

Unifosa Corp.

2024 Annual Shareholders' Meeting Minutes

Time : 09:00 a.m. on (Wednesday), May 29, 2024

Place : No. 16, Sec. 4, Zhongshan N. Rd., Shilin Dist., Taipei City 111054 , Taiwan (R.O.C.)

(Room 332, 3rd Floor, Teaching Area, Chientan Youth Activity Center)

Meeting method : Entity shareholders meeting

Total shares represented by shareholders presented in person or by proxy : The total number of shares issued by the company is 91,628,833 shares, and the total number of outstanding shares of the company is 91,628,833 shares. The total number of shares represented by shareholders and authorized agents present is 57,519,552 shares (including 943,044 shares attended by electronic voting), and the attendance rate is 62.77% , has exceeded the statutory number of shares

Chairman : Chen Ching-jong the Chairman of the Board of Directors

Recorder : Linda Lo

Attending director : 8 directors including Chairman Chen Ching-jong, Director Chiang Tsang-An, Legal person director representative of Trump Gain Investments Ltd Wu Cheng-Teh, Director Hsiao Wu-Hsing, Independent Director Chen Chih-Ling(Audit Committee Convener), Independent Director Lee Wen-Chin, Independent Director Yo Chi-Thon, Independent Director Wu Xue-Min 100% attendance of all directors at this shareholders meeting.

Attendees : Accountant Chang Ya-Chuan, Lawyer Lin Yu-sheng

I. Meeting Commencement Announced : The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

II. Chairperson Remarks : (Omitted)

III. Report Items :

《Report No. 1》

2023 Business Report.

Explanation :

The 2023 Business Report is Annex 1.

《Report No. 2》

Audit committee's review of the 2023 annual final accounting ledgers and statements..

Explanation :

The 2023 Audit Committee's Review Report is Annex 2.

《Report No. 3》

2023 directors' remuneration report.

Explanation :

According to the provisions of Article 10-1 of the " Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies ", the company's directors' remuneration for 2023 includes the remuneration policy, individual remuneration content, amount and correlation with performance evaluation results is Annex 3.

IV . Ratification Items :

《Ratification No. 1》

Adoption of the 2023 business report and financial statements. (Proposed by the Board)

Explanation :

1. The company's 2023 business report, financial report (including consolidated and individual financial reports), and deficit compensation statement were approved by the 13th meeting of the 11th session of the company's board of directors. The financial report (including consolidated and individual financial reports) The audit was completed by the CPA Chang, Ya-Chuan and Lin, Chin-Feng Crowe Horwath. The aforesaid form has been made and sent to the audit committee of the company for review, and review report is issued.
2. The 2023 Business Report is Annex 1.
3. The financial report and deficit compensation statement is Annex 4 and Annex 5.

Ratification : Voting rights of shareholders present at the time of voting 57,519,552 shares.

Voting Results		% of the represented share present
Votes in favor(electronic votes)	56,865,752 (309,244)	98.86%
Votes against (electronic votes)	8,306 (8,306)	0.01%
Invalid Votes (electronic votes)	0 (0)	0.00%
Votes abstained / Not Voted (electronic votes)	645,494 (625,494)	1.12%

RESOLVED, that the above proposal be and hereby was approved as proposed.

《Ratification No. 2》

Adoption of the proposal for 2023 deficit compensation. (Proposed by the Board)

Explanation :

1. The company's losses to be made up at the beginning of the 2023 period were NT\$360,579,433 (the same below). After adding in the remeasured amount of the defined benefit plan of NT\$204,993 and the after-tax net loss of NT\$67,425,521 in 2023, the losses to be made up at the end of the period were NT\$427,799,961.
2. 2023 Deficit Compensation Statement is Annex 5.

Ratification : Voting rights of shareholders present at the time of voting 57,519,552 shares.

Voting Results		% of the represented share present
Votes in favor(electronic votes)	56,865,649 (309,141)	98.86%
Votes against (electronic votes)	8,399 (8,399)	0.01%
Invalid Votes (electronic votes)	0 (0)	0.00%
Votes abstained / Not Voted (electronic votes)	645,504 (625,504)	1.12%

RESOLVED, that the above proposal be and hereby was approved as proposed.

V. Discussion Items :

《Discussion No. 1》

Discussion of amendment to the company's "Rules and Procedures of Shareholders' Meeting".

(Proposed by the Board)

Explanation :

1. In order for the company to be able to hold shareholders' meetings via videoconference, this is based on the GreTai Securities Market (GTSM) on March 23, 2023, No. 11200552441 and the Financial Supervisory Commission R.O.C(Taiwan) on December 08, 2023, No. 1120385664 Letter Amendmens to the reference examples of the "Rules and Procedures of Shareholders' Meeting" and some provisions of the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies", and it is proposed to amend the company's "Rules and Procedures of Shareholders' Meeting".
2. " Rules and Procedures of Shareholders' Meeting " before and after the revision of the provisions of the comparison table is Annex 6.

Ratification : Voting rights of shareholders present at the time of voting 57,519,552 shares.

Voting Results		% of the represented share present
Votes in favor(electronic votes)	56,852,725 (296,217)	98.84%
Votes against (electronic votes)	12,332 (12,332)	0.02%
Invalid Votes (electronic votes)	0 (0)	0.00%
Votes abstained / Not Voted (electronic votes)	654,495 (634,495)	1.13%

RESOLVED, that the above proposal be and hereby was approved as proposed.

VI. Questions and Motions : None ◦

VII. Adjournment (AM 9:15)

There were no questions from shareholders at the shareholders meeting.

