UNIFLEX TECHNOLOGY INC.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

UNIFLEX TECHNOLOGY INC.

DECEMBER 31, 2024 AND 2023 PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

TABLE OF CONTENTS

Contents	Page/Number/Index

Contents	Page/Number/Index

Contents	Page/Number/Index

INDEPENDENT AUDITORS’ REPORT TRANSLATED FROM CHINESE

PWCR 24000245

To the Board of Directors and Shareholders of Uniflex Technology Inc.

Opinions

We have audited the accompanying parent company only balance sheets of Uniflex Technology Inc. (the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors’ responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

Valuation of allowance for inventory valuation losses

Description

Refer to Note 4(12) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(6) for description of allowance for inventory valuation losses. Note 6(7) for details of investments accounted for using equity method, and Note 6(7) for information related to the investments accounted for using equity method.

As at December 31, 2024, the Company's inventory and allowance for valuation loss amounted to NT$157,528 thousand and NT$54,855 thousand, respectively, and its investments accounted for using the equity method amounted to NT $614,778 thousand as of December 31, 2024, with the 100% owned subsidiary, Uniflex Technology (JiangSu) Ltd., as its main operating entity. The Company and its subsidiaries are primarily engaged in the manufacturing and sales of various kinds of printed circuit boards and other related products. As the inventories of such products are subject to rapid changes in science and technology and are susceptible to market price volatility, there is a high risk of inventory losses due to market value decline or obsolescence. The Company's and its subsidiaries' inventories are measured at the lower of cost and net realisable value. Inventory that is over certain age and individually identified as obsolete or damaged inventory is measured at net realizable value, which is calculated based on historical data on the inventory turnover. The net realisable value which was used in the individual identification and valuation of allowance for inventory valuation losses, involved subjective judgment and uncertainty of estimation.

The Company’s and its subsidiaries’ inventory and allowance for inventory valuation losses are significant to the parent company only financial statements. We identified the valuation of allowance for inventory valuation losses as a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of policies and procedures related to the provision of allowance for inventory valuation losses based on our understanding of the Company’s operations and the characteristics of its industry and consistently applied in all the periods.
2. Reviewed the Company’s internal control process of inventory management and participated in the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
3. Verified the logical appropriateness of the inventory statement used to evaluate to confirm that the information in the statements is consistent with its policies.
4. Verified if the market basis for measuring the net realisable value is consistent with the Company’s policies, randomly checked if the selling prices and net realisable values of individual inventories are calculated correctly, and recalculated and evaluated the reasonableness of allowance for inventory valuation losses.

Impairment assessment of property, plant and equipment

<u>Description</u>

Refer to Note 4(17) for accounting policy on impairment assessment of non-financial assets, Note 5(2) for accounting estimates and assumption uncertainty in relation to the impairment assessment of property, plant and equipment, Note 6(8) for a description of accounting items on property, plant and equipment, and Note 6(7) for details of investments accounted for using equity method.

As at December 31, 2024, the Company's property, plant and equipment amounted to NT$1,942,457 thousand, the accumulated depreciation and accumulated impairment amounted to NT$1,583,500 thousand and NT$56,857 thousand, respectively, the net amount to the Company's property, plant and equipment was NT$302,100 thousand, constituting 17% of the parent company only total assets, and its investment using the equity method amounted to NT$614,778 thousand as of December 31, 2024, with the 100% owned subsidiary Uniflex Technology (JiangSu) Ltd. as its main operating entity.

The Company and its subsidiaries apply the value-in-use model to evaluate the recoverable amount of the aforesaid property, plant and equipment. When determining the cash flows for future operations, it considered the forecasted sales growth rate by its outlook for future operations and calculated the weighted average capital cost rate as the discount rate.

Since the impairment assessment process involves subjective judgements and may lead to inappropriate accounting estimates, which is also an area where judgement must be exercised during the audit process, we identified the impairment assessment of property, plant and equipment as a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained the Company's form for self-assessment on impairment of property, plant and equipment for the cash generating unit.
2. Assessed the reasonableness of the sales growth rate used by the management in estimating the cash flows for future operations and compared it with historical data and industry trends.
3. Verified if the weighted average capital cost rate used by the management, including assumptions such as the risk-free rate of return and risk premium, is consistent with the current situation of the Company and the industry, and re-executed and verified the calculation.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error. In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent company only 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 parent company only financial statements of the current period 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.

Chou, Hsiao-Tzu LIN, KUAN-HUNG

For and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

UNIFLEX TECHNOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 165,490	9	$ 338,600	17
1136	Current financial assets at amortised cost	6(4) and 8	-	-	95,201	5
1150	Notes receivable, net	6(5)	2,049	-	2,375	-
1170	Accounts receivable, net	6(5)	548,176	30	455,647	23
1180	Accounts receivable - related parties, net	6(5) and 7	-	-	1,342	-
1200	Other receivables		10,371	1	8,614	1
130X	Inventories	6(6) and 8	102,673	6	99,679	5
1470	Other current assets		25,542	1	27,052	1
11XX	**Total Current Assets**		854,301	47	1,028,510	52
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	-	-	-	-
1550	Investments accounted for using equity method	6(7)	614,778	34	582,780	29
1600	Property, plant and equipment	6(8)(10) and 8	302,100	17	330,276	17
1755	Right-of-use assets	6(9)	2,891	-	5,003	-
1780	Intangible assets		109	-	254	-
1840	Deferred income tax assets	6(25)	35,198	2	45,528	2
1915	Prepayments for equipment	6(8)	1,354	-	3,245	-
1990	Other non-current assets, others	7	945	-	924	-
15XX	**Total Non-current assets**		957,375	53	968,010	48
1XXX	**Total assets**		$ 1,811,676	100	$ 1,996,520	100

(Continued)

UNIFLEX TECHNOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	$ 235,000	13	$ 118,000	6
2120	Current financial liabilities at fair value through profit or loss	6(2)	-	-	-	-
2170	Accounts payable		117,506	6	129,078	6
2180	Accounts payable - related parties	7	505,291	28	588,614	30
2200	Other payables	6(12)	119,183	7	118,405	6
2220	Other payables - related parties	6(12) and 7	3,626	-	880	-
2280	Current lease liabilities	6(9) and 7	1,968	-	2,634	-
2320	Long-term liabilities, current portion	6(13) and 8	59,167	3	105,782	5
2399	Other current liabilities, others		1,869	-	2,087	-
21XX	**Total Current Liabilities**		1,043,610	57	1,065,480	53
	Non-current liabilities					
2540	Long-term borrowings	6(13) and 8	300,833	17	275,928	14
2570	Deferred income tax liabilities	6(25)	382	-	620	-
2580	Non-current Lease liabilities	7	1,005	-	2,369	-
2600	Other non-current liabilities		45	-	45	-
25XX	**Total Non-current liabilities**		302,265	17	278,962	14
2XXX	**Total Liabilities**		1,345,875	74	1,344,442	67
	Equity					
	Share capital					
3110	Share capital - common stock	6(16)	971,598	54	971,598	49
	Capital surplus					
3200	Capital surplus	6(17)(18)	395	-	39,402	2
	Retained earnings					
3350	Accumulated deficit	6(18)	(440,461)	(24)	(270,986)	(13)
	Other equity interest					
3400	Other equity interest		(65,731)	(4)	(87,936)	(5)
3XXX	**Total equity**		465,801	26	652,078	33
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 1,811,676	100	$ 1,996,520	100

The accompanying notes are an integral part of these parent company only financial statements.

