

Stock code: 6792

**Unictron Technologies Corporation  
and Subsidiaries  
Consolidated Financial Statements  
With Independent Auditors' Report  
For the Years Ended December 31, 2024 and 2023**

**Company Address: No.41 Shuei-Keng, Guan-Si, Hsin-Chu 30648 Taiwan  
(R.O.C)  
Tel:(03)4072728**

The independent auditors' report and the accompanying consolidated 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 consolidated financial statements, the Chinese version shall prevail.

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## **Representation Letter**

The entities that are required to be included in the combined financial statements of Unictron Technologies Corporation as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, “ Consolidated Financial Statements” endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Unictron Technologies Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Hereby declare

Company name: Unictron Technologies Corporation

Chairman: Kai-Chien Su

Date: February 27, 2025

## **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, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, 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 Unictron Technologies Corporation and its subsidiaries as of December 31, 2024 and 2023, 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 Unictron Technologies Corporation and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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, 2024 are stated as follows:

#### **Revenue recognition**

Please refer to Note 4(14) to the consolidated financial reports for the accounting policies related to revenue and Note 6(17) to the consolidated financial reports for disclosures related to revenue recognition.

Description on the Key Audit Matters:

The sales of Unictron Technologies Corporation and its subsidiaries to customers involve different types of transaction terms. The Unictron Technologies Corporation and its subsidiaries are 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 the important evaluation matters performed in our audit of the Unictron Technologies Corporation and its subsidiaries' consolidated financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included understanding the main types of revenue, contract terms, and transaction conditions to assess whether the timing of revenue recognition was appropriate; performing sample testing on the sales and payment collection operations and the internal control related to its financial reporting, as well as reviewing transaction evidence to evaluate whether the timing of revenue recognition was based on the terms of transactions with customers; performing sample testing on sales transactions for the period before and after the end of the reporting period to identify the timing at which control over the goods was transferred to the customer to satisfy contractual obligations, in order to assess the accuracy of the timing of revenue recognition.

### **Other Matter**

Unictron Technologies Corporation has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, 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, IFRIC, 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 Unictron Technologies Corporation and its subsidiaries' 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 Unictron Technologies Corporation and its subsidiaries 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 Unictron Technologies Corporation and its subsidiaries' 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 Unictron Technologies Corporation and its subsidiaries' 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 Unictron Technologies Corporation and its subsidiaries' 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 Unictron Technologies Corporation and its subsidiaries 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, 2024 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 Shi-Chun Hsu and Tzu-Chieh Tang.

KPMG  
Taipei, Taiwan (Republic of China)  
February 27, 2025

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

# Unictron Technologies Corporation and Subsidiaries

## Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
<b>Current assets:</b>					
1100	Cash and cash equivalents (Note 6(1))	\$ 573,584	28	382,556	18
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	-	-	3,945	-
1120	Financial assets at fair value through other comprehensive income - current (Note 6(3))	276,323	13	248,390	12
1136	Financial assets measured at amortized cost - current (Notes 6(4) and 8)	159,730	8	215,600	10
1170	Notes and accounts receivable, net (Notes 6(5) and (17))	249,178	12	265,100	13
1180	Accounts receivable - related parties, net (Notes 6(5), (17) and 7)	14,377	1	8,114	1
1220	Current income tax assets	15,766	1	-	-
1310	Inventories (Note 6(6))	266,859	13	329,003	16
1410	Prepayments and other current assets	10,791	-	7,498	-
<b>Total current assets</b>		<b>1,566,608</b>	<b>76</b>	<b>1,460,206</b>	<b>70</b>
<b>Non-current assets:</b>					
1600	Property, plant and equipment (Notes 6(7))	314,083	15	541,882	26
1755	Right-of-use assets (Note 6(8) and 7)	73,552	4	30,426	2
1780	Intangible assets (Note 6(9))	18,092	1	6,321	-
1840	Deferred income tax assets (Note 6(14))	29,867	2	26,914	1
1915	Prepayments for equipment	39,500	2	12,836	1
1920	Refundable deposits	6,895	-	5,205	-
<b>Total non-current assets</b>		<b>481,989</b>	<b>24</b>	<b>623,584</b>	<b>30</b>
<b>Total assets</b>		<b>\$ 2,048,597</b>	<b>100</b>	<b>2,083,790</b>	<b>100</b>

(Continued)

See accompanying notes to consolidated financial statements.

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

**Unictron Technologies Corporation and Subsidiaries**

**Consolidated Balance Sheets (continued)**

**December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

		<b>December 31, 2024</b>		<b>December 31, 2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Liabilities and equity</b>					
<b>Current liabilities:</b>					
2100	Short-term borrowings (Note 6(10))	\$ 23,018	1	-	-
2120	Financial liabilities at fair value through profit or loss - current(Note 6(2))	2,237	-	13	-
2170	Notes and accounts payable	126,633	6	107,633	5
2180	Accounts payable - related parties (Note 7)	49	-	17	-
2219	Other payables (Note 6(18))	201,892	10	200,568	10
2220	Other payables - related parties (Note 7)	6,522	-	6,006	-
2250	Provision for liabilities - current (Note 6(12))	217	-	182	-
2281	Lease liabilities-current (Note 6(11))	19,766	1	7,887	-
2282	Lease liabilities - related parties - current (Notes 6(11) and 7)	8,073	1	4,681	-
2300	Other current liabilities (Note 6(17))	21,798	1	10,614	1
	<b>Total current liabilities</b>	<b>410,205</b>	<b>20</b>	<b>337,601</b>	<b>16</b>
<b>Non-current liabilities:</b>					
2570	Deferred income tax liabilities (Note 6(14))	1,187	-	1,595	-
2581	Lease liabilities non-current (Note 6(11))	25,325	1	5,360	-
2582	Lease liabilities - related parties - non-current (Notes 6(11) and 7)	21,023	1	11,952	1
2640	Net defined benefit liabilities - non-current (Note 6(13))	370	-	2,938	-
	<b>Total non-current liabilities</b>	<b>47,905</b>	<b>2</b>	<b>21,845</b>	<b>1</b>
	<b>Total liabilities</b>	<b>458,110</b>	<b>22</b>	<b>359,446</b>	<b>17</b>
<b>Equity (Notes 6(3) and (15))</b>					
3110	Common stock	478,753	23	478,753	23
3200	Capital surplus	690,174	34	690,174	33
	Retained earnings:				
3310	Legal reserve	164,693	8	145,073	7
3320	Special reserve	-	-	10,001	1
3350	Unappropriated earnings	352,578	17	423,768	20
		517,271	25	578,842	28
	Other equity:				
3410	Exchange differences on translation of foreign operations	879	-	(927)	-
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(10,665)	-	63,427	3
	Total other equity	(9,786)	-	62,500	3
3500	Treasury stock	(85,925)	(4)	(85,925)	(4)
	<b>Total equity</b>	<b>1,590,487</b>	<b>78</b>	<b>1,724,344</b>	<b>83</b>
	<b>Total liabilities and equity</b>	<b>\$ 2,048,597</b>	<b>100</b>	<b>2,083,790</b>	<b>100</b>

**See accompanying notes to consolidated financial statements.**



(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, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Net revenue (Notes 6(17), 7 and 14)</b>	\$ 1,229,947	100	1,380,876	100
5000	<b>Operating costs (Notes 6(6), (7), (8), (9), (11), (12), (13), (18), 7 and 12)</b>	(879,362)	(71)	(882,660)	(64)
	<b>Gross profit</b>	350,585	29	498,216	36
	<b>Operating expenses (Notes 6(5), (7), (8), (9), (11), (13), (18), 7 and 12):</b>				
6100	Marketing expenses	(56,856)	(5)	(53,260)	(4)
6200	Administrative expenses	(123,021)	(10)	(107,337)	(8)
6300	Research and development expenses	(145,600)	(12)	(129,497)	(9)
6450	Expected credit gain (loss)	3,782	-	(2,321)	-
6000	<b>Total operating expenses</b>	(321,695)	(27)	(292,415)	(21)
	<b>Operating income</b>	28,890	2	205,801	15
	<b>Non-operating income and expenses (Notes 6(7), (11), (19) and 7):</b>				
7100	Interest income	4,925	1	5,971	-
7010	Other income	25,907	2	18,824	1
7020	Other gains and losses	47,353	4	(5,889)	-
7050	Finance costs	(2,055)	-	(2,424)	-
	<b>Total non-operating income and expenses</b>	76,130	7	16,482	1
	<b>Income before income tax</b>	105,020	9	222,283	16
7950	<b>Less: Income tax expenses (Note 6(14))</b>	(6,388)	(1)	(26,310)	(2)
	<b>Net income</b>	98,632	8	195,973	14
	<b>Other comprehensive income (Note 6(13) and(15)):</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Remeasurement of defined benefit plans	1,768	-	228	-
8316	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	(67,312)	(5)	72,541	5
8349	Income taxes related to items that may not be reclassified	-	-	-	-
		(65,544)	(5)	72,769	5
8360	<b>Items that may be subsequently reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign operations	1,806	-	(41)	-
8399	Income taxes related to items that may be reclassified	-	-	-	-
		1,806	-	(41)	-
	<b>Other comprehensive income of the period</b>	(63,738)	(5)	72,728	5
	<b>Total comprehensive income of the period</b>	<b>\$ 34,894</b>	<b>3</b>	<b>268,701</b>	<b>19</b>
	<b>Earnings per share (Unit: NT\$, Note 6(16))</b>				
9750	<b>Basic earnings per share</b>	<b>\$ 2.10</b>		<b>4.18</b>	
9850	<b>Diluted earnings per share</b>	<b>\$ 2.09</b>		<b>4.15</b>	

See accompanying notes to consolidated financial statements.

(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, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributed to owners of parent										
	Retained earnings						Other equity items		Total	Treasury stock	Total equity
							Exchange differences on translation of foreign operations	Unrealized gains(losses) on financial assets at fair value through other comprehensive income			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total					
<b>Balance of January 1, 2023</b>	\$ 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)
<b>Balance of December 31, 2023</b>	\$ 478,753	690,174	145,073	10,001	423,768	578,842	(927)	63,427	62,500	(85,925)	1,724,344
Net income of the period	-	-	-	-	98,632	98,632	-	-	-	-	98,632
Other comprehensive income of the period	-	-	-	-	1,768	1,768	1,806	(67,312)	(65,506)	-	(63,738)
Total comprehensive income of the period	-	-	-	-	100,400	100,400	1,806	(67,312)	(65,506)	-	34,894
Appropriation and distribution of earnings:											
Legal reserve	-	-	19,620	-	(19,620)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(10,001)	10,001	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(168,751)	(168,751)	-	-	-	-	(168,751)
Disposal of financial Assets at fair value through other comprehensive income	-	-	-	-	6,780	6,780	-	(6,780)	(6,780)	-	-
<b>Balance of December 31, 2024</b>	<b>\$ 478,753</b>	<b>690,174</b>	<b>164,693</b>	<b>-</b>	<b>352,578</b>	<b>517,271</b>	<b>879</b>	<b>(10,665)</b>	<b>(9,786)</b>	<b>(85,925)</b>	<b>1,590,487</b>

See accompanying notes to consolidated financial statements.

(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, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

	2024	2023
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 105,020	222,283
Adjustments for:		
Income and expenses items		
Depreciation expenses	121,767	124,962
Amortization expenses	6,152	3,711
Expected credit impairment loss (reversal gain)	(3,782)	2,321
Interest expenses	2,055	2,424
Interest income	(4,925)	(5,971)
Dividend income	(17,452)	(11,870)
Loss (Gain) on disposal of property, plant and equipment	(51,964)	112
Total income and expenses items	51,851	115,689
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	3,945	(3,920)
Notes and accounts receivable	19,704	(8,322)
Accounts receivable - related parties	(6,263)	16,152
Inventories	62,144	43,882
Prepayments and other current assets	(3,263)	9,575
Total net changes in assets related to operating activities	76,267	57,367
Net changes in liabilities related to operating activities:		
Financial liabilities at fair value through profit or loss	2,224	(620)
Notes and accounts payable	19,000	(8,140)
Accounts payable - related parties	32	7
Other payables	198	(59,694)
Other payables - related parties	516	2,704
Provision for liabilities	35	(1,095)
Other current liabilities	11,184	(6,055)
Net defined benefit liabilities	(800)	(696)
Total net changes in liabilities related to operating activities	32,389	(73,589)
Total net changes in assets and liabilities related to operating activities	108,656	(16,222)
Total adjustments	160,507	99,467
Cash inflows from operations	265,527	321,750
Interest received	4,895	5,977
Interest paid	(1,942)	(2,647)
Income taxes paid	(29,295)	(45,761)
Net cash inflows from operating activities	239,185	279,319

(Continued)

See accompanying notes to consolidated financial statements.

