

**Unictron Technologies Corporation
and Subsidiaries
Consolidated Financial Statements With
Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024**

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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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Independent Auditors’ Review Report

To the Board of Directors of Unictron Technologies Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Unictron Technology Corporation (the "Company") and its subsidiaries (together referred to as the "Group") as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three and six months ended June 30, 2025 and 2024, the consolidated statement of changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. The 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 International Accounting Standard ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Unictron Technology Corporation and its subsidiaries as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three and six months ended June 30, 2025 and 2024, the consolidated statement of changes in equity and cash flows for the six months ended June 30, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ report are Shi-Chun, Hsu and Ching-Wen, Kao.

KPMG
Taipei, Taiwan (Republic of China)
July 30, 2025

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

Unictron Technologies Corporation and Subsidiaries

Consolidated Balance Sheets

June 30, 2025, December 31, 2024 and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2025		December 31, 2024		June 30, 2024	
Assets		Amount	%	Amount	%	Amount	%
Current assets:							
1100	Cash and cash equivalents (Note 6(1))	\$ 676,350	34	573,584	28	531,031	24
1110	Financial assets at fair value through profit or loss—current (Note 6(2))	7,593	-	-	-	-	-
1120	Financial assets at fair value through other comprehensive income—current (Note 6(3))	227,937	14	276,323	13	359,127	17
1136	Financial assets at amortized cost—current (Notes 6(4) and 8)	14,730	1	159,730	8	600	-
1170	Notes and accounts receivable, net (Notes 6(5) and (17))	267,786	13	249,178	12	295,413	14
1180	Accounts receivable from related parties (Notes 6(5)、(17) and 7)	19,327	1	14,377	1	14,365	1
1220	Current tax assets	9,984	1	15,766	1	-	-
1310	Inventories (Note 6(6))	244,167	12	266,859	13	278,154	13
1410	Prepayments and other current assets	<u>9,435</u>	<u>-</u>	<u>10,791</u>	<u>-</u>	<u>7,122</u>	<u>-</u>
	Total current assets	<u>1,527,309</u>	<u>76</u>	<u>1,566,608</u>	<u>76</u>	<u>1,485,812</u>	<u>69</u>
Non-current assets:							
1600	Property, plant and equipment (Note 6(7))	300,851	15	314,083	15	504,143	24
1755	Right-of-use assets (Notes 6(8) and 7)	93,803	5	73,552	4	83,802	4
1780	Intangible assets (Note 6(9))	13,924	1	18,092	1	12,215	1
1840	Deferred income tax assets	35,083	2	29,867	2	25,810	1
1915	Prepayments for equipment	29,002	1	39,500	2	27,294	1
1920	Refundable deposits	8,151	-	6,895	-	6,888	-
1975	Net Defined Benefit Asset- non-current	<u>104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total non-current assets	<u>480,918</u>	<u>24</u>	<u>481,989</u>	<u>24</u>	<u>660,152</u>	<u>31</u>
	Total assets	<u>\$ 2,008,227</u>	<u>100</u>	<u>2,048,597</u>	<u>100</u>	<u>2,145,964</u>	<u>100</u>

(Continued)

See accompanying notes to consolidated financial statements.

Unictron Technologies Corporation and Subsidiaries**Consolidated Balance Sheets (continued)****June 30, 2025, December 31, 2024 and June 30, 2024****(Expressed in Thousands of New Taiwan Dollars)**

Liabilities and Equity		June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%
Current liabilities:							
2100	Short-term borrowings (Note 6(10))	\$ -	-	23,018	1	11,205	1
2120	Financial liabilities at fair value through profit or loss - current (Note 6(2))	18	-	2,237	-	2,612	-
2170	Notes and accounts payable	128,645	7	126,633	6	99,027	5
2180	Accounts payable - related parties (Note 7)	233	-	49	-	83	-
2219	Other payables (Note 6(18))	172,419	9	201,892	10	139,589	7
2220	Other payables - related parties (Note 7)	8,099	-	6,522	-	7,921	-
2216	Dividends payable (Note 6(15))	117,189	6	-	-	168,751	8
2250	Provision for liabilities - current (Note 6(12))	335	-	217	-	241	-
2281	Lease liabilities-current (Note 6(11))	27,552	1	19,766	1	18,150	1
2282	Lease liabilities - related parties - current (Notes 6(11) and 7)	7,902	-	8,073	1	7,846	-
2300	Other current liabilities (Note 6(17))	<u>12,756</u>	<u>1</u>	<u>21,798</u>	<u>1</u>	<u>10,506</u>	<u>-</u>
Total current liabilities		<u>475,148</u>	<u>24</u>	<u>410,205</u>	<u>20</u>	<u>465,931</u>	<u>22</u>
Non-current liabilities:							
2570	Deferred Tax Liabilities	1,669	-	1,187	-	1,079	-
2581	Lease liabilities non-current (Note 6(11))	46,119	2	25,325	1	32,688	2
2582	Lease liabilities - related parties - non-current (Notes 6(11) and 7)	15,562	1	21,023	1	24,956	1
2640	Net defined benefit liabilities - non-current	<u>-</u>	<u>-</u>	<u>370</u>	<u>-</u>	<u>2,546</u>	<u>-</u>
Total non-current liabilities		<u>63,350</u>	<u>3</u>	<u>47,905</u>	<u>2</u>	<u>61,269</u>	<u>3</u>
Total liabilities		<u>538,498</u>	<u>27</u>	<u>458,110</u>	<u>22</u>	<u>527,200</u>	<u>25</u>
Equity (Notes 6(3) and (15))							
3110	Common stock	<u>478,753</u>	<u>22</u>	<u>478,753</u>	<u>23</u>	<u>478,753</u>	<u>22</u>
3200	Capital surplus	<u>659,704</u>	<u>33</u>	<u>690,174</u>	<u>34</u>	<u>690,174</u>	<u>32</u>
Retained earnings:							
3310	Legal reserve	175,411	9	164,693	8	164,693	8
3320	Special reserve	9,786	-	-	-	-	-
3350	Unappropriated earnings	<u>297,673</u>	<u>15</u>	<u>352,578</u>	<u>17</u>	<u>292,407</u>	<u>13</u>
		<u>482,870</u>	<u>24</u>	<u>517,271</u>	<u>25</u>	<u>457,100</u>	<u>21</u>
Other equity:							
3410	Exchange differences on translation of foreign operations	(9,038)	-	879	-	9	-
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	<u>(56,635)</u>	<u>(3)</u>	<u>(10,665)</u>	<u>-</u>	<u>78,653</u>	<u>4</u>
		<u>(65,673)</u>	<u>(3)</u>	<u>(9,786)</u>	<u>-</u>	<u>78,662</u>	<u>4</u>
3500	Treasury stock	<u>(85,925)</u>	<u>(4)</u>	<u>(85,925)</u>	<u>(4)</u>	<u>(85,925)</u>	<u>(4)</u>
Total equity		<u>1,469,729</u>	<u>73</u>	<u>1,590,487</u>	<u>78</u>	<u>1,618,764</u>	<u>75</u>
Total liabilities and equity		<u><u>\$ 2,008,227</u></u>	<u><u>100</u></u>	<u><u>2,048,597</u></u>	<u><u>100</u></u>	<u><u>2,145,964</u></u>	<u><u>100</u></u>