UNIFLEX TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except loss per share amount)

	Items	Notes	2024 AMOUNT	2024 %	2023 AMOUNT	2023 %
4000	Operating revenue	6(19) and 7	$ 1,290,538	100	$ 1,294,233	100
5000	Operating costs	6(6)(23)(24) and 7	(1,377,201)	(107)	(1,373,262)	(106)
5900	Gross loss from operations		(86,663)	(7)	(79,029)	(6)
	Operating expenses	6(23)(24)				
6100	Selling expenses		(32,851)	(3)	(31,989)	(2)
6200	Administrative expenses		(71,394)	(5)	(75,222)	(6)
6300	Research and development expenses		(28,454)	(2)	(27,951)	(2)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		447	-	1,668	-
6000	Total operating expenses		(132,252)	(10)	(133,494)	(10)
6900	Operating loss		(218,915)	(17)	(212,523)	(16)
	Non-operating income and expenses					
7100	Interest income	6(20)	5,969	-	19,095	2
7010	Other income	6(21)	8,689	1	9,136	1
7020	Other gains and losses	6(10)(22)	4,639	-	2,287	-
7050	Finance costs	7	(13,111)	(1)	(21,114)	(2)
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	6(7)	9,925	1	(59,823)	(5)
7000	Total non-operating income and expenses		16,111	1	(50,419)	(4)
7900	**Loss before income tax**		(202,804)	(16)	(262,942)	(20)
7950	Income tax expense	6(25)	(5,678)	-	(8,043)	(1)
8200	**Loss for the year**		($ 208,482)	(16)	($ 270,985)	(21)
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investment in equity instruments measured by fair value through other comprehensive income		$ 4,546	-	$ -	-
8310	Components of other comprehensive income loss that will not be reclassified to profit or loss		4,546	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		22,073	2	(11,671)	(1)
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(25)	(4,414)	-	2,334	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		17,659	2	(9,337)	(1)
8300	**Other comprehensive income (loss) for the year**		$ 22,205	2	($ 9,337)	(1)
8500	**Total comprehensive loss for the year**		($ 186,277)	(14)	($ 280,322)	(22)
	Basic loss per share	6(26)				
9750	Total basic loss per share		($ 2.15)		($ 4.01)	
	Diluted loss per share	6(26)				
9850	Total diluted loss per share		($ 2.15)		($ 4.01)	

The accompanying notes are an integral part of these parent company only financial statements.

UNIFLEX TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

			Capital Surplus			Other Equity Interest		
	Notes	Share capital - common stock	Additional paid-in capital	Changes in ownership interests in subsidiaries	Accumulated deficit	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Year 2023								
Balance at January 1, 2023		$ 1,561,448	$ -	$ 395	($ 889,851)	($ 43,841)	($ 34,758)	$ 593,393
Loss for the year		-	-	-	(270,985)	-	-	(270,985)
Other comprehensive loss		-	-	-	-	(9,337)	-	(9,337)
Total comprehensive loss		-	-	-	(270,985)	(9,337)	-	(280,322)
Capital reduction to offset accumulated deficits	6(16)	(889,850)	-	-	889,850	-	-	-
Issuance of shares	6(16)	300,000	30,000	-	-	-	-	330,000
Share-based payments	6(15)	-	9,007	-	-	-	-	9,007
Balance at December 31, 2023		$ 971,598	$ 39,007	$ 395	($ 270,986)	($ 53,178)	($ 34,758)	$ 652,078
Year 2024								
Balance at January 1, 2024		$ 971,598	$ 39,007	$ 395	($ 270,986)	($ 53,178)	($ 34,758)	$ 652,078
Loss for the year		-	-	-	(208,482)	-	-	(208,482)
Other comprehensive income	6(3)	-	-	-	-	17,659	4,546	22,205
Total comprehensive (loss) income		-	-	-	(208,482)	17,659	4,546	(186,277)
Capital surplus used to offset accumulated deficits	6(17)	-	(39,007)	-	39,007	-	-	-
Balance at December 31, 2024		$ 971,598	$ -	$ 395	($ 440,461)	($ 35,519)	($ 30,212)	$ 465,801

The accompanying notes are an integral part of these parent company only financial statements.

UNIFLEX TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 202,804)	($ 262,942)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including right-of-use assets)	6(8)(9)(23)	60,612	88,284
Amortization expense	6(23)	145	576
Expected credit gain		(447)	(1,668)
Share-based payments	6(15)	-	9,007
Interest expense		13,111	21,114
Interest income	6(20)	(5,969)	(19,095)
Share of loss (profit) of associates and joint investments accounted for using equity method	6(7)	(9,925)	59,823
Gains on disposals of property, plant and equipment	6(22)	(355)	(1,648)
Profit from lease modification	6(9)	-	(30)
Gains on reversal of impairment loss on non-financial assets	6(10)(22)	-	(762)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		326	387
Accounts receivable		(92,082)	142,470
Accounts receivable - related parties		1,342	245
Other receivables		(1,552)	(2,484)
Inventories		(2,994)	(13,517)
Other current assets, others		2,887	(3,410)
Changes in operating liabilities			
Accounts payable		(11,572)	52,451
Accounts payable - related parties		(83,323)	(10,505)
Other payables		(4,362)	8,380
Other payables to related parties		283	(68)
Other current liabilities		(218)	8
Cash (outflow) inflow generated from operations		(336,897)	66,616
Interest received		5,969	19,095
Interest paid		(12,877)	(21,180)
Net cash flows (used in) from operating activities		(343,805)	64,531

(Continued)

UNIFLEX TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through other comprehensive income		$ 3,169	$ -
Acquisition of financial assets at amortised cost	6(4)	95,201	(95,201)
Acquisition of property, plant and equipment	6(27)	(21,535)	(14,501)
Proceeds from disposal of property, plant and equipment		355	2,410
Increase in prepayments for equipment		(1,354)	(741)
(Increase) decrease in refundable deposits		(21)	73
Net cash flows from (used in) investing activities		75,815	(107,960)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of short-term borrowings	6(28)	247,500	367,360
Proceeds from short-term borrowings	6(28)	(130,500)	(509,360)
Repayments of long-term borrowings	6(28)	100,000	200,000
Proceeds from long-term borrowings	6(28)	(121,710)	(248,648)
Increase in other payables to related parties	7	2,463	-
Process from issuing of shares	6(16)	-	330,000
Payments of lease liabilities	6(28)	(2,873)	(3,866)
Net cash flows from financing activities		94,880	135,486
Net (decrease) increase in cash and cash equivalents		(173,110)	92,057
Cash and cash equivalents at beginning of year		338,600	246,543
Cash and cash equivalents at end of year		$ 165,490	$ 338,600

The accompanying notes are an integral part of these parent company only financial statements.

UNIFLEX TECHNOLOGY INC.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Uniflex Technology Inc. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on November 19, 1990. The Company is primarily engaged in the manufacturing, processing, and sales of various printed circuit boards and electronic components. On August 19, 1999, the Company merged with Qiaosheng Industrial Co., Ltd.; on June 30, 2006, the Company merged with Shengtai Technology Co., Ltd. and Uniflex Dasheng Electronics Co., Ltd.; on June 30, 2014, the Company merged with Yaan Industrial Co., Ltd., after which the Company operates as a surviving company. The Company’s ordinary share was listed on the Taiwan Stock Exchange on December 15, 2015.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These parent company only financial statements were authorized for issuance by the Board of Directors on February 24, 2025.

3. Application of New Standards, Amendments And Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – 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
Annual Improvements to IFRS Accounting Standards－Volume 11	January 1, 2026

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuer”.

(2) Basis of preparation

A. Except for the financial assets at fair value through other comprehensive income, the parent company only financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements of the Comapny are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

(7) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. The company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts.

On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads allocated based on normal operating capacity. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for using equity method

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealised gains or losses occurred from the transactions between the Company and subsidiaries have been offset. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company’s share of its subsidiaries’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company’s share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

D. Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

F. Pursuant to the Relations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10~50 years
Machinery and equipment	3~7 years
Leased assets	5~10 years
Other facilities	2~5 years

(15) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(16) Intangible assets

Intangible assets, mainly computer software, are stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 5 years.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(19) Accounts and notes payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Offsetting of financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) instead.

ii.Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii.Past service costs are recognised immediately in profit or loss.

C. Employees' and directors' and supervisors' remuneration

Employees' and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(23) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(25) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

A. The Company manufactures and sells various printed circuit boards and related products of electronic components. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2024, the carrying amount of inventories was $102,673.

B. Impairment assessment of tangible assets

The Company assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Company strategy might cause material impairment on assets in the future.

At December 31, 2024, the Company recognised property, plant and equipment, net of impairment loss, amounting to $302,100.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash:		
Cash on hand and petty cash	$ 110	$ 110
Demand and checking accounts deposits	49,909	165,167
Cash equivalents-repurchased bonds	115,471	173,323
	$ 165,490	$ 338,600

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash and cash equivalents pledged to others.

