

UNIFORM INDUSTRIAL CORPORATION
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
WITH INDEPENDENT AUDITORS' REPORT

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REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of Uniform Industrial Corporation as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements of the parent and subsidiary companies in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements ". In addition, the information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of the parent and subsidiary companies. Consequently, Uniform Industrial Corporation and Subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Company name: UNIFORM INDUSTRIAL CORPORATION

Chairman: Ba Lo

Date: March 12 , 2025

INDEPENDENT AUDITORS' REPORT

No : 22341130ECA

To UNIFORM INDUSTRIAL CORPORATION

Opinion

We have audited the accompanying consolidated financial statements of Uniform Industrial Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, 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 Uniform Industrial Corporation and its subsidiaries as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Uniform Industrial Corporation and its subsidiaries in accordance with the Certified Public Accountant code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 were 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.

Key audit matters of the Uniform Industrial Corporation and its subsidiaries' consolidated financial statements for the year ended December 31, 2024 are described as follows:

Impairment of property, plant and equipment, right-of-use assets and intangible assets

For the accounting policy of property, plant and equipment, right-of-use assets and intangible assets impairment, please refer to Note 4(12); for the uncertainty of accounting estimates and assumptions of the assessment of property, plant and equipment, right-of-use assets and intangible assets impairment, please refer to Note 5.

The description of the key audit matter

As of December 31, 2024, the consolidated balance sheet of Uniform Industrial Corporation and its subsidiaries recognized property, plant and equipment, right-of-use assets and intangible assets of NT\$204,829 thousand. Uniform Industrial Corporation and its subsidiaries performed property, plant and equipment, right-of-use assets and intangible assets impairment tests annually. The related tests were performed by estimating those future cash flows and the discount rate to assess the recoverable amount of property, plant and equipment, right-of-use assets and intangible assets of a cash-generating unit. Estimating future cash flows and discount rates involved management's subjective judgment and significant uncertainty. As a result, the property, plant and equipment, right-of-use assets and intangible assets impairment assessment were deemed to be a key audit matter in our audit of Uniform Industrial Corporation and its subsidiaries consolidated financial statements.

How our audit addressed the matter

The key audit procedures included the following:

- Obtain documents related to asset impairments that have been self-assessed by management and review whether there are any doubts about the impairments.

- When signs of impairment exist, check the correctness of the management's calculation of the recoverable amount of the cash-generating unit, and evaluate the reasonableness of the management's hypothetical data on the recoverable amount of the cash-generating unit.

Other Matters

Uniform Industrial Corporation has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the 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, and for such internal control as management determines 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 Uniform Industrial Corporation and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Uniform Industrial Corporation and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, (including members of the Audit Committee), are responsible for overseeing Uniform Industrial Corporation and its Subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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 Uniform Industrial Corporation and its 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 Uniform Industrial Corporation and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Uniform Industrial Corporation and its subsidiaries 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 group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Lai, Chia-Yu and Peng, Li-Chen.

Baker Tilly Clock & Co

March 12, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flow 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.

UNIFORM INDUSTRIAL CORPORATION 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	%
11xx	Current assets					
1100	Cash and cash equivalents	6(1)	\$ 639,319	43	\$ 623,458	36
1110	Financial assets at fair value through profit or loss - current	6(2)	26,598	2	56,934	3
1136	Financial assets at amortized cost - current	6(4)	55,606	4	56,364	3
1170	Accounts receivable	6(5)	34,298	2	80,243	5
1200	Other receivables		47,360	3	36,327	2
1220	Current tax assets	6(22)	2,039	—	10	—
130x	Inventories, net	6(6)	264,370	18	382,907	22
1479	Other current assets		14,286	1	9,243	1
11xx	Total current assets		1,083,876	73	1,245,486	72
15xx	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	140,211	10	201,926	12
1600	Property, plant and equipment	6(7)	174,216	12	179,229	10
1755	Right-of-use assets	6(8)	25,135	2	23,180	2
1760	Investment property, net	6(9)	—	—	16,621	1
1780	Intangible assets	6(10)	5,478	—	7,782	1
1840	Deferred tax assets	6(22)	51,816	3	36,499	2
1915	Prepayment for equipment		2,615	—	2,254	—
1920	Guarantee deposits paid		5,123	—	5,120	—
15xx	Total non-current assets		404,594	27	472,611	28
	Total assets		\$ 1,488,470	100	\$ 1,718,097	100

Please refer to the accompanying notes to the consolidated financial statements.

(Continued)

UNIFORM INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

Code	LIABILITIES AND EQUITY	Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
21xx	Current Liabilities					
2130	Contract liabilities	6(16)	\$ 20,516	1	\$ 17,442	1
2150	Notes payable		1,225	—	1,110	—
2170	Accounts payable		8,082	1	70,418	4
2200	Other payables	6(12)	64,168	4	118,476	7
2230	Current tax liabilities	6(22)	—	—	67,455	4
2280	Lease liabilities - current	6(8)	10,016	1	7,675	—
2322	Current portion of long-term borrowings	6(11)	—	—	3,855	—
2399	Other current liabilities		67,690	5	45,023	3
21xx	Total current liabilities		171,697	12	331,454	19
25xx	Non-Current liabilities					
2540	Long-term borrowings	6(11)	—	—	2,026	—
2570	Deferred tax liabilities	6(22)	26,194	2	24,397	2
2580	Lease liabilities - non-current	6(8)	17,764	1	18,165	1
2640	Net defined benefit liabilities-non-current	6(13)	1,849	—	3,354	—
2645	Guarantee deposits received		—	—	146	—
25xx	Total non-current liabilities		45,807	3	48,088	3
2xxx	Total liabilities		217,504	15	379,542	22
3xxx	Equity attributable to shareholders of the parent	6(14)				
3100	Capital					
3110	Common stock		778,827	52	778,827	45
3200	Capital surplus		146,565	10	146,565	9
3300	Retained earnings					
3310	Legal reserve		76,116	5	57,463	3
3320	Special reserve		—	—	36,691	2
3350	Unappropriated retained earnings		242,749	16	238,919	14
3400	Other equity		26,706	2	80,086	5
31xx	Total equity attributable to shareholders of the parent		1,270,963	85	1,338,551	78
36xx	Non-controlling interests		3	—	4	—
3xxx	Total equity		1,270,966	85	1,338,555	78
	Total liabilities and equity		\$ 1,488,470	100	\$ 1,718,097	100

Please refer to the accompanying notes to the consolidated financial statements.

UNIFORM INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, except for earnings per share amount)

Code	Item	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	6(16)	\$ 596,577	100	\$ 1,440,437	100
5000	Operating costs		(329,391)	(55)	(825,890)	(57)
5900	Gross profit		267,186	45	614,547	43
6000	Operating expenses					
6100	Selling and marketing expenses		(95,877)	(16)	(116,752)	(8)
6200	General and administrative expense		(136,313)	(23)	(170,102)	(12)
6300	Research and development expenses		(77,850)	(13)	(89,548)	(6)
6450	Expected credit impairment loss		17,912	3	(13,817)	(1)
6000	Total operating expenses		(292,128)	(49)	(390,219)	(27)
6900	Net operating income/(loss)		(24,942)	(4)	224,328	16
7000	Non-operating income and expenses					
7100	Interest income	6(17)	20,439	3	15,609	1
7010	Other income	6(18)	1,957	—	1,603	—
7020	Other gains and losses	6(19)	62,821	11	4,452	—
7050	Finance costs	6(20)	(994)	—	(1,391)	—
7000	Total non-operating income and expenses		84,223	14	20,273	1
7900	Profit from continuing operations before income tax		59,281	10	244,601	17
7950	Income tax expenses	6(22)	3,807	1	(57,821)	(4)
8200	Net income		63,088	11	186,780	13
8300	Other comprehensive income/(loss)					
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit plans	6(15)	1,317	—	(327)	—
8316	Unrealized loss on investments in equity instruments at fair value through other comprehensive income		(61,403)	(10)	117,138	8
8349	Income tax relating to items that will not be reclassified subsequently	6(22)	(263)	—	65	—
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translating the financial statements of foreign operations		9,444	1	(451)	—
8399	Income tax relating to the item that will be reclassified subsequently	6(22)	(1,889)	—	90	—
8300	Other comprehensive income/(loss)		(52,794)	(9)	116,515	8
8500	Total comprehensive income/(loss)		\$ 10,294	2	\$ 303,295	21
8600	Net profit/(loss) attributable to:					
8610	Shareholders of the parent		\$ 63,089	11	\$ 186,785	13
8620	Non-controlling interests		(1)	—	(5)	—
			\$ 63,088	11	\$ 186,780	13
8700	Total comprehensive income/(loss) attributable to:					
8710	Shareholders of the parent		\$ 10,295	2	\$ 303,300	21
8720	Non-controlling interests		(1)	—	(5)	—
			\$ 10,294	2	\$ 303,295	21
	Earnings per share	6(15)				
9750	Basic		\$ 0.81		\$ 2.40	
9850	Diluted		\$ 0.81		\$ 2.39	

Please refer to the accompanying notes to the consolidated financial statements.