● Annex 1

Unifosa Corp. Business Report

Operating Performance in 2023

1. Business plan implementation results

Unit: NT\$ Thousand

Item	2023	2022	increase (Reduce)	increase (Reduce)%
Operating revenue	267,153	353,677	(86,524)	(24.46)%
Gross profit from operations	44,131	62,657	(18,526)	(29.57)%
Net operating Income	(86,632)	(71,402)	(15,230)	(21.33)%
Non-operating income and expenses	(6,166)	1,508	(7,674)	(508.89)%
Profit before income tax	(92,798)	(69,894)	(22,904)	(32.77)%
Net Profit	(92,910)	(69,799)	(23,111)	(33.11)%
Earnings per share (NT\$)	(0.74)	(0.61)	-	-

2. Budget implementation

The memory market has continued to decline since the second quarter of 2022 until it bottomed out in the third quarter of 2023, with prices falling by more than 60% and even falling below the material cost. This wave can be called the longest industrial boom correction period, which has lasted for more than 1.5 years. Mainly due to the pessimistic end demand and market outlook, In order to reduce the huge inventory burden and improve the oversupply market situation, original manufacturers have to improve supply and demand by reducing production capacity. This is probably the first time that this has happened since the global DRAM market formed an oligopoly situation between Samsung, SK Hynix and Micron in 2012. Large-scale production cuts. The company's memory business group originally expected to sell 108 memory modules in 2023, and the actual sales volume was 0, with an achievement rate of 0%. The original estimated sales volume of integrated circuits was 372,164, and the actual sales volume was 98,360 , the achievement rate is 26.43%, It is caused by the loss of avoiding the risk of falling prices; In addition, in terms of the storage business group, in 2023, the original estimated sales volume of disk array products was 440 units, and the sales volume of system integration products was 5,134 units. The actual sales volumes were 625 units and 2,557 units respectively, and the achievement rates were 142.05% and 49.81% respectively,the status of the achievement is still considered good.

3. Profitability analysis

Unit: NT\$ Thousand ; %

Item		2023	2022	
Financial income and expenditure	Operating revenue	267,153	353,677	
	Non-operating income and expenses	(6,166)	1,508	
Profitability	Return on asset (%)	-12.83	-9.43	
	Return on equity (%)	-15.89	-11.00	
	Paid-in capital (%)	Operating Income	-9.45	-7.79
		Pre-tax Profit	-10.13	-7.63
	Profit ratio (%)	-34.78	-19.74	
	Earnings per share (NT\$)	(0.74)	(0.61)	

4. Research and development status

In the memory module segment, observing the overall computer market situation in 2023, in terms of motherboards for desktop computers, major suppliers have successively launched motherboards that support DDR5 memory modules. Judging from the specifications launched by various companies, most of them only support DDR5-4800. Although this specification is the basic frequency of DDR5, it is still 1.5 times higher than the 3200MT/s of DDR4. However, because the price is still high and DDR5 memory modules are also expensive, the market has not yet opened. the company's products in 2023 will still be mainly DDR4 modules, and new product development in 2024 will depend on the market acceptance of DDR5 memory and motherboards for related applications.

In terms of storage-related products, our company's 2023 NAS/iSCSI network storage has been developed and updated to replace the 5Bay desktop and 2U rack-mounted 8bay server chassis. The original NAS motherboards with Intel B460 series chipsets can be updated to Intel H410 series chips and can continue to use the original processing. The supply of common materials for processors and memory modules can install and update the disk backplane of the 5Bay desktop platform series. The original SATA Port-Multiplier one-to-five updated design is a SATA five-to-five motherboard to hard drive backplane, which is less likely to limit the speed of one SATA port. This updated proNAS model is not only suitable for mid- to low-end NAS file server applications, it can also be used as a network storage device for NVR surveillance video equipment, providing enterprises with a stable and secure network storage device. In 2024, the company will evaluate according to the degree of customer demand, focusing on the new generation of integrated storage device interface NVMe solid state drive or SAS/SATA/NVMe Tri-mode RAID storage device interface to provide higher storage data transmission Speed and PCIe Gen 4/5 new generation motherboard bus high-speed storage interface storage and development of NAS and other related products.

Business Plan for 2024

1. Operating policy

(1) Perfect financial structure and strengthen management constitution

In view of the importance of strengthening the ability to respond to industrial changes and risks, the company will continue to actively improve the flexibility of working capital in the future, continue to work towards a low-debt business model, and go deep into the detailed aspects of operation, through careful and thorough review and coordination, to formulate A complete and appropriate financial quality plan enables the company to operate steadily under the conditions of a sound financial structure and sufficient working capital, thereby further strengthening the company's operating physique and industrial competitiveness, in order to meet the growth and robustness of the industry after adjustment. Create good results for future operations and profitability.

(2) Committed to operational transformation to cope with industry risks and business climate changes

Under the violent fluctuations of the DRAM industry and the global economy, the company continues to adhere to the business philosophy of "stable operation" and the business of "focusing on core values", in order to respond to the competitive trend of the industry's future development, and to strengthen operating efficiency through resource integration , And expand business areas to expand the scale of operations, thereby achieving the purpose of stable operations, improving operational performance and industrial competitiveness. The company will continue to promote operational transformation in the future, and effectively diversify the DRAM industry's business fluctuations through diversified industrial operations Risks, in addition to developing new products to create business opportunities, and through

equity investment in industrial targets with development potential, to enter new technical fields and industrial development, and to effectively enhance the company's innovation capabilities and expand business development areas. In order to achieve the purpose of enhancing the company's operating performance.