(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, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2024	2023
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(190,598)	(95,340)
Disposal of financial assets at fair value through other comprehensive income	95,353	-
Increase in financial assets measured at amortized cost	(159,130)	(215,000)
Decrease in financial assets measured at amortized cost	215,000	215,500
Acquisition of property, plant and equipment (including prepayments for equipment)	(75,545)	(69,209)
Price for disposal of property, plant and equipment	238,285	-
Increase in refundable deposits	(1,690)	(439)
Acquisition of intangible assets	(17,918)	(4,023)
Dividends received	17,452	11,870
<b>Net cash inflows (outflows) from investing activities</b>	<b>121,209</b>	<b>(156,641)</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	23,018	(86,720)
Principal repayment of leases	(25,487)	(22,224)
Cash dividends paid	(168,751)	(234,377)
<b>Net cash outflows from financing activities</b>	<b>(171,220)</b>	<b>(343,321)</b>
<b>Effect of changes in exchange rates</b>	<b>1,854</b>	<b>(31)</b>
<b>Increase (decrease) in cash and cash equivalents of the period</b>	<b>191,028</b>	<b>(220,674)</b>
<b>Balance of cash and cash equivalents at beginning of period</b>	<b>382,556</b>	<b>603,230</b>
<b>Balance of cash and cash equivalents at end of period</b>	<b>\$ 573,584</b>	<b>382,556</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Unictron Technologies Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**For the Years Ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**I. Company history**

Unictron Technologies Corporation (hereinafter referred to as "the Company") was established on April 8, 1988 with the approval of the Ministry of Economic Affairs. Its registered office is at No.41 Shuei-Keng, Guan-SiHsin-Chu 30648 Taiwan (R.O.C). The principal business of the Company and its subsidiaries (hereinafter referred to as the "Group") is the manufacture and sale of electronic ceramic components, modules and system products and other electronic parts and components.

**II. The date and procedure for the adoption of the financial statements**

The consolidated financial reports were approved and issued by the Board of Directors on February 27, 2025.

**III. Application of newly issued and amended standards and interpretations**

- (I) Impact of adopting newly issued and amended standards and interpretations recognized by the Financial Supervisory Commission ("FSC")

From January 1, 2024, the Company adopted the following newly amended IFRS, which did not have a significant impact on the consolidated financial reports.

- Amendment to IAS 1 "Classification of Liabilities as Current or Non-Current"
- Amendments to IAS 1 "Non-current liabilities with contractual terms"
- Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"
- Amendments to IFRS 16 "Lease Liabilities in Sale and Leaseback"

- (II) Impact of not yet adopting the IFRS recognized by the FSC

The Group assesses that the application of the following newly amended IFRS, which are effective from January 1, 2024, will not have a material impact on the consolidated financial reports.

- IAS 21 "Lack of Exchangeability"

- (III) Newly issued and amended standards and interpretations not recognized by the FSC

The standards and interpretations that have been issued and revised by the IAS Board, but have not yet been approved by the FSC may be relevant to the Group as follows:

<b>Newly released or revised standards</b>	<b>Main revisions</b>	<b>Effective date issued by the Board of Directors</b>
IFRS 18 "Presentation and Disclosures in Financial Statements"	The new standard introduces three categories of income and expense, two income statement subtotals, and a single note on management's performance measurement. These three revisions and strengthened guidance on how to segment information in financial statements lay the foundation for providing users with better and more consistent information and will impact all companies.	January 1, 2027

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Unictron Technologies Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**For the Years Ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

Newly released or revised standards			Main revisions	Effective date issued by the Board of Directors
IFRS 18	"Presentation and Disclosures in Financial Statements"		<ul style="list-style-type: none"> <li>● More structured income statements: Under current standards, companies use different formats to express their operating results, making it difficult for investors to compare financial performance across companies. The new standard adopts a more structured income statement, introduces a new definition of "operating profit" subtotal, and stipulates that all income and expenses and losses will be classified into three new different categories based on the company's main operating activities.</li> <li>● Management performance measurement (MPM): The new standard introduces the definition of management performance measurement and requires companies to explain, for each measurement indicator in a single note to the financial statements, why it provides useful information, how it is calculated, and how it combines the measurement indicator. Reconciled with amounts recognized under IFRS accounting standards.</li> <li>● More granular information: The new standard includes guidance on how companies can enhance the grouping of information in their financial statements. This includes guidance on whether the information should be included in the main financial statements or further broken down in the notes.</li> </ul>	January 1, 2027

The Group is evaluating the impact of adopting the above standards or interpretations on its consolidated financial position and consolidated financial performance. The results will be disclosed after the Group completes the assessment.

The Group does not expect the following other newly issued and amended standards that have not yet been endorsed will have a significant impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosure"
- Amendments to IFRS 9 and amendments to IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and amendments to IFRS 7 "Contracts Based on Natural Power Sources"

## **Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)**

### **IV. Summary of significant accounting policies**

The significant accounting policies adopted in the consolidated financial reports are summarized as follows. The following accounting policies have been applied consistently to all periods presented in the consolidated financial reports.

#### **(I) Statement of Compliance**

The consolidated 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") and the IFRS, IAS, Interpretations and Explanatory Notes recognized by the FSC (hereinafter referred to as the "IFRS approved by the FSC").

#### **(II) Basis of Preparation**

##### **1. Basis of Measurement**

The consolidated financial reports have been prepared on the historical cost basis, except for the significant balance sheet items as follows:

- (1) Financial instruments (including derivative financial instruments) measured at fair value through profit or loss;
- (2) Financial assets at fair value through other comprehensive income;
- (3) The net defined benefit liabilities are measured at the present value of the defined benefit liabilities less the fair value of pension fund assets and the cap effects.

##### **2. Functional and Expression Currencies**

Every entity of the Group's functional currency is the currency of the primary economic environment in which it operates. The consolidated financial reports are expressed in NT\$, the Company's functional currency. All financial information expressed in NT\$ is in NT\$ thousand unless otherwise stated.

#### **(III) Basis of consolidation**

##### **1. Preparation principles of the notes to consolidated financial reports**

The entity that prepares the consolidated financial statements consists of the Company and entities controlled by the Company (i.e., subsidiaries). The Company controls an investee when it is exposed to variable compensation from its participation in the investee or has rights to such variable compensation and has the ability to affect such compensation through its power over the investee.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date control over them is acquired until the date control is lost. Internal transactions, balances and any unrealized gains and losses of the Group have been eliminated upon the preparation of the consolidated financial statements. The total consolidated profit or loss of subsidiaries is attributed to the Company's owners and non-controlling interests, respectively, even if the non-controlling interests become a loss balance as a result.

The financial statements of subsidiaries have been appropriately adjusted to conform to the accounting policies used by the Company.

Changes in the Group's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions with the owners. The difference between the adjustment to non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and is attributable to the owners of the Company.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### 2. Subsidiaries included in the consolidated financial statements

<u>Name of investor companies</u>	<u>Name of subsidiaries</u>	<u>Business nature</u>	<u>Percentage of shareholding</u>		<u>Description</u>
			<u>December 31, 2024</u>	<u>December 31, 2023</u>	
The Company	Unicom Technologies, Inc. (UTI)	Investment holdings	100.00%	100.00%	
UTI	Unictron Technologies Corporation (Shenzhen) Co., Ltd. (Original WirelessCom Technologies (Shenzhen) Co., Ltd.)	Design and marketing of antenna and modules for wireless communication	100.00%	100.00%	
The Company	Unictron Technologies Vietnam Co., Ltd. (UTV)	Manufacturing and sales of antennas for wireless communications	100.00%	-	Note 1

Note 1: It is a newly established subsidiary in 2024.

### 3. Subsidiaries not included in the consolidated financial statements: None.

## (IV) Foreign Currency

### 1. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing on the date. Non-monetary items denominated in foreign currencies measured at fair value are translated into the functional currency using the exchange rate at the date of fair value measurement, while non-monetary items denominated in foreign currencies measured at historical cost are translated using the exchange rate at the date of the transaction.

Translation differences arising from foreign currency translations are generally recognized in profit or loss, except for equity instruments designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

### 2. Foreign Operating Entities

Assets and liabilities of foreign operating entities, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency of the consolidated financial reports using the exchange rates prevailing at the reporting date; income and expenses items are translated into the presentation currency of the consolidated financial reports using the average exchange rates of the period. The resulting exchange differences are recognized in other comprehensive income.

When the disposal of a foreign operating entity results in a loss of control or significant influence, the cumulative translation differences related to the foreign operating entity are reclassified to profit or loss. Upon disposal of a subsidiary that partially contains a foreign operating entity, the related cumulative translation differences are reclassified to non-controlling interests on a pro rata basis. Upon disposal of investment in an affiliate that partially contains a foreign operating entity, the related cumulative translation differences are reclassified to profit or loss on a pro rata basis.

If there is no plan to settle a monetary receivable or payable to a foreign operating entity and it is not likely to be settled in the foreseeable future, the resulting foreign currency exchange profit or loss is recognized as part of the net investment in the foreign operating entity and is recognized as other comprehensive income.



## **Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)**

### **(V) Classification criteria of assets and liabilities as current and non-current**

The Group shall classify assets that meet one of the following conditions as current assets, and others shall be classified as non-current assets:

1. Expect to realize the asset during its normal operating cycle, or intend to sell or consume it;
2. the asset is held mainly for trading purposes;
3. realize the asset within twelve months after the reporting period; or
4. the asset is cash or cash equivalents (as defined in IAS 7), unless the asset is exchanged or used to settle liabilities at least twelve months after the reporting period.

The Group shall classify liabilities that meet one of the following conditions as current liabilities, and others shall be classified as non-current liabilities:

1. The liability is expected to be paid off within its normal operating cycle;
2. the liability is held mainly for trading purposes;
3. the liability is expected to be repaid when due within twelve months after the reporting period; or
4. there is no right to defer the settlement of the liability to at least twelve months after the reporting period at the end of the reporting period.

### **(VI) Cash and cash equivalents**

Cash includes cash on hand, checking deposits and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to a fixed amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held to meet short-term cash commitments instead of investment or other purposes are reported as cash equivalents.

### **(VII) Financial instruments**

Accounts receivable and debt securities issued are initially recognized as they are incurred. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual terms of the financial instruments. Financial assets (other than receivables that do not contain significant financial components) or financial liabilities that are not measured at fair value through profit or loss are initially measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Accounts receivable that do not contain significant financial components are initially measured at transaction prices.

#### **1. Financial assets**

On initial recognition, financial assets are classified as: financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss. Accounting treatment using transaction date is adopted when financial assets are purchased or sold under usual transaction practices.

The Group reclassifies all affected financial assets from the first day of the next reporting period only when it changes its operating model for managing financial assets.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets the following conditions and is not designated as at fair value through profit or loss:

- The financial asset is held under an operating model whose objective is to collect the contractual cash flows.
- The contractual terms of the financial asset give rise to cash flows at a specific date that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are measured at amortized cost less impairment losses using the effective interest method after initial recognition. Interest income, foreign currency exchange gain or loss and impairment loss are recognized in profit or loss. Upon derecognition, the gain or loss is recognized in profit or loss.

### (2) Financial assets at fair value through other comprehensive income

Investment in debt instruments is measured at fair value through other comprehensive income if it meets the following conditions and is not designated as at fair value through profit or loss:

- The financial asset is held under an operating model whose objective is to collect the contractual cash flows and sale.
- The contractual terms of the financial asset give rise to cash flows at a specific date that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Group may make an irrevocable election to report subsequent changes in the fair value of investment in equity instruments not held for trading in other comprehensive income. The above election is made on an instrument-by-instrument basis.

Investment in debt instruments are subsequently measured at fair value. Interest income, foreign currency translation gain or loss, and impairment loss under the effective interest method are recognized in profit or loss, while the remaining net gain or loss is recognized in other comprehensive income. On derecognition, the amount of other comprehensive income accumulated under equity is reclassified to profit or loss.