(2) Financial assets/liabilities at fair value through profit or loss

Items	December 31, 2024	December 31, 2023
Current items:		
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivarives-Forward foreign exchange contracts	$ -	$ -

A. Amounts recognised in profit or loss in relation to financial assets/liabilities at fair value through profit or loss are listed below:

	Year ended December 31	
	2024	2023
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivarives-Forward foreign exchange contracts	$ -	($ 3,554)

B. The Company did not enter into contracts relating to derivative financial assets which were not accounted for under hedge accounting as at December 31, 2024 and 2023.

C. The Company has no financial assets/liabilities at fair value through profit or loss pledged to others as collateral.

D. Information relating to financial assets/liabilities at fair value through profit or loss is provided in Notes 12(3)and(4).

(3) Financial assets measured at fair value through other comprehensive income

Items	December 31, 2024	December 31, 2023
Non-current items:		
Equity instruments:		
Unlisted stocks	$ 25,666	$ 25,666
Debt instruments:		
Corporate bonds	4,546	9,092
	30,212	34,758
Valuation adjustment	(30,212)	(34,758)
	$ -	$ -

A. The Company has elected to classify equity and debt instrument investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. As at December 31, 2024 and 2023, the fair values of such investments were both $0.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	2024	2023
Debt instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	($ 4,546)	$ -

C. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancemen ts, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company were both $0.

D. The Group held unsecured convertible bonds issued by the related party, Maruwa Corporation, and the acquisition cost amounted to JPY 30,000 thousand, which had been fully recognised as unrealised losses on financial assets in 2018, and the Group carried out collections starting from April 22, 2024. As at February 24, 2025, the Group had completed negotiations with Maruwa Corporation regarding the repayment schedule of corporate bonds, receiving JPY 15,000 thousand in bond repayments, and further adjusting the valuation of financial assets, thus recognizing other comprehensive loss of ($4,546).

E. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(3).

(4) Financial assets at amortised cost

Items	December 31, 2024	December 31, 2023
Current items:		
Pledged time deposits	$ -	$ 95,201

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2024	2023
Interest income	$ 672	$ 3,077

B. As at December 31, 2024 and 2023 without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was $0 and $95,201, respectively.

C. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(3). The counterparties of the Company's investments in certificates of deposit are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(5) Accounts and notes receivable, net

	December 31, 2024		December 31, 2023	
	Non-related party	Related party	Non-related party	Related party
Notes receivable	$ 2,049	$ -	$ 2,375	$ -
Accounts receivable	$ 549,002	$ -	$ 456,920	$ 1,342
Less: Allowance for uncollectible accounts	(826)	-	(1,273)	-
	$ 548,176	$ -	$ 455,647	$ 1,342

A. The aging analysis of accounts and notes receivable that were past due but not impaired is as follows:

	December 31, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 546,488	$ 2,049	$ 456,621	$ 2,375
Up to 30 days	1,540	-	717	-
31 to 90 days	706	-	80	-
91 to180 days	1	-	-	-
Over 181 days	267	-	844	-
	$ 549,002	$ 2,049	$ 458,262	$ 2,375

The above aging analysis was based on past due date.

B. As at December 31, 2024 and 2023, accounts and notes receivable were all from contracts with customers. And as of January 1, 2023, the balance of accounts receivable (including related parties) and notes receivable from contracts with customers amounted to $603,767.

C. Information relating to credit risk of accounts and notes receivable is provided in Note 12(3).

D. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable was $2,049 and $2,375; $548,176 and $456,989 respectively.

(6) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 35,920	($ 6,395)	$ 29,525
Work in progress	54,979	(21,327)	33,652
Finished goods	66,612	(27,133)	39,479
Merchandise	17	-	17
	$ 157,528	($ 54,855)	$ 102,673

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 44,958	($ 9,356)	$ 35,602
Work in progress	55,071	(20,913)	34,158
Finished goods	62,552	(32,691)	29,861
Merchandise	58	-	58
	$ 162,639	($ 62,960)	$ 99,679

The cost of inventories recognized as expense for the year:

	Year ended December 31	
	2024	2023
Cost of goods sold	$ 1,358,568	$ 1,350,744
Gain on reversal of decline in market value	(4,607)	(35,428)
Scrap loss	17,829	27,533
Revenue from sale of scraps	(14,847)	(10,485)
Low capacity utilization	20,258	40,898
	$ 1,377,201	$ 1,373,262

A. For the year ended December 31, 2023, the Company actively handled the loss on decline in market value and slow-moving inventory, resulting in a gain from price recovery.

B. As at December 31, 2024 and 2023, the inventory was pledged to others as collateral for liabilities were $0 and $79,035, respectively.

(7) Investments accounted for using equity method

	December 31, 2024	December 31, 2023
Uniflex Investment Limited	$ 614,778	$ 582,780

A. For the information on subsidiaries of the Company, please refer to Note 4(3) to the Company's consolidated financial statements for the year ended December 31, 2024.

B. For the years ended December 31, 2024 and 2023, the Company recognised impairment loss on its investments accounted for using equity method based on the investees' financial statements audited by independent accountants at the same period, amounting to $9,925 and ($59,823), respectively.

C. The investments accounted for using equity method that the Company has the ability to control have been included in the consolidated financial statements of the Company, and the consolidated financial reports have been prepared separately.

(Remainder of page intentionally left blank)

(8) Property, plant and equipment

	2024					
	Land	Buildings and structures	Machinery and equipment	Construction in progress	Others	Total
At January 1						
Cost	$ 132,495	$ 575,896	$ 1,064,026	$ 896	$ 144,154	$ 1,917,467
Accumulated depreciation and impairment	-	(443,602)	(1,011,774)	-	(131,815)	(1,587,191)
	$ 132,495	$ 132,294	$ 52,252	$ 896	$ 12,339	$ 330,276
2024						
Opening net book amount as at January 1	$ 132,495	$ 132,294	$ 52,252	$ 896	$ 12,339	$ 330,276
Additions	-	2,382	19,521	4,538	-	26,441
Disposals	-	896	3,245	(896)	-	3,245
Depreciation charge	-	(24,135)	(28,769)	-	(4,958)	(57,862)
Closing net book amount as at December 31	$ 132,495	$ 111,437	$ 46,249	$ 4,538	$ 7,381	$ 302,100
At December 31						
Cost	$ 132,495	$ 579,075	$ 1,083,144	$ 4,538	$ 143,205	$ 1,942,457
Accumulated depreciation and impairment	-	(467,638)	(1,036,895)	-	(135,824)	(1,640,357)
	$ 132,495	$ 111,437	$ 46,249	$ 4,538	$ 7,381	$ 302,100

	2023					
	Land	Buildings and structures	Machinery and equipment	Construction in progress	Others	Total
At January 1						
Cost	$ 132,495	$ 576,590	$ 1,115,703	$ -	$ 143,897	$ 1,968,685
Accumulated depreciation and impairment	-	(419,096)	(1,026,494)	-	(126,794)	(1,572,384)
	$ 132,495	$ 157,494	$ 89,209	$ -	$ 17,103	$ 396,301
2023						
Opening net book amount as at January 1	$ 132,495	$ 157,494	$ 89,209	$ -	$ 17,103	$ 396,301
Additions	-	-	12,323	896	320	13,539
Disposals	-	-	(762)	-	-	(762)
Depreciation charge	-	(25,200)	(54,215)	-	(5,084)	(84,499)
Reversal of impairment loss	-	-	762	-	-	762
Transfers	-	-	4,935	-	-	4,935
Closing net book amount as at December 31	$ 132,495	$ 132,294	$ 52,252	$ 896	$ 12,339	$ 330,276
At December 31						
Cost	$ 132,495	$ 575,896	$ 1,064,026	$ 896	$ 144,154	$ 1,917,467
Accumulated depreciation and impairment	-	(443,602)	(1,011,774)	-	(131,815)	(1,587,191)
	$ 132,495	$ 132,294	$ 52,252	$ 896	$ 12,339	$ 330,276

A. Impairment information about the property, plant and equipment is provided in Note 6(10).

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

C. As of December 31, 2024 and 2023, the amount prepaid by the Company for the purchase of equipment amounted to $1,354 and $3,245, respectively (listed as 'Prepayments for equipment' in the balance sheet of non-current assets).

