present in person or by proxy: 25,684,202 shares (including electronic voting); percentage of total outstanding 46,875,325 shares (deducting 1,000,000 treasury shares) present in person or by proxy: 54.79%. Until the meeting adjourned, total shares represented by shareholders present in person or by proxy: 25,684,202 shares; percentage of total outstanding 46,875,325 shares (deducting 1,000,000 treasury shares) present in person or by proxy: 54.79%.

Attendees: Vice Chairman RAN-RONG LEE; shareholders Represented of Darfon Electronics Corp. WEI-CHI WANG and MING-CHU CHANG; Independent Director and Convener of the Audit Committee WEI-SHUN CHENG; Independent Director CHIEN-MIN WANG; Certified Public Accountant, HUEI-CHEN CHANG.

Chair: RAN-RONG LEE, Vice Chairman (Act as chair) Recorder: SHIH-WEI CHENG

1. Commencement: The aggregate shareholding of the shareholders presents in person or by proxy constituted a quorum. The Chair called the meeting to order.

2. Chair's Address: (omitted)

3. Reports Item

Notes to Readers:

If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese language version shall prevail.

(1) 2023 Business Report

2023 Business Report

2023 business report and 2024 business plans:

I. 2023 business results

(I) Results of implemented business plan

The Company's consolidated operating revenue in 2023 was NT\$1,380,876 thousand, reducing by approximately 8% from 2022. After settlement, the after-tax net profit attributable to the owners of the parent company of the full year was NT\$195,973 thousand, reducing by approximately 27% from 2022.

Summary	2023	2022	Rate of increase/decrease
Operating revenue	1,380,876	1,498,552	-8%
Gross operating profit	498,216	591,388	-16%
Net operating profit	205,801	255,703	-20%
Net profit before tax	222,283	312,356	-29%
Net income attributable to parent	195,973	269,773	-27%

(II) Implementation of budget: the Company has not prepared financial projections for Year 2023 and therefore not applicable.

(III) Financial incomes, expenditures, and profits

Analysis item		Year 2023
Financial structure	Debt to assets ratio	17%
	Financial liability ratio	-
	Ratio of long-term capital to fixed assets	322%
Solvency	Current ratio	433%
	Quick ratio	334%
	Times interest earned (pre-tax) (times)	93
Profitability	Return on total assets	9%
	Return on shareholders' equity	12%
	Net profit margin	14%
	Earnings per share (EPS)	4.18

(IV) R&D status

The R&D expenses invested this year amounted to NT\$129,497 thousand, which is 9.38% of the total revenue. As the Company's core competitiveness is the material formula and process technology as well as technology of radio frequency circuit design, the Company, based on customers' needs and the future development direction of the electronics industry, is committed to researching and manufacturing key electronic components, and continues to develop new niche products.

II. 2024 business plan and outlook

(I) Operation direction:

Innovative and customized product design, and manufacturing capabilities are the Company's core competitiveness. Continuous R&D of new products is the consistent business philosophy of Unictron Technologies. With the efforts of the R&D team, new products are launched every year. Over the years, the Company has obtained or applied for more than 100 patents in various countries.

(II) Expected production, sales and R&D status:

1. Electronic ceramic components: The Company will continue to develop a full range of antenna design and services, including the development of high precision positioning antennas, array antennas and antenna modules for low-orbit satellite ground receiving stations, 5G millimeter wave communications, intelligent water buoys, liquid level sensors and flow meters.
2. Modules and system products: Apart from being convenient for customers to use or install, modules and system products can support systematic design based on components technology process, whose added value is higher than that of components. Therefore, the Company will continue to expand the market share of such products in the future.
3. Other electronic components: The Company is a supplier of circuit protection component solutions, providing its customers with a various circuit protection components. As the circuit protection component be used in all type of electronic products, the Company will continue improving the design and service capability.

(III) Future company development strategies, and effects from external competition environment, legal environment, and macro operating environment:

The market outlook for the first half of 2024 is still conservative. Although inter-industry inventory levels have declined, there is insufficient confidence in future economic momentum and inflationary spike is still a problem, which has slowed down the rebound in the industry. Nevertheless, the company will still keep track of customer conditions and adjust production capacity to the best possible state. In the long run, the Company's core competitiveness and continuous growth in revenue will remain unchanged.

In addition to continuous R&D, design and launch of new products, the Company is also committed to promoting automation of production line and improving yields, continuously reducing costs and improving product competitiveness. In terms of production of the R&D results, the Company also continuously applies for patents in various countries to protect the intellectual property rights.

For sustainable management and environmental protection, The Company will also place a stronger emphasis on the development and discussion of ESG sustainability issues, while continuing to make improvements and enhancements. Our goal is to achieve sustainable development by promoting sound corporate governance, balancing the interests of stakeholders, and protecting the environment. Additionally, we are committed to social participation and fulfilling our role as responsible corporate citizens.

Chairperson:



President:



Accounting Manager:



(2) Supervisor's Review Report on the 2023 Financial Statements

Audit Committee's Review Report

The board of directors has prepared the 2023 business report, consolidated financial statements, and the profit distribution proposal. The financial statements have been audited by Tang, Tzu-Jie, CPA, and Chang, Huei-Jen, CPA from KPMG Taiwan, with the audit report presented. We have reviewed the above business report, financial statements, and the profit distribution proposal, to which we have found no misstatement, and we hereby issue a review report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

To

Unictron Technologies Corporation 2024 Annual General Shareholders' Meeting

Convener of the Audit Committee: Cheng, Wei-Shun

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February 27, 2024

(3) 2023 remunerations distribution to employees and director

In accordance with the Company charter, the remuneration of directors for the year 2023 was NT\$1,869,173 and the remuneration of employees was NT\$24,922,313, all of which were paid in cash.

