

Code: 8277

UNIFOSA CORP.  
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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Notice to Readers

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

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## **Unifosa Corp.**

### **Declaration of consolidation of financial statements of associates**

The entities that are required to be included in the consolidated financial statements of associates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Associates" for the year ended December 31, 2024 (starting from 1 January till 31 December, 2024) are all the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Unifosa Corp. and its subsidiaries do not prepare a separate set of consolidated financial statements.

Hereby Declared

UNIFOSA CORP.

By

Responsible Person: Ching-Jong, Chen

February 25, 2025

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders

### **Opinion**

We have audited the accompanying consolidated balance sheets of UNIFOSA CORP. and subsidiaries (the "Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 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 the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

## Recognition of Sales Revenue

Taiwan's Standards on Auditing (TWSA) presupposes that revenue recognition inherently carries fraud risk. Management may experience pressure to achieve expected financial targets, which results in a higher inherent risk of fraud in revenue recognition. For UNIFOSA CORP. and subsidiaries, the sales revenue from the top ten customers accounted for 51.46% of the annual net operating income for the year 2024, which has a significant impact on the consolidated financial statements. Therefore, we have identified this as a key audit matter.

We address the above mentioned matter by taking main audit procedures as follows:

1. Understanding the internal control systems related to sales transactions, and evaluating the effectiveness of their design and implementation.
2. Understanding customer backgrounds and obtaining basic information to assess whether transaction amounts and credit limits are reasonable in relation to company size.
3. Conduct audit tests on customers' purchasing orders and shipping orders, at the same time, check and verify with external shipping documents, receivables write-off records and certificates of receipts and other relevant information to assess whether they meet the conditions for revenue recognition.

## The Evaluation of Impairment for Intangible Assets (including goodwill)

The Group acquired the control of MORELINK TECHNOLOGY CORPORATION in 2020. As of December 31, 2024, UNIFOSA CORP. and subsidiaries recognized goodwill and other intangible assets from acquisitions amounting to NT\$13,402 thousand and NT\$4,809 thousand, respectively.

When management evaluates whether these assets are impaired, they must comprehensively consider the assessment of recoverable amounts allocated to the cash-generating units to which these assets belong. The important assumptions and values involve management's subjective judgment and may be affected by future industry and economic outlooks, containing high uncertainty. Therefore, the impairment assessment of intangible assets (including goodwill) is designated as a key audit matter. For details of investments using the equity method, please refer to Notes 4, 5 and 6 (9) to the Consolidated Financial Statements.

We address the above mentioned matter by taking main audit procedures as follows:

1. Understanding and assessing management's procedures for identifying signs of impairment of such assets.
2. Assess the professional competence, competency and objectivity of external evaluation experts commissioned by management. Discussing with management the terms of reference of the evaluation expert and review the terms of his appointment to confirm that there are no matters affecting his objectivity or limiting his scope of work, and that the methodology used by the evaluation expert is consistent with International Accounting Standards and its industry norms.
3. Understanding the process and basis for management's estimation of the financial data forecast of the cash generating units belonging to such assets from the future operating outlook.

## Assessment for Allowance for Inventory Valuation and Obsolescence Losses

The inventory business content of the Group is divided into memory business group, storage business group, wireless communication business group, etc. Their inventories are mainly integrated circuits, memory modules, Redundant Array of Independent Disks (RAID) and wireless communication machinery and equipment etc. Due to fluctuations in market demands and rapid technological changes, management's estimation of net realization value and judgment of inventory obsolescence may be affected, this is hence listed as a key audit matter. For the valuation of inventory allowances against price declines and obsolete losses, please refer to notes 4, 5 and 6 (5) to the consolidated financial statements.

We address the above mentioned matter by taking main audit procedures as follows:

1. Assessing whether the provision policy adopted by management to provide for the allowance for the loss for market price decline and obsolete and slow-moving inventories is reasonable and appropriate.
2. Obtaining the breakdown of inventory price declines prepared by management, verify whether it is measured by cost and net realizable value whichever is lower, through sampling, and assess the reasonableness of the net realizable value basis used.
3. Obtain inventory aging analysis reports, evaluate inventory status through sample selection, testing of relevant certificates and by participating in and observing year-end inventory takes, so as to assess the adequacy of the allowance for inventory obsolesce loss.

### **Other Matter**

We have also audited the parent Group only financial statements of Unifosa Corp. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified 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 for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. 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 auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UNIFOSA CORP. and subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 UNIFOSA CORP. and 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 the Group to cease to continue as a going concern.
5. 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.
6. 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 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 (including related safeguard measures).

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.

Crowe (TW) CPAs

Auditor: Ya Chuan Chang

Auditor: Chin Feng Lin

FSC approval number: Financial Management Certificate Examination No.1050001113

February 25, 2025

**UNIFOSA CORP. AND SUBSIDIARIES**

**Consolidated Balance Sheets  
DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)**

Code	ASSETS	Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
	<b>CURRENT ASSETS</b>					
1100	Cash and cash equivalents	Note 6(1)	\$ 157,716	24	\$ 148,282	21
1136	Financial assets at amortized cost	Note 6(3)	-	-	12,000	2
1140	Contract assets	Note 6(15)	5,019	1	13,013	2
1150	Notes receivable from unrelated parties, net	Note 6(4)	361	-	480	-
1170	Accounts receivable from unrelated parties, net	Note 6(4)	41,904	7	41,843	6
1200	Other receivables	Note 6(4)	1,308	-	226	-
1220	Income tax assets	Note 6(18)	137	-	88	-
1310	Inventories, net	Note 6(5)	79,480	12	83,790	11
1410	Prepayments		6,550	1	6,180	1
1470	Other current assets		-	-	11	-
11xx	Total current assets		<u>292,475</u>	<u>45</u>	<u>305,913</u>	<u>43</u>
	<b>NON-CURRENT ASSETS</b>					
1517	Financial assets at fair value through other comprehensive income	Note 6(2)	3,705	-	4,350	-
1550	Investments accounted for using the equity method	Note 6(6)	48,399	8	60,715	8
1600	Property, plant, and equipment	Note 6(7) and 8	267,639	41	274,832	39
1755	Right-of-use assets	Note 6(8)	9,308	1	14,203	2
1805	Goodwill	Note 6(9)	13,402	2	19,800	3
1821	Other intangible assets	Note 6(9)	4,809	1	5,773	-
1840	Deferred income tax assets	Note 6(18)	-	-	35	-
1975	Net defined benefit assets	Note 6(12)	-	-	12,288	2
1900	Other non-current assets		12,979	2	15,310	3
15xx	Total non-current assets		<u>360,241</u>	<u>55</u>	<u>407,306</u>	<u>57</u>
1xxx	TOTAL ASSETS		<u>\$ 652,716</u>	<u>100</u>	<u>\$ 713,219</u>	<u>100</u>

(Continued)

(Continued)

Code	LIABILITIES AND EQUITY	Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
	Current liabilities					
2130	Contract liabilities	Note 6(15)	\$ 1,835	-	\$ 3,431	-
2170	Accounts payable to unrelated parties		25,842	4	27,475	4
2200	Other payables	Note 6(11)	33,499	5	26,751	4
2280	Lease liabilities	Note 6(8)	4,940	1	4,822	-
2300	Other current liabilities		860	-	612	-
21xx	Total current liabilities		<u>66,976</u>	<u>10</u>	<u>63,091</u>	<u>8</u>
	Non-current liabilities					
2570	Deferred income tax liabilities	Note 6(18)	13	-	2,728	-
2580	Lease liabilities	Note 6(8)	4,573	1	9,514	2
2645	Deposits received		238	-	238	-
2655	Stockholders' current account	Note 7	94,000	14	72,000	11
25xx	Total non-current liabilities		<u>98,824</u>	<u>15</u>	<u>84,480</u>	<u>13</u>
2xxx	Total liabilities		<u>165,800</u>	<u>25</u>	<u>147,571</u>	<u>21</u>
	Equity attributable to the owners of the parent group					
3110	Share capital	Note 6(13)	916,288	141	916,288	128
3200	Additional paid-in capital	Note 6(13)	60,654	9	60,849	8
	Retained earnings	Note 6(13)				
3310	Legal reserve		7,306	1	7,306	1
3350	Accumulated deficit		(489,429)	(74)	(427,800)	(59)
3300	Total retained earnings		<u>(482,123)</u>	<u>(73)</u>	<u>(420,494)</u>	<u>(58)</u>
3400	Other Equity Items	Note 6(13)	(11,265)	(2)	(10,694)	(2)
31xx	Total equity attributable to the owners of the parent Group		<u>483,554</u>	<u>75</u>	<u>545,949</u>	<u>76</u>
36xx	Non-controlling Interests	Note 6(13)	3,362	-	19,699	3
3xxx	Total equity		<u>486,916</u>	<u>75</u>	<u>565,648</u>	<u>79</u>
	TOTAL LIABILITIES AND EQUITY		<u>\$ 652,716</u>	<u>100</u>	<u>\$ 713,219</u>	<u>100</u>

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

**UNIFOSA CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**Unit: In Thousands of New Taiwan Dollars**  
**(Except Earnings Per Share)**

Code	Item	Note	2024		2023	
			Amount		Amount	
4000	Net operating revenue	Note 6(15)	\$ 293,682	100	\$ 267,153	100
5000	OPERATING COSTS	Note 6(5&16)	(221,722)	(75)	(223,022)	(84)
5900	Gross profit from operations		71,960	25	44,131	16
	OPERATING EXPENSES	Note 6(16) & 7				
6100	Selling and marketing expenses		(30,778)	(11)	(25,060)	(10)
6200	General and administrative expenses		(62,691)	(21)	(59,658)	(22)
6300	Research and development expenses		(43,327)	(15)	(46,045)	(17)
6000	Total operating expenses		(136,796)	(47)	(130,763)	(49)
6900	LOSS FROM OPERATIONS		(64,836)	(22)	(86,632)	(33)
	NON-OPERATING INCOME AND EXPENSES					
7100	Interest income		1,262	-	1,509	1
7020	Other gains and losses	Note 6(17)	(3,775)	(1)	2,957	1
7050	Finance costs	Note 7	(3,163)	(1)	(2,204)	(1)
7060	Share of loss of associates and joint ventures accounted for using the equity method	Note 6(6)	(12,390)	(4)	(8,428)	(3)
7000	Total non-operating income and expenses		(18,066)	(6)	(6,166)	(2)
7900	LOSS BEFORE INCOME TAX		(82,902)	(28)	(92,798)	(35)
7950	Income tax (expense) benefit	Note 6(18)	(48)	-	(112)	-
8200	Net loss for the period		(82,950)	(28)	(92,910)	(35)
	OTHER COMPREHENSIVE INCOME (LOSS)					
8310	Items that will not be reclassified to profit or loss:					
8311	Remeasurement of defined benefit plans	Note 6(12)	2,061	-	256	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Note 6(13)	(645)	-	(225)	-
	Unrealized investment valuation loss					
8349	Income tax relating to items that will not be reclassified to profit or loss	Note 6(18)	2,728	1	(51)	-
			4,144	1	(20)	-
8360	Items that will be reclassified to profit or loss:					
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method	Note 6(13)	74	-	(44)	-
	Share of profit (loss)					
8399	Income tax relating to items that will be reclassified to profit or loss	Note 6(18)	-	-	-	-
			74	-	(44)	-
8300	Other comprehensive income for the year (net of income tax)		4,218	1	(64)	-
8500	Total comprehensive income for the period		\$ (78,732)	(27)	\$ (92,974)	(35)
	Net loss attributable to:					
8610	Owners of the parent Group		\$ (66,418)	(22)	\$ (67,426)	(25)
8620	Non-controlling interests		(16,532)	(6)	(25,484)	(10)
			\$ (82,950)	(28)	\$ (92,910)	(35)
	Total comprehensive income attributable to:					
8710	Owners of the parent Group		\$ (62,200)	(21)	\$ (67,490)	(25)
8720	Non-controlling interests		(16,532)	(6)	(25,484)	(10)
			\$ (78,732)	(27)	\$ (92,974)	(35)
	EARNINGS PER SHARE	Note 6(19)				
9750	Basic earnings per share		\$ (0.72)		\$ (0.74)	
9850	Diluted earnings per share		\$ (0.72)		\$ (0.74)	