(3) Adopt cost-saving solutions to actively improve operational performance

Under the conservative atmosphere that the demand for traditional PC/NB memory is still shrinking in the face of industry fluctuations, before this unfavorable situation has not improved, the company is not only committed to operating transformation to expand the company's operations, but also consider adopting various cost-saving solutions. , in order to actively improve the company's operating performance, and hope to inject vitality and power into the company's operating performance growth under the double-effect efforts of increasing revenue and reducing expenditure.

2. Expected sales volume and its basis

Looking forward to 2024, it is estimated that in the memory business group, the sales volume of memory modules will be 26,000, and the sales volume of integrated circuits will be 388,800; in the storage business group, the expected sales volume of disk array products will be 855 units, and 3,500 units of system-integrated products.

3. Important marketing policies

- (1) Strengthen the adjustment of process integration, improve the efficiency and flexibility of production management, and pursue maximal production and sales benefits.
- (2) Actively develop product transformation and diversification, expand the breadth of new consumer products, expand market opportunities, and achieve the most effective business model.

Development strategy of the company in the future

1. Actively carry out new product planning and adopt diversified and balanced development as a strategy, commit to diversified and flexible operation planning, and create a business model that emphasizes both stable growth and profitability in order to improve operational performance and industrial competitiveness.
2. Based on the R&D strategy of software and hardware integration, actively adopting core storage technologies that meet the needs of enterprises and the market, standing on mainstream industry trends, developing and integrating niche products with competitive advantages and future applications, and striving to provide customized products with various technical applications The software/hardware equipment for cloud storage is optimized, and the industrial application-oriented storage solution cuts into potential companies and markets that require a large number of storage applications.
3. Through investment and strategic alliances, we seek for industries with forward-looking and development potential, so as to quickly and effectively enter the market and grasp the opportunity of creating a win-win situation.

Chairman : Chen, Ching-jong

General Manager : Chen, Ching-jong

Accounting Department Manager : Chen, Hsiu yu

● **Annex 2**

Audit Committee' s Review Report

It is hereby approved that the board of directors sends the company's 2023 annual business report, financial report (including consolidated and individual financial reports), and loss appropriation proposals and other forms, of which the financial report has been audited by CPA Chang Ya Chuan and Lin Chin Feng of Crowe Horwath United Certified Public Accountants. completed and an audit report was issued. All forms submitted by the board of directors shall, upon examination by the Audit Committee, be found not to be inconsistent, and should be submitted for review in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Unifosa Corp.

Chairman of the Audit Committee : Chen, Chih-Ling

March 8, 2024

● Annex 3

Unifosa Corp.
2023 directors' remuneration report

1. Contents and amounts of individual directors' remuneration

Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note1)		Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note2)		Remuneration from ventures other than subsidiaries or from the parent company		
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C) (Note2)		Allowances (D)				Salary, Bonuses, and Allowances (E) (Note3)		Severance Pay (F) (Note4)		Employee Compensation (G) (Note1)						
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	Cash	Stock	Cash	Stock		The company	Companies in the consolidated financial statements
Director	Chen, Ching-jong	0	0	0	0	0	0	35	35	0	0	2,809	2,809	0	0	0	0	0	0	0	0	None
Director	Chiang, Tsang-An	0	0	0	0	0	0	35	35	0	0	0	0	0	0	0	0	0	0	0	0	None
Director	Hsiao, Wu-Hsing	0	0	0	0	0	0	35	35	0	0	2,777	2,777	205	205	0	0	0	0	0	0	None
Director	Trump Gain Investments Ltd Wu, Cheng-Teh	0	0	0	0	0	0	30	30	0	0	0	0	0	0	0	0	0	0	0	0	None
Independent Director	Chen, Chih-Ling	0	0	0	0	0	0	155	155	0	0	0	0	0	0	0	0	0	0	0	0	None
Independent Director	Lee, Wen-Chin	0	0	0	0	0	0	155	155	0	0	0	0	0	0	0	0	0	0	0	0	None
Independent Director	Yo, Chi-Thon	0	0	0	0	0	0	155	155	0	0	0	0	0	0	0	0	0	0	0	0	None
Independent Director	Wu Xue-Min	0	0	0	0	0	0	65	65	0	0	0	0	0	0	0	0	0	0	0	0	None

Note 1: Due to the loss of the company's 2023 final accounts, the calculation of the percentage of net profit after tax is not applicable.

Note 2: As the company suffered a loss in its final accounts for the year 2023, no compensation to directors and employees was distributed.

Note 3: In addition, one official vehicle for the chairman and general manager and one for the director and general manager of the business group will be provided by leasing. The rent for the year 2023 was NT\$1,497 thousand.

Note 4: According to the regulations of the Taipei Exchange, reveal : The actual amount of retirement pension paid by the company in 2023 is NT\$0, and the amount of withdrawal or withdrawal that is part of the retirement pension expense is NT\$205 thousand.

2. Directors' Remuneration Policy

According to the provisions of the Company's "Directors and Managers' Compensation Management Measures", the design and implementation of the Company's director's salary and remuneration should consider the following policy objectives in order to construct a market-competitive remuneration system :

- (1) Compensation should contribute to the pursuit of the Company's goals and strategic direction in the best interest of the Company as a whole.
- (2) Compensation should be flexible to cope with the risk of changes in the industry.
- (3) Compensation should take into account the two major principles of internal fairness and external competitiveness.
- (4) Compensation should take into consideration the items and proportion of fixed pay, variable pay and other benefits.
- (5) Compensation should be balanced between long-term and short-term performance evaluation.