(4) 2023 earnings distribution and cash dividends

- A. According to the Articles of Incorporation, if the Company is to distribute all or part of the dividends and bonuses, it should be distributed in cash. The resolution shall be adopted in a board meeting attended by two-thirds or more of the directors with the majority of the attending directors in favor, then reported to the shareholders' meeting.
- B. The distributed earnings of the Company are the retained earnings of 2023. With cash dividends for each ordinary share being NT\$3.6, the total amount of cash dividends is NT\$ 168,751,170.
- C. The percentage of cash dividends is calculated up to the unit of NT\$ and rounded off to the nearest NT\$, and the total amount of deficiencies less than NT\$ 1 is adjusted by decimal places from largest to smallest and account numbers from front to back in order to meet the total amount of cash dividends distributed.
- D. In the event that the payout ratio of shareholders is affected by changes in the Company's share capital and the number of outstanding shares and requires adjustment, the Chairperson shall be authorized to deal with it and revise the distribution record date.

(5) The amendment of Rules of Procedure for Board of Directors' Meetings

In order to conform to amendments to related commercial laws and the needs of the Company's practice, the Company hereby proposes to amend the Rules of Procedure for Board of Directors' Meetings. Please refer to [Attachment I] for details.

4. Proposals

Proposal 1:

[Proposed by the Board]

Proposal: Adoption of the 2023 Business Report and Financial Statements

Explanation:

1. Unictron Technologies Corporation's 2023 Financial Statements have been audited by Tzu-Chieh Tang CPA, and Huei-Chen Chang, CPA from KPMG Taiwan, which can properly show the financial status and cash flow of the Company by the end of December 31 of the Year 2023.
2. The 2023 Business Report, independent auditors' report and financial statements please refer to [Attachment II].

Resolution

Total shares represented by shareholders present in person or by proxy (including electronic voting): 25,684,202

Approval votes: 25,320,151; percentage of votes: 98.58%

Disapproval votes: 20,891; percentage of votes: 0.08%

Invalid votes: 0; percentage of votes: 0.00%

Abstention votes/not vote: 343,160; percentage of votes: 1.33%

Proposal was approved after voting without questions raised by shareholders.

Proposal 2:

[Proposed by the Board]

Proposal: Adoption of the Proposal for Distribution of 2023 Earnings

Explanation: Earnings Distribution Table of Year 2023:

Unictron Technologies Corporation

Earnings Distribution Table

Year 2023

Unit: NTDS

Items	Amount
Unappropriated retained earnings of prior years	227,567,621
Add: Remeasurement of defined benefit plans	228,428
Add: net profit after tax in year 2023	195,973,239
Subtotal	423,769,288
Less: 10% legal reserve	-19,620,167
Add: Reverse for special reserve	10,000,732
Distributable profits of the Year	414,149,853
Less: distributable items	
Cash Dividend to shareholders-NT\$3.6	-168,751,170
Unappropriated retained earnings	245,398,683

Chairperson:



President:



Accounting Manager:



Resolution

Total shares represented by shareholders present in person or by proxy (including electronic voting): 25,684,202

Approval votes: 25,321,890; percentage of votes: 98.58%

Disapproval votes: 19,152; percentage of votes: 0.07%

Invalid votes: 0; percentage of votes: 0.00%

Abstention votes/not vote: 343,160; percentage of votes: 1.33%

Proposal was approved after voting without questions raised by shareholders.

5. Extraordinary Motions : None.

6. Adjournment : The announcement that the meeting was adjourned at 9:23 a.m. was agreed unanimously by shareholders present in person. Until the meeting adjourned, total shares represented by shareholders present in person or by proxy: 25,684,202 shares; percentage of total outstanding 46,875,325 shares(deducting 1,000,000 treasury shares) present in person or by proxy: 54.79%.

【There were no shareholders' questions this shareholders' meeting.】

(According to the article 183 of Company Act, The minutes shall record the summary of the essential points of the proceedings and the results of the meeting. The content and procedures of the meeting and the details of shareholders' speaking are still subject to the actual situation of the General Shareholders' Meeting.)

Attachment I

Unictron Technologies Corporation

Comparison Table of Rules of Procedure for Board of Directors' Meetings before and after revision