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 Three and Six Months Ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		Three Months Ended June 30				Six Months Ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Net revenue (Notes 6(17), 7 and 14)	\$ 351,314	100	308,250	100	674,877	100	612,884	100
5000	Operating costs (Notes 6(6), (7), (8), (9), (11), (12) (13), (18), 7 and 12)	(228,166)	(65)	(215,787)	(70)	(453,729)	(67)	(432,281)	(71)
	Gross profit	123,148	35	92,463	30	221,148	33	180,603	29
	Operating expenses (Notes 6(5), (7), (8), (9), (11), (13), (18), 7 and 12):								
6100	Marketing expenses	(12,816)	(4)	(12,304)	(4)	(25,035)	(4)	(24,588)	(4)
6200	Administrative expenses	(23,900)	(7)	(27,092)	(9)	(50,643)	(8)	(53,076)	(8)
6300	Research and development expenses	(32,811)	(9)	(32,355)	(10)	(66,093)	(9)	(59,517)	(10)
6450	Expected credit impairment reversal benefit	475	-	661	-	528	-	3,147	1
6000	Total operating expenses	(69,052)	(20)	(71,090)	(23)	(141,243)	(21)	(134,034)	(21)
	Operating income	54,096	15	21,373	7	79,905	12	46,569	8
	Non-operating income and expenses (Notes 6(11), (19) and 7):								
7100	Interest income	1,905	-	1,705	1	2,723	-	2,640	-
7010	Other income	260	-	331	-	1,002	-	678	-
7020	Other gains and losses	(18,795)	(5)	695	-	(17,434)	(2)	3,349	1
7050	Finance costs	(656)	-	(496)	-	(1,622)	-	(591)	-
	Total non-operating income and expenses	(17,286)	(5)	2,235	1	(15,331)	(2)	6,076	1
	Income before income tax	36,810	10	23,608	8	64,574	10	52,645	9
7950	Less: Income tax expenses (Note 6(14))	(8,909)	(2)	(1,688)	(1)	(13,073)	(2)	(5,636)	(1)
	Net income	27,901	8	21,920	7	51,501	8	47,009	8
	Other comprehensive income (Note 6(15)):								
8310	Items that will not be reclassified subsequently to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(9,661)	(3)	8,202	3	(45,153)	(7)	15,226	2
8349	Income taxes related to items that may not be reclassified	-	-	-	-	-	-	-	-
		(9,661)	(3)	8,202	3	(45,153)	(7)	15,226	2
8360	Items that may be subsequently reclassified to profit or loss								
8361	Exchange differences on translation of foreign operations	(11,326)	(3)	410	-	(9,917)	(1)	936	-
8399	Income taxes related to items that may be reclassified	-	-	-	-	-	-	-	-
		(11,326)	(3)	410	-	(9,917)	(1)	936	-
	Other comprehensive income of the period	(20,987)	(6)	8,612	3	(55,070)	(8)	16,162	2
	Total comprehensive income of the period	\$ 6,914	2	30,532	10	(3,569)	-	63,171	10
	Earnings per share (Unit: NT\$, Note 6(16))								
9750	Basic earnings per share	\$ 0.60		0.47		1.10		1.00	
9850	Diluted earnings per share	\$ 0.59		0.47		1.09		1.00	

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 six months ended June 30, 2025 and 2024
(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					
Balance of January 1, 2024	\$ 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	-	-	-	-	47,009	47,009	-	-	-	-	47,009
Other comprehensive income of the period	-	-	-	-	-	-	936	15,226	16,162	-	16,162
Total comprehensive income of the period	-	-	-	-	47,009	47,009	936	15,226	16,162	-	63,171
Appropriation and distribution of earnings:											
Legal reserve	-	-	19,620	-	(19,620)	-	-	-	-	-	-
Special reserve	-	-	-	(10,001)	10,001	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(168,751)	(168,751)	-	-	-	-	(168,751)
Balance of June 30, 2024	\$ 478,753	690,174	164,693	-	292,407	457,100	9	78,653	78,662	(85,925)	1,618,764
Balance of January 1, 2025	\$ 478,753	690,174	164,693	-	352,578	517,271	879	(10,665)	(9,786)	(85,925)	1,590,487
Net income of the period	-	-	-	-	51,501	51,501	-	-	-	-	51,501
Other comprehensive income of the period	-	-	-	-	-	-	(9,917)	(45,153)	(55,070)	-	(55,070)
Total comprehensive income of the period	-	-	-	-	51,501	51,501	(9,917)	(45,153)	(55,070)	-	(3,569)
Appropriation and distribution of earnings:											
Legal reserve	-	-	10,718	-	(10,718)	-	-	-	-	-	-
Special reserve	-	-	-	9,786	(9,786)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(86,719)	(86,719)	-	-	-	-	(86,719)
Cash dividend distributed from capital surplus	-	(30,470)	-	-	-	-	-	-	-	-	(30,470)
Disposal of financial Assets at fair value through other comprehensive income	-	-	-	-	817	817	-	(817)	(817)	-	-
Balance of June 30, 2025	\$ 478,753	659,704	175,411	9,786	297,673	482,870	(9,038)	(56,635)	(65,673)	(85,925)	1,469,729

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 six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Income before income tax	\$ 64,574	52,645
Adjustments for:		
Income and expenses items		
Depreciation expenses	57,783	64,015
Amortization expenses	4,158	2,590
Expected credit impairment reversal gain	(528)	(3,147)
Interest expenses	1,622	591
Interest income	(2,723)	(2,640)
Total income and expenses items	60,312	61,409
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	(7,593)	3,945
Notes and accounts receivable	(18,080)	(27,166)
Accounts receivable - related parties	(4,950)	(6,251)
Inventories	22,692	50,849
Net defined benefit asset	(104)	-
Prepayments and other current assets	1,333	350
Total net changes in assets related to operating activities	(6,702)	21,727
Net changes in liabilities related to operating activities:		
Financial liabilities at fair value through profit or loss	(2,219)	2,599
Notes and accounts payable	2,012	(8,606)
Accounts payable - related parties	184	66
Other payables	(37,792)	(62,167)
Other payables - related parties	1,577	1,915
Provision for liabilities	118	59
Other current liabilities	(9,042)	(108)
Net defined benefit liabilities	(370)	(392)
Total net changes in liabilities related to operating activities	(45,532)	(66,634)
Total net changes in assets and liabilities related to operating activities	(52,234)	(44,907)
Total adjustments	8,078	16,502
Cash inflows from operations	72,652	69,147
Interest received	2,746	2,665
Interest paid	(1,735)	(532)
Income taxes paid	(176)	(3,501)
Net cash inflows from operating activities	73,487	67,779