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

**UNIFOSA CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Unit: In Thousands of New Taiwan Dollars

Equity attributable to the owners of the parent group

Code	Retained earnings				Other Equity Items		Total Equity Attributable to the Owners of the Parent Group	Non- controlling Interests	Total Equity
	Share capital	Additional paid-in capital	Legal reserve	Accumulated deficit	Exchange differences on translation of foreign financial statements.	Unrealized gain (loss) from financial assets at fair value through other comprehensive income			
A1 BALANCE, JANUARY 1, 2023	\$ 916,288	\$ 6,998	\$ 7,306	\$ (360,579)	\$ -	\$ (10,425)	\$ 559,588	\$ 44,047	\$ 603,635
C7 Changes in equity of associates and joint ventures accounted for using the equity method		53,587	-	-	-	-	53,587	-	53,587
D1 Net loss for the year ended December 31, 2023	-	-	-	(67,426)	-	-	(67,426)	(25,484)	(92,910)
D3 Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	205	(44)	(225)	(64)	-	(64)
D5 Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	(67,221)	(44)	(225)	(67,490)	(25,484)	(92,974)
M5 Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(216)	-	-	-	-	(216)	216	-
M7 Changes in ownership interests in subsidiaries	-	480	-	-	-	-	480	(480)	-
O1 Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	1,400	1,400
Z1 BALANCE, DECEMBER 31, 2023	916,288	60,849	7,306	(427,800)	(44)	(10,650)	545,949	19,699	565,648
D1 Net loss for the year ended December 31, 2024	-	-	-	(66,418)	-	-	(66,418)	(16,532)	(82,950)
D3 Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	4,789	74	(645)	4,218	-	4,218
D5 Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	(61,629)	74	(645)	(62,200)	(16,532)	(78,732)
M5 Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(195)	-	-	-	-	(195)	195	-
Z1 BALANCE, DECEMBER 31, 2024	\$ 916,288	\$ 60,654	\$ 7,306	\$ (489,429)	\$ 30	\$ (11,295)	\$ 483,554	\$ 3,362	\$ 486,916

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

**UNIFOSA CORP. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Unit: In Thousands of New Taiwan Dollars

Code		2024	2023
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Loss before income tax	\$ (82,902)	\$ (92,798)
A20000	Adjustments for:		
A20100	Depreciation expenses	12,192	15,027
A20200	Amortization expenses	964	964
A20900	Interest expenses	3,163	2,204
A21200	Interest income	(1,262)	(1,509)
A22300	Share of loss of associates and joint ventures accounted for using the equity method	12,390	8,428
A23700	Impairment loss on non-financial assets	6,398	-
A31000	Net movement in operating assets		
A31125	(Increase) decrease in contract assets	7,994	(13,013)
A31130	Decrease in notes receivable - unrelated parties, net	119	317
A31150	Increase in accounts receivable from unrelated parties, net	(61)	(1,262)
A31180	Increase in other receivables	(1,152)	(156)
A31200	Decrease in inventories, net	4,310	22,420
A31230	Increase in prepayments	(370)	(2,209)
A31240	Decrease (increase) in other current assets	11	(9)
A31990	Decrease (increase) in other operating assets	14,349	(302)
A32000	Net changes in operating liabilities		
A32125	Increase (decrease) in contract liabilities	(1,596)	206
A32130	Decrease in notes payable - unrelated parties	-	(315)
A32150	Increase (decrease) in accounts payable to unrelated parties	(1,633)	5,095
A32180	Increase in other payables	6,292	277
A32230	Increase in other current liabilities	248	70
A33000	Cash outflow from operations	(20,546)	(56,565)
A33100	Interest received	1,332	1,439
A33300	Interest paid	(2,707)	(2,001)
A33500	Income tax paid	(49)	(72)
AAAA	Net cash outflow from operating activities	(21,970)	(57,199)
BBBB	CASH FLOWS FROM INVESTING ACTIVITIES		
B00050	Disposal of financial assets measured at amortized cost	12,000	912
B01800	Acquisition of investments accounted for using equity method	-	(15,600)
B02200	Acquisition of subsidiaries (net of cash acquired)	-	-
B02700	Payments for property, plant and equipment	(104)	(1,241)
B06700	Increase in other non-current assets	-	(6,279)
B06800	Decrease in other non-current assets	2,331	-
BBBB	Net cash flows used in investing activities	14,227	(22,208)
CCCC	CASH FLOWS FROM FINANCING ACTIVITIES		
C04020	Repayment of principal portion of lease liabilities	(4,823)	(4,733)
C05800	Changes in non-controlling interests	-	1,400
C09900	Other financing activities	22,000	30,000
CCCC	Net cash flows generated from (used in) financing activities	17,177	26,667
EEEE	Net increase (decrease) in cash and cash equivalents	9,434	(52,740)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	148,282	201,022
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 157,716	\$ 148,282

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

UNIFOSA CORP. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(I) GENERAL

UNIFOSA CORP. (hereinafter referred to as "the Company") was incorporated on May 16, 1994 in accordance with the Company Act and relevant laws and regulations of the Republic of China. The Company primarily engages in the manufacture of office machinery, data storage and processing equipment, and electronic components, as well as wholesale, retail, and international trade of office machinery and equipment. On December 27, 2004, Unifosa Corp.'s shares were listed in the over-the-counter market on Taipei Exchange (TPEX) for trading.

The Company merged with Proware Technology Co., Ltd. (hereinafter referred to as "Proware Technology") on January 1, 2013 as the merger date, with the Company as the surviving entity.

(II) THE DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issue by the Board of Directors on February 25, 2025.

(III) APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

1. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2024

<u>New / Revised / Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024 (Note)
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024 (Note)
Amendments to IAS 7 and IFRS 7 "Supplier finance arrangements"	January 1, 2024 (Note)

This amendment will apply to annual reporting periods beginning on or after January 1, 2024.

Application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies.

2. The impact of not yet adopting the newly released and revised IFRSs that have been endorsed by the FSC:

The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2025

<u>New / Revised / Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

As of the approval and issuance date of these consolidated financial statements, the Group has evaluated that the aforementioned standards and interpretations have no significant impact on its financial position and financial performance.

3. The following are the IFRSs that have been issued by the International Accounting Standards Board (IASB) but have not yet been endorsed and issued into effect by the Financial Supervisory Commission (FSC):

<u>New / Revised / Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Involving Natural Power"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRSs - Cycle 11	January 1, 2026

As of the date the accompanying consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of aforementioned standards and interpretations will have on the Group's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

#### (IV) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of the Group's significant accounting policies are as follows:

1. Statement of compliance

These consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and issued IFRSs.

2. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair values, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

3. Basis of Consolidation

(1) Principles for the Preparation of Consolidated Statements

The consolidated financial statements incorporate the financial statements of the Group and the entities controlled by the Group (i.e., its subsidiaries including structural-type entities). The consolidated comprehensive income statement has included the operating profit and loss of the acquired or disposed subsidiary in the current year from the date of acquisition or to the date of disposal. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When the changes in the Group's ownership interests in subsidiaries do not result in the Group's losing control over the subsidiaries, those changes are accounted for equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

When the merging Group loses control over the subsidiary, the profit or loss on disposal is the difference between: (1) the fair value of the consideration received and the total fair value of the remaining investment in the former subsidiary at the date of loss of control, and (2) The assets (including goodwill) and liabilities and non-controlling interests of the former subsidiary are calculated based on the total book value on the date of loss of control. The accounting treatment of the consolidated Group for all amounts recognized in other comprehensive income related to the subsidiary is the same as the basis that the consolidated Group must follow for directly disposing of related assets or liabilities.

The remaining investment in the former subsidiary is based on the fair value on the day when control is lost, and is used as the cost of the original recognized investment in associates.

(2) Entities Included in the Consolidated Statements

Investor Group	Subsidiary	Main Businesses	Ownership Percentage	
			December 31, 2024	December 31, 2023
Unifosa Corp.	Phoenix Innovative Materials Inc. (hereinafter called as Phoenix Materials)	Plastic film and other high-tech chemical materials manufacturing	98.89%	98.75%
Unifosa Corp.	Morelink Technology Corporation (hereinafter called as Morelink Technology)	Wireless communication machinery and equipment manufacturing, electronic components manufacturing, telecommunications equipment wholesale and retail, electronic materials wholesale and retail, telecommunications control radio frequency equipment input and international trade, etc.	47.61%	47.61%

Note 1. Equity acquired through participation in cash capital increase for this period.

- (3) Subsidiaries that are not included in the consolidated statements : None.
- (4) Different adjustments and treatment used by subsidiaries for the accounting period : None.
- (5) Subsidiaries holding securities issued by the parent Group : None.
- (6) Significant Restrictions : None.
- (7) Information on subsidiaries with material non-controlling interests :

The significant non-controlling interests of subsidiaries in the consolidated Group are as follows:

Subsidiary	Main Location	Percentage of Ownership And Voting Rights of Non-Controlling Interests	
		December 31, 2024	December 31, 2023
Morelink Technology Corporation	Taiwan	52.39%	52.39%

  

Subsidiary	Profit or Loss Attributable to Non-Controlling Interests		Non-controlling Interests	
	2024	2023	December 31, 2024	December 31, 2023
Morelink Technology Corporation	\$ (16,304)	\$ (25,232)	\$ 2,997	\$ 19,301
Others	(228)	(252)	365	398
	<u>\$ (16,532)</u>	<u>\$ (25,484)</u>	<u>\$ 3,362</u>	<u>\$ 19,699</u>

Financial information for subsidiary companies is compiled based on amounts before elimination of intercompany transactions:

Balance Sheet

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
CURRENT ASSETS	\$ 114,532	\$ 116,037
NON-CURRENT ASSETS	11,365	11,542
Current liabilities	(24,524)	(18,738)
Non-current liabilities	<u>(95,653)</u>	<u>(72,000)</u>
Equity	<u>\$ 5,720</u>	<u>\$ 36,841</u>
Equity Attributable to:		
Parent Group	\$ 2,723	\$ 17,540
Non-controlling Interests	<u>2,997</u>	<u>19,301</u>
	<u>\$ 5,720</u>	<u>\$ 36,841</u>

Income Statement

	<u>2024</u>	<u>2023</u>
OPERATING REVENUE	\$ 79,580	\$ 71,696
Net loss for the period	\$ (31,121)	\$ (48,350)
OTHER COMPREHENSIVE INCOME (LOSS)	<u>—</u>	<u>—</u>
Total comprehensive income for the period	<u>\$ (31,121)</u>	<u>\$ (48,350)</u>
Net loss attributable to:		
Parent Group	\$ (14,817)	\$ (23,118)
Non-controlling Interests	<u>(16,304)</u>	<u>(25,232)</u>
	<u>\$ (31,121)</u>	<u>\$ (48,350)</u>
Total comprehensive income attributable to:		
Parent Group	\$ (14,817)	\$ (23,118)
Non-controlling Interests	<u>(16,304)</u>	<u>(25,232)</u>
	<u>\$ (31,121)</u>	<u>\$ (48,350)</u>
Dividends paid to non-controlling interests	<u>\$ —</u>	<u>\$ —</u>

Cash Flow Statement

	<u>2024</u>	<u>2023</u>
Net cash outflow from operating activities	\$ (7,766)	\$ (38,408)
Net cash flows used in investing activities	13,138	(14,353)
Net cash inflow from financing activities	<u>19,227</u>	<u>28,628</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ 24,599</u>	<u>\$ (24,133)</u>

#### 4. Business Combinations

Business combinations are handled by the acquisition method. Acquisition-related costs are listed as expenses in the period in which the costs are incurred and the services are obtained.

Goodwill refers to and is measured by the total amount of the fair value of the transfer consideration, the amount of non-controlling interests in the acquiree, and the fair value of the acquiree's equity previously held by the acquirer on the date of acquisition, in excess to the net identifiable assets and assumed liabilities on the date of acquisition.