Articles	Unrevised Articles	Revised Articles	Description
Article 8	<p>When a board meeting of the Company is convened, the Finance Department shall prepare relevant information for the reference of directors at any time.</p> <p>Depending on the content of the agenda, personnel from the relevant departments or subsidiaries may be notified to attend the board meeting. If necessary, CPAs, lawyers or other professionals may also be invited to attend meetings and give explanations. However, they shall leave the meeting during the discussion and voting .</p> <p>Immediately upon the attendance of more than half of the directors, the meeting shall be called to order by the chairperson of the board.</p> <p>At the scheduled meeting time, if half of all directors are absent, the chairperson may announce a postponement of the meeting. The number of postponements is limited to two. If the quorum is still insufficient after two postponements, the chair may re-convene in accordance with the procedures specified in Article 3, Paragraph 1.</p> <p>All Directors referred to in the preceding paragraph and Article 16, Paragraph 2, Subparagraph 2 shall be counted as the actual number of persons currently in office.</p>	<p>When a board meeting of the Company is convened, the Finance Department shall prepare relevant information for the reference of directors at any time. Depending on the content of the agenda, personnel from the relevant departments or subsidiaries may be notified to attend the board meeting. If necessary, CPAs, lawyers or other professionals may also be invited to attend meetings and give explanations. However, they shall leave the meeting during the discussion and voting .</p> <p>Immediately upon the attendance of more than half of the directors, the meeting shall be called to order by the chairperson of the board.</p> <p>At the scheduled meeting time, if half of all directors are absent, the chairperson may announce a postponement of the meeting on that day. The number of postponements is limited to two. If the quorum is still insufficient after two postponements, the chair may re-convene in accordance with the procedures specified in Article 3, Paragraph 1.</p> <p>All Directors referred to in the preceding paragraph and Article 16, Paragraph 2, Subparagraph 2 shall be counted as the actual number of persons currently in office.</p>	Revision as required by rules and actual situations
Article 11	<p>The Board meeting of the Company shall proceed in accordance with the agenda scheduled in the notice of the meeting, but changes may be made with the consent of more than half of the directors present.</p> <p>The chairman shall not declare the meeting adjourned without the consent of more than half of the directors present.</p> <p>During a board meeting, if the number of directors present does not reach more than half of the directors present, upon the proposal of the directors present, the chairperson shall announce the suspension of the meeting, and the provisions of Article 8, Paragraph 4 shall apply.</p>	<p>The Board meeting of the Company shall proceed in accordance with the agenda scheduled in the notice of the meeting, but changes may be made with the consent of more than half of the directors present.</p> <p>The chairman shall not declare the meeting adjourned without the consent of more than half of the directors present.</p> <p>During a board meeting, if the number of directors present does not reach more than half of the directors present, upon the proposal of the directors present, the chairperson shall announce the suspension of the meeting, and the provisions of Article 8, Paragraph 4 shall apply.</p> <p><u>Article 7, Paragraph 3 shall apply to the appointment of proxies of the chairperson who is unable to preside over the meeting or adjourned without complying with the provisions of paragraph 2 when board meetings are in progress.</u></p>	
Article 18	<p>The establishment and amendments of these Rules and Procedures shall be subject to the approval of the Board of Directors, and shall be reported to the shareholders' meeting. The board of directors may be authorized to resolve any amendments in the future.</p>	<p>The establishment of these Rules and Procedures shall be subject to the approval of the Board of Directors, and shall be reported to the shareholders' meeting.</p> <p>The board of directors may be authorized to resolve any amendments in the future.</p>	Revision as required by actual situations
Article 19	<p>These Rules of Procedure were established on June 27, 2018. Effective and applicable upon the completion of the public offering of the Company.</p> <p>The first amendment was made on July 14, 2020.</p> <p>The second amendment was made on March 11, 2021.</p>	<p>These Rules of Procedure were established on June 27, 2018. Effective and applicable upon the completion of the public offering of the Company.</p> <p>The first amendment was made on July 14, 2020.</p> <p>The second amendment was made on March 11, 2021.</p> <p><u>The third amendment was made on February 27, 2024.</u></p>	Date of revision

Attachment II

Independent Auditors' Report

To the Board of Directors of Unictron Technologies Corporation

Opinion

We have audited the consolidated financial statements of Unictron Technologies Corporation and its subsidiaries (the “ Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), and interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

I. Revenue recognition

Please refer to Note 4(15) to the consolidated financial reports for the accounting policies related to revenue and Note 6(19) to the consolidated financial reports for disclosures related to revenue recognition.
Description on the Key Audit Matters:

The Unictron Group's sales to customers involve different types of transaction terms. The Unictron Group is required to identify the timing of transfer of control of goods to customers based on the sales terms of individual transactions. Therefore, the revenue recognition testing is one of the important evaluation matters performed in our audit of the Unictron Group's parent-only financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included testing the sales and payment collection operations and the internal control related to its financial reporting, and reviewing the sales contracts or evidence of transactions to assess whether the timing of revenue recognition was based on the terms of the transactions with the customers; testing a sample of sales transactions for the period before and after the end of the year to identify the timing at which the control over the goods was transferred to the customer to satisfy the contractual obligations in order to assess whether the accounting treatment of the timing of revenue recognition was appropriate; reviewing whether significant sales returns and discounts were incurred in the subsequent period to understand and analyze the reasons in order to assess the appropriateness of revenue and related sales returns and discounts in the period in which they are recognized.

II. Inventory valuation

Please refer to Note 4(8) to the consolidated financial reports for the accounting policies related to inventory valuation; Please refer to Note 5 to the consolidated financial reports for the description on accounting estimates and assumption uncertainties related to inventory valuation; Please refer to Note 6(6) to the consolidated financial reports for the provision of inventory falling price loss.

Description on the Key Audit Matters:

Inventories are subsequently measured at the lower of costs or net realizable value. Due to rapid technological advancement, the costs of inventories may exceed their net realizable value due to obsolescence or a decrease in sales price, resulting in inventory falling price loss. The evaluation of net realizable value involves management's subjective judgment. Therefore, inventory valuation is one of the important evaluation matters in our audit of Unictron Technologies Corporation's consolidated financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included reviewing the inventory aging statements provided by the Unictron Group and analyzing the changes in inventory aging; sampling the accuracy of the inventory aging statements; reviewing the valuation of inventories and confirming that the accounting policies established by the Unictron Group were followed; and evaluating the reasonableness of the allowance for inventory falling price loss and provision policy formulated by the management.