3. The correlation between directors' remuneration and performance evaluation results

The company's policy, system, standards and structure for remuneration payment to general directors and independent directors, and the correlation with the amount of remuneration paid based on the responsibilities, risks, time invested and other factors is stated :

- (1) In accordance with Article 23 of the company's articles of association, the remuneration of the directors of the company authorizes the board of directors to negotiate and pay according to the degree of participation of the directors in the operation of the company and the value of their contributions and the usual standards of the industry. In addition, in accordance with the provisions of the company's "Directors and Managers' Compensation Management Measures", directors of the company shall be paid unless they hold other concurrent positions and the remuneration shall be agreed upon by the board of directors based on the director's participation in the company's operations and the value of his contribution as well as the usual industry standards. In principle, no salary, job bonus, severance pay, various bonuses and other remuneration will be paid.
- (2) In accordance with Article 29 of the company's articles of association. If the company makes a profit during the year, no more than 2% shall be allocated as directors' remuneration.
- (3) In accordance with the provisions of the Company's "Directors and Managers' Compensation Management Measures" and "Rules for Performance Evaluation of Board of Directors", the remuneration of directors of the Company shall take into account the rationality of the correlation between individual performance evaluation, the company's operating performance and future risks, and specify the performance evaluation methods and evaluation indicators of directors, and periodically assess the performance objectives of the board of Directors and individual directors at the end of December each year, so as to evaluate the performance of the Board of Directors and individual directors. Then allocate the director's remuneration according to the weight of the director's performance appraisal to implement the correlation between the director's remuneration and the performance appraisal results.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Unifosa Corp.

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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, 2023. 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.

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

Recognition of Sales Revenue

Taiwan's Standards on Auditing (TWSA) presupposes that there is a higher innate risk of fraud that revenue recognition carries, and there may be pressure on management to achieve expected financial goals, resulting in a higher risk of congenital fraud in revenue recognition. In 2023, the sales revenue of the top ten sales customers of the Group accounted for 53.57% of the annual net operating income, which has a relatively significant impact on the consolidated financial statements, therefore, we consider it a key audit matter.

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

1. Understand the internal control systems related to such sales transactions, and evaluate the effectiveness of its design and implementation.
2. Understand the customer's background and obtain basic information to assess whether the transaction amount and credit limit are reasonable with the size of the Group.
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, 2023, the balance of the goodwill and other intangible assets of this merger and acquisition the Group has is NT\$19,800 thousand and 5,773 thousand.

When the management assesses whether these assets are impaired, they must comprehensively consider the assessment of the recoverable amount apportioned to the cash-generating units to which these assets belong. The important assumptions and values involve the subjective judgment of the management and may be affected by the future industry and economic outlooks, and are highly uncertain, the impairment assessment of intangible assets (including goodwill) is hence listed 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. Understand and assess 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. Discuss 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. Understand 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. Assess 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. Obtain 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 obsolescence 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, 2023 and 2022 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 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
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, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ya-Chuan Chang and Gin-Fong Lin.

FSC approval number: Financial Management Certificate Examination No.1050001113

Crowe (TW) CPAs

Taipei, Taiwan
Republic of China

March 8, 2024

Notice to Readers

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

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.

UNIFOSA CORP.

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

ASSETS		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	Note 6(1)	\$ 148,282	21	\$ 201,022	28
Financial assets measured at amortized cost	Note 6(3)	12,000	2	12,912	2
Contract assets	Note 6(15)	13,013	2	-	-
Notes receivable from unrelated parties, net	Note 6(4)	480	-	797	-
Accounts receivable from unrelated parties, net	Note 6(4)	41,843	6	40,581	6
Other accounts receivable	Note 6(4)	226	-	-	-
Current tax assets	Note 6(18)	88	-	16	-
Inventories, net	Note 6(5)	83,790	11	106,327	16
Prepayments		6,180	1	3,971	-
Other current assets		11	-	2	-
Total current assets		305,913	43	365,628	52
NON-CURRENT ASSETS					
Financial assets at fair value through other comprehensive income	Note 6(2)	4,350	-	4,575	-
Investments accounted for using the equity method	Note 6(6)	60,715	8	-	-
Property, plant, and equipment	Note 6(7) and 8	274,832	39	283,682	40
Right-of-use assets	Note 6(8)	14,203	2	6,207	1
Goodwill	Note 6(9)	19,800	3	19,800	3
Other intangible assets	Note 6(9)	5,773	-	6,737	1
Deferred tax assets	Note 6(18)	35	-	147	-
Net defined benefit assets	Note 6(12)	12,288	2	11,730	2
Other non-current assets		15,310	3	9,031	1
Total non-current assets		407,306	57	341,909	48
TOTAL ASSETS		\$ 713,219	100	\$ 707,537	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Contract liabilities	Note 6(15)	\$ 3,431	-	\$ 3,225	-
Notes payable to unrelated parties		-	-	315	-
Accounts payable to unrelated parties		27,475	4	22,380	4
Other payables	Note 6(11)	26,751	4	26,271	4
Lease liabilities	Note 6(8)	4,822	-	2,157	-
Other current liabilities		612	-	542	-
Total current liabilities		63,091	8	54,890	8
NON-CURRENT LIABILITIES					
Deferred tax liabilities	Note 6(18)	2,728	-	2,677	-
Lease liabilities	Note 6(8)	9,514	2	4,097	-
Deposits received		238	-	238	-
Stockholders' current account	Note 7	72,000	11	42,000	6
Total non-current liabilities		84,480	13	49,012	6
Total liabilities		147,571	21	103,902	14
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT GROUP					
Share capital	Note 6(13)	916,288	128	916,288	129
Additional paid-in capital	Note 6(13)	60,849	8	6,998	1
Retained earnings	Note 6(13)				
Legal reserve		7,306	1	7,306	1
Accumulated deficit		(427,800)	(59)	(360,579)	(51)
Total retained earnings		(420,494)	(58)	(353,273)	(50)
Other equity interest	Note 6(13)	(10,694)	(2)	(10,425)	(1)
Total equity attributable to the owners of the parent Group		545,949	76	559,588	79
NON-CONTROLLING INTERESTS	Note 6(13)	19,699	3	44,047	7
Total equity		565,648	79	603,635	86
TOTAL LIABILITIES AND EQUITY		\$ 713,219	100	\$ 707,537	100