(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 six months ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Six Months Ended June 30,	
	2025	2024
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(94,916)	(95,511)
Disposal of financial assets at fair value through other comprehensive income	48,148	-
Acquisition of financial assets measured at amortized cost	145,000	215,000
Acquisition of property, plant and equipment (including prepayments for land and equipment)	(22,483)	(28,978)
Acquisition of intangible assets	-	(8,479)
Increase in refundable deposits	(1,256)	(1,683)
Net cash inflows from investing activities	74,493	80,349
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(23,018)	11,205
Principal repayment of leases	(14,158)	(11,809)
Net cash outflows from financing activities	(37,176)	(604)
Effect of changes in exchange rates	(8,038)	951
Increase in cash and cash equivalents of the period	102,766	148,475
Balance of cash and cash equivalents at beginning of period	573,584	382,556
Balance of cash and cash equivalents at end of period	\$ 676,350	531,031

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 Six Months Ended June 30, 2025 and 2024
(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-Si, Hsin-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 July 30, 2025.

(III) Application of newly issued and amended standards and interpretations

1. The impact of the International Financial Reporting Standards ("IFRS") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.
The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025.
 - Amendments to IFRS21 "Lack of Exchangeability "
2. The impact if IFRS recognized by the FSC but not yet effective
The Group assesses that the application of the following newly amended IFRS, which are effective from January 1, 2026, will not have a material impact on the consolidated financial reports.
 - Amendments to IFRS 9 and IFRS 7 - "Classification and Measurement of Financial Instruments": Application Guidance on Section 4.1 of IFRS 9 and Related Disclosure Requirements under IFRS 7
3. 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:

Newly released or revised standards		Main revisions	Effective date issued by the Board of Directors
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)

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

Newly released or revised standards			Main revisions	Effective date issued by the Board of Directors
IFRS 18	"Presentation and Disclosures in Financial Statements"		● 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. ● 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. ● 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.	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 by the FSC 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" regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7.
- 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

1. Statement of Compliance

The accompanying 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 IAS 34, interim Financial Reporting, as endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs endorsed by the FSC with effective dates.

Except as described below, the significant accounting policies applied in the consolidated financial statements are the same as those applied in the consolidated financial statements for the year ended December 31, 2024, and have been applied consistently to all periods in the consolidated financial statements. Refer to Note 4 of the consolidated financial statements for the year ended December 31, 2024 for the details.

2. Basis of consolidation

(1) Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements include:

<u>Name of investor companies</u>	<u>Name of subsidiaries</u>	<u>Business nature</u>	<u>Percentage of shareholding</u>			<u>Description</u>
			<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	
The Company	Unicom Technologies, Inc. (UTI)	Investment holdings	100.00%	100.00%	100.00%	-
UTI	Unictron Technologies (Shenzhen) Co., LTD. (Unictron Shenzhen)	Design and marketing of antenna and modules for wireless communication	100.00%	100.00%	100.00%	-
The Company	Unictron Technologies Vietnam Co., Ltd. (UTV)	Manufacturing and sales of antennas for wireless communications	100.00%	100.00%	100.00%	-

(2) Subsidiaries not included in the consolidated financial statements: None.

3. Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially-determined pension cost rate at the end of prior fiscal year, adjusted for significant market fluctuations subsequent to the end of prior fiscal year and for significant curtailments, settlements, or other significant one-time events.

4. Income taxes

The Company measures and discloses interim period income tax expense in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expense for the period is best estimated by multiplying pre-tax income of the interim period by a projected annual effective tax rate, and is recognized as current tax expense.

Income taxes that are recognized directly in equity or other comprehensive income are measured in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases at the tax rates that are expected to be applied in the year in which the asset is realized or the liability is settled.

(V) Major sources of uncertainty in significant accounting judgments, estimates and assumptions

In preparing these consolidated financial statements in accordance with the preparation guidelines and IAS 34 “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission, management is required to make judgments and estimates concerning the future, including climate-related risks and opportunities. These judgments and estimates affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from those estimates.

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

The critical accounting judgments, and key sources of estimation and assumption uncertainty applied by management in the preparation of these interim consolidated financial statements, are consistent with those disclosed in Note 5 of the consolidated financial statements for the year ended December 31, 2024.

(VI) Description of significant accounting items

Except as described below, the description of significant accounts in the accompanying consolidated financial statements is not materially different from the consolidated financial statements for the year ended December 31, 2024. For the related information please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2024.

1. Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and working capital	\$ 454	533	1,340
Demand deposits and checking deposits	473,080	513,872	340,617
Time deposits with original maturities of less than three months	202,816	59,179	189,074
	<u>\$ 676,350</u>	<u>573,584</u>	<u>531,031</u>

2. Financial assets and liabilities at fair value through profit or loss - current

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at fair value through profit or loss - current:			
Forward foreign exchange contracts	<u>\$ 7,593</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss - current:			
Forward foreign exchange contracts	<u>\$ 18</u>	<u>2,237</u>	<u>2,612</u>

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

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

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:

June 30, 2025			
	<u>Contract amount (in thousands)</u>	<u>Currency</u>	<u>Maturity period</u>
Forward foreign exchange contracts	US\$ <u>5,661</u>	Buy NT\$ / Sell US\$	July 3, 2025~November 19, 2025
December 31, 2024			
	<u>Contract amount (in thousands)</u>	<u>Currency</u>	<u>Maturity period</u>
Forward foreign exchange contracts	US\$ <u>4,181</u>	Buy NT\$ / Sell US\$	January 6, 2025~May 20, 2025
June 30, 2024			
	<u>Contract amount (in thousands)</u>	<u>Currency</u>	<u>Maturity period</u>
Forward foreign exchange contracts	US\$ <u>4,863</u>	Buy NT\$ / Sell US\$	July 3, 2024~ October 3, 2024

3. Financial assets at fair value through other comprehensive income - current

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Equity instruments at fair value through other comprehensive income:			
Domestic listed company shares	\$ <u>277,937</u>	<u>276,323</u>	<u>359,127</u>

The Group designated the above-mentioned equity investments as financial assets at fair value through other comprehensive income ("FVOCI") as these investments are held for strategic purposes and not for trading.

In March 2025, the Group disposed of equity instruments measured at fair value through other comprehensive income (FVOCI), with a fair value at the time of disposal amounting to NT\$48,148 thousand. The cumulative gain on disposal was NT\$817 thousand, which was reclassified from other components of equity to retained earnings.