Other Matter

Unictron Technologies Corporation has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have audited and expressed an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs, IASs, IFRC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error..

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- I. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

Group's internal control.

- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management .
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 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 Tzu-Chieh Tang and Huei-Chen Chang.

KPMG
Taipei, Taiwan (Republic of China)
February 27, 2024

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Unictron Technologies Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (Note 6(1))	\$ 382,556	18	603,230	27
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	3,945	-	25	-
1120	Financial assets at fair value through other comprehensive income - current (Note 6(3))	248,390	12	80,509	3
1136	Financial assets measured at amortized cost - current (Notes 6(4) and 8)	215,600	10	216,100	10
1170	Notes and accounts receivable, net (Notes 6(5) and (19))	265,100	13	259,099	11
1180	Accounts receivable - related parties, net (Notes 6(5), (19) and 7)	8,114	1	24,266	1
1310	Inventories (Note 6(6))	329,003	16	372,885	17
1410	Prepayments and other current assets	7,498	-	17,079	1
Total current assets		1,460,206	70	1,573,193	70
Non-current assets:					
1600	Property, plant and equipment (Notes 6(7) and 7)	541,882	26	588,144	26
1755	Right-of-use assets (Note 6(8))	30,426	2	43,772	2
1780	Intangible assets (Note 6(10))	6,321	-	6,012	-
1840	Deferred income tax assets (Note 6(16))	26,914	1	18,680	1
1915	Prepayments for equipment	12,836	1	13,753	1
1920	Refundable deposits	5,205	-	4,766	-
Total non-current assets		623,584	30	675,127	30
Total assets		\$ 2,083,790	100	2,248,320	100

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Unictron Technologies Corporation and Subsidiaries

Consolidated Balance Sheets (continued)

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Liabilities and equity					
Current liabilities:					
2100	Short-term borrowings (Note 6(11))	\$ -	-	86,720	4
2120	Financial liabilities at fair value through profit or loss - current(Note 6(2))	13	-	633	-
2170	Notes and accounts payable	107,633	5	115,773	5
2180	Accounts payable - related parties (Note 7)	17	-	10	-
2219	Other payables (Note 6(20))	190,121	9	263,673	12
2220	Other payables - related parties (Note 7)	6,006	-	3,302	-
2230	Current income tax liabilities	10,447	1	22,110	1
2250	Provision for liabilities - current (Note 6(13))	182	-	1,277	-
2280	Lease liabilities-current (Note 6(12))	7,887	-	16,712	1
2282	Lease liabilities - related parties - current (Notes 6(12) and 7)	4,681	-	4,625	-
2300	Other current liabilities (Note 6(19))	10,614	1	16,669	1
	Total current liabilities	337,601	16	531,504	24
Non-current liabilities:					
2581	Lease liabilities non-current (Note 6(12))	5,360	-	5,137	-
2582	Lease liabilities - related parties - non-current (Notes 6(12) and 7)	11,952	1	16,633	1
2570	Deferred income tax liabilities (Note 6(16))	1,595	-	1,164	-
2640	Net defined benefit liabilities - non-current (Note 6(15))	2,938	-	3,862	-
	Total non-current liabilities	21,845	1	26,796	1
	Total liabilities	359,446	17	558,300	25
Equity (Notes 6(17))					
3110	Common stock	478,753	23	478,753	21
3200	Capital surplus	690,174	33	690,174	31
Retained earnings:					
3310	Legal reserve	145,073	7	117,973	5
3320	Special reserve	10,001	1	1,236	-
3350	Unappropriated earnings	423,768	20	497,809	22
		578,842	28	617,018	27
Other equity:					
3410	Exchange differences on translation of foreign operations	(927)	-	(886)	-
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	63,427	3	(9,114)	-
	Total other equity	62,500	3	(10,000)	-
3500	Treasury stock	(85,925)	(4)	(85,925)	(4)
	Total equity	1,724,344	83	1,690,020	75
	Total liabilities and equity	\$ 2,083,790	100	2,248,320	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Unictron Technologies Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
4000	Net revenue (Notes 6(19), 7 and 14)	\$ 1,380,876	100	1,498,552	100
5000	Operating costs (Notes 6(6), (7), (8), (10), (12), (13), (15), (20), 7 and 12)	<u>(882,660)</u>	<u>(64)</u>	<u>(907,164)</u>	<u>(61)</u>
	Gross profit	498,216	36	591,388	39
	Operating expenses (Notes 6(5), (7), (8), (10), (12), (15), (20), 7 and 12):				
6100	Marketing expenses	(53,260)	(4)	(71,548)	(4)
6200	Administrative expenses	(107,337)	(8)	(118,017)	(8)
6300	Research and development expenses	(129,497)	(9)	(146,930)	(10)
6450	Expected credit gain (loss)	(2,321)	-	810	-
6000	Total operating expenses	<u>(292,415)</u>	<u>(21)</u>	<u>(335,685)</u>	<u>(22)</u>
	Operating income	205,801	15	255,703	17
	Non-operating income and expenses (Notes 6(9), (12), (14), (21), (23), 7 and 12):				
7100	Interest income	5,971	-	2,767	-
7010	Other income	18,824	1	17,127	1
7020	Other gains and losses	(5,889)	-	37,662	3
7050	Finance costs	(2,424)	-	(903)	-
	Total non-operating income and expenses	<u>16,482</u>	<u>1</u>	<u>56,653</u>	<u>4</u>
	Income before income tax	222,283	16	312,356	21
7950	Less: Income tax expenses (Note 6(16))	<u>(26,310)</u>	<u>(2)</u>	<u>(42,583)</u>	<u>(3)</u>
	Net income	195,973	14	269,773	18
	Other comprehensive income (Note 6(17)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	228	-	1,221	-
8316	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	72,541	5	(9,114)	(1)
8349	Income taxes related to items that may not be reclassified	-	-	-	-
		<u>72,769</u>	<u>5</u>	<u>(7,893)</u>	<u>(1)</u>
8360	Items that may be subsequently reclassified to profit or loss				
8361	Exchange differences on translation of foreign operations	(41)	-	350	-
8399	Income taxes related to items that may be reclassified	-	-	-	-
		<u>(41)</u>	<u>-</u>	<u>350</u>	<u>-</u>
	Other comprehensive income of the period	72,728	5	(7,543)	(1)
	Total comprehensive income of the period	<u>\$ 268,701</u>	<u>19</u>	<u>262,230</u>	<u>17</u>
	Earnings per share (Unit: NT\$, Note 6(18))				
9750	Basic earnings per share	<u>\$ 4.18</u>		<u>5.68</u>	
9850	Diluted earnings per share	<u>\$ 4.15</u>		<u>5.58</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Unictron Technologies Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributed to owners of parent						Other equity items				
	Retained earnings					Total	Exchange differences on translation of foreign operations---	Unrealized losses on financial assets at fair value through other comprehensive income	Total	Treasury stock	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriate d earnings						
Balance of January 1, 2022	\$ 478,753	690,174	88,824	1,341	519,173	609,338	(1,236)	-	(1,236)	-	1,777,029
Net income of the period	-	-	-	-	269,773	269,773	-	-	-	-	269,773
Other comprehensive income of the period	-	-	-	-	1,221	1,221	350	(9,114)	(8,764)	-	(7,543)
Total comprehensive income of the period	-	-	-	-	270,994	270,994	350	(9,114)	(8,764)	-	262,230
Appropriation and distribution of earnings:											
Legal reserve	-	-	29,149	-	(29,149)	-	-	-	-	-	-
Special reserve	-	-	-	(105)	105	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(263,314)	(263,314)	-	-	-	-	(263,314)
Repurchase of treasury stock	-	-	-	-	-	-	-	-	-	(85,925)	(85,925)
Balance of December 31, 2022	478,753	690,174	117,973	1,236	497,809	617,018	(886)	(9,114)	(10,000)	(85,925)	1,690,020
Net income of the period	-	-	-	-	195,973	195,973	-	-	-	-	195,973
Other comprehensive income of the period	-	-	-	-	228	228	(41)	72,541	72,500	-	72,728
Total comprehensive income of the period	-	-	-	-	196,201	196,201	(41)	72,541	72,500	-	268,701
Appropriation and distribution of earnings:											
Legal reserve	-	-	27,100	-	(27,100)	-	-	-	-	-	-
Special reserve	-	-	-	8,765	(8,765)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(234,377)	(234,377)	-	-	-	-	(234,377)
Balance of December 31, 2023	\$ 478,753	690,174	145,073	10,001	423,768	578,842	(927)	63,427	62,500	(85,925)	1,724,344