(9) Leasing arrangements－lessee

A. The Company leases various assets including buildings (including land) and transportation equipment. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2024	December 31, 2024
	Carrying amount	Carrying amount
Buildings (including land)	$ 2,510	$ 4,877
Transportation equipment (business vehicles)	381	126
	$ 2,891	$ 5,003

	Year ended December 31	
	2024	2023
	Depreciation charge	Depreciation charge
Buildings (including land)	$ 2,453	$ 3,539
Transportation equipment (business vehicles)	297	246
	$ 2,750	$ 3,785

C. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were $571 and $2,523, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2024	2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 80	$ 110
Expense on short-term lease contracts	2,538	1,970
Gain on lease modification	-	30

E. Short-term leases with a lease term of 12 months or less comprise premises and machinery and equipment. On December 31, 2024 and 2023, payments of lease commitments for short-term leases amounted to $2,538 and $1,970, respectively.

F. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were $5,491 and $5,946, respectively.

(10) Impairment of non-financial assets

A. The Company recognised gain on reversal of impairment loss for the years ended December 31, 2024 and 2023. Details of such gain are as follows:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
Gain on reversal of impairment loss-Machinery and equipment	$ -	$ -	$ 762	$ -

B. Because some machinery had been sold for the year ended December 31, 2023, there was no impairment loss from previous year, and the Company recognized gain on reversal of impairment loss was $762.

(11) Short-term borrowings

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 115,000	2.46%～2.90%	None
Secured borrowings	120,000	2.54%	Land and plant
	$ 235,000		

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 118,000	2.00%~2.41%	Land, plant and pledged time deposits

The Company has the following undrawn borrowing facilities:

	December 31, 2024	December 31, 2023
Floating rate		
Expiring within one year	$ 115,000	$ 310,000

(12) Other payables

	December 31, 2024	December 31, 2023
Salaries and bonuses payable	$ 43,609	$ 42,437
Mold expense payable	8,307	10,142
Import and export expenses payable	10,125	7,685
Repairs and maintenance expense payable	5,792	7,661
Outsourcing expense payable	4,038	7,363
Payable on machinery and equipment	5,394	488
Others	45,544	43,509
	$ 122,809	$ 119,285

(13) Long-term borrowings

	December 31, 2024	December 31, 2023
Bank secured borrowings	$ 360,000	$ 290,000
Non-bank business borrowings	-	91,710
Bank unsecured borrowings	-	-
Less: current portion	(59,167)	(105,782)
	$ 300,833	$ 275,928
Interest rate range	2.48%~2.63%	2.35%~4.02%

A. In May 2021, the Company obtained a long-term financing of $80,000 and $50,000 from IBT Leasing CO., Ltd. and CDC Finance and Leasing Corp. by way of repurchasing inventory after sales, respectively. The contracts period was 2.5 years and 2 years, respectively, and monthly matured notes were issued for repayment from June 2021. For the information on the guarantee provided by the Company with inventory, please refer to Note 6(6). On November 25, 2023 and May 24, 2023, the Company fully repaid the loans from IBT Leasing Co., Ltd. and CDC Finance and Leasing Corp., respectively.

B. In August 2021, the Company signed a twelve-year, a three-year and a one-year credit contract with The Shanghai Commercial & Savings Bank, Ltd., Chung Li Branch (SCSB), with a total amount of NT$350,000 and US$3,000, including a guaranteed long-term loan of NT$300,000 and a medium-term loan of NT$50,000 and an export O/A of US$3,000 actually allocated from August to December 2021 to purchase machinery and auxiliary facilities and supplement the medium-term working capital.

   The above-mentioned credit contracts were signed with SCSB in August 2023 to change the credit line, from the original total amount of NT$350,000 and US$3,000 to NT$350,000 and NT$120,000. On December 29, 2023, the Company fully repaid the medium-term secured borrowings of NT$50,000.

C. In March 2023, the Company signed an extended medium-term credit line of NT$36,000 with Chang Hwa Bank (CHB). On September 23, 2023, the Company fully repaid the loans from Chang Hwa Bank (CHB).

D. In February 2023, the Company obtained a long-term financing of $50,000 and $30,000 from Chailease Finance Co., Ltd. and CDC Finance and Leasing Corp. by way of repurchasing of inventory after sales, respectively. The contracts period both were 2 years, and monthly matured notes were issued for repayment from March 2023. For the information on the guarantee provided by the Company with inventory, please refer to Note 6(6).

E. In March 2023, the Company obtained a long-term financing both of $50,000 from Robina Finance & Leasing Corp. and Shinshin Credit Corporation. by way of repurchasing of inventory after sales, respectively. The contracts period were 2 years and 17 months, respectively, and monthly maturing notes were issued for repayment from April 2023.

   On December 29, 2023, the Company fully repaid the loans from Shinshin Credit Corporation.

   For the information on the guarantee provided by the Company with inventory, please refer to Note 6(6).

F. In March 2023, the Company obtained a long-term financing of $20,000 from CTBC Finance Co., Ltd. by way of repurchasing of machine after sales. The contracts were 2 years, and monthly matured notes were issued for repayment from April 2023. For the information on the guarautee provided by the Company with machinery and equipment, please refer to Note 8.

G. In May 2024, the Group signed a three-year credit contract with The Shanghai Commercial & Savings Bank, Ltd., Chung Li Branch (SCSB), with an amount of NT$100,000, and actually allocated in May 2024 to purchase machinery and equipment and auxiliary facilities and supplement the medium-term working capital.

(14) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering foreign employees who meet the Mid-Level skill worker standard under the Labor Standards Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. The Company conributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount not less than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2024 and 2023 were $10,892 and $10,645, respectively.

(15) Share-based payment

A. For the years ended December 31, 2024 and 2023, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	2023.12.18	2,502 thousand shares	NA	Vested immediately

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Cash capital increase reserved for employee preemption	2023.12.18	$ 14.60	$ 11	43.49%	0.0027 year	-	0.8194%	$ 3.60

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

C. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2024	2023
Equity-settled	$ -	$ 9,007

(16) Share capital

A. As of December 31, 2024, the Company's authorized capital was $4,500,000, consisting of 450,000 thousand shares of ordinary share, and the paid-in capital was $971,598 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

Unit: in thousand shares

	Year ended December 31	
	2024	2023
At January 1	$ 97,160	$ 156,145
Capital reduction to offset accumulated deficits	-	(88,985)
Cash capital increase	-	30,000
At December 31	$ 97,160	$ 97,160

B. To improve the financial structure and offset accumulated deficits, the shareholders at their annual shareholders' meeting on May 24, 2023 adopted a resolution to reduce capital by 88,985 thousand shares with a capital reduction ratio of 56.99%. The effective date of capital reduction was set on June 30, 2023, and the capital reduction case had been registered.

C. The Board of Directors during its meeting on November 13, 2023 adopted a resolution to increase the Company's capital by issuing 30,000 thousand ordinary shares with a par value of $10 (in dollars) per share and a price of NT$11 (in dollars) per share. The effective date of capital increase was set on December 27, 2023, and the capital increase case had been registered on January 17, 2024.

(17) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of ordinary shares and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. The shareholders during its meeting on June 27, 2024, adopted a resolution to the deficit compensation plan for the year 2023, has been approved, with losses being offset by utilizing a capital reserve of $39,007.

(18) Retained earnings/(accumulated deficit)

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve; however this is not required if total legal reserve equals total paid-in capital. After setting aside a special reserve in accordance with related laws and competent authority, the appropriation of the remaining earnings, along with the accumulated unappropriated earnings, shall be retained or distributed resolved by the shareholders.

B. The Company's dividend policy is summarized below: The Company shall, in consideration of the Company's business environment and dividend distribution policy, take into account the Company's current and future investment environment, capital needs, domestic and foreign competition, and capital budget and other factors, along with shareholders' interests and the balance between dividends and long-term financial plans of the Company. Pursuant to existing regulations, the Board of Directors prepares an earnings distribution proposal every year and submits it to the shareholders for approval. Issuance of dividends to shareholders, of which dividends paid in cash are 10% to 100% of the total dividend and dividends paid in stocks are 0% to 90% of the total dividend.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

E. It was resolved by the shareholders' meeting of the Company on May 24, 2024 and May 24, 2023, respectively, to not distribute dividends to shareholders because the after-tax losses for the years ended December 31 2023 and 2022.