For the six months ended June 30, 2025 and 2024, no strategic investments were disposed and there were no transfers of any cumulative gain or loss within equity relating to these investments.

4. Financial assets measured at amortized cost - current

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Time deposits with original maturities of over three months	\$ -	145,000	-
Pledged time deposits (Note 8)	<u>14,730</u>	<u>14,730</u>	<u>600</u>
	<u>\$ 14,730</u>	<u>159,730</u>	<u>600</u>

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

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.

5. Notes and accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Notes and accounts receivable	\$ 268,545	250,559	297,421
Accounts receivable - related parties	19,327	14,377	14,365
	287,872	264,936	311,786
Less: Allowance for losses	(759)	(1,381)	(2,008)
	<u>\$ 287,113</u>	<u>263,555</u>	<u>309,778</u>

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:

	June 30, 2025		
	Carrying amounts of notes and accounts receivable (including related parties)	Weighted average expected credit loss ratio	Expected credit losses during the allowance period
Not past due	\$ 274,537	0.11%	295
Less than 30 days past due	10,843	1.54%	167
31 to 60 days past due	1,060	3.77%	40
61-90 days past due	1,111	17.19%	191
91-120 days past due	321	20.56%	66
	<u>\$ 287,872</u>		<u>759</u>

	December 31, 2024		
	Carrying amounts of notes and accounts receivable (including related parties)	Weighted average expected credit loss ratio	Expected credit losses during the allowance period
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	100.00%	31
	<u>\$ 264,936</u>		<u>1,381</u>

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

	June 30, 2024		
	Carrying amounts of notes and accounts receivable (including related parties)	Weighted average expected credit loss ratio	Expected credit losses during the allowance period
Not past due	\$ 289,091	0.10%	276
Less than 30 days past due	18,624	2.63%	491
31 to 60 days past due	916	9.79%	90
61-90 days past due	2,694	25.67%	691
91-120 days past due	2	65.19%	1
Over 121 days past due	459	100.00%	459
	<u>\$ 311,786</u>		<u>2,008</u>

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

	For the six months ended June 30,	
	2025	2024
Balance, beginning of the period	\$ 1,381	5,072
Reversal on impairment loss	(528)	(3,147)
Foreign currency translation gains (losses)	(94)	83
Balance, end of the period	<u>\$ 759</u>	<u>2,008</u>

6. Inventories

(1) Details of inventories as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 55,819	77,097	94,379
Work in process	113,424	115,382	109,560
Finished products	64,287	65,326	66,288
Goods	10,637	9,054	7,927
	<u>\$ 244,167</u>	<u>266,859</u>	<u>278,154</u>

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

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Cost of inventories sold	\$ 217,755	212,686	437,862	426,791
Write-downs of inventories	5,721	(3,969)	11,177	(1,580)
Losses on scrap	4,690	7,070	4,690	7,070
	<u>\$ 228,166</u>	<u>215,787</u>	<u>453,729</u>	<u>432,281</u>

The above Write-downs of inventories are recognized as inventory losses due to the Group offsetting ending inventory to net realizable value, or inventory recovery benefits recognized within the original offsetting amount due to the sale or consumption of obsolete inventory at the beginning of the period in the current period, all of which are recognized under operating costs.

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

7. 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	Transportation equipment	Office equipment	Other equipment	Total
Costs:							
Balance of January 1, 2025	\$ 122,635	42,387	372,917	7,932	17,008	184,670	747,549
Additions during the period	-	-	14,616	-	42	498	15,156
Disposal during the period	-	-	-	-	(399)	-	(399)
Reclassified from prepaid equipment	-	-	14,496	-	-	-	14,496
Effect of changes in exchange rates	-	-	(2,290)	-	(336)	-	(2,626)
Balance of June 30, 2025	<u>\$ 122,635</u>	<u>42,387</u>	<u>399,739</u>	<u>7,932</u>	<u>16,315</u>	<u>185,168</u>	<u>774,176</u>
Balance of January 1, 2024	\$ 259,080	112,489	340,770	7,932	13,424	167,593	901,288
Additions during the period	-	295	4,888	-	411	5,580	11,174
Disposal during the period	-	-	-	-	(33)	-	(33)
Reclassified from prepaid equipment	-	-	662	-	100	2,139	2,901
Effect of changes in exchange rates	-	-	140	-	5	-	145
Balance of June 30, 2024	<u>\$ 259,080</u>	<u>112,784</u>	<u>346,460</u>	<u>7,932</u>	<u>13,907</u>	<u>175,312</u>	<u>915,475</u>
Accumulated depreciation:							
Balance of January 1, 2025	\$ -	21,093	261,142	7,532	12,021	131,678	433,466
Depreciation during the period	-	868	23,633	150	996	15,184	40,831
Disposal during the period	-	-	-	-	(399)	-	(399)
Effect of changes in exchange rates	-	-	(532)	-	(41)	-	(573)
Balance of June 30, 2025	<u>\$ -</u>	<u>21,961</u>	<u>284,243</u>	<u>7,682</u>	<u>12,577</u>	<u>146,862</u>	<u>473,325</u>
Balance of January 1, 2024	\$ -	37,865	210,636	7,027	9,465	94,413	359,406
Depreciation during the period	-	2,251	27,045	298	1,630	20,608	51,832
Disposal during the period	-	-	-	-	(33)	-	(33)
Effect of changes in exchange rates	-	-	123	-	4	-	127
Balance of June 30, 2024	<u>\$ -</u>	<u>40,116</u>	<u>237,804</u>	<u>7,325</u>	<u>11,066</u>	<u>115,021</u>	<u>411,332</u>
Carrying amounts:							
June 30, 2025	<u>\$ 122,635</u>	<u>20,426</u>	<u>115,496</u>	<u>250</u>	<u>3,738</u>	<u>38,306</u>	<u>300,851</u>
January 1, 2025	<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>
June 30, 2024	<u>\$ 259,080</u>	<u>72,668</u>	<u>108,656</u>	<u>607</u>	<u>2,841</u>	<u>60,291</u>	<u>504,143</u>

8. Right-of-use asset

	Building and construction
Costs of right-to-use assets:	
Balance of January 1, 2025	\$ 104,766
Additions	39,169
Effect of changes in exchange rates	(2,789)
Balance of June 30, 2025	<u>\$ 141,146</u>
Balance of January 1, 2024	\$ 102,283
Additions	65,310
Reduction	(66,637)
Effect of changes in exchange rates	279
Balance of June 30, 2024	<u>\$ 101,235</u>
Accumulated depreciation of right-of-use assets:	
Balance of January 1, 2025	\$ 31,214
Depreciation	16,952
Effect of changes in exchange rates	(823)
Balance of June 30, 2025	<u>\$ 47,343</u>
Balance of January 1, 2024	\$ 71,857
Depreciation	12,183
Reduction	(66,637)
Effect of changes in exchange rates	30
Balance of June 30, 2024	<u>\$ 17,433</u>
Carrying amounts:	
June 30, 2025	<u>\$ 93,803</u>
January 1, 2025	<u>\$ 73,552</u>
June 30, 2024	<u>\$ 83,802</u>