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Unictron Technologies Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 222,283	312,356
Adjustments for:		
Income and expenses items		
Depreciation expenses	124,962	98,334
Amortization expenses	3,711	3,903
Expected credit impairment loss (reversal gain)	2,321	(810)
Interest expenses	2,424	903
Interest income	(5,971)	(2,767)
Dividend income	(11,870)	(7,150)
Loss (Gain) on disposal of property, plant and equipment	112	(61)
Gain on disposal of investment property	-	(36,821)
Total income and expenses items	115,689	55,531
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Financial assets at fair value through profit or loss	(3,920)	540
Notes and accounts receivable	(8,322)	92,983
Accounts receivable - related parties	16,152	(3,946)
Inventories	43,882	(64,246)
Prepayments and other current assets	9,575	(4,852)
Total net changes in assets related to operating activities	57,367	20,479
Net changes in liabilities related to operating activities:		
Financial liabilities at fair value through profit or loss	(620)	610
Notes and accounts payable	(8,140)	(73,122)
Accounts payable - related parties	7	10
Other payables	(59,694)	(7,746)
Other payables - related parties	2,704	3,100
Provision for liabilities	(1,095)	(458)
Other current liabilities	(6,055)	1,668
Net defined benefit liabilities	(696)	(693)
Total net changes in liabilities related to operating activities	(73,589)	(76,631)
Total net changes in assets and liabilities related to operating activities	(16,222)	(56,152)
activities		
Total adjustments	99,467	(621)
Cash inflows from operations	321,750	311,735
Interest received	5,977	2,702
Interest paid	(2,647)	(705)
Income taxes paid	(45,761)	(89,218)
Net cash inflows from operating activities	279,319	224,514