Investment in equity instruments are subsequently measured at fair value. Dividend income (unless it clearly represents a partial recovery of investment costs) is recognized in profit or loss. The remaining net gain or loss is recognized as other comprehensive income. Upon derecognition, other comprehensive income accumulated under equity is reclassified to retained earnings and not to profit or loss. Dividend income from equity investments is recognized on the date the Group has the right to receive the dividends (usually the ex-dividend date).

### (3) Financial assets at fair value through profit or loss

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss, including derivative financial assets. On initial recognition, the Group may irrevocably designate financial assets that meet the criteria to be measured at amortized cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss in order to eliminate or significantly reduce accounting mismatches.

The net gain or loss (including any dividends and interest income) resulting from the subsequent remeasurement of these assets at fair value is recognized in profit or loss.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

- (4) Assessment of whether the contractual cash flows are solely the payment of principal and interest on the outstanding principal amount

For evaluation purposes, principal is the fair value of the financial asset at the time of initial recognition. Interest is comprised of the following consideration: time value of the currency, credit risk associated with the principal amount outstanding during a specific period, other fundamental lending risks, and cost and profit margins.

To assess whether the contractual cash flows are solely for the payment of principal and interest on the outstanding principal amount, the Group considers the contractual terms of the financial instrument, including assessing whether the financial asset contains a contractual term that would change the timing or amount of the contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- any contingencies that would change the timing or amount of contractual cash flows;
- any terms that may adjust the contractual coupon rate, including the variable interest rate features;
- early repayment and extension features; and
- terms under which the Group's claim is limited to cash flows from specific assets (e.g., non-recourse features).

- (5) Impairment of financial assets

The Group recognizes an allowance for expected credit losses on financial assets at amortized cost (including cash and cash equivalents, financial assets carried at amortized cost, notes and accounts receivable and refundable deposits).

Allowance for losses on the following financial assets are measured at 12-month expected credit losses, while the rest are measured at expected credit losses over the duration:

- The credit risk on bank deposits (i.e., the risk of default over the expected duration of the financial instruments) has not increased significantly since the original recognition.

Allowance for losses on accounts receivable is measured by the expected credit loss over the duration.

The expected credit loss over the duration of the instrument is the expected credit loss arising from all possible defaults over the expected duration of the financial instruments. 12-month expected credit losses refer to the expected credit losses arising from possible defaults within 12 months after the reporting date of the financial instruments (or for a shorter period, if the expected duration of the financial instruments is shorter than 12 months).

The maximum period over which expected credit losses are measured is the maximum contractual period over which the Group is exposed to credit risk.

In determining whether credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information (which can be obtained without excessive cost or investment), including qualitative and quantitative information, and analysis based on the Group's historical experience, credit evaluations and forward-looking information.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

Expected credit losses are weighted estimates of the probability of credit losses over the expected duration of the financial instruments. Credit losses are measured at the present value of all cash shortfalls, which is the difference between the cash flows receivable under the Group's contracts and the cash flows expected to be received by the Group. Expected credit losses are discounted at the effective interest rate of the financial assets.

Allowance for losses on financial assets at amortized cost is deducted from the carrying amount of the assets. The amount of allowance or reversal of losses is recognized in profit or loss.

When the Group cannot reasonably expect to recover all or part of a financial asset, the total carrying amount of the financial asset is directly reduced. The timing and amount of the reversal are analyzed individually on the basis of whether recovery is reasonably expected. The Group does not expect a material reversal of the amount written off. However, financial assets that have been written off may still be enforced in order to comply with the Group's procedures for recovering past due amounts. Based on the Group's experience, amounts overdue for more than 21 days are unlikely to be recovered.

### (6) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset cease, or when the financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred to another entity, or when substantially all the risks and rewards of ownership of the asset have neither been transferred nor retained and control of the financial asset has not been retained.

If the Group enters into a transaction to transfer a financial asset and retains all or substantially all the risks and rewards of ownership of the transferred asset, the financial asset is recognized on the balance sheet on an ongoing basis.

## 2. Financial liabilities

### (1) Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss. Financial liabilities are classified as at fair value through profit or loss if they are held for trading, derivative instruments or designated at initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value, and the related net gains and losses, including any interest expense, are recognized in profit or loss.

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

### (2) Derecognition of financial liabilities

Financial liabilities are derecognized by the Group when the contractual obligations are fulfilled, cancelled or expired. When the terms of a financial liability are modified and the cash flows of the modified liability are materially different, the original financial liability is derecognized and the new financial liability is recognized at fair value based on the modified terms.

When a financial liability is derecognized, the difference between the carrying amount and the total consideration paid or payable (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 presented in the balance sheet on a net basis only when the Group has a legally enforceable right to do so and intends to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### 4. Derivative financial instruments

The Group holds derivative financial instruments to hedge the risk of foreign currency exchange rate fluctuations. Derivatives are initially recognized at fair value, with transaction costs recognized in profit or loss; subsequently, they are measured at fair value, with gains or losses arising from remeasurement recognized directly in profit or loss. When the fair value of a derivative is positive, it is recognized as a financial asset; when the fair value is negative, it is recognized as a financial liability.

### (VIII) Inventories

The original cost of inventories is the necessary expenditure incurred to bring the inventories to a condition and location ready for sale or production. Subsequently, inventories are measured at the lower of cost or net realizable value on an item-by-item basis, with the cost of inventories calculated using the weighted average method. Finished goods and work-in-progress inventory costs include manufacturing expenses allocated based on normal production capacity in appropriate proportions. If the actual production volume is not significantly different from the normal capacity, allocation may also be based on actual production volume. The net realizable value based on the estimated selling price under normal operations at the balance sheet date less costs and marketing expenses remaining to be incurred to completion.

### (IX) Property, plant and equipment

#### 1. Recognition and measurement

Property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

If the significant components of property, plant and equipment have different useful lives, they are treated as separate items (major components) of property, plant and equipment.

Gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

#### 2. Subsequent costs

Subsequent expenditures are capitalized only when it is probable that future economic benefits will flow to the Group.

#### 3. Depreciation

Depreciation is calculated based on the cost of the assets less residual values and is recognized as profit or loss over the estimated useful lives of each component using the straight-line method. Except for land, which is not subject to depreciation, the estimated useful lives of the remaining equipment are as follows: machinery and equipment: 2 to 9 years; transportation equipment: 5 to 6 years; office equipment: 3 to 5 years; and other equipment: 2 to 15 years. In addition, building and construction are depreciated over their estimated useful lives based on their significant components: main buildings, 50 to 51 years; other auxiliary equipment, 1 to 44 years.

The depreciation method, useful lives and residual values are reviewed at each reporting date, and the effects of any changes in estimates are deferred.

### (X) Leases

The Group assesses whether a contract is a lease or contains a lease at the inception date. If a contract transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract is a lease or contains a lease.

The Group recognizes a right-of-use asset and a lease liability at the lease inception date. The right-of-use asset is measured initially at cost, which includes the initial measurement amount of the lease liability, adjusted for any lease payments made on or before the lease inception date, plus the original direct costs incurred and the estimated costs to disassemble, remove the subject asset and restore its location or the subject asset, less any lease incentives received.

Right-of-use assets are subsequently depreciated on a straight-line basis from the lease inception 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 Group periodically assesses whether a right-of-use asset is impaired and addresses any impairment loss incurred, and adjusts the right-of-use asset when the lease liability is remeasured.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

Lease liabilities are measured initially at the present value of the lease payments outstanding at the inception date of the lease. If the implied interest rate of a lease is readily determinable, the discount rate is that rate. If it is not readily determinable, the Group's incremental borrowing rate is used. In general, the Company uses the incremental borrowing rate as the discount rate.

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

- (1) Fixed payments, including in-substance fixed payments;
- (2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (3) Amounts expected to be payable under a residual value guarantee; and
- (4) Payments for purchase or termination options that are reasonably certain to be exercised.

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

- (1) There is a change in future lease payments arising from the change in an index or rate; or
- (2) There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- (3) 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
- (4) There is a change of its assessment on whether it will exercise an extension or termination option; or
- (5) 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 Group 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 Group presents the right-of-use asset that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

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

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (XI) Intangible assets

Software purchased is initially recognized at cost and subsequently measured at cost less accumulated amortization and accumulated impairment.  
and accumulated impairment. The amortization is based on the cost of the asset less its residual value and is amortized using the straight-line method over the estimated useful lives of 1 to 3 years. Amortization recognized in profit or loss.

The Group reviews the residual value, useful life and amortization method of intangible assets at each reporting date and makes appropriate adjustments when necessary.

### (XII) Impairment of non-financial assets

For non-financial assets other than inventories, deferred income tax assets and assets arising from employee benefits, the Group assesses at each reporting date whether an impairment loss has occurred and estimates the recoverable amount for the assets for which there is an indication of impairment. If the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs for the purpose of assessing impairment.

The recoverable amount is the higher of the fair value of the individual asset or cash generating unit less costs to sell and its value in use. If the recoverable amount of an individual asset or cash generating unit is less than its carrying amount, the carrying amount of the individual asset or cash generating unit is adjusted downward to its recoverable amount and an impairment loss is recognized. An impairment loss is recognized immediately in profit or loss.

The Group reassesses at each reporting date whether there is any indication of impairment. If an impairment loss recognized in prior years for a non-financial asset other than goodwill no longer exists or has decreased, the impairment loss is reversed to increase the carrying amount of the individual asset or cash generating unit to its recoverable amount. However, after deducting the depreciation or amortization, it should not exceed the carrying amount if no impairment loss had been recognized for the individual asset or cash generating unit in prior years.

### (XIII) Provision for liabilities

Provisions for liabilities are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources with economic benefits will be required to settle the obligation in the future, and the amount of the obligation can be reliably estimated.

The provision for warranty liabilities is recognized upon the sale of goods. The provision for such liabilities is estimated based on the historical warranty information and all probable outcomes weighted by their respective probabilities.

### (XIV) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled as a result of the transfer of goods. Revenue is recognized when the Group has fulfilled its performance obligations by transferring control of the goods to the customer.

#### 1. Sales of goods

The Group recognizes revenue when control of the goods is transferred to the customer. The transfer of control of the goods means that the goods has been delivered to the customer and there is no outstanding obligation that would affect the customer's acceptance of the goods. Delivery is the point at which the customer has accepted the goods in accordance with the terms of the transaction, the risk of obsolescence and loss has been transferred to the customer, and the Group has objective evidence that all conditions for acceptance have been met.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

The Group recognizes accounts receivable upon delivery of goods because the Group has the unconditional right to receive consideration at that timing.

### 2. Financial components

The Group does not adjust the time value of currency of the transaction price because the interval between the time of transfer of goods to customers and the time of payment for the goods is expected to be less than one year.

### (XV) Government grants

The Group recognizes unconditional government grants as other income when the grants are available. For other asset-related grants, the Group recognizes deferred income at fair value when it can be reasonably assured that the conditions attached to the government grant will be complied with and that the grant will be received, and recognizes the deferred income as other income over the useful life of the asset on a systematic basis. Government grants to compensate for expenses or losses incurred by the Group are recognized in profit or loss on a systematic basis over the same period as the related expenses.

### (XVI) Employee benefits

#### 1. Defined contribution plans

The contribution obligation of the defined contribution pension plan is recognized as employee benefit expense in profit or loss during the period in which the employees render service.

#### 2. Defined benefit plans

The net obligation under the defined benefit pension plan is calculated as the discounted value of the future benefit amounts to be earned by each benefit plan for each employee's current or prior service, less the fair value of any plan assets. The discount rate is based on the market yield rate at the reporting date for government bonds with maturity dates approximating the maturity of the Group's net obligations and denominated in the same currency as the expected benefit payments. The net obligation of a defined benefit plan is actuarially determined annually by a qualified actuary using the projected unit benefit method.

When benefits under a plan are improved, the related expense is recognized immediately in profit or loss for the portion of the benefit increase attributable to employees' past service.

The remeasurement of the net defined benefit obligation (asset), which includes actuarial gains and losses, compensation on plan assets (excluding interest) and any change in the asset cap effects (excluding interest) is recognized immediately in other comprehensive income and accumulated in retained earnings.

The Group recognizes a gain or loss on the reduction or settlement of a defined benefit plan when the reduction or settlement occurs. The reduction or settlement gain or loss includes the change in the fair value of any plan assets and the change in the present value of the defined benefit obligation.