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

9. Intangible assets

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

	<u>Software purchased</u>
Costs:	
Balance of January 1, 2025	\$ 47,291
Effect of changes in exchange rates	(146)
Balance of June 30, 2025	<u>\$ 47,145</u>
Balance of January 1, 2024	\$ 29,317
Acquisition during the period	8,479
Effect of changes in exchange rates	47
Balance of June 30, 2024	<u>\$ 37,843</u>
Accumulated amortization:	
Balance of January 1, 2025	\$ 29,199
Amortization during the period	4,158
Effect of changes in exchange rates	(136)
Balance of June 30, 2025	<u>\$ 33,221</u>
Balance of January 1, 2024	\$ 22,996
Amortization during the period	2,590
Effect of changes in exchange rates	42
Balance of June 30, 2024	<u>\$ 25,628</u>
Carrying amounts:	
Balance of June 30, 2025	<u>\$ 13,924</u>
Balance of January 1, 2025	<u>\$ 18,092</u>
Balance of June 30, 2024	<u>\$ 12,215</u>

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

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating costs	\$ -	104	1	232
Operating expenses	<u>2,038</u>	<u>1,491</u>	<u>4,157</u>	<u>2,358</u>
	<u>\$ 2,038</u>	<u>1,595</u>	<u>4,158</u>	<u>2,590</u>

10. Short-term borrowings

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Unsecured borrowings	<u>\$ -</u>	<u>23,018</u>	<u>11,205</u>
Unused balance	<u>\$ 920,000</u>	<u>896,982</u>	<u>908,795</u>
Interest rate range	<u>-</u>	<u>5.52%~5.84%</u>	<u>6.32%~6.35%</u>

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

11. Lease liabilities

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

	June 30, 2025	December 31, 2024	June 30, 2024
Current:			
Related parties	\$ 7,902	8,073	7,846
Non-related parties	\$ 27,552	19,766	18,150
Non-current:			
Related parties	\$ 15,562	21,023	24,956
Non-related parties	\$ 46,119	25,325	32,688

For maturity analysis, please refer to Note 6(20) financial instruments.

The amounts recognized in profit or loss are as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest expenses on lease liabilities	\$ 656	423	1,234	518
Short-term lease payments	\$ 210	430	413	1,000

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

	For the six months ended June 30,	
	2025	2024
Total cash outflows from leases	\$ 15,805	13,327

(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.

12. Provision for liabilities - current

Provision for warranty liabilities:

	June 30, 2025	December 31, 2024	June 30, 2024
Provision for warranty	\$ 335	217	241

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)

13. Employee benefits

(1) Defined benefit plans

Subsequent to December 31, 2024, there was no significant market volatility, significant curtailment, reimbursement and settlement or other significant one-time events. Therefore, the pension cost in the consolidated interim financial statements was measured and disclosed by the Group according to the pension cost valued by actuary as of December 31, 2024 and 2023.

Expenses recognized in profit or loss:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Operating costs	\$ -	6	-	12
Operating expenses	-	2	-	4
	<u>\$ -</u>	<u>8</u>	<u>-</u>	<u>16</u>

(2) Defined contribution plans

Expenses recognized in profit or loss:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Operating costs	\$ 2,072	2,234	4,231	4,615
Operating expenses	1,659	1,587	3,313	3,128
	<u>\$ 3,731</u>	<u>3,821</u>	<u>7,544</u>	<u>7,743</u>

14. Income taxes

(1) The components of income tax expense were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Current income tax expense	<u>\$ 8,909</u>	<u>1,688</u>	<u>13,073</u>	<u>5,636</u>

(2) There was no income tax expense recognized directly in equity or other comprehensive income for the six months ended June 30, 2025 and 2024.

The Company's income tax return for the years through 2022 has been examined and approved by the R.O.C income tax authorities.

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

15. Capital and other equity

(1) Common stock

As of June 30, 2025, December 31, 2024, and June 30, 2024, the Company's authorized capital amounted to NT\$800,000 thousand, consisting of 80,000 thousand shares with a par value of NT\$10 per share. A total of 47,875 thousand shares had been issued. After deducting 1,000 thousand treasury shares, the number of outstanding shares was 46,875 thousand.

(2) Capital surplus

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

	June 30, 2025	December 31, 2024	June 30, 2024
Premium on issuance of shares	\$ 635,713	666,183	666,183
Difference between actual acquisition of price and carrying amount of equity of subsidiaries	23,991	23,991	23,991
	<u>\$ 659,704</u>	<u>690,174</u>	<u>690,174</u>

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.

(a) 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)

(b) 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, 2025 and February 27, 2024, the Board of Directors resolved the cash dividends of earnings distribution proposals for 2024 and 2023 as follows:

	2024		2023	
	Dividends per share (NT\$)	Amount	Dividends per share (NT\$)	Amount
Dividends distributed to ordinary shareholders:				
Cash dividend	\$ 1.85	<u>86,719</u>	3.60	<u>168,751</u>

On February 27, 2025, the Board of Directors resolved to distribute cash dividends of NT\$30,470 thousand from capital surplus, representing 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 June 30, 2025, December 31, 2024 and June 30, 2024 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 gains (losses) on financial assets at fair value through other comprehensive income	Total
January 1, 2025	\$ 879	(10,665)	(9,786)
Exchange differences arising from the translation of net assets of foreign operating institutions	(9,917)	-	(9,917)
Unrealized valuation loss on financial assets at fair value through other comprehensive income	-	(45,153)	(45,153)
Disposal of financial assets at fair value through other comprehensive income	-	(817)	(817)
June 30, 2025	<u>\$ (9,038)</u>	<u>(56,635)</u>	<u>(65,673)</u>
January 1, 2024	\$ (927)	63,427	62,500
Exchange differences arising from the translation of net assets of foreign operating institutions	936	-	936
Unrealized valuation gain on financial assets at fair value through other comprehensive income	-	15,226	15,226
June 30, 2024	<u>\$ 9</u>	<u>78,653</u>	<u>78,662</u>

16. Earnings per share

(1) Basic earnings per share

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Net income attributable to equity holders of the Company's ordinary shares	<u>\$ 27,901</u>	<u>21,920</u>	<u>51,501</u>	<u>47,009</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u>46,875</u>	<u>46,875</u>	<u>46,875</u>	<u>46,875</u>
Basic earnings per share (NT\$)	<u>\$ 0.60</u>	<u>0.47</u>	<u>1.10</u>	<u>1.00</u>