UNIFOSA CORP.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
OPERATING REVENUE	Note 6(15)	\$ 267,153	100	\$ 353,677	100
OPERATING COSTS	Note 6(5&16)	(223,022)	(84)	(291,020)	(82)
Gross profit from operations		44,131	16	62,657	18
OPERATING EXPENSES	Note 6(16) & 7				
Selling and marketing expenses		(25,060)	(10)	(26,428)	(7)
General and administrative expenses		(59,658)	(22)	(62,578)	(18)
Research and development expenses		(46,045)	(17)	(45,053)	(13)
Total operating expenses		(130,763)	(49)	(134,059)	(38)
LOSS FROM OPERATIONS		(86,632)	(33)	(71,402)	(20)
NON-OPERATING INCOME AND EXPENSES					
Interest income		1,509	1	790	-
Other gains and losses	Note 6(17)	2,957	1	7,002	1
Finance costs	Note 7	(2,204)	(1)	(973)	-
Share of loss of associates and joint ventures accounted for using the equity method	Note 6(6)	(8,428)	(3)	(5,311)	(1)
Total non-operating income and expenses		(6,166)	(2)	1,508	-
LOSS BEFORE INCOME TAX		(92,798)	(35)	(69,894)	(20)
INCOME TAX (EXPENSE) BENEFIT	Note 6(18)	(112)	-	95	-
NET LOSS		(92,910)	(35)	(69,799)	(20)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans	Note 6(12)	256	-	6,367	1
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Note 6(13)	(225)	-	(855)	-
Income tax relating to items that will not be reclassified to profit or loss	Note 6(18)	(51)	-	(1,273)	-
		(20)	-	4,239	1
Items that will be reclassified to profit or loss:					
Share of other comprehensive income or loss of associates and joint ventures accounted for using the equity method	Note 6(13)	(44)	-	-	-
Income tax relating to items that will be reclassified to profit or loss	Note 6(18)	-	-	-	-
		(44)	-	-	-
Other comprehensive income for the year (net of income tax)		(64)	-	4,239	1
TOTAL COMPREHENSIVE INCOME		\$ (92,974)	(35)	\$ (65,560)	(19)
Net loss attributable to:					
Owners of the parent Group		\$ (67,426)	(25)	\$ (56,055)	(16)
Non-controlling interests		(25,484)	(10)	(13,744)	(4)
		\$ (92,910)	(35)	\$ (69,799)	(20)
Total comprehensive income attributable to:					
Owners of the parent Group		\$ (67,490)	(25)	\$ (51,816)	(15)
Non-controlling interests		(25,484)	(10)	(13,744)	(4)
		\$ (92,974)	(35)	\$ (65,560)	(19)
EARNINGS PER SHARE	Note 6(19)				
Basic earnings per share		\$ (0.74)		\$ (0.61)	
Diluted earnings per share		\$ (0.74)		\$ (0.61)	

UNIFOSA TECHNOLOGY CO., LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Equity Attributable to the Owners of the Parent Group								Non-Controlling Interests	Total Equity
	Retained Earnings				Other Equity Items		Unrealized Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total Equity Attributable to the Owners of the Parent Group		
	Share Capital	Additional Paid-In Capital	Legal Reserve	Accumulated Deficit	Foreign exchange differences on translation of financial statements from Foreign Operations					
BALANCE, JANUARY 1, 2022	\$ 916,288	\$ 6,998	\$ 7,306	\$ (298,490)	\$ -	\$ (9,570)	\$ 622,532	\$ 42,476	\$ 665,008	
Net loss for the year ended December 31, 2022	-	-	-	(56,055)	-	-	(56,055)	(13,744)	(69,799)	
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	5,094	-	(855)	4,239	-	4,239	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	(50,961)	-	(855)	(51,816)	(13,744)	(65,560)	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(11,128)	-	-	(11,128)	-	(11,128)	
Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	15,315	15,315	
BALANCE, DECEMBER 31, 2022	916,288	6,998	7,306	(360,579)	-	(10,425)	559,588	44,047	603,635	
Changes in equity of associates and joint ventures accounted for using the equity method	-	53,587	-	-	-	-	53,587	-	53,587	
Net loss for the year ended December 31, 2023	-	-	-	(67,426)	-	-	(67,426)	(25,484)	(92,910)	
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	205	(44)	(225)	(64)	-	(64)	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	(67,221)	(44)	(225)	(67,490)	(25,484)	(92,974)	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(216)	-	-	-	-	(216)	-	(216)	
Changes in ownership interests in subsidiaries	-	480	-	-	-	-	480	-	480	
Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	1,136	1,136	
BALANCE, DECEMBER 31, 2023	\$ 916,288	\$ 60,849	\$ 7,306	\$ (427,800)	\$ (44)	\$ (10,650)	\$ 545,949	\$ 19,699	\$ 565,648	