For a business combination achieved in stages, the fair value on the date of acquisition is used to measure the equity of the acquiree previously held by the merging Group, and any profit or loss arising therefrom shall be recognized as profit or loss. Amounts recognized in other comprehensive profit or loss prior to the acquisition date as a result of a previously held interest in the acquiree are recognized on the same basis as if the merging Group had directly disposed of its previously held interest.

#### 5. Foreign currency

The financial statements of each consolidated entity are prepared in the currency (functional currency) of the primary economic environment in which the entity operates. The functional currency of the consolidated Group and the expression currency of the consolidated statements are New Taiwan Dollars.

In preparing each entity's financial statements, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, foreign currency monetary items are translated at the closing exchange rate.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the re-translation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

When preparing consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency (New Taiwan Dollars) using the exchange rate at each balance sheet date; income and expense items are translated at the average exchange rates for the period. The resulting exchange differences are recognized in other comprehensive income and appropriately attributed to the owners of the Company and non-controlling interests.

6. Classification of Current and Non-Current Assets and Liabilities

Current assets include cash and cash equivalents, assets held primarily for trading purposes, and assets expected to be realized within 12 months after the balance sheet date, excluding those that are restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date. Current liabilities include liabilities held primarily for trading purposes, liabilities due to be settled within 12 months after the balance sheet date, and liabilities for which the entity does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are non-current assets and liabilities, respectively.

7. Cash Equivalents

Cash and cash equivalents include cash on hand, bank deposits and short-term and highly liquid investments (including time deposits with an original maturity date of three months) that can be converted into fixed cash at any time with little risk of change in value.

8. Financial Instruments

Financial assets and financial liabilities are recognized on parent Group only balance sheets when a group entity becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss and included in the original recognized amount of financial assets and financial liabilities.

(1) Financial Assets

A. Measurement category

The Group's financial assets are classified into the following categories:

(a) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable designate investments in equity instruments that is not held for trading as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments measured at fair value through other comprehensive gains and losses are measured at fair value, and subsequent changes in fair value are reported in other comprehensive gains and losses and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments at FVTOCI are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(b) Financial assets at amortized cost

Financial assets that meet the following two conditions are subsequently measured at amortized cost:

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes and trade receivables and other financial assets are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

B. Impairment of financial and contractual assets

At each balance sheet date, the Group assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable), debt instrument investments measured at fair value through other comprehensive income, lease receivables, and contract assets based on expected credit losses.

The Group always recognizes the loss allowance by lifetime Expected Credit Loss (i.e. ECL) for notes and accounts receivable. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month ECL. Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account. However, the allowance loss on investments in debt instruments measured at fair value through other comprehensive gains and losses is recognized in other comprehensive gains and losses and does not reduce their carrying amount.

C. De-recognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

(2) Equity Instruments

The obligations and equity instruments issued by the Group are classified as financial liabilities based on the substance of the joint agreement and the definition of financial liabilities and equity instruments.

An equity instrument is any contract that recognizes the Group's residual interest in assets less all liabilities. The equity instruments issued by the Group are recognized at the proceeds obtained after deducting the direct issuance costs.

The reacquisition of the Group's own equity instruments is recognized and deducted under equity items. The purchase, sale, issuance or write-down of the Group's own equity instruments are not recognized in profit or loss.

(3) Financial Liabilities

A. Subsequent measurement

Financial liabilities are measured subsequently at amortized cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and those designated at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured at fair value and any gain or loss arising from the remeasurement is recognized in profit or loss.

Financial liabilities other than held-for-trading and designated at fair value through profit or loss are measured at amortized cost using the effective interest method.

#### B. Derecognition of Financial Liabilities

The Group derecognizes financial liabilities only when the obligation is released, canceled or expires. When derecognizing a financial liability, the difference between its carrying amount and the consideration paid is recognized in profit or loss.

### 9. Inventories

The Group's inventory includes raw materials, work-in-progress, semi-finished products, finished products and commodities, etc., which are recorded on the basis of actual purchase costs, and the weighted average method is used for cost calculation.

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriated to group similar or related items. The net realizable value is the estimated selling price of inventories less the estimated costs necessary to make the sale under normal situations.

### 10. Investments in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized in the parent Group only balance sheet at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and the distribution received. The Group also recognizes the changes in the equity of associates attributable to the Group.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the associate issues new shares, and the Group subscribes at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to additional paid-in capital. If the Group's ownership interest is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. When the adjustment should be debited to additional paid-in capital, but the additional paid-in capital recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. If the investment of associates becomes the investment of joint ventures, or vice versa, the Group will continue to evaluate investment accounted for by the equity method, other than remeasuring retained equities. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

Profits and losses, resulting from upstream, downstream, and side stream transactions between the Group and associates, are recognized on the consolidated financial statements in the scope of the Group's equities that are not relevant to its associates.

## 11. Property, plant, and equipment

Property, plant and equipment are stated at cost, less recognized accumulated depreciation and accumulated impairment loss. The cost includes incremental costs that are directly attributable to the acquisition or construction of assets.

Real estate, plant and equipment under construction are recognized at cost less accumulated impairment losses. Upon completion and in their intended state of use, the assets are classified into the appropriate categories of real estate, plant and equipment and depreciation commences.

There is no provision for depreciation on owned land.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

## 12. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

For contracts consisting of leased and non-leased components, the Group apportioned the consideration in the contract on a relative price basis and treated it separately.

### (1) The Group as lessee

Except for payments for low-value asset leases and short-term leases which are recognized as expenses on a straight-line basis, the Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, and less any lease incentives received, any initial direct costs incurred and an estimate of costs needed to restore the underlying assets.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets. Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rates.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(2) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

13. Goodwill

The goodwill acquired in a business combination is the cost of the goodwill recognized on the date of acquisition, and subsequently measured by the amount after deducting accumulated impairment losses from the cost.

For the purposes of impairment testing, goodwill is allocated to each cash-generating unit or group of cash-generating units of the Group that is expected to benefit from the synergies of the merger (referred to as "cash-generating units").

A cash-generating unit subject to goodwill is tested annually for impairment (and whenever there is an indication that the unit may be impaired) by comparing the carrying amount of the unit containing the goodwill with its recoverable amount. If the goodwill apportioned to a cash-generating unit is obtained from a business combination in the current year, the unit shall undergo an impairment test before the end of the current year. If the recoverable amount of the cash-generating unit apportioned to goodwill is lower than its book value, the impairment loss is to first reduce the book amount of the cash-generating unit's apportioned goodwill, and then reduce the book value of other assets in the unit in proportion to each carrying amount of the asset. Any impairment losses are recognized directly as current losses. Goodwill impairment losses are not reversed in subsequent periods.

#### 14. Intangible Assets

##### (1) Acquired Separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis with the useful life. The estimated useful life, residual value, and amortization method are reviewed at least at the end of each reporting period by the Group, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

##### (2) Incurred Internally - R & D Expense

The Group's expenditures in the research stage are recognized as expenses when incurred, and only when meeting the specified conditions will the expenses be recognized as intangible assets in the

stage of the internal plan development. The cost of internally incurred intangible assets is recognized as the sum of expenditures incurred since the date when the specified conditions are met and is subsequently measured by the amount after deducting accumulated amortization and accumulated impairment losses from the cost.

##### (3) Acquired through Business Combination

Intangible assets acquired through business combination are recognized at fair value on the date of acquisition and recognized separately from goodwill, and the subsequent measurement method is the same as that of intangible assets acquired separately.

##### (4) Derecognition

When derecognizing intangible assets, the difference between the net disposal proceeds and the carrying amount of such asset is recognized in profit or loss for the current period.

#### 15. Impairment of non-financial assets

At each balance sheet date, the Group evaluates assets with indicators of impairment and estimates their recoverable amounts. When the recoverable amount is less than the carrying amount, an impairment loss is recognized. The recoverable amount refers to an asset's fair value less costs of disposal or its value in use, whichever is higher. When the circumstances that caused an asset to be impaired in previous years no longer exist, the impairment loss recognized in prior years is reversed within the limit of the previously recognized loss amount.

16. Liability provision

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the balance sheet date, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognized as interest expense. Future operating losses shall not be recognized as provisions.

17. Employee benefit

(1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for service rendered by employees.

(2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contribution.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost as well as previous service cost, and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur, or when the plan amendment or curtailment occurs/when the settlement occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Net defined benefit assets may not exceed the present value of contributions refunded from the scheme or reduced in future contributions.

The cost of retirement benefits for the interim period is calculated on an actuarial basis from the beginning of the year to the end of the current period, using the actuarial cost rate determined by the end of the previous year, and adjusted for major market fluctuations in the current period, major plan amendments, liquidations or other major one-off events.

(3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as for determining a benefit retirement plan, except that the relevant remeasures are recognized in profit and loss.

(4) Termination benefits

The Group recognizes the liability for separation benefits when it is no longer able to withdraw the offer of separation benefits or recognize the related restructuring costs (whichever is earlier).

18. Revenue recognition

The Group identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

The transaction price shall not be adjusted for the material financial component of a contract for which the time interval between the transfer of goods or services and the receipt of consideration is less than 1 year.

(1) Revenue from sale of goods

The Group outsourced the manufacture and sale of goods and recognizes revenue when the promised goods are delivered to the client and the customer obtains its control (i.e., the customer's ability to control the use of the goods and obtain almost all of the residual benefits of the goods). The main products are memory modules, flash memory cards, random access memory and RAID products, and revenue is recognized on the basis of the price stated in the contract.

At the time of dematerialization, the control of the ownership of the processed products is not transferred, and the income is not recognized at the time of dematerialization.

The warranty provided by the Group is based on the guarantee that the goods provided will operate as expected by the customer and are handled in accordance with the provisions of IAS37.

The credit period of the Group's sales commodity transaction is 30~90 days, and most contracts recognize accounts receivable when the commodity transfer control and the right to receive consideration unconditionally, such accounts receivable are usually short in period and do not have a material financial component; However, in some contracts, part of the consideration is charged to the customer before the transfer of the goods, and the Group is required to bear the obligation to transfer the commodities subsequently, it is hence recognized as a contractual liability.

(2) Service Revenue

The services provided by the Group are mainly recognized as income according to the progress of the completion of the contract.

The Group's contractual agreement price is received in accordance with the payment period specified in the contract, and when it has the right to transfer the services to the customer but has not yet unconditionally received the consideration, the contract assets are recognized, and the contract assets are also subject to allowance impairment measured by the amount of expected credit loss during the existence period in accordance with IFRS9. However, in some contracts, part of the consideration is charged to the customer at the time of signing, and the Group assumes the obligation to provide services in the future, it is hence recognized as a contractual liability.

The period for which the Group's aforesaid contractual liabilities are converted to revenue normally does not exceed one year and does not result in the creation of material financial components.

#### 19. Share-based Payment

The share-based payment agreement for equity delivery is based on the fair value of the goods to which the equity is granted, and the employee services obtained are recognized as compensation costs during the vested period and adjusted to equity relative to the vested period. The fair value of the equity commodity should reflect the impact of the acquired and non-vested conditions of the market price. The cost of compensation recognized is adjusted according to the amount of compensation that is expected to meet the conditions of service and non-market vested conditions, until the final recognition amount is recognized on the vested date.

Share-based payment agreements settled in cash are recognized as compensation costs and liabilities during vested periods based on the fair value of the liabilities assumed, and measured at the fair value of the commodities to which the equity is given at each balance sheet date and delivery date, and any changes are recognized as profit or loss for the current period.

#### 20. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### (1) Current tax

Current income tax is calculated based on the tax rates enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income.

Income tax on unappropriated earnings is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated according to Taiwan's Income Tax Act.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

(2) Deferred income tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, net operating loss carryforwards and tax credits for research and development expenses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered. Previously unrecognized deferred tax assets are also reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

(3) Current and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

(V) Critical accounting judgements and key sources of estimation and uncertainty

In the application of the Group's accounting policies, the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The Group's critical accounting judgments and key sources of estimation and uncertainty are as follows:

1. Impairment assessment of tangible and intangible assets (excluding goodwill)

In the process of assessing asset impairment, the Group needs to rely on subjective judgments and determine the independent cash flow of specific asset groups, the useful life of the asset, and the possible future income and expenses based on asset usage patterns and industry characteristics. Changes in estimates brought about by changes or corporate strategies may result in material impairments or reversals of recognized impairment losses in the future.