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

(2) Diluted earnings per share

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Net income attributable to equity holders of the Company's ordinary shares	<u>\$ 27,901</u>	<u>21,920</u>	<u>51,501</u>	<u>47,009</u>
Weighted-average number of ordinary shares outstanding (basic) (in thousands)	46,875	46,875	46,875	46,875
Effect of dilutive potential ordinary shares (in thousands):				
Effect of employee compensation	140	72	195	159
Weighted-average number of ordinary shares outstanding (diluted) (in thousands)	<u>47,015</u>	<u>46,947</u>	<u>47,070</u>	<u>47,034</u>
Diluted earnings per share (NT\$)	<u>\$ 0.59</u>	<u>0.47</u>	<u>1.09</u>	<u>1.00</u>

17. Revenue from customer contracts

(1) Breakdown of revenue

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Major regional markets:				
Taiwan	\$ 148,843	128,086	279,200	263,916
Mainland China	85,306	71,709	169,338	146,418
The U.S.	56,431	58,101	108,032	108,278
Others	60,734	50,354	118,307	94,272
	<u>\$ 351,314</u>	<u>308,250</u>	<u>674,877</u>	<u>612,884</u>
Major products and services:				
Electronic ceramic components	\$ 206,437	191,535	399,345	373,106
Module and system products	115,106	86,116	216,417	176,736
Other electronic parts and components	29,771	30,599	59,115	63,042
	<u>\$ 351,314</u>	<u>308,250</u>	<u>674,877</u>	<u>612,884</u>

(2) Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024
Notes and accounts receivable (including related parties)	\$ 287,872	264,936	311,786
Less: Allowance for losses	(759)	(1,381)	(2,008)
	<u>\$ 287,113</u>	<u>263,555</u>	<u>309,778</u>
	June 30, 2025	December 31, 2024	June 30, 2024
Contractual liabilities (included in other current liabilities)	<u>\$ 5,599</u>	<u>12,691</u>	<u>6,221</u>

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

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

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 amounts of revenue recognized for the six months ended June 30, 2025 and 2024 that were included in the balances of contract liabilities on January 1, 2025 and 2024, were NT\$11,671 thousand and NT\$3,359 thousand, respectively.

18. Employees' and directors' remuneration

On May 27, 2025, the shareholders' meeting resolved to amend the Company's Article of Incorporation. Under the amended Articles, if the Company reports profit for the year, it shall allocate 10% to 15% of such profit as employee compensation (of which no less than 10% shall be distributed to non-executive employees) and up to 3% as director compensation. However, if the Company has accumulated deficits, the amount required to offset such deficits shall be retained in advance. Prior to the amendment, the Articles stipulated that if the Company reported profit for the year, it shall allocate 10% to 15% of such profit as employee compensation and up to 3% as director compensation. However, if the Company had accumulated deficits, the amount required to offset such deficits shall be retained in advance, accrual of employee and director compensation on a pro-rata basis. Employee compensation could be distributed in the form of shares or cash, and may include employees of controlled or affiliated subsidiaries who meet certain conditions. The conditions and distribution method shall be determined by the Board of Directors or its authorized designee.

For the three months ended June 30, 2025, 2024 and For the six months ended June 30, 2025 and 2024, the Company estimated its remuneration to employees amounting to NT\$4,124 thousand, NT\$2,646 thousand, NT\$7,235 thousand and NT\$5,899 thousand, respectively; the remuneration to directors amounting to NT\$310 thousand, NT\$198 thousand, NT\$543 thousand and NT\$442 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.

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 were the same as the amount resolved by the Board of Directors and were all paid in cash. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

19. Non-operating income and expenses

(1) Interest income

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest income from bank deposits	\$ 1,905	1,705	2,723	2,640

(2) Other income

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
	\$ 260	331	1,002	678

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

(3) Other gains and losses

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Net foreign currency exchange gains(loss)	\$ (27,855)	(1,006)	(26,214)	9,954
Net gains (loss) on financial instruments at fair value through profit or loss	10,087	1,701	9,812	(6,544)
Others	(1,027)	-	(1,032)	(61)
	<u>\$ (18,795)</u>	<u>695</u>	<u>(17,434)</u>	<u>3,349</u>

(4) Finance costs

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest expenses on bank loans	\$ -	(73)	(388)	(73)
Interest expenses on lease liabilities	(656)	(423)	(1,234)	(518)
	<u>\$ (656)</u>	<u>(496)</u>	<u>(1,622)</u>	<u>(591)</u>

20. Financial instruments

Except as described below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For other relevant information, please refer to Notes 6(20) and (21) of the consolidated financial statements for the year ended December 31, 2024.

(1) Types of financial instruments

(a) Financial assets

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at fair value through profit or loss:			
Mandatory financial assets at fair value through profit or loss - current:	\$ 7,593	-	-
Financial assets at fair value through other comprehensive income-current	<u>277,937</u>	<u>276,323</u>	<u>359,127</u>
Financial assets measured at amortized cost:			
Cash and cash equivalents	676,350	573,584	531,031
Notes and accounts receivable (including related parties)	287,113	263,555	309,778
Financial assets measured at amortized cost - current	14,730	159,730	600
Refundable deposits	<u>8,151</u>	<u>6,895</u>	<u>6,888</u>
Subtotal	<u>986,344</u>	<u>1,003,764</u>	<u>848,297</u>
Total	<u>\$ 1,271,874</u>	<u>1,280,087</u>	<u>1,207,424</u>

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

(b) Financial liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities at fair value through profit or loss	\$ 18	2,237	2,612
Financial liabilities measured at amortized cost:			
Short-term borrowings	-	23,018	11,205
Notes and accounts payable and other payables (including related parties)	290,935	328,396	234,599
Dividends payable	117,189	-	168,751
Lease liabilities (including current and non-current) (including related parties)	97,135	74,187	83,640
Subtotal	505,259	425,601	498,195
Total	<u>\$ 505,277</u>	<u>427,838</u>	<u>500,807</u>

(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. On June 30, 2025, December 31, 2024 and June 30, 2024, the Group had unused borrowing facilities of NT\$920,000 thousand, NT\$896,982 thousand and NT\$908,795 thousand, respectively.

The following table illustrates the maturity analysis of the Group's financial liabilities with contractual repayment terms, which are based on the earliest possible date on which the Group could be required to make repayment and undiscounted cash flows.