UNIFOSA TECHNOLOGY CO., LTD.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (92,798)	\$ (69,894)
Adjustments for:		
Depreciation expenses	15,027	16,650
Amortization expenses	964	964
Interest expenses	2,204	973
Interest income	(1,509)	(790)
Share of loss of associates and joint ventures accounted for using the equity method	8,428	5,311
Net movement in operating assets		
Increase in contract assets	(13,013)	-
Decrease (increase) in notes receivable from unrelated parties, net	317	(453)
Increase in accounts receivable from unrelated parties, net	(1,262)	(460)
Decrease (increase) in other accounts receivable	(156)	25
Decrease (increase) in inventories, net	22,420	(7,398)
Decrease (increase) in prepayments	(2,209)	438
Decrease (increase) in other current assets	(9)	14
Decrease (increase) in other operating assets	(302)	3,370
Net movement in operating liabilities		
Increase in contract liabilities	206	1,419
Increase (decrease) in notes payable to unrelated parties	(315)	315
Increase (decrease) in accounts payable to unrelated parties	5,095	(2,079)
Increase (decrease) in other payable	277	(1,463)
Increase in other current liabilities	70	17
Cash Outflows in operations	(56,565)	(53,041)
Interest received	1,439	790
Interest paid	(2,001)	(850)
Income tax refund paid	(72)	22
Net cash outflows used in operating activities	(57,199)	(53,079)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets measured at amortized cost	912	17,940
Acquisition of investments accounted for using equity method	(15,600)	-
Payments for property, plant and equipment	(1,241)	(1,975)
Increase in other non-current assets	(6,279)	-
Decrease in other non-current assets	-	2,528
Net cash flows used in investing activities	(22,208)	18,493
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in deposits received	-	52
Repayment of principal portion of lease liabilities	(4,733)	(4,611)
Changes in non-controlling interests	1,400	4,187
Other financing activities	30,000	12,000
Net cash flows generated from (used in) financing activities	26,667	11,628
NET DECREASE IN CASH AND CASH EQUIVALENTS	(52,740)	(22,958)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	201,022	223,980
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 148,282	\$ 201,022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Unifosa Corp.

Opinion

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial status of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its cash flow for the years ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

The Recognition of Sales Revenue

Taiwan's Standards on Auditing (TWSA) presupposes that there is a higher innate risk of fraud that revenue recognition carries, and there may be pressure on management to achieve expected financial goals, resulting in a higher risk of congenital fraud in revenue recognition. In 2023, the sales revenue of the top ten sales customers of Unifosa Corp. accounted for 50.77% of the annual net operating income, which has a relatively significant impact on the parent company only financial statements, therefore, we consider it a key audit matter.

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

1. Understand the internal control systems related to such sales transactions, and evaluate the effectiveness of its design and implementation.
2. Understand the customer's background and obtain basic information to assess whether the transaction amount and credit limit are reasonable with the size of the company.

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 Investment Using Equity Method (including goodwill and intangible assets)

Unifosa Corp. acquired the control of MORELINK TECHNOLOGY CORPORATION in 2020. As of December 31, 2023, the balance of the investment using equity method of this merger and acquisition the Company has is NT\$43,134 thousand (including goodwill at \$19,800 thousand and intangible assets of 5,773 thousand).

For Unifosa Corp., Morelink Technology Corporation is an independent cash generating unit, and the recoverable amount of investments (including goodwill and intangible assets) using the equity method is measured according to its future operating cash flows. As these assumptions involve management's subjective judgment and may be affected by future industrial and economic outlooks, and are highly uncertain, the Evaluation of impairment of investments using the equity method is listed as a key audit matter. For details of investments using the equity method, please refer to Notes 4, 5 and 6 (5) to the Parent Company Only Financial Statements.

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

1. Understand and assess 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. Discuss 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. Understand 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.

Evaluation for Allowance for Inventory Valuation and Obsolescence Losses

The inventory business content of Unifosa Corp. is divided into memory business group and storage business group, which may affect management's estimation of net realization value and judgment of inventory obsolescence due to fluctuations in market demands and rapid technological changes, so it is 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 (4) to the Parent Company Only Financial Statements.

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

4. Assess 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.
5. Obtain 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.
6. 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 obsolescence loss.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as 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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, (including the disclosures) and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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 parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ya-Chuan Chang and Chin-Feng Lin. FSC approval number: Financial Management Certificate Examination No.1050001113

Crowe (TW) CPAs

Taipei, Taiwan
Republic of China

March 8, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

UNIFOSA CORP.