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Unictron Technologies Corporation and Subsidiaries
Consolidated Statements of Cash Flows (continued)
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(95,340)	(89,623)
Acquisition of financial assets measured at amortized cost	-	(215,000)
Proceeds from repayments of financial assets at amortized cost	500	-
Acquisition of property, plant and equipment (including prepayments for equipment)	(69,209)	(153,013)
Price for disposal of property, plant and equipment	-	1,067
Increase in refundable deposits	(439)	(589)
Acquisition of intangible assets	(4,023)	(1,840)
Acquisition of investment property	-	(137)
Price for disposal of investment property	-	64,070
Dividends received	11,870	7,150
Net cash outflows from investing activities	<u>(156,641)</u>	<u>(387,915)</u>
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(86,720)	13,839
Decrease in deposits received	-	(1,130)
Principal repayment of leases	(22,224)	(18,639)
Cash dividends paid	(234,377)	(263,314)
Cost of treasury stock repurchase	-	(85,925)
Net cash outflows from financing activities	<u>(343,321)</u>	<u>(355,169)</u>
Effect of changes in exchange rates	<u>(31)</u>	<u>280</u>
Decrease in cash and cash equivalents of the period	<u>(220,674)</u>	<u>(518,290)</u>
Balance of cash and cash equivalents at beginning of period	<u>603,230</u>	<u>1,121,520</u>
Balance of cash and cash equivalents at end of period	<u>\$ 382,556</u>	<u>603,230</u>

Independent Auditors' Report

To the Board of Directors of Unictron Technologies Corporation

Opinion

We have audited the parent-company-only financial statements of Unictron Technologies Corporation (the "Company"), which comprise the parent-company-only balance sheets as of December 31, 2023 and 2022, and the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the company as of December 31, 2023 and 2022, 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 of 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 parent-company-only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Company's parent-company-only financial statements for the year ended December 31, 2023 are stated as follows :

I. Revenue recognition

Please refer to Note 4(15) to the parent-company-only financial reports for the accounting policies related to revenue recognition and Note 6(20) to the parent-company-only financial reports for disclosures related to revenue recognition.

Description on the Key Audit Matters:

Unictron Technologies Corporation's sales to customers involve different types of transaction terms. Unictron Technologies Corporation is required to identify the timing of transfer of control of goods to customers based on the sales terms of individual transactions. Therefore, the revenue recognition testing is one of the important evaluation matters performed in our audit of Unictron Technologies Corporation's parent-company-only financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included testing the sales and payment collection operations and the internal control related to its financial reporting, and reviewing the sales contracts or evidence of transactions to assess whether the timing of revenue recognition was based on the terms of the transactions with the customers; testing a sample of sales transactions for the period before and after the end of the year to identify the timing at which the control over the goods was transferred to the customer to satisfy the contractual obligations in order to assess whether the timing of revenue recognition was appropriate; reviewing whether significant sales returns and discounts were incurred in the subsequent period to understand and analyze the reasons in order to assess the appropriateness of revenue and related sales returns and discounts in the period in which they are recognized.

II. Inventory valuation

Please refer to Note 4(7) to the parent-company-only financial reports for the accounting policies related to inventory valuation; Please refer to Note 5 to the parent-company-only financial reports for the description on accounting estimates and assumption uncertainties related to inventory valuation; Please refer to Note 6(6) to the parent-company-only financial reports for the provision of inventory falling price loss.

Description on the Key Audit Matters:

Inventories are subsequently measured at the lower of costs or net realizable value. Due to the rapid technology advancement, the costs of inventories may exceed their net realizable value due to obsolescence or a decrease in sales price, resulting in inventory falling price loss. The evaluation of net realizable value involves management's subjective judgment. Therefore, inventory valuation is one of the important evaluation matters in our audit of Unictron Technologies Corporation's parent-company-only financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included reviewing the inventory aging statements provided by Unictron Technologies Corporation and analyzing the changes in inventory aging; sampling the accuracy of the inventory aging statements; reviewing the valuation of inventories and confirming that the accounting policies established by Unictron Technologies Corporation were followed; and evaluating the reasonableness of the allowance for inventory falling price loss and provision policy formulated by the management.

Responsibility of management and those charged with Governance for the Parent-Company-Only Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent-company-only financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also :

- I. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate or 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.
- II. 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.
- III. Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management .
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's report to the related disclosures in the parent-company-only 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient appropriate audit evidence regarding the financial information of the investees accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remained solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-company-only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, 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 Tzu-Chieh Tang and Huei-Chen Chang

KPMG
Taipei, Taiwan
Republic of China
February 27, 2024

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

Unictron Technologies Corporation

Parent-Company-Only Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (Note 6(1))	\$ 362,966	18	593,562	27
1110 Financial assets at fair value through profit or loss - current (Note 6(2))	3,945	-	25	-
1120 Financial assets at fair value through other comprehensive income - current (Note 6(3))	248,390	12	80,509	4
1137 Financial assets measured at amortized cost - current (Notes 6(4) and 8)	215,600	10	216,100	10
1170 Notes and accounts receivable, net (Notes 6(5) and (20))	237,440	12	238,881	11
1180 Accounts receivable - related parties (Notes 6(5), (20) and 7)	25,205	1	34,981	1
1310 Inventories (Note 6(6))	323,053	16	367,549	16
1410 Prepayments and other current assets	7,389	-	11,155	-
Total current assets	1,423,988	69	1,542,762	69
Non-current assets:				
1550 Investments accounted for using the equity method (Note 6(7))	24,557	1	11,048	1
1600 Property, plant and equipment (Notes 6(8) and 7)	541,195	26	586,977	26
1755 Right-of-use assets (Note 6(9))	22,533	1	41,714	2
1780 Intangible assets (Note 6(11))	6,157	-	5,504	-
1840 Deferred income tax assets (Note 6(17))	26,914	2	18,680	1
1915 Prepayments for equipment	12,836	1	19,576	1
1920 Refundable deposits	3,998	-	3,986	-
Total non-current assets	638,190	31	687,485	31
Total assets	\$ 2,062,178	100	2,230,247	100

(Continued)

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

Unictron Technologies Corporation

Parent-Company-Only Balance Sheets (continued)