#### 3. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as expenses when the related services are rendered. The amount expected to be paid under short-term cash bonus or dividend plans is recognized as a liability if the Group has a present legal or constructive obligation to pay for the services rendered by employees in the past and the obligation can be reliably estimated.

### (XVII) Income taxes

Income taxes include current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss, except for those related to business combinations, items recognized directly in equity or other comprehensive income.

Current income taxes include estimated income taxes payable or refunds receivable based on current year taxable income (loss) and any adjustments to income taxes payable or refunds receivable in the previous year. The amount reflects the best estimate of the amount expected to be paid or received, measured at the statutory or substantively enacted tax rate at the reporting date, after reflecting uncertainties, if any, related to income taxes.



## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

Deferred income taxes are recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred income tax is not recognized for temporary differences arising from:

1. assets or liabilities that are not originally recognized in a business combination and do not affect the accounting profit or taxable income (loss) at the time of the transaction.
2. temporary differences arising from investments in subsidiaries and affiliates where the Group can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future; and
3. taxable temporary differences arising from the original recognition of goodwill.

Deferred income tax is measured at the tax rates that are expected to apply when the temporary differences reverse, based on the statutory or substantive legislative tax rates at the reporting date, and reflecting uncertainties, if any, related to income taxes.

Deferred income tax assets and deferred income tax liabilities are offset only if the following conditions are met at the same time:

1. there is a legally enforceable right to offset current income tax assets and current income tax liabilities; and
2. the deferred income tax assets and deferred income tax liabilities relate to one of the following taxable entities that are subject to income tax by the same taxing authority:
  - (1) the same taxable entity; or
  - (2) different taxable entities, provided that each entity intends to settle current income tax liabilities and assets on a net basis, or to realize assets and settle liabilities simultaneously, in each future period in which significant amounts of deferred income tax assets are expected to be recovered and deferred income tax liabilities are expected to be settled.

Deferred income tax assets are recognized for unused tax losses and unused income tax credits in subsequent periods to the extent that it is probable that future taxable income will be available against which the temporary differences can be deducted. Deferred income tax assets are reassessed at each reporting date and reduced to the extent that it is not probable that the related income tax benefit will be realized, or to the extent that it becomes probable that sufficient taxable income will be available to allow the reversal of the original reduction.

### (XVIII) Earnings per share

The Group presents basic and diluted earnings per share attributable to equity holders of the Company's ordinary shares. Basic earnings per share of the Group is calculated by dividing the profit or loss attributable to equity holders of the Company's ordinary shares by the weighted-average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company's ordinary shares by the weighted-average number of ordinary shares outstanding, adjusted for the effect of all potentially dilutive ordinary shares. Potentially dilutive ordinary shares of the Group represent a optional employee compensation in the form of share issuance.

### (XIX) Department information

The operating department is a component unit of the Group that engages in operating activities that may earn revenues and incur expenses, including revenues and expenses related to intercompany transactions with other components of the Group. The operating results of all operating departments are reviewed periodically by the Group's chief operating decision maker to make decisions on the allocation of resources to the division and to evaluate its performance. Separate financial information is available for each operating department.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### V. Major sources of uncertainty in significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial reports in conformity with the IFRS approved by the FSC requires management to make judgments and estimates regarding future events (including climate-related risks and opportunities), that affect the adoption of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from estimates.

Management continuously reviews estimates and underlying assumptions to ensure consistency with the Group's risk management and climate-related commitments. Any changes in estimates are recognized prospectively in the period of change and in future periods affected.

Regarding the uncertainty of assumptions and estimates, the management believes that there is no significant risk that could lead to a material adjustment to the carrying amounts of assets and liabilities as of the reporting date in the next fiscal year.

### VI. Description of significant accounting items

#### (I) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and working capital	\$ 533	459
Demand deposits and checking deposits	513,872	323,554
Time deposits with original maturities of less than three months	59,179	58,543
	<u>\$ 573,584</u>	<u>382,556</u>

#### (II) Financial assets and liabilities at fair value through profit or loss - current

	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss - current:		
Forward foreign exchange contracts	\$ -	3,945
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Financial liabilities at fair value through profit or loss - current:		
Forward foreign exchange contracts	\$ 2,237	13

Please refer to 6(19) for the details of amounts recognized at fair value through profit or loss.

The Group entered into derivative financial instruments to hedge the exposure to exchange rate risk arising from operating activities and reported them as financial assets or liabilities at fair value through profit or loss because hedge accounting was not applicable. Details of the Group's outstanding derivative financial instruments at the reporting date is as follows:

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

December 31, 2024		
<u>Contract amount (in thousands)</u>	<u>Currency</u>	<u>Maturity period</u>
US\$ <u>4,181</u>	Buy NT\$ / Sell US\$	January 6, 2025~May 20, 2025

  

December 31, 2023		
<u>Contract amount (in thousands)</u>	<u>Currency</u>	<u>Maturity period</u>
US\$ <u>5,250</u>	Buy NT\$ / Sell US\$	January 4, 2024~May 6, 2024

(III) Financial assets at fair value through other comprehensive income - current

	December 31, 2024	December 31, 2023
Equity instruments at fair value through other comprehensive income:		
Domestic listed company shares	\$ <u>276,323</u>	<u>248,390</u>

The above investments in equity instruments are strategic investments and are not held for trading purposes. Therefore, they are designated as at fair value through other comprehensive income.

The Group sold equity instruments measured at fair value through other comprehensive income in July 2024, with a fair value of NT\$95,353 thousand at the time of disposal. The cumulative disposal gain was NT\$6,780 thousand, which has been transferred from other equity to retained earnings.

The Group did not dispose of the above-mentioned strategic investments in 2023, and the gains and losses accumulated during the period were not transferred within the equity.

(IV) Financial assets measured at amortized cost - current

	December 31, 2024	December 31, 2023
Time deposits with original maturities of over three months \$	145,000	215,000
Pledged time deposits (Note 8)	14,730	600
	<u>\$ 159,730</u>	<u>215,600</u>

The Group assesses that the above assets are held to maturity to collect the contractual cash flows and that the cash flows from these financial assets are solely attributable to the payment of principal and interest on the principal amount outstanding. Therefore, they are therefore reported as financial assets at amortized cost.

Please refer note 8 for details of financial assets pledged and guaranteed by the Group as collateral.

(V) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes and accounts receivable	\$ 250,559	270,172
Accounts receivable - related parties	14,377	8,114
	264,936	278,286
Less: Allowance for losses	(1,381)	(5,072)
	<u>\$ 263,555</u>	<u>273,214</u>

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

The Group uses a simplified approach to estimate expected credit losses for all notes and accounts receivable (including related parties), which represents that the expected credit losses are measured using the expected credit losses over the life of the instruments and are included in forward-looking information. The analysis of expected credit losses on notes and accounts receivable (including related parties) are as follows:

	<b>December 31, 2024</b>		
	<b>Carrying amounts of notes and accounts receivable (including related parties)</b>	<b>Weighted average expected credit loss ratio</b>	<b>Expected credit losses during the allowance period</b>
Not past due	\$ 250,006	0.15%	363
Less than 30 days past due	11,032	1.77%	195
31 to 60 days past due	2,106	8.02%	169
61-90 days past due	1,385	28.16%	390
91-120 days past due	376	61.97%	233
Over 121 days past due	31	100%	31
	<b><u>\$ 264,936</u></b>		<b><u>1,381</u></b>

	<b>December 31, 2023</b>		
	<b>Carrying amounts of notes and accounts receivable (including related parties)</b>	<b>Weighted average expected credit loss ratio</b>	<b>Expected credit losses during the allowance period</b>
Not past due	\$ 253,023	0.17%	439
Less than 30 days past due	11,932	3.98%	475
31 to 60 days past due	7,956	9.54%	759
61-90 days past due	1,770	27.26%	483
91-120 days past due	2,147	67.94%	1,458
Over 121 days past due	1,458	100%	1,458
	<b><u>\$ 278,286</u></b>		<b><u>5,072</u></b>

The changes in allowance for losses on notes and accounts receivable (including related parties) are as follows:

	<b>2024</b>	<b>2023</b>
Opening balance	\$ 5,072	2,917
(Reversal) recognition on impairment loss	(3,782)	2,321
Amounts written off as uncollectible during the year	-	(96)
Foreign currency translation losses (gains)	91	(70)
Closing balance	<b><u>\$ 1,381</u></b>	<b><u>5,072</u></b>

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(VI) Inventories

1. Details of inventories as follows:

	December 31, 2024	December 31, 2023
Raw materials	\$ 77,097	103,187
Work in process	115,382	131,011
Finished products	65,326	87,142
Goods	9,054	7,663
	<b><u>\$ 266,859</u></b>	<b><u>329,003</u></b>

2. Details of operating costs recognized in the current period is as follows:

	2024	2023
Cost of inventories sold	\$ 858,466	840,213
Write-downs of inventories	13,828	34,559
Loss on obsolescence of inventories	7,070	7,939
Inventory gain, net	(2)	(51)
	<b><u>\$ 879,362</u></b>	<b><u>882,660</u></b>

The above Write-downs of inventories are recognized as inventory losses due to the Group offsetting ending inventory to net realizable value, all of which are recognized under operating costs.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (VII) Property, plant and equipment

Details of the changes in the cost of property, plant and equipment and accumulated depreciation are as follows:

		Land	Building and construction	Machinery equipment	Transportati on equipment	Office equipment	Other equipment	Total
Costs:								
Balance of January 1, 2024	\$	259,080	112,489	340,770	7,932	13,424	167,593	901,288
Additions during the period		-	295	28,785	-	4,190	9,458	42,728
Disposal during the period		(136,445)	(70,397)	-	-	(712)	-	(207,554)
Reclassified from prepaid equipment		-	-	3,194	-	100	7,619	10,913
Effect of changes in exchange rates		-	-	168	-	6	-	174
Balance of December 31, 2024	\$	<u>122,635</u>	<u>42,387</u>	<u>372,917</u>	<u>7,932</u>	<u>17,008</u>	<u>184,670</u>	<u>747,549</u>
Balance of January 1, 2023	\$	259,080	110,459	303,908	7,932	12,402	155,643	849,424
Additions during the period		-	2,030	30,935	-	1,434	11,822	46,221
Disposal during the period		-	-	(4,140)	-	(410)	-	(4,550)
Reclassified from prepaid equipment		-	-	10,142	-	-	128	10,270
Effect of changes in exchange rates		-	-	(75)	-	(2)	-	(77)
Balance of December 31, 2023	\$	<u>259,080</u>	<u>112,489</u>	<u>340,770</u>	<u>7,932</u>	<u>13,424</u>	<u>167,593</u>	<u>901,288</u>
Accumulated depreciation:								
Balance of January 1, 2024	\$	-	37,865	210,636	7,027	9,465	94,413	359,406
Depreciation during the period		-	3,749	50,358	505	3,263	37,265	95,140
Disposal during the period		-	(20,521)	-	-	(712)	-	(21,233)
Effect of changes in exchange rates		-	-	148	-	5	-	153
Balance of December 31, 2024	\$	<u>-</u>	<u>21,093</u>	<u>261,142</u>	<u>7,532</u>	<u>12,021</u>	<u>131,678</u>	<u>433,466</u>
Balance of January 1, 2023	\$	-	33,673	156,397	6,304	6,824	58,082	261,280
Depreciation during the period		-	4,192	58,443	723	2,941	36,331	102,630
Disposal during the period		-	-	(4,140)	-	(298)	-	(4,438)
Effect of changes in exchange rates		-	-	(64)	-	(2)	-	(66)
Balance of December 31, 2023	\$	<u>-</u>	<u>37,865</u>	<u>210,636</u>	<u>7,027</u>	<u>9,465</u>	<u>94,413</u>	<u>359,406</u>
Carrying amounts:								
December 31, 2024	\$	<u>122,635</u>	<u>21,294</u>	<u>111,775</u>	<u>400</u>	<u>4,987</u>	<u>52,992</u>	<u>314,083</u>
December 31, 2023	\$	<u>259,080</u>	<u>74,624</u>	<u>130,134</u>	<u>905</u>	<u>3,959</u>	<u>73,180</u>	<u>541,882</u>

On September 6, 2024, the Board of Directors of the Company resolved to dispose of land and buildings located in Tucheng District, New Taipei City, with a carrying amount of NT\$186,321 thousand. The transaction was completed in November 2024, resulting in total net proceeds of NT\$238,285 thousand after deducting related taxes and expenses. A disposal gain of NT\$51,964 thousand was recognized under “Other gains and losses.” Please refer to Note 6(19) for further details. As of December 31, 2024, the related proceeds had been fully received.

# Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

## (VIII) Right-of-use asset

	<b>Building and construction</b>
Costs of right-to-use assets:	
Balance of January 1, 2024	\$ 102,283
Additions	69,605
Deductions	(67,346)
Amendment of lease agreement	(300)
Effect of changes in exchange rates	524
Balance of December 31, 2024	<b><u>\$ 104,766</u></b>
Balance of January 1, 2023	\$ 100,706
Additions	9,077
Deductions	(7,450)
Effect of changes in exchange rates	(50)
Balance of December 31, 2023	<b><u>\$ 102,283</u></b>
Accumulated depreciation of right-of-use assets:	
Balance of January 1, 2024	\$ 71,857
Additions	26,627
Deductions	(67,346)
Effect of changes in exchange rates	76
Balance of December 31, 2024	<b><u>\$ 31,214</u></b>
Balance of January 1, 2023	\$ 56,934
Depreciation	22,332
Deductions	(7,450)
Effect of changes in exchange rates	41
Balance of December 31, 2023	<b><u>\$ 71,857</u></b>
Carrying amounts:	
December 31, 2024	<b><u>\$ 73,552</u></b>
December 31, 2023	<b><u>\$ 30,426</u></b>

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (IX) Intangible assets

Details of the changes in the cost and accumulated amortization of intangible assets are as follows:

	<b>Software purchased</b>
Costs:	
Balance of January 1, 2024	\$ 29,317
Acquired separately	17,918
Effect of changes in exchange rates	56
Balance of December 31, 2024	<b><u>\$ 47,291</u></b>
Balance of January 1, 2023	\$ 25,319
Acquired separately	4,023
Effect of changes in exchange rates	(25)
Balance of December 31, 2023	<b><u>\$ 29,317</u></b>
Accumulated amortization:	
Balance of January 1, 2024	\$ 22,996
Amortization during the period	6,152
Effect of changes in exchange rates	51
Balance of December 31, 2024	<b><u>\$ 29,199</u></b>
Balance of January 1, 2023	\$ 19,307
Amortization during the period	3,711
Effect of changes in exchange rates	(22)
Balance of December 31, 2023	<b><u>\$ 22,996</u></b>
Carrying amounts:	
Balance of December 31, 2024	<b><u>\$ 18,092</u></b>
Balance of December 31, 2023	<b><u>\$ 6,321</u></b>

Amortization expenses of intangible assets are reported in the consolidated statement of comprehensive income as follows:

	<b>2024</b>	<b>2023</b>
Operating costs	\$ 365	721
Operating expenses	5,787	2,990
	<b><u>\$ 6,152</u></b>	<b><u>3,711</u></b>

### (X) Short-term borrowings

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Unsecured borrowings	<b><u>\$ 23,018</u></b>	<b><u>-</u></b>
Unused balance	<b><u>\$ 896,982</u></b>	<b><u>920,000</u></b>
Interest rate range	<b><u>5.52%~5.84%</u></b>	<b><u>-</u></b>



## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (XI) Lease liabilities

The carrying amounts of the Group's lease liabilities are as follows:

	December 31, 2024	December 31, 2023
Current:		
Related parties	\$ 8,073	4,681
Non-related parties	\$ 19,766	7,887
Non-current:		
Related parties	\$ 21,023	11,952
Non-related parties	\$ 25,325	5,360

For maturity analysis, please refer to Note 6(21) financial risk management.

The amounts recognized in profit or loss are as follows:

	2024	2023
Interest expenses on lease liabilities	\$ 1,643	450
Short-term lease payments	\$ 1,490	3,323

The amounts recognized in the statement of cash flows are as follows:

	2024	2023
Total cash outflows from leases	\$ 28,620	25,997

#### 1. Leases of building and construction

The Group leases building and construction for office, factory and warehouses, usually for periods of one to ten years. Among these leases, some of the warehouses leased by the Group have a lease term of one year. The leases are short-term leases and the Group has elected to apply the exemption from recognition and not recognize the related right-of-use assets and lease liabilities.

#### 2. Other leases

Some of the office equipment leased by the Group have a lease term of one year. The leases are short-term leases and the Group has elected to apply the exemption from recognition and not recognize the related right-of-use assets and lease liabilities.

### (XII) Provision for liabilities - current

	2024	2023
Provision for warranty liabilities:		
Balance of January 1	\$ 182	1,277
Additions (reversal) during the period	222	(1,028)
Use during the period	(187)	(67)
Balance of December 31	\$ 217	182

The provision for warranty liabilities is estimated based on the historical warranty information of similar products.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (XIII) Employee benefits

#### 1. Defined benefit plans

A reconciliation of the present value of the Group's defined benefit obligation to the net defined benefit obligation is as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	\$ 8,592	9,694
Fair value of plan assets	(8,222)	(6,756)
Net defined benefit liabilities	<u>\$ 370</u>	<u>2,938</u>

The Company's defined benefit plan is contributed to the Bank of Taiwan's special account for labor retirement reserve fund. Retirement payments for each employee under the Labor Standards Act are based on the base figure obtained from years of service and the average salary for the six months prior to retirement.

#### (1) Composition of plan assets

The Company's pension fund under the Labor Standards Act is managed by the Bureau of Labor Funds, Ministry of Labor (hereinafter referred to as the Bureau of Labor Funds). According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund", for the use of funds, the minimum income to be distributed annually shall not be less than the income calculated based on the interest rate of two-year time deposits in local banks.

As of December 31, 2024 and 2023, the balances of the Bank of Taiwan's special account for labor retirement reserve fund were NT\$8,222 thousand and NT\$6,756 thousand, respectively. For information on the use of the labor pension funds assets (including fund yield and fund asset allocation), please refer to the information on the website of the Bureau of Labor Funds for details.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

(2) Changes in present value of defined benefit obligation

	2024	2023
Defined benefit obligation on January 1	\$ 9,694	16,276
Current interest	121	203
Net defined benefit liability (asset) remeasurement		
-Actuarial loss (gain) due to experience adjustments	(962)	(185)
-Actuarial loss (gain) due to changes in financial assumptions	(143)	-
Benefits paid by the plan	(118)	(6,600)
Defined benefit obligation on December 31	<u>\$ 8,592</u>	<u>9,694</u>

(3) Changes in fair value of plan assets

	2024	2023
Fair value of plan assets on January 1	\$ 6,756	12,414
Interest income	89	160
Net defined benefit liability (asset) remeasurement		
-Return on plan assets (excluding current interest)	663	43
Amounts contributed to the plan	832	739
Benefits paid by the plan	(118)	(6,600)
Fair value of plan assets on December 31	<u>\$ 8,222</u>	<u>6,756</u>

(4) Changes in asset cap effects

For 2024 and 2023, the Group had no asset cap effects on the defined benefit plan.

(5) Expenses recognized in profit or loss

Details of losses (gains) reported by the Group is as follows:

	2024	2023
Net interest on the net defined benefit liabilities	<u>\$ 32</u>	<u>43</u>
Operating costs	\$ 24	33
Marketing expenses	1	1
Administrative expenses	2	1
Research and development expenses	5	8
	<u>\$ 32</u>	<u>43</u>

(6) Actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation as of the reporting date are as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.50%	1.25%
Future salary increase rate	4.00%	4.00%

The Group expects to make a contribution of NT\$840 thousand to the defined benefit plan in the year following the reporting date in 2024. The weighted-average duration of the defined benefit plans is 9.9 years.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (7) Sensitivity analysis

The effect of changes in the major actuarial assumptions used on the present value of the defined benefit obligation is as follows:

	Effect on the defined benefit obligation	
	December 31, 2024	December 31, 2023
Discount rate		
Increase of 0.25%	\$ (138)	(180)
Decrease of 0.25%	143	186
Expected rate of salary increase		
Increase of 1.00%	579	748
Decrease of 1.00%	(530)	(678)

The sensitivity analysis above analyzes the effect of changes in a single assumption with other assumptions held constant. In practice, changes in many assumptions may be correlated. The sensitivity analysis is consistent with the methodology used to calculate the net pension liability on the balance sheet.

The methodology and assumptions used in preparing the sensitivity analysis are the same as those used in the previous period.

### 2. Defined contribution plans

The Company's defined contribution plan is based on the Labor Pension Act, under which the Company contributes 6% of a worker's monthly wages to a personal pension account of the Bureau of Labor Insurance. Foreign subsidiaries make pension contributions in accordance with local laws and regulations. Under the plan, the Group has no legal or constructive obligation to pay additional amounts after making a fixed contribution to the Bureau of Labor Insurance.

For 2024 and 2023, the Group made contributions of NT\$15,444 thousand and NT\$14,952 thousand, respectively, to the Bureau of Labor Insurance under the defined pension contribution plan.

### (XIV) Income taxes

	2024	2023
Income tax expenses during the period		
Generated during the period	\$ 10,157	37,613
Adjustments to income tax during the period for prior periods	(408)	(3,500)
	9,749	34,113
Occurrence and reversal of temporary differences	(3,361)	(7,803)
Income tax expense	<u>\$ 6,388</u>	<u>26,310</u>

There was no income tax expense recognized directly in equity or other comprehensive income for 2024 and 2023.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

A reconciliation of income tax expenses to net income before tax is as follows:

	2024	2023
Income before income tax	<u>\$ 105,020</u>	<u>222,283</u>
Income tax calculated at the domestic tax rate of the Company's location	\$ 21,004	44,457
Effects of tax rate differences in foreign jurisdictions	(53)	(302)
Investment tax credit	(6,892)	(7,689)
Adjustments to income tax for prior periods	(408)	(3,500)
Tax exemption income	(11,347)	(2,374)
Others	4,084	(4,282)
Income tax expense	<u>\$ 6,388</u>	<u>26,310</u>

1. Deferred income tax assets and liabilities

Deferred income tax assets:

	Allowance for inventory falling price loss	Compensati on for unused leave	Warranty provision and refund liabilities	Others	Total
<b>January 1, 2024</b>	\$ 18,145	2,425	1,087	5,257	26,914
(Debit) credit income statement	2,722	154	(405)	482	2,953
<b>December 31, 2024</b>	<u>\$ 20,867</u>	<u>2,579</u>	<u>682</u>	<u>5,739</u>	<u>29,867</u>
<b>January 1, 2023</b>	\$ 11,408	2,284	1,292	3,696	18,680
(Debit) credit income statement	6,737	141	(205)	1,561	8,234
<b>December 31, 2023</b>	<u>\$ 18,145</u>	<u>2,425</u>	<u>1,087</u>	<u>5,257</u>	<u>26,914</u>

	Bargain purchase interest	Others	Total
<b>January 1, 2024</b>	\$ 776	819	1,595
(Credit) debit income statement	(388)	(20)	(408)
<b>December 31, 2024</b>	<u>\$ 388</u>	<u>799</u>	<u>1,187</u>
<b>January 1, 2023</b>	\$ 1,164	-	1,164
(Credit) debit income statement	(388)	819	431
<b>December 31, 2023</b>	<u>\$ 776</u>	<u>819</u>	<u>1,595</u>

2. The Company's profit-seeking enterprise annual income tax return has been submitted to the tax collecting authorities for approval until 2022.

(XV) Capital and other equity

1. Common stock

As of December 31, 2024 and 2023, the Company's total authorized capital was NT\$800,000 thousand with a par value of NT\$10 per share and 80,000 thousand shares, of which 47,875 thousand shares were issued. After deducting 1,000 thousand treasury shares, the number of outstanding shares remained at 46,875 thousand.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### 2. Capital surplus

The balance of the Company's Capital surplus is as follows:

	December 31, 2024	December 31, 2023
Premium on issuance of shares	\$ 666,183	666,183
Difference between actual acquisition of price and carrying amount of equity of subsidiaries	23,991	23,991
	<b><u>\$ 690,174</u></b>	<b><u>690,174</u></b>

Under the Company Act, Capital surplus must be used to cover losses before new shares or cash can be issued based on the realized Capital surplus in proportion to the shareholders' original shares. The realized Capital surplus referred to in the preceding paragraph includes the proceeds from the issuance of shares in excess of par value and the proceeds from the receipt of gifts. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of Capital surplus that may be capitalized each year may not exceed 10% of the paid-in capital.