2. Valuation of Inventory

Since inventories must be stated at the lower of cost and net realizable value, the Group must exercise judgment and make estimates to determine the net realizable value of inventories at the balance sheet date.

Due to rapid technological changes, the Group evaluates the amount of inventory affected by normal obsolescence, technological obsolescence, or lack of market value at the balance sheet date, and writes down inventory cost to net realizable value. This inventory valuation is mainly based on the estimated demand for products in a specific period in the future, therefore, there may be material changes.

3. Impairment Assessment for Goodwill

When determining whether goodwill is impaired, the value in use of the cash-generating units to which goodwill is allocated must be estimated. To calculate value in use, management should estimate the future cash flows expected to be generated from the cash-generating unit and determine the appropriate discount rate to use in calculating the present value. If the actual cash flow is less than expected, a material impairment loss may arise.

(VI) Explanation of significant accounts

1. Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 160	\$ 160
Demand deposits	117,556	90,122
Time deposits	40,000	58,000
	<u>\$ 157,716</u>	<u>\$ 148,282</u>

As of December 31, 2024 and 2023, the above mentioned bank deposits were not used as pledged assets and/or under any other circumstances of restricted uses.

2. Financial assets at fair value through other comprehensive income

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Non-current items</u>		
Equity investments		
Domestic unlisted shares	<u>\$ 3,705</u>	<u>\$ 4,350</u>

(1) The Group invests in the ordinary shares of the companies listed above for medium and long-term strategic purposes and expects to make profits through long-term investment. The Group's management believes that if the short-term fair value fluctuations of these investments are included in profit or loss, it is not consistent with the aforementioned long-term investment plan, therefore, these investments are designated to be measured at fair value through other comprehensive income by choice.

(2) As of December 31, 2024 and 2023, the above-mentioned financial assets measured at fair value through other comprehensive profit and loss were not used as pledged assets and/or under any other circumstances of restricted uses.

3. Financial Assets Measured at Amortized Cost, Current

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Time deposit with an original maturity of more than three months	<u>\$ —</u>	<u>\$ 12,000</u>
Interest rate range	<u>—</u>	<u>1.34%</u>

As of December 31, 2024 and 2023, the above-mentioned financial assets measured at amortized cost, current, were not used as pledged assets and/or under any other circumstances of restricted uses.

4. Notes receivable, accounts receivable and other receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Notes receivable</u>		
Notes receivable from operating activities	\$ 361	\$ 480
Notes receivable not from operating activities	—	—
Less: Allowance for bad debts	—	—
	<u>\$ 361</u>	<u>\$ 480</u>
<u>Accounts receivable</u>		
Accounts receivable	\$ 41,904	\$ 41,843
Less: Allowance for bad debts	—	—
	<u>\$ 41,904</u>	<u>\$ 41,843</u>
<u>Other receivables</u>		
Security deposits and tax refunds receivable, etc.	\$ 1,308	\$ 226
Less: Allowance for bad debts	—	—
	<u>\$ 1,308</u>	<u>\$ 226</u>

- (1) The Group adopts the simplified method of IFRS 9 to recognize the allowance loss of trade receivable based on the expected credit loss during the duration. The expected credit loss during the duration is calculated using a provision matrix, which takes into account the customer's past default history, current financial situation and industry economic situation. As the Group's credit loss historical experience shows that there is no significant difference in the loss patterns of different customer groups, the provision matrix does not further distinguish customer groups, and only determines the expected credit loss rate based on the number of days that trade receivables are overdue.
- (2) The Group's loss allowance for trade and other receivables based on provision matrix.

	<u>December 31, 2024</u>					<u>Total</u>
	<u>Not overdue</u>	<u>Overdue 1~90 days</u>	<u>Overdue 91~180 days</u>	<u>Overdue 181~270 days</u>	<u>Overdue more than 270 days</u>	
Total book value	\$ 42,866	\$ 346	\$ —	\$ —	\$ —	\$ 43,212
Expected credit loss rate	0%	0%	0%	0%	100%	
Loss Allowance (lifetime expected credit losses)	—	—	—	—	—	—
Amortized cost	<u>\$ 42,866</u>	<u>\$ 346</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 43,212</u>

	December 31, 2023					Total
	Not overdue	Overdue 1~90 days	Overdue 91~180 days	Overdue 181~270 days	Overdue more than 270 days	
Total book value	\$ 41,991	\$ 78	\$ —	\$ —	\$ —	\$ 42,069
Expected credit loss rate	0%	0%	0%	0%	100%	
Loss Allowance (lifetime expected credit losses)	—	—	—	—	—	—
Amortized cost	\$ 41,991	\$ 78	\$ —	\$ —	\$ —	\$ 42,069

- (3) As of December 31, 2024 and 2023, the above-mentioned notes and accounts receivables were not used as pledged assets and/or under any other circumstances of restricted uses.

5. Inventories

	December 31, 2024	December 31, 2023
Merchandise	\$ 10,934	\$ 4,517
Finished goods	4,797	3,613
Semi-finished goods	15,821	19,620
Work-in-process	2,335	2,368
Raw Material	45,593	53,672
	\$ 79,480	\$ 83,790

- (1) Inventory-related profits and losses recognized as cost of sales in the current period are as follows:

	2024	2023
Cost of inventory sales	\$ 209,022	\$ 208,632
Inventory write-down and impairment loss	5,957	10,170
Others	6,743	4,220
	\$ 221,722	\$ 223,022

- (2) As of December 31, 2024 and 2023, the above-mentioned inventory net value were not used as pledged assets and/or under any other circumstances of restricted uses.

6. Investments accounted for using the equity method

	December 31, 2024	December 31, 2023
Investments in Associates	\$ 48,399	\$ 60,715

Associates of the Group are listed as follows:

<u>Name of Investee Company</u>	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Carrying Values</u>	<u>Shareholding Ratio</u>	<u>Carrying Values</u>	<u>Shareholding Ratio</u>
Individually immaterial associates:				
Foresight Energy Technology Co., Ltd.	<u>\$ 48,399</u>	9.04%	<u>\$ 60,715</u>	9.04%

- (1) The Group did not participate in the cash capital increase of Foresight Energy Technology Co., Ltd. in 2023 according to its shareholding ratio, resulting in a decrease in shareholding percentage from 16.39% to 9.04%. Although the Group's shareholding percentage is less than 20%, it still has significant influence over the company, so the equity method is applied for valuation.
- (2) For information regarding the business nature, principal place of business, and country of registration of the above associates, please refer to Schedule 3 "Information of Investee Companies, Location...etc." in Note 13(1).
- (3) The summarized financial information of the Group's individually immaterial associates is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total assets	<u>\$ 685,863</u>	<u>\$ 782,503</u>
Total liabilities	<u>\$ 150,475</u>	<u>\$ 110,872</u>
	<b><u>2024</u></b>	<b><u>2023</u></b>
Operating revenue	<u>\$ 111,597</u>	<u>\$ 118,792</u>
Net loss for the current year	<u>\$ (137,054)</u>	<u>\$ (45,370)</u>
Other comprehensive income for the current year	<u>\$ 812</u>	<u>\$ (484)</u>

- (4) The share of profit (loss) and other comprehensive income of associates accounted for using the equity method for the years 2024 and 2023 were recognized based on the financial statements of each associate for the same period audited by certified public accountants.
- (5) As of December 31, 2024 and 2023, none of the above investments accounted for using the equity method were restricted by being provided as collateral or pledge.

7. Property, plant, and equipment

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Self-use	\$ 249,709	\$ 256,784
Operating lease	17,930	18,048
	<u>\$ 267,639</u>	<u>\$ 274,832</u>

(1) Self-use

	<u>Land</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Leasehold improvement costs</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
						<u>Costs and revaluation reserve</u>	
Jan. 1, 2024 balance	\$ 198,697	\$ 88,537	\$ 23,390	\$ 14,275	\$ 2,720	\$ 14,341	\$ 341,960
Increase	—	—	—	—	—	104	104
Disposal	—	—	—	(12,076)	(1,294)	(2,340)	(15,710)
Dec. 31, 2024 balance	<u>\$ 198,697</u>	<u>\$ 88,537</u>	<u>\$ 23,390</u>	<u>\$ 2,199</u>	<u>\$ 1,426</u>	<u>\$ 12,105</u>	<u>\$ 326,354</u>
Jan. 1, 2023 balance	\$ 201,602	\$ 89,788	\$ 23,390	\$ 14,275	\$ 2,831	\$ 12,983	\$ 344,869
Increase	—	—	—	—	—	1,358	1,358
Disposal	—	—	—	—	(111)	—	(111)
Assets reclassified as held for operating lease	(2,905)	(1,251)	—	—	—	—	(4,156)
Dec. 31, 2023 balance	<u>\$ 198,697</u>	<u>\$ 88,537</u>	<u>\$ 23,390</u>	<u>\$ 14,275</u>	<u>\$ 2,720</u>	<u>\$ 14,341</u>	<u>\$ 341,960</u>
<u>Accumulated depreciation / impairment</u>							
Jan. 1, 2024 balance	\$ —	\$ 43,432	\$ 14,497	\$ 13,189	\$ 2,289	\$ 11,769	\$ 85,176
Depreciation expenses	—	2,322	2,496	376	252	1,733	7,179
Disposal	—	—	—	(12,076)	(1,294)	(2,340)	(15,710)
Dec. 31, 2024 balance	<u>\$ —</u>	<u>\$ 45,754</u>	<u>\$ 16,993</u>	<u>\$ 1,489</u>	<u>\$ 1,247</u>	<u>\$ 11,162</u>	<u>\$ 76,645</u>
Jan. 1, 2023 balance	\$ —	\$ 41,209	\$ 11,593	\$ 11,789	\$ 2,067	\$ 8,638	\$ 75,296
Depreciation expenses	—	2,322	2,904	1,400	333	3,131	10,090
Disposal	—	—	—	—	(111)	—	(111)
Assets reclassified as held for operating lease	—	(99)	—	—	—	—	(99)
Dec. 31, 2023 balance	<u>\$ —</u>	<u>\$ 43,432</u>	<u>\$ 14,497</u>	<u>\$ 13,189</u>	<u>\$ 2,289</u>	<u>\$ 11,769</u>	<u>\$ 85,176</u>

(2) Operating lease

	<u>Land</u>	<u>Building</u>	<u>Total</u>
<u>Costs and revaluation reserve</u>			
Jan. 1, 2024 balance	\$ 14,845	\$ 5,182	\$ 20,027
Increase	—	—	—
Disposal	—	—	—
Dec. 31, 2024 balance	<u>\$ 14,845</u>	<u>\$ 5,182</u>	<u>\$ 20,027</u>
	<u>Land</u>	<u>Building</u>	<u>Total</u>
Jan. 1, 2023 balance	\$ 11,940	\$ 3,931	\$ 15,871
Increase	—	—	—
Disposal	—	—	—
From self-use assets	2,905	1,251	4,156
Dec. 31, 2023 balance	<u>\$ 14,845</u>	<u>\$ 5,182</u>	<u>\$ 20,027</u>

	<u>Land</u>	<u>Building</u>	<u>Total</u>
<u>Accumulated depreciation / impairment</u>			
Jan. 1, 2024 balance	\$ —	\$ 1,979	\$ 1,979
Depreciation expenses	—	118	118
Disposal	—	—	—
Dec. 31, 2024 balance	<u>\$ —</u>	<u>\$ 2,097</u>	<u>\$ 2,097</u>
Jan. 1, 2023 balance	\$ —	\$ 1,762	\$ 1,762
Depreciation expenses	—	118	118
Disposal	—	—	—
From self-use assets	—	99	99
Dec. 31, 2023 balance	<u>\$ —</u>	<u>\$ 1,979</u>	<u>\$ 1,979</u>

The Group leases land and buildings under operating leases, and the lease period is 2 to 3 years. At the end of the lease period, the lessee has no preferential purchase of such assets.