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	Note 6(1)	\$ 107,084	18	\$ 150,797	25
Notes receivable from unrelated parties, net	Note 6(3) and (12)	480	-	772	-
Accounts receivable from unrelated parties, net	Note 6(3)	33,415	6	26,417	4
Other accounts receivable	Note 6(3) and 7	132	-	105	-
Current tax assets	Note 6(15)	65	-	16	-
Inventories, net	Note 6(4)	24,821	4	39,247	7
Prepayments		1,314	-	741	-
Other current assets		<u>11</u>	-	<u>2</u>	-
Total current assets		<u>167,322</u>	<u>28</u>	<u>218,097</u>	<u>36</u>
NON-CURRENT ASSETS					
Financial assets at fair value through other comprehensive income	Note 6(2)	4,350	-	4,575	1
Investments accounted for using the equity method	Note 6(5)	135,289	24	96,620	16
Property, plant and equipment	Note 6(6) and 8	262,386	44	265,054	43
Right-of-use assets	Note 6(7)	7,403	1	5,402	1
Deferred tax assets	Note 6(15)	11	-	141	-
Net defined benefit assets	Note 6(10)	12,288	2	11,730	2
Other non-current assets		<u>8,049</u>	<u>1</u>	<u>6,825</u>	<u>1</u>
Total non-current assets		<u>429,776</u>	<u>72</u>	<u>390,347</u>	<u>64</u>
TOTAL ASSETS		<u>\$ 597,098</u>	<u>100</u>	<u>\$ 608,444</u>	<u>100</u>
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Contract liabilities	Note 6(12)	\$ 2,530	-	\$ 2,047	-
Accounts payable to unrelated parties		20,437	4	21,629	4
Other payables	Note 6(9)	16,861	3	15,982	3
Lease liabilities	Note 6(7)	1,845	-	1,312	-
Other current liabilities		<u>381</u>	-	<u>374</u>	-
Total current liabilities		<u>42,054</u>	<u>7</u>	<u>41,344</u>	<u>7</u>
NON-CURRENT LIABILITIES					
Deferred tax liabilities	Note 6(15)	2,728	-	2,677	-
Lease liabilities	Note 6(7)	5,629	1	4,097	1
Deposits received		<u>738</u>	-	<u>738</u>	-
Total non-current liabilities		<u>9,095</u>	<u>1</u>	<u>7,512</u>	<u>1</u>
Total liabilities		<u>51,149</u>	<u>8</u>	<u>48,856</u>	<u>8</u>
EQUITY					
Share capital	Note 6(11)	916,288	154	916,288	151
Additional paid-in capital	Note 6(11)	60,849	10	6,998	1
Retained earnings	Note 6(11)				
Legal reserve		7,306	1	7,306	1
Accumulated deficit		<u>(427,800)</u>	<u>(71)</u>	<u>(360,579)</u>	<u>(59)</u>
Total retained earnings		<u>(420,494)</u>	<u>(70)</u>	<u>(353,273)</u>	<u>(58)</u>
Other equity interest	Note 6(11)	<u>(10,694)</u>	<u>(2)</u>	<u>(10,425)</u>	<u>(2)</u>
Total equity		<u>545,949</u>	<u>92</u>	<u>559,588</u>	<u>92</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 597,098</u>	<u>100</u>	<u>\$ 608,444</u>	<u>100</u>

UNIFOSA CORP.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
OPERATING REVENUE	Note 6(12) and 7	\$ 194,599	100	\$ 302,089	100
OPERATING COSTS	Note 6(4 and 13)	(152,648)	(79)	(262,517)	(87)
Gross profit from operations		41,951	21	39,572	13
Unrealized gain (loss) from sale	Note 6(5)	(9)	-	(9)	-
Realized loss from sale	Note 6(5)	9	-	(150)	-
GROSS PROFIT, NET		41,951	21	39,413	13
OPERATING EXPENSES	Note 6(13) and 7				
Selling and marketing expenses		(18,522)	(9)	(20,113)	(7)
General and administrative expenses		(37,441)	(19)	(38,272)	(12)
Research and development expenses		(14,819)	(8)	(14,513)	(5)
Total operating expenses		(70,782)	(36)	(72,898)	(24)
LOSS FROM OPERATIONS		(28,831)	(15)	(33,485)	(11)
NON-OPERATING INCOME AND EXPENSES					
Interest income		1,081	-	611	-
Other gains and losses	Note 6(14) and 7	11,159	6	15,053	5
Finance costs		(167)	-	(34)	-
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method	Note 6(5)	(50,538)	(26)	(38,299)	(13)
Total non-operating income and expenses		(38,465)	(20)	(22,669)	(8)
LOSS BEFORE INCOME TAX		(67,296)	(35)	(56,154)	(19)
INCOME TAX (EXPENSE) BENEFIT	Note 6(15)	(130)	-	99	-
NET LOSS		(67,426)	(35)	(56,055)	(19)

(Continued)

		<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	Note 6(10)	256	-	6,367	2
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	Note 6(11)	(225)	-	(855)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	Note 6(15)	(51)	-	(1,273)	-
		<u>(20)</u>		<u>4,239</u>	<u>2</u>
Items that will be reclassified subsequently to profit or loss:					
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method	Note 6(11)	(44)	-	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss	Note 6(15)	-	-	-	-
		<u>(44)</u>		<u>-</u>	<u>-</u>
Other comprehensive income for the year (net of income tax)		<u>(64)</u>	<u>-</u>	<u>4,239</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>\$ (67,490)</u>	<u>(35)</u>	<u>\$ (51,816)</u>	<u>(17)</u>
EARNINGS PER SHARE					
Basic earnings per share	Note 6(16)	<u>\$ (0.74)</u>		<u>\$ (0.61)</u>	
Diluted earnings per share		<u>\$ (0.74)</u>		<u>\$ (0.61)</u>	