UNIFORM INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

		Equity attributable to shareholders of the parent company										
		Share capital			Retained earnings			Other equity				
		Common stock	Certificate of Entitlement to New Shares from Convertible Bond		Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income			
				Capital surplus						Total	Non-controlling	Total equity
A1	Balance on January 1, 2023	\$ 775,270	\$ 2,292	\$ 146,259	\$ 35,323	\$ 6,468	\$ 221,405	\$ (724)	\$ (35,967)	\$ 1,150,326	\$ 9	\$ 1,150,335
B1	Legal reserve	—	—	—	22,140	—	(22,140)	—	—	—	—	—
B3	Special reserve	—	—	—	—	30,223	(30,223)	—	—	—	—	—
B5	Cash dividends to shareholders	—	—	—	—	—	(116,646)	—	—	(116,646)	—	(116,646)
D1	Net income in 2023	—	—	—	—	—	186,785	—	—	186,785	(5)	186,780
D3	Other comprehensive income in 2023	—	—	—	—	—	(262)	(361)	117,138	116,515	—	116,515
D5	Comprehensive income in 2023	—	—	—	—	—	186,523	(361)	117,138	303,300	(5)	303,295
I1	Convertible bonds converted to ordinary shares	3,557	(2,292)	306	—	—	—	—	—	1,571	—	1,571
Z1	Balance on December 31, 2023	778,827	—	146,565	57,463	36,691	238,919	(1,085)	81,171	1,338,551	4	1,338,555
B1	Legal reserve	—	—	—	18,653	—	(18,653)	—	—	—	—	—
B5	Cash dividends to shareholders	—	—	—	—	—	(77,883)	—	—	(77,883)	—	(77,883)
B17	Reversal special reserve	—	—	—	—	(36,691)	36,691	—	—	—	—	—
D1	Net income in 2024	—	—	—	—	—	63,089	—	—	63,089	(1)	63,088
D3	Other comprehensive income (loss) in 2024	—	—	—	—	—	1,054	7,555	(61,403)	(52,794)	—	(52,794)
D5	Comprehensive income (loss) in 2024	—	—	—	—	—	64,143	7,555	(61,403)	10,295	(1)	10,294
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	—	—	—	—	—	(468)	—	468	—	—	—
Z1	Balance on December 31, 2024	\$ 778,827	\$ —	\$ 146,565	\$ 76,116	\$ —	\$ 242,749	\$ 6,470	\$ 20,236	\$ 1,270,963	\$ 3	\$ 1,270,966

Please refer to the accompanying notes to the consolidated financial statements.

UNIFORM INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

Code	Description	2024	2023
		Amount	Amount
AAAA	Cash flows from (used in) operating activities		
A10000	Profit from continuing operations before tax	\$ 59,281	\$ 244,601
A20010	Adjustments:		
A20100	Depreciation expense	21,417	20,688
A20200	Amortization expense	3,311	3,058
A20300	Expected credit impairment (profit) loss	(17,912)	13,817
A20400	Net profit on financial assets at fair value through profit or loss	(369)	(311)
A20900	Finance costs	994	1,391
A21200	Interest income	(20,439)	(15,609)
A22500	Loss on disposal of property, plant and equipment	—	281
A22700	Gain on disposal of investment property	(25,009)	—
A22800	Gain on disposal of intangible assets	(34)	—
A30000	Changes in operating assets and liabilities:		
A31150	Accounts receivable	62,927	119,292
A31180	Other receivables	(11,124)	(27,130)
A31200	Inventories	117,786	(42,775)
A31240	Other current assets	1,754	(3,127)
A32125	Contract liability	3,074	(5,374)
A32130	Notes payable	115	673
A32150	Accounts payable	(62,336)	(50,848)
A32180	Other payables	(54,299)	15,377
A32230	Other current liabilities	22,667	25,528
A32240	Net defined benefit liabilities	(188)	(186)
A33000	Cash inflow generated from operations	101,616	299,346
A33100	Interest received	20,530	15,481
A33300	Interest paid	(1,003)	(1,394)
A33500	Income taxes paid	(87,959)	(23,404)
AAAA	Net cash generated from operating activities	\$ 33,184	\$ 290,029

(Continued)

UNIFORM INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

Code	Description	2024	2023
		Amount	Amount
BBBB	Cash flows from (used in) investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	\$ —	\$ (780)
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	312	—
B00040	Acquisition of financial assets at amortized cost	758	—
B00050	Proceeds from disposal of financial assets at amortized cost - current	—	30,073
B00200	Disposal of financial assets at fair value through profit or loss	32,785	—
B02700	Acquisition of property, plant and equipment	(6,103)	(30,289)
B03700	Increase in refundable deposits	(3)	(2,797)
B04500	Acquisition of intangible assets	(987)	(6,306)
B04600	Proceeds from disposal of intangible assets	55	—
B05500	Proceeds from disposal of investment properties	41,578	—
B07100	Increase in prepayment of equipment	(2,615)	(2,254)
BBBB	Net cash generated from(used in) investing activities	65,780	(12,353)
CCCC	Cash flows from (used in) financing activities		
C01700	Repayments of long-term borrowings	(5,881)	(5,003)
C03100	Decrease in guarantee deposits received	(146)	—
C04020	Payment of lease liabilities	(8,032)	(6,758)
C04500	Cash dividends	(77,883)	(116,646)
CCCC	Net cash used in financing activities	(91,942)	(128,407)
DDDD	Effect of exchange rate changes on cash and cash equivalents	8,839	(796)
EEEE	Net increase in cash and cash equivalents	15,861	148,473
E00100	Cash and cash equivalents at beginning of year	623,458	474,985
E00200	Cash and cash equivalents at end of year	\$ 639,319	\$ 623,458

Please refer to the accompanying notes to the consolidated financial statements.

UNIFORM INDUSTRIAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

(Expressed in thousands of New Taiwan Dollars, unless otherwise specified)

1. HISTORY AND ORGANIZATION

UNIFORM INDUSTRIAL CORPORATION (“the Company”) was incorporated on October 6, 1983 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The address of its registered office and principal place of business is 1F., No.1, Ln. 15, Ziqiang St, Tucheng District, New Taipei City, Taiwan. The Company and its subsidiaries (the “Group”) are primarily engaged in the manufacture, processing and sales of various card readers, check readers, point-of-sale terminal, pin-pad payment device and encrypted keypad reader.

The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) on September 19, 2001.

The consolidated financial statements are presented in the Thousands of New Taiwan Dollars.

2. AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issuance by the Board of Directors on March 12, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS 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, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

(2) The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New Standards, Interpretations and Amendments	Effective Date Announced by IASB
Amendments to IAS 21, “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

The Group has assessed that the application of above standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

(3) New IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New Standards, Interpretations and Amendments	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	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	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of above 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretation as endorsed by the FSC (collectively referred herein as the “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 value and net defined benefit liabilities, which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety. The levels of inputs are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the assets or liability.

(3) The basis for the consolidated financial statements

1) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries) in which the Company is exposed, or has right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Total comprehensive income of subsidiaries is attributed to the shareholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

2) Subsidiaries included in consolidated financial statements

The detail information of the subsidiaries at the end of the reporting period was as follows:

Investor	Investee	Main business	Percentage of Ownership		Note
			December 31, 2024	December 31, 2023	
The Company	Uniform Industrial Corporation (UICU)	Sale of the card reader, POS system and video conference system	100.00%	100.00%	
The Company	Newsline Holding Inc. (Newsline)	Investment holding	100.00%	100.00%	Note 1
The Company	Riseup Investments Ltd. (Riseup)	Investment holding	—	100.00%	Note 1,2
The Company	UIC Group Holdings Ltd. (UIC Group)	Investment holding	—	100.00%	Note 1,2
The Company	NewPOS Technology Corporation (NewPOS)	Computer development, product design and sale of POS system	99.95%	99.95%	
The Company	Sphere Corp. (Sphere)	Other data processing, hosting and website hosting services	100.00%	100.00%	
Newsline	Elite Hill Holdings Limited	Investment holding	100.00%	100.00%	Note 1
Elite	Bei Jing Jin Lian Shi Xun Technology Co., Ltd.	Selling network monitoring equipment	100.00%	100.00%	Note 1
Sphere	Shinyu Entertainment Co., Ltd.(Shinyu)	Operation of restaurant	100.00%	—	Note 1

Note 1: Above the table, the subsidiaries' financial report without auditing by accountant except UICU, NewPOS and Sphere; The Company management recognized financial reports without auditing by accountants will not have major adjustments.

Note 2: Riseup and UIC Group has completed the liquidation procedures in November 2024.

3) Subsidiaries excluded from the consolidated financial statements: None.

(4) Foreign currencies

1) Foreign currency transactions

Foreign currency transactions are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation 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, and in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

2) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations excluding foreign operations in hyperinflationary economies, are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that is considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(5) Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets expected to be realized, or intended to be sold or consumed within the normal operating cycle;
- 2) Assets held primarily for the purpose of trading;
- 3) Assets expected to be realized within twelve months after the reporting period; or
- 4) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities expected to be settled within the normal operating cycle;
- 2) Liabilities held primarily for the purpose of trading;
- 3) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; or
- 4) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the opinion of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

(6) Financial instruments

Financial assets and financial liabilities are recognized when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. 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.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

A. Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss and amortized cost.

i. Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments that are not designated as at FVTOCI.

ii. Financial assets at amortized costs

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

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b. 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, contract assets, notes receivable, accounts receivable, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- a. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets.
 - b. Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.
- iii. Investments in equity instruments at financial assets at fair value through other comprehensive income

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at financial assets at fair value through other comprehensive income. Designation as at financial assets at fair value through other comprehensive income 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 at financial assets at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income 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, it will be transferred to retained earnings.

Dividends on these investments in equity instruments 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. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable) as well as contract assets.

The Group always recognizes lifetime expected credit losses (i.e. ECLs) for accounts receivable and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-months ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-months ECLs represent the portion of lifetime ECLs 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 for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The loss allowance is a charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

C. Derecognition of financial assets

The Group derecognized 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 risk and rewards of ownership of the asset to another party.

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.