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Liabilities and equity				
Current liabilities:				
2100 Short-term borrowings (Note 6(12))	\$ -	-	86,720	4
2120 Financial liabilities at fair value through profit or loss - current(Note 6(2))	13	-	633	-
2170 Notes and accounts payable	100,207	5	106,160	5
2180 Accounts payable - related parties (Note 7)	470	-	1,158	-
2219 Other payables (Note 6(21))	185,152	9	257,445	11
2220 Other payables - related parties (Note 7)	6,076	-	3,302	-
2230 Current income tax liabilities	9,511	-	21,159	1
2252 Provision for liabilities - current (Note 6(14))	182	-	1,277	-
2280 Lease liabilities-current (Note 6(13))	5,255	-	14,526	1
2282 Lease liabilities - related parties - current (Notes 6(13) and 7)	4,681	-	4,625	-
2399 Other current liabilities (Note 6(20))	9,740	1	16,426	1
Total current liabilities	321,287	15	513,431	23
Non-current liabilities:				
2570 Deferred income tax liabilities (Note 6(17))	1,595	-	1,164	-
2581 Lease liabilities non-current (Note 6(13))	62	-	5,137	-
2582 Lease liabilities - related parties - non-current (Notes 6(13) and 7)	11,952	1	16,633	1
2640 Net defined benefit liabilities - non-current (Note 6(16))	2,938	-	3,862	-
Total non-current liabilities	16,547	1	26,796	1
Total liabilities	337,834	16	540,227	24
Equity (Notes 6(18))				
3110 Common stock	478,753	23	478,753	21
3200 Capital surplus	690,174	34	690,174	31
Retained earnings:				
3310 Legal reserve	145,073	7	117,973	5
3320 Special reserve	10,001	-	1,236	-
3350 Unappropriated earnings	423,768	21	497,809	23
	578,842	28	617,018	28
Other equity:				
3410 Exchange differences on translation of foreign operations	(927)	-	(886)	-
3420 Unrealized gains (losses) on financial assets at fair value through other comprehensive income	63,427	3	(9,114)	-
Total other equity	62,500	3	(10,000)	-
3500 Treasury stock	(85,925)	(4)	(85,925)	(4)
Total equity	1,724,344	84	1,690,020	76
Total liabilities and equity	\$ 2,062,178	100	2,230,247	100

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

Unictron Technologies Corporation
Parent-Company-Only Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

		2023		2022	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Net revenue (Notes 6(20) and 7)	\$ 1,346,243	100	1,462,060	100
5000	Operating costs (Notes 6(6), (8), (9), (11), (13), (14), (16), (21), 7 and 12)	<u>(865,025)</u>	<u>(64)</u>	<u>(880,634)</u>	<u>(60)</u>
	Gross profit	481,218	36	581,426	40
5910	Realized (Unrealized) gain on sales	<u>2,017</u>	<u>-</u>	<u>(560)</u>	<u>-</u>
	Realized gross profit	<u>483,235</u>	<u>36</u>	<u>580,866</u>	<u>40</u>
	Operating expenses (Notes 6(5), (8), (9), (11), (13), (15), (16), (21), 7 and 12):				
6100	Marketing expenses	(50,477)	(4)	(68,580)	(5)
6200	Administrative expenses	(91,994)	(7)	(103,341)	(7)
6300	Research and development expenses	(127,028)	(9)	(145,462)	(10)
6450	Expected credit gain	<u>826</u>	<u>-</u>	<u>855</u>	<u>-</u>
6000	Total operating expenses	<u>(268,673)</u>	<u>(20)</u>	<u>(316,528)</u>	<u>(22)</u>
	Operating income	<u>214,562</u>	<u>16</u>	<u>264,338</u>	<u>18</u>
	Non-operating income and expenses (Notes 6(10), (13), (15), (22), 7 and 12):				
7100	Interest income	5,949	-	2,751	-
7010	Other income	15,844	1	14,839	1
7020	Other gains and losses	(5,650)	-	37,632	2
7050	Finance costs	(2,390)	-	(863)	-
7070	Share of profits (losses) of subsidiaries recognized using the equity method	<u>(6,032)</u>	<u>-</u>	<u>(6,341)</u>	<u>-</u>
	Total non-operating income and expenses	<u>7,721</u>	<u>1</u>	<u>48,018</u>	<u>3</u>
	Income before income tax	222,283	17	312,356	21
7950	Less: Income tax expenses (Note 6(17))	<u>(26,310)</u>	<u>(2)</u>	<u>(42,583)</u>	<u>(3)</u>
	Net income	<u>195,973</u>	<u>15</u>	<u>269,773</u>	<u>18</u>
	Other comprehensive income (Note 6(18)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	228	-	1,221	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>72,541</u>	<u>5</u>	<u>(9,114)</u>	<u>-</u>
8349	Income taxes related to items that may not be reclassified	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>72,769</u>	<u>5</u>	<u>(7,893)</u>	<u>-</u>
8360	Items that may be subsequently reclassified to profit or loss				
8361	Exchange differences on translation of foreign operations	(41)	-	350	-
8399	Income taxes related to items that may be reclassified	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(41)</u>	<u>-</u>	<u>350</u>	<u>-</u>
	Other comprehensive income of the period	<u>72,728</u>	<u>5</u>	<u>(7,543)</u>	<u>-</u>
	Total comprehensive income of the period	<u>\$ 268,701</u>	<u>20</u>	<u>262,230</u>	<u>18</u>
	Earnings per share (Unit: NT\$, Note 6(19))				
9750	Basic earnings per share	<u>\$ 4.18</u>		<u>5.68</u>	
9850	Diluted earnings per share	<u>\$ 4.15</u>		<u>5.58</u>	