### 3. Retained earnings

In accordance with the Company's Articles of Incorporation, if there is any surplus in the annual final accounts, the Company shall first pay taxes to make up for prior years' deficits, and then set aside 10% of the legal reserve. After setting aside or reversing the special reserve as required by laws and regulations, the Board of Directors shall prepare an earnings distribution proposal and submit it to the shareholders' meeting for resolution if there are any earnings together with unappropriated earnings accumulated in previous years. If all or part of the dividends and bonuses payable are intended to be paid in cash, the Board of Directors is authorized to resolve and report to the shareholders' meeting.

The Company's dividend policy will depend on factors such as current and future development plans, investment environment, capital needs, domestic and foreign competition conditions, and capital budgets, while taking the interests of shareholders and the Company's long-term financial planning into account. The Board drafts a profit distribution proposal for the distributable earnings above; of which, the distribution of shareholders' dividend bonuses of each year should not be less than 10% of distributable earnings for the year; however, where the accumulated distributable earnings are less than 10% of the paid-in share capital, the distribution may be exempted; when distributing the shareholders' dividend bonuses, such may be distributed in the form of cash or shares, and the cash dividends shall not be less than 10% of the total dividends; provided that the actual distribution percentage shall be handled pursuant to the resolution of the shareholders' meeting.

#### (1) Legal reserve

If the Company has no deficit, it may issue new shares or cash from the legal reserve by resolution of the shareholders' meeting, provided that the amount of such reserve exceeds 25% of the paid-in capital. If the above is issued in cash, in accordance with the Company Act and the Company's Articles of Incorporation, the Board of Directors is authorized to resolve and report to the shareholders' meeting.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (2) Special reserve

In accordance with the requirements issued by the FSC, when the Company distributes distributable earnings, a special reserve in the same amount should be provided from current profit or loss and unappropriated earnings in prior periods for the net decrease in other shareholders' equity that occurred during the year; the special reserve in the same amount is not distributable from prior unappropriated earnings for the decrease in other shareholders' equity accumulated in prior periods. If there is a subsequent reversal in the amount of the reduction in other shareholders' equity, the reversed portion of the earnings may be distributed.

### 4. Earnings distribution

On February 27, 2024 and March 3, 2023, the Board of Directors resolved the cash dividends of earnings distribution proposals for 2023 and 2022 as follows:

	2023		2022	
	Dividends per share (NT\$)	Amount	Dividends per share (NT\$)	Amount
Dividends distributed to ordinary shareholders:				
Cash dividends distributed to shareholders from				
Unappropriated earnings	\$ 3.60	<u>168,751</u>	5.00	<u>234,377</u>

On February 27, 2025, the Board of Directors resolved the cash dividends of earnings distribution proposals for 2024 as follows:

	2024	
	Dividends per share (NT\$)	Amount
Dividends distributed to ordinary shareholders:		
Cash dividends distributed to shareholders from	\$ 1.85	<u>86,719</u>
Unappropriated earnings		

Additionally, on February 27, 2025, the Board of Directors resolved to distribute cash dividends of NT\$30,469 thousand from capital surplus, at NT\$0.65 per share.

The above information is available on the website MOPS.

### 5. Treasury stock

During the period from July to August 2022, the Company repurchased a total of 1,000 thousand shares of treasury stock in a total amount of NT\$85,925 thousand for the purpose of transferring shares to employees in accordance with Article 28-2 of the Securities and Exchange Act. As of December 31, 2024 and 2023, none of the shares had been transferred to employees or cancelled.

In accordance with the Securities and Exchange Act, treasury stock cannot be pledged and are not entitled to shareholders' rights until they are transferred. In addition, the percentage of number of shares repurchased by the Company shall not exceed 10% of the total number of shares issued by the Company. The total amount of shares repurchased shall not exceed the amount of retained earnings plus share premiums and realized Capital surplus.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### 6. Other equity (net amount after tax)

	Exchange differences on translation of foreign operations	Unrealized valuation losses on financial assets at fair value through other comprehensive income	Total
January 1, 2024	\$ (927)	63,427	62,500
Exchange differences arising from the translation of net assets of foreign operating institutions	1,806	-	1,806
Unrealized valuation loss on financial assets at fair value through other comprehensive income	-	(67,312)	(67,312)
Disposal of financial assets at fair value through other comprehensive income	-	(6,780)	(6,780)
December 31, 2024	<u><u>\$ 879</u></u>	<u><u>(10,665)</u></u>	<u><u>(9,786)</u></u>
January 1, 2023	\$ (886)	(9,114)	(10,000)
Exchange differences arising from the translation of net assets of foreign operating institutions	(41)	-	(41)
Unrealized valuation loss on financial assets at fair value through other comprehensive income	-	72,541	72,541
December 31, 2023	<u><u>\$ (927)</u></u>	<u><u>63,427</u></u>	<u><u>62,500</u></u>

### (XVI) Earnings per share

#### 1. Basic earnings per share

	2024	2023
Net income attributable to equity holders of the Company's ordinary shares	<u><u>\$ 98,632</u></u>	<u><u>195,973</u></u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u><u>46,875</u></u>	<u><u>46,875</u></u>
Basic earnings per share (NT\$)	<u><u>\$ 2.10</u></u>	<u><u>4.18</u></u>

#### 2. Diluted earnings per share

	2024	2023
Net income attributable to equity holders of the Company's ordinary shares	<u><u>\$ 98,632</u></u>	<u><u>195,973</u></u>
Weighted-average number of ordinary shares outstanding (basic) (in thousands)	46,875	46,875
Effect of dilutive potential ordinary shares (in thousands):		
Effect of employee compensation	228	399
Weighted-average number of ordinary shares outstanding (diluted) (in thousands)	<u><u>47,103</u></u>	<u><u>47,274</u></u>
Diluted earnings per share (NT\$)	<u><u>\$ 2.09</u></u>	<u><u>4.15</u></u>



## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (XVII) Revenue from customer contracts

#### 1. Breakdown of revenue

	2024	2023
Major regional markets:		
Taiwan	\$ 504,834	568,447
Mainland China	309,310	337,486
The U.S.	220,626	294,844
Others	195,177	180,099
	<b>\$ 1,229,947</b>	<b>1,380,876</b>
Major products and services:		
Electronic ceramic components	\$ 743,369	875,519
Module and system products	362,624	384,152
Other electronic parts and components	123,954	121,205
	<b>\$ 1,229,947</b>	<b>1,380,876</b>

#### 2. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes and accounts receivable (including related parties)	\$ 264,936	278,286	286,282
Less: Allowance for losses	(1,381)	(5,072)	(2,917)
	<b>\$ 263,555</b>	<b>273,214</b>	<b>283,365</b>
	December 31, 2024	December 31, 2024	December 31, 2023
Contractual liabilities (included in other current liabilities)	<b>\$ 12,691</b>	<b>4,228</b>	<b>7,783</b>

Notes and accounts receivable (including related parties) and impairment loss are disclosed in Note 6(5).

The change in contract liabilities is mainly due to the difference between the point at which the Group transfers goods to customers to satisfy its contractual obligations and the point at which customers pay. The opening balances of contract liabilities as of January 1, 2024 and 2023 were recognized as income of NT\$3,359 thousand and NT\$5,035 thousand for 2024 and 2023.

### (XVIII) Employees' and directors' remuneration

Pursuant to the Articles of Incorporation, where the Company makes profits in a year, 10% to 15% should be provided as employees' remuneration and no more than 3% should be provided as directors' remuneration. However, where the Company has accumulated losses, the amount for compensation shall be set aside first before allocating employee and director remuneration proportionally. The recipients of stock or cash distribution for employees' remuneration in the preceding paragraph, may include the employees of the controlling or subordinate companies meeting certain conditions. The conditions and distribution method shall be determined by the Board of Directors or its authorized designee.

For the years ended December 31, 2024 and 2023, the estimated amounts of employee compensation were NT\$11,802 thousand and NT\$24,922 thousand, respectively; the estimated amounts of director compensation were NT\$885 thousand and NT\$1,869 thousand, respectively, which are estimated by multiplying the Company's income before income tax for each period prior to the deduction of employee and director compensation by the percentage of employee and director compensation to be distributed by the Company. Such amounts are reported as operating costs or operating expenses for each period. If the actual distribution amount differs from the estimated amount, the difference is accounted for as a change in accounting estimate and recognized as profit or loss in the following year.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

The amount of employee and director compensation resolved by the Board of Directors was not different from the amount estimated in the above 2024 and 2023 parent-only financial reports, and was paid in cash. For relevant information, please refer to the website MOPS.

(XIX) Non-operating income and expenses

1. Interest income

	2024	2023
Interest income from bank deposits	\$ 4,925	5,971

2. Other income

	2024	2023
Dividend income	\$ 17,452	11,870
Subsidy income	7,076	525
Gains on writing off overdue accounts payable	-	2,648
Other income-others	1,379	3,781
	<u>\$ 25,907</u>	<u>18,824</u>

3. Other gains and losses

	2024	2023
Net foreign currency exchange gains (losses)	\$ 9,927	(9,389)
Net gain (loss) on financial instruments at fair value through profit or loss	(6,169)	4,540
Gain (loss) on disposal of property, plant and equipment(Note6(7))	51,964	(112)
Others	(8,369)	(928)
	<u>\$ 47,353</u>	<u>(5,889)</u>

4. Finance costs

	2024	2023
Interest expenses on bank loans	\$ (412)	(1,974)
Interest expenses on lease liabilities	(1,643)	(450)
	<u>\$ (2,055)</u>	<u>(2,424)</u>

(XX) Financial instruments

1. Types of financial instruments

(1) Financial assets

	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss:		
Mandatory financial assets at fair value through profit or loss - current:	\$ -	3,945
Financial assets at fair value through other comprehensive income-current	276,323	248,390
Financial assets measured at amortized cost:		
Cash and cash equivalents	573,584	382,556
Notes and accounts receivable (including related parties)	263,555	273,214
Financial assets measured at amortized cost - current	159,730	215,600
Refundable deposits	6,895	5,205
Subtotal	1,003,764	876,575
Total	<u>\$ 1,280,087</u>	<u>1,128,910</u>

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (2) Financial liabilities

	December 31, 2024	December 31, 2023
Financial liabilities at fair value through profit or loss	\$ 2,237	13
Financial liabilities measured at amortized cost:		
Short-term borrowings	23,018	-
Notes and accounts payable and other payables (including related parties)	328,396	303,777
Lease liabilities (including current and non-current) (including related parties)	74,187	29,880
Subtotal	425,601	333,657
Total	<u>\$ 427,838</u>	<u>333,670</u>

### 2. Information on fair value

#### (1) Financial instruments not measured at fair value

The Group's management believes that the carrying amounts of the Group's financial assets and financial liabilities classified as measured at amortized cost in the consolidated financial reports approximate their fair values.

#### (2) Financial instruments measured at fair value

Financial instruments held by the Group at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The following table provides an analysis of financial instruments measured at fair value after initial recognition and is categorized into Levels 1 to 3 based on the degree of observability of the fair value. Each fair value hierarchy is defined as follows:

- A. Level 1: Publicly quoted prices (unadjusted) for identical assets or liabilities in active markets.
- B. Level 2: Inputs to the asset or liability that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices), other than those included in Level 1 publicly available quotations.
- C. Level 3: Inputs to the asset or liability that are not based on observable market data (unobservable parameters).

	December 31, 2024				
	Fair value				
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income - current:					
Domestic listed company shares	\$ 276,323	276,323	-	-	276,323
Financial liabilities at fair value through profit or loss - current:					
Derivative financial instruments					
- forward foreign exchange contracts	\$ 2,237	-	2,237	-	2,237

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

	December 31, 2023				
	Carrying amounts	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss - current:					
Derivative financial instruments - forward foreign exchange contracts	\$ 3,945	-	3,945	-	3,945
Financial assets at fair value through other comprehensive income - current:					
Domestic listed company shares	\$ 248,390	248,390	-	-	248,390
Financial liabilities at fair value through profit or loss - current:					
Derivative financial instruments - forward foreign exchange contracts	\$ 13	-	13	-	13

### 3. Fair value measurement techniques used in measuring financial instruments at fair value

The estimates and assumptions used in estimating the fair value of derivative financial instruments approximate those used by market participants in pricing financial instruments, and such information is available to the Group. The fair value of forward foreign exchange contracts is generally based on current forward exchange rates.

The fair value of listed stocks with standard terms and conditions and traded in an active market is determined by reference to quoted market prices.