Derecognition of an investment in an equity instrument at financial assets at fair value through other comprehensive income, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

A. Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

B. Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(7) Inventories

The cost of inventories consists of all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories includes an appropriate share of fixed production overhead based on normal capacity and allocated variable production overhead based on actual output. However, unallocated fixed production overhead arising from lower or idle capacity is recognized in cost of goods sold during the period. Variable production overheads are allocated based on direct labor hours. Then, the inventories are measured at the lower of cost and net realizable value (NRV). Cost of inventories that are assigned using weighted average cost formula. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Variable manufacturing overhead is allocated based on the actual capacity of machinery and equipment. The net realizable value represents the estimated selling price in the ordinary course of business, less all estimated cost of completion and necessary selling expense.

(8) Investment property

An investment property is a property held to earn rentals or for capital appreciation or for both, but not for sale in ordinary course of business or administrative purpose. Investment property is measured at cost on initial recognition and subsequently at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over each component of an item of property. Each significant item of property, plant and equipment shall be evaluated individually and depreciated separately if it possesses a different useful life. The depreciation charge for each period shall be recognized in profit or loss. The land has an unlimited useful life and therefore is not depreciated. Buildings estimated useful life is 50 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount.

(9) Property, plant and equipment

1) Recognition and measurement

Item of property, plant and equipment are measured at cost which includes capitalized borrowing costs, less accumulated depreciation. Cost includes expenditure that is directly attributed to the acquisition of the asset.

Any gain or loss on disposal of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized in profit or loss, under net other income and expense.

2) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

3) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group. The carrying amount of those parts of fixed assets that are replaced is derecognized. Ongoing repairs and maintenance are expensed as incurred.

4) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Item of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately. Land is not depreciated.

The estimated useful lives for the current and comparative periods of significant items of property, plant and equipment are as follows:

	Useful lives
Buildings	3-50 years
Machinery and equipment	5-10 years
Transportation equipment	3 years
Other equipment	3-5 years

(10) Lease

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

1) 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 less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying for a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

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, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. 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. If the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, and variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. 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 rate.

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.

(11) Intangible assets

1) Goodwill

Goodwill is measured at cost less accumulated impairment losses. Impairment loss on equity investment in investees accounted for under the equity method is not allocated to any asset, including goodwill that forms part of the carrying amount of such investment.

2) Other intangible assets

Other intangible assets that are acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses. The estimated useful lives for the current and comparative periods are as follows:

	Useful lives
Software	1-10 years
Trademark rights	8 years

The residual values, amortization periods and amortization methods for an intangible asset shall be reviewed at least annually at each fiscal year-end. Any changes shall be accounted for as changes in accounting estimates.

(12) Impairment of non-financial assets

1) Goodwill

Goodwill has been allocated is tested for impairment annually when there is an indication that the unit may be impaired by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro-rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

2) Tangible and intangible assets

The carrying amounts of the Group's non-financial assets, other than assets arising from inventories, deferred tax assets, and assets arising from employee benefits, are reviewed at each reporting date to determine whether there is any indication of impairment. The recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If it is not possible to determine the recoverable amount for the individual asset, then the Group will have to determine the recoverable amount for the asset's cash-generating unit (CGU).

The recoverable amount for an individual asset or a CGU is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset or a CGU is less than its carrying amount, the carrying amount of the assets or a CGU shall be reduced to its recoverable amount and that reduction will be accounted as an impairment loss, which shall be recognized immediately in profit or loss.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. If any such indication exists, the recoverable amount of that asset is estimated.

(13) Revenue

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

1) Revenue from the sale of goods

The Group shall recognize revenue when control of the products has transferred to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

2) Revenue from the rendering of services

A. System Service Revenue

The Group provides cloud POS system, membership management system and other services, and the customers obtain and consume performance benefits at the same time, and the Group recognizes revenue using the straight-line method during the performance period.

B. Fee income

The transaction fee income is clearly related to satisfy each partitionable cash flow processing service, so the income is recognized when the transaction is processed.

The Group provision of third-party payment cash flow is the performance obligation of being ready to provide services at any time, so it is based on the time basis to measure the degree of completion of the performance obligation.

3) Financial components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customers exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(14) Employee benefits

1) Short-term employee benefits

When an employee has rendered service during an accounting period, the Group shall recognize the undiscounted amount of short-term employee benefits. A liability is recognized for the amount expected to be paid under short-term cash bonuses or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2) Retirement benefits

A. Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

B. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss.

Remeasurement of the net defined benefit liability (asset), which comprises (1) actuarial gains and losses, (2) the return on plan assets (excluding interest), and (3) the effect of the asset ceiling is recognized immediately in other comprehensive income. The Group can reclassify the amounts recognized in other comprehensive income to retained earnings or other equity.

The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets and any change in the present value of the defined benefit obligation.

(15) Taxation

Income tax expenses include both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes include tax payables and tax deduction receivable on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes shall not be recognized for the following:

- 1) Assets and liabilities that are initially recognized but are not related to the business combination and that affect neither net income nor taxable gains (losses) at the time of the transaction.
- 2) Temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- 3) Initial recognition of goodwill.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized, or the liability is settled, which are normally the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

- 1) The entity has the legally enforceable right to settle current tax assets and current tax liabilities on a net basis; and

2) The taxing of deferred tax assets and deferred tax liabilities fulfills one of the below scenarios:

- A. levied by the same taxing authority; or
- B. levied by difference taxing authorities, but where each such authority intends to settle tax assets and liabilities on a net basis every year of the period of expected realization or debt liquidation, or what the timing of asset realization and debt liquidation is matched.

A deferred tax asset is recognized for the carryforwards of unused tax losses, unused tax credits, and temporary deductible differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits and temporary deductible differences can be utilized. Such unused tax losses, unused tax credits, and temporary deductible differences are also revaluated every year on the financial reporting date, and adjusted based on the probability that future taxable profit will be available against which the unused tax losses, unused tax credits, and temporary deductible differences can be utilized.

(16) Earning per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible corporate bonds and employee bonus and employee compensation.

(17) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision-maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

5. SIGNIFICANT ACCOUNTING ASSUMPTIONS AND JUDGMENTS, AND MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follow:

Impairment of property, plant and equipment, right-of-use assets and intangible assets

Impairment of property, plant and equipment, right-of-use assets and intangible assets is evaluated based on the recoverable amount of assets, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices, future cash flows or discount rates will affect the recoverable amount of the assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

6. EXPLANATION OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	\$ 420	\$ 478
Demand deposits	638,899	622,980
	<u>\$ 639,319</u>	<u>\$ 623,458</u>

Please refer to note 6(4) for the deposit with the original maturities more than three months of the Group on December 31, 2024 and 2023.

(2) Financial assets at fair value through profit or loss-current

	December 31, 2024	December 31, 2023
Mandatorily at fair value through profit or loss		
Non-derivative financial assets		
Trust beneficiary certificates	\$ 26,598	\$ 56,934

(3) Financial assets at fair value through other comprehensive income – non-current

	December 31, 2024	December 31, 2023
Domestic Innovation Board listed shares	\$ 140,211	\$ 201,146
Unlisted shares	—	780
Total	\$ 140,211	\$ 201,926

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at financial assets at fair value through other comprehensive income. The Group did not provide any financial assets at fair value through other comprehensive income as collateral.

(4) Financial assets at amortized cost-current

	December 31, 2024	December 31, 2023
Time deposits with an original maturity of more than 3 months	\$ 55,606	\$ 56,364

The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.425%~4.890% and 1.30%~4.19% per annum as of December 31, 2024 and 2023, respectively.

(5) Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable		
At amortized cost		
Accounts receivable	\$ 36,915	\$ 99,862
Less: Loss allowance	(2,617)	(19,619)
Total	\$ 34,298	\$ 80,243

1) In principle, the payment term granted to customers is due 60 days, The Group applies the simplified approach to allowing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss allowances for all accounts receivable. The expected credit losses on accounts receivable are estimated using an allowance matrix with reference to past default experiences of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. The recovered amount is recognized in profit or loss.

2) The loss allowance of accounts receivable based on the Group's allowance matrix were as follows:

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Non-pass due	\$ 27,239	—	\$ —
1-30 days	7,695	8.27%	636
31-60 days	242	100.00%	242
61-90 days	—	—	—
Over 90 days	1,739	100.00%	1,739
	<u>\$ 36,915</u>		<u>\$ 2,617</u>

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Non-pass due	\$ 59,719	—	\$ —
1-30 days	34,666	42.40%	14,698
31-60 days	2,435	77.58%	1,889
61-90 days	—	—	—
Over 90 days	3,042	99.67%	3,032
	<u>\$ 99,862</u>		<u>\$ 19,619</u>

3) The movement in the allowance for accounts receivable were as follows:

	2024	2023
Balance at January 1	\$ 19,619	\$ 6,012
Add: Impairment losses recognized (reversed)	(17,912)	13,817
Less: Amounts that are written off	(20)	—
Foreign exchange gains/(losses)	930	(210)
Balance at December 31	<u>\$ 2,617</u>	<u>\$ 19,619</u>

(6) Inventories

	December 31, 2024	December 31, 2023
Raw materials	\$ 145,307	\$ 201,158
Work in process	17,031	31,031
Finished goods	7,312	5,844
Merchandise	94,720	144,874
Total	<u>\$ 264,370</u>	<u>\$ 382,907</u>
Allowance to reduce inventory to the market	<u>\$ 104,708</u>	<u>\$ 89,196</u>

1) The details of the cost of goods sold were as follows:

	2024	2023
Cost of inventories sold	\$ 297,933	\$ 773,019
Write-down of inventories	24,491	52,157
Others	6,967	714
Total	<u>\$ 329,391</u>	<u>\$ 825,890</u>

2) The Group did not provide any inventories as collateral.