The total amount of lease payments to be received in the future for leasing out self-owned real estate, plant and equipment under operating leases is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
1st year	\$ 763	\$ 986
2nd year	23	78
	<u>\$ 786</u>	<u>\$ 1,064</u>

- (3) The Group's property, plant and equipment are depreciated on a straight-line basis over the following useful years:

Building	35~50 years
Machinery and equipment	5~10 years
Leasehold improvement costs	5 years
Office equipment	5~10 years
Other equipment	2~5 years

- (4) Please refer to Notes 6 (10) and 8 for details of the Group's provision of land and buildings as collateral for loans as of December 31, 2024 and 2023.

## 8. Right-of-use assets

- (1) Right-of-use assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Book value of right-of-use-assets</u>		
Building	\$ 3,581	\$ 6,447
Transportation equipment	5,727	7,756
	<u>\$ 9,308</u>	<u>\$ 14,203</u>

	Building	Transportation equipment	Total
<u>Costs and revaluation reserve</u>			
Jan. 1, 2024 balance	\$ 8,596	\$ 9,503	\$ 18,099
Increase	—	—	—
Disposal	—	—	—
Dec. 31, 2024 balance	<u>\$ 8,596</u>	<u>\$ 9,503</u>	<u>\$ 18,099</u>
Jan. 1, 2023 balance	\$ 12,048	\$ 9,483	\$ 21,531
Increase	8,596	4,219	12,815
Disposal	(12,048)	(4,199)	(16,247)
Dec. 31, 2023 balance	<u>\$ 8,596</u>	<u>\$ 9,503</u>	<u>\$ 18,099</u>
<u>Accumulated depreciation / impairment</u>			
Jan. 1, 2024 balance	\$ 2,149	\$ 1,747	\$ 3,896
Depreciation expenses	2,866	2,029	4,895
Disposal	—	—	—
Dec. 31, 2024 balance	<u>\$ 5,015</u>	<u>\$ 3,776</u>	<u>\$ 8,791</u>
Jan. 1, 2023 balance	\$ 11,340	\$ 3,984	\$ 15,324
Depreciation expenses	2,857	1,962	4,819
Disposal	(12,048)	(4,199)	(16,247)
Dec. 31, 2023 balance	<u>\$ 2,149</u>	<u>\$ 1,747</u>	<u>\$ 3,896</u>

(2) Lease liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Book value of lease obligation</u>		
Current	\$ 4,940	\$ 4,822
Non-current	4,573	9,514
	<u>\$ 9,513</u>	<u>\$ 14,336</u>

Range of discount rate for lease obligation:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Building	<u>2.99%</u>	<u>2.99%</u>
Transportation equipment	<u>1.62%~3.12%</u>	<u>1.62%~3.12%</u>

(3) Important Leasing Activities and Terms

The Group leases some buildings and transportation equipment for plant and office use, and the lease period is 2 to 5 years. At the end of the lease period, the Group has no preferential right to purchase the leased transportation equipment.

(4) Information on other leases

	<u>2024</u>	<u>2023</u>
Rental expenses for low-value assets	\$ <u>1,022</u>	\$ <u>735</u>
Cash outflow for lease payments	\$ <u>(5,845)</u>	\$ <u>(5,468)</u>

The Group chooses to apply the recognition exemption for leases that match short-term leases and low-value asset leases, and does not recognize the relevant right-of-use assets and lease liabilities for these leases.

9. Intangible Assets

	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Total</u>
<u>Cost</u>			
Jan. 1, 2024 balance	\$ 19,800	\$ 9,106	\$ 28,906
Increase	—	—	—
Disposal and reclassification	—	—	—
Dec. 31, 2024 balance	\$ <u>19,800</u>	\$ <u>9,106</u>	\$ <u>28,906</u>
Jan. 1, 2023 balance	\$ 19,800	\$ 9,106	\$ 28,906
Increase	—	—	—
Disposal and reclassification	—	—	—
Dec. 31, 2023 balance	\$ <u>19,800</u>	\$ <u>9,106</u>	\$ <u>28,906</u>
<u>Accumulated amortization and impairment</u>			
Jan. 1, 2024 balance	\$ —	\$ 3,333	\$ 3,333
Amortization expenses	—	964	964
Disposal and reclassification	—	—	—
Recognition of impairment loss	6,398	—	6,398
Dec. 31, 2024 balance	\$ <u>6,398</u>	\$ <u>4,297</u>	\$ <u>10,695</u>
Jan. 1, 2023 balance	\$ —	\$ 2,369	\$ 2,369
Amortization expenses	—	964	964
Disposal and reclassification	—	—	—
Dec. 31, 2023 balance	\$ <u>—</u>	\$ <u>3,333</u>	\$ <u>3,333</u>

- (1) The amortization period of intangible assets of the Group is as follows: customer relationship is 9.45 years.

- (2) The Group recognized goodwill of NT\$19,800 thousand from the acquisition of Morelink Technology Corporation. The impairment test of goodwill allocates the goodwill to the cash-generating unit related to Morelink Technology Corporation, using value in use as the basis for calculating the recoverable amount. The calculation of value in use is based on cash flow projections from financial forecasts approved by management for the next five years, discounted at rates of 11.44% and 12.43% as of December 31, 2024 and 2023, respectively, to reflect the specific risks associated with the relevant cash unit.

Based on the above assessment results, the Group recognized goodwill impairment losses of NT\$6,398 thousand and NT\$0 for the years 2024 and 2023, respectively.

#### 10. Short-term Debt

- (1) Please refer to Note 6(7) and 8 for details of the Group's provision of assets as collateral for loans as of December 31, 2024 and 2023.
- (2) As of December 31, 2024 and 2023, the undrawn loan facilities granted to the Group by financial institutions were both at 130,000 thousand.

#### 11. Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Payroll & bonus payable	\$ 19,792	\$ 17,583
Professional service fees payable	5,440	3,912
Interest Payable	1,096	640
Others	7,171	4,616
	<u>\$ 33,499</u>	<u>\$ 26,751</u>

#### 12. Retirement Benefits Plans

- (1) Defined contribution plans

The plan under the R.O.C. Labor Pension Act (the "Act") is deemed a defined contribution plan. Pursuant to the Act, the Group and subsidiary, Morelink Technology and Phoenix Materials has made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts.

The amount that should be allocated in accordance with the specified proportion in the defined contribution plan has been recognized in the profit and loss statement of the Group in 2024 and 2023. The total recognized expenses are 4,207 thousand and 4,073 thousand respectively. As of December 31, 2024 and 2023, the due appropriations that have not yet been paid to the contribution plan are 1,054 thousand and 1,030 thousand respectively, and these amounts have been paid after the balance sheet date.

(2) Defined benefit plans

The Group has defined benefit plans under the R.O.C. Labor Standards Act that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Group contributes an amount equal to 4% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Group assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by designated government bureau, the Group does not have any right to intervene in the investments of the Funds.

During 2024, the Company reached agreements with certain employees to settle their years of service under the old pension system, and settled pensions according to relevant regulations. The resulting settlement benefits have been recognized in the statement of comprehensive income.

Amounts recognized in respect of these defined benefit plans in the consolidated balance sheets were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligation	\$ —	\$ 11,058
Fair value of plan assets	—	(23,346)
Net defined benefit assets	<u>\$ —</u>	<u>\$ (12,288)</u>

Changes in the present value of defined benefit obligation are as follows :

	2024		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit assets
Jan. 1, 2024 balance	\$ 11,058	\$ (23,346)	\$ (12,288)
Service costs			
Service costs for current year	—	—	—
Interest expenses (income)	38	(122)	(84)
Recognized in profit or loss	38	(122)	(84)
Remeasurements			
Return on plan assets	—	(2,023)	(2,023)
Actuarial loss (gain)			
Changes in demographic assumptions	—	—	—
Changes in financial assumptions	—	—	—
Experience adjustments	(38)	—	(38)
Recognized in other comprehensive income	(38)	(2,023)	(2,061)
Participant contributions to the plan	—	—	—
Benefit payments	(11,058)	—	(11,058)
Pension account settlement	—	25,491	25,491
Dec. 31, 2024 balance	\$ —	\$ —	\$ —
	2023		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit assets
Jan. 1, 2023 balance	\$ 11,058	\$ (22,788)	\$ (11,730)
Service costs			
Service costs for current year	—	—	—
Interest expenses (income)	97	(399)	(302)
Recognized in profit or loss	97	(399)	(302)
Remeasurements			
Return on plan assets	—	(159)	(159)
Actuarial loss (gain)			
Changes in demographic assumptions	—	—	—
Changes in financial assumptions	—	—	—
Experience adjustments	(97)	—	(97)
Recognized in other comprehensive income	(97)	(159)	(256)
Participant contributions to the plan	—	—	—
Benefit payments	—	—	—
Dec. 31, 2023 balance	\$ 11,058	\$ (23,346)	\$ (12,288)

The above defined benefit plans recognized in the gain or loss of pension are listed in the individual items below:

	<u>2024</u>	<u>2023</u>
OPERATING COSTS	\$ (14)	\$ (49)
Selling and marketing expenses	(13)	(47)
General and administrative expenses	(34)	(125)
Research & development expenses	(23)	(81)
Total	<u>\$ (84)</u>	<u>\$ (302)</u>

Through the defined benefit plans under the R.O.C. Labor Standards Act, the Group is exposed to the following risks:

- A. Investment risk: The pension funds are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the R.O.C. Labor Standards Act, the rate of return on the Group's assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.
- B. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.
- C. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions at the measurement date were as follows:

	<u>Measurement date</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	<u>1.375%</u>	<u>1.75%</u>
Rate of salary increase	<u>1.00%</u>	<u>1.00%</u>
Expected duration of defined benefit obligation	<u>- years</u>	<u>- years</u>

If main actuarial assumptions vary within a reasonable extent, as for other assumption remaining unchanged, the present value of defined benefit obligation increases (decreases) shall be as follows:

	Measurement date	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate		
Increase	\$ —	\$ —
Decrease	\$ —	\$ —
Rate of salary increase		
Increase	\$ —	\$ —
Decrease	\$ —	\$ —

As actuarial assumptions may be correlative with one another, it is less likely that only one single assumption will be changed, the above sensitive analysis cannot indicate actual changes of the present value of defined benefit obligation.

In addition, in the aforementioned sensitivity analysis, the present value of the determined benefit obligation at the end of the reporting period was calculated using the estimated unit benefit method and measured on the same basis as the determination of benefit liability.

The Group expects to allocate 0 thousand to the determined benefit plan within one year after December 31, 2024.

### 13. Equity

#### (1) Capital-common stock

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Shares (in thousands)	200,000	200,000
Share capital	\$ 2,000,000	\$ 2,000,000
Issued and fully paid-in shares (in thousands)	91,628.8	91,628.8
Issued capital	\$ 916,288	\$ 916,288

The issued ordinary shares are with a par value of NT\$10 per share, and each share is entitled to one voting right and the right to receive dividends

(2) Additional paid-in capital

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Only to be used to offset losses</u>		
Recognition of changes in equity interests in subsidiaries	\$ 69	\$ 264
Changes in equity in associates and joint ventures accounted for using the equity method	<u>60,585</u>	<u>60,585</u>
	<u>\$ 60,654</u>	<u>\$ 60,849</u>

Such capital reserve refers to the impact of equity transactions recognized by changes in the equity of the Group and its subsidiaries and associates when the Group has not actually acquired or disposed of the equity of subsidiaries and associates, or the adjustment of the capital reserve of subsidiaries and associates recognized by the Group using the equity method.

(3) Retained earnings and dividend policy

In accordance with the Group's Articles of Incorporation, when allocating the net profits for each fiscal year, the Group shall first pay taxes and offset its losses in previous years and then set aside the legal capital reserve at 10% of the profits left over, and allocate or reverse special reserves when necessary. However, if the legal reserves have reached the Group's paid-in capital, then the abovementioned does not apply. Any balance left over shall be added with the accumulated undistributed earnings of the previous year and be allocated according to the resolution provided from the board meeting based on the proposal of the dividends policy and the allocation of retained earnings. If the planned execution is to be carried out in the form of issuing new shares, the proposal should be submitted and approved by the Shareholders' meeting before execution.

If the Group distributes dividends and bonuses or all or part of legal reserves and paid-in capital reserve by issuing cash, it shall be reported to the shareholders meeting after authorizing the Board of which the quorum reaches two-third of the directors and obtaining the approvals from more than half of the attending directors.