### 4. Transfer between fair value hierarchy

For the years ended December 31, 2024 and 2023, there was no transfer of financial assets and liabilities to the fair value hierarchy.

## (XXI) Financial risk management

The Group is exposed to credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risks) as a result of its business activities. This note presents information on the Group's exposure to each of these risks, the Group's policies and procedures for measuring and managing these risks, and quantitative disclosures.

The Group's Board of Directors is responsible for developing and controlling the Group's risk management policy. The risk management policy is established to identify and analyze the risks faced by the Group, set appropriate risk limits and controls, and monitor compliance with the risks and risk caps. The risk management policy and system are reviewed regularly to reflect changes in market conditions and the Group's operations.

The Group monitors and reviews financial activities in accordance with relevant regulations and internal control system. Internal auditors play a supervisory role and report the review results to the Board of Directors on a regular basis.

#### 1. Credit risk

Credit risk represents the risk of financial loss arising from non-performance of contractual obligations by counterparties to financial assets, mainly from cash and cash equivalents, derivative financial instruments, receivables from customers and financial assets carried at amortized cost. The carrying amount of the Group's financial assets represents the maximum exposure to credit risk.

The Group's bank deposits and derivative financial instruments classified as cash and cash equivalents, financial assets at amortized cost are all traded with financial institutions with good credit ratings, and therefore should not be exposed to significant credit risk.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

The Group has established a credit policy under which each customer is analyzed individually to determine its credit limit. 57% and 49% of the Group's notes and accounts receivable (including related parties) balance as of December 31, 2024 and 2023, respectively, consisted of five customers, resulting in a concentration of credit risk in the Group's accounts receivable. The Group continuously evaluates the financial position of its customers to reduce the risk.

### 2. Liquidity risk

Liquidity risk is the risk that the Group is unable to deliver cash or other financial assets to settle its financial liabilities and unable to meet its obligations. The Group manages liquidity risk by regularly monitoring its current and expected medium- and long-term capital requirements and by maintaining appropriate capital and banking facilities. As of December 31, 2024 and 2023, the Group had unused borrowing facilities of NT\$896,982 thousand and NT\$920,000 thousand, respectively.

The table below presents the contractual maturities of financial liabilities, including the impact of estimated interest, and is prepared based on undiscounted cash flows.

	Contractual cash flow	Within one year	1 to 2 years	More than 2 years
<b>December 31, 2024</b>				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 23,516	23,516	-	-
Notes and accounts payable and other payables (including related parties)	328,396	328,396	-	-
Lease liabilities (including current and non-current) (including related parties)	77,980	29,649	29,254	19,077
	<u>429,892</u>	<u>381,561</u>	<u>29,254</u>	<u>19,077</u>
Derivative financial instruments				
Forward foreign exchange contracts:				
Outflows	136,512	136,512	-	-
Inflows	(134,275)	(134,275)	-	-
	<u>2,237</u>	<u>2,237</u>	<u>-</u>	<u>-</u>
	<b><u>\$ 432,129</u></b>	<b><u>383,798</u></b>	<b><u>29,254</u></b>	<b><u>19,077</u></b>
<b>December 31, 2023</b>				
Non-derivative financial liabilities:				
Notes and accounts payable and other payables (including related parties)	\$ 303,777	303,777	-	-
Lease liabilities (including current and non-current)	30,454	12,870	7,794	9,790
	<u>334,231</u>	<u>316,647</u>	<u>7,794</u>	<u>9,790</u>
Derivative financial instruments				
Forward foreign exchange contracts:				
Outflows	6,245	6,245	-	-
Inflows	(6,232)	(6,232)	-	-
	<u>13</u>	<u>13</u>	<u>-</u>	<u>-</u>
	<b><u>\$ 334,244</u></b>	<b><u>316,660</u></b>	<b><u>7,794</u></b>	<b><u>9,790</u></b>

The Group does not anticipate that the timing of the cash flows for the maturity analysis will be significantly earlier or that the actual amounts will be significantly different.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### 3. Market risk

Market risk refers to the risk of changes in market prices, such as changes in exchange rates, interest rates and equity instruments, which may affect the Company's revenue or the value of financial instruments held by the Group. The objective of market risk management is to manage the level of market risk within a tolerable range and to optimize investment returns.

#### (1) Exchange rate risk

##### A. Exposure to exchange rate risk

The Group's hedging strategy is to enter into forward foreign exchange contracts to manage the exchange rate risk of net foreign currency positions arising from occurred sales and purchase transactions. The use of such derivative instruments helps the Group reduce, but not completely eliminate, the impact of foreign currency exchange rate fluctuation to a certain extent.

The Group has entered into derivative financial instruments with maturities less than six months and does not meet the conditions for hedge accounting.

The Group's exchange rate risk arises mainly from cash and cash equivalents, accounts receivable (payable) (including related parties), other payables (including related parties) and bank loans that are not denominated in functional currencies, which result in foreign currency exchange gains or losses upon translation.

The carrying amounts of monetary assets and liabilities that are not denominated in functional currencies at the reporting date (including monetary items eliminated in the consolidated financial statements that are not denominated in functional currency) and the related sensitivity analysis are as follows:

December 31, 2024						
	Foreign currency	Exchange rate	NT\$	Change in exchange rate	Impact of profit or loss (before tax)	
<u>Financial assets</u>						
<u>Monetary items</u>						
US\$	\$	8,324	32.785	272,902	1%	2,729
RMB		9,574	4.4915	43,002	1%	430
<u>Financial liabilities</u>						
<u>Monetary items</u>						
US\$		1,231	32.785	40,358	1%	404
RMB		137	4.4915	615	1%	6
December 31, 2023						
	Foreign currency	Exchange rate	NT\$	Change in exchange rate	Impact of profit or loss (before tax)	
<u>Financial assets</u>						
<u>Monetary items</u>						
US\$	\$	8,049	30.750	247,507	1%	2,475
RMB		7,397	4.3364	32,076	1%	321
<u>Financial liabilities</u>						
<u>Monetary items</u>						
US\$		459	30.750	14,114	1%	141
RMB		143	4.3364	620	1%	6

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### B. Exchange gains and losses on monetary items

Information on unrealized exchange gains and losses on monetary items is as follows:

	December 31, 2024		December 31, 2023	
	Unrealized exchange profits (losses)	Exchange rate	Unrealized exchange profits (losses)	Exchange rate
<u>Financial assets</u>				
US\$:NT\$	\$ 4,157	32.785	(7,446)	30.750
RMB:NT\$	223	4.4915	(300)	4.3364
<u>Financial liabilities</u>				
US\$:NT\$	(806)	32.785	549	30.750
RMB:NT\$	4	4.4915	13	4.3364

### (2) Interest rate risk

The Group's measures to address the risk of changes in interest rates on borrowings are to regularly evaluate the interest rates on bank loans and borrowings in various currencies, and to maintain good relationships with financial institutions in order to obtain lower financing costs; and to reduce its dependence on bank loans and diversify the risk of changes in interest rates by strengthening working capital management.

On December 31, 2024, the Group's bank loans were on a floating rate basis. If the annual interest rate on bank loans increases (or decreases) by 1%, the Group's income before income tax would decrease (or increase) by NT\$230 thousand, with all other variables held constant.

The above sensitivity analysis is based on the interest rate risk of the Group's bank loans on the reporting date. For floating rate liabilities, the analysis is based on the assumption that the amount of liabilities outstanding on the reporting date is outstanding throughout the year.

### (3) Other price risk

The Group is exposed to the risk of changes in the market price of equity securities when it holds shares of domestic listed companies. The Group manages and monitors the performance of its investments on a fair value basis.

The sensitivity analysis of the price risk of holding domestic listed stocks (included in financial assets at fair value through other comprehensive income - current) is based on the change in fair value on the reporting date. If the price of the above equity instruments had increased/decreased by 5%, the amount of other comprehensive income would have increased/decreased by NT\$13,816 thousand and NT\$12,420 thousand for 2024 and 2023 respectively.

## (XXII) Capital Management

Based on the characteristics of the current operating industry and the future development of the Group, and taking into consideration factors such as changes in the external environment, the Group plans its capital management to ensure that it can meet the needs for working capital, research and development expenses, and dividend payments in future periods.

For the years ended December 31, 2024 and 2023, there was no change in the Group's approach to capital management.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (XXIII) Investment and fund-raising activities for non-cash transactions

1. For the Group's acquisition of right-of-use asset through leases, please refer to Note 6(8) for details.
2. The reconciliation of liabilities from financing activities is as follows:

	January 1, 2024	Cash flow	Changes in non-cash			December 31, 2024
			Increase in lease liabilities	Amendment of lease agreement	Change in exchange rate	
Short-term borrowings	\$ -	23,018	-	-	-	23,018
Lease liabilities (including related parties)	29,880	(25,487)	69,605	(300)	489	74,187
Total liabilities from financing activities	<u>\$ 29,880</u>	<u>(2,469)</u>	<u>69,605</u>	<u>(300)</u>	<u>489</u>	<u>97,205</u>

	January 1, 2023	Cash flow	Changes in non-cash			December 31, 2023
			Increase in lease liabilities	Change in exchange rate		
Short-term borrowings	\$ 86,720	(86,720)	-	-	-	-
Lease liabilities (including related parties)	43,107	(22,224)	9,077	(80)		29,880
Total liabilities from financing activities	<u>\$ 129,827</u>	<u>(108,944)</u>	<u>9,077</u>	<u>(80)</u>		<u>29,880</u>

3. Investing activities with only partial cash payments:

	2024	2023
Acquisition of property, plant and equipment	\$ 42,728	46,221
Add: Payable for equipment at the beginning of the period	2,216	15,851
Less: Payable for equipment at the end of the period	(6,976)	(2,216)
Add: Prepayments for equipment at the beginning of the period	39,500	12,836
Less: Prepayments for equipment at the beginning of the period	(12,836)	(13,753)
Add: Reclassified from prepaid equipment	10,913	10,270
Cash paid during the period	<u>\$ 75,545</u>	<u>69,209</u>

## VII. Related party transactions

### (I) Parent company and ultimate controlling party

Darfon Electronics Corp. is the parent company of the Company and the ultimate controlling party of the group to which it belongs. It directly and indirectly owns 46.75% of the outstanding ordinary shares of the Company and has prepared consolidated financial statements for public use.



## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (II) Names and relationships of related parties

The related parties with whom the Group had transactions during the period covered by the consolidated financial reports are as follows:

Name of related parties	Relationship with the Group
Darfon Electronics Corp (Darfon)	The Group's parent company
Suzhou Darfon Electronics Corp (DFS)	A subsidiary of Darfon
Chongqing Darfon Electronics Corp (DFQ)	A subsidiary of Darfon
Darfon Vietnam Co., Ltd.(DFV)	A subsidiary of Darfon
Qisda Corporation (Qisda)	An individual who has significant influence on Darfon
Hitron Technologies (Hitron)	A subsidiary of Qisda
Hitron Technologies (Vietnam) (Hitron Vietnam)	A subsidiary of Qisda
Alpha Networks Inc. (Alpha Networks)	A subsidiary of Qisda
DFI Inc. (DFI)	A subsidiary of Qisda
Metaage Corporation (MTG)	A subsidiary of Qisda
BenQ Asia Pacific Corp. (BQP)	A subsidiary of Qisda
Alpha Networks (Hong Kong) Limited (Alpha HK)	A subsidiary of Qisda

### (III) Significant transactions with related parties

#### 1. Net revenue

The significant amounts of sales to related parties are as follows:

	2024	2023
Parent company	\$ 4	208
Other related parties	45,835	32,374
	<b>\$ 45,839</b>	<b>32,582</b>

The terms of the Group's sales to related parties are not significantly different from those of general sales. The credit period is 90 to 120 days on a monthly basis.

#### 2. Purchase

The amounts of the Group's purchases from related parties are as follows:

	2024	2023
Parent company	<b>\$ 284</b>	<b>29</b>

The prices of the Group's purchases from the above related parties are not significantly different from the normal purchase prices; the payment terms are 90 days on a monthly basis, which are not significantly different from normal transactions.

#### 3. Leases

The Group leases its plant from its parent company Darfon at a rent that is based on the rental rate in the neighboring areas and is paid monthly. The Group recognized interest expense of NT\$174 thousand and NT\$230 thousand for 2024 and 2023 respectively, and had a lease liability of NT\$11,952 thousand and NT\$16,633 thousand as of December 31, 2024 and 2023 respectively.