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

Unictron Technologies Corporation
Parent-Company-Only of Statement of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total	Exchange differences on translation of foreign operations	Other equity items		Treasury stock	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings			Unrealized losses on financial assets at fair value through other comprehensive income	Total		
Balance of January 1, 2022	\$ 478,753	690,174	88,824	1,341	519,173	609,338	(1,236)	-	(1,236)	-	1,777,029
Net income of the period	-	-	-	-	269,773	269,773	-	-	-	-	269,773
Other comprehensive income of the period	-	-	-	-	1,221	1,221	350	(9,114)	(8,764)	-	(7,543)
Total comprehensive income of the period	-	-	-	-	270,994	270,994	350	(9,114)	(8,764)	-	262,230
Appropriation and distribution of earnings:											
Legal reserve	-	-	29,149	-	(29,149)	-	-	-	-	-	-
Special reserve	-	-	-	(105)	105	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(263,314)	(263,314)	-	-	-	-	(263,314)
Repurchase of Treasury stock	-	-	-	-	-	-	-	-	-	(85,925)	(85,925)
Balance of December 31, 2022	478,753	690,174	117,973	1,236	497,809	617,018	(886)	(9,114)	(10,000)	(85,925)	1,690,020
Net income of the period	-	-	-	-	195,973	195,973	-	-	-	-	195,973
Other comprehensive income of the period	-	-	-	-	228	228	(41)	72,541	72,500	-	72,728
Total comprehensive income of the period	-	-	-	-	196,201	196,201	(41)	72,541	72,500	-	268,701
Appropriation and distribution of earnings:											
Legal reserve	-	-	27,100	-	(27,100)	-	-	-	-	-	-
Special reserve	-	-	-	8,765	(8,765)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(234,377)	(234,377)	-	-	-	-	(234,377)
Balance of December 31, 2023	\$ 478,753	690,174	145,073	10,001	423,768	578,842	(927)	63,427	62,500	(85,925)	1,724,344

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

Unictron Technologies Corporation
Parent-Company-Only of Statement of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax of the period	\$ 222,283	312,356
Adjustments for:		
Income and expenses items		
Depreciation expenses	121,938	95,319
Amortization expenses	3,370	3,459
Expected credit impairment reversal gain	(826)	(855)
Interest expenses	2,390	863
Interest income	(5,949)	(2,751)
Dividend income	(11,870)	(7,150)
Share of losses of subsidiaries recognized using the equity method	6,032	6,341
Gain on disposal of property, plant and equipment	112	(61)
Gain on disposal of investment property	-	(36,821)
Unrealized (realized) gain on sales between affiliated companies	(2,017)	560
Total income and expenses items	113,180	58,904
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Financial assets at fair value through profit or loss	(3,920)	540
Notes and accounts receivable	2,267	88,279
Accounts receivable - related parties	9,776	(5,613)
Inventories	44,496	(69,606)
Prepayments and other current assets	3,760	901
Total net changes in assets related to operating activities	56,379	14,501
Net changes in liabilities related to operating activities:		
Financial liabilities at fair value through profit or loss	(620)	610
Notes and accounts payable	(5,953)	(69,774)
Accounts payable - related parties	(688)	760
Other payables	(58,434)	(4,633)
Other payables - related parties	2,774	3,080
Provision for liabilities	(1,095)	(458)
Other current liabilities	(6,686)	2,020
Net defined benefit liabilities	(696)	(693)
Total net changes in liabilities related to operating activities	(71,398)	(69,088)
Total net changes in assets and liabilities related to operating activities	(15,019)	(54,587)
Total adjustments	98,161	4,317
Cash inflows from operations	320,444	316,673
Interest received	5,955	2,687
Interest paid	(2,613)	(666)
Income taxes paid	(45,761)	(89,218)
Net cash inflows from operating activities	278,025	229,476

(Continued)

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

Unictron Technologies Corporation
Parent-Company-Only of Statement of Cash Flows (continued)
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(95,340)	(89,623)
Acquisition of financial assets measured at amortized cost	-	(215,000)
Proceeds from repayments of financial assets at amortized cost	500	-
Acquisition of investments accounted for using the equity method	(17,565)	(4,465)
Acquisition of property, plant and equipment (including prepayments for equipment)	(63,356)	(158,697)
Price for disposal of property, plant and equipment	-	1,067
Acquisition of investment property	-	(137)
Price for disposal of investment property	-	64,070
Acquisition of intangible assets	(4,023)	(1,840)
Increase in refundable deposits	(12)	(526)
Dividends received	11,870	7,150
Net cash outflows from investing activities	<u>(167,926)</u>	<u>(398,001)</u>
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(86,720)	13,839
Decrease in deposits received	-	(1,130)
Principal repayment of leases	(19,598)	(16,186)
Cash dividends paid	(234,377)	(263,314)
Cost of treasury stock repurchase	-	(85,925)
Net cash outflows from financing activities	<u>(340,695)</u>	<u>(352,716)</u>
Decrease in cash and cash equivalents of the period	<u>(230,596)</u>	<u>(521,241)</u>
Balance of cash and cash equivalents at beginning of period	<u>593,562</u>	<u>1,114,803</u>
Balance of cash and cash equivalents at end of period	<u>\$ 362,966</u>	<u>593,562</u>