3) As of December 31, 2024 and 2023, the Group writes off allowance for inventory obsolescence were \$9,731 thousand and \$17,197 thousand, respectively.

(7) Property, plant and equipment

For the year ended December 31, 2024						
	Balance at January 1, 2024	Additions	Disposals	Reclassification	Effect of exchange rate changes	Balance at December 31, 2024
<u>Cost</u>						
Land	\$ 130,427	\$ —	\$ —	\$ —	\$ —	\$ 130,427
Buildings	37,675	2,885	(9,175)	—	—	31,385
Machinery and equipment	49,378	4,019	(4,143)	—	487	49,741
Transportation equipment	6,000	—	—	—	—	6,000
Other equipment	16,675	1,453	(8,777)	—	280	9,631
Subtotal	240,155	8,357	(22,095)	—	767	227,184
<u>Accumulated depreciation</u>						
Buildings	19,445	4,748	(9,175)	—	—	15,018
Machinery and equipment	25,432	5,101	(4,143)	—	437	26,827
Transportation equipment	2,900	2,000	—	—	—	4,900
Other equipment	13,149	1,671	(8,777)	—	180	6,223
Subtotal	60,926	13,520	(22,095)	—	617	52,968
Net value	\$ 179,229	\$ (5,163)	\$ —	\$ —	\$ 150	\$ 174,216
For the year ended December 31, 2023						
	Balance at January 1, 2023	Additions	Disposals	Reclassification	Effect of exchange rate changes	Balance at December 31, 2023
<u>Cost</u>						
Land	\$ 130,427	\$ —	\$ —	\$ —	\$ —	\$ 130,427
Buildings	104,459	13,904	(80,688)	—	—	37,675
Machinery and equipment	32,551	17,236	(405)	—	(4)	49,378
Transportation equipment	6,800	—	(800)	—	—	6,000
Other equipment	34,016	2,100	(19,440)	—	(1)	16,675
Subtotal	308,253	33,240	(101,333)	—	(5)	240,155
<u>Accumulated depreciation</u>						
Buildings	96,320	3,813	(80,688)	—	—	19,445
Machinery and equipment	21,481	4,361	(405)	—	(5)	25,432
Transportation equipment	1,700	2,000	(800)	—	—	2,900
Other equipment	29,086	3,229	(19,159)	—	(7)	13,149
Subtotal	148,587	13,403	(101,052)	—	(12)	60,926
Net value	\$ 159,666	\$ 19,837	\$ (281)	\$ —	\$ 7	\$ 179,229

The property, plant and equipment held by the Group were pledged as collateral, please refer to Note 8.

(8) Lease arrangements

1) Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amounts		
Buildings	\$ 21,739	\$ 17,237
Transportation equipment	3,396	5,943
Total	\$ 25,135	\$ 23,180
	2024	2023
Additions to right-of-use assets	\$ 8,738	\$ 7,641
The depreciation charge for right-of-use assets		
Buildings	\$ 5,298	\$ 5,273
Transportation equipment	2,547	1,698
Total	\$ 7,845	\$ 6,971

2) Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amounts		
Current	\$ 10,016	\$ 7,675
Non-current	\$ 17,764	\$ 18,165

Range of discount rate for lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Buildings	4.50%~7.12%	4.50%
Transportation equipment	2.02%	2.02%

3) Other lease information

	2024	2023
Expenses relating to short-term leases	\$ 2,651	\$ 2,354
Expenses relating to low-value asset leases	\$ 99	\$ 105
Total cash outflow for leases	\$ (11,729)	\$ (10,312)

(9) Investment property

For the year ended December 31, 2024						
	Balance at January 1, 2024	Additions	Disposals	Reclassification	Effect of exchange rate changes	Balance at December 31, 2024
<u>Cost</u>						
Land	\$ 8,751	\$ —	\$ (8,751)	\$ —	\$ —	\$ —
Buildings	16,002	—	(16,002)	—	—	—
Subtotal	24,753	—	(24,753)	—	—	—
<u>Accumulated depreciation</u>						
Buildings	8,132	52	(8,184)	—	—	—
Net value	\$ 16,621	\$ (52)	\$ (16,569)	\$ —	\$ —	\$ —

For the year ended December 31, 2023						
	Balance at January 1, 2023	Additions	Disposals	Reclassification	Effect of exchange rate changes	Balance at December 31, 2023
<u>Cost</u>						
Land	\$ 8,751	\$ —	\$ —	\$ —	\$ —	\$ 8,751
Buildings	16,002	—	—	—	—	16,002
Subtotal	24,753	—	—	—	—	24,753
<u>Accumulated depreciation</u>						
Buildings	7,818	314	—	—	—	8,132
Net value	\$ 16,935	\$ (314)	\$ —	\$ —	\$ —	\$ 16,621

1) The maturity analysis of lease payments receivable under operating lease payments were as follows:

	December 31, 2024	December 31, 2023
Year 1	\$ —	\$ 876
Year 2	—	219
Total	\$ —	\$ 1,095

2) The fair value of the investment property which is based on the latest market price of similar investment property in the same area.

3) The investment property held by the Group were pledged as collateral, please refer to Note 8.

(10) Intangible assets

For the year ended December 31, 2024							
	Balance at January 1, 2024	Additions	Disposals	Reclassification	Effect of exchange rate changes	Balance at December 31, 2024	
<u>Cost</u>							
Goodwill	\$ 23,350	\$ —	\$ —	\$ —	\$ —	\$ 23,350	
Trademark right	450	—	—	—	—	450	
Software	15,179	939	(352)	—	281	16,047	
Other intangible assets	21	48	(21)	—	—	48	
Subtotal	39,000	987	(373)	—	281	39,895	
<u>Accumulated amortization</u>							
Goodwill	23,350	—	—	—	—	23,350	
Trademark right	342	56	—	—	—	398	
Software	7,526	3,255	(352)	—	240	10,669	
Subtotal	31,218	3,311	(352)	—	240	34,417	
Net value	\$ 7,782	\$ (2,324)	\$ (21)	\$ —	\$ 41	\$ 5,478	

For the year ended December 31, 2023							
	Balance at January 1, 2023	Additions	Disposals	Reclassification	Effect of exchange rate changes	Balance at December 31, 2023	
<u>Cost</u>							
Goodwill	\$ 23,350	\$ —	\$ —	\$ —	\$ —	\$ 23,350	
Trademark right	450	—	—	—	—	450	
Software	14,239	6,285	(5,344)	—	(1)	15,179	
Other intangible assets	—	21	—	—	—	21	
Subtotal	38,039	6,306	(5,344)	—	(1)	39,000	
<u>Accumulated amortization</u>							
Goodwill	23,350	—	—	—	—	23,350	
Trademark right	286	56	—	—	—	342	
Software	9,875	3,002	(5,344)	—	(7)	7,526	
Subtotal	33,511	3,058	(5,344)	—	(7)	31,218	
Net value	\$ 4,528	\$ 3,248	\$ —	\$ —	\$ 6	\$ 7,782	

From January 1, 2023 to December 31, 2024, The goodwill has been fully impaired, and there are no sign of impairment for other intangible assets.

(11) Long-term borrowings

	Loan period	December 31, 2024	December 31, 2023
<u>Unsecured loans</u>			
CHB	From 01/2022 and the repayment was completed in advance in 06/2024.	\$ —	\$ 1,200
<u>Secured loans</u>			
CHB	From 10/2018 and the repayment was completed in advance in 01/2024.	—	4,681
Subtotal		—	5,881
Less: current portion		—	(3,855)
Long-term borrowings		\$ —	\$ 2,026
Range of interest rates		—	2.02%~2.595%

For the collateral for long-term borrowings, please refer to Note 8.

(12) Other payables

	December 31, 2024	December 31, 2023
Payable for salaries and bonuses	\$ 19,301	\$ 62,795
Payable for employee' compensation	21,500	17,778
Payable for remuneration of directors	1,000	5,500
Payable for pension	1,650	6,028
Payable for insurance	2,378	2,805
Others	18,339	23,570
Total	\$ 64,168	\$ 118,476

(13) Retirement benefit plans**1) Defined contribution plans**

The Company and its domestic subsidiaries adopted a pension plan under the Labor Pension Act (the LPA), which is a stated-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employee's individual pension accounts at 6% of monthly salaries and wages. Defined contribution retirement method adopted by overseas subsidiaries, allocate pensions in accordance with local laws and regulations, and recognize the amount of pensions that should be appropriated in the current period as expenses for the current period. The Group recognized retirement costs were \$10,550 thousand and \$17,815 thousand in 2024 and 2023.

2) Defined benefit plans

Reconciliation of defined benefit obligations at present value and plan assets at fair value were as follows:

	December 31, 2024	December 31, 2023
The present value of the defined benefit obligation	\$ 8,616	\$ 9,339
The fair value of plan assets	(6,767)	(5,985)
Net defined benefit liabilities	\$ 1,849	\$ 3,354

The defined benefit plans were only adopted by the Company of the Group in accordance with the Labor Standards Act. Pension benefits are calculated on the basis of length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of totally monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund 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 pension fund is managed by the Bureau of Labor Funds, Ministry of Labor, the Company has no right to influence the investment policy and strategy.

A. Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$6,767 thousand and \$5,985 thousand at the end of December 31, 2024 and 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

B. Movements in the present value of the defined benefit obligations

The movement in the present value of the defined benefit obligations for the Company in 2024 and 2023 were as follows:

	2024	2023
Defined benefit obligations at January 1	\$ 9,339	\$ 8,923
Current service costs and interest cost	152	179
Remeasurement on the net defined benefit liabilities		
Actuarial loss - changes in financial assumptions	(473)	517
Actuarial gain - experience adjustments	(337)	(185)
Benefits paid	(65)	(95)
Defined benefit obligations at December 31	\$ 8,616	\$ 9,339

C. The fair value of the plan assets

The movements in the fair value of the plan assets for the Company in 2024 and 2023 were as follows:

	2024	2023
The fair value of plan assets at January 1	\$ 5,985	\$ 5,710
Interest income	100	117
Remeasurement on the net defined benefit liabilities (assets)		
Return on plan assets excluding interest income	507	5
Contributions made	240	248
Benefits paid	(65)	(95)
The fair value of plan assets at December 31	\$ 6,767	\$ 5,985

D. Changes in the effect of the asset ceiling

In 2024 and 2023, there was no effect of the asset ceiling.

E. Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company in 2024 and 2023 were as follows:

	2024	2023
Net interest of net liabilities for defined benefit obligations	\$ 52	\$ 62
Operating costs	\$ 22	\$ 30
Selling and marketing expenses	11	12
General and administrative expenses	6	5
Research and development expenses	13	15
	<u>\$ 52</u>	<u>\$ 62</u>

F. Remeasurement of net defined benefit liability (asset) recognized in other comprehensive income

The Company's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
The accumulated amount at January 1	\$ (5,322)	\$ (4,995)
Recognized during the period	1,317	(327)
The accumulated amount at December 31	<u>\$ (4,005)</u>	<u>\$ (5,322)</u>

G. Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	December 31, 2024	December 31, 2023
Discount rate	2.000%	1.625%
Future salary increases rate	3.000%	3.000%

The Company expects to make a contribution of \$233 thousand to the defined benefit plans in the year following December 31, 2024.

The weighted-average duration of the defined benefit plan range is 14.10 years.

H. Sensitivity assumptions

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation on December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Discount rate		
0.25% Increase	\$ (300)	\$ (348)
0.25% Decrease	\$ 313	\$ 363
Future salary change		
0.25% Increase	\$ 304	\$ 353
0.25% Decrease	\$ (294)	\$ (340)

Each sensitivity analysis considers the change in one assumption at a time, leaving the other assumptions unchanged. This approach shows the isolated effect of changing one individual assumption but does not take into account that some assumptions are related. The method used to carry out the sensitivity analysis is the same as the calculation of the net defined benefit liabilities recognized in the balance sheets.

The method used to carry out the sensitivity analysis is the same as in the prior year.

(14) Equity

1) Capital

	December 31, 2024	December 31, 2023
Number of stocks authorized (in thousands)	100,000	100,000
Stocks authorized	\$ 1,000,000	\$ 1,000,000
Stocks issued (in thousands)	77,883	77,883
Stocks issued	\$ 778,827	\$ 778,827

The par value of issued common stock is \$10 (dollars) per share, and each share with one vote and a right to dividend.

2) Capital surplus

	December 31, 2024	December 31, 2023
<u>May be able to be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>		
Additional paid-in capital arising from common stock	\$ 8,138	\$ 8,138
Additional paid-in capital arising from bond conversion	137,511	137,511
Gain on disposals of assets	916	916
Total	<u>\$ 146,565</u>	<u>\$ 146,565</u>

In accordance with the Company Act, realized capital reserves could only be reclassified as share capital or distributed as cash dividends after offsetting losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with the Regulations Governing the offering and Insurance of Securities by Securities Issuers, the amount of capital reserves to be reclassified under share capital shall not exceed 10% of the actual share capital amount.

3) Retained earnings and dividend policy

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior year's deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholder's meeting for approval.

The Company shall take into consideration its operating environment, industry developments, and the future capital needs and long-term financial plan, and the Company distributed earning more than 20% and less than 80% to withdraw share dividends. However, the accumulated distributed earning is less than 5% of capital, which is not qualified for earnings distribution; therefore, the Company should distribute the undistributed earnings in the form of shares or in cash. The cash dividends shall not be less than 10% of the total dividends. However, the cash dividend of value less than 0.5 dollars should be distributed by shares.

The appropriations of earnings for 2023 and 2022, which were approved in the shareholders' meetings on May 28, 2024 and June 7, 2023, respectively, were as follows:

	2023	2022
Legal reserve	\$ 18,653	\$ 22,140
Special reserve	(36,691)	30,223
Cash dividends	77,883	116,646
Cash dividends per share (NT\$)	1.0	1.5

The Company's Board of Directors has proposed the profit distribution plan for 2024 on March 12, 2025. The profit distribution plan for the year 2024 is still pending and is expected to be resolved at the annual general shareholders' meeting on May 28, 2025.

4) Special reserve

In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items (Exchange differences on translating the financial statements of foreign operations, financial assets at fair value through other comprehensive income, gain (losses) on the effective portion of cash flow hedges, excluding treasury stock) at the end of the financial reporting period before distributing earnings. When the debit balance on other equity items is reserved subsequently, the reserved amount could be included in the distributable earnings.

(15) Earnings per share

1) Basic earnings per share

The calculation of basic earnings per share and the weighted average number of ordinary shares were as follows:

	2024	2023
Profit attributable to ordinary shareholders of the parent (in thousands)	\$ 63,089	\$ 186,785
Weighted-average number of ordinary shares (thousand shares)	77,883	77,848
Basic earnings per share (dollars)	\$ 0.81	\$ 2.40

2) Diluted earnings per share

The calculation of diluted earnings per share and the weighted average number of ordinary shares were as follows:

	2024	2023
Profit attributable to ordinary shareholders of the parent (in thousands)	\$ 63,089	\$ 186,785
Profit attributable to ordinary shareholders of the parent (in thousands)	\$ 63,089	\$ 186,785
Weighted-average number of ordinary shares (thousand shares)	77,883	77,848
Effect of potentially dilutive ordinary shares:		
Employee share options (thousand shares)	287	466
Weighted average number of ordinary shares in computation of diluted earnings per share (thousand shares)	78,170	78,314
Diluted earnings per share (dollars)	\$ 0.81	\$ 2.39

Since the Group offered to settle the compensation or bonuses paid to employees in cash or stocks, the Group assumed the entire amount of the compensation or bonus would be settled in stocks and the resulting potential stocks were included in the weighted average number of stocks outstanding used in the computation of diluted earnings per share, as the effect dilutive. Such a dilutive effect of the potential stocks is included in the computation of diluted earnings per share until the number of stocks to be distributed to employees is resolved in the following year.

(16) Revenue from contracts

1) Contact balances

	December 31, 2024	December 31, 2023
Accounts receivable	\$ 34,298	\$ 80,243
Contract liabilities	\$ 20,516	\$ 17,442

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment.

2) Details of revenue

	2024			
	UIC	UICU	Others	Total
Revenue from the sale of goods	\$ 89,341	\$ 472,853	\$ 5,430	\$ 567,624
Revenue from the sale of system service	—	—	19,435	19,435
Processing service fees income	—	—	9,518	9,518
Total	\$ 89,341	\$ 472,853	\$ 34,383	\$ 596,577

	2023			
	UIC	UICU	Others	Total
Revenue from the sale of goods	\$ 84,048	\$ 1,335,197	\$ 3,505	\$ 1,422,750
Revenue from the sale of system service	—	—	13,465	13,465
Processing service fees income	—	—	4,222	4,222
Total	\$ 84,048	\$ 1,335,197	\$ 21,192	\$ 1,440,437

(17) Interest income

	2024	2023
Bank deposits	\$ 20,439	\$ 15,609

(18) Other income

	2024	2023
Rent income	\$ 71	\$ 576
Other income	1,886	1,027
Total	\$ 1,957	\$ 1,603

(19) Other gains and losses

	2024	2023
Foreign exchange gains	\$ 38,249	\$ 4,422
Gain on financial assets at fair value through profit	369	311
Loss on disposal of property, plant and equipment	—	(281)
Gain on disposal of investment property	25,009	—
Gain on disposal of intangible assets	34	—
Loss on disposal of investments	(840)	—
Total	\$ 62,821	\$ 4,452

(20) Finance costs

	2024	2023
Interest on bank borrowing	\$ (47)	\$ (292)
Interest on convertible bonds	—	(4)
Interest on lease liabilities	(947)	(1,095)
Total	<u>\$ (994)</u>	<u>\$ (1,391)</u>

(21) Compensation of employees and remuneration of directors

In accordance the Company's Articles of Incorporation, annual earning shall first be offset against any deficit, then, a minimum of 5% shall be allocated as employee compensation, and a maximum of 5% be allocated as directors' remuneration. Employees who are entitled to receive the abovementioned employee compensation, in share or cash, include the employees of subsidiaries of the Company who meet certain specific requirements.

The compensation of employees and the remuneration of directors for 2024 and 2023 are as follows:

	2024	2023
Compensation of employees	\$ 5,500	\$ 16,000
Remuneration of directors	280	4,720
Total	<u>\$ 5,780</u>	<u>\$ 20,720</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022 which have been approved by the Company's board of directors on March 6, 2024 and March 9, 2023 are as follows:

	2023	2022
Compensation of employees	\$ 16,000	\$ 20,000
Remuneration of directors	4,720	4,220
Total	<u>\$ 20,720</u>	<u>\$ 24,220</u>

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information about the appropriation of compensation of employees and remuneration of directors by the Company as approved by the Board of Directors is posted in the Market Observation Post System website of the Taiwan Stock Exchange.