The Group leases its plant from its other related party DFV at a rent that is based on the rental rate in the neighboring areas and is paid monthly. In May 2024, the Group entered into a lease agreement with DFV and recognized a right-of-use asset and a lease liability of NT\$18,973 thousand. The Group recognized interest expense of NT\$767 thousand for 2024, and had a lease liability of NT\$17,144 thousand as of December 31, 2024.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### 4. Dividend

For the year ended December 31, 2024, 2023, the amount of dividend income generated by the company's related parties' securities is as follows:

Item	Type of related parties	2024	2023
Other income	Parent company	\$ 8,200	6,150
Other income	Other related parties	3,432	5,720
		<u>\$ 11,632</u>	<u>11,870</u>

### 5. Operating costs and operating expenses

The Group incurred operating costs and operating expenses for miscellaneous purchases from related parties, inspection and testing, and apportionment of utilities, etc. as follows:

Item	Type of related parties	2024	2023
Operating costs	Parent company	\$ 9,704	9,492
Operating expenses	Parent company	7,622	3,025
Operating expenses	Other related parties	817	-
		<u>\$ 18,143</u>	<u>12,517</u>

### 6. Amounts due from related parties

The Group's receivables from related parties are summarized as follows:

Item	Type of related parties	December 31, 2024	December 31, 2023
Accounts receivable - related parties	Parent company	\$ 4	7
Accounts receivable - related parties	Other related parties	14,373	8,107
		<u>\$ 14,377</u>	<u>8,114</u>

### 7. Amounts due to related parties

The Group's payables to related parties are summarized as follows:

Item	Type of related parties	December 31, 2024	December 31, 2023
Accounts payable - related parties	Parent company	\$ 49	17
Other payables - related parties	Parent company	5,744	6,006
Other payables - related parties	Other related parties	778	-
		<u>\$ 6,571</u>	<u>6,023</u>

### (IV) Key management compensation

	2024	2023
Short-term employee benefits	\$ 42,751	54,983
Post-employment benefits	265	382
	<u>\$ 43,016</u>	<u>55,365</u>

# Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

## VIII. Pledged assets

The carrying amounts of the assets pledged by the Group are as follows:

Name of assets	Subject of pledge	December 31, 2024	December 31, 2023
Time deposits (included in financial assets measured at amortized cost - current)	Performance Guarantees	\$ 14,130	-
Time deposits (included in financial assets measured at amortized cost - current)	Corporate credit card deposits	600	600
		<b>\$ 14,730</b>	<b>600</b>

IX. Significant contingent liabilities and unrecognized contractual commitments: None.

X. Significant catastrophic losses: None.

XI. Significant subsequent events: None.

XII. Others

Employee benefits, depreciation and amortization expenses by function are summarized as follows:

By function By nature	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	222,967	189,628	412,595	220,698	169,167	389,865
Labor and health insurance expenses	23,097	15,832	38,929	22,356	15,918	38,274
Pension expenses	9,076	6,400	15,476	9,085	5,910	14,995
Other employee benefit expenses	14,463	5,949	20,412	12,513	4,968	17,481
Depreciation expenses	93,022	28,745	121,767	98,302	26,660	124,962
Amortization expenses	365	5,787	6,152	721	2,990	3,711

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### XIII. Notes disclosures

#### (I) Relevant information on significant transactions

The Group's information on significant transactions required to be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in 2024 is as follows:

1. Lending of funds to others: None.
2. Endorsement and guarantee for others: None.
3. Securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures):

Unit: thousand shares

Companies held	Type and name of securities	Relationship with the issuer of securities	Accounting subjects	End of period				Maximum shareholding in the middle of the period		Remarks
				No. of shares	Carrying amounts	Shareholding ratio	Fair value	No. of shares	Shareholding percentage	
The Company	Qisda shares	Significant influence on the Group's parent company	Financial assets at fair value through other comprehensive income - current:	2,860	96,096	0.15%	96,096	2,860	0.15%	-
The Company	Darfon shares	The Group's parent company	Financial assets at fair value through other comprehensive income - current:	4,000	174,200	1.43%	174,200	4,000	1.43%	-
The Company	United Microelectronics Corporation shares	-	Financial assets at fair value through other comprehensive income - current:	140	6,027	-	6,027	1,940	0.02%	-

4. Cumulative purchases or sales of securities amounting to at least NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of properties amounting to at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of properties amounting to at least NT\$300 million or 20% of the paid-in capital:

Unit: thousands of New Taiwan Dollars

Name of the company	Type of property	Transaction date	Acquisition date	Carrying amount	Transaction amount	Amount actually received	Gain (loss) on disposal	Counter-party	Nature of relationship	Purpose of disposal	Price reference	Other terms
The Company	Plant	2024/09/06	2021/03/01	186,321	245,000 (Include tax) (Note)	Payment has been collected	51,964 (Note)	Shin-ya Electronics Enterprise Co., Ltd.	-	Revitalize assets and increase the efficiency of capital utilization	Adopt the negotiation method and refer to the market conditions and the valuation report of the real estate appraiser	None

Note: The contractual selling price was NT\$245,000 thousand. After deducting relevant taxes and expenses, the net disposal proceeds amounted to NT\$238,285 thousand, resulting in a net disposal gain of NT\$51,964 thousand.

7. Purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
9. Derivative transactions: Please refer to Note 6(2).

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### 10. Business relationships and significant transactions between parent company and subsidiaries:

No. (Note 1)	Name of counterparties	Transaction targets	Relationship with counterparties (Note 2)	Transactions (Note 3)			
				Subject	Amount	Transaction terms	As a percentage of consolidated total operating revenues or total assets (Note 4)
0	The Company	Unictron Technologies Corporation (Shenzhen)	1	Sales	23,247	150-day monthly settlement	1.89%
0	The Company	Unictron Technologies Corporation (Shenzhen)	1	Accounts receivable	18,748	150-day monthly settlement	0.92%

Note 1: The numbering method is as follows:

1.0 represents the parent company.

2. Subsidiaries are numbered according to the company, starting with the number 1.

Note 2: The type of relationships with the counterparties is as follows:

1. Parent company to a subsidiary.

2. A subsidiary to parent company.

3. A subsidiary to a subsidiary.

Note 3: The business relationships and significant transactions between the parent and subsidiary are disclosed only for sales and accounts receivable, and the corresponding purchase and accounts payable are not further described.

Note 4: The amount of the transaction is divided by the consolidated operating revenue or consolidated total assets.

Note 5: Written off in the preparation of the consolidated financial statements.

### (II) Relevant information on re-investees:

Information on the Company's re-investees for 2024 is as follows (excluding the investees in Mainland China):

Name of investor companies	Name of investees	Location	Main businesses	Original investment amount		Holding at the end of the period			Maximum shareholding in the middle of the period		Current Profit or loss of the investees	Investment profit or loss recognized during the period	Remarks
				End of the period	End of last year	No. of shares	percentage	Carrying amounts	No. of shares	Shareholding ratio			
The Company	Unicom Technologies, Inc.	Mauritius	Investment holdings	47,321 (USD1,535)	47,321 (USD1,535)	1,535	100.00%	24,568	1,535	100.00%	(1,05)	(1,055)	Subsidiary of the Company
The Company	Unictron Technologies Vietnam Co., Ltd. (UTV)	Vietnam	Manufacturing and sales of antennas for wireless communications	80,908 (USD2,500)	-	Note1	100.00%	75,555	Note1	100.00%	(6,31)	(6,311)	Subsidiary of the Company

Unit: thousand shares

Note1: As the company is a limited company, no share count information is available.

### (III) Information on investment in Mainland China:

#### 1. Name of the investee company in Mainland China, main businesses and other related information:

Name of investees in Mainland China	Main businesses Item	Paid-up capital	Investment method	Cumulative investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Cumulative investment amount remitted from Taiwan at the end of the period	Investees Profit or loss for the period	Percentage of the Company's direct or indirect investment	Maximum shareholding in the middle of the period		Investment (loss) profit recognized during the period	Carrying value of investments at the end of the period	Investment income remitted or recovered as of the end of the period
					Remitted	Recovered				No. of shares	Shareholding percentage			
Unictron Technologies Corporation (Shenzhen) Co., Ltd.	Design and marketing of antenna and modules for wireless communication	48,260 (USD1,472)	(Note 1)	48,260 (USD1,472)	-	-	48,260 (USD1,472)	(895)	100.00 %	(Note 3)	100.00%	(895) (Note 2)	24,908	-

Note 1: Company established through third-party investments and reinvested in Mainland China.

Note 2: Recognized based on the financial statements of the investee company audited by the parent company's accountants in Taiwan.

Note 3: It is a limited company, so there is no information on the number of shares.

Note 4: The above amounts in NTS were translated into NTS at the closing exchange rate of 32.785 on December 31, 2024.

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### 2. Investment limit in Mainland China:

Company name	Cumulative amount of investment remitted from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	Investment limit in Mainland China in accordance with the regulations of the Investment Commission, Ministry of Economic Affairs
The Company	48,260 (USD1,472)	48,260 (USD1,472)	954,292

### 3. Significant transactions with Mainland China investees:

Name of related parties	Relationship between the Company and its related parties	Transaction terms					Notes and accounts receivable (payable)		Unrealized loss (profit)
		Type	Amount	Price	Payment terms	Comparison with general transactions	Balance	Percentage	
Unictron Technologies Corporation (Shenzhen) Co., Ltd.	Subsidiary indirectly controlled by the Company	Sales	23,247	Price negotiated between both parties	150-day monthly settlement	(Note 1)	18,748	7.17%	380
		Purchase	1,451	Price negotiated between both parties	90-day monthly settlement	No significant difference from general transactions	553	0.45%	-

(Note 1): The prices of the Company's sales to the related parties are not significantly different from the normal sales prices, except for some products with different specifications, which are not comparable to the normal transaction prices.

### (IV) Information on major shareholders

Unit: shares		
Names of major shareholders	No. of shares held	Shareholding percentage
Darfon Electronics Corp.	17,551,081	36.65%
Chengli Investment Co., Ltd.	4,361,375	9.10%

Note: The information in this table regarding major shareholders is provided by the Taiwan Depository & Clearing Corporation (TDCC) based on the last business day of each quarter. It includes shareholders holding 5% or more of the company's common shares that have been fully dematerialized and registered (including treasury shares). Percentages are rounded down to two decimal places.

## XIV. Department information

### (I) General information

The Group is principally engaged in the manufacture and sale of electronic ceramic components, modules and system products and other electronic parts and components. The Group has only one reportable segment, and the segment profit and loss, segment assets and segment liabilities information are consistent with the consolidated financial statements. Please refer to the consolidated balance sheet and the consolidated statement of comprehensive income for details.

### (II) Product and service information

The Group's revenue information from external customers is as follows:

<u>Name of products and services</u>	<u>2024</u>	<u>2023</u>
Electronic ceramic components	\$ 743,369	875,519
Module and system products	362,624	384,152
Other electronic parts and components	123,954	121,205
	<u>\$ 1,229,947</u>	<u>1,380,876</u>

## Notes to consolidated financial reports of Unictron Technologies Corporation and Subsidiaries (continued)

### (III) Geographical area

Information by geographical area of the Group is shown as follows, where revenues are categorized based on the geographical location of customers and non-current assets are categorized based on the geographical location of assets.

<b>By geographical area</b>	<b>2024</b>	<b>2023</b>
Revenue from external customers:		
Taiwan	\$ 504,834	568,447
Mainland China	309,310	337,486
The U.S.	220,626	294,844
Others	195,177	180,099
	<b><u>\$ 1,229,947</u></b>	<b><u>1,380,876</u></b>
	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Non-current assets:		
Taiwan	\$ 381,926	582,721
Mainland China	5,498	8,744
Vietnam	57,803	-
	<b><u>\$ 445,227</u></b>	<b><u>591,465</u></b>

The above non-current assets include property, plant and equipment, investment property, intangible assets, right-of-use assets and other assets, but do not include non-current assets such as financial instruments and deferred income tax assets.

### (IV) Information on major customers

The Group's revenue from a single customer amounting to more than 10% of consolidated net operating revenue:

	<b>2024</b>	<b>2023</b>
Customer A	\$ 239,958	259,552
Customer B	153,541	170,600
	<b><u>\$ 393,499</u></b>	<b><u>430,152</u></b>