(19) Operating revenue

The main business of the Company is the manufacturing, processing and sale of various printed circuit boards, which can be classified in a single product category. The Company derives revenue from the transfer of goods and services over time and at a point in time in the following geographical regions:

	Year ended December 31	
	2024	2023
Taiwan	$ 438,631	$ 333,901
Mainland China	851,907	960,332
	$ 1,290,538	$ 1,294,233

(20) Interest income

	Year ended December 31	
	2024	2023
Interest income from bank deposits	$ 2,548	$ 11,855
Other interest income	3,421	7,240
	$ 5,969	$ 19,095

(21) Other income

	Year ended December 31	
	2024	2023
Government grants income	$ 3,535	$ 7,506
Other income - others	5,154	1,630
	$ 8,689	$ 9,136

(22) Other gains and losses

	Year ended December 31	
	2024	2023
Foreign exchange gains	$ 5,524	$ 5,183
Gain on reversal of impairment loss on non-financial assets (Note)	-	762
Losses on financial assets and liabilities at fair value through profit or loss	-	(3,554)
Gains on disposals of property, plant and equipment	355	1,648
Others	(1,240)	(1,752)
	$ 4,639	$ 2,287

Note: Please refer to Note 6(10) for the gain on reversal of impairment loss on non-financial assets of the Company.

(23) Expenses by nature

By function / By nature	2024			2023		
	Operation costs	Operation expenses	Total	Operation costs	Operation expenses	Total
Employee benefit expense	$ 271,415	$ 79,621	$ 351,036	$ 233,782	$ 84,949	$ 318,731
Depreciation charges on property, plant and equipment (including right-of- use assets)	59,723	889	60,612	85,962	2,322	88,284
Amortization charges on intangible assets	-	145	145	-	576	576

(24) Employee benefit expense

	Year ended December 31	
	2024	2023
Wages and salaries	$ 293,907	$ 264,345
Labour and health insurance fees	28,865	27,485
Pension costs	10,892	10,645
Directors' remuneration	1,975	2,000
Other personnel expenses	15,397	14,256
	$ 351,036	$ 318,731

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 1% to 20% for employees' compensation and shall not be higher than 2% for directors' remuneration. If the Company still has accumulated loss, it shall be used to cover the loss first.

B. For the years ended December 31, 2024 and 2023, the Company did not accrue employees' compensation and directors' remuneration due to the loss before tax. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31	
	2024	2023
Current tax:		
Current tax on profits for the year	$ -	$ -
Deferred tax:		
Origination and reversal of temporary differences	5,678	8,043
Income tax expense	$ 5,678	$ 8,043

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2024	2023
Currency translation differences	$ 4,414	($ 2,334)

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2024	2023
Tax calculated based on loss before tax and statutory tax rate	($ 40,561)	($ 52,588)
Effect of amount disallowed by tax regulation	(1,925)	5,807
Taxable loss not recognised as deferred tax assets	43,296	48,176
Temporary difference not recognised as deferred tax assets	4,868	$ 6,648
Income tax expense	$ 5,678	$ 8,043

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2024			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
- Temporary difference:				
Allowance for bad debts	$ 19,361	($ 5,008)	$ -	$ 14,353
Allowance for inventory valuation losses	12,592	(921)	-	11,671
Currency translation differences	13,294	-	(4,414)	8,880
Unrealized sales discounts and allowances	281	13	-	294
	$ 45,528	($ 5,916)	($ 4,414)	$ 35,198
- Deferred tax liabilities:				
Unrealized exchange gains	($ 620)	$ 238	$ -	($ 382)
	($ 620)	$ 238	$ -	($ 382)
	$ 44,908	($ 5,678)	($ 4,414)	$ 34,816

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
- Temporary difference:				
Allowance for bad debts	$ 25,928	($ 6,567)	$ -	$ 19,361
Allowance for inventory valuation losses	13,678	(1,086)	-	12,592
Currency translation differences	10,960	-	2,334	13,294
Unrealized sales discounts and allowances	83	198	-	281
	$ 50,649	($ 7,455)	$ 2,334	$ 45,528
- Deferred tax liabilities:				
Unrealized exchange gains	($ 32)	($ 588)	$ -	($ 620)
	($ 32)	($ 588)	$ -	($ 620)
	$ 50,617	($ 8,043)	$ 2,334	$ 44,908

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2024

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2016	$ 201,350	$ 201,350	$ 40,270	2026
2017	182,948	182,948	36,590	2027
2018	193,610	193,610	38,722	2028
2019	376,896	376,896	75,379	2029
2020	271,541	271,541	54,308	2030
2021	127,580	127,580	25,516	2031
2022	175,296	175,296	35,059	2032
2023 (Filed)	266,826	266,826	53,365	2033
2024 (Estimated)	216,480	216,480	43,296	2034

December 31, 2023

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2016	$ 201,350	$ 201,350	$ 40,270	2026
2017	182,948	182,948	36,590	2027
2018	193,610	193,610	38,722	2028
2019	376,896	376,896	75,379	2029
2020	271,541	271,541	54,308	2030
2021	127,580	127,580	25,516	2031
2022	175,296	175,296	35,059	2032
2023 (Estimated)	240,878	240,878	48,176	2033

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2024	December 31, 2023
Deductible temporary differences	$ 96,293	$ 93,410

F. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(26) Loss per share

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parent	($ 208,482)	97,160	($ 2.15)

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parent	($ 270,985)	67,571	($ 4.01)

(27) Supplemental cash flow information

Investment activities with partial cash payments:

	Year ended December 31	
	2024	2023
Purchase of property, plant and equipment	$ 26,441	$ 13,539
Add: Opening balance of payable on equipment	488	1,450
Less: Ending balance of payable on equipment	(5,394)	(488)
Cash paid during the year	$ 21,535	$ 14,501

(28) Changes in liabilities from financing activities

	2024			
	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1	$ 118,000	$ 381,710	$ 5,003	$ 504,713
Changes in cash flow from financing activities	117,000	(21,710)	(2,873)	92,417
Changes in other non-cash items	-	-	843	843
At December 31	$ 235,000	$ 360,000	$ 2,973	$ 597,973

	2023			
	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1	$ 260,000	$ 430,358	$ 7,465	$ 697,823
Changes in cash flow from financing activities	(142,000)	(48,648)	(3,866)	(194,514)
Changes in other non-cash items	-	-	1,404	1,404
At December 31	$ 118,000	$ 381,710	$ 5,003	$ 504,713

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Uniflex Investment Limited (Uniflex Investment)	A subsidiary of the Company
Uniflex Technology (JiangSu) Limited (Uniflex (JiangSu))	A second-tier subsidiary of the Company
Unimicron Technology Corp. (Unimicron)	The parent company of the Company's corporate director
Unimicron-FPC Technology (KunShan) Inc. (Unimicron-FPC)	Unimicron's subsidiary
Advance Materials Corporation	Unimicron is a director of the company
Maruwa Corporation (Maruwa)	Investee held by the Unimicron's second-tier subsidiary
Directors, independent directors, general managers and deputy general managers, etc.	Directors and key management of the Company

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2024	2023
Sales of goods:		
Other related parties	$ 3,309	$ 3,421
Related parties with a significant impact on the Company	30	312
	$ 3,339	$ 3,733

The transaction of the Company's sales to the above-mentioned, which price lists in force and terms that would be available to third parties, and the collect terms are 90 to 120 days after monthly billing.

B. Operating costs

	Year ended December 31	
	2024	2023
Purchase of goods:		
Uniflex (JiangSu)	$ 530,072	$ 654,979
Related parties with a significant impact on the Company	10	-
Other related parties	-	61
	$ 530,082	$ 655,040
Processing cost:		
Related parties with a significant impact on the Company	$ 2,250	$ 468
Other related parties	5	-
	$ 2,255	$ 468

The purchase price of the Company's transactions with the above-mentioned related parties is agreed by both parties, and after offsetting the relevant accounts payable and the accounts receivable arising from the sale on a monthly basis, the Company will collect or make payments according to the financial needs.