Considering the environment and the growth period the Group is in, and in response to future capital needs and long-term financial planning, as well as to satisfy the needs of the shareholders' expectations of cash inflows, the Group appropriates more than 50% of the retained earnings to stockholders' dividends, of which the cash dividends should not be lower than twenty (20) percent of the sum of total dividends.

Since June 13, 2007, the Group no longer has supervisors, and the original supervisor's duties were performed by the Audit Committee.

The appropriation for legal reserve shall be made until the reserve equals to the

paid-in capital. The legal reserve may be used to offset a deficit, or be distributed as dividends in cash for the portion in excess of 25% of the paid-in capital if the Group incurs no loss.

When distributing earnings, the Company must set aside a special reserve in accordance with legal requirements for the net deduction of other equity items (such as cumulative balances of exchange differences on translation of foreign operations' financial statements, unrealized gains and losses on financial assets measured at fair value through other comprehensive income, and effective portion of gains and losses on hedging instruments in cash flow hedges).

If there is a subsequent reduction in the deduction amount of other equity items, the reduction amount can be transferred back to the undistributed earnings from special reserve.

The Group was in a state of accumulated losses in 2024 and 2023, hence there is no need to disclose dividend information per share.

With regards to the allocation of earnings approved by the Group's board of directors and resolved at the shareholders' meeting, please visit the websites such as the Market Observation Post System (MOPS) for further details.

(4) Other Equity Items

A. Exchange differences on translation of foreign financial statements.

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ (44)	\$ —
Share of other comprehensive income or loss of associates and joint ventures accounted for using the equity method	<u>74</u>	<u>(44)</u>
Ending balance	<u>\$ 30</u>	<u>\$ (44)</u>

The exchange difference arising from the conversion of the net assets of the foreign operating entity from the functional currency to the express currency of the consolidated Group is the exchange difference directly recognized as the translation of the financial statements of the foreign operating entity under other comprehensive profit or loss. Exchange differences previously accumulated in the financial statements of foreign operators are reclassified to profit or loss when disposing of foreign operators.

B. Unrealized gain (loss) from financial assets at fair value through other comprehensive income

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ (10,650)	\$ (10,425)
Unrealized gain (loss) from financial assets at fair value through other comprehensive income	<u>(645)</u>	<u>(225)</u>
Ending balance	<u>\$ (11,295)</u>	<u>\$ (10,650)</u>

Investments in equity instruments measured at fair value through other comprehensive gains and losses are measured at fair value, and subsequent changes in fair value are reported in other comprehensive gains and losses and accumulated in other equity. At the time of investment disposal, the accumulated profit and loss is directly transferred to the retained earnings and is not reclassified as profit or loss.

(5) Non-controlling Interests

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 19,699	\$ 44,047
Share attributed to non-controlling interests :		
Net loss for the current year	(16,532)	(25,484)
Increase in non-controlling interests	<u>195</u>	<u>1,136</u>
Ending balance	<u>\$ 3,362</u>	<u>\$ 19,699</u>

14. Share-Based Payment Plan

(1) Share Option Plan for Employees of the Subsidiary

The Group's subsidiary, Morelink Technology, granted 2,400 share options to its employees on December 28, 2023. Each of which can subscribe for 1,000 common stocks. The recipients of the grant include employees of the subsidiary, Morelink Technology, who meet certain conditions. The duration of the share options is 5 years, and the holder of the options may exercise the options at the following time and in proportion from the date of expiration of 2 years from the date of issuance.

<u>Vesting Period</u>	<u>Cumulative Maximum Exercise Ratio</u>
After 2 years	50%
After 3 years	100%

The exercise price of the share option is NT\$10 dollars, and the exercise price of the share option will not be adjusted when there is a change in the common stocks of the subsidiary, Morelink Technology, after the issuance of the share options.

- (2) Relevant information regarding employee share options in 2024 and 2023 is as follows :

	2024		2023	
	Quantity (Units)	Weighted Average Exercise Price	Quantity (Units)	Weighted Average Exercise Price
Outstanding at Beginning of Period	2,400.00	\$ 10	—	\$ —
Granted in the Period	—	\$ —	2,400.00	\$ 10
Exercised in the Period	—	\$ —	—	\$ —
Forfeited in the Period	—	\$ —	—	\$ —
Outstanding at End of Period	<u>2,400.00</u>	\$ 10	<u>2,400.00</u>	\$ 10
Employee Stock Options Exercisable at End of Period	<u>—</u>	\$ —	<u>—</u>	\$ —

- (3) As of December 31, 2024 and 2023, the relevant information of employee share warrants in circulation is as follows :

	2024	2023
Range of Exercise Prices	<u>\$ 10</u>	<u>\$ 10</u>
Weighted Average Remaining Contractual Term (years)	<u>4.00</u>	<u>5.00</u>

- (4) The fair value of the share options of the employees of the subsidiary - Morelink Technology, is estimated using the Black-Scholes model of option pricing, and the assumptions are as follows:

	Granted in December 2023
Grant Date Stock Price	NT\$4.25
Exercise Price	NT\$10
Expected Volatility (%)	38.22%
Option Life (years)	5 years
Risk-Free Rate (%)	1.31%

Expected volatility is based on the average annualized standard deviation of the simulated daily returns of peer companies.

- (5) The recognized compensation cost in 2024 and 2023 is 0.

## 15. OPERATING REVENUE

	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers		
Revenue from sale of goods	\$ 285,558	\$ 261,393
Revenue from rendering services	8,124	5,760
	<u>\$ 293,682</u>	<u>\$ 267,153</u>

The relevant information on customers' contractual revenue in 2024 and 2023 are as follows:

(1) Further definition of revenue :

The Group's revenue is further defined based on the categories of main products and regions, please refer to Note 14 for relevant information. The details of the revenue recognition timing are further defined as follows:

	<u>2024</u>	<u>2023</u>
Revenue recognition timing at a point in time	\$ 285,558	\$ 261,393
Over time as progress is made	8,124	5,760
	<u>\$ 293,682</u>	<u>\$ 267,153</u>

(2) Contract balance:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable (note 6(4))	\$ 41,904	\$ 41,843
Contract assets, current		
Sales of goods	\$ 5,019	\$ 13,013
Contract liability, current		
Sales of goods	\$ 1,835	\$ 3,431

Changes in contractual liabilities are mainly due to differences between the time of satisfaction of the performance obligation and the point of payment by the customer.

The amounts recognized as revenue in 2024 and 2023 from the beginning-of-year contract liabilities were NT\$3,303 thousand and NT\$2,937 thousand, respectively.

(3) Transaction price allocated to unfulfilled obligations:

As of December 31, 2024 and 2023, the Group's customer contracts for sales of goods and provision of services are all shorter than one year, hence there is no need to provide information about unfulfilled contractual obligations.

- (4) Assets recognized from the cost of self-acquiring or fulfilling customer contracts:  
None

16. Additional information for Expenses

As of December 31, 2024 and 2023, the Group had 103 and 102 employees, respectively, including 6 directors who were not concurrently employees in both years.

The Group's current net loss includes the following items :

Nature	2024			2023		
	Classified as Operating Cost	Classified as Operating Expenses	Total	Classified as Operating Cost	Classified as Operating Expenses	Total
Employee benefit expenses						
Salary	\$ 9,558	\$ 75,802	\$ 85,360	\$ 11,065	\$ 69,973	\$ 81,038
Labor and health insurance	1,137	6,743	7,880	1,293	6,491	7,784
Post-Retirement Benefits						
Defined contribution plans	529	3,678	4,207	594	3,479	4,073
Defined benefit plans	(14)	(70)	(84)	(49)	(253)	(302)
Directors' compensation	—	775	775	—	525	525
Other personnel expenses	653	3,112	3,765	555	2,179	2,734
	<u>\$ 11,863</u>	<u>\$ 90,040</u>	<u>\$ 101,903</u>	<u>\$ 13,458</u>	<u>\$ 82,394</u>	<u>\$ 95,852</u>
Depreciation expenses	<u>\$ 1,423</u>	<u>\$ 10,769</u>	<u>\$ 12,192</u>	<u>\$ 1,628</u>	<u>\$ 13,399</u>	<u>\$ 15,027</u>
Amortization expenses	<u>\$ —</u>	<u>\$ 964</u>	<u>\$ 964</u>	<u>\$ —</u>	<u>\$ 964</u>	<u>\$ 964</u>

According to the Group Act and the Group's Articles of Association, if the Group makes a profit in the year, it should allocate 5% to 15% for employee compensation and not more than 2% for directors' compensation; employee compensation may be paid to employees of controlled or affiliated companies who meet certain conditions, which are determined by the Board of Directors. However, if the Group still has accumulated losses, it should retain the amount of compensation in advance, and then allocate employee compensation and directors' compensation according to the proportion of the aforementioned item.

The Group was in a deficit state in 2024 and 2023 and has yet to rectify, so the compensation of employees and directors is not assessed.

If there is a significant change in the amount approved ed by the board of directors before the date of the adoption of the parent Group only financial statements, the change will be adjusted to the expenses of the original financial period, and if the amount remains changed after the date of the adoption of the annual parent Group only financial statements, it will be treated according to the changes in accounting estimates and adjusted and recorded in the following year.

Information on employee and directors' compensation approved by the Board of Directors of the Group and resolved by the shareholders' meeting can be found on websites such as the Market Observation Post System (MOPS).

17. Other gains and losses

	<u>2024</u>	<u>2023</u>
Other gains		
Rental income	\$ 1,523	\$ 1,489
Net exchange gain	616	686
Other income	<u>484</u>	<u>784</u>
	<u>2,623</u>	<u>2,959</u>
Other loss		
Impairment loss	(6,398)	—
Other expenditure	<u>—</u>	<u>(2)</u>
	<u>(6,398)</u>	<u>(2)</u>
	<u>\$ (3,775)</u>	<u>\$ 2,957</u>

18. Income Tax

(1) Income tax expense (benefit) recognized in profit or loss

A. Main components of income tax expense (benefit) are as follows:

	<u>2024</u>	<u>2023</u>
Current year income tax		
Current period incurred	\$ —	\$ —
Deferred income tax		
Generation and reversal of temporary differences	<u>48</u>	<u>112</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 48</u>	<u>\$ 112</u>

B. Income tax recognized in other comprehensive income:

	<u>2024</u>	<u>2023</u>
Deferred income tax		
Remeasurement of defined benefit plans	<u>\$ (2,728)</u>	<u>\$ 51</u>

- (2) The adjustment of net loss before tax and income tax expense recognized in profit or loss:

	<u>2024</u>	<u>2023</u>
Income tax expense based on pre-tax income	\$ (23,253)	\$ (26,790)
Permanent differences in income tax effect	2,899	1
Loss carryforward	8,594	14,759
Investment loss recognized through equity method	9,344	10,108
Inventory write-down and impairment loss	1,191	2,034
Realized intercompany sales profit	(2)	(2)
Unrealized intercompany sales (loss) profit	(4)	2
Unrealized impairment loss	1,279	—
Income tax expense (benefit) recognized in profit or loss	<u>\$ 48</u>	<u>\$ 112</u>

- (3) Income tax assets and liabilities :

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Income tax assets		
Tax refund receivable	<u>\$ 137</u>	<u>\$ 88</u>

- (4) Deferred income tax :

The Group offsets certain deferred income tax assets and liabilities that meet the offsetting conditions. The analysis of deferred income tax assets and liabilities in the consolidated balance sheet is as follows:

<u>January to December of the year 2024</u>	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Ending balance</u>
Deferred income tax assets				
Unrealized exchange losses	\$ 35	\$ (35)	\$ —	\$ —
Deferred income tax liabilities				
Unrealized exchange gain	\$ —	\$ 13	\$ —	\$ 13
Defined benefit actuarial gains and losses	2,728	—	(2,728)	—
	<u>\$ 2,728</u>	<u>\$ 13</u>	<u>\$ (2,728)</u>	<u>\$ 13</u>

January to December of the year 2023	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets				
Unrealized exchange losses	\$ 53	\$ (18)	\$ —	\$ 35
Unrealized sales returns	94	(94)	—	—
	<u>\$ 147</u>	<u>\$ (112)</u>	<u>\$ —</u>	<u>\$ 35</u>
Deferred income tax liabilities				
Defined benefit actuarial gains and losses	\$ 2,677	\$ —	\$ 51	\$ 2,728

- (5) Relevant Information for investment tax credits, deficits offset and tax exemption:

As of December 31, 2024, the Group has no usable tax investment credits.