	Contractual cash flow	Within one year	1 to 2 years	More than 2 years
June 30, 2025				
Non-derivative financial liabilities:				
Notes and accounts payable and other payables (including related parties)	\$ 290,935	290,935	-	-
Dividends payable	117,189	117,189	-	-
Lease liabilities (including current and non-current) (including related parties)	101,599	37,541	32,966	31,092
	<u>\$ 509,723</u>	<u>445,665</u>	<u>32,966</u>	<u>31,092</u>
Derivative financial instruments				
Forward foreign exchange contracts:				
Outflows	\$ 12,461	12,461	-	-
Inflows	(12,443)	(12,443)	-	-
	18	18	-	-
	<u>\$ 509,741</u>	<u>445,683</u>	<u>32,966</u>	<u>31,092</u>

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

	Contractual cash flow	Within one year	1 to 2 years	More than 2 years
December 31, 2024				
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)	<u>77,980</u>	<u>29,649</u>	<u>29,254</u>	<u>19,077</u>
	<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	<u>(134,275)</u>	<u>(134,275)</u>	<u>-</u>	<u>-</u>
	<u>2,237</u>	<u>2,237</u>	<u>-</u>	<u>-</u>
	<u>\$ 432,129</u>	<u>383,798</u>	<u>29,254</u>	<u>19,077</u>
June 30, 2024				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 11,413	11,413	-	-
Notes and accounts payable and other payables (including related parties)	234,599	234,599	-	-
Dividend payable	168,751	168,751	-	-
Lease liabilities (including current and non-current) (including related parties)	<u>88,403</u>	<u>28,029</u>	<u>28,187</u>	<u>32,187</u>
	<u>503,166</u>	<u>442,792</u>	<u>28,187</u>	<u>32,187</u>
Derivative financial instruments				
Forward foreign exchange contracts:				
Outflows	157,338	157,338	-	-
Inflows	<u>(154,726)</u>	<u>(154,726)</u>	<u>-</u>	<u>-</u>
	<u>2,612</u>	<u>2,612</u>	<u>-</u>	<u>-</u>
	<u>\$ 505,778</u>	<u>445,404</u>	<u>28,187</u>	<u>32,187</u>

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.

(3) Exchange rate risk

(a) Exposure to exchange rate risk

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:

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

June 30, 2025					
	Foreign currency	Exchange rate	NT\$	Change in exchange rate	Impact of profit or loss (before tax)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$	9,283	29.300	271,992	1% 2,720
RMB		10,989	4.0891	44,935	1% 449
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		599	29.300	17,551	1% 176
RMB		573	4.0891	2,343	1% 23
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>					
USD	\$	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>					
USD		1,231	32.785	40,358	1% 404
RMB		137	4.4915	615	1% 6
June 30, 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>					
USD	\$	7,997	32.450	259,503	1% 2,595
RMB		6,835	4.4658	30,524	1% 305
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		818	32.450	26,544	1% 265
RMB		255	4.4658	1,139	1% 11

(b) Exchange gains and losses on monetary items

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

June 30, 2025			June 30, 2024		
	Unrealized exchange profits (losses)	Exchange rate	Unrealized exchange profits (losses)	Exchange rate	
<u>Financial assets</u>					
USD:NTD	\$ (12,610)	29.300	2,626	32.450	
RMB:NTD	(3,223)	4.0891	314	4.4658	
<u>Financial liabilities</u>					
USD:NTD	1,423	29.300	(195)	32.450	
RMB:NTD	145	4.0891	3	4.4658	

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

(4) Information on fair value

(a) 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.

(b) 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).

June 30, 2025				
Carrying amounts	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current:				
Derivative financial instruments - forward foreign exchange contracts	\$ 7,593	-	7,593	-
	<u>7,593</u>	<u>-</u>	<u>7,593</u>	<u>-</u>
Financial assets at fair value through other comprehensive income - current:				
Domestic listed company shares	\$ 277,937	277,937	-	-
	<u>277,937</u>	<u>277,937</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss - current:				
Derivative financial instruments - forward foreign exchange contracts	\$ 18	-	18	-
	<u>18</u>	<u>-</u>	<u>18</u>	<u>-</u>
December 31, 2024				
Carrying amounts	Fair value			
	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	-	-
	<u>276,323</u>	<u>276,323</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss - current:				
Derivative financial instruments - forward foreign exchange contracts	\$ 2,237	-	2,237	-
	<u>2,237</u>	<u>-</u>	<u>2,237</u>	<u>-</u>

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

	June 30, 2024				
	Carrying amounts	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income - current:					
Domestic listed company shares	\$ 359,127	359,127	-	-	359,127
Financial liabilities at fair value through profit or loss - current:					
Derivative financial instruments - forward foreign exchange contracts	\$ 2,612	-	2,612	-	2,612

(c) 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.

(d) Transfer between fair value hierarchy

For the six months ended June 30, 2025 and 2024, there was no transfer of financial assets and liabilities to the fair value hierarchy.

21. Financial risk management

Both the goals and policies of the Group's financial risk management were not materially different from those disclosed in Note 6(21) of the consolidated financial statements for the year ended December 31, 2024.

22. Capital Management

There is no significant change in the goals and policies of Group's capital management from Note 6 (22) of the consolidated financial statements for the year ended December 31, 2024.

23. 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, 2025	Cash flow	Changes in non-cash		June 30, 2025
			Increase in lease liabilities	Change in exchange rate	
Short-term borrowings	\$ 23,018	(23,018)	-	-	-
Lease liabilities (including related parties)	74,187	(14,158)	39,169	(2,063)	97,135
Total liabilities from financing activities	\$ 97,205	(37,176)	39,169	(2,063)	97,135

	January 1, 2024	Cash flow	Changes in non-cash		June 30, 2024
			Increase in lease liabilities	Change in exchange rate	
Short-term borrowings	\$ -	11,205	-	-	11,205
Lease liabilities (including related parties)	29,880	(11,809)	65,310	259	83,640
Total liabilities from financing activities	\$ 29,880	(604)	65,310	259	94,845

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

(3) Investing activities with only partial cash payments:

	For the six months ended June 30,	
	2025	2024
Acquisition of property, plant and equipment	\$ 15,156	11,174
Add: Payable for equipment at the beginning of the period	6,976	2,216
Less: Payable for equipment at the end of the period	(3,647)	(1,771)
Add: Prepayments for equipment at the end of the period	29,002	27,294
Less: Prepayments for equipment at the beginning of the period	(39,500)	(12,836)
Add: Reclassified from prepaid equipment	14,496	2,901
Cash paid during the period	<u><u>\$ 22,483</u></u>	<u><u>28,978</u></u>

(VII) Related party transactions

1. 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.

2. 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
Alpha Networks Inc. (Alpha Networks)	A subsidiary of Qisda
Metaage Corporation (MTG)	A subsidiary of Qisda
BenQ Asia Pacific Corp (BQP)	A subsidiary of Qisda
Action Star Technology Co., Ltd. (Action Star)	A subsidiary of Qisda
Alpha Networks (Hong Kong) Limited (Alpha HK)	A subsidiary of Qisda

3. Significant transactions with related parties

- (1) Net revenue

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

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Parent company	\$ -	-	10	-
Other related parties	15,936	12,457	23,636	26,569
	<u><u>\$ 15,936</u></u>	<u><u>12,457</u></u>	<u><u>23,646</u></u>	<u><u>26,569</u></u>

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.