(22) Income taxes

1) Major components of income tax expense recognized in profit or loss:

	2024	2023
Current tax expense		
Current period	\$ 6,923	\$ 68,730
Adjustment for prior periods	(1,598)	(386)
Deferred tax expense		
Current period	(15,672)	(10,523)
Adjustment for prior periods	6,540	—
Total	\$ (3,807)	\$ 57,821

2) A reconciliation of accounting profit and income tax expenses were as follows:

	2024	2023
Income tax expense calculated at the statutory rate	\$ 7,955	\$ 46,977
Nondeductible expenses in determining taxable income	(219)	(66)
Tax - exempt income	(4,631)	—
Domestic investment gain(loss) using equity method	(1,755)	4,391
Adjustment in respect of current income tax of prior periods	(1,598)	(481)
Adjustment in respect of deferred tax of prior periods	6,540	—
Land value increment tax	589	—
Income tax on unappropriated earnings	6,334	2,620
Unrecognized temporary differences	(29,356)	16
Unrecognized net operating loss carryforwards	12,684	2,013
Other	(350)	2,351
Income tax recognized in profit or loss	\$ (3,807)	\$ 57,821

3) Income tax recognized in other comprehensive income:

	2024	2023
Deferred tax		
Current period		
Exchange differences on translating the financial statements of foreign operations	\$ 1,889	\$ (90)
Remeasurement of defined benefit plans	263	(65)
Total	\$ 2,152	\$ (155)

4) Current tax assets and liabilities:

	December 31, 2024	December 31, 2023
Current tax assets		
Tax refund receivable	\$ 2,039	\$ 10
Current tax liabilities		
Income tax payable	\$ —	\$ 67,455

5) Deferred tax assets and liabilities:

The movements of deferred tax assets and deferred tax liabilities were as follows:

	2024				
	Balance at January 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Balance at December 31, 2024
<u>Deferred tax assets</u>					
Temporary differences					
Inventory loss from the falling price	\$ 15,493	\$ 3,370	\$ —	\$ —	\$ 18,863
Unrealized gain on inter-affiliate accounts	14,897	(8,490)	—	—	6,407
Exchange differences on translating the financial statements of foreign operations	271	—	(271)	—	—
Payable for annual leave	1,546	—	—	—	1,546
Unrealized exchange losses	3,298	(3,298)	—	—	—
Net operating loss carryforwards	—	24,329	—	—	24,329
Defined benefit pension plans	670	(37)	(263)	—	370
Investment accounted for using equity method	23	(23)	—	—	—
Other	301	—	—	—	301
	<u>\$ 36,499</u>	<u>\$ 15,851</u>	<u>\$ (534)</u>	<u>\$ —</u>	<u>\$ 51,816</u>

Deferred tax liabilities

Temporary differences

Exchange differences on translating the financial statements of foreign operations	\$	—	\$	—	\$	(1,618)	\$	—	\$	(1,618)
Unrealized exchange gains		—		(2,441)		—		—		(2,441)
Investment accounted for using equity method		(24,397)		2,262		—		—		(22,135)
	\$	(24,397)	\$	(179)	\$	(1,618)	\$	—	\$	(26,194)

2023

Balance at January 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Balance at December 31, 2023
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Deferred tax assets

Temporary differences

Inventory loss from the falling price	\$	10,141	\$	5,352	\$	—	\$	—	\$	15,493
Unrealized gain on inter-affiliate accounts		3,344		11,553		—		—		14,897
Exchange differences on translating the financial statements of foreign operations		181		—		90		—		271
Payable for annual leave		1,546		—		—		—		1,546
Unrealized exchange losses		1,014		2,284		—		—		3,298
Defined benefit pension plans		642		(37)		65		—		670
Investment accounted for using equity method		23		—		—		—		23
Other		301		—		—		—		301
	\$	17,192	\$	19,152	\$	155	\$	—	\$	36,499

Deferred tax liabilities

Temporary differences

Investment accounted for using equity method	\$	(15,768)	\$	(8,629)	\$	—	\$	—	\$	(24,397)
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6) Unrecognized deferred tax assets:

	December 31, 2024	December 31, 2023
Operating loss carryforwards	\$ 255,209	\$ 191,795
Deductible temporary differences	183,657	330,436
	\$ 438,866	\$ 522,231

7) As of December 31, 2024, the information of components within the Group unused tax losses were as follows:

Unused tax loss	Expiry date
\$ 2,636	2025
30,162	2026
31,250	2027
38,211	2028
20,266	2029
15,468	2030
16,559	2031
15,267	2032
21,971	2033
185,065	2034
<u>\$ 376,855</u>	

8) Assessment of tax:

The Company and the Company subsidiaries NewPOS tax returns for the years through 2022 were assessed by Taipei National Tax Administration.

(23) Additional information of expense by nature

The Group of employee benefit expenses, depreciation and amortization as of December 31, 2024 and 2023 were as follows:

	2024			2023		
	Recognized in cost of revenue	Recognized in operating expenses	Total	Recognized in cost of revenue	Recognized in operating expenses	Total
Employee benefit expenses						
Salary and bonus	\$ 39,085	\$ 178,249	\$ 217,334	\$ 69,184	\$ 215,004	\$ 284,188
Labor and Health Insurance	5,141	19,473	24,614	6,890	18,688	25,578
Pension	2,397	8,205	10,602	3,162	14,715	17,877
Other employees benefit expenses	2,182	10,754	12,936	3,201	11,570	14,771
Depreciation	5,686	15,679	21,365	7,316	13,058	20,374
Amortization	—	3,311	3,311	—	3,058	3,058

Note: For the years ended December 31, 2024 and 2023, the investment property depreciation recognized \$52 thousand and \$314 thousand, respectively, which was classified as other revenue and expense – deduction of other revenue.

(24) Financial instruments

1) Categories of financial instruments

	December 31, 2024	December 31, 2023
<u>Financial assets</u>		
Cash and cash equivalents	\$ 639,319	\$ 623,458
Financial assets at fair value through profit or loss-current	26,598	56,934
Financial assets at amortized cost-current	55,606	56,364
Accounts receivable	34,298	80,243
Other receivables	47,360	36,327
Financial assets at fair value through other comprehensive income	140,211	201,926
Guarantee deposits paid	5,123	5,120
Total	<u>\$ 948,515</u>	<u>\$ 1,060,372</u>
<u>Financial liabilities</u>		
Notes payable	\$ 1,225	\$ 1,110
Accounts payable	8,082	70,418
Other payables	18,287	23,472
Long-term borrowings (including current portion of long-term borrowings)	—	5,881
Guarantee deposits received	—	146
Total	<u>\$ 27,594</u>	<u>\$ 101,027</u>

2) The fair value of financial instruments

A. Fair value of financial instruments not measured at fair value

Except those listed in the table below, the Group's management considers that financial assets at amortized cost (including cash and cash equivalents, financial assets at amortized cost - current, accounts receivable, other receivables and guarantee deposits paid) and financial liabilities at amortized cost (including long-term borrowings, notes and accounts payable, other payables and guarantee deposit received) in the consolidated financial statements that are not measured at fair value approximate their fair values.

B. The fair value of financial instruments that are measured at fair value on a recurring basis

i. Fair value hierarchy

December 31, 2024				
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-derivative financial assets				
Trust beneficiary certificates	\$ 26,598	\$ —	\$ —	\$ 26,598
<u>Financial assets at FVTOCI</u>				
Domestic Innovation Board listed shares	—	140,211	—	140,211
	<u>\$ 26,598</u>	<u>\$ 140,211</u>	<u>\$ —</u>	<u>\$ 166,809</u>
December 31, 2023				
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-derivative financial assets				
Trust beneficiary certificates	\$ 56,934	\$ —	\$ —	\$ 56,934
<u>Financial assets at FVTOCI</u>				
Domestic Innovation Board listed shares	—	201,146	—	201,146
Unlisted shares	—	—	780	780
	<u>\$ 56,934</u>	<u>\$ 201,146</u>	<u>\$ 780</u>	<u>\$ 258,860</u>

ii. There were no transfers between Level 1 and 2 in 2024 and 2023.

iii. Valuation techniques and inputs applied for Level 2 fair value measurement

The fair value of Domestic Innovation Board listed shares is assessed using the Market Approach.

iv. Reconciliation of Level 3 fair value measurements of financial instruments

The financial assets measured by the third level fair value of the Group are financial assets at fair value through profit or loss and investments in equity instruments at fair value through other comprehensive income. The adjustment in 2024 and 2023 are as follows:

Financial Assets	2024	
	Financial Assets at FVTPL	Financial Assets at FVTOCI
Financial Assets	Equity Instruments	
Balance at January 1, 2024	\$ 780	
Recognized in other comprehensive income(unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income)		(468)
Disposals		(312)
Balance at December 31, 2024	\$ —	

Financial Assets	2023	
	Financial Assets at FVTPL	Financial Assets at FVTOCI
Financial Assets	Derivatives	Equity Instruments
Balance at January 1, 2023	\$ 9	\$ 84,008
Additions	—	780
Recognized in profit or loss	(6)	—
Convert common stock	(3)	—
Transfers out of Level 3	—	(84,008)
Balance at December 31, 2023	\$ —	\$ 780
Unrealized gain/(loss) for the current year included in profit or loss relating to assets held at the end of the year	\$ (6)	

v. Valuation techniques and inputs applied for Level 3 fair value measurement

Unlisted shares

Domestic unlisted shares, the fair value is mainly estimated by the market method.

The market method is based on the transaction price of comparable targets, considers the difference between the evaluation target and comparable targets, and estimates the value of the evaluation target with an appropriate multiplier.