In addition, for the details of the Company's purchases of finished goods from Uniflex Investment Limited and Uniflex (JiangSu), please refer to Note 7(2)E.

C. Receivables from related parties

	December 31, 2024	December 31, 2023
Accounts receivable:		
Other related parties	$ -	$ 1,342

D. Payables to related parties

	December 31, 2024	December 31, 2023
Accounts payable:		
Uniflex (JiangSu)	$ 505,291	$ 588,582
Others related parties	-	32
	$ 505,291	$ 588,614
Other payables-Processing cost:		
Uniflex (JiangSu)	$ -	$ 389
Related parties with a significant impact on the Company	1,158	491
Others related parties	5	-
	$ 1,163	$ 880

E. In 2024 and 2023, the Company transferred orders or transported raw materials to Uniflex (JiangSu) amounting to $6,360 and $5,203, respectively, and Uniflex (JiangSu) transferred its finished products to the Company after completion of manufacturing. For the aforementioned transactions, the Company does not recognize sales revenue when transferring orders or transporting raw materials, and the related costs have been deducted from the cost of sales.

F. Property transactions

(a) Acquisition of property, plant and equipment

	Year ended December 31	
	2024	2023
Related parties with a significant impact on the Company	$ 298	$ 3,590

(b) Disposal of property, plant and equipment

	Year ended December 31			
	2024		2023	
	Disposal proceeds	Gain on disposal	Disposal proceeds	Gain on disposal
Other related parties	$ -	$ -	$ 336	$ 336

G. Other non-current assets, others

	December 31, 2024	December 31, 2023
Guarantee deposits paid:		
Related parties with a significant impact on the Company	$ 70	$ 70

H. Lease transactions-lessee

(a) The Company leases the office from Unimicron Technology Corp. Rental contracts are typically made for periods from 2023 to 2028. Rents are paid on the 10th of the following month.

(b) Lease liabilities

(i) Outstanding balance:

	December 31, 2024	December 31, 2023
Related parties with a significant impact on the Company	$ 1,254	$ 1,594

(ii) Interest expense

	Year ended December 31	
	2024	2023
Related parties with a significant impact on the Company	$ 27	$ 16

I. Related Party Transactions

Loans from related parties:

(a) Outstanding balance:

	December 31, 2024	December 31, 2023
Uniflex Investment	$ 2,463	$ -

(b) Interset expense:

	Year ended December 31	
	2024	2023
Uniflex Investment	$ 59	$ -

The loans from Uniflex Investment are repayable monthly over 1 year and carry interest at 3.6% per annum for the year ended December 31, 2024.

(3) Key management compensation

	Year ended December 31	
	2024	2023
Short-term employee benefits	$ 8,349	$ 8,481

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2024	December 31, 2023	Nature of pledge
Time deposit (financial assets at amortised cost-current)	$ -	$ 95,201	Guaranteed borrowings line
Inventories	-	79,035	Guaranteed borrowings line
Property, plant and equipment			
- Land	132,495	132,495	Guaranteed borrowings line
- Building	108,400	132,042	"
- Machinery and equipment	-	20,916	"

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

A. Contingencies

None.

B. Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2024	December 31, 2023
Property, plant and equipment	$ 12,268	$ 4,453

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

A. On February 24, 2025, the Board of Directors of the Company proposed that no surplus will be distributed due to the after-tax loss for the year ended December 31, 2024. As of February 24, 2025, the proposal of the deficit compensated for the year 2024 has not yet been approved by the shareholders.

B. The Group passed a resolution of the Board of Directors on February 24, 2025. In order to improve the financial structure and future operational development needs of Uniflex Technology Inc., the Group plans to reduce capital to make up for losses, with an amount of $440,460. As of February 24, 2025, it has not yet been approved by the shareholders.

C. In order to repay the loan, the Group approved the cash capital increase and issuance of ordinary shares on February 24, 2025, with a maximum issuance limit of 33,000 thousand shares and a par value of NT$10 per share.

D. In response to the Company's capital needs, the Company obtained a one-year credit line with a number of banks for a total amount of NT$180,000, which was approved by the Board of Directors on February 24, 2025.

12. Others

(1) Strategies to improve operational and financial conditions

A. By adjusting the product portfolio and discontinuing the loss-making products, the Company will focus on the development of new technologies and diversify high-margin products in the future, and actively control operating costs and expenses, streamline organization and staff, and reduce various expenses to enhance the Company's profitability.

B. To effectively improve the financial structure of the Group and to supplement working capital, the Group's Board of Directors approved the proposed cash capital increase proposal on February 24, 2025. Please refer to Note 11.

(2) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(3) Financial instruments

A. Financial instruments by category

	December 31, 2024		December 31, 2023	
Financial assets				
Financial assets at amortised cost:				
Cash and cash equivalents	$	165,490	$	338,600
Financial assets at amortised cost		-		95,201
Notes receivable		2,049		2,375
Accounts receivable (including related parties)		548,176		456,989
Other receivables		10,371		8,614
Guarantee deposits paid		945		924
	$	727,031	$	902,703
Financial liabilities at fair value through profit or loss				
Financial liabilities designated as at fair value through profit or loss on initial recognition	$	-	$	-
Financial liabilities				
Financial liabilities at amortised cost:				
Short-term borrowings	$	235,000	$	118,000
Accounts payable (including related parties)		622,797		717,692
Other payables		122,809		119,285
Long-term borrowings (including current portion)		360,000		381,710
	$	1,340,606	$	1,336,687
Lease liability	$	2,973	$	5,003

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central financial department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require company to manage their foreign exchange risk against their functional currency.

iii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 16,904	32.78	$ 554,113
JPY:NTD	15,346	0.2101	3,224
Long-term equity investments accounted for using equity method			
USD:NTD	18,755	32.78	614,778
Financial liabilities			
Monetary items			
USD:NTD	17,183	32.78	563,259
RMB:NTD	2,953	4.48	13,229

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 18,628	30.71	$ 572,066
Long-term equity investments accounted for using equity method			
USD:NTD	18,977	30.71	582,780
Financial liabilities			
Monetary items			
USD:NTD	21,274	30.71	653,825
RMB:NTD	1,877	4.3179	8,105

v. The total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023, amounted to $5,524 and $5,183, respectively.

vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 5,541	$ -
JPY:NTD	1%	$ 32	
Financial liabilities			
Monetary items			
USD:NTD	1%	5,633	-
RMB:NTD	1%	132	-

	Year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 5,721	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	6,583	-
RMB:NTD	1%	81	-

Price risk

i. The Company’s equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

ii. The Company’s investments in equity securities comprise shares issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity would have increased/decreased by $257, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Company has short-term borrowings with floating interest rates. Due to the borrowings period is short, it is predicted that there will be no significant market risks.

ii. The Company's interest rate risk mainly arising from long-term borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During 2024 and 2023, the Company’s borrowings at variable rate were mainly denominated in New Taiwan dollars.

iii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 0.1% with all other variables held constant, profit before tax for the years ended December 31, 2024 and 2023 would have increased/decreased by $360 and $290, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through other comprehensive income.

ii. The Company manages their credit risk taking into consideration the entire company's concern. For banks and financial institutions that conduct transactions, only those with an investment grade or higher can be accepted as trading partners. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by general manager. The utilization of credit limits is regularly monitored. The major credit risk comes from the credit risk of wholesale and retail customers and includes receivables that have not yet been collected.

iii. The Company adopts the assumptions under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

v. The Company classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies the simplified approach to estimate expected credit loss under the provision matrix basis.

vi. The Company used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2024 and 2023, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31 to 90 days past due	91 to 180 days past due	Over 180 days past due	Total
December 31, 2024						
Expected loss rate	0.03%~5%	0.03%~20%	0.03%~20%	0.03%~20%	100%	
Total book value	$ 546,488	$ 1,540	$ 706	$ 1	$ 267	$ 549,002
Loss allowance	$ 327	$ 90	$ 141	$ 1	$ 267	$ 826