Relevant information for deficit offsets:

	Remaining balance of carryforwards	Last year for which carryforwards can be utilized
Parent Group	\$ 500,394	2033
Subsidiary, Phoenix Materials	145,828	2034
Subsidiary, Morelink Technology	166,611	2034
	<u>\$ 812,833</u>	

- (6) Income Tax Assessment

As of December 31, 2024, tax returns of the Group, subsidiary-Phoenix Materials and Morelink Tech. through 2022 had been approved by the tax authorities.

## 19. EARNINGS PER SHARE

	2024	2023
Basic earnings per share	<u>\$ (0.72)</u>	<u>\$ (0.74)</u>
Diluted earnings per share	<u>\$ (0.72)</u>	<u>\$ (0.74)</u>

Earnings and weighted average number of ordinary shares (in thousands) used to calculate basic earnings per share:

	2024	2023
Net loss attributable to the owners of the parent Group	<u>\$ (66,418)</u>	<u>\$ (67,426)</u>
Weighted average number of ordinary shares (in thousands) used to calculate basic earnings per share.	<u>91,629</u>	<u>91,629</u>

20. Cash Flows Information

(1) Non-cash transactions:

	<u>2024</u>	<u>2023</u>
Increase in property, plant, and equipment	\$ 104	\$ 1,358
Minus: Change in advance payments for equipment	—	(117)
Cash paid for acquisition of property, plant, and equipment	<u>\$ 104</u>	<u>\$ 1,241</u>

(2) Liability adjustments from financing activities :

<u>January to December of the year 2024</u>	<u>Beginning balance</u>	<u>Cash flow</u>	<u>Non-cash changes</u>		<u>Ending balance</u>
			<u>Others</u>		
Lease obligation (current and non-current)	\$ 14,336	\$ (4,823)	\$ —		\$ 9,513
Deposits received	238	—	—		238
Stockholders' current account	72,000	22,000	—		94,000
Total liability from financing activities	<u>\$ 86,574</u>	<u>\$ 17,177</u>	<u>\$ —</u>		<u>\$ 103,751</u>

  

<u>January to December of the year 2023</u>	<u>Beginning balance</u>	<u>Cash flow</u>	<u>Non-cash changes</u>		<u>Ending balance</u>
			<u>Others</u>		
Lease obligation (current and non-current)	\$ 6,254	\$ (4,733)	\$ 12,815		\$ 14,336
Deposits received	238	—	—		238
Stockholders' current account	42,000	30,000	—		72,000
Total liability from financing activities	<u>\$ 48,492</u>	<u>\$ 25,267</u>	<u>\$ 12,815</u>		<u>\$ 86,574</u>

(VII) Related party transactions

The balance and transaction amount between Unifosa and its subsidiaries (related parties of the Unifosa) have been eliminated when preparing the consolidated financial statements and are not disclosed in this note. The details of transactions between the Group and other related parties are disclosed as follows.

1. Name and relationship of the related parties

<u>Names of Related party</u>	<u>Relationship with the Group</u>
Trump Gain Investments Ltd. (hereinafter called Trump Gain Investments)	The directors of the Group
Rich System Corporation (hereinafter called Rich System)	Minority shareholders
Foresight Energy Technology Co., Ltd. (hereinafter called Foresight Energy)	Associates
Board of directors, supervisors, general manager, deputy general manager	Management team

2. Loans from related parties

<u>Related party types</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The directors of the Group	<u>\$ 52,000</u>	<u>\$ 30,000</u>
Minority shareholders	<u>\$ 42,000</u>	<u>\$ 42,000</u>

  

<u>Related party types</u>	<u>Accounting item</u>	<u>2024</u>	<u>2023</u>
The directors of the Group	Finance costs	<u>\$ 1,458</u>	<u>\$ 956</u>
Minority shareholders	Finance costs	<u>\$ 1,369</u>	<u>\$ 898</u>

The borrowing interest rate of the Group's borrowing from related parties is equivalent to the market interest rate, and it is an unsecured loan.

3. Others

The circumstances in which the Group participated in related parties' cash capital increases and increased investments are as follows: (None in 2024.)

<u>Names of Related party</u>	<u>January to December of the year 2023</u>			
	<u>Increase in Investment</u>		<u>Shareholding Ratio</u>	
	<u>Number of Shares (in thousands)</u>	<u>Amount</u>	<u>Before Capital Increase</u>	<u>After Capital Increase</u>
Foresight Energy	600	<u>\$ 15,600</u>	16.39%	9.04%

4. Compensation for main management team

The sum of compensation for directors and other members of the management team are as follows:

	<u>2024</u>	<u>2023</u>
Short-term benefits	<u>\$ 9,845</u>	<u>\$ 9,944</u>
Retirement benefits	<u>11,263</u>	<u>205</u>
	<u>\$ 21,108</u>	<u>\$ 10,149</u>

Please refer to the content of the Annual Report of the Shareholders' Meeting for the detailed information related to the above payroll and compensation for directors and management team.

(VIII) PLEDGED ASSETS

As of December 31, 2024 and 2023, the details of the book value for the Group's assets used as collateral for loans to financial institutions are as follows:

Item	December 31, 2024	December 31, 2023
Land	\$ 62,862	\$ 62,862
Buildings	13,368	14,271
	\$ 76,230	\$ 77,133

(IX) MATERIAL CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS: None.

(X) SINGIFICANT DISASTER LOSS: None.

(XI) SINGIFICANT EVENTS AFTER THE BALANCE SHEET DATE: None.

(XII) OTHERS:

1. Capital Risk Management

The Group conducts capital management to ensure that the companies within the Group are able to maximize shareholder returns by optimizing debt and equity balances before going forward.

The Group's key management reviews the Group's capital structure on a quarterly basis, including consideration of the costs and associated risks of each type of capital. Based on the recommendations of key management, the Group will balance its overall capital structure by paying dividends, issuing new shares, buying back shares and issuing new bonds or repaying old debts.

## 2. Financial Instruments

### (1) Categories of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial Assets</u>		
Financial assets at fair value through other comprehensive income		
Equity investments	\$ 3,705	\$ 4,350
Financial assets measured at amortized cost (Note 1)	<u>214,269</u>	<u>218,141</u>
Total	<u>\$ 217,974</u>	<u>\$ 222,491</u>
<u>Financial Liabilities</u>		
Financial liabilities measured at amortized cost (Note 2)	<u>\$ 153,580</u>	<u>\$ 126,464</u>

Note1. Cash and cash equivalents, financial assets measured at amortized cost, net accounts and notes receivable, other receivables, and deposits.

Note2. Accounts and notes payable, other payables, long-term borrowings, and deposits received measured at amortized cost.

### (2) Fair Value Information

A. The definition of the three levels of fair value measurements:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities, which can be acquired during measurement date;
- (b) b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (c) Level 3 inputs are unobservable inputs for the asset or liability.

B. Financial instruments that are not measured at fair value

The Group's management considers that the carrying amount of financial assets and financial liabilities not measured at fair value in the consolidated financial statements is approaching their fair value.

C. Financial instruments that are measured at fair value

The following table provides relevant analysis of financial instruments measured at fair value after original recognition:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through other comprehensive income</u>				
Unlisted shares	\$ —	\$ —	\$ 3,705	\$ 3,705
	December 31, 2023			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through other comprehensive income</u>				
Unlisted shares	\$ —	\$ —	\$ 4,350	\$ 4,350

There are no transfers of fair value measurements between Level 1 and Level 2 in 2024 and 2023 respectively.

D. Valuation techniques and assumptions used to measure fair value

The fair value of the Group's financial assets and financial liabilities is determined using the following methods and assumptions:

The fair value of financial assets and financial liabilities with standard terms and conditions and traded in the active market is determined by reference to market quotations (including listed corporate bonds, government agency bonds, stocks of listed (OTC) companies and government bonds).

The fair value of unlisted (over-the-counter) stocks without active markets is estimated using the market method and asset method, and its judgment is based on recent fundraising activities, evaluation of companies of the same type, technological development of the Group, market conditions and other economic indicators.

E. Repetitive Changes in Level 3 of the Fair Value Hierarchy

The repetitive changes in the assets and liabilities of the Group's repetitive fair value measurement that fall into Level 3 of the fair value hierarchy are listed below:

	2024	2023
<u>Equity investments at fair value through other comprehensive income:</u>		
Beginning balance	\$ 4,350	\$ 4,575
Recognized in other comprehensive income	(645)	(225)
Ending balance	\$ 3,705	\$ 4,350

F. Information for Significant Fair Value Level 3 Unobservable Inputs

The assets of the Group's fair value level 3 repetitive fair value measurement, and the significant unobservable input values used for fair value measurement are listed as follows:

December 31, 2024 :

Financial Assets:

Financial assets at fair value through other comprehensive income

	<u>Valuation Techniques</u>	<u>Significant Unobservable Input Value</u>	<u>Quantitative Information</u>	<u>Relationship between Input Value and Fair Value</u>	<u>The value and relationship of the sensitivity analysis between input values and fair values</u>
Stock	Asset-based approach	Lack of market liquidity and similar Group stock P/B ratio	2.36~30.21	The higher the degree of illiquidity, the lower the fair value estimates	When the net value ratio of illiquid stocks increases (decreases) by 10%, the equity of the Group will increase/decrease by 371 thousand dollars.

December 31, 2023 :

Financial Assets:

Financial assets at fair value through other comprehensive income

	<u>Valuation Techniques</u>	<u>Significant Unobservable Input Value</u>	<u>Quantitative Information</u>	<u>Relationship between Input Value and Fair Value</u>	<u>The value and relationship of the sensitivity analysis between input values and fair values</u>
Stock	Asset-based approach	Lack of market liquidity and similar Group stock P/B ratio	2.69~38.36	The higher the degree of illiquidity, the lower the fair value estimates	When the net value ratio of illiquid stocks increases (decreases) by 10%, the equity of the Group will increase/decrease by 435 thousand dollars.

G. The valuation process of Fair Value Level 3

The Group's finance department is responsible for conducting fair value verification, keeping evaluation results close to market conditions through independent source data, confirming that the sources are independent, reliable and consistent with other sources and representing executable prices, and analyzing changes in the value of assets and liabilities that are subject to remeasurement or revaluation at the end of each balance sheet period in accordance with the Group's accounting policies to ensure that the results are reasonable.

(3) Financial risk management objectives and policies

The Group is committed to ensuring that the Group has sufficient and cost-effective working capital when necessary. The Group actively manages foreign currency exchange rate risk, interest rate risk, equity instrument price risk, credit risk and liquidity risk related to its operating activities to reduce the potential adverse impact of market uncertainty on the Group's financial performance.

The Group's significant financial plans have been reviewed by the Audit Committee and the Board of Directors in accordance with relevant norms and internal control systems. In implementing the financial plan, the financial department of the Group adheres to the relevant financial operating procedures regarding overall financial risk management and the division of rights and responsibilities.

(4) Market Risk

The Group's market risk is the risk of fluctuations in the fair value or cash flow of financial instruments due to changes in market prices, and market risks mainly include exchange rate risk and interest rate risk.

A. Foreign Exchange Rates Risk

The Group's operating activities and net investments in foreign operating institutions are mainly traded in foreign currencies, so foreign currency exchange rate risk arises. The foreign currency receivables of the Group are in the same currency as some of the foreign currency payments payable, and certain parts will have a natural hedging effect; In addition, the net investment of foreign operating institutions is a strategic investment, so the Group has not hedged the foreign exchange rate risk.