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

(2) Purchase

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

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Parent company	\$ 216	79	337	108

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\$31 thousand, NT\$45 thousand, NT\$66 thousand and NT\$94 thousand, For the three months and the six months ended June 30 2025 and 2024, and had a lease liability of NT\$9,590 thousand, NT\$11,952 thousand and NT\$14,300 thousand on June 30, 2025, December 31, 2024 and June 30, 2024.

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 expenses related to lease liabilities in the amounts of NT\$244 thousand, NT\$201 thousand, NT\$513 thousand, and NT\$201 thousand for the three months ended June 30, 2025 and 2024, and for the six months ended June 30, 2025 and 2024, respectively. For the three months and the six months ended June 30 2025 and 2024, and had a lease liability of NT\$13,874 thousand, NT\$17,144 thousand and NT\$18,502 thousand on June 30, 2025, December 31, 2024 and June 30, 2024.

(4) Operating costs and operating expenses.

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

Item	Type of related parties	For the three months ended June 30,		For the six months ended June 30,	
		2025	2024	2025	2024
Operating costs	Parent company	\$ 2,797	2,400	4,734	4,152
Operating costs	Other related parties	117	-	232	-
Operating expenses	Parent company	1,349	2,150	4,502	4,382
Operating expenses	Other related parties	207	-	401	10
		<u>\$ 4,470</u>	<u>4,550</u>	<u>9,871</u>	<u>8,544</u>

(5) Amounts due from related parties

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

Item	Type of related parties	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	Parent company			
- related parties		\$ -	4	-
Accounts receivable	Other related parties			
- related parties		<u>19,327</u>	<u>14,373</u>	<u>14,365</u>
		<u>19,327</u>	<u>14,377</u>	<u>14,365</u>

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

(6) Amounts due to related parties

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

Item	Type of related parties	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable - related parties	Parent company	\$ 233	49	83
Other payables - related parties	Parent company	8,007	5,744	7,921
Other payables - related parties	Other related parties	92	778	-
		<u>\$ 8,332</u>	<u>6,571</u>	<u>8,004</u>

4. Key management compensation

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 9,354	10,652	18,306	22,570
Post-employment benefits	54	79	108	158
	<u>\$ 9,408</u>	<u>10,731</u>	<u>18,414</u>	<u>22,728</u>

(VIII) Pledged assets

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

Name of assets	Subject of pledge	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits (included in financial assets measured at amortized cost - current)	Performance Guarantees	\$ 14,130	14,130	-
Time deposits (included in financial assets measured at amortized cost - current)	Corporate credit card deposits	600	600	600
		<u>\$ 14,730</u>	<u>14,730</u>	<u>600</u>

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

(X) Significant catastrophic losses: None.

(XI) Significant subsequent events: None.

(XII) Others

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

By nature	By function		For the three months ended June 30,			
			2025		2024	
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	48,601	38,216	86,817	53,161	40,035	93,196
Labor and health insurance expenses	5,920	3,693	9,613	5,626	3,367	8,993
Pension expenses	2,072	1,659	3,731	2,240	1,589	3,829
Other employee benefit expenses	3,585	1,497	5,082	3,492	1,450	4,942
Depreciation expenses	26,211	5,496	31,707	24,611	7,701	32,312
Amortization expenses	-	2,038	2,038	104	1,491	1,595

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

By function By nature	For the six months ended June 30,					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	109,254	80,107	189,361	94,764	76,647	171,411
Labor and health insurance expenses	11,783	8,194	19,977	11,638	7,973	19,611
Pension expenses	4,231	3,313	7,544	4,627	3,132	7,759
Other employee benefit expenses	7,474	3,177	10,651	7,191	2,854	10,045
Depreciation expenses	46,857	10,926	57,783	49,231	14,784	64,015
Amortization expenses	1	4,157	4,158	232	2,358	2,590

2. The Group's operations are not materially influenced by seasonality or cyclicity.

(XIII) Notes disclosures

1. 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 For the six months ended June 30, 2025 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):

(In thousands of NTD / shares)

Companies held	Type and name of securities	Relationship with the issuer of securities	Accounting subjects	End of period				Remarks
				No. of shares	Carrying amounts	Shareholding ratio	Fair value	
The Company	Qisda shares	Significant influence on the Group's parent company	Financial assets at fair value through other comprehensive income - current:	1,366	35,584	0.07%	35,584	-
The Company	Darfon shares	The Group's parent company	Financial assets at fair value through other comprehensive income - current:	4,000	134,600	1.43%	134,600	-
The Company	Quanta shares	-	Financial assets at fair value through other comprehensive income - current:	370	101,556	0.01%	101,556	-

- (4) Purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None

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

- (5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- (6) 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 (Shenzhen) Co., LTD.	1	Sales	13,427	150-day monthly settlement	1.99%
0	The Company	Unictron Technologies (Shenzhen) Co., LTD.	1	Accounts receivable	18,203	150-day monthly settlement	0.91%

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.

2. Relevant information on investees:

Information on the Company's re-investees for the six months ended June 30, 2025 is as follows (excluding the investees in Mainland China):

(In thousands of NTD / shares)											
Name of investor companies	Name of investees	Location	Main businesses	Original investment amount		Holding at the end 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			
The Company	Unicom Technologies, Inc.	Mauritius	Investment holdings	47,321 (USD1,535)	47,321 (USD1,535)	1,535	100.00%	24,601	1,951	1,951	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)	80,908 (USD2,500)	(Note 1)	100.00%	62,907	(5,041)	(5,041)	Subsidiary of the Company

Note 1: As the company is a limited liability company, no share information is applicable.

3. 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 emitted from Taiwan at the end of the period	Investees Profit or loss for the period	Percentage of the Company's direct or indirect investment	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						
Unictron Technologies (Shenzhen) Co., LTD.	Design and marketing of antenna and modules for wireless communication	43,130 (USD1,472)	(Note 1)	43,130 (USD1,472)	-	-	43,130 (USD1,472)	1,985	100.00 %	1,985 (Note 2)	24,213	-

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 reviewed by the parent company's accountants in Taiwan.

Note 3: The above amounts in NTS were translated into NTS at the closing exchange rate of 29.300 on June 30, 2025.

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	43,130 (USD1,472)	43,130 (USD1,472)	881,838

(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 (Shenzhen) Co., LTD.	Subsidiary indirectly controlled by the Company	Sales	13,427	Price negotiated between both parties	150-day monthly settlement	(Note 1)	18,203	6.39%	771

(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.

(XIV) Department 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's operating decision-makers are based on overall operating results as the basis for evaluating performance therefore the combined company is a single department. The operating department information are the same as those disclosed of the consolidated financial statements for the six months ended June 30, 2025 and 2024.