	Not past due	Up to 30 days past due	31 to 90 days past due	91 to 180 days past due	Over 180 days past due	Total
December 31, 2023						
Expected loss rate	0.03%~5%	0.03%~20%	0.03%~20%	0.03%~20%	100%	
Total book value	$ 456,621	$ 717	$ 80	$ -	$ 844	$ 458,262
Loss allowance	$ 413	$ -	$ 16	$ -	$ 844	$ 1,273

vii. For the years ended December 31, 2024 and 2023, movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2024
	Accounts receivable
At January 1	$ 1,273
Reversal of impairment loss	(447)
At December 31	$ 826

	2023
	Accounts receivable
At January 1	$ 2,969
Reversal of impairment loss	(1,668)
Write-offs	(28)
At December 31	$ 1,273

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company’s liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration of the Company’s financial ratio targets and external regulatory and legal requirements.

ii. Surplus cash held by the operating entities over and above balance required for working capital management will be invested in interest bearing current accounts, time deposits and other cash equivalents, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The Company has the following undrawn borrowing facilities:

	December 31, 2024	December 31, 2023
Floating rate		
Expiring within one year	$ 115,000	$ 310,000

iv. The table below analyses the Company's non-derivative financial liabilities and netsettled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2024	Less than 1 year	Between 1 year and 5 years	Over 5 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 237,791	$ -	$ -
Accounts payable (including related parties)	622,797	-	-
Other payables	122,809	-	-
Lease liability	2,044	1,051	-
Long-term borrowings (including current portion)	68,227	220,155	132,272

December 31, 2023	Less than 1 year	Between 1 year and 5 years	Over 5 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 118,679	$ -	$ -
Accounts payable (including related parties)	717,692	-	-
Other payables	119,285	-	-
Lease liability	2,794	2,691	-
Long-term borrowings (including current portion)	114,688	163,277	171,480

(4) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable input of assets or liabilities.

B. Financial instruments not measured at fair value The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, accounts payable and other payables are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2024 and 2023 are as follows:

(a) The related information of the natures of the assets and liabilities is as follows:

(There was no such transaction on December 31, 2024.)

December 31, 2023	Level 1	Level 2	Level 3	Total
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ -	$ -	$ -

(b) The methods and assumptions the Company used to measure fair value are as follows:

i. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

ii. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

iv. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

D. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 3.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2), 12(3) and 12(4).

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third areas, with investee companies in the Mainland Area:

(a) Purchase amount and percentage and ending balance and percentage of payables: Please refer to Note 13(1)G.

(b) Sales amount and percentage and ending balance and percentage of receivables: Please refer to Note 13(1)G.

(c) Property transaction amounts and gains and loss arising from them: None.

(d) Balance and purpose of provision or endorsements/guarantees or collaterals at December 31, 2024: None.

(e) Maximum balance, ending balance and interest rate range and total amount of interest during the year ended and at December 31, 2024: None.

(f) Other significant transactions that affected the gains and losses or financial status for the period, i.e. rendering/receiving of service: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Operating Segment Information

Not applicable.

(Remainder of page intentionally left blank)

Uniflex Technology Inc. and subsidiaries

Loans to others

Year ended December 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2024	Balance at June December 31, 2024	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
1	Uniflex Investment Limited.	UNIFLEX TECHNOLOGY INC.	Other receivables	Yes	$ 2,477	$ 2,474	$ 2,463	When the interest rates are drawn based on the actual loaned facility, the market interest rates will be adjusted flexibly.	2	$ -	Working capital	$ -	None	$ -	2,459,112	3,073,890	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Fill in the nature of the loan as follows:

(1)Business transaction is labelled as “1”.

(2)Short-term financing is labelled as “2”.

Note 3: The calculation of the capital loans of the Company and its subsidiaries and the individual items and the total amount shall be in accordance with the "Procedures for Provision of Loans" stipulated by the Company and its subsidiaries.

For the companies having business relationship with the Company, financial limit on total loans shall not exceed the amount of business transactions occurred between the creditor and borrower in the most recent year.

For the companies having business relationship with the Company, financial limit on loans granted to a single party shall not exceed the amount of business transactions occurred between the creditor and borrower in the most recent year.

Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing.

For short-term financing, the ceiling on total loans granted does not exceed 40% of the creditors’ net assets, limit on loans granted to a single party should not exceed 40% of the Company’s net assets.

For the foreign companies which the Company holds 100% of the voting rights directly or indirectly, limit on total loans shall not exceed 500% of the Company's net assets. For the foreign companies which the Company holds 100% of the voting rights directly or indirectly, limit on loans granted to a single party is 500% of the Company's net assets.

Note 4: The facility aprroved by the Board of Directors was consistent with the actual loaned facility.

Uniflex Technology Inc. and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of December 31, 2024				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares (in thousand shares)	Book value	Ownership (%)	Fair value	Footnote
UNIFLEX TECHNOLOGY INC.	MARUWA CORPORATION's bonds	Companies invested by the parent company of any corporate director of the Company	Financial assets at fair value through other comprehensive income - non-current	-	$ -	0	$ -	
UNIFLEX TECHNOLOGY INC.	Umt Technology Corp.	None	Financial assets at fair value through other comprehensive income - non-current	-	-	19.83	-	
UNIFLEX TECHNOLOGY INC.	Pomiran Metalization Research Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	1	-	0.01	-	

Uniflex Technology Inc. and subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2024

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes and accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales) (%)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable) (%)	Footnote
UNIFLEX TECHNOLOGY INC.	Uniflex Technology (JiangSu) Limited	The Company's second-tier subsidiary	Purchase	$ 530,072	62	Collection of payments based on capital needs	Note 1	Note 1	($ 505,291)	(81)	
Uniflex Technology (JiangSu) Limited	UNIFLEX TECHNOLOGY INC.	The Company's parent company	(Sales)	(530,072)	(44)	Collection of payments based on capital needs	Note 1	Note 1	505,291	60	

Note 1: The transaction price is negotiated by both parties, and the terms of collection and payment are determined according to the Company's capital needs.

Uniflex Technology Inc. and subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2024

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Uniflex Technology (JiangSu) Limited	UNIFLEX TECHNOLOGY INC.	Parent company of the Company	$ 505,291	0.97	$ -	-	$ 99,692	

Uniflex Technology Inc. and subsidiaries

Significant inter-company transactions during the reporting periods

Year ended December 31, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Uniflex Technology (JiangSu) Limited	UNIFLEX TECHNOLOGY INC.	2	Sales revenue	$ 530,072	Collect or payment according to the financial needs	26.96%
1	Uniflex Technology (JiangSu) Limited	UNIFLEX TECHNOLOGY INC.	2	Accounts receivable	505,291	"	26.97%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount base on period-end of consolidated total operating revenues for income statement accounts.

Uniflex Technology Inc. and subsidiaries

Information on investees

Year ended December 31, 2024

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2024	Initial investment amount: Balance as at December 31, 2023	Shares held as at December 31, 2024: Number of shares	Shares held as at December 31, 2024: Ownership	Shares held as at December 31, 2024: Book value	Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Footnote
UNIFLEX TECHNOLOGY INC.	Uniflex Investment Limited	British Virgin Islands	Holding Company	$ 1,032,570	$ 1,032,570	22,517	100%	$ 614,778	$ 9,925	$ 9,925	Note 1
UNIFLEX TECHNOLOGY INC.	Uniflex Group Limited	British Virgin Islands	Holding Company	11,231	11,231	1,100	100%	-	-	-	Note 1

Note 1: It is recognized based on the evaluation for financial statements audited by the parent company's CPAs in Taiwan.

Uniflex Technology Inc. and subsidiaries

Information on investments in Mainland China

Year ended December 31, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December31, 2024 (Note 2)	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Unipoint Technology (KunShan) Corp.	Manufacture and sale of electronic parts	$ 39,664	(3)	$ 7,867	$ -	$ -	$ 7,867	$ -	19.83	$ -	$ -	$ -	Note 2
Uniflex Technology (JIANGSU) Limited	Production and sales of FPC	983,400	(2)	858,225	-	-	858,225	9,960	100.00	9,960	612,267	-	Note 3

Company name	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)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Uniflex Technology Inc.	$ 1,098,800	$ 1,098,800	Note 4

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China. (invested companies in third regions: Uniflex Investment Limited and Uniflex Group Limited)

(3) Others

Note 2: It has been assessed that it is impossible for Unipoint Technology(KunShan) Corp. to actually operate, and the Company has recognized the full amount as an investment loss.