The information of foreign currency assets and liabilities which have significant influence to the Group is as follows:

	In thousands			
	December 31, 2024		December 31, 2023	
	Foreign currency	Exchange rate	Foreign currency	Exchange rate
(Foreign currency: functional currency)				
<u>Financial Assets</u>				
<u>Monetary items</u>				
US dollars: NT				
dollars	\$	360	32.785	\$ 456 30.705
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
US dollars: NT				
dollars	\$	111	32.785	\$ 112 30.705

Note: The exchange rate is the amount per unit of foreign currency converted into New Taiwan Dollars

The sensitivity analysis of foreign currency exchange rate risk is mainly calculated based on the assets and liabilities of foreign currency risk management at the end of the balance sheet period. When NTD appreciates/depreciates against foreign currencies by 1%, the net loss of the Group in the 2024 and 2023 will increase/decrease by 82 thousand and 106 thousand respectively.

B. Interest Rate Risk

The Group's short-term borrowings are volatile rate debts, and changes in market interest rates will cause changes in the effective interest rate of short-term borrowings, which in turn will cause future cash flows to fluctuate. As of December 31, 2024 and 2023, the Group had no short-term borrowings in its accounts.

(5) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The credit risk of the Group is mainly derived from receivables arising from operating activities, bank deposits, fixed income investments and other financial instruments arising from investment activities. Operational-related credit risk and financial credit risk are managed separately.

A. Operational related credit risk

In order to maintain the quality of accounts receivable, the Group has established procedures for credit risk management related to operations.

The risk assessment of individual customers takes into account a number of factors that may affect the customer's ability to pay, including the customer's financial status, credit rating of credit rating agencies, the Group's internal credit rating, historical transaction records and current economic conditions. The Group may also use certain credit enhancement tools, such as prepayment and credit insurance, at appropriate times to reduce the credit risk of specific customers.

The Group's customer base is large and unrelated, so the concentration of credit risk is limited. As of December 31, 2024 and 2023, the total accounts receivable of the top ten customers accounted for 70% and 67% of the total accounts receivable of the Group, respectively.

B. Financial credit risk

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the Group's finance department. Since the Group's transaction partners and performing parties are banks with good credit and financial institutions with investment grade and above, there are no major performance doubts, so there is no material credit risk.

(6) Liquidity Risk

The Group's objective in managing liquidity risk is to maintain cash and cash equivalents, highly liquid marketable securities and sufficient bank financing facilities to ensure that the Group has sufficient financial flexibility.

The following table summarizes the analysis of the Group's financial liabilities for the agreed repayment period by maturity date and undiscounted maturity amount:

	December 31, 2024				
	1 year or less	2-3 years	4-5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>					
Accounts payable	\$ 25,842	\$ —	\$ —	\$ —	\$ 25,842
Other payables	33,499	—	—	—	33,499
Lease liabilities	4,940	4,254	319	—	9,513
Stockholders' current account	—	94,000	—	—	94,000
	<u>\$ 64,281</u>	<u>\$ 98,254</u>	<u>\$ 319</u>	<u>\$ —</u>	<u>\$ 162,854</u>

  

	December 31, 2023				
	1 year or less	2-3 years	4-5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>					
Accounts payable	\$ 27,475	\$ —	\$ —	\$ —	\$ 27,475
Other payables	26,751	—	—	—	26,751
Lease liabilities	4,822	7,496	2,018	—	14,336
Stockholders' current account	—	72,000	—	—	72,000
	<u>\$ 59,048</u>	<u>\$ 79,496</u>	<u>\$ 2,018</u>	<u>\$ —</u>	<u>\$ 140,562</u>

3. Reclassification:

Certain accounts of the Group's financial statements as at December 31, 2023 have been appropriately reclassified in conjunction with the financial statements of December 31, 2024, and the results have no material impact on the presentation of the financial statements.

(XIII) SEPARATELY DISCLOSED ITEMS

1. Information on significant transactions
  - (1) Financing provided to others: None.
  - (2) Endorsements/guarantees provided: None.
  - (3) Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Table 1.
  - (4) Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital: None.
  - (5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
  - (6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
  - (7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
  - (8) Trade receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
  - (9) Trading in derivative instruments: None.
  - (10) Other Matters: Intercompany relationships and significant intercompany transactions : Table 2.
2. Information on investees: Table 3.
3. Information on investment in Mainland China : None.
4. Information on major shareholder : List of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: Table 4.

(XIV) SEGMENT INFORMATION:

The information provided by the Group's main decision maker for allocating resources and evaluating segmental performance focuses on categories of each type of product or service delivered or provided.

The reportable segments of the Group in 2024 are as follows:

Memory business group: mainly engaged in the manufacturing and trading of memory modules, flash memory cards and random access memory.

Storage business group: mainly engaged in the research, development, manufacture and sale of RAIDs.

Wireless communication business group: mainly engaged in the manufacture and sale of wireless communication machinery and electronic components.

Other business groups: mainly engaged in the research, development, manufacture and trading of plastic films and high-tech chemical materials.

1. Segment Revenue and Result:

The analysis of the Group's segment revenue and operational results based on reportable segments are as follows:

	Memory Biz. Group	Storage Biz. Group	Wireless Com. Biz. Group	Other Biz. Groups	Reconciliation & Elimination	Total
Revenue from external customers	\$ 10,941	\$ 198,624	\$ 79,580	\$ 5,636	\$ (1,099)	\$ 293,682
Interest income	544	404	217	97	—	1,262
Depreciation and amortization	3,132	2,456	4,539	5,800	(2,771)	13,156
Equity in net loss of associates accounted for under the equity method	(12,390)	—	—	—	—	(12,390)
Reportable segment net loss (profit) before tax	(28,875)	8,230	(31,093)	(18,773)	(1)	(70,512)
Investments accounted for using the equity method	48,399	—	—	—	—	48,399
Reportable segment assets	164,863	280,015	121,484	38,450	(632)	604,180
Reportable segment liabilities	11,658	33,416	115,770	5,597	(654)	165,787

The above-mentioned amount measurement information is based on the purpose of supervising segmental performance and resources allocation resources to each

segment, as explained below:

- (1) The net loss of a segment refers to the profit earned by each segment, excluding the profit and loss share of associates using the equity method and income tax expenses that should be apportioned.
- (2) All assets and liabilities other than investments using the equity method, current income tax assets, and deferred income tax assets are apportioned to reportable segments

## 2. Main products and Service Information

Information related to the main merchandise and service revenue of the Group in 2024 and 2023 is listed as follows:

Item	2024	2023
Ics	\$ 6,312	\$ 9,563
Memory Modules	19	—
Merchandise	4,610	—
Total sales revenue for memory biz. Group	10,941	9,563
RAID	29,591	37,236
Merchandise	87,301	80,968
Raw materials, Components	76,247	57,761
Others	4,386	5,684
Total sales revenue for storage biz. group	197,525	181,649
Wireless Com. & digital electronic products	73,715	70,111
Raw materials, Components	2,172	1,086
Others	3,693	499
Total sales revenue for Wireless Com.biz. group	79,580	71,696
Microporous PE Film	3,655	2,730
Functional Fabric	1,894	1,470
Others	87	45
Total sales revenue for other biz. groups	5,636	4,245
Net operating revenue	\$ 293,682	\$ 267,153

3. Financial information by region: Financial information of the Group by region in 2024 and 2023 are as follows:

Region	2024		2023	
	Revenue	NON-CURRENT ASSETS	Revenue	NON-CURRENT ASSETS
Mainland China (including Hong Kong)	\$ 11,754	\$ —	\$ 6,453	\$ —
Taiwan	254,363	356,536	232,113	390,633
Americas	11,267	—	4,891	—
Asia, others	14,577	—	19,002	—
Europe	1,122	—	3,742	—
Others	599	—	952	—
	<u>\$ 293,682</u>	<u>\$ 356,536</u>	<u>\$ 267,153</u>	<u>\$ 390,633</u>

4. Financial information of major clients: The list of details of the Group's sales to a single customer which accounted for more than 10% of the total sales revenue in 2024 and 2023 are as follows:

Customer name	2024		2023	
	Amount	Revenue percentage	Amount	Revenue percentage
C-73	\$ 30,973	10.54	\$ 25,038	9.36
C-121	16,730	5.69	43,378	16.22
	<u>\$ 47,703</u>	<u>16.23</u>	<u>\$ 68,416</u>	<u>25.58</u>

UNIFOSA CORP. AND SUBSIDIARIES

Securities held at the end of period

December 31, 2024 :

Table1.

Unit : Thousand Shares /In Thousands of New Taiwan Dollars

Security type	Security name	Relationship between the issuer of the securities and the Group	Accounting item	End of period			
				Shares	Book value	Percentage	Fair value
Unlisted (OTC) equity investments	Innorich Venture Capital Corp.	—	Financial assets at fair value through other comprehensive income	1,500	3,705	2.80%	3,705

UNIFOSA CORP. AND SUBSIDIARIES

Business relationships and significant intercompany transactions between the parent company and subsidiaries and among subsidiaries  
FOR THE YEAR ENDED DECEMBER 31, 2024

Table2.

Unit: In Thousands of New Taiwan Dollars

Transaction party name	Counterparty name	Relationship with counterparty	Transaction Details			
			Item	Amount	Transaction terms	Percentage of total consolidated revenue or total assets
Unifosa Corp.	Phoenix Innovative Materials Inc.	1	Rental income	34	No material difference	0.01%
Unifosa Corp.	Phoenix Innovative Materials Inc.	1	Other income	4,086	No material difference	1.39%
Unifosa Corp.	Morelink Technology Corporation	1	Processing fees Income	1,099	No material difference	0.37%
Unifosa Corp.	Morelink Technology Corporation	1	Rental income	2,932	No material difference	1.00%
Unifosa Corp.	Morelink Technology Corporation	1	Other income	1,262	No material difference	0.43%
Unifosa Corp.	Morelink Technology Corporation	1	Accounts receivable	49	No material difference	0.01%
Unifosa Corp.	Morelink Technology Corporation	1	Other receivables	105	No material difference	0.02%
Unifosa Corp.	Morelink Technology Corporation	1	Deposits received	500	No material difference	0.08%

Note 1: 2 types of relationship between parties is numbered as follows:

1. Parent to subsidiary.
2. Subsidiaries to parent company
3. Between subsidiaries

Note 2: For calculating the ratio of transaction amounts to consolidated total revenue or total assets, balance sheet accounts are calculated by dividing the ending balance by consolidated total assets; income statement accounts are calculated by dividing the cumulative amount at period-end by consolidated total revenue.

UNIFOSA CORP. AND SUBSIDIARIES

Information on investees

December 31, 2024

Table3.

Unit: In Thousands of New Taiwan Dollars

Investor Group	Name of Investee Company	Location	Main Businesses	Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Investment (loss) gain recognized in current period
				December 31, 2024	December 31, 2023	Number of Shares (in thousands)	Percentage	Carrying Values		
Unifosa Corp.	Foresight Energy Technology Co., Ltd.	Taiwan	Electronic components manufacturing, battery manufacturing, electrical appliance wholesale, electronic materials wholesale and retail	56,586	56,586	4,699	9.04%	48,399	(137,054)	(12,390)
Unifosa Corp.	Phoenix Innovative Materials Inc.	Taiwan	Plastic film and other high-tech chemical materials manufacturing	177,600	157,800	17,760	98.89%	32,496	(18,777)	(18,549)
Unifosa Corp.	Morelink Technology Corporation	Taiwan	Wireless communication machinery and equipment manufacturing, electronic components manufacturing, telecommunications equipment wholesale and retail, electronic materials wholesale and retail, telecommunications control radio frequency equipment input and international trade, etc.	105,643	105,643	9,556	47.61%	20,986	(31,121)	(15,781)

UNIFOSA CORP. AND SUBSIDIARIES  
Information on major shareholders  
December 31, 2024

Table4.

Unit : Thousand Shares

Number of shares	Number of Shares Holding	Shareholding Ratio
Name of the major shareholder		
Trump Gain Investments Ltd.	6,026	6.57%

Note 1: The major shareholders information in this table is provided by the Taiwan Depository & Clearing Corporation, calculated as of the last business day of the quarter. It includes shareholders who hold more than 5% of the company's total outstanding common shares and preferred shares that have completed dematerialized registration (including treasury shares). The share capital recorded in the Group's consolidated financial reports and the actual number of shares delivered without physical registration may differ depending on the basis of preparation and calculation.