3) Financial risk management objectives

The Group are exposed to the credit risks, liquidity risk and market risk (currency risk, interest rate risk and other price risks) due to its operating activities. This note presents information about the Group's exposure to each of the above risks and the objectives, policies, and processes for measuring and managing risk. Please refer to other related notes for quantitative information.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risk faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's supervisor is assisted in its oversight role by the Internal Audit. The internal auditors perform regular reviews by taking risk management control procedures and report to the Board of Directors.

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, arises principally from the Group's cash and cash equivalents, trust beneficiary certificates and receivables from customers. The Group's maximum exposure to credit risk which is financial assets book value were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Maximum exposure to credit risk amount	<u>\$ 948,515</u>	<u>\$ 1,060,372</u>

The Group bank deposits and trust beneficiary certificate were in financial institutions with good credit and believed that will not have any significant credit risk.

As of December 31, 2024 and 2023, three clients accounted for a total of 41.26% and 75.68%, respectively, of the Group's accounts receivable credit risk. In order to reduce credit risk, the Group has established a credit policy under which each customer is analyzed individually for creditworthiness for the purpose of setting the credit limit. Additionally, the Group continuously evaluates the credit quality of customers and utilizes insurance to minimize credit risk.

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's finance department shall monitor and forecast the Group's liquidity needs, ensure sufficient funds to meet operational needs. As of December 31, 2024 and 2023, the financial limit were \$335,000 thousand and \$365,319 thousand. The table below summarizes the maturity profile of the Group's financial liabilities based on the undiscounted contractual payment.

	December 31, 2024					
	Carrying Amount	Contractual cash flow	Within 6 months	Over 6 months to 12 months	Over 1 year to 2 years	More than 2 years
<u>Non-derivative financial liabilities</u>						
Notes payable	\$ 1,225	\$ 1,225	\$ 1,225	\$ —	\$ —	\$ —
Accounts payable	8,082	8,082	8,082	—	—	—
Other payables	18,287	18,287	18,287	—	—	—
Lease liabilities	27,780	30,275	5,538	5,634	9,614	9,489
Total	<u>\$ 55,374</u>	<u>\$ 57,869</u>	<u>\$ 33,132</u>	<u>\$ 5,634</u>	<u>\$ 9,614</u>	<u>\$ 9,489</u>
	December 31, 2023					
	Carrying Amount	Contractual cash flow	Within 6 months	Over 6 months to 12 months	Over 1 year to 2 years	More than 2 years
<u>Non-derivative financial liabilities</u>						
Notes payable	\$ 1,110	\$ 1,110	\$ 1,110	\$ —	\$ —	\$ —
Accounts payable	70,418	70,418	70,418	—	—	—
Other payables	23,472	23,472	23,472	—	—	—
Long-term borrowings (including current portion of long-term borrowings)	5,881	5,976	2,571	1,362	2,043	—
Lease liabilities	25,840	27,566	4,224	4,311	8,712	10,319
Guarantee deposits received	146	146	—	—	146	—
Total	<u>\$ 126,867</u>	<u>\$ 128,688</u>	<u>\$ 101,795</u>	<u>\$ 5,673</u>	<u>\$ 10,901</u>	<u>\$ 10,319</u>

The Group did not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

i. Currency risk and sensitivity analysis

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group's entities.

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable and payable, other receivables and payables. The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities were as follows:

December 31, 2024					
	Foreign currency	Exchange rate	NTD	Extent of variation	Effect on profit or loss (before income tax)
<u>Financial assets</u>					
USD	\$ 9,524	32.785	\$ 312,230	1%	\$ 3,122
<u>Financial liabilities</u>					
USD	37	32.785	1,220	1%	12
December 31, 2023					
	Foreign currency	Exchange rate	NTD	Extent of variation	Effect on profit or loss (before income tax)
<u>Financial assets</u>					
USD	\$ 14,608	30.705	\$ 448,551	1%	\$ 4,486
<u>Financial liabilities</u>					
USD	742	30.705	22,771	1%	228

ii. Interest rate risk

The sensitivity analyses below have been determined on the basis of the exposure to interest rates for long-term and short-term borrowings at balance sheet dates. For floating rate liabilities, the analysis is prepared to assume the amount of the liability outstanding at the balance sheet dates outstanding for the entire period.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2024 and 2023 would decrease/increase by \$0 thousand and \$59 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on bank loans.

iii. Other market price risk

i) The Group held open-end funds that the main investment targets were bond and money market funds (classified as financial assets at fair value through profit or loss). The Group anticipates that there is no significant market risk related to the funds.

ii) The Group invests in equity instruments issued by domestic companies (classified as financial assets at fair value through other comprehensive income – non-current), and the price of these equity instruments will be affected by the uncertainty of the future value of the investment target.

If equity prices had been 5% higher/lower, pre-tax other comprehensive income for the year ended December 31, 2024 and 2023 would have increased/decreased by \$7,011 thousand and \$10,096 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

(25) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

The Group uses the liability-to-equity ratio to manage capital.

The Group's liability-to-equity ratio were as follows:

	December 31, 2024	December 31, 2023
Total liabilities	\$ 217,504	\$ 379,542
Total equity	\$ 1,270,966	\$ 1,338,555
Liability-to-equity ratio	17.11%	28.35%

The Group's unaltered capital management in 2024.

7. RELATED-PARTY TRANSACTIONS

Uniform Industrial Corporation is both the parent company and the ultimate controlling party of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Compensation of key management personnel:

	2024	2023
Short-term employee benefits	\$ 10,033	\$ 19,433

8. PLEDGED ASSETS

The carrying values of pledged assets were as follows:

Pledged assets	Object	Book value	
		December 31, 2024	December 31, 2023
Property, plant and equipment - land	Short-term and long-term guarantee borrowing	\$ 130,427	\$ 130,427
Property, plant and equipment - buildings	Short-term and long-term guarantee borrowing	16,367	18,230
Pledged deposits (classified as a guarantee deposit paid)	Customs guarantee deposits	800	800
Investment property - land	Short-term and long-term guarantee borrowing	—	8,751
Investment property - buildings	Short-term and long-term guarantee borrowing	—	7,870
Total		\$ 147,594	\$ 166,078

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED

COMMITMENTS: None;

10. SIGNIFICANT DISASTER LOSS: None;

11. SIGNIFICANT SUBSEQUENT EVENTS: None;

12. OTHERS: None;

13. ADDITIONAL DISCLOSURES

(1) Information on significant transactions (2) Information on investees:

- 1) Financings provided to other parties: None;
- 2) Endorsement and guarantee provided to other parties: None;
- 3) Marketable securities held at the reporting date(excluding subsidiaries, associates, and joint ventures): Please refer to table 1 attached;
- 4) Marketable securities for which accumulated purchase or sale amount exceed NT\$300 million or 20% of the paid-in capital: None;
- 5) Acquisition of individual real estate exceeds NT\$300 million or 20% of the paid-in capital: None;
- 6) Disposal of individual real estate exceeds NT\$300 million or 20% of the paid-in capital: None;
- 7) Total purchases from or sales to related parties which exceed NT\$100 million or 20% of the paid-in capital: Please refer to table 2 attached;
- 8) Receivables from related parties which exceed NT\$100 million or 20% of the paid-in capital: None;
- 9) Transactions about derivative instruments: None;
- 10) Others: The business relationships and significant inter-company transactions: Please refer to table 3 attached;
- 11) Information of investee companies: Please refer to table 4 attached;

(3) Information on investments in Mainland China

- 1) The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, the share of profits/losses of an investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please refer to table 5 attached;
- 2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss: None;

(4) Information of major shareholders

List of all shareholders with ownership of 5% or greater showing the names and the number of shares and percentage of ownership held by each shareholder: Please refer to table 6 attached.

14. OPERATING SEGMENT INFORMATION

(1) Operating segments

The Group has two reportable segments: UIC (Taiwan operating segment) and UICU (the United States operating segment). UIC engages mainly in the manufacturing and selling card reader, card reader & writer, check reader, POS system, digital signature and personal password recognizer; UICU is the subsidiaries that engage mainly in the selling and promoting in The United States.

The classification of the segments is based on the sales location of the respective segment. Each segment manages and caters to the different needs of its customers, as well as needs different marketing strategies, and thus, should be managed separately.

The operating segment's accounting policies are the same as disclosed in Note 4. The group uses the income (before tax) as the measurement for the basis of performance assessment. Sales and transfers among reportable segments are recorded in line with sales to third-party customers.