Note 3: Uniflex (JiangSu) is recognized based on the evaluation for financial statements audited by the parent company's CPAs in Taiwan.

Note 4: The Company met the scope of operation made by the headquarter, thus, no limit was applicable on the Company's investments in Mainland China in accordance with "Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area" effective August 1, 2008.

Uniflex Technology Inc. and subsidiaries

Major shareholders information

December 31, 2024

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Unimicron Technology Corp.	12,989,716	13.36%
Hsin Yang Investment Corp.	10,885,165	11.20%
Taiwan Surface Mounting Technology Corp.	7,454,497	7.67%

UNIFLEX TECHNOLOGY INC.AND SUBSIDIARIES
STATEMENT OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

Item	Description	Amount	
Cash on hand and petty cash			
-NTD		$	110
Demand and checking deposits			
-NTD			30,370
-Foreign exchange deposits	USD $498 thousand; conversion rate $ 32.78 : 1		16,315
	JPY $15,346 thousand; conversion rate $ 0.2101 : 1		3,224
			49,909
Repurchase agreements			115,471
		$	165,490

UNIFLEX TECHNOLOGY INC.AND SUBSIDIARIES
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Item	Description	Amount	Note
Non-related parties:			
Company C		$ 246,938	
Company B		84,931	
Company AA		41,967	
Others		175,166	Balance of each customer has not exceeded 5% of total accounts receivable
		549,002	
Less: Allowance for bad debts		(826)	
		548,176	
		$ 548,176	

UNIFLEX TECHNOLOGY INC.AND SUBSIDIARIES
STATEMENT OF INVENTORIES
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

Item	Amount		Note
	Cost	Net Realizable Value	
Raw materials	$ 35,920	$ 36,852	Market value at net realized value
Work in progress	54,979	36,995	〃
Finished goods	66,612	51,142	〃
Merchandisc	17	17	〃
	157,528	$ 125,006	
Less: Allowance for inventory valuation losses	(54,855)		
	$ 102,673		

UNIFLEX TECHNOLOGY INC.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

	Beginning Balance		Addition		Decrease		Ending Balance			Market Value or Net Assets Value			
Name	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of Ownership	Amount	Unit Price	Total Amount	Collateral	Note
Uniflex Investment Limited	22,517	$ 582,780	-	$ 31,998	-	$ -	22,517	100%	$ 614,778	27	$ 614,778	None	
Uniflex Group Limited	1,100	-	-	-	-	-	1,100	100%	-	-	-	None	
		$ 582,780		$ 31,998		$ -			$ 614,778		$ 614,778		

UNIFLEX TECHNOLOGY INC.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

Nature	Description	Ending Balance	Contract Period	Range of Interest Rate	Collateral	Note
Loans from financial institutions						
The Shanghai Commercial & Savings	Secured loans	$ 120,000	2024/8/12~2025/8/11	$ -	Land and plant	
Taiwan Cooperative Bank	Credit loans	40,000	2024/3/6~2025/3/6	-	None	
Taiwan Cooperative Bank	Credit loans	10,000	2024/3/13~2025/3/13	-	None	
First Commercial Bank	Credit loans	35,000	2024/12/10~2025/6/10	-	None	
First Commercial Bank	Credit loans	15,000	2024/12/25~2025/6/25	-	None	
Bank of Panshin	Credit loans	15,000	2024/11/8~2025/3/7	-	None	
		$ 235,000				

Note: The interest rate range is 2.46% ~ 2.90%.

UNIFLEX TECHNOLOGY INC.
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

Item	Description	Amount		Note
Related parties:				
Company AA		$	505,291	
Non-related parties:				
Company I		$	17,844	
Company A			12,190	
Company B			6,943	
Company J			6,248	
Others			74,281	None of the balances of any supplier is greater than 5% of this account balance.
			117,506	
		$	622,797	

UNIFLEX TECHNOLOGY INC.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Creditor	Amount	Contract Period	Collateral
Guaranteed loans from Shanghai Commercial & Savings Bank, Ltd	$ 260,000	From August 2021 to August 2033.Principal amortized on a monthly basis, interest paid monthly	Land and plant
Guaranteed loans from Shanghai Commercial & Savings Bank, Ltd	100,000	From May 2024 to August 2027.Principal amortized on a monthly basis, interest paid monthly	Land and plant
	360,000		
Less: Current portion	(59,167)		
	$ 300,833		

Note: The interest rate range is 2.48% ~ 2.63%.

UNIFLEX TECHNOLOGY INC.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Item	Volume	Amount	Note
Operating Revenue			
- Double- layer printed circuit board	68,949,119	$ 1,106,898	
- Single- layer printed circuit board	23,161,395	189,223	
- Multi-layer printed circuit board	58,231	5,927	
- Others	1,963,509	266	
Total Operating Revenue		1,302,314	
Less: Sales return and discounts and allowances		(11,776)	
		$ 1,290,538	

UNIFLEX TECHNOLOGY INC.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Item	Amount	Note
Beginning raw materials	$ 44,958	
Add: Purchase of raw materials in the current period	322,909	
Less: Ending balance of raw materials	(35,920)	
Raw materials retirement losses	(301)	
Reclassified as expenses	(4,201)	
Raw materials used	327,445	
Direct labor	208,602	
Manufacturing overhead	327,524	
Manufacturing cost	863,571	
Add: Beginning balance of work in progress	55,071	
Finished goods transfer to work in progress	166,075	
Less: Ending balance of work in progress	(54,979)	
Cost of finished goods	1,029,738	
Add: Beginning balance of finished goods	62,552	
Less: Ending balance of finished goods	(66,612)	
Retirement of finished goods	(17,528)	
Transfer to work in progress	(166,075)	
Reclassified as expenses	(833)	
Production and marketing cost	841,242	
Beginning balance of Merchandise	58	
Add: Purchase of Merchandise in the current period	517,285	
Less: Ending balance of Merchandise	(17)	
Cost of purchase and sales in the current period	517,326	
Gain from price recovery	(4,607)	
Revenue from sale of scraps	(14,847)	
Low capacity utilization	20,258	
Scrap loss	17,829	
Total operating costs	$ 1,377,201	

UNIFLEX TECHNOLOGY INC.AND SUBSIDIARIES
STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

Item	Description	Amount	Note
Utilities		$ 65,302	
Wages and salaries		62,813	
Depreciation expenses		59,723	
Repair cost		26,773	
Manufacturing expenses		21,375	
Consumption		17,482	
Others		74,056	The balance of each expense account has not exceeded 5% of the manufacturing expenses
		$ 327,524	

UNIFLEX TECHNOLOGY INC.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

Function / Nature	Year ended December 31, 2024			Year ended December 31, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	$ 231,319	$ 62,588	$ 293,907	$ 195,847	$ 68,498	$ 264,345
Labour and health insurance fees	21,487	7,378	28,865	20,394	7,091	27,485
Pension costs	7,301	3,591	10,892	7,332	3,313	10,645
Directors' remuneration	-	1,975	1,975	-	2,000	2,000
Other personnel expenses	11,308	4,089	15,397	10,209	4,047	14,256
Depreciation Expense	$ 59,723	$ 889	$ 60,612	$ 85,692	$ 2,322	$ 88,284
Amortisation Expense	$ -	$ 145	$ 145	$ -	$ 576	$ 576

Note:

1. As at December 31, 2024 and 2023, the Company had 524 and 491 employees,including 6 and 6 non-employee directors, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information：

(1) Average employee benefit expense in current year $674(in dollars).
Average employee benefit expense in previous year $653(in dollars).

(2) Average employees salaries in current year $567(in dollars).
Average employees salaries in previous year $545(in dollars).

(3) Adjustments of average employees salaries 4%.

(4) Remuneration of the supervisors in current year 0(in dollars), remuneration of the supervisors in previous year 0(in dollars).

(5) Please disclose the company's remuneration policy (including directors, supervisors, managerial officers and employees).