UNIFOSA CORP.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Share Capital	Additional paid-in capital	Retained Earnings		Other Equity Items		Total Equity
			Legal Reserve	Accumulated deficit	Exchange differences on translation of foreign financial statements	Unrealized losses on financial assets measured at fair value through other comprehensive income	
BALANCE, JANUARY 1, 2022	\$ 916,288	\$ 6,998	\$ 7,306	\$ (298,490)	\$ -	\$ (9,570)	\$ 622,532
Net loss for the year ended December 31, 2022	-	-	-	(56,055)	-	-	(56,055)
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	5,094	-	(855)	4,239
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	(50,961)	-	(855)	(51,816)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(11,128)	-	-	(11,128)
BALANCE, DECEMBER 31, 2022	916,288	6,998	7,306	(360,579)	-	(10,425)	559,588
Changes in equity of associates and joint ventures accounted for using the equity method	-	53,587	-	-	-	-	53,587
Net loss for the year ended December 31, 2023	-	-	-	(67,426)	-	-	(67,426)
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	205	(44)	(225)	(64)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	(67,221)	(44)	(225)	(67,490)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	264	-	-	-	-	264
BALANCE, DECEMBER 31, 2023	\$ 916,288	\$ 60,849	\$ 7,306	\$ (427,800)	\$ (44)	\$ (10,650)	\$ 545,949

UNIFOSA CORP.

**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (67,296)	\$ (56,154)
Adjustments for:		
Depreciation expenses	4,594	4,325
Interest expenses	167	34
Interest income	(1,081)	(611)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	50,538	38,299
Unrealized gain from sale	9	9
Realized loss (gain) from sale	(9)	150
Net movements in operating assets		
Decrease (increase) in notes receivable from unrelated parties, net	292	(428)
Decrease (increase) in accounts receivable from unrelated parties, net	(6,998)	5,894
Decrease in accounts receivable from related parties, net	-	920
Decrease (increase) in other accounts receivable	(27)	26
Decrease (increase) in inventory, net	14,309	(11,379)
Increase in prepayments	(573)	(26)
Decrease (increase) in other current assets	(9)	14
Decrease (increase) in other operating assets	(302)	3,370
Net movements in operating liabilities		
Increase in contract liabilities	483	1,847
Decrease in accounts payable to unrelated parties	(1,192)	(2,057)
Decrease (increase) in other payable	879	(1,396)
Increase in other current liabilities	7	50
Cash outflow from operations	(6,209)	(17,113)
Interest received	1,081	611
Interest paid	(167)	(34)
Income tax refund (paid)	(49)	22
Net cash outflows in operating activities	(5,344)	(16,514)

(Continued)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(35,400)	(33,813)
Increase in other non-current assets	(1,224)	-
Decrease in other non-current assets	-	2,462
Net cash outflows in investing activities	<u>(36,624)</u>	<u>(31,351)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in deposits received	-	52
Repayment of principal portion of lease liabilities	(1,745)	(1,508)
Net cash outflows in financing activities	<u>(1,745)</u>	<u>(1,456)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(43,713)</u>	<u>(49,321)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	150,797	200,118
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 107,084</u>	<u>\$ 150,797</u>

● Annex 5

Unifosa Corp.
Deficit Compensation Statement
2023

Unit: NTD\$

Items	Total
Unappropriated retained earnings (or accumulated deficit) of prior years	(360,579,433)
Remeasurements of the net defined benefit plan	204,993
Adjusted retained earnings - unappropriated	(360,374,440)
Loss after tax for 2023	(67,425,521)
Deficit yet to be compensated – at the end of 2023	(427,799,961)

Chairman : Chen, Ching-jong

General Manager : Chen, Ching-jong

Accounting Department Manager : Chen, Hsiu yu

● Annex 6

Unifosa Corp.

「 Rules and Procedures of Shareholders' Meeting 」

Comparison table of provisions before and after amendment

Terms	Original clause	Amended provision	Correction reason
Article 3	<p>(Convening shareholders meetings and shareholders meeting notices) Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</p> <p>This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. <u>If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or</u></p>	<p>(Convening shareholders meetings and shareholders meeting notices) Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p><u>When a company convenes a video meeting of shareholders, unless otherwise specified in the Regulations Governing the Administration of Shareholder Services of Public Companies, it should be stated in the articles of Incorporation and approved by the board of directors. The video conference of shareholders should be approved by the board of directors with more than two-thirds of the directors present and The resolution shall be passed with the approval of more than half of the directors present.</u></p> <p>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</p> <p>This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. <u>In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have</u></p>	<p>In order to cooperate with the GreTai Securities Market (GTSM) on March 23, 2023, No. 11200552441 and the Financial Supervisory Commission R.O.C(Taiwan) on December 08, 2023, No. 1120385664 Letter Amendmen.</p>

	<p><u>total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.</u> In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</p> <p>(omitted below)</p>	<p>prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</p> <p>(omitted below)</p>	
<p>Article 6-1</p>	<p>(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</p> <p>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</p> <ol style="list-style-type: none"> 1. How shareholders attend the virtual meeting and exercise their rights. 2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: <ol style="list-style-type: none"> A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume. B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session. C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those 	<p>(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</p> <p>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</p> <ol style="list-style-type: none"> 1. How shareholders attend the virtual meeting and exercise their rights. 2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: <ol style="list-style-type: none"> A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume. B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session. C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those 	

	<p>represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</p> <p>D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</p> <p>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</p>	<p>represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</p> <p>D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</p> <p>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</p> <p><u>Except for the circumstances stipulated in Paragraph 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders should at least be provided with connection equipment and necessary assistance, and the period during which shareholders can apply to the company and other relevant matters should be noted.</u></p>	
Article 22	<p>(Handling of digital divide) When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</p>	<p>(Handling of digital divide) When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</p> <p><u>Except for the circumstances stipulated in Paragraph 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders</u></p>	

		<u>should at least be provided with connection equipment and necessary assistance, and the period during which shareholders can apply to the company and other relevant matters should be noted.</u>	
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