(2) The Group's operating segment information and reconciliation were as follows:

	2024				
	UIC	UICU	Others	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	\$ 89,341	\$ 472,853	\$ 34,383	\$ —	\$ 596,577
Intra-group revenue	282,085	25,490	442	(308,017)	—
Total segment revenue	\$ 371,426	\$ 498,343	\$ 34,825	\$ (308,017)	\$ 596,577
Interest expense	\$ (134)	\$ (803)	\$ (57)	\$ —	\$ (994)
Depreciation and amortization	\$ 17,221	\$ 6,075	\$ 1,432	\$ —	\$ 24,728
Share of loss of associates and joint ventures accounted for using equity method	\$ (19,356)	\$ —	\$ —	\$ 19,356	\$ —
Segment income	\$ 51,559	\$ 181	\$ (11,815)	\$ 19,356	\$ 59,281
Assets:					
Investments accounted for using equity method	\$ 138,179	\$ —	\$ —	\$ (138,179)	\$ —
Non-current assets expense	\$ 9,296	\$ —	\$ 48	\$ —	\$ 9,344
Segment assets	\$ 1,371,684	\$ 241,127	\$ 130,386	\$ (254,727)	\$ 1,488,470
Segment liabilities	\$ 100,721	\$ 107,189	\$ 95,633	\$ (86,039)	\$ 217,504
	2023				
	UIC	UICU	Others	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	\$ 84,048	\$ 1,335,197	\$ 21,192	\$ —	\$ 1,440,437
Intra-group revenue	1,243,621	181,446	517	(1,425,584)	—
Total segment revenue	\$ 1,327,669	\$ 1,516,643	\$ 21,709	\$ (1,425,584)	\$ 1,440,437
Interest expense	\$ (328)	\$ (1,005)	\$ (58)	\$ —	\$ (1,391)
Depreciation and amortization	\$ 16,317	\$ 6,137	\$ 1,292	\$ —	\$ 23,746
Share of loss of associates and joint ventures accounted for using equity method	\$ 6,712	\$ —	\$ —	\$ (6,712)	\$ —
Segment income	\$ 244,581	\$ 28,787	\$ (22,055)	\$ (6,712)	\$ 244,601
Assets:					
Investments accounted for using equity method	\$ 79,030	\$ —	\$ —	\$ (79,030)	\$ —
Non-current assets expense	\$ 37,347	\$ 194	\$ 2,005	\$ —	\$ 39,546
Segment assets	\$ 1,594,484	\$ 430,951	\$ 78,141	\$ (385,479)	\$ 1,718,097
Segment liabilities	\$ 255,933	\$ 298,302	\$ 60,818	\$ (235,511)	\$ 379,542

(3) Geographic information:

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and non-current assets are based on the geographical location of the assets.

1) Revenue

	2024	2023
Asia	\$ 68,005	\$ 63,955
Americas	436,579	1,256,918
Europe	84,336	112,561
Oceania	7,135	5,459
Others	522	1,544
Total	<u>\$ 596,577</u>	<u>\$ 1,440,437</u>

2) Non-current assets

	December 31, 2024	December 31, 2023
Taiwan	\$ 191,928	\$ 208,728
Others	15,516	20,338
Total	<u>\$ 207,444</u>	<u>\$ 229,066</u>

Non-current assets included property, plant and equipment, right-of-use assets, investment property, intangible assets, and other assets, but did not include financial instruments and deferred income tax assets.

(4) Major customer information:

Major customer information of the Group for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Customer A	<u>\$ 205,826</u>	<u>\$ 820,391</u>

UNIFORM INDUSTRIAL CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES HELD AT THE REPORTING DATE
DECEMBER 31, 2024

Table 1

(In Thousands of New Taiwan Dollars, unless stated otherwise)

Investor	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2024				Note
				Number of shares	Book value	Ownership (%)	Fair value	
Uniform Industrial Corporation	Capital Money Market Fund	—	Financial assets at fair value through profit or loss	1,136,263	\$ 19,112	—	\$ 19,112	—
"	Allianz Global Investors Taiwan Money Market Fund	—	Financial assets at fair value through profit or loss	572,762	7,486	—	7,486	—
"	GOGOLOOK CO., LTD. stock	—	Financial assets at fair value through other comprehensive income	1,183,212	140,211	3.7%	140,211	—

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial instruments'.

Note2: The column is left blank if the issuer of marketable securities is a non-related party.

UNIFORM INDUSTRIAL CORPORATION AND SUBSIDIARIES
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES WHICH EXCEED NT\$100 MILLION OR 20% OF THE PAID-IN
CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 2

(In Thousands of New Taiwan Dollars)

Purchaser	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Note 2
			Purchases (sales)	Amount	Percentage of total purchase (sales) (Note5)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable) (Note 5)	
Uniform Industrial Corporation	Uniform Industrial Corporation (USA)	Subsidiary	Sales	\$ 281,538	31%	30~90 days	Same	Same	\$ 85,713	71%	—

Note 1: If the transaction conditions of related parties are different from the general transaction conditions, the differences and reasons should be described in the fields of unit price and credit period.

Note 2: If there has payable or in the advance situation, it should describe the reason, contractual terms, amount and transaction difference.

Note 3: It's the parent's paid-in capital. If the stock has no par value or the par value do not equal to NT\$10, according to the regulation of 20% paid-in capital transaction amount, the par value will be calculated by 10% of the total parent equity.

Note 4: The intercompany transaction has been eliminated when preparing the consolidated financial statements.

Note 5: The ratio of total sales or total purchase before eliminating when preparing the consolidated financial statements.

UNIFORM INDUSTRIAL CORPORATION AND SUBSIDIARIES
THE BUSINESS RELATIONSHIPS AND SIGNIFICANT INTER-COMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 3

(In Thousands of New Taiwan Dollars, unless stated otherwise)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note 3)
0	Uniform Industrial Corporation	Uniform Industrial Corporation (USA)	1	Accounts receivable	\$ 85,713	Note 4	6%
	"		"	Operating revenue	281,538	Note 4	47%
	"		"	Operating costs	25,490	Note 4	4%
	"	NewPOS Technology Corporation	1	Accounts receivable	248	Note 4	—
	"		"	Other payables	78	Note 4	—
	"		"	Operating revenue	538	Note 4	—
	"		"	Other income	34	Note 4	—
	"		"	Selling and marketing expense	424	Note 4	—
	"		"	Research and development expenses	18	Note 4	—
	"	Sphere Corp.	1	Operating revenue	9	Note 4	—

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in “Number” column:

(1) Number 0 represents the Company.

(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company.

(3) The consolidated subsidiary to another consolidated subsidiary.

Note 3: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenue for income statement accounts.

Note 4: The intercompany transaction has been eliminated when preparing the consolidated financial statements.

UNIFORM INDUSTRIAL CORPORATION AND SUBSIDIARIES
INFORMATION OF INVESTEE COMPANIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 4

(In Thousands of New Taiwan Dollars/USD)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognized by the Company for the year ended December 31, 2024 (Note 2)	Note
				Balance as of December 31, 2024	Balance as of December 31, 2023	Number of shares	Ownership (%)	Book value			
Uniform Industrial Corporation	Uniform Industrial Corporation(USA)	United States	Sale of card reader, POS system and video conference system	\$ 51,326	\$ 51,326	1,600,000	100.00	\$ 103,430	\$ (7,542)	\$ (7,542)	Subsidiary
	Newslane Holding Inc.	British Virgin Island	Investment holding	184,200	184,200	5,614,668	100.00	126	—	—	Subsidiary
	Riseup Investments Ltd.	Independent State of Samoa	Investment holding	—	170	—	—	—	1	1	Subsidiary
	UIC Group Holdings Ltd.	Independent State of Samoa	Investment holding	—	148,183	—	—	—	(30)	(30)	Subsidiary
	NewPOS Technology Corporation	Taiwan	Computer development, product design and sale of POS system	226,275	226,275	4,997,635	99.95	7,184	(1,487)	(1,486)	Subsidiary
	Sphere Corp.	Taiwan	Other data processing, host and website hosting services	50,000	20,000	2,900,000	100.00	27,439	(10,299)	(10,299)	Subsidiary
Newslane Holding Inc.	Zhishan Investment Holding Company	Independent State of Samoa	Investment holding	106,223 (USD 3,240)	106,223 (USD 3,240)	3,230,100	100.00	—	—	—	Sub-subsidiary
Sphere Corp.	Shinyu Entertainment Co., Ltd.	Taiwan	Operation of restaurant	10,000	—	1,000,000	100.00	9,563	(437)	(437)	Sub-subsidiary

Note 1: Information on investments in Mainland China, please refer to table 5.

Note 2: The intercompany transaction has been eliminated when preparing the consolidated financial statements.

Note 3: The exchange rate on December 31, 2024 is USD\$1=NT\$32.785.

Note 4: Riseup Investments Ltd. and UIC Group Holdings Ltd. has completed the liquidation procedures in November 2024.

UNIFORM INDUSTRIAL CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 5

(In Thousands of New Taiwan Dollars/USD (unless stated otherwise))

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	The accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flow		The accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (loss) of the investee company	Percentage of ownership	Investment income (loss) recognized by the Company as of December 31, 2024	Book value of investments as of December 31, 2024	Accumulated inward remittance of earnings as of December 31, 2024	Note
					Outflow	Inflow							
Uniform (Shanghai) Industrial Corp.	Automatic software development and system integration for plant and office, retail and catering industry ifront and back-end software development and system integration	\$ —	(2)	\$ 37,703 (USD 1,150)	\$ —	\$ —	\$ 37,703 (USD 1,150)	\$ —	—	\$ —	\$ —	\$ —	Note 3
Bei Jing Jin Lian Shi Xun Technology Co., Ltd.	Sale of networking monitoring equipment	42,621 (USD 1,300)	(2)	42,621 (USD 1,300)	—	—	42,621 (USD 1,300)	—	100.00%	—	—	—	—

The accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	The ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 2)
\$ 80,323 (USD 2,450)	\$ 98,355 (USD 3,000)	\$ 762,578

Note 1: Investment method is classified into the following three categories:

- (1) Direct investment in a company in Mainland China.
- (2) Through investing in the third area, which then invested in the investee in Mainland China (please refer to Table 4).
- (3) Other methods.

Note 2: The calculating method is using the equity of 60% as of December 31, 2024.

Note 3: It has completed the liquidation procedures in 2016.

Note 4: The exchange rate on December 31, 2024 is USD\$1=NT\$32.785.

UNIFORM INDUSTRIAL CORPORATION AND SUBSIDIARIES
INFORMATION OF MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 6

Name of Major Shareholder	Shares	
	Number of Shares	Ownership Percentage(%)
Lian Ching Investment co., Ltd.	13,968,338	17.93%
Ba Lo	5,674,942	7.28%

Note 1: The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were kept at the trust by the shareholders, the data disclosed was settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio including the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.